



Amazon Distribution Center, US 30/Flaugh Road, Fort Wayne

2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

PREPARED WITH THE ASSISTANCE OF

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FOR MORE INFORMATION PLEASE CONTACT

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2021 REVIEW

- There was significant industrial activity arising from increased consumer demand for recreation and e-commerce; examples include RVs, boats, spas, furniture and last mile delivery
- Absorption decreased from 2020 levels, but was still strong
- Spec buildings added inventory, however, there were fewer leases leading to a slight increase in vacancy
- Amazon's third building, a four story, 630,000 sq. ft. fulfillment center, is under construction on US 30 (see photo above)
- Construction costs increased significantly
- Industrial growth came from a healthy mix of manufacturing and distribution

2022 FORECAST

- There will continue to be strong demand for industrial space
- Additional spec buildings will be constructed at the same pace as 2021
- Total construction will slow as compared to the previous four years
- Absorption will increase because less inventory will be added and vacant existing buildings will become occupied
- Demand for labor will continue to exceed supply
- There will continue to be interest in industrial land development
- As an investment, industrial properties will continue to be attractive

MARKET INDICATORS (000)	2021 REPORT	2021 REVIEW	2022 REPORT	2022 FORECAST
Total Inventory	113,368 SF	▲	115,681 SF	▲
Vacancy SF	4,083 SF	▲	4,449 SF	▼
Vacancy %	3.60%	▲	3.85%	▼
New Construction	2,966 SF	▼	2,708 SF	▼
Absorption	3,401 SF	▼	1,947 SF	▲
Average Rent*	\$5.25	▲	\$5.50	▲

* Spec/New Construction with a minimal level of buildout, NNN - 100,000 - 200,000 SF
All statistics are as of January 1st of each year

2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

TOTAL MARKET INVENTORY STATISTICS (SF)

Total Inventory – 1/1/2021	113,368,417
Vacant Space – 1/1/2021	4,082,687
Occupied Space – 1/1/2021	109,285,730
Constructed in 2021	2,707,519
Adjustments *	105,150
Total Inventory – 1/1/2022	115,680,859
Vacant Space – 1/1/2022	4,448,510
Vacancy Rate – 1/1/2022	3.85%
Occupied Space – 1/1/2022	111,232,349
Absorption – 2021	1,946,619

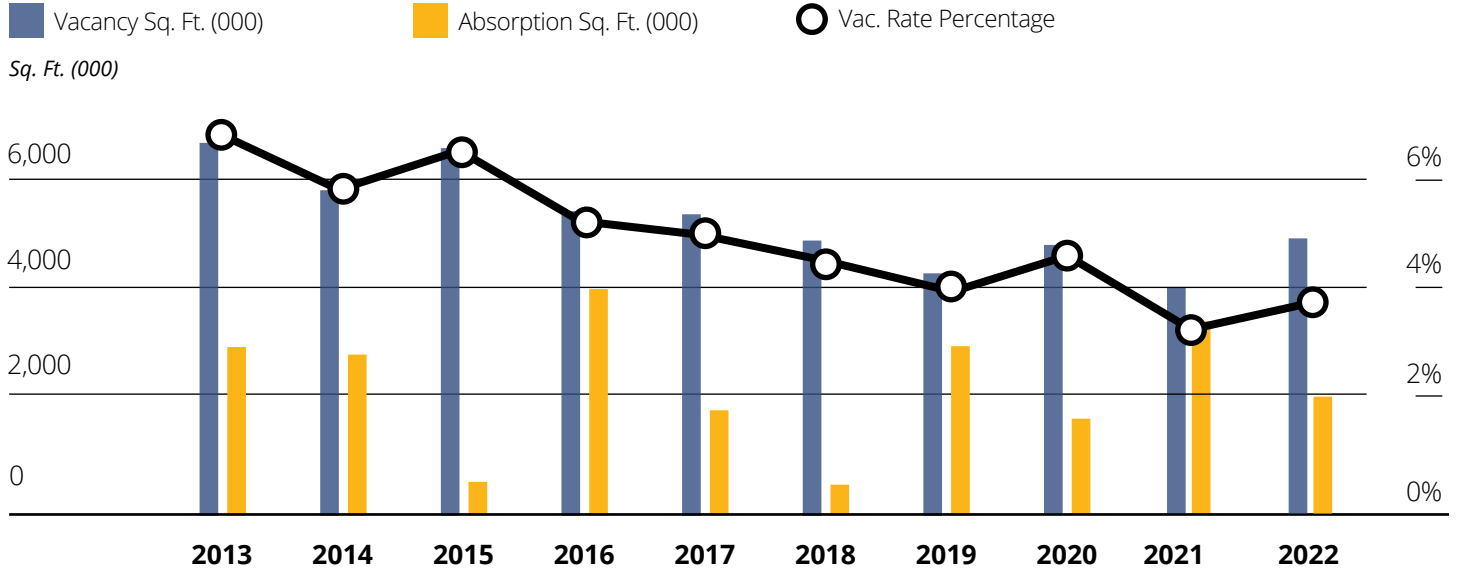
**Reduced inventory by a .25% obsolescence factor; 64,910 SF – 560 Edgerton Road removed from inventory; 40,240 SF – 7603 Nelson Road removed from inventory.*



