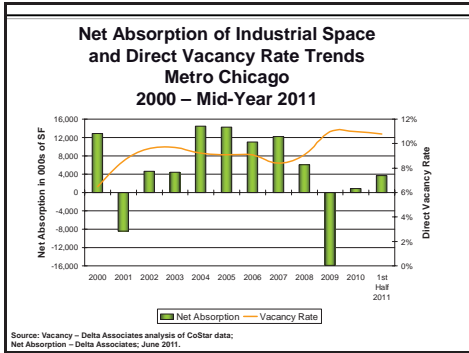
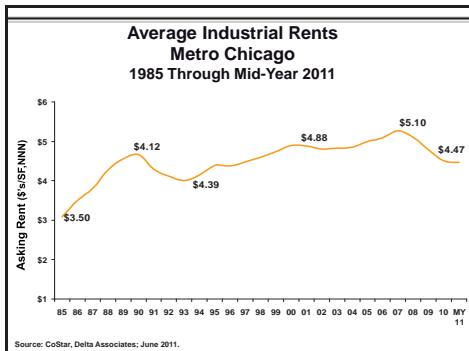
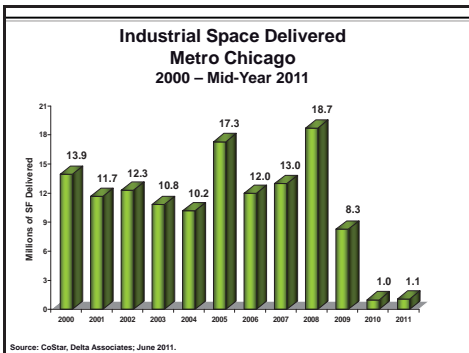




METRO CHICAGO INDUSTRIAL MARKET AT MID-YEAR 2011



The metro Chicago industrial vacancy rate will likely decline to the mid-10% range over the next 12 months, as growth strengthens and the pipeline of new supply remains limited.



Note: 1st quarter vacancy rates were revised per changes in the CoStar database.

Manufacturing Sector Dominates 2nd Quarter

The **Manufacturing sector dominated growth** in the 2nd quarter of 2011, led by activity in Central Kane and DuPage, where 3M moved into a new 651,000 SF facility. Meanwhile, the Warehouse/Distribution sector retrenched in the 2nd quarter, after strong growth in the 1st quarter. YTD net absorption totals 3.7 million SF.

| Net absorption by space type in SF: | Q2 2011 | YTD |
|-------------------------------------|-----------|-----------|
| • Flex/Service | 4,000 | (437,000) |
| • Manufacturing | 1,256,000 | 2,344,000 |
| • Warehouse/Distribution | (735,000) | 1,793,000 |
| • Total Industrial | 525,000 | 3,700,000 |

The amount of **available sublease space declined** by 477,000 SF in the 2nd quarter of 2011. There is currently 4.3 million SF of sublease space on the market – 0.4% of the standing inventory. Of note, we have seen a drop-off in demand for space lately because consumer spending remains weak, but the **food industry** continues to be a player for mid-sized space in the Chicago metro market.

Industrial Vacancy Holds Steady in Q2

The overall industrial vacancy rate in metro Chicago was **unchanged** in the 2nd quarter of 2011, at 11.2%, but is down from 11.8% a year ago. The direct vacancy rate was also unchanged in Q2, at 10.8%, but is down from 11.2% a year ago.

Industrial Construction: Limited Pipeline

Industrial projects under construction total 1.9 million SF at mid-year 2011, up from 325,000 SF a year ago. Space under construction at June 2011 is 100% pre-leased, compared to 28% a year ago. Three notable warehouse projects are being built, while no flex or manufacturing space is under development. The largest property under construction is the 1.35 million SF Clorox build-to-suit in University Park. The limited pipeline of new supply (just 0.2% of metro-wide inventory) will allow the decline in vacancy to accelerate as the expansion strengthens.

Industrial deliveries totaled 1.1 million SF in metro Chicago in the 1st half of 2011, up from 279,000 SF during the 1st half of 2010. Space delivered so far in 2011 was 96% leased at delivery. **Spec construction remains absent** from the market.

