



Office Market Report

Chicago - IL USA

PREPARED BY

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OFFICE MARKET REPORT

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12 Mo Deliveries in SF

1M

12 Mo Net Absorption in SF

(4.6M)

Vacancy Rate

16.8%

Market Asking Rent Growth

1.3%

Tenants in Chicago's office market continue downsizing, resulting in increased available office space. During 2025q1, a near-record high of 99.9 million SF of space is available in Chicago, an increase of approximately 26 million SF versus 2020q1. Chicago's overall vacancy rate now stands at 16.8%—a record high—and move-outs are still outpacing move-ins, with the market clocking in with a 12-month move-in rate of -4.6 million.

Throughout 2024, Chicago's overall availability marginally fell just as its vacant and available space inventory rose. This happens when there is less speculative new construction competing with the market's existing office supply. Chicago's -1.8 million SF of net completions over the past 12 months includes the razing of the former Sears HQ in Hoffman Estates. The 1.3 million SF tally that is underway includes pending owner-occupied inventory, healthcare, biolab and a smattering of speculative development in Fulton Market. In short, Chicago is in the midst of its lowest office space expansion since CoStar started tracking this measure in 1996.

Polar opposite forces—from trophy on one end and Class C on the other—are driving positive demand in Chicago's office market. On the higher end, though five-star buildings' availability rate is still elevated during 24h2, this metric has been sliding downhill since the beginning of this year. On the lower end, Chicago's 1 & 2 Star buildings are attracting those tenants who favor cost savings and location over best-in-class, posting an overall 6.9% availability rate.

There are two reasons why Class C properties' occupancy metrics outperform their peers during similar economic downturns. One is that their collective inventory is attractive to the growing legions of office space bargain hunters. The other is that its existing "zombie" or vacant and obsolete inventory shrinks through demolition or property repurposing. Either way, the result is a compressed Class C market with less space available, posting a historically low 6.2% vacancy rate and a positive 12-month move-in rate. As a collective, 4 & 5 Star and 3 Star properties, however, are still hemorrhaging tenants, with 12-month absorption rates of -1.7 million SF and -3.1 million SF, respectively.

It is a tenants' market in Chicago, at least for those 3 and 4 Star buildings, with landlords fiercely competing for new lease commitments. Chicago's institutional investors frequently play the long game, keeping asking rents in place and offering tenants generous concessions as high as \$300/SF. Those owners without deep pockets, however, may be forced to lower their asking rents in lieu of expensive build-outs.

The detailed stressors on Chicago's office market boil down to one precept: there isn't enough demand to fill Chicago's office supply. In the meantime, without Chicago's office market being right-sized or reinvented, it will likely continue to be out of step with what occupiers need, further bifurcating its office market into winner and loser office camps.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	142,929,724	22.0%	\$43.12	27.1%	(204,145)	0	1,176,801
3 Star	285,269,307	17.3%	\$27.04	19.2%	(490,155)	0	140,298
1 & 2 Star	83,518,083	6.2%	\$21.04	7.2%	(72,860)	0	12,000
Market	511,717,114	16.8%	\$30.58	19.5%	(767,160)	0	1,329,099

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.6% (YOY)	12.3%	17.3%	16.8%	2025 Q1	7.0%	2000 Q2
Net Absorption SF	(4.6M)	1,278,929	(1,634,403)	11,057,672	2006 Q1	(10,862,790)	2009 Q3
Deliveries SF	1M	4,224,894	572,313	12,292,774	2001 Q3	645,506	2023 Q1
Market Asking Rent Growth	1.3%	2.0%	0.9%	9.0%	1998 Q3	-6.0%	2009 Q4
Sales Volume	\$1.3B	\$3.8B	N/A	\$9.6B	2007 Q3	\$643.6M	2010 Q1

After a brief reprieve from move-outs trumping move-ins in 24q2, the albatross of shrinking office demand was back on Chicago's office market's neck at the start of 24h2. Its overall vacancy rate stands at 16.8% at 2025q1 while tenants have net-absorbed -4.6 million SF of space over the past 12 months. Since 20q2, Chicago's office tenants have vacated about 20 million SF.

On the one hand, there is a cadre of tenants that only want to be in a trophy or 5-star buildings. But if there are no availabilities in these properties, these tenants are left to renew in place with no adequate options available to them. "It's not that the flight to quality is slowing down; I'd still argue there's pent-up demand," asserts Cushman & Wakefield Executive Director Karoline Eigel. "...it's (just) difficult for this cohort of tenants to find the right building in the right location."

Conversely, other tenants may relocate to spaces near mass transit entry points or are within office nodes that are categorically "other", like those that are more residential- or retail-centric than office-centric by nature. The major benefactor to this trend is the Class C property, where vacancy and availability rates are mostly near record lows. It is a common trend that during similar economic downturns, many functionally obsolete buildings are demolished or repurposed, causing its overall supply to compress just as cost-conscious tenants may flock to bargain suites in the location that serves their business needs. As such, this cohort is currently positing a 6.2% metro-wide vacancy rate. This rate is more than 150 basis points below its pre-pandemic, five-year (2015–2019) benchmark average.

Since the start of 2024, Chicago's overall sublet availability rate has gone down just as its direct availability has gone up. Chicago's secondary market is bifurcated between those highly amenitized spaces that have recently been relet at a heightened clip, to those

sublet spaces that eventually expired and turned into direct space. In fact, over the last 12 months, the market posted the strongest period of subleasing velocity since the start of the pandemic.

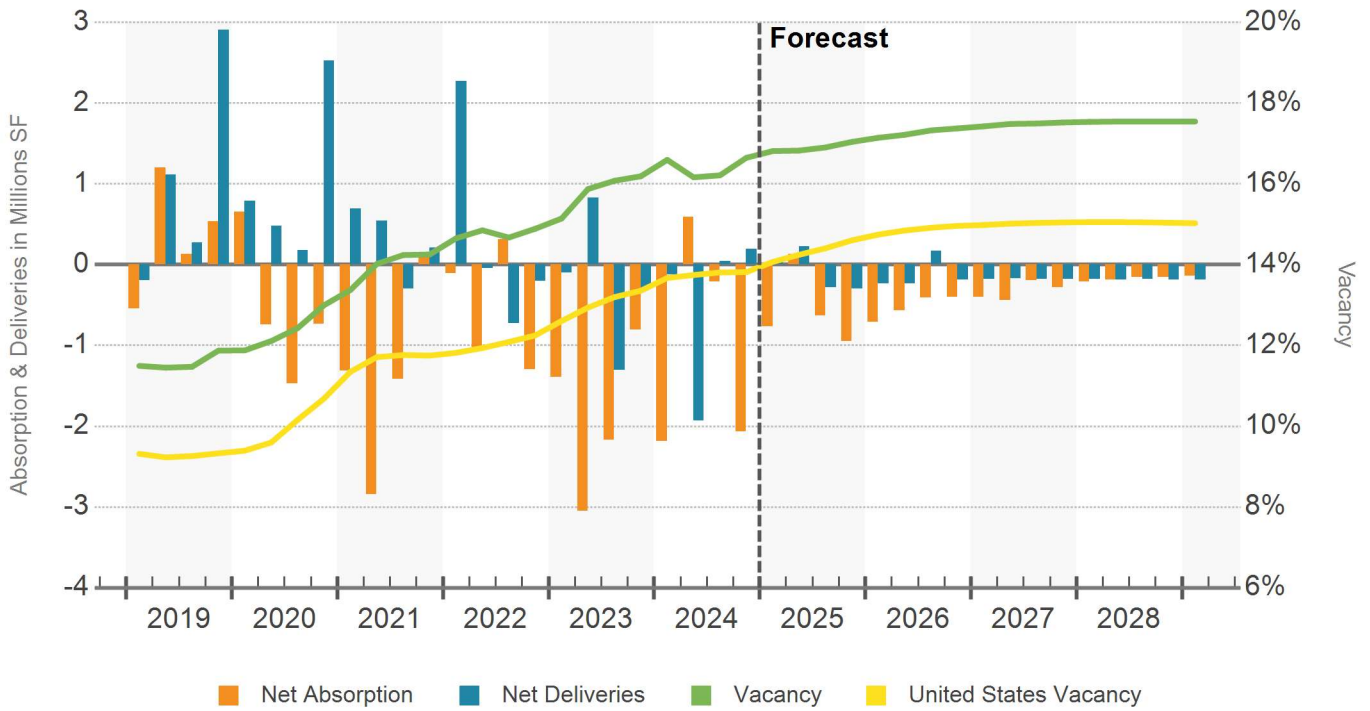
As analysts may deduce, successful sublessors generally offer some of the best in-market built-out spaces. Examples include law firm Willkie Farr & Gallagher taking over law firm's Quarles & Brady's lease commitment for 47,000 SF within 300 N La Salle, almost doubling its current footprint when it moves during 25h1. Before that, fleet management company Wheels took possession of Zurich North America's 214,000-SF secondary space offering in Schaumburg within one of the market's few suburban trophy properties.

Chicago is recording little supply-side pressure, with -1.8 million SF of net 12-months completions and 1.3 million SF underway. Demolitions steadily have outpaced deliveries since mid-2023.

