

CHICAGO INVESTMENT TRENDS

Chicago's industrial 12-month sales volume is ticking up from the previous year, clocking in at \$4.5 billion over the past 12 months. Zooming in, the acceleration becomes more clear. The third and fourth quarters of 2024 posted the highest sale volume counts back-to-back since late 2022, with around \$3 billion in combined deal volume. Additionally, 25Q1 volume of around \$1 billion trended well ahead of 2023 and 2024's first quarter performances.

Logistics facilities drove Chicago's recent sales volume, accounting for \$2.9 billion in transactions over the past 12 months. Despite the market's sales volume velocity uptick, activity remains below the 21Q4 height, where just under \$4 billion closed during that quarter alone, capping off more than \$8.5 billion worth of transactions during that year.

Investors park their funds in Chicago for its inherent distribution network and constrained supply-side pressures. As such, tenants are more likely to stay within the region, promising investors stable returns and rent growth without the fluctuation of demand experienced by other markets. Institutionally-minded investors jumped into Chicago's investment pool during the back half of 2024, increasing their collective buyer's presence by more than 40% from its current market share. The trend continued in 2025.

During 25Q1, AIC Ventures purchased a 250,000-SF warehouse asset at the Meadow Lakes Corporate Park as part of their AIC Income Fund III. The closing price was equal to \$26.2 million (\$105/SF), and the property was fully occupied by H.B. Fuller. The fund will invest in

a variety of diversified industries across the U.S.

Before that, Ares Management Corp bought the 76%-occupied, 2022-built, 356,000-SF distribution center with 36' clear heights at 2200 Sullivan in Aurora from its developer, Panattoni, for \$46.3 million, or \$130/SF. The developer secured two leases over the previous 12 months, reserving a \$7.70/SF net asking rent rate between them. At the time of sale, the property was earning an average of 6.5% year-over-year asking rent growth rate.

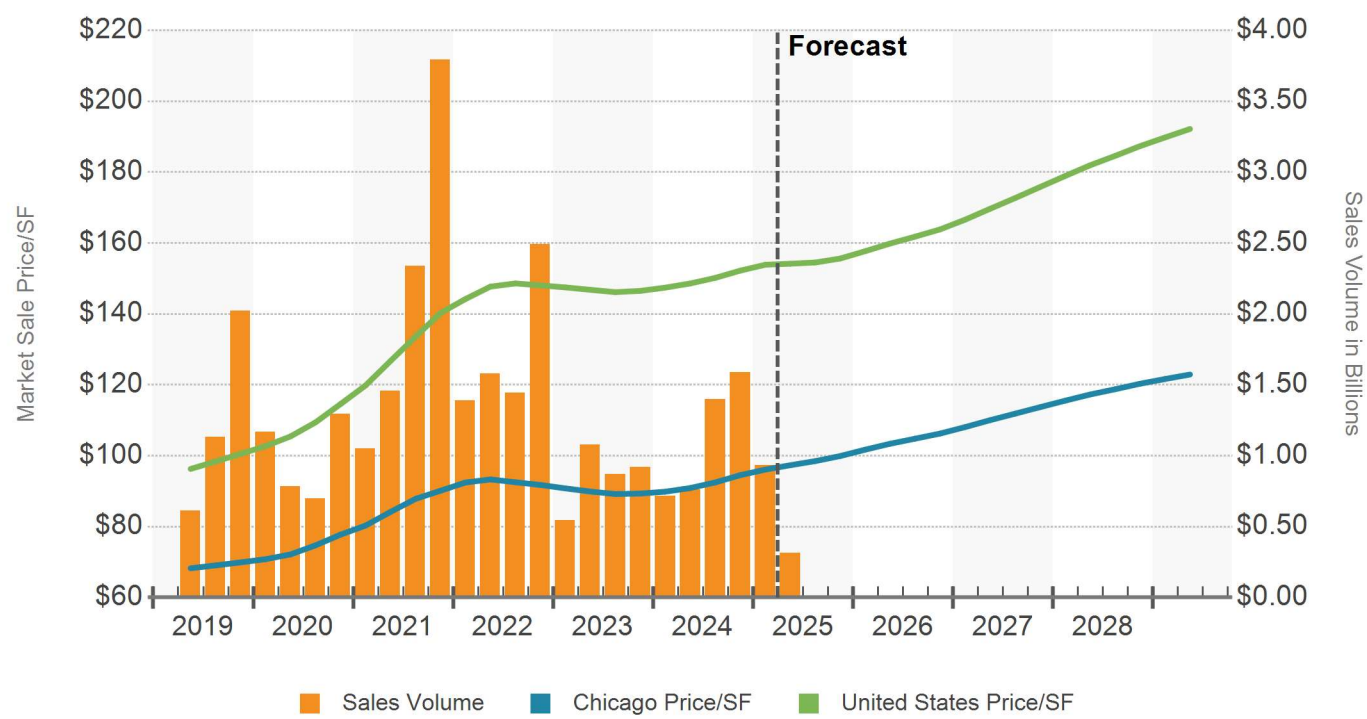
Two other large deals of late were for specialized properties. HMC Capital acquired Prologis' 189,000-SF data center at 800-890 E Devon in Elk Grove Village for \$439.7 million (\$2,323/SF). The previous owner secured tenant DataCenterHawk at the asking rent rate of \$11.60/SF, shortly before the Australian-based institutional investor closed on the transaction.

