



COMMON GROUND

CONOR COMMERCIAL REAL ESTATE



David Friedman
President

Trends and Outlook for Industrial Development

In 2022's third quarter, Conor witnesses solid industrial leasing fundamentals and improving rents. The recent increase in interest rates pressured cap rates upward, but for lack of data points, the amount remains unquantifiable. The dichotomy between fundamentals and capital markets is the most divided it has been in a decade.

While it is unnatural for industrial growth and demand to persist without interruption, this expansion can be attributed to several factors. Beyond expectations of just-in-time delivery, corporations are building inventory to address the just-in-case threat. Global dependency, supply chain uncertainty and manufacturing on-shoring led corporations to expand inventory levels domestically,

sustaining demand for industrial facilities.

Opposite the industry's solid demand picture, the industrial capital markets are temporarily dislocated. A concoction of supply chain interruptions, inflation, rising interest rates, the war in Ukraine and a potential recession on the horizon have put investors in a temporary state of paralysis. Many tried and true investors now bid wide or not at all; lenders are underwriting more conservatively.

While this is a challenging environment to operate in, Conor's strategy is to remain active and take full advantage of marketplace opportunities. Conor's 40-year history is supported by continuous participation as a dynamic, active developer.

What's Inside
SUMMER 2022

FEATURE

Importance of Relationships in
Today's Economy

SUCCESS STORY

Environmental Remediation at
Central Industrial Center

PEOPLE

Mike Fausone Receives Next
Generation Award

FEATURED ARTICLE

Importance of Relationships in Today's Economy



Vicki Mutchler
Vice President of Capital Transactions

A phrase we know well as real estate professionals is, "real estate is a cyclical industry."

The funny thing is that real estate professionals (most of whom are natural optimists) hope that this phrase isn't

accurate when markets are continuously flourishing, as has been the case over the past decade. Yet here we are again at the start of a potentially significant real estate capital market dislocation, hoping the upward cycle continues.

In uncertain times such as this, we look back and gain comfort that our favorite phrase, "real estate is a cyclical industry," has always led to brighter days ahead.

Financing new deals in today's challenging economic environment is no easy task. However, if you and your firm had a strategy to build strong relationships with your capital providers over the past decade's high growth market, you will be in a better position to weather the storm. Now more than ever the following themes must be front of mind.

Keep Pulse on Capital Providers

Not all deals are for all capital providers. Each group has a different set of goals and return hurdles. It is important to stay on top of deal parameters desired by equity partners and lenders which can change rapidly in uncertain times.

Flight to Quality

Another familiar real estate phrase that rings true in challenging market conditions is, "location, location, location." During market dislocations, capital partners are focused on fundamentals, including "main and main" locations as well as proven sponsors with exceptional track records and rock-solid partnerships.

Past Actions Benefit the Future

Capital partners naturally want to do business with sponsors that exhibit impeccable ethics. Past actions of you and your firm, including a track record of following through on projects and promises, will encourage capital partners to extend financing even when times are difficult.

Build Meaningful Relationships

In addition to conducting business with dependable companies, real estate professionals also want to do business with people they genuinely like. Therefore, it is imperative to work toward building both professional and personal relationships with capital partners.

FEATURED EMPLOYEE



Kris Miller

Kris joined Conor's Southwest regional team this spring as a Senior Development Manager. With 12 years of industry experience, Kris manages the firm's industrial development initiatives throughout the southwestern and western United States. His experience in both construction and development increases the technical capabilities of the team as they expand their development activities throughout the Mountain West states.

Kris graduated from Arizona State University with a Bachelor of Science in Civil Engineering and earned his Master of Business Administration from Grand Canyon University.

WE ARE ACTIVELY SEEKING LAND SITES FOR DEVELOPMENT OPPORTUNITIES.

WE EMBRACE CHALLENGING SITES

PROPERTY SUCCESS STORY



Site Remediation in Stockton

Central Industrial Center is a three-building development in Stockton, California. To prepare the 56-acre infill site for development, Conor performed environmental remediation, including removing and properly disposing of a storage vessel containing sulfuric acid and soil contaminated with refrigerant.

AWARDS & RECOGNITION

Mike Fausone Receives Next Generation Award

Development Manager Mike Fausone received Connect CRE's 2022 Next Generation Award which honors rising stars for their accomplishments in the commercial real estate industry. As Development Manager, Mike oversees the firm's development projects in the greater Chicago area and southeastern United States and identifies new development opportunities.



TRANSACTION HIGHLIGHT

Lotus Project - Phase II Sold in Chandler, Arizona

Two buildings at Phase II of Lotus Project were recently sold to a Chicago-based investment advisor.

Located on a high-visibility site in Chandler, Arizona, Lotus Project – Phase II incorporates three state-of-the-art industrial buildings for advanced manufacturing and light industrial totaling 300,000 square feet.

At the time of sale, the buildings were fully leased to a defense contractor and a medical technology company.

Earlier this year, the third building was leased and sold to a global manufacturing company.



QUICK SHOTS

Conor Named a Developer of the Year Finalist for the IL Real Estate Journal Awards

Janet Protas Spoke at the RE Journals Chicagoland Apartment Summit

Conor Participated in the 2022 J.P. Morgan Corporate Challenge in Chicago

FOR MORE INFORMATION, VISIT WWW.CONOR.COM

FEATURED DEVELOPMENTS



Brewster Creek Commerce Center
Bartlett, IL

This 436,500-square-foot speculative cross-dock industrial facility is fully leased to Colony Display. The tenant will use the facility for light manufacturing and warehouse/distribution space.



centralindustrialcenter.com

Central Industrial Center
Stockton, CA

This new speculative industrial development has broken ground and will include three buildings totaling 1,090,160 square feet with proximity to Interstate 5 and Highway 99.



Executive Commerce Center
Prospect Heights, IL

This 151,000-square-foot facility is fully leased by Syncreon, a third-party logistics provider for Samsung, and Plitek, a manufacturer of precision die cut components.



Lotus Project Phase II
Chandler, AZ

This newly completed three-building speculative development near Phoenix incorporating a total of 292,098 square feet was fully leased and recently sold.



Northwest Pointe III
Elgin, IL

Northwest Pointe III, a two-building, 349,080-square-foot speculative development in the sold-out Northwest Corporate Park, was leased to three tenants and subsequently sold.



southeastgateway.com

Southeast Gateway
Savannah, GA

Construction continues at this two-building spec industrial development that offers 1.2 million square feet available to lease and proximity to I-95, I-16, Savannah/Hilton Head Airport and the Port of Savannah.



Available

TO LEARN MORE ABOUT AVAILABLE PROPERTIES, VISIT OUR WEBSITE