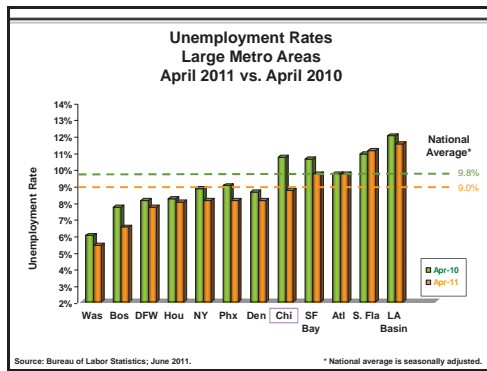
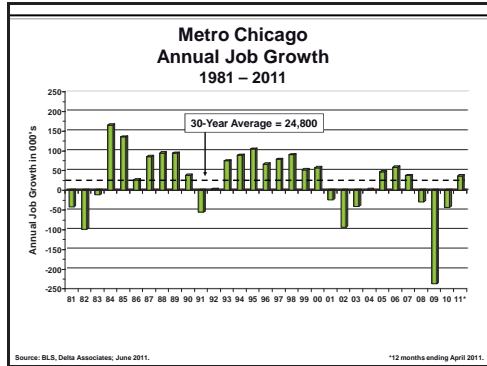
Industrial Rents Stabilizing

Asking rents declined 0.9% in the 1st half of 2011, after declining 5.8% in all of 2010. Overall, industrial rents average \$4.47/SF, NNN, at mid-year 2011. Asking rents will likely gain traction in the latter half of the year as demand increases. **Concessions** remain prevalent, with some renewals occurring at 30-40% less than the expired lease term, as many landlords feel they cannot afford to lose tenants at this time.



Outlook

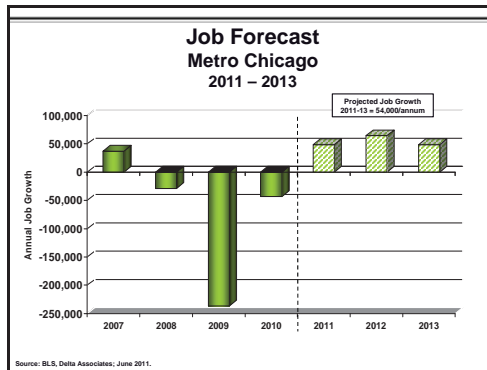
A market report for commercial real estate executives



Core Industries Metro Chicago 2010

| Core Industries | \$(Bil) | % GRP |
|--|--------------|-------------|
| Professional, Financial and Technical Services | \$71 | 15% |
| Manufacturing | \$38 | 8% |
| State & Federal Government | \$34 | 7% |
| Education & Health Services | \$30 | 6% |
| Construction | \$25 | 5% |
| Transportation & Warehousing | \$19 | 4% |
| Convention & Hospitality Services | \$16 | 3% |
| Total Core Industries: | \$233 | 50% |
| Other | \$230 | 50% |
| Total GRP: | \$463 | 100% |

Note: Subcomponents of Core Industries were redefined in June 2007. Source: GMU Center for Regional Analysis; Delta Associates; June 2011. GRP = Gross Regional Product. Totals may not add due to rounding.



Investment Sales: Strengthening

We recorded industrial investment sales totaling \$797 million in metro Chicago during the 1st half of 2011, compared to \$108 million during the 1st half of 2010. Sales prices averaged \$49/SF in the 1st half of 2011, compared to \$46/SF in 2010.

Metro Chicago Industrial Market Outlook

The metro Chicago industrial market will likely experience **modest growth** through the balance of 2011 and into 2012, as the economic expansion moves forward. Market fundamentals will continue to improve, with vacancy declining and rents beginning to gain traction.

METRO CHICAGO ECONOMY

Chicago Economy Continues Gradual Expansion

The metro Chicago economic recovery continued through the spring, with employment growth at 37,100 jobs – a 0.9% increase – over the 12 months ending April 2011. This compares to a national employment gain of 1.0% in this period. Locally, most sectors are adding jobs, excluding Information, Financial Services, and Government.

The metro Chicago **unemployment rate dropped** to 8.7% in April 2011, from 9.5% in January and 10.7% a year ago. The national unemployment rate was 9.0% in April 2011, down from 9.8% the year prior.