Gaming and Leisure Properties finalized its acquisition of the Chicago Tribune's former printing plant with plans to raze the site to make way for the new Bally's Casino. HMC bought the site at a land value of \$250 million, or \$13,500 per acre.

Looking ahead, owners have been hesitant to sell their investments amid market uncertainty, especially as they benefit from a stable and appreciating cash flow. Yet, with almost \$400 million of Chicago's industrial loans set to mature during 25Q1 alone, there could be a contingent of sellers motivated to offload their existing assets and possibly recycle their capital gains through 1031 exchanges.



SALES VOLUME & MARKET SALE PRICE PER SF



I-88 WEST INVESTMENT TRENDS

I-88 West has recorded \$344 million in closed sales year over year. This level of transaction activity is in stark contrast to the heights reached in 2021 and 2022, where the market's sales topped \$549 million and \$421 million annually.

After six quarters of lackluster investment velocity, institutionally-minded investors jumped into I-88 West's investment pool during the back half of 2024, increasing their collective buyers' presence by more than half of their current share of the submarket's ownership pie.

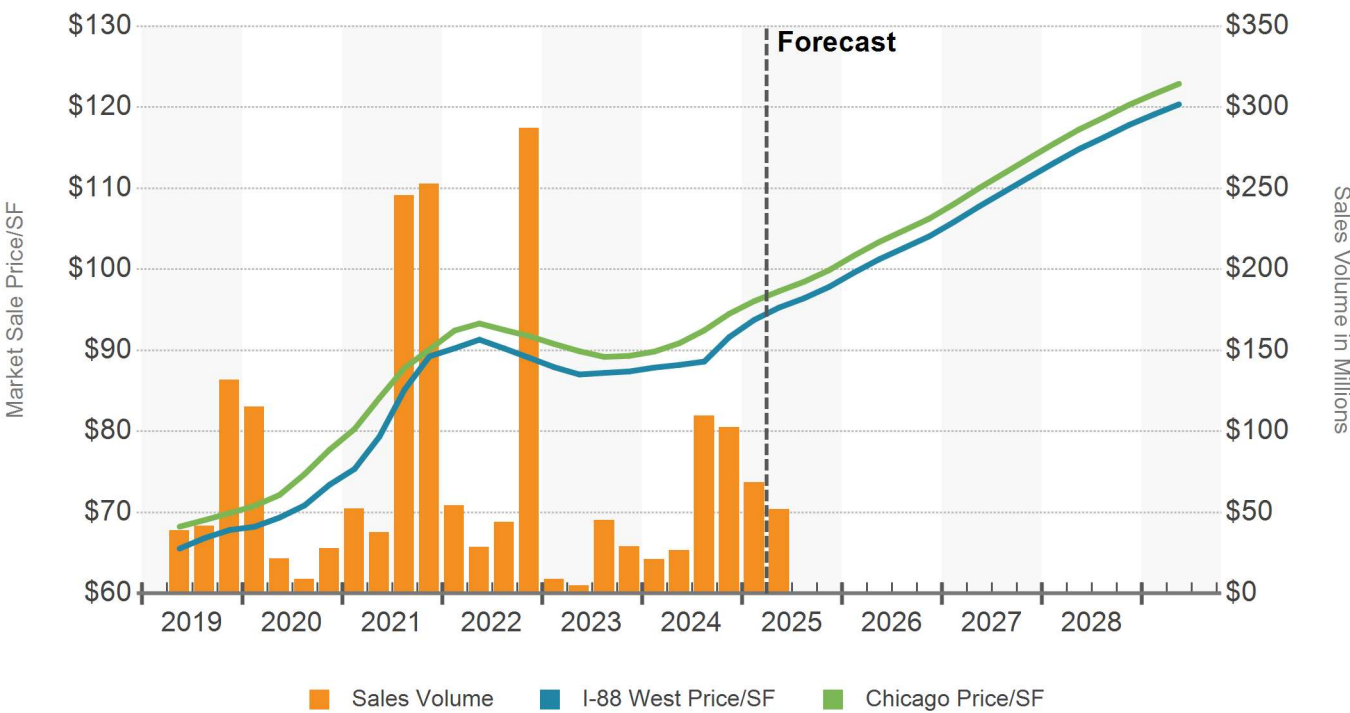
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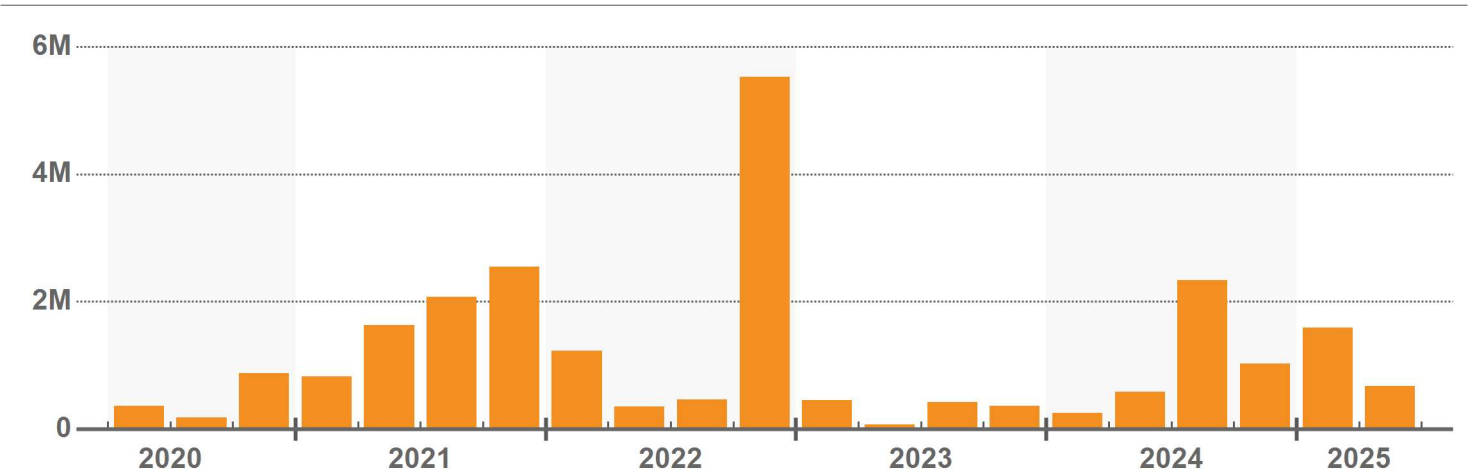
Earlier, AMSTAR purchased the 1989/1998 renovated 827,000-SF distribution center at 1860 W Jefferson in Naperville for \$54.4 million, or \$66/SF, from Prologis at a 6.3% cap rate. The property is fully leased to furniture retailer Crate & Barrel, with an 1,800-SF outlet store carved out of it. Though details of the sale are not known, Crate & Barrel has been a tenant here since 2008. In short, it's a stable asset.