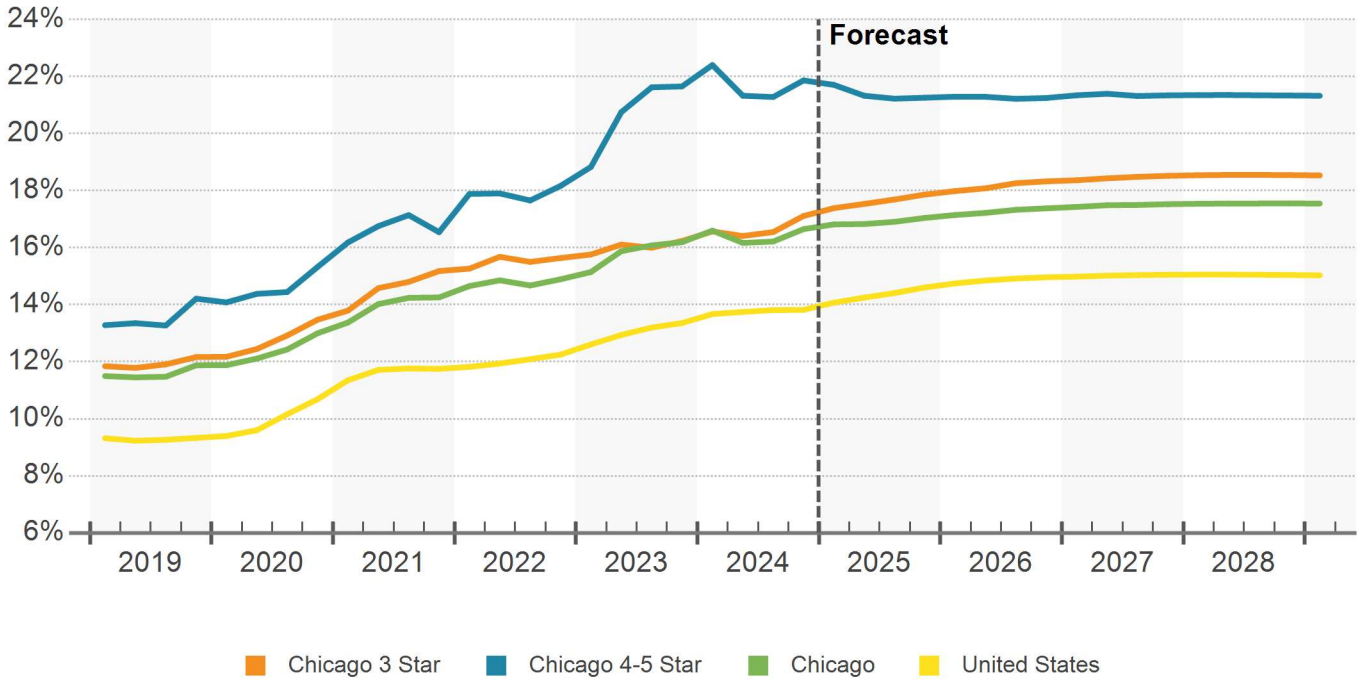
From a geographic perspective, demand follows the new development trails in Fulton Market and residential nodes like Northwest City, Indiana, and South Route 45. Conversely, 10 Chicago-area office markets chronicled more than 100,000 SF of space givebacks over the past year, with Downtown's East Loop, North Michigan Avenue, Central Loop retracting more than -300,000 SF each from their 12-month demand tallies.

In large metropolitan areas beset with a white-collar monoculture, office demand fundamentals should continue to struggle, posting increasing vacancy rates and negative absorption figures. Chicago could turn the tide of its office demand trajectory within five years if its property owners can retool or repurpose many of its ailing buildings. Without drastic measures, however, it may take Chicago a lot longer to regain its equilibrium.

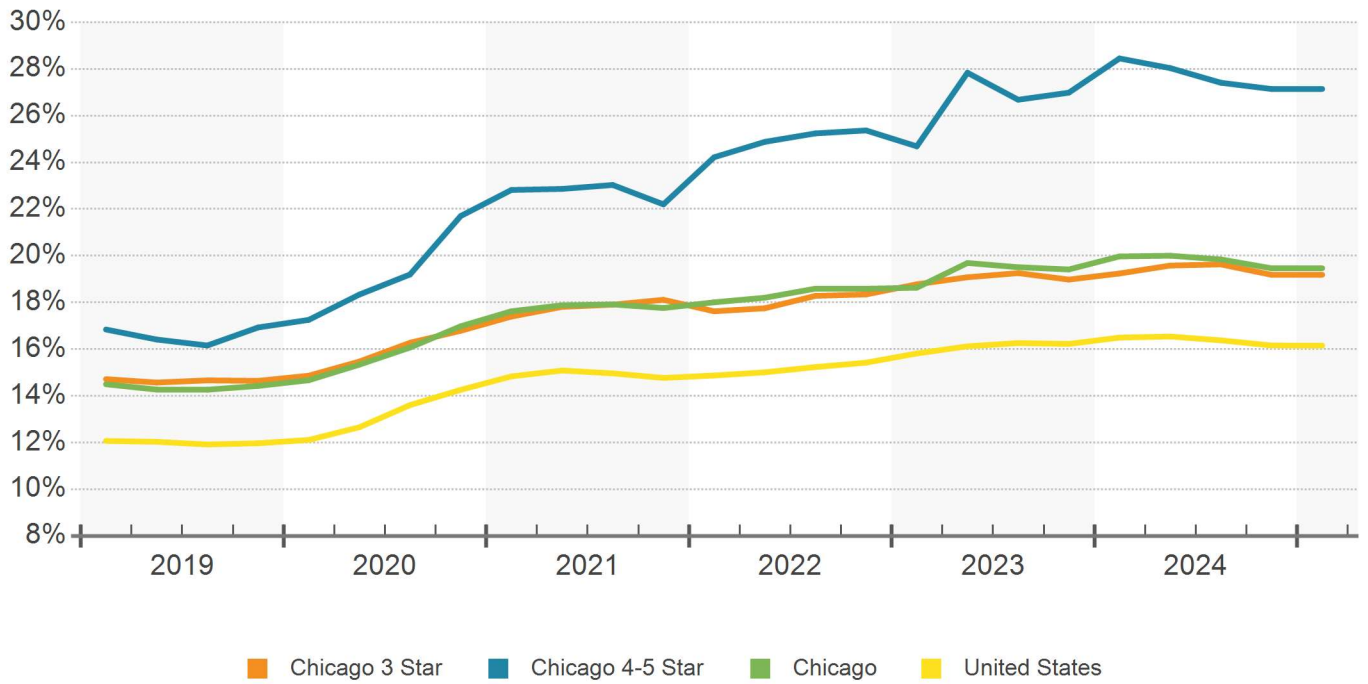
NET ABSORPTION, NET DELIVERIES & VACANCY



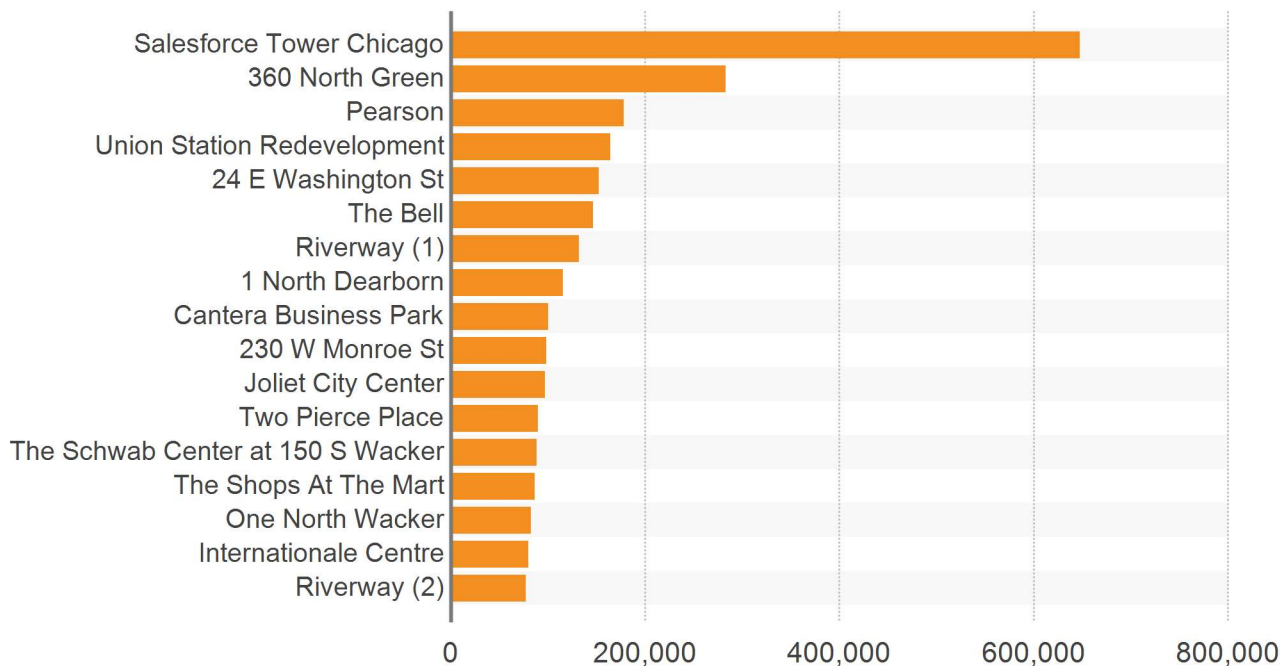
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Salesforce Tower Chicago	River North	1,200,202	20,700	0	0	0	0	647,679
360 North Green	Fulton Market/Near...	492,532	209,457	0	0	0	0	283,075
Pearson	Near North	256,701	0	0	0	0	0	178,260
Union Station Redevelopment	West Loop	1,497,211	368,977	0	0	0	0	164,367
24 E Washington St	East Loop	672,590	186,494	0	0	0	0	152,666
The Bell	West Loop	850,000	513,094	0	0	0	0	146,906
Riverway (1)	O'Hare	302,572	47,160	50,608	0	0	0	132,313
1 North Dearborn	Central Loop	943,585	77,436	0	0	0	0	115,404
Cantera Business Park	Western East/West...	148,000	0	0	0	0	0	100,326
230 W Monroe St	West Loop	707,000	130,037	0	0	0	0	98,690
Joliet City Center	Joliet/Central Will	97,116	0	0	0	0	0	97,116
Two Pierce Place	North DuPage	519,578	129,920	0	0	0	0	90,204
The Schwab Center at 150 S W...	West Loop	578,200	56,726	0	0	0	0	88,845
The Shops At The Mart	River North	3,914,400	753,094	0	0	0	0	86,755
One North Wacker	West Loop	1,400,000	100,877	3,731	0	0	0	82,934
Internationale Centre	Western East/West...	80,269	0	0	0	0	0	80,269
Riverway (2)	O'Hare	252,557	1,700	0	0	0	0	77,741
Subtotal Primary Competitors		13,912,513	2,595,672	54,339	0	0	0	2,623,549
Remaining Chicago Market		497,804,601	83,355,430	(821,499)	0	0	0	(7,212,880)
Total Chicago Market		511,717,114	85,951,102	(767,160)	0	0	0	(4,589,331)

In nominal dollars, Chicago's office market is recording an overall lackluster year-over-year asking rent growth of 1.3% during 2025q1. Adjusted for inflation, Chicago's asking rents have been on a downward trajectory since 20q2.

Different from past recessions, many landlords are opting to offer generous abatement and TI packages in lieu of lowering their asking rents. In particular, the girth of concessions has a lot to do with a specific property's available cash reserves. According to Peter Beatrice, Managing Broker of Chicago Tenant Advisors, "well-capitalized East and Central Loop office owners are offering up to two months free rent per year and \$30/SF to \$60/SF in TI, convertible to rent credits, for second generation spaces."

