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Big Deal in DeKalb

Venture One's **Mark Goode** tells us that his company and Clayco recently purchased the **biggest tract of industrial land** traded in the Midwest since '07—the **350 acres** remaining at the 565-acre **Park 88** in DeKalb—because business **prospects are bright**. The partners are working with **several companies** that are considering **breaking ground** this spring on build-to-suit facilities there. He says that **manufacturing is expanding** in the US more than it has in 20 years as companies relo plants from places like **China, Mexico,** and Europe. (They had nice visits, but they just missed the good burgers.) The partners have been developing in Park 88 for prior owners since '02, so they understand the property and have good working relations with public officials.



Clayco's **Kevin McKenna** (third from right, leading a hearty cheer) tells us that Park 88 is **one of many industrial opportunities** that his company is working on **around the country**, where it's developing **several projects** of 1M SF or more. In the name of efficiency, **big corporate users** like Caterpillar, Proctor & Gamble, and Dollar General are eager to build their own manufacturing, distribution, and/or warehouse facilities. Kevin says that **Park 88** serves Chicago's western 'burbs and Aurora, an area that he considers to be **strong** because there are **few other industrial buildings** available in this submarket, which has a well-trained workforce and good transportation access to the major regional highways, including I-39 and I-88.



Colliers' research director **George Cutro** says that the location is DeKalb's Main and Main. Although the partners were mum on the purchase price, George says the property was bank-owned in an outer market and reckons that they didn't pay a **premium**. George says that Chicago's industrial market is slowly heading in the **right direction**, although far from the **'06 peak**. Then, the vacancy rate was **8.7%** and big box rents were \$3.00 to \$3.50/SF. At the '09 trough, vacancy was **12.15%** ("a huge jump") and big box rents were \$2.00 to \$2.25/SF. In '11, 4.7M SF of new space was built versus 20.8M SF in '06 and 2.6M SF in '10, when the development pipeline was its smallest.

