



FEATURED LISTING:
4101 EDISON LAKES PKWY, MISHAWAKA, IN
 • 7,829 SF suite available in a 3 story class A office building with ample on-site parking
 • Professional on-site management
 • **FOR LEASE: \$22.50 PSF MG**
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SOUTH BEND OFFICE REPORT

MARKET UPDATE

The growth of the U.S. office market has stalled over the past several quarters with vacancy rates hovering around 16%. Technology and workstyle changes are key factors affecting the office market, as office space per worker has decreased by approximately one third since 2010, to just 150 square feet per worker. The South Bend office market is seeing similar comparisons to the national office market, with smaller spaces being absorbed, as well as technology driving local office activity.

The activity occurring in the South Bend office market has been centered around tenant renewals and expansions between 1,500 and 5,000 square feet, compared to new users entering the market. Larger spaces, generally above 10,000 square feet, continue to keep vacancy high, generating challenges amongst landlords to attract larger users to the market.

One bright spot for the market is at Innovation Park near the University of Notre Dame, where after just being open for the first half of 2018, Phase II is nearly fully occupied. The shared amenities, which includes game rooms, kitchenettes, an outdoor patio, and a fitness center, that are offered at Innovation Park has helped attract larger and more traditional office users to the facility in addition to the startup companies. With all the shared amenities, tenants can occupy a much smaller footprint than they would in a traditional office building.

Despite limited activity seen in Q2, we expect activity to pick up towards the end of 2018. A new 38,000-square-foot office building is expected to break ground in the fall in downtown South Bend, marking the first office building to be constructed in downtown South Bend in over 20 years. In addition, Lippert Components is set to occupy its new 17,380-square-foot corporate office in September in the Edison Lakes submarket. Also, the new Technology Resource Center is expected to be up and running in its 12,500-square-foot space by the beginning of 2019 at Catalyst Two in Ignition Park. The Technology Resource Center was approved \$2.7 million in April 2018 in hopes of transforming South Bend into a “smart” city, by preparing the city and business for the future economy by using data collection and analysis to improve efficiency.

Forecast:

- Expect absorption of smaller Class B space to lead to increases in asking rates at available Class A spaces
- While the availability rate has increased over the past 12 months, we expect to see a decline by the end of the year.

MARKET INDICATORS

	Q2 '18	Q2 '17	12 Mo. Forecast
Inventory	6.6 million	6.4 million	=
Availability Rate	17.0%	13.8%	-

AVAILABILITY RATES



NOTABLE TRANSACTIONS

LEASES

PROPERTY/ADDRESS	SF	TENANT	TYPE
Edison Lakes Medical Center 250 E. Day Rd., Mishawaka	10,205	Fresenius Medical Care	Renewal
Edison Lakes Medical Center 250 E. Day Rd., Mishawaka	10,142	FMS Nephrology Partners North Central Indiana Dialysis Centers, LLC	Renewal
Three Edison Lakes 4215 Edison Lakes Pkwy., Mishawaka	5,063	Raymond James and Associates	New

PROJECTS UPDATE

PROJECT	OFFICE SIZE (SF)	STATUS	COMPLETION
Bald Mountain LLC SWC Main & Jefferson, South Bend	38,000	Planned	N/A
Notre Dame & Holladay Properties NEC IN-933 & Douglas Rd., South Bend	N/A	Planned	N/A

PROVIDED BY



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Methodology

In addition to primary research efforts, Bradley Company also utilizes third party reports in assembling the data included herein. Total marketplace square footage is estimated from a compilation of available sources and updated on a recurring basis. Availability rates are calculated based on properties which are publicly advertised at the time of data collection.