



the Zacher company

Sortera Alloys, 5224 East Asher Drive, Markle

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

PREPARED WITH THE ASSISTANCE OF

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Published 2/2/2023

2022 REVIEW

- Positive absorption from a mix of manufacturing and distribution continues a five year trend of strong industrial growth
- Historically low vacancy rate of 2.91%
- Ten spec buildings greater than 25,000 SF were constructed or are under construction totaling 957,500 SF
- Lease Rates increased significantly due to high construction costs and a lack of existing alternatives
- Many of the sales of existing industrial buildings were to investment buyers rather than to users

2023 FORECAST

- Tempered industrial demand, due to the potential for a recession of undetermined scope, will lead to less absorption
- We expect that the ten currently available spec buildings will be sold or leased and more will be constructed
- Construction will be lower than during the previous 5 years
- Lease rates and sale prices will continue to increase
- Demand for labor will continue to exceed supply
- Cap rates will increase but industrial properties will continue to be a favored asset class

MARKET INDICATORS (000)	2022 REPORT	2022 REVIEW	2023 REPORT	2023 FORECAST
Total Inventory	115,681 SF	▲	117,347 SF	▲
Vacancy SF	4,449 SF	▼	3,418 SF	▲
Vacancy %	3.85%	▼	2.91%	▲
New Construction	2,708 SF	▼	2,236 SF	▼
Absorption	1,947 SF	▲	2,697 SF	▼
Average Rent*	\$5.50/PSF	▲	\$5.75/PSF	▲

* 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

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

TOTAL MARKET INVENTORY STATISTICS (SF)

Total Inventory – 1/1/2022	115,680,859
Vacant Space – 1/1/2022	4,448,510
Occupied Space – 1/1/2022	111,232,349
Constructed in 2022	2,235,765
Adjustments *	569,322
Total Inventory – 1/1/2023	117,347,303
Vacant Space – 1/1/2023	3,417,942
Vacancy Rate – 1/1/2023	2.91%
Occupied Space – 1/1/2023	113,929,360
Absorption – 2022	2,697,011

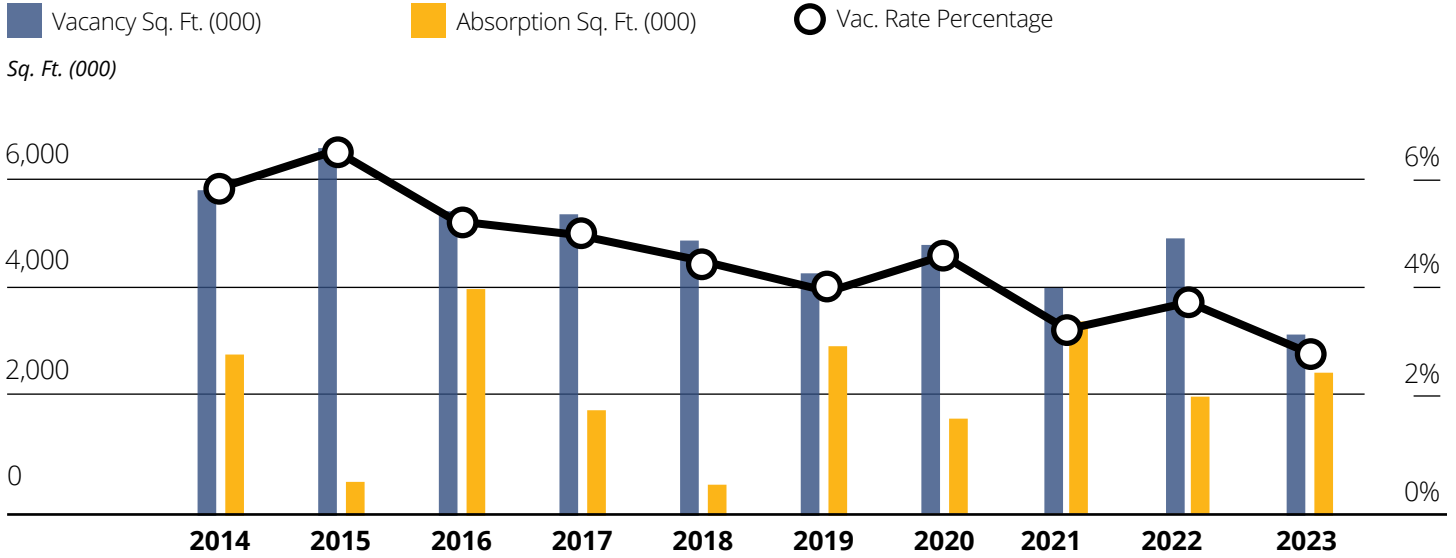
* Reduced inventory by 294,104 SF (a 25% obsolescence factor); 275,218 SF – 2911 Meyer Road converted to special purpose