More recently, Texas-based AIC Ventures purchased a 250,000-SF warehouse at 1105 S Frontenac Street in the Meadow Lakes Corporate Park. The building, which was occupied by construction products company H.B. Fuller, closed for \$26.2 million (\$105/SF).

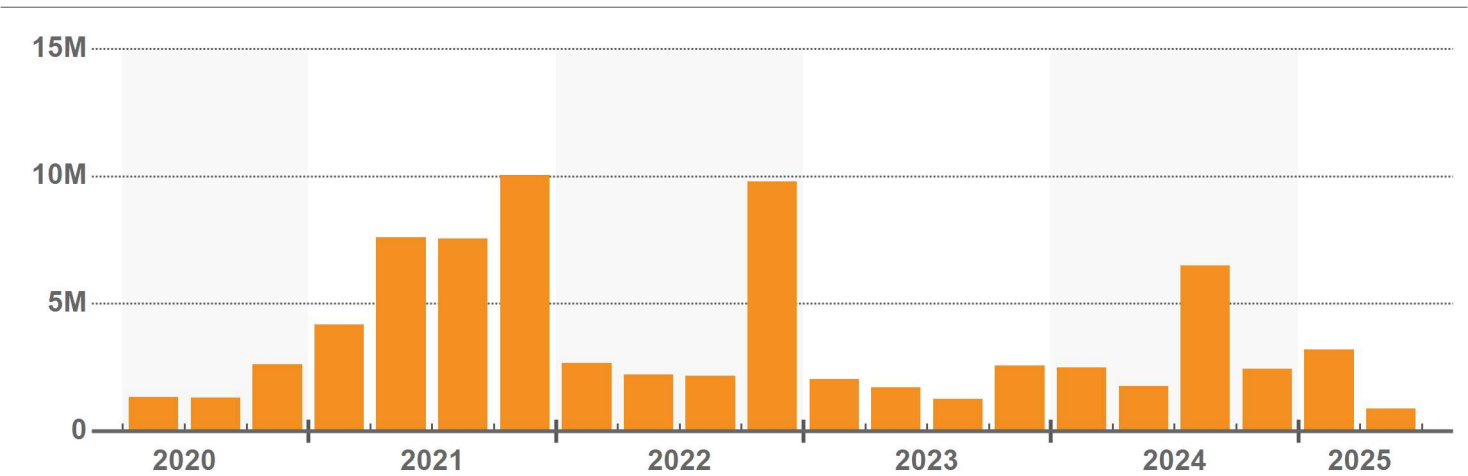
SALES VOLUME & MARKET SALE PRICE PER SF



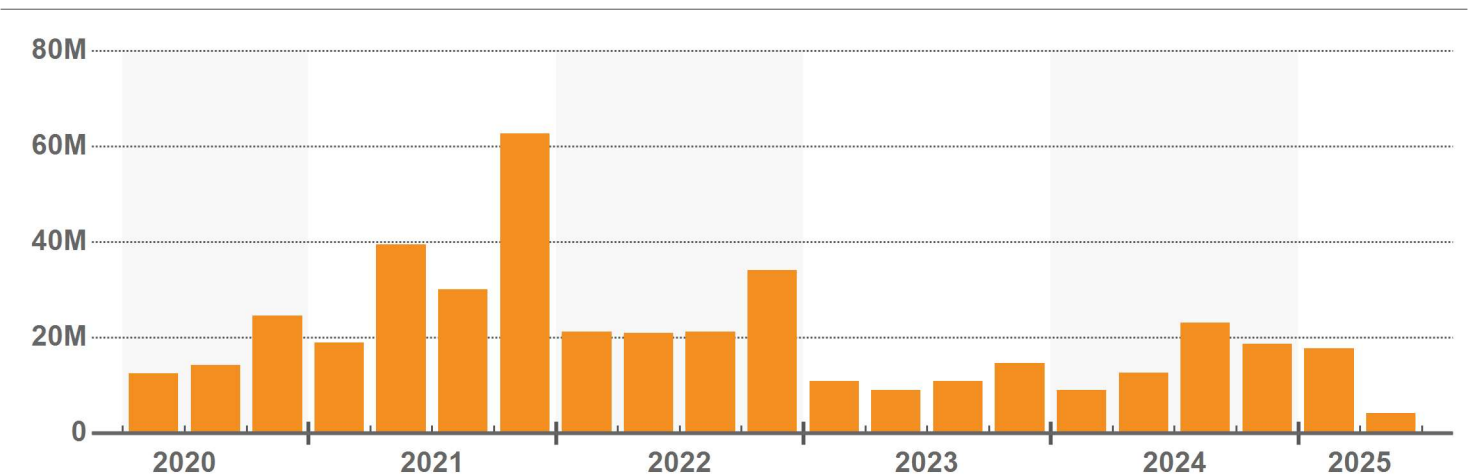
