

IN Industrial Space In High Demand

Joseph S. Pete, The Times

MUNSTER, Ind. (AP) — The amount of vacant space in northwestern Indiana warehouses, factories and business parks has sunk to the lowest level in more than two decades.

The region's industrial vacancy rate has fallen to 7.24 percent, one of the lowest rates that market has seen, according to a commercial real estate organization. The rate has been steadily dropping from its peak of 12.1 percent at the end of 2009.

NAI Hiffman releases a quarterly report on the industrial market throughout the greater Chicago area, including Northwest Indiana. The real estate firm reports that demand for industrial space in Northwest Indiana has risen for the past nine months, after having been flat for some time.

"The vacancy rate is the lowest it's been in Northwest Indiana since early 2000 or 2001, around the time of the dot-com collapse," Craig Hurvitz, director of research for NAI Hiffman, told The Times (<http://bit.ly/19EMV0N> [1]). "There's been plenty of activity."

A similar trend of improvement has been taken place just across the Illinois border. Businesses have occupied more than 446,000 square feet of vacant industrial space in the south suburbs so far this year.

The vacancy rate in the south Cook County market — which includes Chicago Heights, South Holland, Calumet City and Lansing — improved for the eighth consecutive quarter, falling to 9.58 percent. The area traditionally has one of the highest vacancy rates in the Chicago area because of older buildings that are so obsolete that they will have to be torn down in some cases and high taxes that ward off new investment, Hurvitz said.

Companies took up 90,451 more square feet of vacant industrial space in Lake and Porter counties in the second quarter, bringing the total to 154,825 square feet for the year. Construction also has dramatically picked up. Major projects underway include the new 350,000-square-foot plant Urschel Laboratories is building in Chesterton's Coffee Creek Center and a 115,000-square-foot facility Dawn Food Products is constructing in Merrillville.

More than 700,000 square feet of industrial space — including a speculative building in a Portage business park - currently is under construction.

"That's a pretty healthy number that's indicative of pent-up demand," Hurvitz said. "Northwest Indiana hasn't seen that type of construction since 2007 or 2008."

Companies also leased more industrial space in the region last quarter. The biggest

IN Industrial Space In High Demand

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

deal in Northwest Indiana was when distribution company A.M. Castle & Co. decided to renew a lease for 243,000 square feet of space on Columbia Avenue in Hammond.

More than 65 percent of the industrial space in Northwest Indiana is concentrated in Hammond, East Chicago and Gary. The northern part of Lake County has some of the heaviest manufacturing plants in the world, as well as older manufacturing buildings occupied by firms that serve the steel and chemical industries, NAI Hiffman's researchers noted.

Munster, Hobart, Merrillville, Portage and other towns have more modern business parks, such as AmeriPlex at the Port and the Lake Business Center.

Overall, Northwest Indiana has more than 430 industrial buildings and more than 35.6 million square feet of industrial space. Only about 2.5 million square feet are currently vacant.

Northwest Indiana has one of the lowest vacancy rates of the 21 submarkets that NAI Hiffman tracks in the Chicago area. The overall industrial vacancy rate in the Chicago metropolitan area is 8.7 percent.

Source URL (retrieved on 09/19/2014 - 12:25pm):

<http://www.impomag.com/news/2013/09/industrial-space-high-demand>

Links:

[1] <http://bit.ly/19EMV0N>