Touring tenants of second-gen space frequently find that many spaces are already in move-in condition, and they appreciate the option to convert TI dollars into rent credits. "This is particularly true when build-out costs have more than doubled—from the (2019) \$80/SF rate to more than over \$200/SF in 2024," explains Beatrice. According to him, union build-out contracts can cost up to 25 percent more than non-union buildings.

In today's market, even renewals are getting generous incentives to remain in place. This summer, financial planner GCM Grosvenor extended its 73,000-SF lease

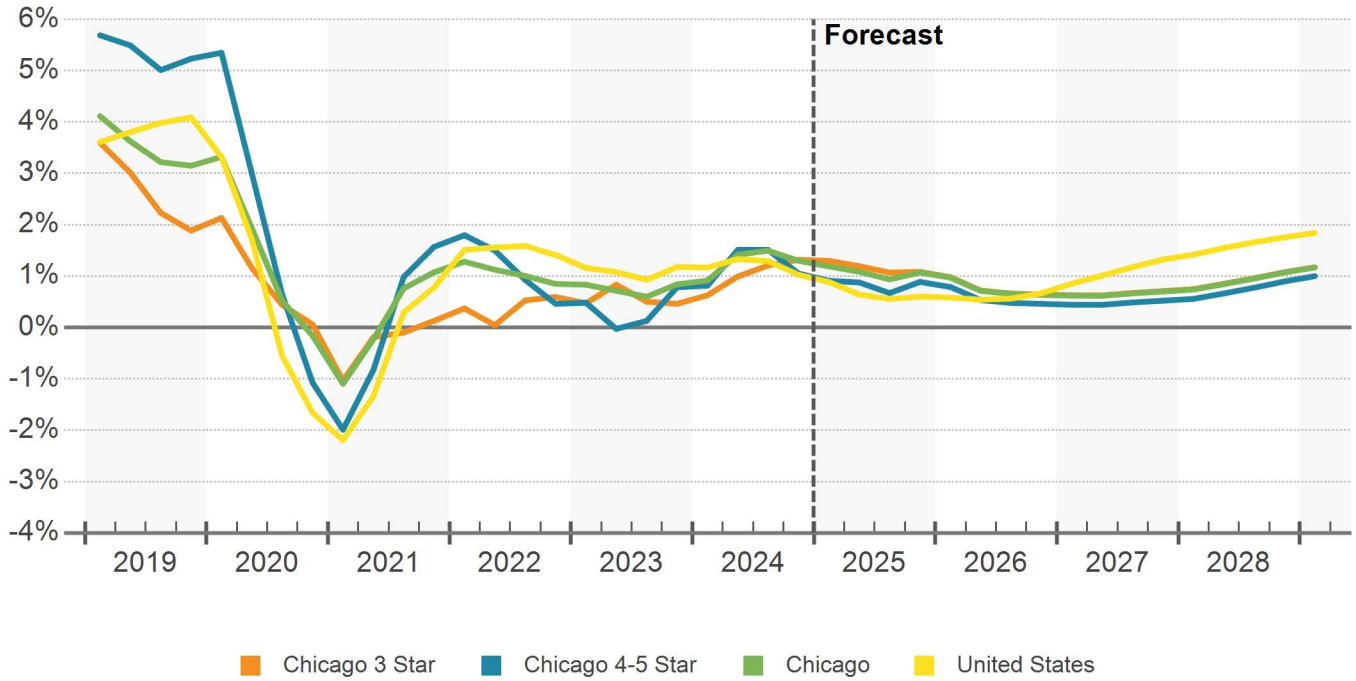
at 900 N Michigan to 2037 while shedding over 40,000 SF. Though the firm paid a \$331,000 termination fee for the space giveback, it also got 12 months of rent abatement, a 2032 termination option, and over \$8 million in TI, according to its SEC filing. Its effective rent is \$25/SF full service gross.

Base rents in downtown's hottest office nodes can vary from \$28/SF to \$60/SF net, and a 10-year deal can secure a TI package as high as \$300/SF for trophy assets in the Loop along with the bonus option to convert the TI allotment into free rent.

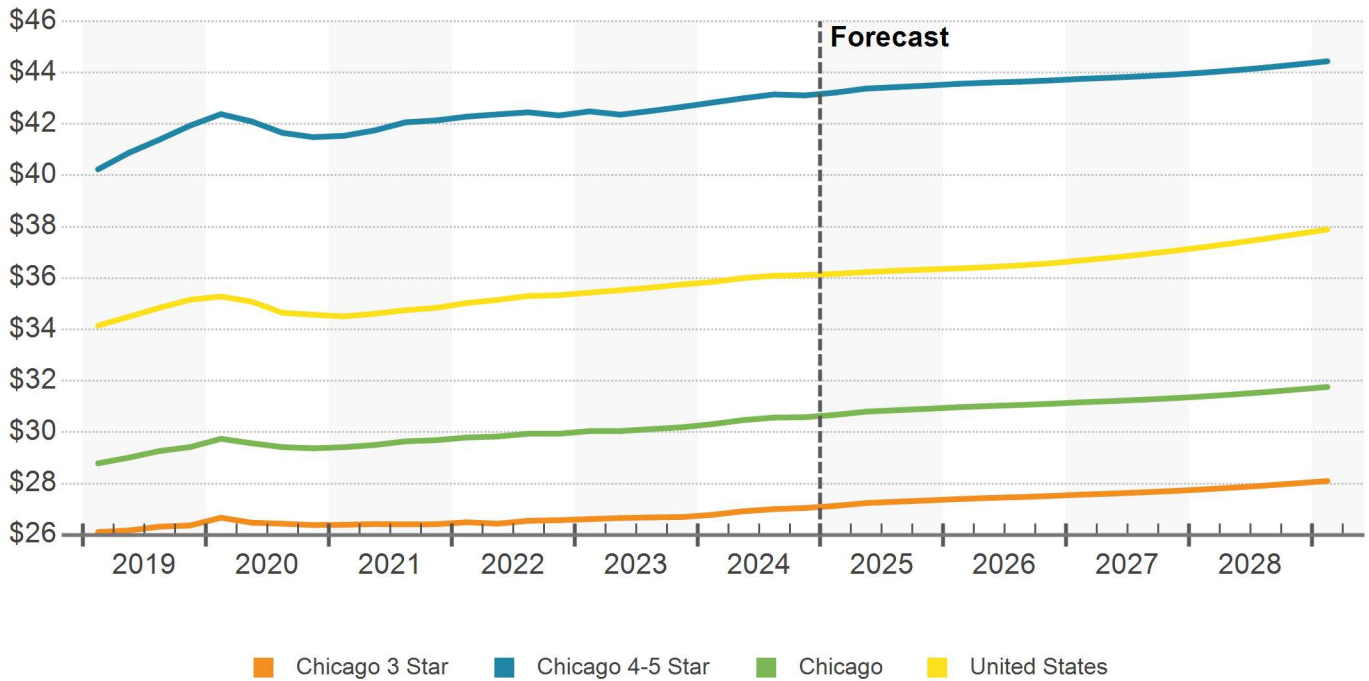
Some cash-strapped landlords, however, have to turn away tenant proposals for term lengths greater than 10 years since they can't afford the generous concessions these tenants expect. As such, many Class C properties are inking deals with smaller escalation bumps and term lengths than their well-capitalized peers.

In a world where all contributing factors are constant, supply and demand fundamentals state that asking rent growth will not improve through 2025. But with borrowing and build-out costs still high as occupancy rates continue to dwindle, it becomes increasingly obvious that landlords will need to raise their asking rents sooner rather than later, regardless of their quality rating, to stay afloat.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Chicago	\$0.38	\$1.25	\$0.32	\$6.52	\$5.70	\$14.17
East/West Corridor	\$0.43	\$1.22	\$0.26	\$2.50	\$4.11	\$8.52
Indiana	\$0.33	\$1.48	\$0.39	\$6.68	\$4.31	\$13.19
Kenosha County	\$0.53	\$2.74	\$0.27	\$8.34	\$5.61	\$17.49
Metro Chicago	\$0.39	\$1.39	\$0.38	\$9.60	\$6.30	\$18.06
Near West	\$0.31	\$1.03	\$0.27	\$10.18	\$6.28	\$18.07
North	\$0.37	\$1.04	\$0.29	\$4.70	\$6.51	\$12.91
North Chicago	\$0.31	\$0.90	\$0.34	\$4.05	\$6.46	\$12.06
Northwest	\$0.34	\$1.24	\$0.23	\$4.18	\$3.64	\$9.63
O'Hare	\$0.29	\$1.27	\$0.22	\$6.69	\$6.52	\$14.99
South Chicago	\$0.50	\$0.90	\$0.47	\$4.81	\$6.91	\$13.59
South Suburban	\$0.39	\$1.17	\$0.29	\$4.56	\$5.22	\$11.63

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Chicago	\$0.32	\$0.89	\$0.29	\$4.33	\$3.73	\$9.56
East/West Corridor	\$0.32	\$0.93	\$0.23	\$2.90	\$3.61	\$7.99
Indiana	\$0.23	\$0.43	\$0.38	\$2.12	\$1.83	\$4.99
Jasper County	\$0.22	\$0.39	\$0.38	\$1	\$1.90	\$3.89
Kenosha County	\$0.52	\$0.95	\$0.26	\$3.54	\$2.83	\$8.10
Metro Chicago	\$0.34	\$1.14	\$0.32	\$6.70	\$4.49	\$12.99
Near West	\$0.32	\$1.06	\$0.27	\$6.50	\$4.24	\$12.39
Newton County	\$0.22	\$0.39	\$0.38	\$1.30	\$1.91	\$4.20
North	\$0.32	\$0.91	\$0.28	\$5.37	\$4.44	\$11.32
North Chicago	\$0.24	\$0.54	\$0.39	\$4.59	\$3.42	\$9.18
Northwest	\$0.27	\$1.07	\$0.22	\$3.97	\$3.07	\$8.60
O'Hare	\$0.26	\$1.19	\$0.18	\$5.16	\$6.37	\$13.16
South Chicago	\$0.40	\$0.51	\$0.47	\$3.79	\$4.28	\$9.45
South Suburban	\$0.40	\$0.85	\$0.30	\$5.12	\$3.97	\$10.64