I-88 WEST SUBMARKET SALES VOLUME IN SQUARE FEET



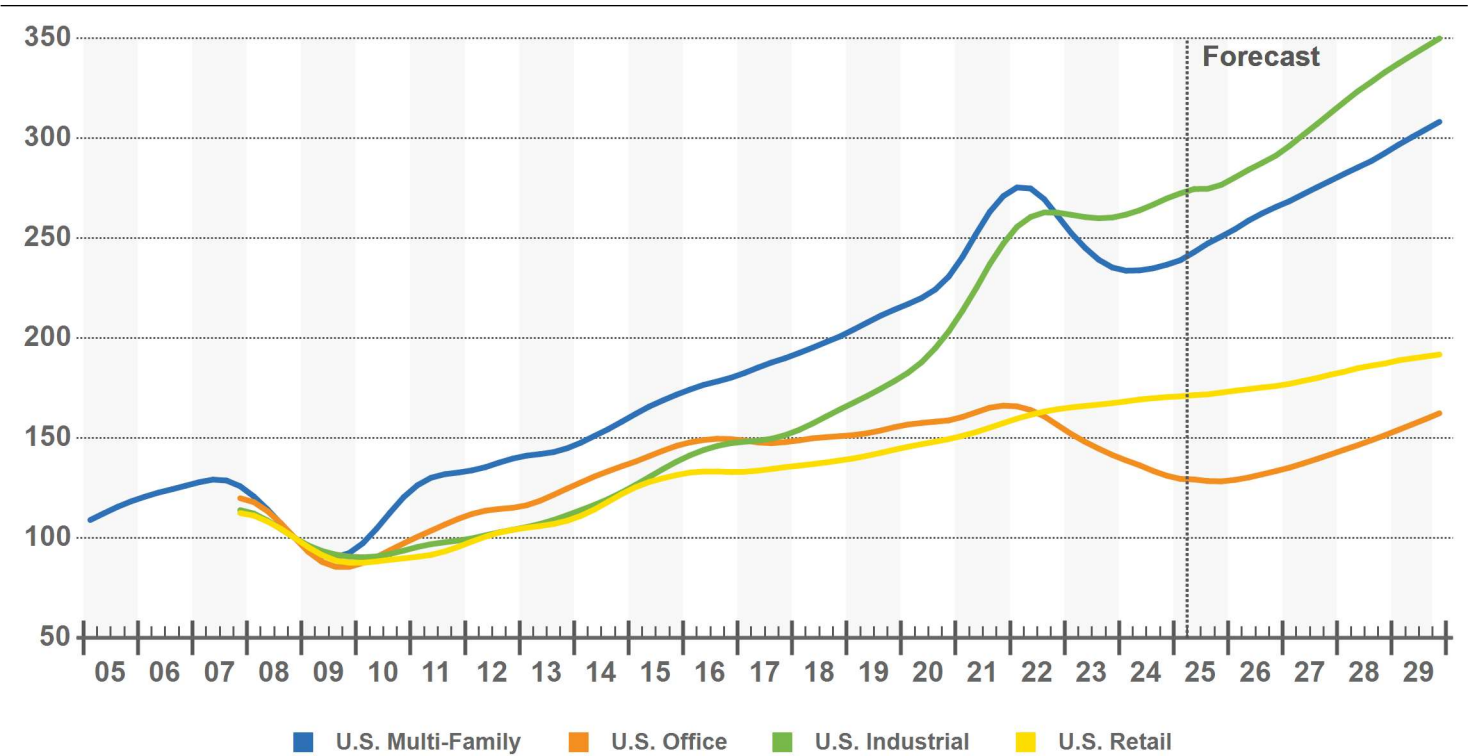
WEST SUBURBAN SUBMARKET CLUSTER SALES VOLUME IN SQUARE FEET



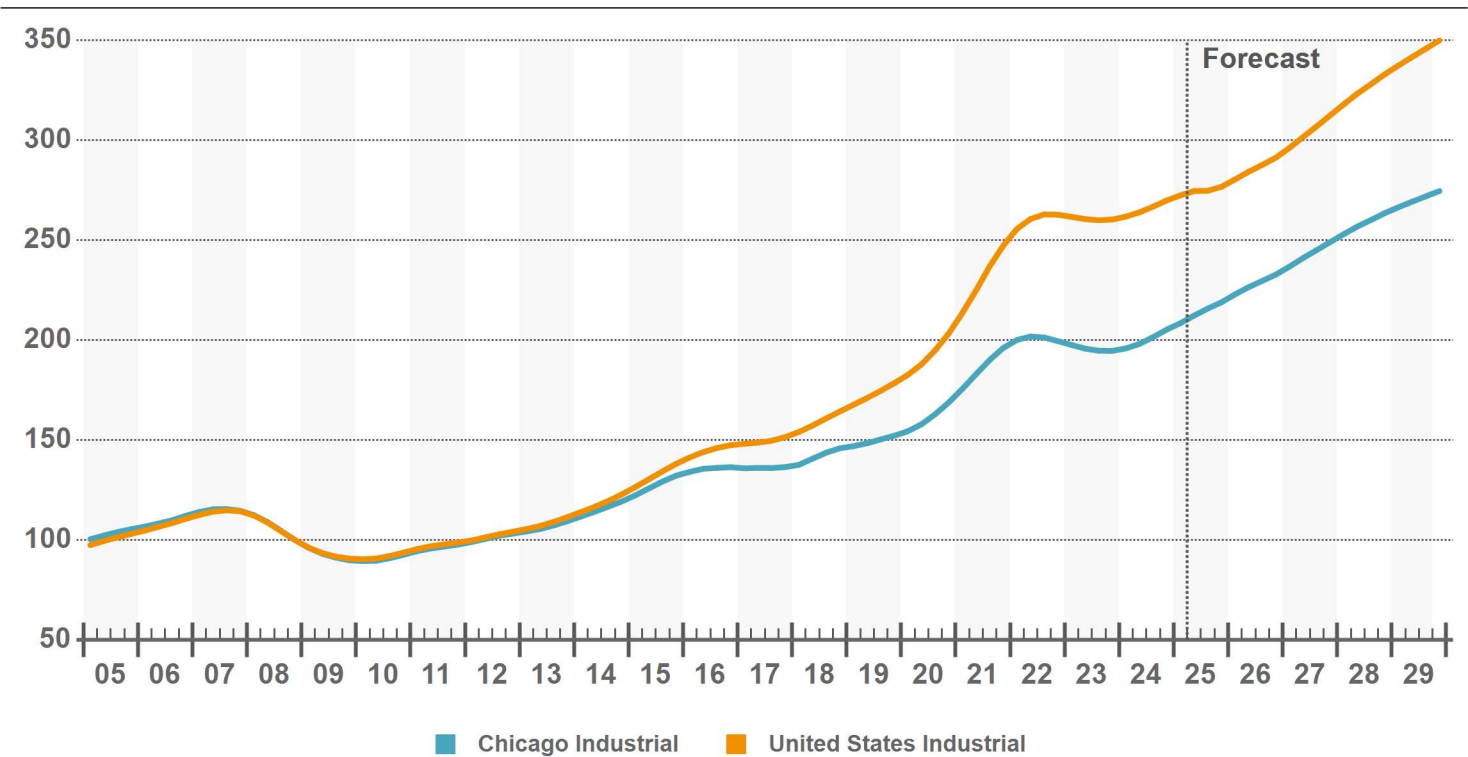
CHICAGO METRO SALES VOLUME IN SQUARE FEET



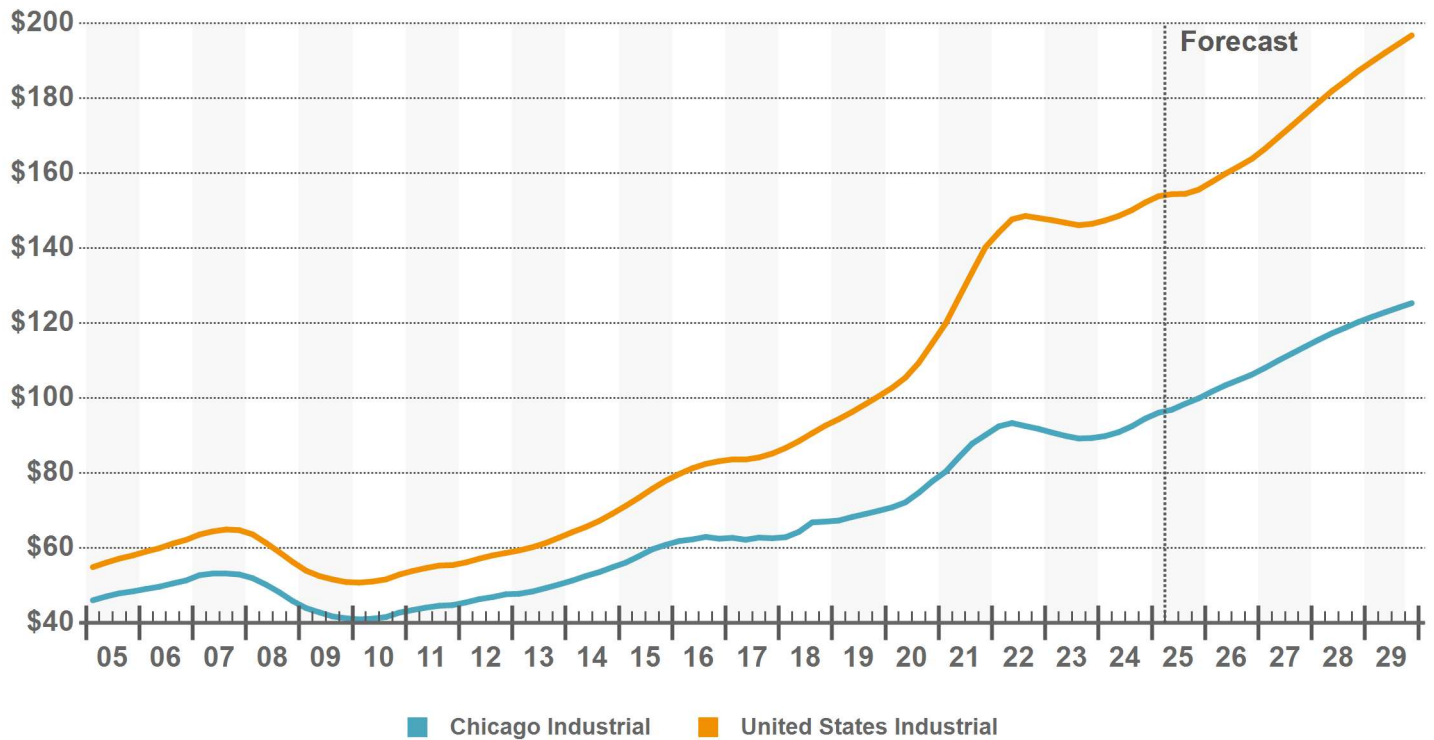
NATIONAL PRICE INDICES



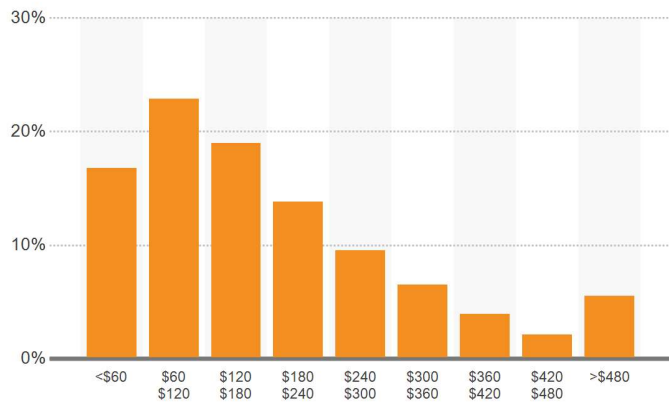
REGIONAL INDUSTRIAL PRICE INDICES



