

MARKET REPORT

2020

KENOSHA, LAKE AND NORTH COOK COUNTIES



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BUILDING SALES • LEASES • INVESTMENT SALES • PROJECT MANAGEMENT

HISTORICAL SALES COMPS



KENOSHA AND LAKE COUNTY

Square Feet Range	Average PSF	Time on Market	Number of Sale Transactions
20,000 to 50,000 SF	\$72	13.0 months	27
50,000 to 100,000 SF	\$64	24.2 months	25
100,000 SF+	\$61	34.2	36

SALE LEASE BACK

An Alternative Means to Debt or Equity Dilution in order to Raise Capital:

In this historically low cap rate environment, driven by low interest rates, sale-leasebacks have become increasingly popular as a way to maximize the highest price for a building. Simply put, its a transaction where a company sells its owned real estate for cash while simultaneously executing a long term lease with the buyer.

Long term leases increase the value of the property above what the market will pay for an empty building, but tenant will dictate terms of lease and operational control of the property. The biggest reason most companies are doing this is to fund business expansion and acquisitions. Typically the real estate is valued at 11 to 14 times the rent paid which is accretive to most ownership multiples. That results in a cost of capital of 7% to 9% with no requirement to repay principal.

NOTABLE STATS	20,000 to 50,000 SF	50,000 to 100,000 SF	100,000 + SF
Existing industrial Square Footage	18.3 Million	20.9 MILLION	76.9 Million
Vacancy Rate	4.4%	7.4%	5.3%
Average Net Rents	\$5.25	\$4.75	\$4.25
Cap Rates	7.4%	7.2%	7.0%
Buildings Under Construction	2	1	11
AVG New Construction Cost	Varies - Call for better detail.	\$73	\$59
Land Price	\$4.50	\$4.50	\$4.50
Under Building Land Value	\$12.86	\$12.86	\$12.86
Total Cost to Acquire Land & Build	Varies - Call for better detail.	\$85.86	\$71.86

*50% of the Lake County Building Stock Built Since 1989

*75% of the Kenosha County Building Stock within 3 Miles of I-94 Built Since 1995

NORTH COOK COUNTY

Niles, Skokie, Lincolnwood, Morton Grove, Northbrook, Wheeling, Glenview & Evanston

Square Feet Range	Average PSF	Time on Market	Number of Sale Transactions
20,000 to 50,000 SF	\$62	12.3	14
50,000 to 100,000 SF	\$63	7.7	10
100,000 SF+	\$96	20	11

Finally there is 100% realization of asset value and no haircut that is typically associated with a refinance or asset based loan. There are also no strings attached to use of proceeds like a typical bank loan so you can use it for buyouts, shareholder dividends, acquisitions, growth, buying yourself a vacation house, or a combination of all of the above.

NOTABLE STATS	20,000 to 50,000 SF	50,000 to 100,000 SF	100,000 + SF
Existing industrial Square Footage	10.7 Million	12.6 Million	25.0 Million
Vacancy Rate	4.8%	6.0%	4.3%
Average Net Rents	\$5.95	\$5.50	\$4.95
Cap Rates	7.9%	7.1%	6.4%
Buildings Under Construction	0	0	3
AVG New Construction Cost	Varies - Call for better detail.	\$73	\$59
Land Price	\$13.50	\$13.50	\$13.50
Under Building Land Value	\$32.14	\$32.14	\$38.57
Total Cost to Acquire Land & Build	VARIABLES	\$105.14	\$97.57

*50% of the Building Stock Built Before 1973

Every situation is unique, but I'm happy to talk through yours and determine if this is a viable option or not?