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Chicago	\$0.29	\$0.80	\$0.29	\$4.51	\$3.48	\$9.37
East/West Corridor	\$0.29	\$0.89	\$0.23	\$3.82	\$3.61	\$8.84
Indiana	\$0.23	\$0.40	\$0.38	\$2.21	\$1.80	\$5.02
Jasper County	\$0.22	\$0.39	\$0.38	\$0.71	\$1.88	\$3.58
Kenosha County	\$0.52	\$0.88	\$0.26	\$2.31	\$2.76	\$6.73
Metro Chicago	\$0.33	\$1.05	\$0.29	\$6.73	\$3.87	\$12.27
Near West	\$0.33	\$1.05	\$0.27	\$6.80	\$4.11	\$12.56
Newton County	\$0.22	\$0.39	\$0.38	\$3.16	\$1.86	\$6.01
North	\$0.31	\$0.90	\$0.28	\$5.58	\$4.13	\$11.20
North Chicago	\$0.22	\$0.43	\$0.40	\$5.28	\$3.16	\$9.49
Northwest	\$0.22	\$1.06	\$0.21	\$4.25	\$3.01	\$8.75
O'Hare	\$0.26	\$1.10	\$0.18	\$5.64	\$5.97	\$13.15
South Chicago	\$0.40	\$0.49	\$0.46	\$3.57	\$4.11	\$9.03
South Suburban	\$0.37	\$0.86	\$0.29	\$5.53	\$3.96	\$11.01

Expenses are estimated using CMBS, NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Into 2025, speculative office development is becoming more rare and owner-occupier developments dominate most completed and under-construction projects. Overall, the market demolished approximately 7.6 million SF cumulatively over the past three years. Now, into 2025q1, the market is recording -1.8 million SF of net 12-month completions.

In addition, more demolitions should be on the way, as developers are picking up distressed office buildings in bulk to repurpose them for higher and better uses, namely multifamily, data centers, and logistics spaces.

Office owners who put their properties through extensive, thoughtful renovations in well-located properties appear to be on the right track to future demand. Google now owns the former 945,000-SF Thompson Center and expects to open its doors to thousands of Googlers in 2026 as its new Midwest HQ. An investment-grade example includes the redevelopment of the former 850,000-SF Illinois Bell HQ remodel (rebranded as "The Bell") with an expected 25h1 grand opening.

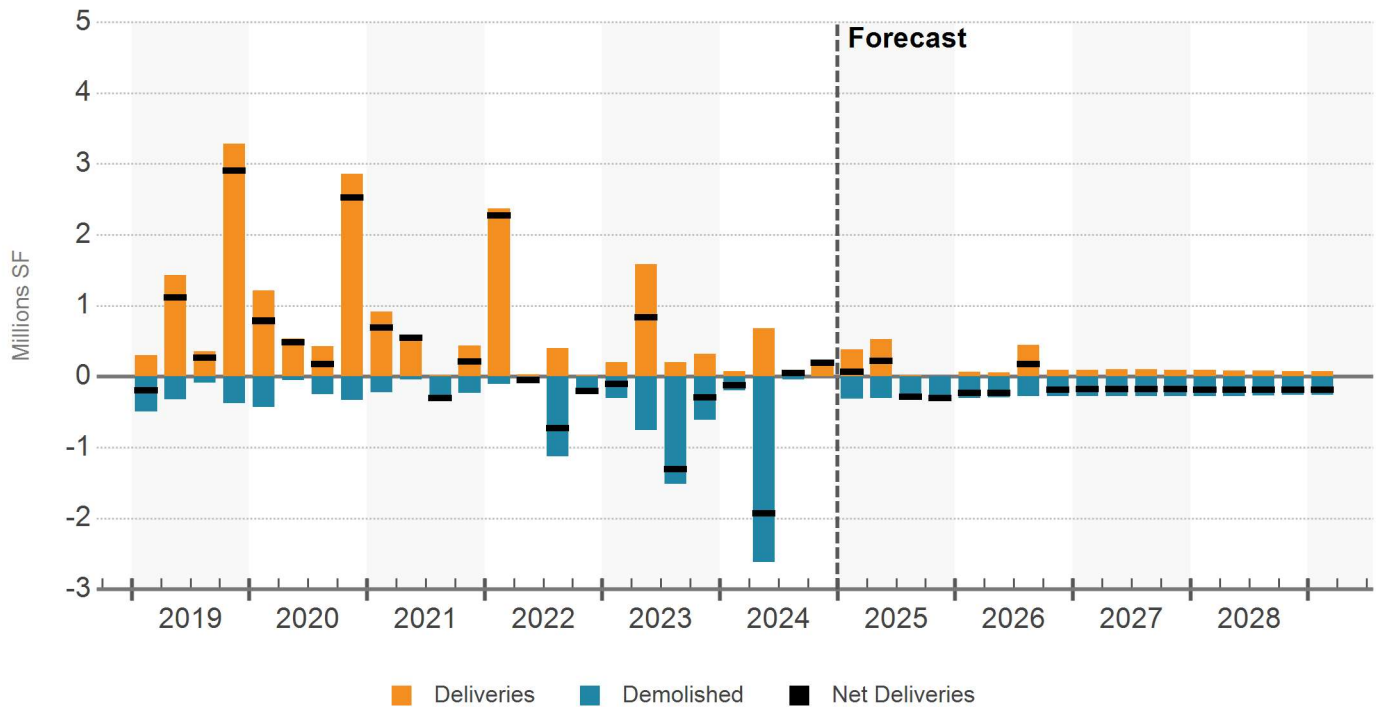
Some of the market's laggards, on the other hand, are a bit more nuanced. In today's office demand market, speculative development is more risky than usual. Even two large properties in Chicago's office node darling Fulton Market—the 493,000-SF 360 N Green completed in 2024 and the 369,000-SF 919 Fulton set for 25h1 occupancy—post a collective availability rate above 40% during 24h2. Yet if any market can take the heat, it's Fulton Market, where its overall availability rate has dropped by over 1,000 basis points.

But what is obvious is the free-fall of Chicago's biotech or lab space demand. In fact, of the 1.7 million SF post 20q1 completed and underway supply, over 70% of the space is available. The two largest and most recently completed and underway—South Chicago's Hyde Park Labs (302,000 SF) and Near North's Evanston Labs (176,000 SF)—have a combined 80% availability rate during 24h2. The 2023-built 336,000-SF life science building with Sterling Bay's Lincoln Yards is completely available as of 24h2 and is up for sale by its owner.

The University of Illinois' Discovery Institute research center swapped out its plans to occupy 400,000 SF within Related Midwest's master-planned, 13-million-SF, mixed-use community "The 78" in South Chicago for Related Midwest's Illinois Quantum & Microelectronics Park future development of the former US Steel plant on the Far South Side. Governor JB Pritzker has allocated \$500 million for quantum technologies in the FY2025 state budget. The campus expects to welcome shared cryogenic facilities, equipment labs, and research spaces for both private companies and universities.

Chicago's post-pandemic office development market is full of demand twists and turns. The flight to quality is still an important consideration, but so is location. Specialized projects and those built far from transportation arteries have come to Chicago with mixed results over the past years. Thoughtful plans—especially those with tenants in hand—are most likely to tally the most occupancy successes.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory				Average Building Size			
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Kenosha East	1	370	370	100%	1	10,907	370,000	1
2	Fulton Market/Near West...	1	369	149	40.4%	7	60,514	369,008	2
3	South Chicago	2	363	119	32.8%	8	23,010	181,494	3
4	Western East/West Corr	2	64	56	87.5%	5	20,628	32,002	5
5	Northwest City	2	62	62	100%	1	13,997	30,903	6
6	Porter County	1	43	43	100%	1	8,407	43,450	4
7	Indiana	3	35	22	62.7%	6	12,477	11,615	7
8	Far South	2	23	23	100%	1	17,387	11,500	8
9	Central Loop	0	-	-	-	-	502,777	-	-
10	Central North	0	-	-	-	-	44,379	-	-
	All Other	0	-	-	-	-	36,924	-	-
Totals		14	1,329	845	63.5%		32,748	94,936	