Hardhell Spec Building, 4455 Airway Avenue, Fort Wayne

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

MARKET VACANCY AND ABSORPTION, 2014-2023

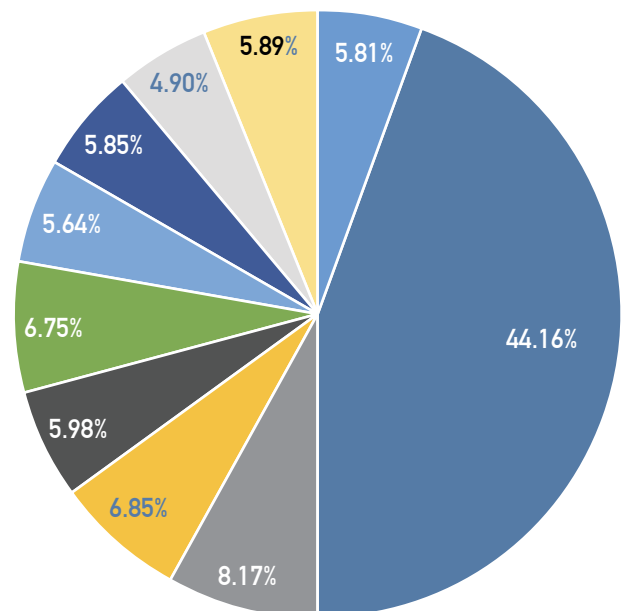


Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage
2014	5,837,000	2,909,000	5.82%
2015	6,633,000	612,000	6.52%
2016	5,495,000	4,009,000	5.25%
2017	5,439,000	1,939,670	5.11%
2018	4,965,000	561,348	4.66%

Year	Vacancy SF (000)	Absorption SF (000)	Vac. Rate Percentage
2019	4,373,676	3,059,173	4.01%
2020	4,795,902	1,439,715	4.32%
2021	4,082,687	3,400,810	3.60%
2022	4,448,510	1,946,619	3.85%
2023	3,417,942	2,697,011	2.91%

COUNTY PERCENTAGES

	Total Inventory	% of Market
Adams	6,811,199	5.81%
Allen	51,818,397	44.16%
DeKalb	9,592,074	8.17%
Huntington	8,038,792	6.85%
LaGrange	7,019,493	5.98%
Noble	7,919,691	6.75%
Steuben	6,621,536	5.64%
Wabash	6,858,256	5.85%
Wells	5,753,492	4.90%
Whitley	6,914,373	5.89%
Total	117,347,303	100.00%



2023 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	\$18.00 - \$23.00	\$63- \$73	\$3.10 - \$3.60	\$5.00 - \$6.00	Extreme Under Supply
100,000 – 250,000 SF	\$22.00 - \$28.00	\$67 - \$77	\$3.35 - \$3.65	\$5.45 - \$6.45	Under Supply
60,000 – 99,999 SF	\$25.00 - \$32.00	\$74 - \$84	\$3.50 - \$3.90	\$5.70 - \$6.70	Under Supply
40,000 – 59,999 SF	\$30.00 - \$38.00	\$80 - \$90	\$3.85- \$4.35	\$6.50 - \$7.50	Under Supply
20,000 – 39,999 SF	\$31.00 - \$39.00	\$82- \$93	\$4.10 - \$4.60	\$6.65 - \$7.70	Under Supply
5,000 – 19,999	\$39.00 - \$51.00	\$87 - \$99	\$4.50 - \$5.10	\$7.10 - \$8.10	Extreme Under Supply
Less than 5,000 SF	\$42.00 - \$54.00	\$89 - \$101	\$5.15 - \$6.15	\$7.40 - \$8.40	Extreme Under Supply
High Tech/R&D	\$46.00 - \$62.00	\$103 - \$123	\$6.15 - \$7.15	\$8.90 - \$10.90	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. The landlord is responsible for roof and structure.

