

Industrial Development Spreading Out On South Side

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Courtesy of Meridian Design Build

12144 South Avenue O on the Chicago's southeast side

Developers are continuing to launch new industrial projects across much of Chicago's South Side as demand escalates from users formerly located in older industrial areas near downtown.

Meridian Design Build recently started construction on a 359K SF multi-tenant industrial spec building for **NorthPoint Development** in the city of Chicago. This new facility is just one of several launched in the city this year, and will be on a 31-acre redevelopment site at 12144 South Avenue O on the Southeast Side.

The project will have 36-foot clear ceilings, and be the first building in NorthPoint Development's 200-acre Avenue O Industrial Park, a new 2.3M SF master-planned development on the former Republic Steel mill site. The new development is just a few miles from the nearby Ford Motors Chicago Assembly Plant and is adjacent to the 1.6M SF Ford industrial park acquired by NorthPoint in 2017.

Other spec projects will soon break ground in the Chicago South submarket, according to a second-quarter report by **Colliers International**. The largest will be a 1M SF project developed by **Hilco Redevelopment Partners** at 3501 South Pulaski Road, on the site of the former Crawford Power Plant.

Colliers attributes the flurry of construction to demand created by the loss of industrial product in areas like **Fulton Market**, which has become a high-tech hub for new office, multifamily and retail projects.

"As a result, both speculative and build-to-suit development has picked up to serve those long-established industrial users leaving their old neighborhoods," Colliers said.

The Chicago South submarket saw more than 551K SF of net absorption since January due to significant new leasing volume, pushing its vacancy rate down 66 basis points to 8.93%.