



TRANSWESTERN

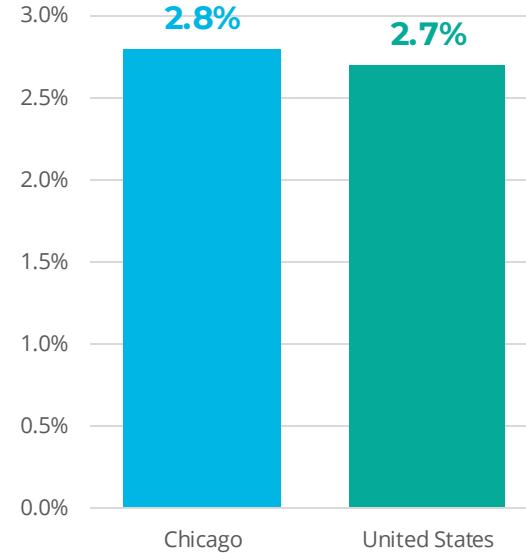
May 2025

TARIFFS & CRE THE LONG VIEW CHICAGO

CONSIDER THIS:

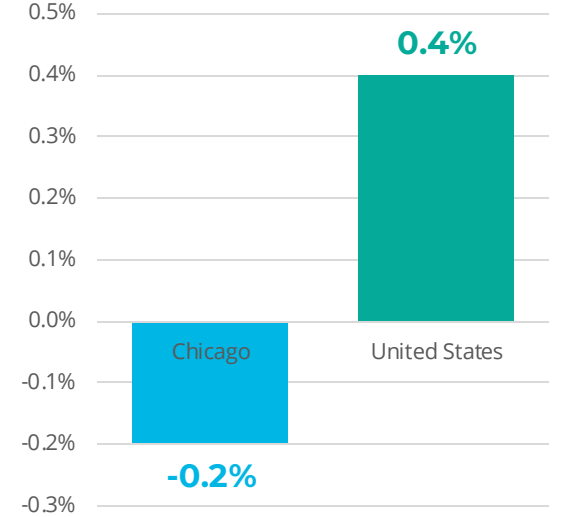
- The impact of the "Tariff Tantrum" on Chicago is expected to be minimal. Overall, Chicago's industrial market is likely to perform as well as, if not better than, most other major cities.
- Industrial space demand is broadly a function of local demand growth (driven by population and income growth), industrial production, and demand growth in the region each city serves as a distribution center.
- Chicago has a robust manufacturing sector, with more manufacturing space than any other city in the U.S. However, any advantages of onshoring due to increased tariffs are expected to favor regions with a more business-friendly environment. Consequently, any new manufacturing ventures within the Chicago MSA, which encompasses parts of Wisconsin and Indiana, are likely to be drawn to the submarkets in those neighboring areas.
- Although Chicago's population growth has been lackluster in recent years, its central location and well-established dominance as a transportation and logistics hub should enable the market to adapt and thrive amidst rapidly changing supply chain routes.
- Chicago's industrial vacancy rate stands at 5.2%, while new construction has slowed to just 1.4% of the total inventory. The higher construction costs resulting from tariffs are expected to hinder the initiation of new projects, keeping the delivery pipeline dry in the near term. This situation should maintain tight availability for the foreseeable future.

INCOME GROWTH 2025-2030 CAGR



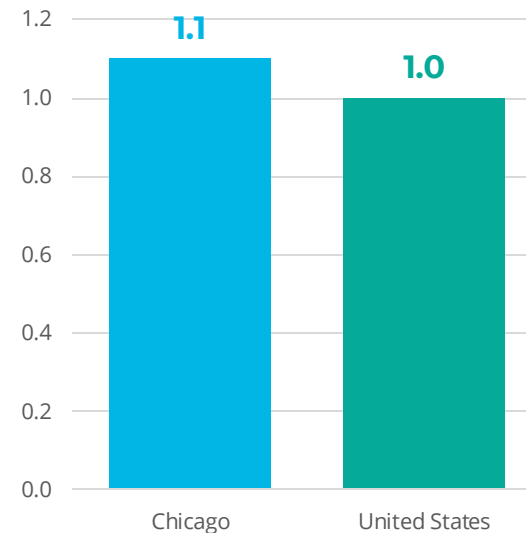
Source: Transwestern, Lightcast

POPULATION GROWTH 2025-2030 CAGR



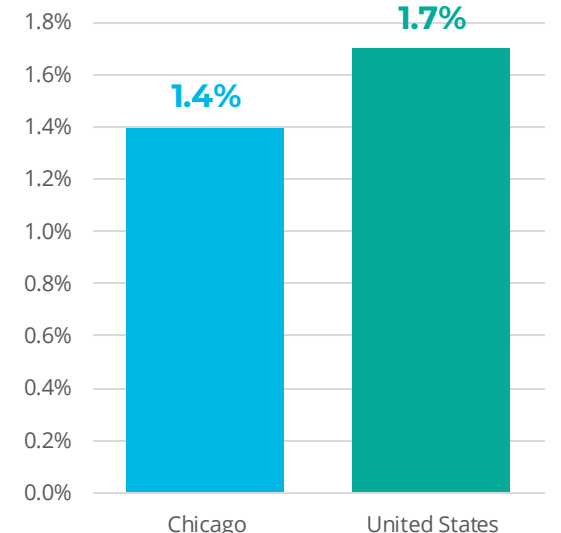
Source: Transwestern, Lightcast

MANUFACTURING CONCENTRATION Index vs. U.S. Q1 2025



Source: Transwestern, Lightcast

UNDER CONSTRUCTION Q4 2024 Industrial % of Stock



Source: Transwestern, Lightcast