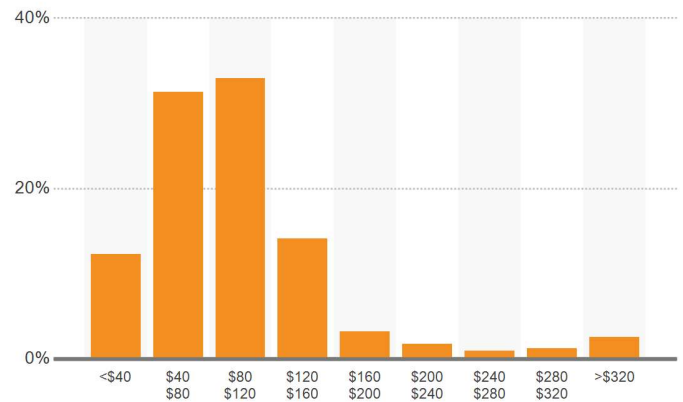
MARKET PRICE PER SF



UNITED STATES SALE PRICE PER SF DISTRIBUTION PAST 12 MONTHS



CHICAGO SALE PRICE PER SF DISTRIBUTION PAST 12 MONTHS

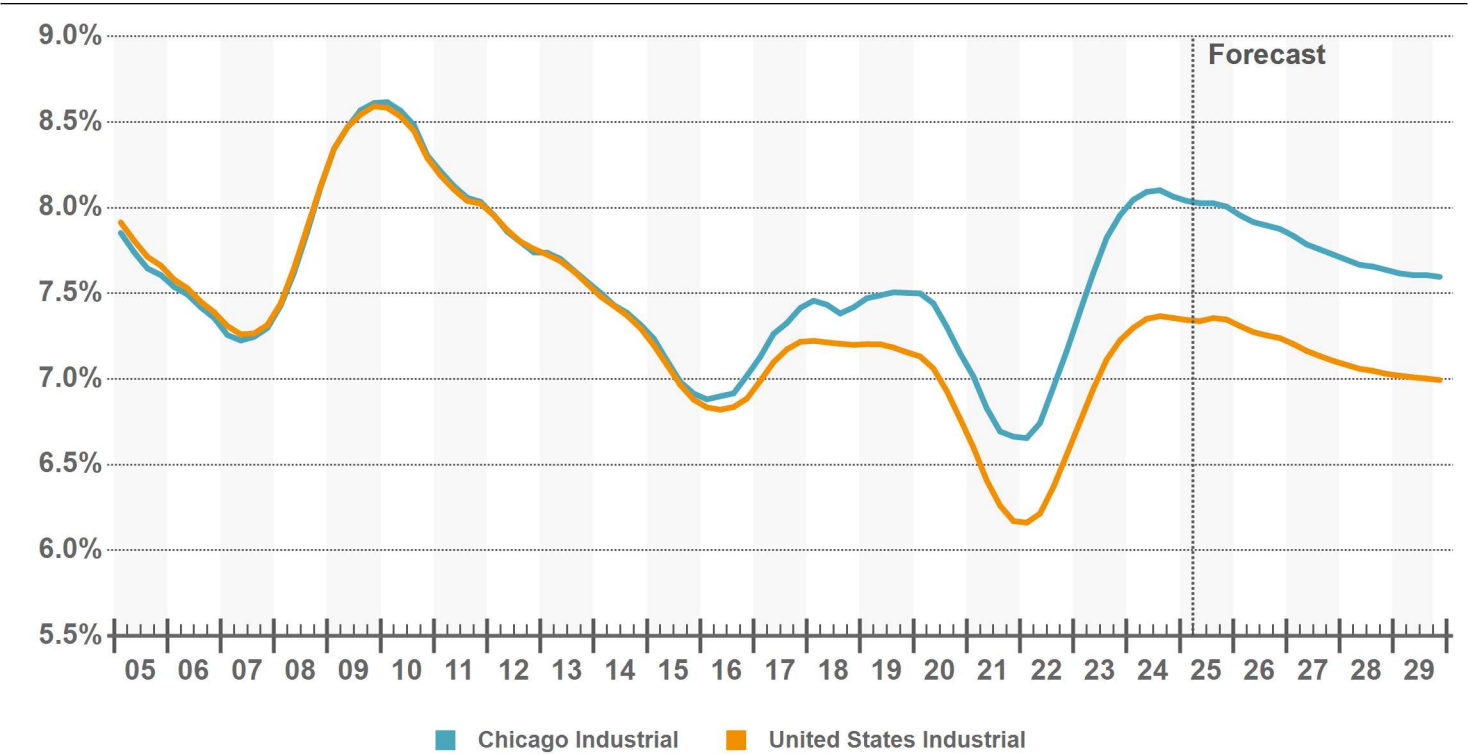


PRICE PER SF SUMMARY OF SALES IN PAST YEAR

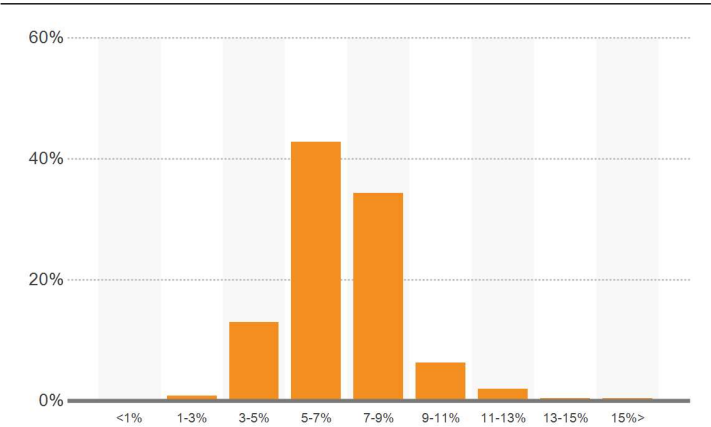
Geography	Transactions	Low	Bottom 25%	Median	Average	Top 25%	High
United States	18,316	\$0.01	\$33	\$115	\$113	\$375	\$5,022
Chicago	846	\$2.10	\$37	\$88	\$94	\$214	\$2,323
West Suburban	169	\$25	\$63	\$106	\$96	\$271	\$1,091
I-88 West	59	\$25	\$57	\$98	\$84	\$455	\$1,091
Selected Sale Comps	11	\$50	\$56	\$84	\$98	\$182	\$316



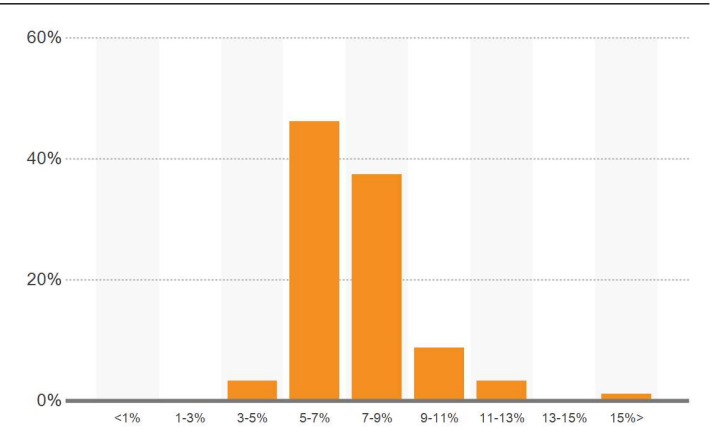
MARKET CAP RATE



UNITED STATES CAP RATE DISTRIBUTION PAST 12 MONTHS



CHICAGO CAP RATE DISTRIBUTION PAST 12 MONTHS



CAP RATE SUMMARY OF SALES IN PAST YEAR

Geography	Transactions	Low	Bottom 25%	Median	Average	Top 25%	High
United States	1,080	1.0%	5.0%	7.0%	7.2%	9.8%	25.0%
Chicago	33	4.5%	6.0%	8.0%	8.1%	10.4%	12.6%
West Suburban	9	4.5%	5.1%	6.8%	7.0%	9.0%	11.0%
I-88 West	2	6.4%	N/A	7.2%	7.2%	N/A	8.0%
Selected Sale Comps	2	6.4%	N/A	7.2%	7.2%	N/A	8.0%








