



2021 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

PREPARED WITH THE ASSISTANCE OF

Steven Zacher, SIOR, CCIM; Alfred Zacher; Joy Neuenschwander, CPM; Brian Bean; Fletcher Moppert; John Adams, CCIM; Dan Reese; Evan Rubin; Zach Meyer; Dave Kaverman; Judy Zacher, MD; Christina Ford

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<https://youtu.be/RZcVTR5LtnC>

READ THIS YEAR'S MARKET REPORT NARRATIVE

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FOR MORE INFORMATION PLEASE CONTACT

The Zacher Company
444 East Main Street, Suite 203
Fort Wayne, Indiana 46802-1910
(260) 422-8474
www.zacherco.com
info@zacherco.com

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Amazon Distribution Center, Smith Road/Airport Expressway, Fort Wayne

2020 REVIEW

- Despite COVID-19, industrial real estate in northeast Indiana experienced significant growth
- Positive absorption of 3.4 million SF due to internet retail, RV industry, home improvement suppliers and automotive manufacturers
- The vacancy rate as of January 1, 2021 is at a record low of 3.60%
- Sale prices and lease rates increased significantly
- Spec buildings are being constructed, sold and leased such that availability is scarce
- Amazon entered the northeast Indiana market by occupying two buildings measuring 630,000 SF and 150,000 SF

2021 FORECAST

- There will continue to be a heightened demand for industrial space
- An increased number of spec buildings will be constructed and occupied
- Lease and sale prices will continue to increase
- A small number of buildings will become available due to plant closings and consolidations but not enough to significantly increase the vacancy rate
- Shrinking pool of skilled labor will limit industrial expansion
- There will be an increase in land development for industrial uses
- As an investment, industrial properties will continue to be attractive

MARKET INDICATORS (000)	2020 REPORT	2020 REVIEW	2021 REPORT	2021 FORECAST
Total Inventory	110,681 SF	▲	113,368 SF	▲
Vacancy SF	4,796 SF	▼	4,083 SF	▲
Vacancy %	4.32%	▼	3.60%	▲
New Construction	2,509 SF	▲	2,966 SF	▼
Absorption	1,440 SF	▲	3,401 SF	▼

All statistics are as of January 1st of each year

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TOTAL MARKET INVENTORY STATISTICS (SF)

Total Inventory – 1/1/2020	110,680,822
Vacant Space – 1/1/2020	4,795,902
Occupied Space – 1/1/2020	105,884,920
Constructed in 2020	2,965,511
Adjustments *	6,215
Total Inventory – 1/1/2021	113,368,417
Vacant Space – 1/1/2021	4,082,687
Vacancy Rate – 1/1/2021	3.60%
Occupied Space – 1/1/2021	109,285,730
Absorption – 2020	3,400,810

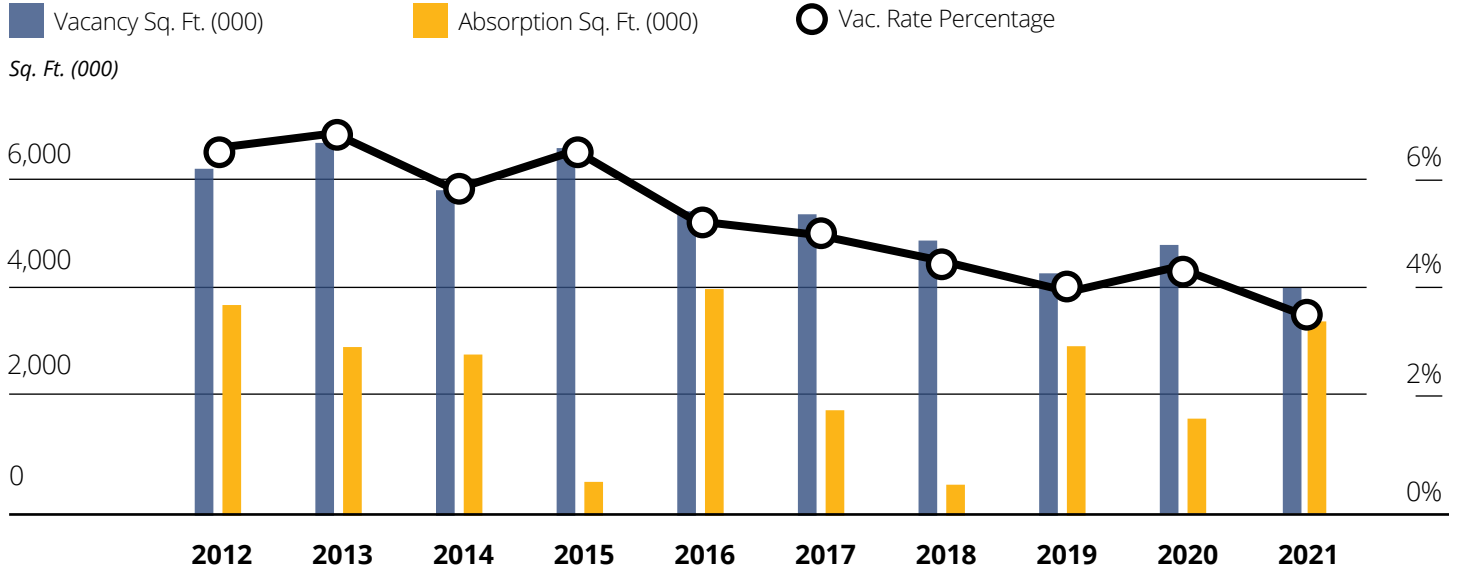
* Reduced inventory by a .25% obsolescence factor; 57,685 SF - 3320 W. Ferguson Road removed from inventory and reclassified to office; 63,000 SF - 6901 S. Hanna Street added to industrial inventory from retail.