The **Financial Services** sector, among the region's largest core industries, lost 4,300 jobs – a 1.5% decline – over the 12 months ending April 2011. Meanwhile, Chicago-based Northern Trust Corp. has agreed to buy Chicago-based Citadel LLC's hedge fund administration business. Northern Trust will pay \$100 million for the business and expects to add Omnium's approximately 200 employees to its staff. Omnium was formed in 2007 by Citadel and currently has about \$70 billion in assets under administration. Similarly, Commercial Bancshares Corp. has purchased a controlling interest in CenTrust Financial Inc. with a \$10 million investment. CenTrust is a community bank with \$105 million in assets and a single branch in the Chicago area. Also, GE Capital has announced that it will be bringing 1,000 new jobs to the Chicago CBD.

The metro Chicago **Manufacturing** sector, the region's second-largest core industry, added 6,000 jobs – a 1.5% increase – over the 12-month period ending April 2011. Furthermore, the Chicago Purchasing Managers Index, an indicator of the economic health of the manufacturing sector, remained in positive territory for the 20th straight month, at 56.6 in May. Meanwhile, Moline-based Deere & Co. announced this quarter that it will build two separate plants in Tianjin, China. Deere will spend about \$60 million to build an engine factory in Tianjin, China, and it will commit \$80 million to build a metal, painting and assembly plant in Harbin, China. These plants are intended to meet the high demand for large farm machinery in China.

The **Convention and Hospitality** sector added 4,200 jobs, a 1.1% rate of growth, over the 12 months ending April 2011. According to Smith Travel Research, the average daily hotel rate in metro Chicago for April 2011 was \$108.82, up 1.6% from a year earlier. Also, the occupancy rate rose to 62.4%, a 1.9% increase from April 2010. Meanwhile, Chicago area museums have hit a rough patch of late. Chicago's two most prominent museums, the Art Institute of Chicago and the Field Museum, have seen attendance drop considerably recently. The Art Institute of Chicago is searching for a new president, while the Field Museum is preparing for a \$100 million capital campaign.



Why This Methodology Is the Best Indicator of Current Market Conditions

We include owner-occupied and single-tenant buildings in our inventory, vacancy, and absorption statistics. Doing so allows us to capture more market activity than many of our competitors, and to better correlate changes in the market with changes in employment. As single-tenant space does compete with multi-tenant space, we believe it is critical to understand all components of the market. We also include flex space in our industrial market analysis, and offer wider geographic coverage than some of our competitors. The result is that the inclusion of single-tenant and owner-occupied space, as well as flex space, tends to yield lower vacancy rates and higher absorption totals than our competitors' results, but our coverage of the market is more comprehensive.

Multi-Tenant Flex/Industrial Data

As a point of comparison, net absorption for just multi-tenant flex/industrial space totaled positive 2.2 million SF during the 1st half of 2011 for the entire Chicago Metro Area. The direct vacancy rate for multi-tenant space is 17.3% at mid-year 2011. Our reported inventory, which includes multi-tenant as well as single-tenant and owner-occupied flex/industrial space, captures 553 million SF more than the multi-tenant market alone.

Notable flex/industrial lease deals in 2nd quarter 2011:

- 3M leased 651,000 SF at 1250 Macom Drive in DeKalb
- Follet Educational Services leased 551,000 SF at 2805 Duke Parkway in Aurora
- Schwartz Supply Source, Inc. leased 373,000 SF at 21399 Torrence Avenue in Sauk Village
- M. Block & Sons renewed for 341,000 SF at 6755 W 65th Street in Bedford Park
- hhgregg leased 297,000 SF at 2176 Diehl Road in Aurora
- Caterpillar Inc. leased 251,000 SF at 900 Bilter Road in Aurora

Chicago-Based Manufacturers Expanding Overseas

Chicago's economy continues to strengthen and a driving force behind it has been the improvement of the manufacturing sector. The manufacturing industry is vital to the overall success of Chicago's economy because of the positive multiplier effect it has on other industries, such as retail. While many of Chicago's top manufacturing companies are expanding domestically, some of them are also looking to expand overseas to offset sluggish retail growth in the U.S. Cash-flow from these overseas ventures should benefit the Chicago economy in the long run.

Chicago-based Boeing Co. has been a major player overseas for many years and is eyeing more opportunities to expand. Boeing hopes to boost defense sales outside of the U.S. to about 25 percent of its revenue by 2013, up from 17 percent last year and 7 percent in 2006. Defense sales accounted for nearly half of Boeing's \$64 billion of revenue last year. To reach its goal, Boeing is counting on growing demand in Asia and the Middle East for military aircraft to offset possible spending cuts in Europe and the U.S. Recently, India's cabinet approved a \$4.1 billion purchase of 10 C-17 military transport planes.

