

2006 Fort Wayne, Indiana: Industrial Survey

Market Data

Inventory (sf)	Suburban
Total	37,190,718
Vacant	4,425,573
Vacancy Rates	11.9%
Under Construction – 1/06	393,240
Net Absorption - 2005	703,568

Improved Sites	Site Prices (\$/sf)
Less than 2 acres	\$ 1.50
2 to 5 acres	\$ 1.35
5 to 10 acres	\$ 1.15
More than 10 acres	\$ 1.00
Unimproved sites	
Less than 10 acres	\$ 0.35
10 to 100 acres	\$ 0.23
More than 100 acres	\$ 0.12

	Sales Prices (\$/sf)	Net Lease Rates (\$/sf)	Construction (\$/sf)	Vacancy Indicators
Less than 5,000 sf	\$35.00	\$5.50	\$43.00	Moderate Under Supply
5,000 – 19,999 sf	\$28.00	\$4.00	\$38.00	Balanced Market
20,000 – 39,999 sf	\$20.00	\$3.25	\$35.00	Balanced Market
40,000 – 59,999 sf	\$17.50	\$2.75	\$33.00	Balanced Market
60,000 – 99,999 sf	\$15.00	\$2.25 to \$2.50*	\$35.00	Moderate Under Supply
100,000 – 250,000 sf	\$14.00	\$1.75 to \$2.25*	\$32.00	Moderate Under Supply to Under Supply
More than 250,000 sf	\$12.00	\$1.50 to \$2.00*	\$30.00	Under Supply
High Tech / R & D	\$30.00	\$5.00	\$48.00	Moderate Over Supply

* These rates are for existing older and obsolete facilities. A building that would conform to modern distribution standards would lease for \$3.00 to \$4.00 per square foot.

	Warehouse and Factories	Research and Development
Real Estate Taxes	\$0.50	\$1.00
Insurance (Fire and Liability)	\$0.15	\$0.15
Structural and Roof Maintenance	\$0.15	\$0.15
Common Area Maintenance	\$0.20	\$0.20

2005 Review

The slow down in auto manufacturing has impacted the second and third tier automotive supply manufacturers. The effect has been closed plants in the area. These buildings have been sold however, to local and regional manufacturers who are not in the automotive sector.

The market has strengthened for both manufacturing and warehousing. Local and regional firms have absorbed inventory in all categories. Speculative investors continue to purchase properties at reduced prices. Construction costs continue to increase and new construction remains weak.

2006 Forecast

Demand should continue as in 2005. There will be a shortage in existing buildings in most sizes especially greater than 100,000 sq. ft.

Reporters:

Steven K. Zacher, SIOR, CCIM and
szacher@zacherco.com
 Phone: 260-422-8474

Alfred J. Zacher, SIOR
azacher@zacherco.com
 Phone: 260-422-8474

The Zacher Company, 444 E. Main Street, Fort Wayne, IN 46802

www.zacherco.com