Chromasource, Inc., 5925 East Rail Connect Drive, Columbia City

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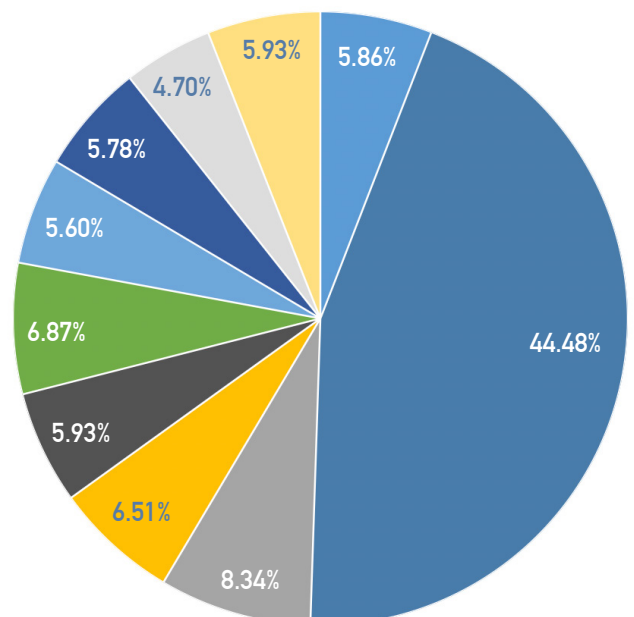
MARKET VACANCY AND ABSORPTION, 2012-2021



Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage	Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage
2012	6,260	3,802	6.60%	2017	5,439	1,940	5.11%
2013	6,727	3,044	6.84%	2018	4,965	561	4.66%
2014	5,873	2,909	5.82%	2019	4,374	3,059	4.01%
2015	6,633	612	6.52%	2020	4,796	1,440	4.32%
2016	5,495	4,009	5.25%	2021	4,083	3,401	3.60%

COUNTY PERCENTAGES

	Total Inventory	% of Market
Adams	6,645,383	5.86%
Allen	50,426,110	44.48%
DeKalb	9,455,005	8.34%
Huntington	7,382,157	6.51%
LaGrange	6,727,832	5.93%
Noble	7,788,268	6.87%
Steuben	6,347,780	5.60%
Wabash	6,551,013	5.78%
Wells	5,321,716	4.70%
Whitley	6,723,153	5.93%
Total	113,368,417	100%



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NOTABLE SALE AND LEASE TRANSACTIONS, 2020

