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# The real Black Friday winner? The industrial sector

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Black Friday and Cyber Monday are on their way. For retailers these are two of the biggest days of the year, days that can mean the difference between a booming holiday season or a lackluster one. And increasingly, retailers across the Midwest are relying on modern distribution centers to meet consumer demand and ensure busy Black Fridays and Cyber Mondays.

That's the gist of the latest research from Avison Young, which says that the hot consumer gifts for 2018 – electronics, toys, apparel, computers and video games – will most likely be tracked, sorted and shipped from industrial facilities dotting Midwest cities such as Chicago, Columbus and Indianapolis.

“E-commerce growth has been a significant driver of the industrial sector for several years, as retailers push to add strategically located distribution, fulfillment and warehouse facilities,” said Chris Tecu, a principal in Avison Young's Chicago office. “Despite record construction activity in recent years, developers can't build fast enough to keep up with the demand in some markets.”

According to Avison Young, the steady growth in e-commerce continues to fuel the construction boom in the U.S. industrial sector. Avison Young reports that 1.57 billion square feet of industrial space has been delivered across the nation since 2012, while another 372 million square feet is under construction now across the country.

The boom has hit the Midwest, too. Avison Young says that Chicago, benefitting from strong tenant demand and low vacancy rates, has seen an increase of 80.6 percent in industrial construction in the third quarter of 2018. The total volume of new space under construction for the quarter was 18.5 million square feet, up from 10.2 million square feet in the second quarter.

The Indianapolis market has been busy, too. It saw 10 industrial transactions of more than 130,000 square feet during the third quarter.

Much of the credit for all this industrial activity goes to Amazon. The online retailer has more than 140 million square feet of industrial space across the United States. By 2022, that space is supposed to increase to 280 million square feet, according to information from CoStar.

Avison Young says that the industrial sector has been the biggest beneficiary of the Black Friday and Cyber Monday shopping holidays.

“The holiday shopping season can make or break many retailers and they realize the importance of planning for their distribution needs 12 to 18 months ahead of the holidays,” Tecu said. “Retailers are thinking strategically about how much space they need, where it should be located and how they can continue to improve efficiencies to boost their revenue stream and keep consumers happy.”

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