

B Mid-Year Industrial Outlook

BROWN
COMMERCIAL GROUP, INC.

SCHAUMBURG SUBMARKET RECALIBRATES

Market Overview

By Pat Crowley

As the industrial real estate market continues to evolve, Schaumburg stands out as a dynamic submarket within the Northwest Cook region. Recent data reveals notable trends and significant transactions that underscore Schaumburg's strategic importance. This mid-year outlook examines the latest developments, market dynamics, and future projections for the Schaumburg industrial submarket.

The Schaumburg industrial submarket has experienced robust activity over the past 12 months, marked by substantial sales volume and a mix of investment and owner-user transactions. According to Pat Crowley from Brown Commercial Group, "Schaumburg continues to be a coveted market for numerous industrial clients. Its strategic access to distribution routes, coupled with its proximity to O'Hare Airport, makes it highly appealing to a diverse range of industrial users." This strategic location, coupled with its diverse industrial base, has attracted a variety of investors and businesses looking to capitalize on its growth potential.

Key Performance Indicators

- **Sales Volume:** The Schaumburg submarket recorded a total sales volume of \$190 million in the past year, with logistics facilities driving the majority of transactions. This figure reflects a 43% year-over-year increase, highlighting the submarket's resilience and appeal.
- **Market Cap Rate:** The average market cap rate stands at 8.1%, indicating a stable investment environment with potential for steady returns.
- **Sale Price per SF:** The average sale price per square foot is \$113, with prices ranging from \$23 to \$875 per square foot. This wide range illustrates the diversity of property types and values within the submarket.

Notable Transactions

Several significant sales have shaped the Schaumburg industrial landscape:

2400 Huntington Blvd

- Acquired by Mizuho Americas for \$35.9 million (\$351/SF) in April 2024. This investment property, fully leased, represents a strategic acquisition in a prime location.

360 E State Pkwy

- DN Solutions America Corporation purchased this 163,309 SF facility for \$17.6 million (\$108/SF) in December 2023. The property is fully leased, reflecting strong tenant demand.

2050 Mitchell Blvd

- Hydac USA acquired this 94,490 SF building for \$9.4 million (\$100/SF) in November 2023. This owner-user transaction highlights the trend of businesses investing in their operational spaces.

Factors for Growth

- **Proximity to Major Transport Hubs:** The area's accessibility to O'Hare International Airport and major highways makes it an attractive location for logistics and distribution companies.
- **Diverse Industrial Base:** From manufacturing to high-tech industries, Schaumburg hosts a variety of businesses that contribute to its economic stability and growth.
- **Investment Opportunities:** The submarket offers opportunities for both institutional investors and owner-users, with properties catering to a range of needs and budgets.

Future Outlook

Submarket overview: O'Hare, Central Kane & DuPage

Looking ahead, Schaumburg's industrial market is poised for continued growth. The ongoing demand for logistics and distribution space, coupled with the submarket's strategic advantages, will likely sustain its momentum. However, challenges such as rising interest rates and potential economic uncertainties could impact future investment activity.

The Schaumburg industrial submarket continues to recalibrate, reflecting broader trends in the Northwest Cook region. With a strong performance over the past year and a favorable outlook, Schaumburg remains a key player in the industrial real estate landscape. Investors and businesses alike should keep a close eye on this vibrant submarket as it navigates the evolving market conditions.

References

- Northwest Cook Industrial Capital Markets Report (June 2024)
- Recent Significant Sales Data (June 2024)

This article draws on data from recent reports and significant sales transactions to provide an in-depth analysis of the Schaumburg industrial submarket. For more detailed insights and comprehensive market data, please refer to the full reports available from Brown Commercial Group.



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