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Sq. Ft.</i>	<i>Type</i>
Lippert Components - Pleasant Center Road	Fort Wayne	763,861	Lease Renewal
Inteva Products - Lancaster Street	Bluffton	300,000	Lease
Impact CNC - S. 600 E.	Columbia City	243,360	Sale
Midwest Service & Supply - Airport Drive	Fort Wayne	233,700	Sale
Remington Seed - W 100 N	Bluffton	193,990	Sale
Amazon - Avionics Drive	Fort Wayne	150,000	Lease
Incipio Devises, LLC - W. 200 N.	Huntington	147,500	Sale
Pacful, Inc. - Nelson Road	Fort Wayne	141,588	Lease
Midwest Service & Supply - Lake Avenue	Fort Wayne	116,000	Lease
ATC Cversions - Lafayette Center Road	Roanoke	100,000	Lease
Forest River Manufacturing - Maple Street	Orland	94,300	Sale
Shindigz - SR 5	South Whitley	71,247	Sale
Chromasource, Inc. - E Rail Connect Drive	Columbia City	70,000	Sale
Harrington Industrial Plastics - Wayne Have Avenue	Fort Wayne	68,477	Lease
American Builders & Contractors Supply - Research Drive	Fort Wayne	64,000	Lease
Fort Wayne Metals - Hanna Street	Fort Wayne	63,000	Sale & Renovation
Dunham's - Decatur Road	Fort Wayne	58,194	Lease
Hydraulic Fittings - Airport Drive	Fort Wayne	54,642	Sale
First Gear, Inc. - Goshen Road	Fort Wayne	47,400	Sale
Superior Coatings - Gerber Street	Ligonier	43,453	Sale
Angola Properties, LCL - Wohler Street	Angloa	42,662	Sale
Ball Properties, LCL - Wohler Street	Angloa	33,476	Sale
3433 Stone Blvd LLC - Stone Blvd	Fort Wayne	29,892	Investment Sale
Ferguson Enterprises - Concept Court	Fort Wayne	29,600	Lease
415 Real Estate - Ley Road	Fort Wayne	28,200	Sale
Infinite Resources, LLC - Pennington Way	Ligonier	28,000	Sale
Murray Property Management - Charleston Place	Fort Wayne	26,152	Sale
Ultimate Logistics - Keystone Drive	Fort Wayne	24,000	Lease
321 Ley Road LLC - Ley Road	Fort Wayne	23,759	Sale
D2 Land & Water Resource - Yeager Lane	Fort Wayne	21,800	Lease

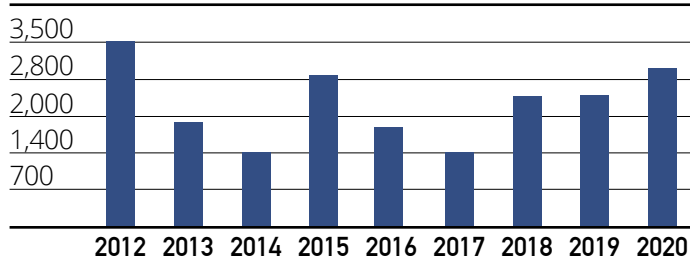
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NOTABLE CONSTRUCTION TRANSACTIONS, 2020

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Sq. Ft.</i>	<i>Type</i>
Amazon - Smith Road/Airport Expressway	Fort Wayne	630,000	Under Construction
Spec Building - Stonebridge Road	Fort Wayne	436,800	Proposed
Sabert - Engle Road	Fort Wayne	292,500	Expansion
Spec Building - Adams Street	Bluffton	200,000	Proposed
Spec Building - 500 E.	Markle	200,000	Proposed
TrueCore - Industrial Parkway	Waterloo	175,000	Expansion
Alro Steel - Pleasant Center Road	Fort Wayne	159,831	Under Construction
Spec Building - Aviation Drive	Fort Wayne	150,000	Under Construction
Spec Building - Rose Avenue	New Haven	150,000	Under Construction
Bosch Automotive Motor Systems - Progress Drive	Albion	102,000	Expansion
Spec Building - Rose Avenue	New Haven	100,000	Under Construction
Forest River Manufacturing- E Main Street	Butler	75,000	Expansion
Spec Building - Yeager Lane	Fort Wayne	69,600	Constructed
Sweetwater - US 30	Fort Wayne	50,600	Expansion
lotron Industries USA - Park 30	Columbia City	50,000	Expansion
Grabber Farm Supply - Cuba Road	Grabill	41,400	Constructed
Osterholt Truss - Mayne Road	Roanoke	40,000	Constructed
Paragon Steel - County Road 61	Butler	40,000	Expansion
Poseidon Barge - Parr Road	Berne	38,250	Expansion
Master Spas - Sumpter Drive	Fort Wayne	36,720	Expansion
Airframe Components - N. 1100 E.	Kendallville	30,000	Constructed
Spec Building - Keystone Industrial Park	Fort Wayne	24,000	Under Construction
Ground Effects - Aboite Road	Roanoke	22,525	Expansion

NEW CONSTRUCTION BY YEAR

Square Footage (000)



<i>Year</i>	<i>Sq. Ft.</i>	<i>Year</i>	<i>Sq. Ft.</i>	<i>Year</i>	<i>Sq. Ft.</i>
2012	3,511,197	2015	2,871,949	2018	2,473,539
2013	1,964,935	2016	1,883,646	2019	2,508,586
2014	1,407,663	2017	1,402,313	2020	2,965,511