Meanwhile, Moline-based Deere & Co. announced this quarter that it will build two separate plants in China. Deere will spend about \$60 million to build an engine factory in Tianjin, China, and it will commit \$80 million to build a metal, painting and assembly plant in Harbin, China. A boom in farm incomes around the world has raised Deere's agricultural equipment sales in recent quarters. Also, The European Bank for Reconstruction and Development has given Deere & Co. a loan of \$168 million to set up a leasing firm in Russia. The five-year loan will support restocking farm equipment and will target the forestry and construction industries. Deere opened a manufacturing and parts distribution plant in Russia last year and has pledged to invest \$500 million in the country. Its goal is to increase the number of harvesters and tractors in Russia to take advantage of the country's vast, untapped agricultural potential.

Additionally, Decatur-based Archer Daniels Midland Co. is building a new port terminal in Uruguay to export corn, soybeans, wheat and soybean meal from South America to markets in Europe and elsewhere. Construction will begin immediately on the port terminal, which should be completed in about two years. ADM has been beefing up its operations in South America, where land is relatively cheap and crop production is on the rise.

Selected 2nd Quarter 2011 industrial sales:

| <u>Property/Submarket</u> | <u>Sale Price/Buyer</u> |
|---|--|
| 2700 W Haven Ave Joliet/Will County | \$47.9 million (\$56/SF) Heitman |
| 21705 W Mississippi Ave Joliet/Will County | \$43.0 million (\$42/SF) Liberty Property Trust |

Source: Real Capital Analytics; June 2011.