Note: Pricing excludes investment sales.

IMPROVED SITES

	Site Prices (\$/SF)
Less than 2 acres	\$1.70 to \$2.00
2 to 10 acres	\$1.40 to \$1.80
10 to 25 acres	\$1.05 to \$1.45
More than 25 acres	\$0.85 to \$1.20

UNIMPROVED SITES

	Site Prices (\$/SF)
Less than 10 acres	\$0.70 to \$0.95
10 to 100 acres	\$0.55 to \$0.65
More than 100 acres	\$0.35 to \$0.45

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

NOTABLE SALE AND LEASE TRANSACTIONS, 2022

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Acres/Sq. Ft.</i>	<i>Type</i>
Amazon - Smith Rd.	Fort Wayne	645,052	Investment Sale
Trinity Health - Bluffton Rd.	Fort Wayne	400,000	Investment Sale
Eaton/Phoenix Investors - Brandon St.	Auburn	345,000	Investment Sale
Courier/Phoenix Investors - Marion Dr.	Kendallville	284,510	Investment Sale
Dollar General - Loew Rd.	Marion	249,920	Lease
Do It Best - Nelson Rd.	Fort Wayne	246,172	Investment Sale
Commercial Warehouse & Cartage - Meyer Rd.	Fort Wayne	200,000	Lease
Sortera Alloys - Asher Dr.	Markle	200,000	Lease
Ecolab Inc. - Commercial Rd.	Fort Wayne	199,813	Lease
Latham Pools - Gettysburg Pike	Fort Wayne	161,000	Lease
Graphic Packaging - Marion Dr.	Kendallville	160,000	Lease
Do Good Foods - Aviation Dr.	Fort Wayne	150,000	Lease
PepsiCo - Wells St.	Fort Wayne	144,283	Investment Sale
Pulley-Kellam - Briant St.	Huntington	127,405	Sale
Parts Town - Executive Blvd.	Fort Wayne	123,966	Investment Sale
Buchanan Hauling & Rigging - Executive Blvd.	Fort Wayne	123,966	Lease
Nishikawa Cooper LLC - Investment Dr.	Fort Wayne	107,520	Lease
Standard Saybrock Associates - Lafayette Center Rd.	Fort Wayne	102,185	Investment Sale
United Ortho - East 400 South	LaOtto	86,000	Sale
TMI Properties - S. Williams Dr.	Columbia City	82,315	Sale
Smith Bros. - Yeager Ln.	Fort Wayne	76,551	Lease
Shambaugh & Son - Research Dr.	Fort Wayne	64,000	Sale
Alro Steel - New Haven Ave.	Fort Wayne	60,463	Investment Sale
Aalco - Grant Ave.	Fort Wayne	57,219	Sale
MetalX - Riverfork Dr.	Huntington	57,426	Lease
Continental Diamond Tool - Hartzell St.	New Haven	53,000	Sale
Ashley Industrial Molding - Leighty Rd.	Kendallville	50,621	Sale
Master Spas - Lincoln Pkwy.	Fort Wayne	46,414	Sale
Commercial Warehouse & Cartage - Nelson Rd.	Fort Wayne	45,000	Lease
Beck Aluminum International - W. South St.	North Manchester	43,710	Lease

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NOTABLE SALE AND LEASE TRANSACTIONS, 2022

