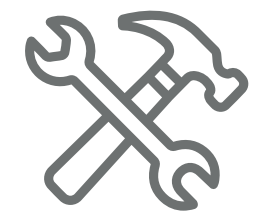
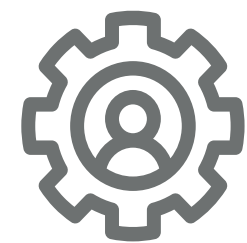


CHICAGO, IL • CINCINNATI, OH • COLUMBUS, OH • INDIANAPOLIS, IN • KANSAS CITY, MO • ST. LOUIS, MO

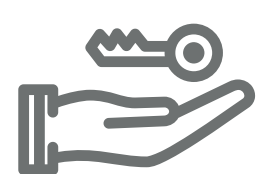
# MIDWEST SPECULATIVE CONSTRUCTION REPORT



**200 MSF**  
OF MODERN BULK  
DISTRIBUTION  
SPACE BUILT



**100+**  
DEVELOPERS



**89%**  
OCCUPIED



**700+**  
TENANTS

## IF YOU BUILD IT, THEY WILL COME

Speculative construction is by its very definition, a risk. Many developers wonder: if we build it, will tenants come?

In the last six years, major Midwest markets saw heightened demand for bulk warehouse space. In turn, 200 million square feet (msf) of speculative product was delivered, with nearly 90.0% occupancy as of Q1 2022.

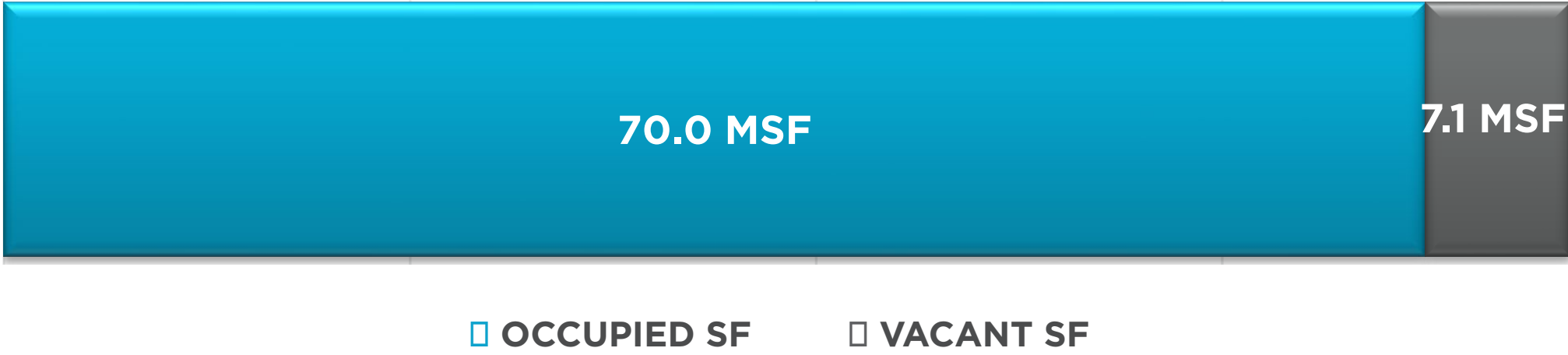
*Dataset includes buildings built between Q1 2016 & Q1 2022*

## SPECULATIVE MARKET OVERVIEW

Due to strong tenant demand, Chicago's industrial market has recorded significant speculative development over the last several years. There has been 77.1 msf of speculative space built between 2016 and Q1 2022, of which 90.8% is occupied. Of the 19 tracked industrial submarkets, 14 have recorded over 1.0 msf of completed speculative inventory. The bulk of this space has been concentrated within the Interstate 80, Interstate 55 and Southeast Wisconsin submarkets, accounting for 51.7% of completed speculative space. The majority of speculative product built since 2016 was between 200,000 and 500,000 sf, accounting for 42.1% of overall built speculative product. Clear heights have been trending upward, in 2016 the average was 32' whereas over half the speculative product built since 2021 and those under construction have clear heights of 36' and over. Speculative product under construction reached 16.3 msf, up from 8.2 msf one year ago. Development will continue to be concentrated in high demand and infill submarkets.

## SPECULATIVE BULK OCCUPANCY: 91%

Q1 2016  
TO  
Q1 2022



**276**  
BUILDINGS  
COMPLETED

**77.1M**  
SQUARE FEET  
DELIVERED

**279,458**  
AVG BUILDING SIZE  
SQUARE FEET

**69**  
DEVELOPERS  
INVOLVED

**308**  
CURRENT  
TENANTS

# CHICAGO

IF YOU BUILD IT, THEY WILL COME

*Building set built between 2016 & Q1 2022.  
Source: Cushman & Wakefield Research*



## SPECULATIVE MARKET OVERVIEW

Historically, developers in the Cincinnati industrial market have taken a conservative approach to building speculative bulk product. However, 24.0 msf of speculative space was built in the market between 2016 and 2022, with 87.0% occupancy. The remaining 13.0% vacancy is the result of a handful of large buildings built between 2019 and 2021. No new speculative bulk buildings delivered in Q1 2022, but 10 new buildings are expected to be delivered over the course of 2022. Of the 60 completed buildings, almost half were comprised of full-building users. As with most modern bulk buildings, speculative development in the Cincinnati market has been and will continue to be concentrated in the Northwest and Northern Kentucky submarkets along the Interstate 75 corridor.