Under Construction Properties

Chicago Office

Properties

Square Feet

Percent of Inventory

Released

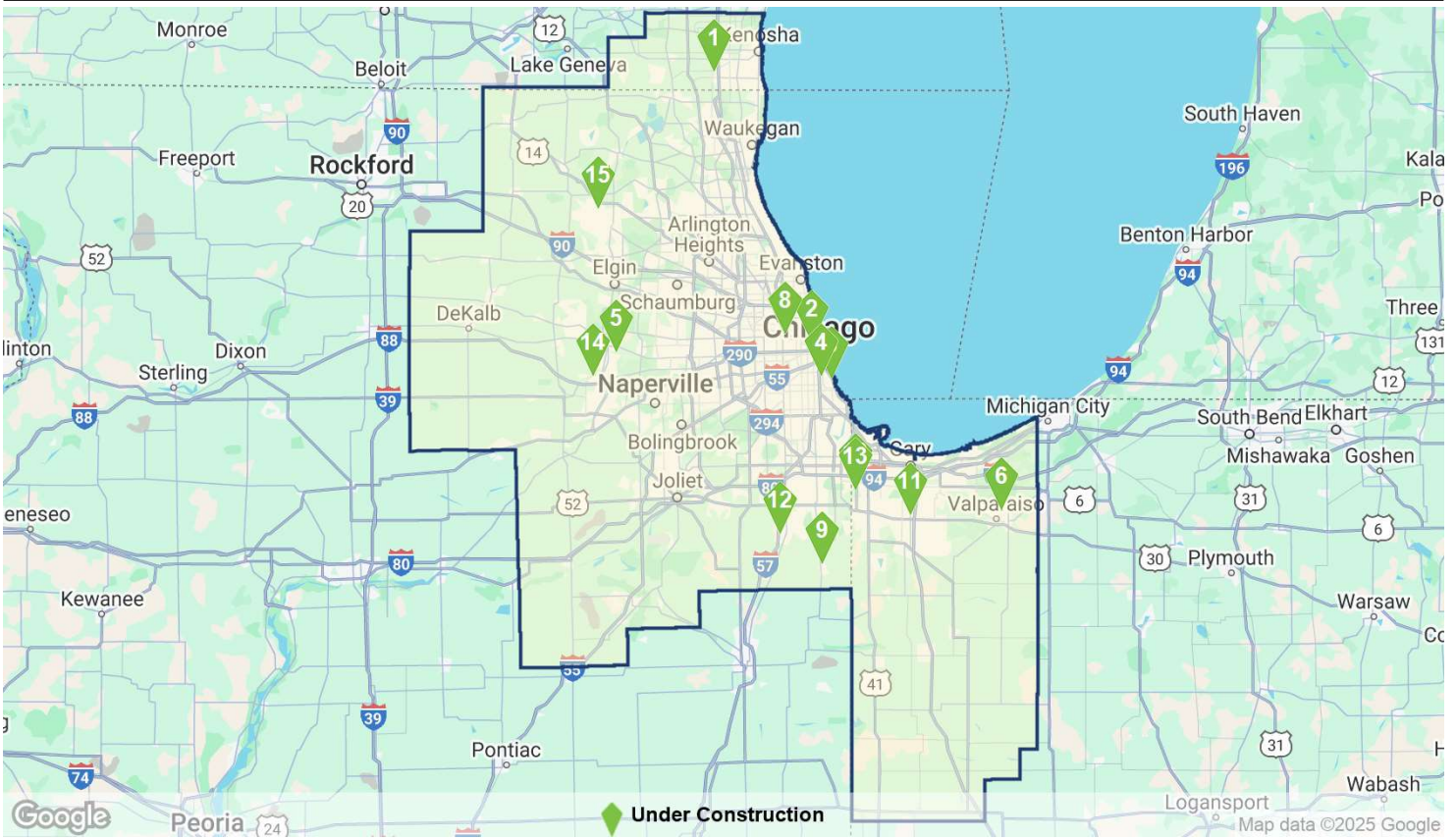
15

1,335,099

0.3%

63.7%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Prairie Highlands Corpora	★★★★★	370,000	3	Aug 2024	Sep 2026	Uline Uline
2 919 On Fulton 919 W Fulton Market	★★★★☆	369,008	11	Dec 2023	Mar 2025	JDL Development Fulton St. Companies
3 Hyde Park Labs 5207 S Harper Ave	★★★★★	302,388	13	Jul 2023	Apr 2025	Trammell Crow Company University of Chicago
4 Overton Center of Excell... 221 E 49th St	★★★★☆	60,600	3	Sep 2023	Feb 2025	The Bowa Group Maktub Chicago Development, LLC
5 Aldi HQ Expansion 1200 N Kirk Rd	★★★★☆	56,000	2	Mar 2024	Apr 2025	A M King -
6 1425 E Glendale Blvd.	★★★★☆	43,450	2	Jun 2018	Feb 2026	- Hasse Construction Co, Inc
7 Terminal B 1334 N Kostner Ave	★★★★☆	34,030	2	Apr 2022	Feb 2025	Ibt Group Llc Ibt Group Llc

Under Construction Properties

Chicago Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Terminal C 1334 N Kostner Ave	★ ★ ★ ★ ★	27,775	2	Jan 2022	Feb 2025	Ibt Group Llc Ibt Group Llc
9 Village Of Beecher - Publ... 250 W Church Rd	★ ★ ★ ★ ★	13,000	1	Aug 2024	Feb 2025	- Village of Beecher
10 Maple Leaf Crossing 9450 Calumet Ave	★ ★ ★ ★ ★	13,000	3	Feb 2023	Feb 2025	1st Metropolitan Builders Town of Munster
11 200 E 80th Pl	★ ★ ★ ★ ★	12,000	1	May 2024	Feb 2025	- DEMAO RETAIL GROUP LLC.
12 5746 W Monee Manhatta...	★ ★ ★ ★ ★	10,000	1	Sep 2024	Sep 2025	- US Asset Services LLC
13 9900 Columbia Ave	★ ★ ★ ★ ★	9,844	1	Sep 2024	Sep 2025	- Orthopedic Specialists Of Northw...
14 71 - 81 Miller Dr	★ ★ ★ ★ ★	8,004	1	Sep 2023	Feb 2025	- RE Development Solutions
15 1341 Randall Rd		6,000	1	Apr 2024	Mar 2025	- WMG Development

Chicago's trailing 12-month sales volume is \$1.3 billion, the lowest annual level in over 20 years. The average price per SF is \$83 /SF—a dramatic drop from the area's \$180/SF average price per SF from the five years before the pandemic. From 23q4—24q3, buyers bought roughly 850 properties (the market's 10-year annual average count is 1,000) at mostly distressed prices.

Chicago's Great Basis Reset has been underway since the onset of 22h2. Though Chicago's office investment narrative has changed drastically (and frequently) since 2019, the common threads boil down to a few basic investment principles: renovation, redevelopment, and patience.

Outside medical office space—which continues to represent a sizable portion of Chicago's sales—investors choose to allocate a portion of their capital here because of a property's choice location, "bones," and redevelopment potential. Because of this, current office lenders "made whole" via 2024 sales should count themselves lucky, regardless of their assets' occupancy rates. Take, for example, Onward Investors' purchase of Rosemont's 380,000-SF, 94.4% occupied One O'Hare Center that sold for \$53.3 million, or \$140/SF, during 24q4—a far cry from the \$83 million MDC Realty Advisors paid for it in 2015. MDC closed on the property during the same month its 2015 Allianz Life Insurance remaining \$41.5 million loan balance was due to expire.

Even with a low-cost basis, investors will need multiple plans and exit strategies up their sleeves. A great example of this buying paradigm is the joint venture between two locally owned firms, construction company Clayco's real estate development arm CRG and the Prime Group, that bought the 556,000-SF, 70% occupied Jewelers Building in the East Loop from John Hancock Life Insurance for \$35.5 million, or \$64/SF, during 24h2. The joint venture's redevelopment plans

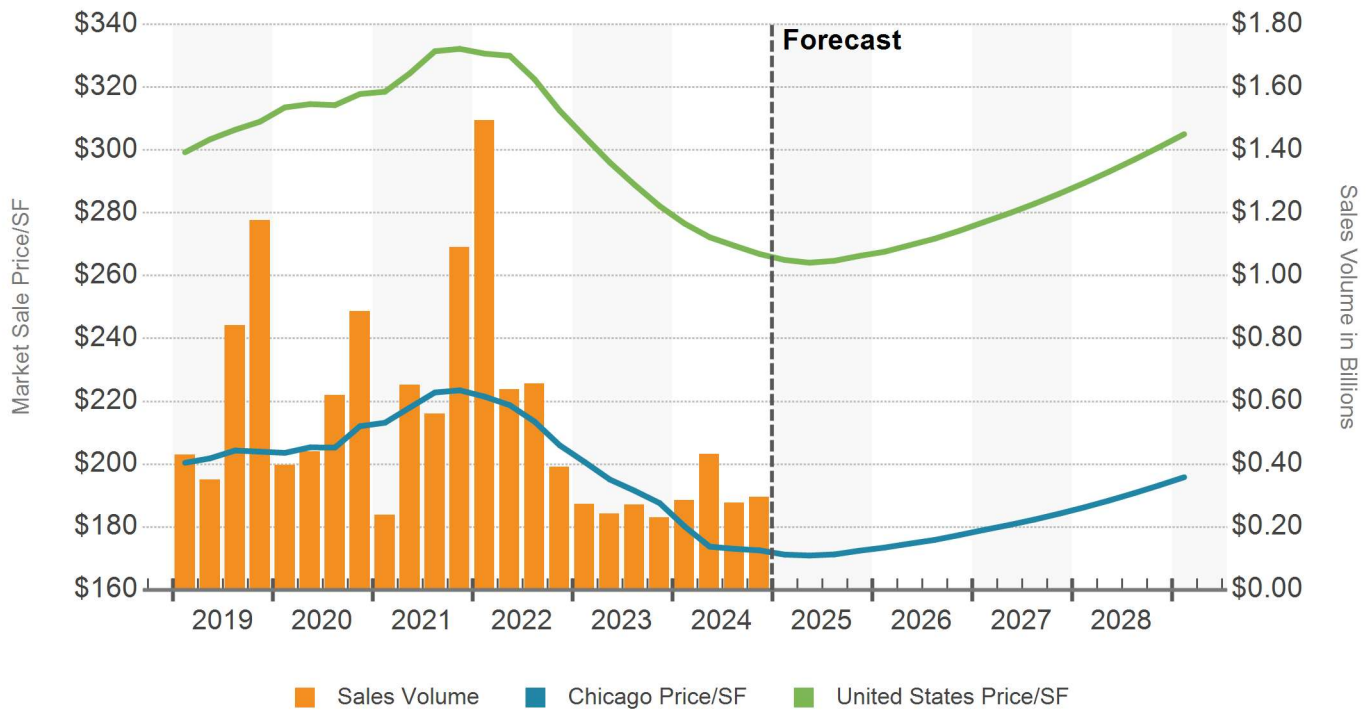
include multifamily and hotel uses, and fine dining on its upper floors. Most saliently, though, CRG's CEO Shawn Clark told CoStar News, "Since I came to Chicago, it's always been my favorite building." He particularly likes its architectural features, unique history, and proximity to the award-winning Riverwalk. As the new owner, CRG plans to grow its footprint to over 100,000 SF from its current 70,000 SF presence.

Just after that, another locally based company called the Primera Group (not to be confused with the Prime Group), acquired Central Loop's 41-story, 20%-occupied Clark Adams Building, which went into foreclosure earlier in the year, for \$9.8 million, or \$30/SF, from Old National Bank. Primera intends to convert a "large portion" of the property into affordable housing. Additionally, Michael Reschke's The Prime Group purchased the high-vacancy Cboe Building at 400 S LaSalle for \$12 million, or \$31/SF, in June. Prime intends to repurpose the property into a data center.

