

Chicago

Industrial - Q2 2026

savills

Vacancy tightens as occupiers act on deferred demand

Chicago's industrial market continued to tighten in Q2 2026, with vacancy falling 90 basis points year over year to 6.9%, its lowest level in the past seven quarters. Occupier demand strengthened considerably during the first half of the year, with net absorption reaching 10.6 million square feet (msf) year to date compared with just 2.0 msf over the same period last year as tenants moved decisively on previously delayed requirements. With deliveries remaining historically low and demand continuing to outpace new supply, the market has made steady progress absorbing available inventory.

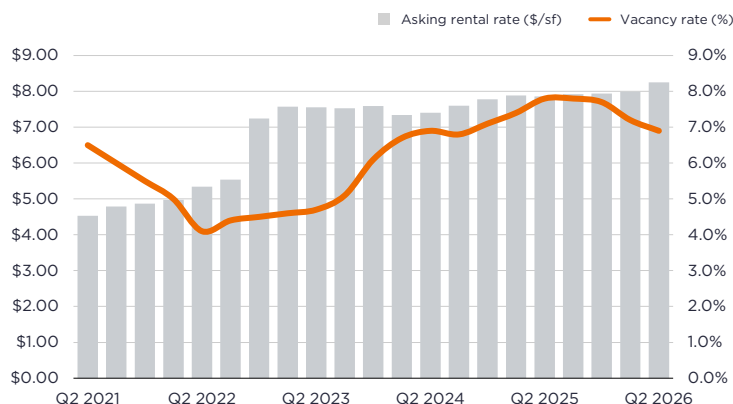
Manufacturing reshoring fuels a wave of large-scale commitments
Reshoring activity has become a defining force in Chicago's demand environment, highlighted by Hyundai Translead's 907,000-square-foot lease in Joliet following its \$450.0 million investment in Will County. The project underscores the region's appeal to manufacturers seeking a skilled workforce, strong infrastructure and central U.S. access. RJW Logistics Group's 1.2 msf commitment in Plainfield, its 16th Chicagoland facility, further reinforced the market's role as a national distribution hub. Distribution 2000, HH Global and Custom Goods Logistics rounded out a quarter of large-block activity, with tenants prioritizing well-located, high-functioning space even as competition for the best options intensifies.

Capital returns as developers and investors regain confidence
After a prolonged pause in groundbreakings, developers showed renewed willingness in Q2, headlined by Prologis's \$100.0 million speculative project in Glendale Heights, a notable bet given the steep construction pullback of the past two years. The under-construction pipeline climbed to 11.1 msf from 8.3 msf a year earlier, reflecting progress on large-scale projects already underway. Investment sales also picked up, highlighted by Dermody Properties' \$176.5 million sale of two fully-leased Glenview buildings, a sign institutional capital is again pricing Chicago assets aggressively.

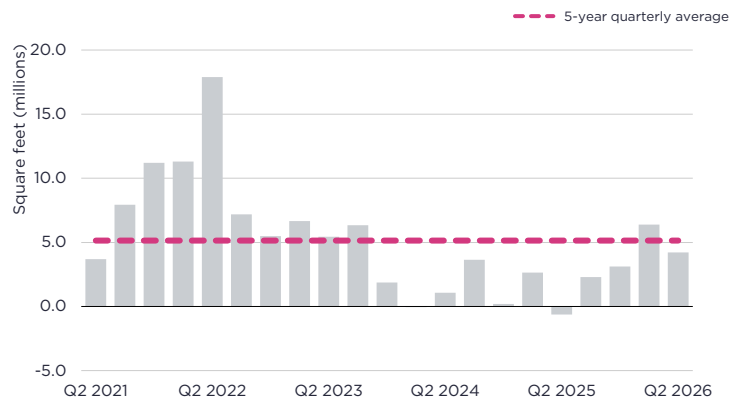
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	1,029.1 msf	1,050.4 msf	+21.3 msf
Vacancy rate	7.8%	6.9%	-90 bps
Asking rental rate	\$7.86	\$8.25	+5.0%
Net absorption YTD	2.0 msf	10.6 msf	+8.6 msf
Deliveries YTD	9.3 msf	2.8 msf	-6.5 msf
Under construction	8.3 msf	11.1 msf	+2.8 msf

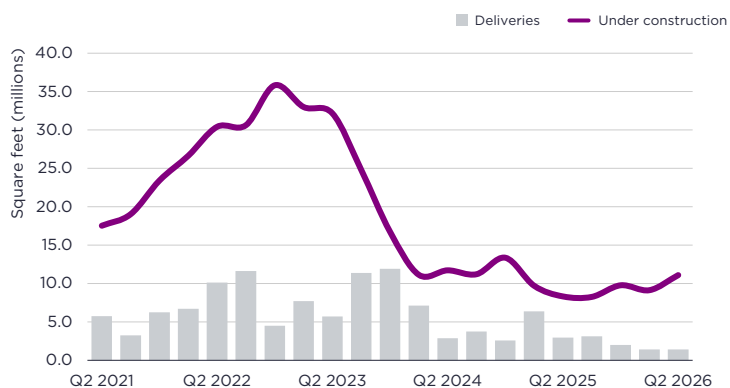
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Manufacturing- and reshoring-driven leasing should remain a primary demand driver, particularly along the I-80 and I-55 corridors with strong power and intermodal access.