Outlook

A market report for commercial real estate executives

SUMMARY OF INDUSTRIAL MARKET INDICATORS
METRO CHICAGO MARKET
2008 THROUGH MID-YEAR 2011

| Submarket | June 2011 | | Direct Vacancy Rate at End of: ^{2/} | | | | June 2011 | | Net Absorption (SF) | | | | |
|--------------------------------------|--|--|--|-------|-------|----------|--------------------------------------|--------------------------------|---------------------|-------------|-------------|------------|---------------|
| | Total Rentable SF All Bldgs. ^{1/} | SF Avail. Immediately All Bldgs. ^{3/} | 2008 | 2009 | 2010 | 2nd Q 11 | Vacancy Rate w/ Sublet ^{2/} | SF Under Constr. or Renovation | 2008 | 2009 | 2010 | 2nd Q 2011 | 1st Half 2011 |
| | | | | | | | | | | | | | |
| City of Chicago | | | | | | | | | | | | | |
| Flex/Service ^{5/} | 12,655,213 | 1,746,419 | 9.7% | 10.1% | 11.4% | 13.8% | 13.8% | - | (43,000) | 125,000 | (141,000) | (114,000) | (671,000) |
| Manufacturing | 51,669,847 | 6,562,071 | 8.1% | 12.2% | 11.5% | 12.7% | 12.8% | - | 1,635,000 | (2,118,000) | 363,000 | (413,000) | (620,000) |
| Warehouse/Distribution | 151,186,400 | 12,397,285 | 6.0% | 7.9% | 8.6% | 8.2% | 8.6% | 1,350,000 | (1,053,000) | (2,867,000) | (847,000) | 454,000 | 688,000 |
| Total - City of Chicago | 215,511,460 | 20,705,775 | 6.7% | 9.1% | 9.5% | 9.6% | 9.9% | 1,350,000 | 539,000 | (4,860,000) | (625,000) | (73,000) | (603,000) |
| O'Hare | | | | | | | | | | | | | |
| Flex/Service | 6,317,797 | 871,856 | 11.6% | 10.3% | 11.9% | 13.8% | 14.2% | - | (94,000) | - | (101,000) | (88,000) | (120,000) |
| Manufacturing | 22,153,982 | 2,304,014 | 8.2% | 9.9% | 11.6% | 10.4% | 11.1% | - | (444,000) | (377,000) | (375,000) | 310,000 | 266,000 |
| Warehouse/Distribution | 73,693,611 | 9,653,863 | 9.4% | 11.3% | 11.4% | 13.1% | 13.9% | - | (6,000) | (1,529,000) | (2,000) | (221,000) | (1,253,000) |
| Total - O'Hare | 102,165,390 | 12,829,733 | 9.3% | 10.9% | 11.5% | 12.6% | 13.3% | - | (544,000) | (1,906,000) | (478,000) | 1,000 | (1,107,000) |
| North Cook | | | | | | | | | | | | | |
| Flex/Service | 5,580,757 | 820,371 | 11.6% | 16.0% | 14.9% | 14.7% | 14.7% | - | 172,000 | (106,000) | 61,000 | 33,000 | 11,000 |
| Manufacturing | 11,331,621 | 883,866 | 6.7% | 10.2% | 8.7% | 7.8% | 7.8% | - | 832,000 | (396,000) | 170,000 | 23,000 | 102,000 |
| Warehouse/Distribution ^{4/} | 35,545,823 | 2,488,208 | 5.2% | 4.8% | 8.0% | 7.0% | 7.1% | - | (170,000) | - | (1,133,000) | 191,000 | 474,000 |
| Total - North Cook | 52,458,201 | 4,192,445 | 6.3% | 7.2% | 8.9% | 8.0% | 8.1% | - | 834,000 | (502,000) | (902,000) | 247,000 | 587,000 |
| West Cook | | | | | | | | | | | | | |
| Flex/Service | 1,323,766 | 125,758 | 3.2% | 5.1% | 9.4% | 9.5% | 9.5% | - | 43,000 | 168,000 | (56,000) | (12,000) | (1,000) |
| Manufacturing | 23,369,663 | 3,131,535 | 5.7% | 9.4% | 14.0% | 13.4% | 13.5% | - | (190,000) | (671,000) | (749,000) | - | 140,000 |
| Warehouse/Distribution | 56,819,085 | 5,340,994 | 8.6% | 9.6% | 10.1% | 9.4% | 9.6% | - | (1,183,000) | (1,139,000) | (284,000) | 284,000 | 398,000 |