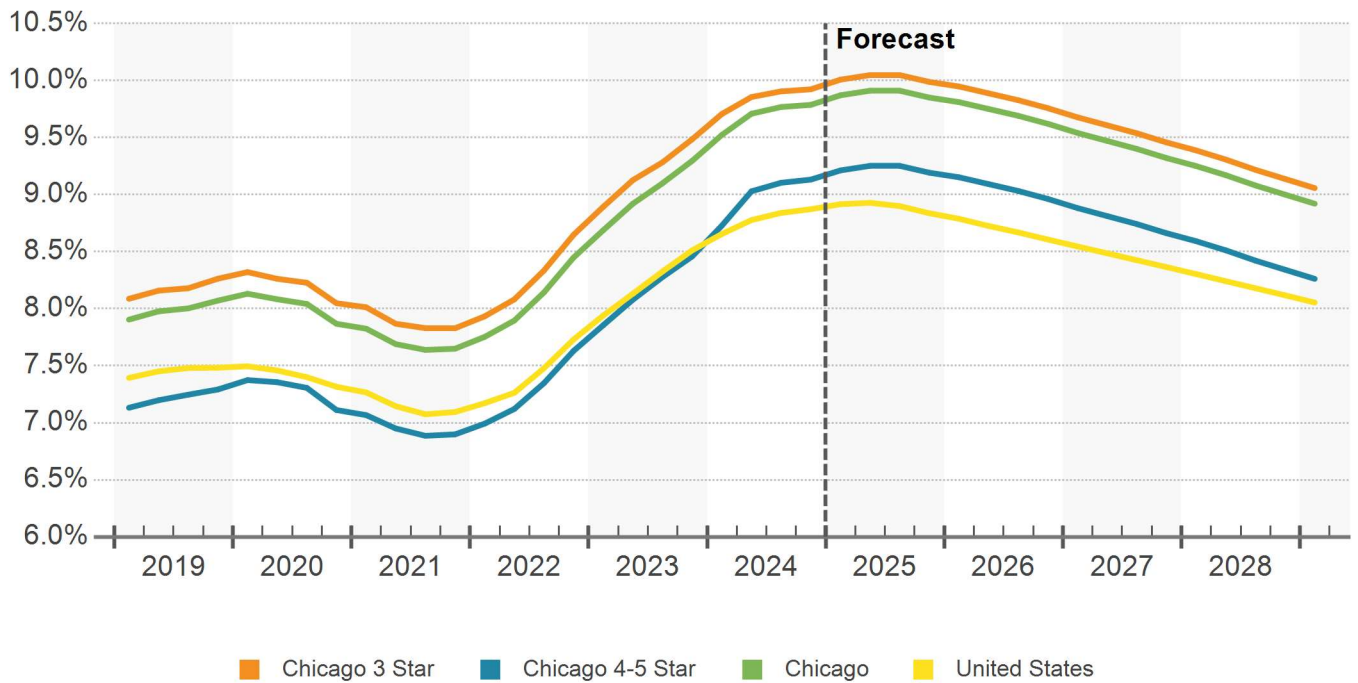
As buyers chip away at the glut of office properties that are in some form of distress, about 40 (15.6 million SF) properties are currently on a CMBS watch list with their loans. The Central, East and West Loop, River North, and O'Hare submarkets are hurting the most. Though the CMBS October outstanding balance is a lot at \$1.4 billion—only New York's is larger at \$3.6 billion—it only represents 4% of the Chicago office market's asset value.

What can't be said about all urban markets is that at least Chicago's sales volume is increasing year-over-year, and that clip should continue. Asserts Colliers' senior vice president for office sales Alissa Adler, "With properties selling and comps available, investment players now know how much they should pay. It's hard to be the first one in."

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Chicago Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

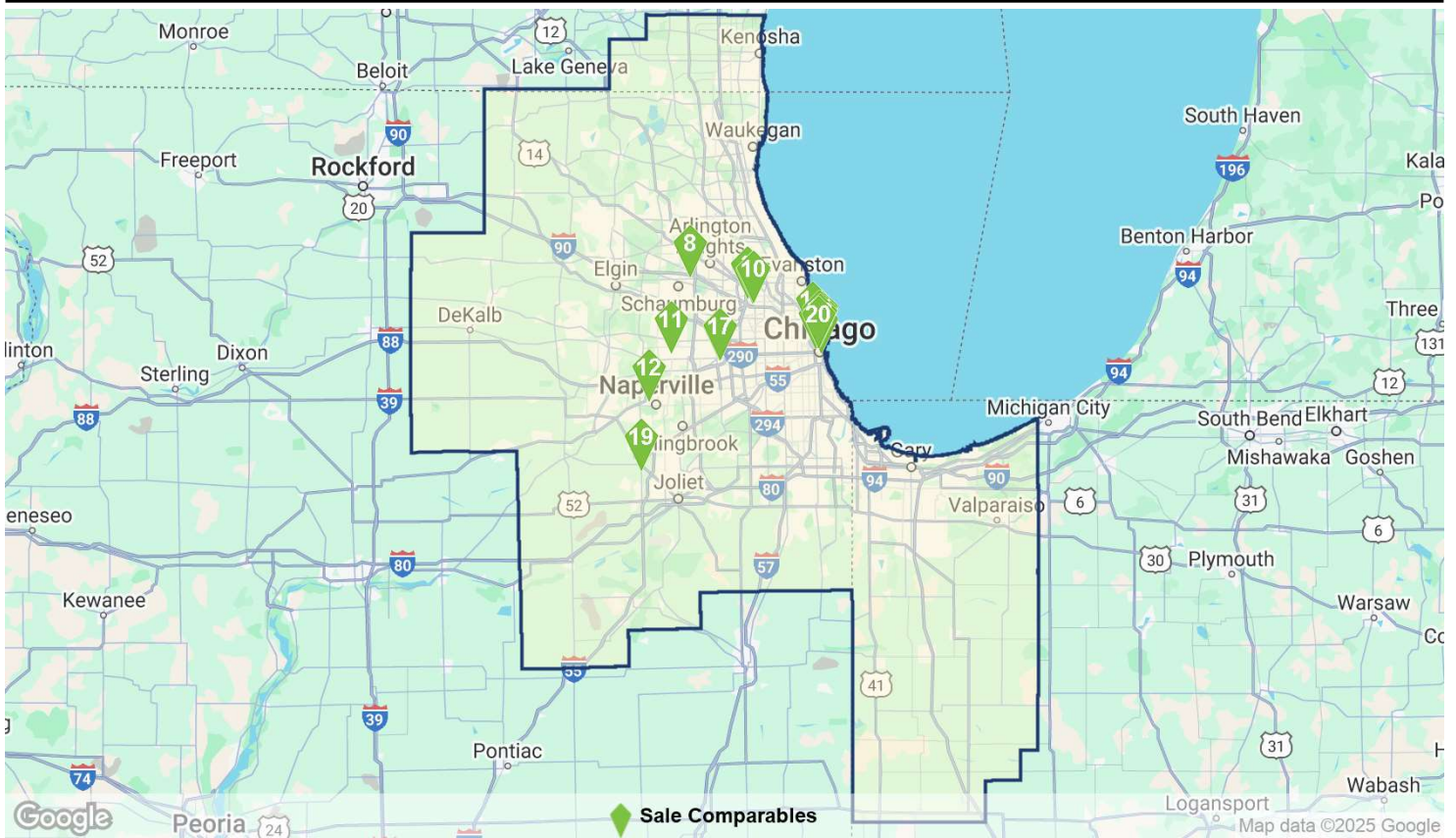
723

9.0%

\$83

22.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$42,500	\$2,939,596	\$679,500	\$125,000,000
Price/SF	\$2.84	\$83	\$115	\$900
Cap Rate	2.7%	9.0%	8.6%	18.5%
Time Since Sale in Months	0.2	5.8	5.8	12.0
Property Attributes	Low	Average	Median	High
Building SF	700	30,327	6,355	887,940
Stories	1	2	2	41
Typical Floor SF	402	9,046	4,475	174,643
Vacancy Rate At Sale	0%	22.5%	0%	100%
Year Built	1840	1965	1972	2026
Star Rating	★★★★★	★★★★★ 2.4	★★★★★	★★★★★

Sales Past 12 Months

Chicago Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 West Wacker 333 333 W Wacker Dr	★★★★★	1982	887,940	15.5%	6/20/2024	\$125,000,000	\$141	-
2 150 N Michigan Ave	★★★★★	1984	661,477	35.1%	1/26/2024	\$60,000,000	\$91	-
3 One O'Hare Centre 6250 N River Rd	★★★★★	1986	380,360	5.2%	10/9/2024	\$53,250,000	\$140	14.0%
4 605 N Michigan Ave	★★★★★	1925	73,800	43.4%	8/8/2024	\$47,000,000	\$637	-
5 Schaumburg Tower II 1450 American Ln	★★★★★	1988	474,462	29.8%	3/12/2024	\$38,596,570	\$81	-
6 400 S Jefferson St	★★★★★	1947	247,716	0%	3/21/2024	\$38,500,000	\$155	-
7 The Jewelers Building 35 E Wacker Dr	★★★★★	1926	556,200	25.3%	8/23/2024	\$35,500,000	\$64	10.1%
8 Schaumburg Towers I 1400 American Ln	★★★★★	1986	441,533	29.0%	3/12/2024	\$35,403,430	\$80	-
9 Presidents Plaza II 8700 W Bryn Mawr Ave	★★★★★	1983	403,200	11.3%	10/22/2024	\$32,691,574	\$81	-
10 Presidents Plaza I 8600 W Bryn Mawr Ave	★★★★★	1980	405,400	43.0%	10/22/2024	\$29,408,426	\$73	-
11 150 E Willow Ave	★★★★★	2020	40,194	0%	5/16/2024	\$28,400,000	\$707	5.9%
12 iMed Campus - Naperville 1331 W 75th	★★★★★	2014	72,141	3.9%	8/29/2024	\$28,000,000	\$388	-
13 1407 On Michigan 1407 S Michigan Ave	★★★★★	2018	43,613	0%	10/3/2024	\$21,800,000	\$500	-
14 North Avenue Collection 915-939 W North Ave	★★★★★	2002	199,683	41.6%	4/24/2024	\$20,960,500	\$105	-
15 20 W Kinzie St	★★★★★	2000	277,131	55.2%	4/3/2024	\$20,000,000	\$72	-
16 Oak Brook 22 1301 W 22nd St	★★★★★	1966	154,694	37.3%	5/15/2024	\$18,343,755	\$119	-
17 Oak Brook 22 1211 W 22nd St	★★★★★	1985	155,878	7.1%	5/15/2024	\$17,989,437	\$115	-
18 One North State Bldg 1 N State St	★★★★★	1912	732,144	41.0%	11/26/2024	\$13,000,000	\$18	-
19 Edward Healthcare Center 16519 S Route 59	★★★★★	2012	22,349	0%	3/28/2024	\$12,200,000	\$546	-
20 400 S LaSalle St	★★★★★	1984	298,000	100%	6/3/2024	\$12,000,000	\$40	-

According to the USBLS, Chicago is continuing its streak of bringing manufacturing jobs back to the region. From August 2023 to 2024, this sector expanded by 2.1%, or 8,700 new jobs. The region's manufacturing base has steadily been making gains since mid-2021.

