



Spec Dominates Chicago Industrial Development

February 7, 2019

Speculative industrial is still going strong in Chicago, with 19.5 million square feet of new space under construction, says Avison Young. Even as the 59% year-over-year increase points to continued bullish outlook for demand, though, some experts are watching certain submarkets for overbuilding.

“Industrial businesses, particularly those in the logistics and food service areas, continue to focus on the Chicago area market,” said Avison Young’s Chris Lydon (pictured). “Many submarkets that are

closer to the city have little to no space available for new buildings, so we’re continuing to see spec development moving to outlying submarkets such as Southern Wisconsin.”

Southern Wisconsin led all submarkets in new construction with 4.9 million square feet delivered in the fourth quarter of 2018, up 50% over Q3. In the O’Hare submarket, although the 1.6 million square feet of construction underway “will ultimately increase market activity,” Lydon said demand will remain “solid” throughout 2019.