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HIGHLIGHTED CONTIGUOUS VACANCIES OVER 100,000 SF

<i>Building</i>	<i>Location</i>	<i>Total Area</i>	<i>Vacant SF</i>	<i>% Vacant</i>
Courier	2500 Marion Dr., Kendallville	284,510	284,510	100%
Navistar	2911 Meyer Rd., Fort Wayne	345,000	275,218	80%
Phelps Dodge	4400 New Haven Ave., Fort Wayne	230,000	230,000	100%
Casad	15202 Edgerton Rd., Fort Wayne	545,588	180,960	33%
Spec Building *	8645 Aviation Dr., Fort Wayne	150,000	150,000	100%
Spec Building *	10511 Rose Ave., New Haven	150,000	150,000	100%
Magnatek	305 N. Briant, Huntington	127,405	127,405	100%
Patton	15012 Edgerton Rd., New Haven	284,920	120,000	42%
Shindigz	111 E Broad St., South Whitley	117,004	117,004	100%
Airport Authority	12602 Global Dr., Fort Wayne	266,000	110,000	41%
Spec Building *	10511 Rose Ave., New Haven	100,000	100,000	100%

* Currently under construction



Amazon, Avionics Drive, Fort Wayne

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MARKET PRICING

	Vacant Building Sales Price (\$/SF)	New Construction* (\$/SF)	Existing Building Triple Net Lease Rates** (\$/SF)	Spec/New Construction Triple Net Lease Rates** (\$/SF)	Vacancy Indicators
More than 250,000 SF	\$18.00 - \$23.00	\$52 - \$61	\$3.00 - \$3.50	\$4.80 - \$5.80	Extreme Under Supply
100,000 – 250,000 SF	\$22.00 - \$28.00	\$55 - \$65	\$3.25 - \$3.55	\$4.95 - \$5.95	Under Supply
60,000 – 99,999 SF	\$24.00 - \$31.00	\$57 - \$67	\$3.40 - \$3.80	\$5.70 - \$6.70	Under Supply
40,000 – 59,999 SF	\$27.00 - \$35.00	\$62 - \$72	\$3.60 - \$4.15	\$6.30 - \$7.30	Extreme Under Supply
20,000 – 39,999 SF	\$28.00 - \$36.00	\$66 - \$76	\$3.80 - \$4.30	\$6.45 - \$7.50	Under Supply
5,000 – 19,999	\$33.00 - \$45.00	\$68 - \$79	\$4.30 - \$4.90	\$6.70 - \$7.80	Under Supply
Less than 5,000 SF	\$37.00 - \$49.00	\$71 - \$83	\$5.05 - \$6.05	\$7.20 - \$8.20	Under Supply
High Tech/R & D	\$39.00 - \$55.00	\$83 - \$103	\$6.05 - \$7.05	\$8.70 - \$10.70	Under Supply

* The construction cost does not include land acquisition cost.

** In our market, triple net means the tenant is responsible for all operating costs such as real estate taxes, building insurance, interior and exterior maintenance and repairs. The landlord is responsible for roof and structure.

Note: Pricing excludes investment sales.

IMPROVED SITES

	Site Prices (\$/SF)
Less than 2 acres	\$1.30 to \$1.80
2 to 10 acres	\$1.00 to \$1.60
10 to 25 acres	\$0.90 to \$1.30
More than 25 acres	\$0.80 to \$1.20

UNIMPROVED SITES

	Site Prices (\$/SF)
Less than 10 acres	\$0.50 to \$0.75
10 to 100 acres	\$0.40 to \$0.50
More than 100 acres	\$0.25 to \$0.35

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Spec Buildings, 10511 Rose Avenue, New Haven

METHODOLOGY

The Zacher Company market survey reports are a compilation of data from many sources. The data is reviewed annually and adjusted due to circumstances in the market, such as new construction and demolition. The vacancy square footage is compiled from a combination of online data from multiple major listing services, brokers' listing information from their websites and their emailings, and industry knowledge. Several brokers in our office are involved in the creation of this report to provide the most accurate information possible. We cannot be responsible, however, for errors, omissions, prior sale, lease or withdrawal from the market.

1. The Northeast Indiana industrial real estate market is defined as the counties of Adams, Allen, DeKalb, Huntington, LaGrange, Noble, Steuben, Wabash, Wells and Whitley. Wabash County was added in 2011. The County Economic Development Organizations for each of the ten counties provided assistance preparing this report.
2. This survey includes space projected to be vacant in the first quarter of 2021. It does not include announced industrial expansions or contractions that are anticipated or projected to be occupied or vacated after the first quarter of 2021. The survey includes new space where above-ground construction has commenced.
3. The total inventory is adjusted downward by 0.25% for buildings that are deemed to have become functionally obsolete or demolished.
4. The total industrial inventory in Allen County on 1/1/21 is estimated to be 50,246,110 sq. ft. The total industrial inventory in the other nine counties in Northeast Indiana on 1/1/21 is estimated to be 63,122,307 sq. ft.

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