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Acres/Sq. Ft.</i>	<i>Type</i>
Vanderbilt Luxury Pontoons - Airport Expy.	Fort Wayne	40,000	Lease
Schaab Metal Products - Wallace St.	Fort Wayne	37,970	Investment Sale
Ellison Bakery, Inc. - Airport Expy.	Fort Wayne	32,000	Lease
Dan's Porch and Patio - Engle Rd.	Fort Wayne	31,500	Sale
Pure Construction, LLC - Hayden St.	Fort Wayne	31,115	Sale
World Class North America - Wohlert St.	Angola	30,000	Lease
Byrna Technologies - Kelsey Ct.	Fort Wayne	30,000	Lease
Jack Cooper Transport - Roanoke	Fort Wayne	29,410	Investment Sale
Irwin Hodson Group - Congressional Pkwy.	Fort Wayne	25,000	Lease
DMS Holdings - New Haven Ave.	Fort Wayne	23,606	Sale
Accelerated International - S. State Road 9	Churubusco	21,435	Sale
Denali Advanced Intergration - Innovation Blvd.	Fort Wayne	20,102	Lease
Guide Engineering - Progress Rd.	Fort Wayne	18,966	Lease
MKW, LLC - Connexion Way	Columbia City	17,000	Sale
Specialty Wire - Incentive Dr.	Fort Wayne	16,190	Lease
Power Distributing - Airport Expy.	Fort Wayne	16,000	Lease
Kyocera SGS Precision Tools - Towerview Dr.	Columbia City	15,900	Sale
Metallic Dice Games - Illinois Rd.	Fort Wayne	13,800	Lease
Home Reservec, LLC - Innovation Blvd.	Fort Wayne	10,096	Lease
Custer Office Environments - Cross Creek Blvd.	Fort Wayne	10,000	Lease

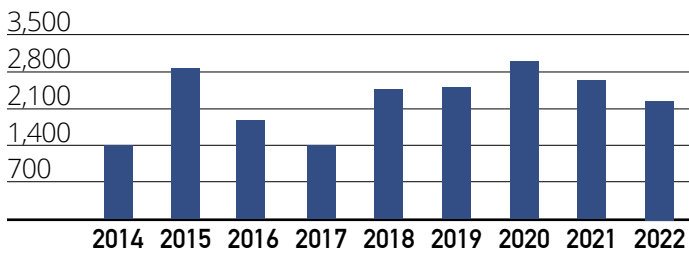


Spec Building, 3214 Boulder Avenue, Fort Wayne

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT

NEW CONSTRUCTION BY YEAR

Square Footage (000)



Year	Sq. Ft.	Year	Sq. Ft.	Year	Sq. Ft.
2014	1,407,663	2017	1,402,313	2020	2,965,511
2015	2,871,949	2018	2,473,539	2021	2,707,519
2016	1,883,646	2019	2,508,586	2022	2,235,765

NOTABLE CONSTRUCTION TRANSACTIONS, 2022

Buyer/Tenant - Location	City	Sq. Ft.	Type
Amazon - US 30/Flaugh Rd.	Fort Wayne	630,000	Constructed
Bio Nutrients - Manchester Ave.	Wabash	335,423	Under construction
Spec Building - Dawkins Rd.	New Haven	200,000	Under construction
Sortera Alloys - East Asher Dr.	Markle	200,000	Constructed
Spec Building West Addition - East Asher Dr.	Markle	200,000	Under construction
Spec Building - Adams St.	Bluffton	200,000	Constructed
Spec Building - Adams St.	Bluffton	200,000	Proposed
20/20 Custom Molded Products	Bluffton	200,000	Expansion
Spec Building - Conservation Way	Fort Wayne	200,000	Proposed
Teijin - Progress Dr.	Huntington	160,000	Under construction
Novea - N. 500 E.	Markle	155,000	Under construction
PB Development - McFaddenWay/Pleasant Center Rd.	Fort Wayne	150,000	Proposed
Spec Building 1 - Hitzfield Ct.	Fort Wayne	150,000	Constructed
Spec Building 2- Hitzfield Ct.	Fort Wayne	150,000	Constructed
PepsiCo - Gulfsteam Dr.	Fort Wayne	140,000	Under construction
Cruise RV - W. 750 N.	Howe	120,000	Expansion
Cardinal IG - McSwain Dr.	Fremont	115,000	Expansion
Van's Home Center - Peckhart Ct.	Auburn	100,000	Proposed
Hoover The Mover - Wayne Haven St.	New Haven	95,000	Under construction
Spec Building - Weston Ave.	Kendallville	75,000	Constructed
Hollingshead Mixer Company - Dekko Dr.	Avilla	68,000	Expansion
Spec Building - Rose Ave.	New Haven	67,500	Constructed
Zurcher Tire, Inc. - Hillegas Rd.	Fort Wayne	57,200	Proposed