| Total - West Cook | 81,512,514 | 8,598,287 | 7.7% | 9.5% | 11.2% | 10.5% | 10.7% | - | (1,330,000) | (1,642,000) | (1,089,000) | 272,000 | 537,000 |
| Northwest Cook | | | | | | | | | | | | | |
| Flex/Service | 6,716,803 | 879,901 | 7.2% | 13.2% | 12.7% | 13.1% | 13.1% | - | 78,000 | (320,000) | 33,000 | 67,000 | (27,000) |
| Manufacturing | 3,664,885 | 230,888 | 15.7% | 13.4% | 5.4% | 6.3% | 6.8% | - | 346,000 | 18,000 | 294,000 | (15,000) | (33,000) |
| Warehouse/Distribution | 21,227,449 | 2,526,066 | 11.7% | 14.6% | 12.8% | 11.9% | 11.9% | - | 94,000 | (228,000) | 382,000 | 191,000 | 222,000 |
| Total - Northwest Cook | 31,609,137 | 3,636,855 | 11.2% | 14.2% | 11.9% | 11.5% | 11.6% | - | 518,000 | (530,000) | 709,000 | 243,000 | 162,000 |
| South Cook | | | | | | | | | | | | | |
| Flex/Service | 2,083,923 | 281,330 | 12.5% | 14.8% | 12.7% | 13.5% | 16.9% | - | 31,000 | (8,000) | 44,000 | (27,000) | (17,000) |
| Manufacturing ^{5/} | 18,015,024 | 1,729,442 | 3.9% | 8.6% | 6.1% | 9.6% | 9.6% | - | (335,000) | (546,000) | 921,000 | (54,000) | (18,000) |
| Warehouse/Distribution | 45,361,263 | 5,987,687 | 14.7% | 14.7% | 16.8% | 13.2% | 14.1% | - | (116,000) | (241,000) | (953,000) | 181,000 | 1,633,000 |
| Total - South Cook | 65,460,210 | 7,998,459 | 12.1% | 13.1% | 13.7% | 12.2% | 13.0% | - | (420,000) | (795,000) | 12,000 | 100,000 | 1,598,000 |
| Near Southwest Suburbs | | | | | | | | | | | | | |
| Flex/Service | 278,725 | 35,677 | 1.0% | 12.0% | 12.0% | 12.8% | 12.8% | - | 51,000 | (31,000) | - | (2,000) | (2,000) |
| Manufacturing | 9,533,292 | 1,639,726 | 14.6% | 19.6% | 17.3% | 17.2% | 17.2% | - | (467,000) | (478,000) | 219,000 | (19,000) | 10,000 |
| Warehouse/Distribution | 16,053,935 | 1,428,800 | 11.9% | 9.3% | 9.5% | 8.9% | 8.9% | - | 926,000 | 482,000 | (32,000) | 96,000 | 96,000 |
| Total - Near SW Suburbs | 25,865,952 | 3,104,203 | 12.7% | 13.1% | 12.4% | 12.0% | 12.0% | - | 510,000 | (27,000) | 187,000 | 75,000 | 104,000 |
| North I-55 Corridor | | | | | | | | | | | | | |
| Flex/Service | 321,580 | 11,898 | 2.9% | 3.4% | 3.6% | 3.7% | 3.7% | - | 50,000 | - | - | - | - |
| Manufacturing | 9,126,620 | 766,636 | 10.4% | 14.4% | 9.7% | 8.4% | 8.4% | - | 4,000 | (365,000) | 429,000 | 18,000 | 118,000 |
| Warehouse/Distribution | 20,263,701 | 3,809,576 | 4.6% | 14.7% | 13.7% | 18.8% | 19.5% | - | (167,000) | (1,640,000) | 319,000 | (20,000) | (1,033,000) |
| Total - North I-55 Corridor | 29,711,901 | 4,588,110 | 6.4% | 14.5% | 12.4% | 15.4% | 15.9% | - | (113,000) | (2,005,000) | 748,000 | (2,000) | (915,000) |
| Suburban Lake County | | | | | | | | | | | | | |
| Flex/Service | 6,294,307 | 673,491 | 10.7% | 13.4% | 12.2% | 10.7% | 10.8% | - | (50,000) | (57,000) | 75,000 | 13,000 | 95,000 |
| Manufacturing | 18,145,961 | 1,578,699 | 6.9% | 8.4% | 10.9% | 8.7% | 8.7% | - | 129,000 | (273,000) | (452,000) | 91,000 | 399,000 |
| Warehouse/Distribution | 50,819,386 | 6,809,798 | 7.8% | 11.4% | 11.8% | 13.4% | 13.6% | 214,745 | 422,000 | (1,599,000) | (204,000) | (966,000) | (814,000) |
| Total - Suburban Lake Co. | 75,259,654 | 9,061,987 | 7.8% | 10.8% | 11.6% | 12.0% | 12.2% | 214,745 | 501,000 | (1,929,000) | (581,000) | (862,000) | (320,000) |