02

Renewed developer confidence should bring a modest uptick in speculative groundbreakings concentrated in core submarkets with proven leasing velocity.

03

Investment sales activity is likely to build on Q2 momentum, with institutional buyers continuing to target stabilized, fully leased assets at increasingly competitive pricing.

NOTABLE LEASES

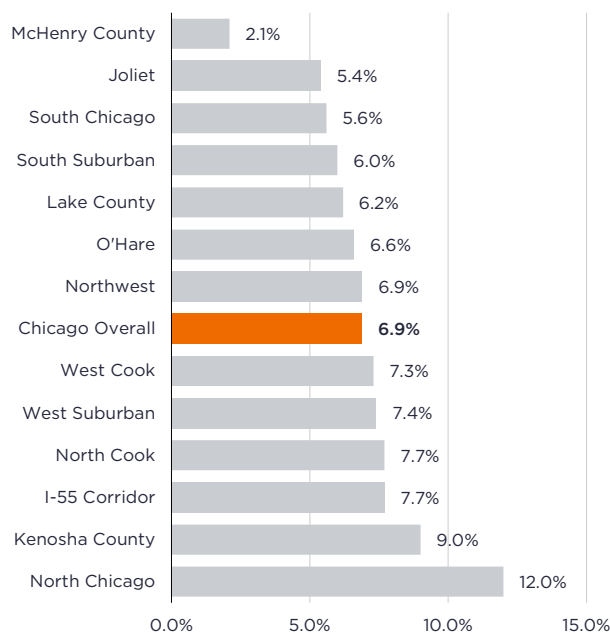
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
RJW Logistics Group	1,200,000	West Suburban	Karis Park West	New Lease	Logistics & Distribution/3PLs
Hyundai Translead	907,000	Joliet	3835 Youngs Road	New Lease	Automotive
Distribution 2000	454,000	I-55 Corridor	1120-1140 Remington Boulevard	New Lease	Logistics & Distribution/3PLs
HH Global	435,000	Kenosha	8725 31 st Street	Renewal and Expansion	Professional & Business Services
Custom Goods Logistics	376,000	Joliet	21530 SW Frontage Road	New Lease	Logistics & Distribution/3PLs

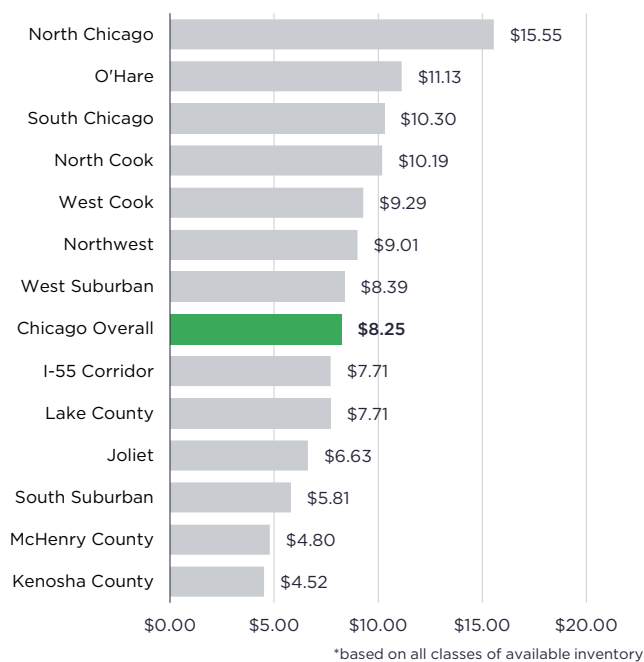
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
DHL Supply Chain	1,209,000	West Suburban	26351 W 143rd Street	Speculative (available)	Under Construction
CJ Logistics America	1,106,000	Joliet	S Diagonal Street & W Mississippi Street	Build-to-suit	Under Construction
Clarius Partners	970,000	South Suburban	5258 University Parkway	Speculative (available)	Under Construction
Trammell Crow	788,000	West Suburban	26230 W 143 rd Street	Speculative (available)	Under Construction
Trammell Crow / RJW Logistics Group	788,000	West Suburban	26220 W 143 rd Street	Speculative (fully leased)	Delivered Q2 2026

VACANCY RATE COMPARISON (%) CHICAGO SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)* CHICAGO SUBMARKETS



*based on all classes of available inventory

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills