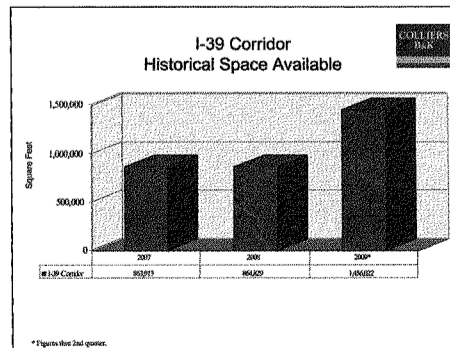
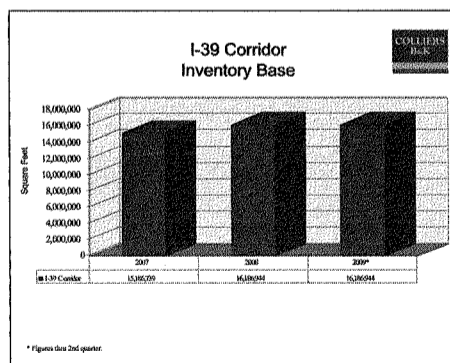
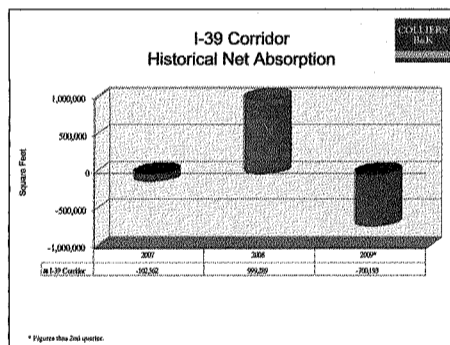
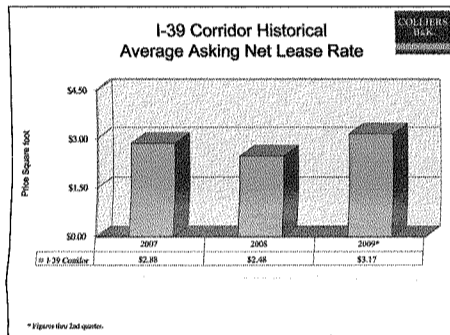
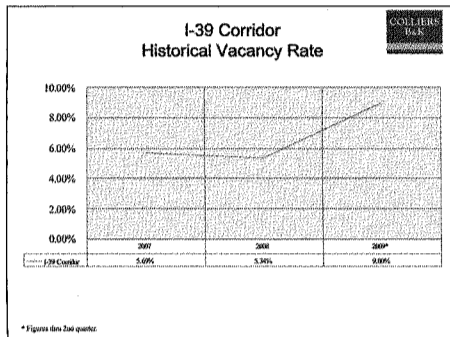


## I-39 LOGISTICS CORRIDOR

The market data demonstrates the maturation of the I-39 Logistics Corridor. For the first time, we are in a position to respond to virtually any opportunity that presents itself, because we now have space available for lease or sale in Class A industrial facilities and parks, built not only by our local and regional developers, but by America's largest national industrial development firms, which have recently established a presence in the corridor."

— Janyce Fadden, Executive Director of the I-39 Logistics Corridor Association.



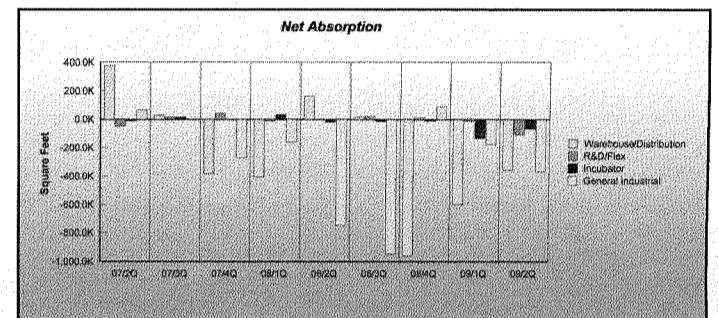
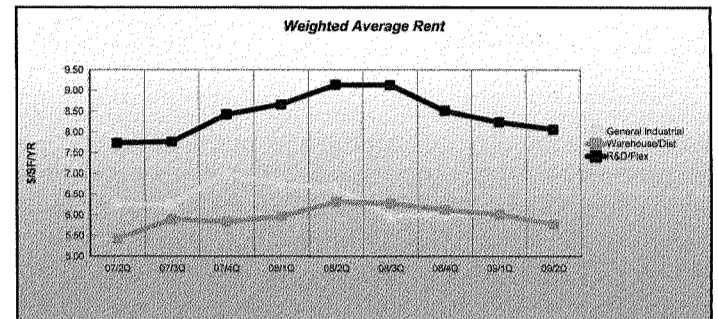
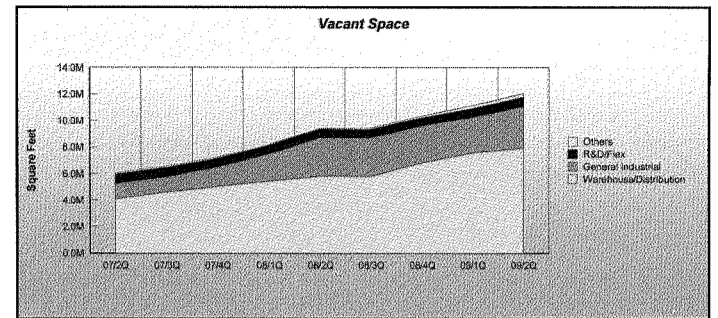
## O'HARE/INTERSTATE 90

O'Hare landlords are making deals; since fourth-quarter 2008, there has been 1.2 million square feet of industrial space leased, mainly due to rate discounts of 30 percent to 60 percent, as well as generous tenant improvement allowances and abatement. The leasing market has reacted better to the downturn than the sales market. Asking prices have not been discounted as much as leasing rates. This fact, plus simply the lack of prospects — I have received few inquiries on my sales listings since the beginning of year — means very slow sales. Though no significant sales have closed, a number of institutional groups are trying to unload pieces of their portfolios, which means some major trades around O'Hare may happen at the end of the year. Expect the sales that occur to close at low prices.

There has been no spec industrial development around O'Hare. Build-to-suits have accounted for 70,000 square feet in two deals this year — a dismal number in one of the largest submarkets (105 million square feet) in the Chicagoland market of 1.25 billion square feet. From 2006 through 2008, construction start activity measured an estimated 19 million square feet in the metro Chicago market, with approximately 70 percent of that spec. Right now, across the vast Chicago market, I measure about 260,000 square feet of spec and approximately 500,000 square feet of build-to-suits under construction, including building expansions, which is far below prior year activity.

O'Hare submarket vacancy measures 12.5 percent. This time next year, we may see that drop below 12 percent, mainly due to the aggressive leasing market. If credit loosens up and sales prices start to reflect the deal-making stance in the leasing market, we could see some good absorption around O'Hare in 2010.

— Brian Carroll, senior vice president with the Industrial Services Group of Grubb & Ellis Company.



Source: Grubb & Ellis

# STUDENT HOUSING BUSINESS™

The voice of the student housing real estate industry

A new magazine dedicated to the burgeoning student housing real estate industry

## Looking for exposure to the student housing industry?

If you are:

- an owner, investor or developer of student housing real estate
- active in leasing and operating student housing projects
- a lender or financial intermediary active in the niche
- a vendor and supplier to the business
- in any way a part of the student housing real estate transaction cycle
- interested in learning more about the players, issues and trends in this still healthy and active niche in commercial real estate

Student Housing Business is the news and information source you have been waiting for!

For editorial, subscription and advertising inquiries please contact Richard Kelley at (914) 468-0818 or rkelley@francepublications.com.

FRANCE PUBLICATIONS, INC.™