See following page for balance of Chicago Industrial Summary



(continued)
SUMMARY OF INDUSTRIAL MARKET INDICATORS
METRO CHICAGO MARKET
2008 THROUGH MID-YEAR 2011

| Submarket | June 2011 | | Direct Vacancy Rate at End of: 2/ | | | | June 2011 | | Net Absorption (SF) | | | | |
|--|---------------------------------|-------------------------------------|-----------------------------------|--------------|--------------|--------------|---------------------------|--------------------------------|---------------------|---------------------|------------------|------------------|------------------|
| | Total Rentable SF All Bldgs. 1/ | SF Avail. Immediately All Bldgs. 3/ | 2008 | 2009 | 2010 | 2nd Q 11 | Vacancy Rate w/ Sublet 2/ | SF Under Constr. or Renovation | 2008 | 2009 | 2010 | 2nd Q 2011 | 1st Half 2011 |
| | Suburban McHenry County | | | | | | | | | | | | |
| Flex/Service | 2,186,811 | 150,890 | 10.4% | 16.5% | 9.8% | 6.9% | 6.9% | - | (108,000) | (101,000) | 147,000 | (9,000) | 63,000 |
| Manufacturing | 7,777,224 | 544,406 | 21.1% | 4.0% | 6.5% | 7.0% | 7.8% | - | 551,000 | 59,000 | (195,000) | (47,000) | (39,000) |
| Warehouse/Distribution 5/ | 17,549,107 | 2,211,187 | 7.2% | 8.4% | 7.2% | 12.6% | 12.6% | - | (160,000) | (159,000) | 210,000 | (456,000) | (438,000) |
| Total - Suburban McHenry Co. | 27,513,142 | 2,906,483 | 11.7% | 7.8% | 7.2% | 10.6% | 10.8% | - | 283,000 | (201,000) | 162,000 | (512,000) | (414,000) |
| North DuPage | | | | | | | | | | | | | |
| Flex/Service | 1,022,802 | 66,482 | 9.0% | 15.2% | 8.8% | 6.5% | 6.5% | - | (26,000) | (61,000) | 65,000 | 7,000 | 23,000 |
| Manufacturing | 6,062,277 | 969,964 | 14.2% | 10.7% | 16.0% | 16.0% | 16.0% | - | (362,000) | (203,000) | (320,000) | (55,000) | - |
| Warehouse/Distribution | 32,276,868 | 3,066,302 | 6.0% | 8.1% | 9.6% | 9.5% | 10.0% | - | 51,000 | (103,000) | (462,000) | (226,000) | 32,000 |
| Total - North DuPage | 39,361,947 | 4,102,749 | 7.3% | 8.7% | 10.6% | 10.4% | 10.8% | - | (337,000) | (367,000) | (717,000) | (274,000) | 55,000 |
| Central Kane and DuPage | | | | | | | | | | | | | |
| Flex/Service | 1,594,395 | 312,501 | 36.9% | 23.5% | 19.1% | 19.6% | 19.6% | - | (543,000) | (12,000) | 70,000 | 22,000 | (8,000) |
| Manufacturing 4/ | 9,684,876 | 648,887 | 6.4% | 17.3% | 17.4% | 6.7% | 6.7% | - | 1,000 | (488,000) | (9,000) | 1,249,000 | 1,574,000 |
| Warehouse/Distribution 4/ | 32,233,015 | 2,836,505 | 7.0% | 10.8% | 10.6% | 8.8% | 8.9% | - | 400,000 | (759,000) | 65,000 | 166,000 | 455,000 |
| Total - Central Kane & DuPage | 43,512,286 | 3,797,893 | 8.6% | 12.6% | 12.4% | 8.7% | 8.8% | - | (142,000) | (1,259,000) | 126,000 | 1,437,000 | 2,021,000 |
| North Kane/I-90 | | | | | | | | | | | | | |
| Flex/Service | 3,534,383 | 328,698 | 9.0% | 12.5% | 9.6% | 9.3% | 11.2% | - | 164,000 | (124,000) | 102,000 | - | 11,000 |
| Manufacturing | 6,391,199 | 357,907 | 4.9% | 6.3% | 7.5% | 5.6% | 5.6% | - | 139,000 | (90,000) | (77,000) | 58,000 | 122,000 |
| Warehouse/Distribution | 18,985,632 | 2,183,348 | 11.6% | 11.6% | 9.1% | 11.5% | 11.6% | - | (130,000) | 329,000 | 474,000 | (551,000) | (409,000) |
| Total - North Kane/I-90 | 28,911,214 | 2,869,952 | 9.8% | 10.5% | 8.8% | 9.9% | 10.2% | - | 173,000 | 115,000 | 499,000 | (493,000) | (276,000) |
| I-88 West | | | | | | | | | | | | | |
| Flex/Service | 3,703,370 | 474,031 | 11.4% | 12.4% | 15.8% | 12.8% | 13.3% | - | 185,000 | (54,000) | (126,000) | 96,000 | 111,000 |
| Manufacturing | 19,086,054 | 1,469,626 | 9.1% | 6.9% | 6.8% | 7.7% | 8.1% | - | (215,000) | 454,000 | 18,000 | (286,000) | (171,000) |
| Warehouse/Distribution | 36,663,054 | 3,959,610 | 9.1% | 14.6% | 11.4% | 10.8% | 12.0% | - | 1,146,000 | (1,457,000) | 985,000 | 660,000 | 220,000 |
| Total - I-88 West | 59,452,478 | 5,903,267 | 9.3% | 12.0% | 10.2% | 9.9% | 10.8% | - | 1,116,000 | (1,057,000) | 877,000 | 470,000 | 160,000 |