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NOTABLE CONSTRUCTION TRANSACTIONS, 2022

<i>Buyer/Tenant - Location</i>	<i>City</i>	<i>Acres/Sq. Ft.</i>	<i>Type</i>
ProMach Shuttleworth - Commercial Rd.	Huntington	56,000	Expansion
Sterigenics Radiation Technologies - Park 30	Columbia City	54,000	Expansion
Spec Building - Airway Ave.	Fort Wayne	52,000	Under construction
Midwest Auto Parts - Avenue of Autos	Fort Wayne	50,453	Under construction
Only Alpha Pool Products - Engle Ridge Dr.	Fort Wayne	49,056	Expansion
Impact CNC - South 600 East	Columbia City	40,000	Expansion
MKS - Innovation Blvd.	Fort Wayne	38,460	Under construction
Spec Building - Fourier Dr.	Fort Wayne	33,000	Constructed
Spec Building - Hillegas Rd.	Fort Wayne	31,500	Proposed
Dreyers - Wells St.	Fort Wayne	30,320	Expansion
Spec Building - Industrial Pky,	Ossian	30,000	Under construction
ABF Freight Systems - Adams Center Rd.	Fort Wayne	27,600	Constructed
Enzymes Solutions - Forrest Park Dr.	Garrett	25,000	Under construction
Spec - Ardmore Ave.	Fort Wayne	24,900	Proposed
Premier Truck Rental - Bluffton Rd.	Fort Wayne	24,000	Expansion
DOT America Inc. - Towerview Dr.	Columbia City	23,627	Under construction
Rethceif Packaging - 850 N.	Ossian	20,000	Expansion
Two Guys & A Truck - Industrial Rd.	Fort Wayne	20,000	Constructed
Spec Building - Boulder Ave.	Fort Wayne	18,000	Constructed
Brunswick - Hadley Rd.	Fort Wayne	17,000	Expansion
Spec - Camino Ct.	Fort Wayne	15,000	Constructed
Spec - Directors Row	Fort Wayne	12,000	Constructed
Milan Center Feed & Grain - Doty Rd.	Fort Wayne	11,994	Constructed
Old Dominion - Aviation Dr.	Fort Wayne	11,371	Expansion
Alliance Tools - Engle Rd.	Fort Wayne	11,250	Expansion
Pena's Mechanical Contractors - Carol Ann Ln.	Ossian	10,000	Expansion



Spec Building, 435 Industrial Parkway, Ossian

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT



Spec Building, 852 Weston Avenue, Kendallville

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/Phoenix Investors	201 Brandon St., Auburn	345,000	345,000	100%
Do It Best	6502 Nelson Rd., Fort Wayne	246,172	246,172	100%
Spec Building	Adams St., Bluffton	200,000	200,000	100%
Spec Building	Hitzfield Ct., Roanoke	150,000	150,000	100%
Spec Building	Hitzfield Ct., Roanoke	150,000	150,000	100%
CJ Automotive	100 Commerce St., Butler	143,520	143,520	100%
Corning	300 West 100, Bluffton	290,000	135,075	47%
Carrier/Phoenix Investors	2500 Marion Dr., Kendallville	284,510	125,000	44%
Shindigz	111 East Broad St., South Whitley	117,004	117,004	100%
American Axle	307 South Tilloston St., Fremont	100,540	100,540	100%
International Park	2701 S. Coliseum Blvd., Fort Wayne	1,466,900	100,000	7%

2023 NORTHEAST INDIANA INDUSTRIAL MARKET REPORT



Spec Building, 859 Adams Street, Bluffton

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 2023. It does not include announced industrial expansions or contractions that are anticipated or projected to be occupied or vacated after the first quarter of 2023. 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 1/1/23 is estimated to be 51,818,397 sq. ft. The total industrial inventory in the other nine counties in Northeast Indiana on 1/1/23 is estimated to be 65,528,906 sq. ft.

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