Spec Building, 5224 East 50 North, Markle

2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

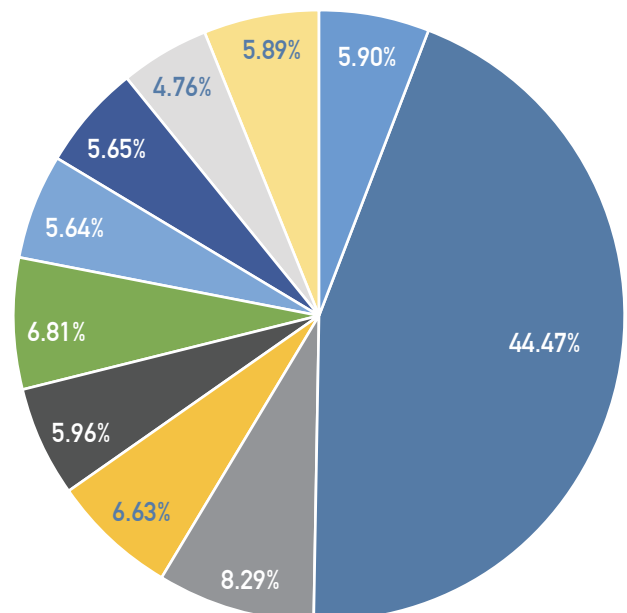
MARKET VACANCY AND ABSORPTION, 2013-2022



Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage	Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage
2013	6,727,000	3,044,000	6.84%	2018	4,965,000	561,348	4.66%
2014	5,837,000	2,909,000	5.82%	2019	4,373,676	3,059,173	4.01%
2015	6,633,000	612,000	6.52%	2020	4,795,902	1,439,715	4.32%
2016	5,495,000	4,009,000	5.25%	2021	4,082,687	3,400,810	3.60%
2017	5,439,000	1,939,670	5.11%	2022	4,448,510	1,946,619	3.85%

COUNTY PERCENTAGES

	Total Inventory	% of Market
Adams	6,828,270	5.90%
Allen	51,441,306	44.47%
DeKalb	9,591,114	8.29%
Huntington	7,667,939	6.63%
LaGrange	6,895,550	5.96%
Noble	7,871,540	6.81%
Steuben	6,523,131	5.64%
Wabash	6,540,022	5.65%
Wells	5,507,911	4.76%
Whitley	6,814,075	5.89%
	115,680,859	100.00%



2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

NOTABLE SALE AND LEASE TRANSACTIONS, 2021

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Acres/Sq. Ft.</i>	<i>Type</i>
PB Development - Pleasant Center Rd.	Fort Wayne	160 Acres	Sale
Amazon/Ambrose Property Group – Flaugh Rd.	Fort Wayne	630,000 SF	Build To Suit
Home Design Inc. - Main St.	Silver Lake	236,334 SF	Sale
Welformed - S. Coliseum Blvd.	Fort Wayne	200,000 SF	Lease
Lunar Distribution/DCBS - Rose Ave.	New Haven	146,500 SF	Lease
Busche Real Estate - State Road 8	Albion	136,551 SF	Sale
Vahala Foam Inc. - Meyer Rd.	Fort Wayne	132,400 SF	Lease
Forest River Manufacturing LLC - Gerber St.	Ligonier	122,150 SF	Sale
2677 Persistence Drive LLC – Persistence Dr.	Fort Wayne	120,000 SF	Investment Sale
Kore Outdoor - Lake Ave.	Fort Wayne	116,000 SF	Lease
Sauder Woodworking - Rose Ave.	New Haven	100,000 SF	Lease
Sidler – 400 South	LaOtto	97,975 SF	Sale
Dexter Axle Co. Albion - E. Park Dr.	Albion	87,883 SF	Sale
Dematic Corp. - S. Coliseum Blvd.	Fort Wayne	82,230 SF	Lease
Smith Brothers - Yeager Lane	Fort Wayne	76,551 SF	Lease
Pro Shear - Meyer Rd.	Fort Wayne	65,336 SF	Lease
Legacy Housing Corp. - Commerce Dr.	Kendallville	60,760 SF	Sale
WaterFurnace - Global Dr.	Fort Wayne	56,800 SF	Lease
Denali Advanced Intergration - Innovation Blvd.	Fort Wayne	54,000 SF	Lease
A2Z Real Estate Holdings - Wallace St.	Fort Wayne	45,764 SF	Sale
Baseline 4x4 Recyclers – Stonebraker Dr.	Kendallville	42,987 SF	Sale
Innovation Real Estate – Innovation Blvd.	Fort Wayne	40,292 SF	Investment Sale
Binson's Medical Equipment & Supplies - Edgerton Rd.	New Haven	40,000 SF	Lease
Bunn, Inc. - Production Rd.	Kendallville	39,520 SF	Sale
Lincoln Parkway LLC dba Master Spas - Research Dr.	Fort Wayne	38,000 SF	Sale
United Tactical Systems, LLC - Ferguson Rd.	Fort Wayne	36,654 SF	Lease
Interior Supply of Indiana	Fort Wayne	30,810 SF	Lease
3433 Stone Blvd. LLC – Stone Blvd.	Fort Wayne	29,892 SF	Investment Sale