| West Suburbs | | | | | | | | | | | | | |
| Flex/Service | 4,653,569 | 586,350 | 7.0% | 14.5% | 14.0% | 12.6% | 13.1% | - | 149,000 | (349,000) | 23,000 | 5,000 | 65,000 |
| Manufacturing | 7,050,939 | 867,265 | 10.6% | 10.4% | 13.1% | 12.3% | 12.4% | - | 18,000 | 14,000 | 77,000 | 56,000 | 56,000 |
| Warehouse/Distribution | 25,546,302 | 2,375,806 | 6.7% | 10.8% | 8.5% | 9.3% | 9.9% | - | 57,000 | (1,047,000) | 588,000 | (179,000) | (205,000) |
| Total - West Suburbs | 37,250,810 | 3,829,421 | 7.5% | 11.2% | 10.1% | 10.3% | 10.8% | - | 224,000 | (1,382,000) | 688,000 | (118,000) | (84,000) |
| South I-55 Corridor | | | | | | | | | | | | | |
| Flex/Service | 4,495,392 | 638,346 | 7.1% | 15.1% | 14.5% | 14.2% | 14.2% | - | (8,000) | (108,000) | 27,000 | - | 13,000 |
| Manufacturing | 9,456,528 | 576,848 | 8.6% | 10.5% | 11.0% | 6.1% | 6.8% | - | 31,000 | (179,000) | (48,000) | 340,000 | 463,000 |
| Warehouse/Distribution | 67,890,560 | 6,721,165 | 11.7% | 11.7% | 11.4% | 9.9% | 10.9% | - | 3,396,000 | 1,355,000 | 204,000 | (339,000) | 1,019,000 |
| Total - South I-55 Corridor | 81,842,480 | 7,936,359 | 10.0% | 11.7% | 11.5% | 9.7% | 10.6% | - | 3,419,000 | 1,068,000 | 183,000 | 1,000 | 1,495,000 |
| Joliet/Will County | | | | | | | | | | | | | |
| Flex/Service | 1,194,951 | 89,621 | 7.2% | 10.1% | 8.9% | 7.5% | 7.5% | - | 35,000 | (31,000) | 14,000 | 13,000 | 17,000 |
| Manufacturing | 8,441,215 | 202,589 | 17.2% | 10.4% | 2.1% | 2.4% | 2.4% | - | 391,000 | 184,000 | 701,000 | - | (25,000) |
| Warehouse/Distribution 5/ | 47,212,965 | 7,318,010 | 18.2% | 19.2% | 16.5% | 15.5% | 15.8% | 337,000 | 367,000 | 1,243,000 | 330,000 | - | 708,000 |
| Total - Joliet/Will County | 56,849,131 | 7,610,220 | 17.8% | 17.7% | 14.2% | 13.4% | 13.6% | 337,000 | 793,000 | 1,396,000 | 1,045,000 | 13,000 | 700,000 |
| Metro Chicago | | | | | | | | | | | | | |
| Flex/Service | 63,958,544 | 8,093,621 | 10.2% | 12.7% | 12.5% | 12.7% | 13.0% | - | 86,000 | (1,069,000) | 237,000 | 4,000 | (437,000) |
| Manufacturing | 240,961,207 | 24,464,370 | 8.8% | 10.6% | 10.6% | 10.2% | 10.3% | - | 2,064,000 | (5,455,000) | 967,000 | 1,256,000 | 2,344,000 |
| Warehouse/Distribution | 749,328,156 | 81,114,210 | 9.1% | 11.0% | 10.9% | 10.8% | 11.3% | 1,901,745 | 3,874,000 | (9,359,000) | (360,000) | (735,000) | 1,793,000 |
| Total - Metro Chicago | 1,054,247,907 | 113,672,201 | 9.1% | 11.0% | 11.0% | 10.8% | 11.2% | 1,901,745 | 6,024,000 | (15,883,000) | 844,000 | 525,000 | 3,700,000 |
| Vacancy Rate including Sublease Space | | | 9.7% | 11.6% | 11.5% | 11.2% | | | | | | | |

1/ Includes multi-tenant, single-tenant, and owner occupied buildings. Does not include buildings under construction or buildings owned by the government.
 2/ Vacancy rates reported are based on immediate availability.
 3/ Does not include sublet space.
 4/ New delivery per CoStar.
 5/ Amended Q1 vacancy per CoStar.

Source: Inventory and Vacancy from analysis of CoStar data, Net Absorption computed by Delta Associates; June 2011.

Delta Associates, the research affiliate of Transwestern, is headquartered at: 500 Montgomery St., Suite 600, Alexandria, VA 22314; Phone: 703-836-5700; DeltaAssociates.com

Note on data contained herein

Our inventory, vacancy and absorption figures include owner-occupied and single-tenant buildings. We include these buildings to capture the entire market so that we may derive correlations between economic performance and occupancy of inventory. Our reported vacancy rate is based on immediate availability. Data cutoff for the Mid-Year 2011 report was June 13.

National Economy and Methodology

Please visit Transwestern.net for:

- Our National Economic Outlook
- Explanation of our methodology

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Outlook

A market report for commercial real estate executives

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