## SPECULATIVE BULK OCCUPANCY: 87%

Q1 2016  
TO  
Q1 2022



■ OCCUPIED SF

■ VACANT SF

**60**  
BUILDINGS  
COMPLETED

**23.7M**  
SQUARE FEET  
DELIVERED

**394,314**  
AVG BUILDING SIZE  
SQUARE FEET

**28**  
DEVELOPERS  
INVOLVED

**94**  
CURRENT  
TENANTS

# CINCINNATI

IF YOU BUILD IT, THEY WILL COME

*Dataset includes buildings built between Q1 2016 and Q1 2022*

## SPECULATIVE MARKET OVERVIEW

Over a six-year period, developers in the Columbus industrial market built 25.0 msf of speculative bulk product. Interestingly, over half of this speculative space was completed in just two years between 2020 and 2021. In total, more than 95.0% of all the speculative space is occupied and only two buildings have vacancies larger than 150,000 sf. Four speculative bulk buildings delivered in Q1 2022, and at least 15 more buildings are projected to be delivered over the course of 2022. Of the 62 completed buildings, more than 60.0% were comprised of full-building users. The majority of speculative bulk deliveries were in the Southeast submarket near Rickenbacker International Airport, a facility that is uniquely focused on cargo. Other speculative projects were based south of Rickenbacker in Pickaway County, as well as rural Licking County and Madison County along the Interstate 70 corridor.

## SPECULATIVE BULK OCCUPANCY: 96%

Q1 2016  
TO  
Q1 2022



■ OCCUPIED SF    ■ VACANT SF

**62**  
BUILDINGS  
COMPLETED

**24.9M**  
SQUARE FEET  
DELIVERED

**401,652**  
AVG BUILDING SIZE  
SQUARE FEET

**30**  
DEVELOPERS  
INVOLVED

**76**  
CURRENT  
TENANTS

# COLUMBUS

IF YOU BUILD IT, THEY WILL COME

*Dataset includes buildings built between Q1 2016 and Q1 2022*



## SPECULATIVE MARKET OVERVIEW

The Indianapolis market saw a significant amount of speculative bulk development over the past several years. Despite this influx of new construction, space does not sit on the market for very long once completed. The only product available at the end of Q1 2022 was in buildings built during the first quarter and a handful of remaining spaces from 2021 and 2020. All speculative bulk development prior to 2020 has been leased. The average building size for completed product was 549,000 sf and leasing activity was evenly split between full and partial users. Development in the Indianapolis market has been concentrated in the Northwest and Southwest submarkets, which saw 71.0% of completed speculative bulk product since 2016. Looking forward, the East and South submarkets are also poised to see substantial bulk development in the coming quarters.

## SPECULATIVE BULK OCCUPANCY: 87%

Q1 2016  
TO  
Q1 2022



■ OCCUPIED SF    ■ VACANT SF

**61**

BUILDINGS  
COMPLETED

**33.5M**

SQUARE FEET  
DELIVERED

**548,671**

AVG BUILDING SIZE  
SQUARE FEET

**27**

DEVELOPERS  
INVOLVED

**63**

CURRENT  
TENANTS

# INDIANAPOLIS

IF YOU BUILD IT, THEY WILL COME

*Dataset includes buildings built between Q1 2016 and Q1 2022*

## SPECULATIVE MARKET OVERVIEW

The early portion of the Kansas City industrial expansion was centered in the Johnson County submarket, but speculative construction has now spread to every portion of the city. Infill sites that are ideally suited for smaller buildings that can be demised into spaces as small as 40,000 sf are located in parts of Jackson County and Wyandotte County, while larger buildings that have attracted single tenants of 900,000 sf or more are located around the periphery of the metro area, most notably in southern Johnson County and southern Jackson County. At the end of 2021, five different submarkets had at least 500,000 sf of speculative space under construction while two submarkets had 2.0 msf or more. Of the 5.1 msf of vacant space in the market, 60.1% was delivered within the past 180 days.

## SPECULATIVE BULK OCCUPANCY: 82%

Q1 2016  
TO  
Q1 2022



■ OCCUPIED SF    ■ VACANT SF

**60**  
BUILDINGS  
COMPLETED

**27.8M**  
SQUARE FEET  
DELIVERED

**462,646**  
AVG BUILDING SIZE  
SQUARE FEET

**17**  
DEVELOPERS  
INVOLVED

**112**  
CURRENT  
TENANTS

# KANSAS CITY

IF YOU BUILD IT, THEY WILL COME

*Dataset includes buildings built between Q1 2016 and Q1 2022*



# SPECULATIVE MARKET OVERVIEW

Interstate 70 and 270 combine to create what is locally referred to as the “70s Corridor” in St. Louis. The 70s Corridor is a key connector of the bistate area and found in four of the seven St. Louis submarkets: St. Charles County, West County, North County and Metro East. These submarkets are strategically positioned along this corridor and subsequently home to St. Louis’ major industrial parks, comprising roughly 85.0% of the institutional quality buildings in the St. Louis MSA. With dueling tax abatement municipalities, the 70s Corridor continues to be a competitively sought-after location for developers and users alike, with approximately 83.0% of total new construction in 2022 occurring along the corridor. As industrial construction has reached new record levels, the inventory on this strategic corridor will continue to increase and expand both east and west.

# SPECULATIVE BULK OCCUPANCY: 95%

Q1 2016  
TO  
Q1 2022



■ OCCUPIED SF    ■ VACANT SF

**32**  
BUILDINGS  
COMPLETED

**13.1M**  
SQUARE FEET  
DELIVERED

**410,827**  
AVG BUILDING SIZE  
SQUARE FEET

**10**  
DEVELOPERS  
INVOLVED

**64**  
CURRENT  
TENANTS

ST. LOUIS

IF YOU BUILD IT, THEY WILL COME

Dataset includes buildings built between Q1 2016 and Q1 2022

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*Source: Cushman & Wakefield Research*

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