Three other sectors chronicling employment gains include education and health services (2% employment growth or 14,800 more jobs), government (1.8% or 9,300 jobs), and "other services" (3.9% or 7,800 jobs).

Since the start of 2024, Chicago and Illinois' industry super-sectors have been showing up in the employment data in some striking ways. After years of manufacturing space compression, candy and snack manufacturers like Mondelez, Mars, and Ferrero Candy have all expanded their Land of Lincoln manufacturing and R&D footprints. Fulton Market is also home to the nation's largest independent manufacturing innovation center, mHub.

Additionally, new billion-dollar investments are coming through Chicago's economic pipeline. In addition to the recent uptick in manufacturing developments—from US Medical Glove in Harvard, Illinois, to electric-vehicle battery manufacturer Gotion near Kankakee—data center developers and their kin are coming into the Chicago Market with gusto. The most recent announcement was PsiQuantum's commitment to open a 59 million SF quantum computing campus on Chicago's Southside. Companies like these are not only expanding Chicago's projected GDP, but they are also contributing to the area's employment base, especially for Chicago's Southside and its south suburban neighbors.

However, Chicago's office-using super sectors have posted job losses over the past year. The professional and business services (-3.6% or 31,200 job losses), financial activities (-1.1% or 3,700 job losses), and information (-3.9% or 3,100 job losses) sectors recorded employment deficits year over year.

Other tangible threats to Chicago's growth include Cook County's real estate tax burdens and Cook and DuPage

counties' projected population losses.

Yet, all is not bad for Chicago. Its crime rate is on par with the national average per 100,000 people. Chicago knows how to lean into its inherent strengths as a central, national locale with superior transmodal hubs, financial resources, world-class universities, and the intellectual capital derived from the thousands who annually graduate from college and move to this Midwestern juggernaut. Numerous logistics firms base their headquarters in Chicago because of its strategic location and access to capital. Illinois took the second spot for CNBC's infrastructure rating in 2023 for its abundance of freight lines, interconnected highway network, substantial broadband availability, and reliable power.

Additionally, private and institutional investors flock to this major market's underlying stability and diverse economy. In fact, according to Oxford Economics, Chicago's economy is almost 40% more diverse than its national peers.

In October 2023, Chicago earned an upgrade from Fitch Ratings due to the city's improving economy and declining long-term debt burden. Never afraid, Chicago operates on the pivot principle and has done that well historically. For example, Site Selection magazine announced in March 2024 that Chicago won the nation's top metropolitan area for business investment for the 11th straight year. Then, in September, Condé Nast's readers ranked Chicago as the best big city for the eighth consecutive year.

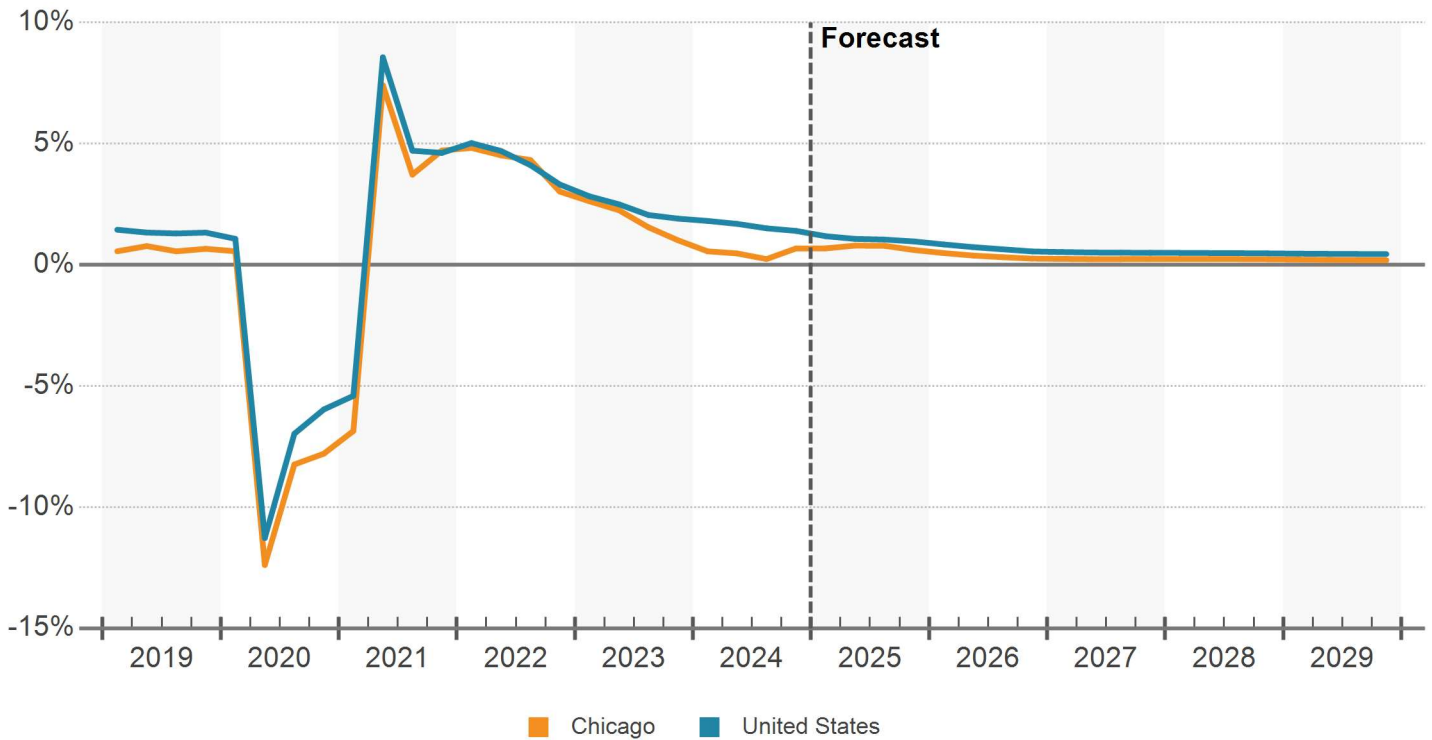
The City That Works does indeed do just that. Almost 500 companies across various industries occupy over 100,000 SF each of office space within the Chicago metropolitan area. Here is the home of United Airlines, industrial distributor W.W. Grainger, manufacturer GE HealthCare, Discover Financial Services, retailer ACE Hardware, global insurance brokerage Gallagher, fast food giant McDonald's, Hyatt Hotels, and law firm Kirkland & Ellis.

CHICAGO EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	423	1.1	1.51%	0.11%	0.25%	0.54%	0.13%	0.34%
Trade, Transportation and Utilities	969	1.1	0.34%	0.84%	0.62%	0.95%	0.06%	0.31%
Retail Trade	430	0.9	-0.70%	0.54%	-0.59%	0.16%	-0.42%	0.21%
Financial Activities	325	1.2	-0.19%	0.48%	1.01%	1.44%	-0.05%	0.41%
Government	550	0.8	2.04%	1.75%	0.22%	0.66%	0.15%	0.49%
Natural Resources, Mining and Construction	184	0.7	-0.74%	2.34%	1.29%	2.24%	0.66%	0.87%
Education and Health Services	782	1.0	2.10%	3.16%	1.30%	2.07%	0.52%	0.81%
Professional and Business Services	832	1.2	-1.22%	0.67%	0.37%	1.73%	0.28%	0.61%
Information	80	0.9	1.73%	0.05%	0.15%	0.93%	0.19%	0.56%
Leisure and Hospitality	484	0.9	0.73%	1.48%	0.92%	1.38%	0.91%	0.93%
Other Services	198	1.1	1.66%	1.11%	0.26%	0.59%	0.27%	0.54%
Total Employment	4,826	1.0	0.68%	1.39%	0.66%	1.29%	0.30%	0.58%

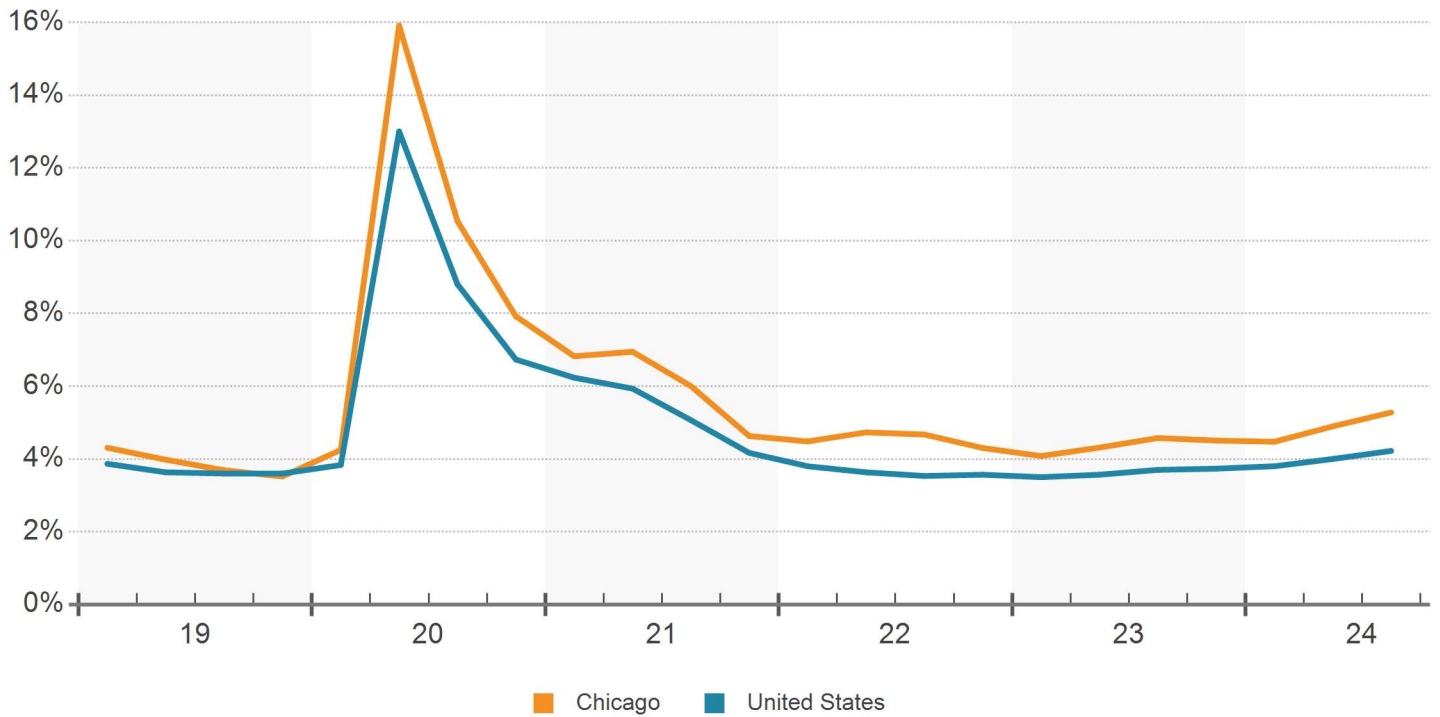
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