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NOTABLE SALE AND LEASE TRANSACTIONS, 2021

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Acres/Sq. Ft.</i>	<i>Type</i>
Master Spas - Investment Dr.	Fort Wayne	29,194 SF	Lease
Pulver Asphalt Paving Inc. - Weber Rd.	Albion	27,600 SF	Sale
Serv-Pro - Keystone Dr.	Fort Wayne	26,295 SF	Lease
Salty Holdings, LLC - Marion Dr.	Kendallville	24,960 SF	Sale
Ultimate Logistics - Keystone Dr.	Fort Wayne	24,000 SF	Lease
Parts Town LLC - Highview Dr.	Fort Wayne	24,000 SF	Lease
Pay Logic – S. Coliseum Blvd.	Fort Wayne	23,000 SF	Lease
Diester Concentrator, LLC – Avionics Dr.	Fort Wayne	21,630 SF	Investment Sale
Meddev, LLC – E. Park 30 Dr.	Columbia City	16,500 SF	Investment Sale
Mally Realty LLC – North 400 East	Kendallville	15,000 SF	Sale
Diamond Comic Distributors, Inc. – S. Coliseum Blvd.	Fort Wayne	14,112 SF	Lease



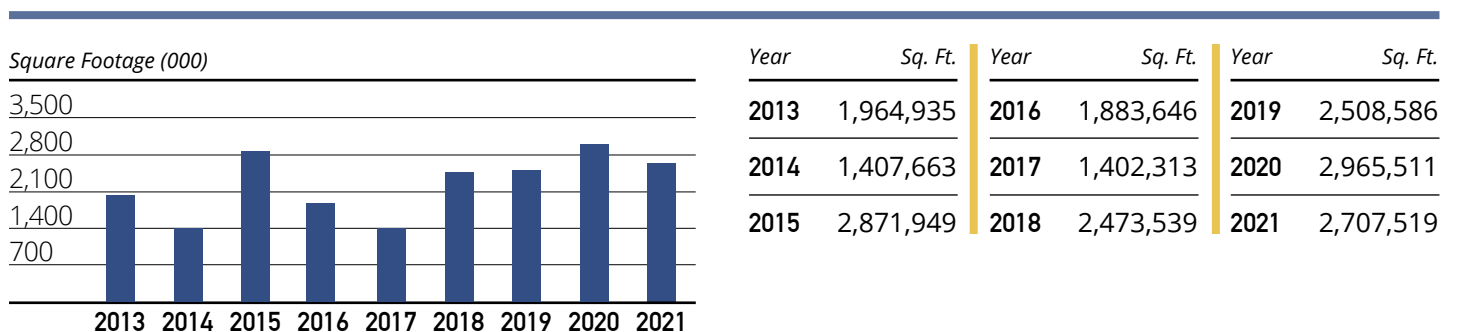
Alro Steel, Pleasant Center Road, Fort Wayne

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NOTABLE CONSTRUCTION TRANSACTIONS, 2021