TOP CHICAGO INDUSTRIAL BUYERS PAST TWO YEARS

Company Name	Properties Bought			Properties Sold		
	Bldgs	SF	Volume	Bldgs	SF	Volume
HMC Capital	1	189,240	\$439,655,000	0	0	-
Venture One Real Estate	37	4,577,808	\$315,454,664	4	271,425	\$25,025,500
Gaming and Leisure Properties, Inc.	1	479,513	\$250,000,000	0	0	-
Sixth Street Partners, LLC	29	5,223,261	\$227,840,678	0	0	-
STAG Industrial, Inc.	12	2,214,543	\$215,942,499	2	438,339	\$34,310,000
EQT AB	43	5,251,811	\$211,495,500	0	0	-
Prologis, Inc.	9	2,485,649	\$188,051,000	16	6,104,609	\$868,745,000
Brookfield Corporation	14	2,699,843	\$182,250,000	6	417,767	\$50,250,500
MDH Partners	4	2,365,445	\$154,400,000	1	380,269	\$34,350,000
Blackstone Inc.	5	817,971	\$146,000,000	5	781,897	\$74,381,488
Kovitz	17	2,499,856	\$144,750,298	0	0	-
LBA Realty	6	658,487	\$131,350,000	0	0	-
Bank of America Corporation	3	1,253,181	\$129,300,000	0	0	-
Stonepeak Partners LLC	4	1,726,170	\$125,000,000	0	0	-
CalSTRS	2	897,377	\$114,000,000	0	0	-
Stream Realty Partners, LP	7	712,549	\$107,413,000	0	0	-
AMSTAR	2	1,368,391	\$106,500,000	0	0	-
Faropoint	15	1,525,581	\$96,725,500	7	457,026	\$13,377,000
High Street Logistics Properties	7	888,541	\$93,625,500	1	57,005	\$5,700,000
GIC Private Limited	6	1,211,130	\$88,276,500	1	118,680	\$9,500,000
Hines	2	1,128,679	\$87,730,500	0	0	-
Clear Height Properties	22	1,065,218	\$83,899,000	1	35,320	\$7,450,000
RGA ReCap Incorporated	6	743,605	\$81,174,119	0	0	-
DRA Advisors	2	1,352,698	\$80,202,210	0	0	-
Grainger	1	849,691	\$78,000,000	1	37,808	\$3,150,000

 Purchased at least one asset in I-88 West Ind submarket

TYPES OF INDUSTRIAL CHICAGO BUYERS PAST TWO YEARS

Company Type	Buying Volume			Average Purchase		
	Bldgs	SF	Billions	Price/SF	Avg Price	
Institutional	255	37,677,419		\$2.79	\$73	\$10,929,739
Private	710	33,638,931		\$2.76	\$81	\$3,881,315
User	240	14,026,977		\$1.29	\$91	\$5,367,453
REIT/Public	29	5,446,112		\$0.69	\$127	\$23,876,381
Private Equity	32	4,401,501		\$0.25	\$56	\$7,765,476

\$0 \$0.70 \$1.40 \$2.10 \$2.80



TOP CHICAGO INDUSTRIAL SELLERS PAST TWO YEARS

Company Name	Properties Sold			Properties Bought		
	Bldgs	SF	Volume	Bldgs	SF	Volume
Prologis, Inc.	16	6,104,609	\$868,745,000	9	2,485,649	\$188,051,000
CenterPoint Properties	12	3,256,762	\$333,500,000	0	0	-
UBS	12	2,093,209	\$253,075,000	0	0	-
Blue Owl	2	1,371,525	\$250,000,000	2	911,202	\$4,118,327
Plymouth Industrial REIT, Inc.	30	5,529,813	\$247,740,678	0	0	-
Investcorp	21	1,992,389	\$186,446,990	0	0	-
Deutsche Bank AG	4	1,427,014	\$182,250,000	0	0	-
Mitsubishi Estate Co., Ltd.	10	1,330,980	\$145,350,000	1	172,400	\$27,000,000
LXP Industrial Trust	4	2,299,006	\$139,075,500	0	0	-
AEW Capital Management	5	1,564,361	\$133,580,798	0	0	-
NFI Industries, Inc.	4	1,168,623	\$116,400,000	0	0	-
Molto Properties	2	897,377	\$114,000,000	0	0	-
CBRE Investment Management	6	1,350,571	\$113,832,209	0	0	-
IDI Logistics	5	1,354,754	\$111,350,000	1	217,100	\$33,550,500
OMERS	4	1,274,049	\$98,900,000	0	0	-
Bridge Industrial	2	480,179	\$95,000,000	2	231,726	\$37,266,000
Prudential	2	480,179	\$95,000,000	0	0	-
Ares Management Corp	5	1,526,659	\$93,300,492	7	2,811,365	\$60,340,000
Unilev Capital Corp.	15	643,992	\$90,807,488	13	72,471	\$875,000
MWI Property Group	2	800,200	\$86,050,500	0	0	-
Brutten Global	4	600,244	\$83,500,000	0	0	-
Palladius Capital Management	12	538,481	\$77,600,000	0	0	-
Blackstone Inc.	5	781,897	\$74,381,488	5	817,971	\$146,000,000
Yellow	4	250,859	\$74,211,630	0	0	-
Principal	2	648,616	\$73,800,000	0	0	-

 Sold at least one asset in I-88 West Ind submarket

TYPES OF INDUSTRIAL CHICAGO SELLERS PAST TWO YEARS

	Selling Volume				Average Sale	
Company Type	Bldgs	SF	Billions		Price/SF	Avg Price
Private	750	34,404,207	<div><div></div></div>	\$3.12	\$90	\$4,157,043
Institutional	184	23,370,212	<div><div></div></div>	\$2.08	\$88	\$11,281,621
REIT/Public	56	14,568,718	<div><div></div></div>	\$1.30	\$89	\$23,265,681
User	263	14,361,815	<div><div></div></div>	\$1.24	\$86	\$4,726,244
Private Equity	20	3,741,458	<div><div></div></div>	\$0.48	\$127	\$23,925,275
			<div><div></div></div>			
			\$0	\$0.80	\$1.60	\$2.40
			\$3.20			