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Sq. Ft.</i>	<i>Type</i>
Amazon - US 30/Flaugh Rd.	Fort Wayne	630,000	Under Construction
Spec Building - Adams St.	Bluffton	200,000	Under Construction
Spec Building - 500 East	Markle	200,000	Under Construction
Alro Steel - Pleasant Center Rd.	Fort Wayne	159,831	Constructed
Spec Building - Hitzfield Ct.	Fort Wayne	150,000	Under Construction
Spec Building - Hitzfield Ct.	Fort Wayne	150,000	Under Construction
Spec Building - Aviation Dr.	Fort Wayne	150,000	Constructed
Brightmark - West 800 South	Ashley	112,000	Constructed
S&H Metal Products – Redman Dr.	Topeka	85,000	Expansion
Spec Building - Weston Ave.	Kendallville	75,000	Under Construction
Ecolab - Commercial Rd.	Huntington	68,000	Expansion
Sanko Gosei Technologies USA, Inc. - Moeller Rd.	New Haven	50,000	Expansion
Spec Building - Kelley Aero Center	Fort Wayne	50,000	Proposed
Dreyers Grand Ice Cream - Wells St.	Fort Wayne	47,103	Expansion
Sailrite - 2390 East 100 South	Columbia City	40,000	Expansion
Duke Imports - Williams St.	Angola	37,700	Expansion
Ag Plus - South Raber Rd.	Columbia City	37,000	Constructed
Iotron Industries – Park 30	Columbia City	34,000	Expansion
Spec Building - Hillegas Rd.	Fort Wayne	31,500	Proposed
B&J Medical - US 6	Kendallville	28,000	Expansion
Vestil Manufacturing - Growth Pkwy	Angola	27,000	Expansion
American Sealants - Yeager Lane	Fort Wayne	24,975	Expansion
Spec Building – Freeman St.	Fort Wayne	18,000 SF	Proposed

NEW CONSTRUCTION BY YEAR



2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT



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

HIGHLIGHTED CONTIGUOUS VACANCIES OVER 100,000 SF

<i>Building</i>	<i>Location</i>	<i>Total Area</i>	<i>Vacant SF</i>	<i>% Vacant</i>
Eaton	201 Brandon St., Auburn	345,000	345,000	100%
LSC Communications	2500 Marion Dr., Kendallville	284,510	284,510	100%
Navistar	2911 Meyer Rd., Fort Wayne	345,000	275,218	80%
Spec Building *	500 East, Markle	200,000	200,000	100%
Spec Building *	Adams St., Bluffton	200,000	200,000	100%
Coastal Commerce	3405 Meyer Rd., Fort Wayne	862,450	200,000	23%
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 *	Hitzfield Ct., Roanoke	150,000	150,000	100%
Spec Building *	Hitzfield Ct., Roanoke	150,000	150,000	100%
Mignone Communications	305 N. Briant, Huntington	127,405	127,405	100%
Shindigz	111 E. Broad St., South Whitley	117,004	117,004	100%
National Recreation	5120 Investment Dr., Fort Wayne	178,700	107,520	60%
American Axle	307 S. Tilloston St., Fremont	100,540	100,540	100%

* Currently under construction

2022 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

AVERAGE 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	\$16.00 - \$21.00	\$55 - \$65	\$3.00 - \$3.50	\$4.80 - \$5.80	Extreme Under Supply
100,000 – 250,000 SF	\$20.00 - \$26.00	\$57 - \$67	\$3.25 - \$3.55	\$5.25 - \$6.25	Under Supply
60,000 – 99,999 SF	\$22.00 - \$29.00	\$62 - \$72	\$3.40 - \$3.80	\$5.50 - \$6.50	Under Supply
40,000 – 59,999 SF	\$25.00 - \$33.00	\$66 - \$76	\$3.75 - \$4.25	\$6.30 - \$7.30	Extreme Under Supply
20,000 – 39,999 SF	\$26.00 - \$34.00	\$68 - \$79	\$4.00 - \$4.50	\$6.45 - \$7.50	Under Supply
5,000 – 19,999	\$33.00 - \$45.00	\$71 - \$83	\$4.40 - \$5.00	\$6.90 - \$7.90	Under Supply
Less than 5,000 SF	\$37.00 - \$49.00	\$73 - \$85	\$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	\$1.50 to \$1.80
2 to 10 acres	\$1.20 to \$1.60
10 to 25 acres	\$0.90 to \$1.30
More than 25 acres	\$0.75 to \$1.10

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 Building, 8645 Aviation Drive, Fort Wayne

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 2022. It does not include announced industrial expansions or contractions that are anticipated or projected to be occupied or vacated after the first quarter of 2022. 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 1/1/22 is estimated to be 51,441,306 sq. ft. The total industrial inventory in the other nine counties in Northeast Indiana on 1/1/22 is estimated to be 64,239,553 sq. ft.

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