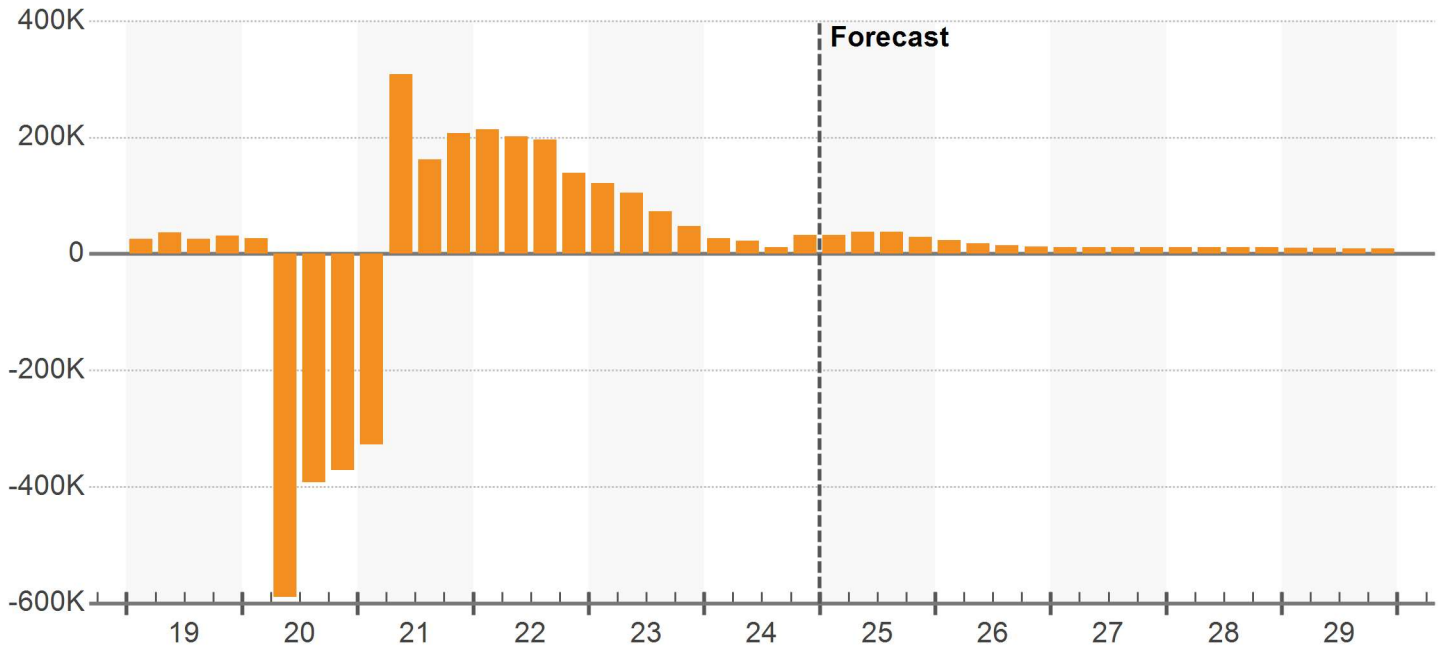


Source: Oxford Economics

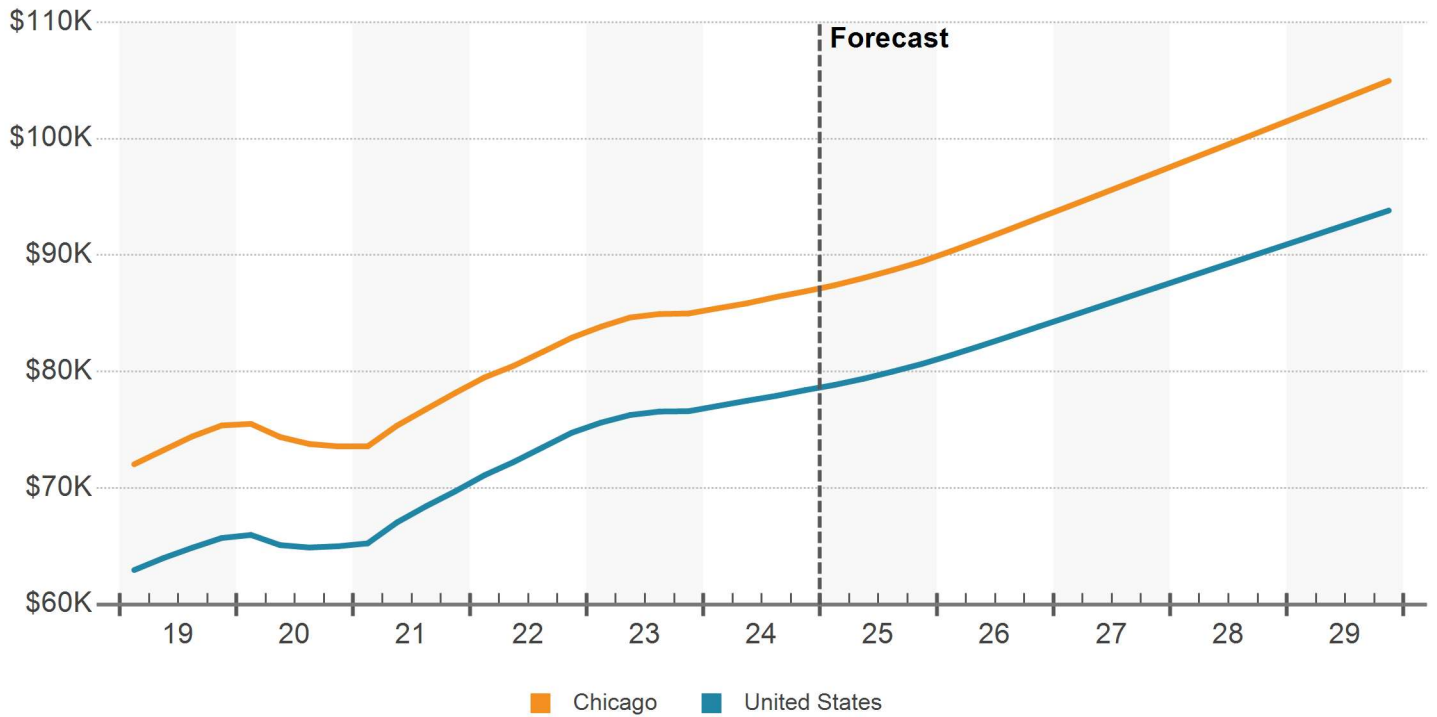
UNEMPLOYMENT RATE (%)



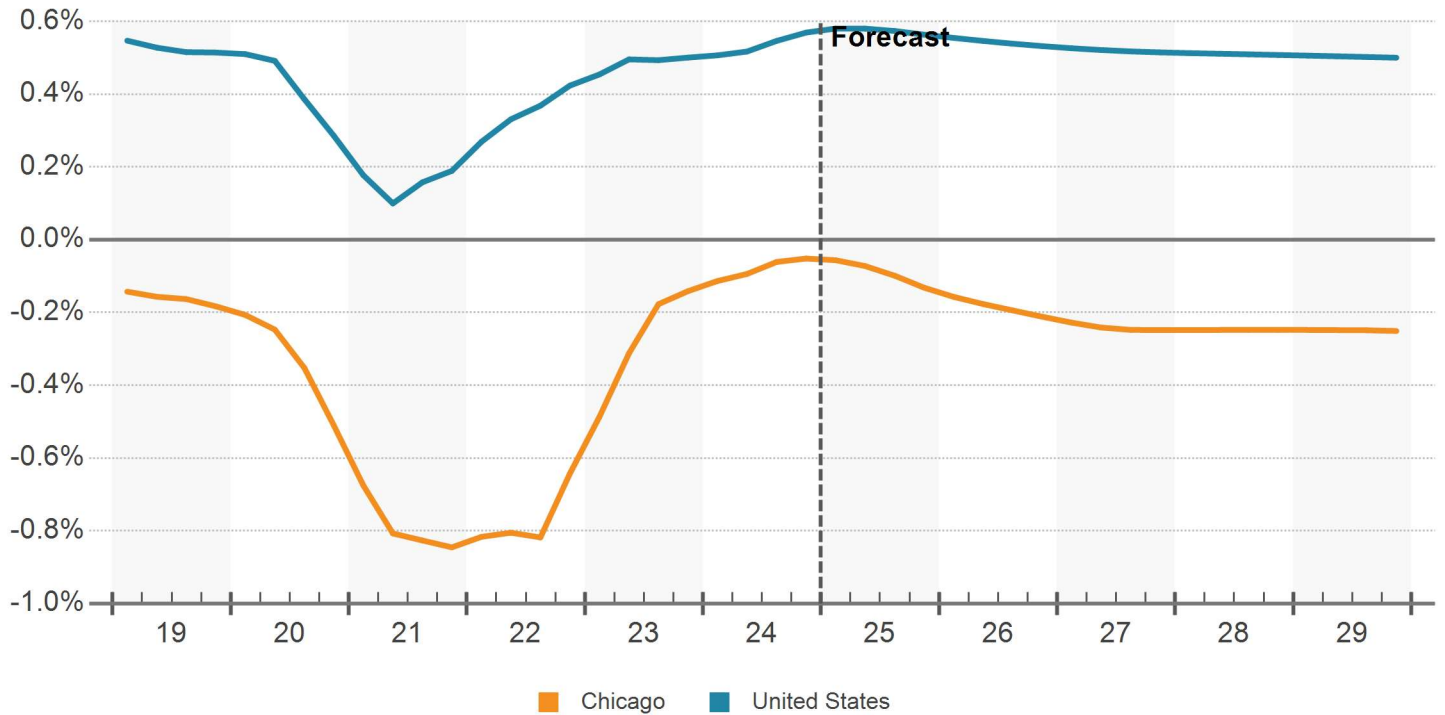
NET EMPLOYMENT CHANGE (YOY)



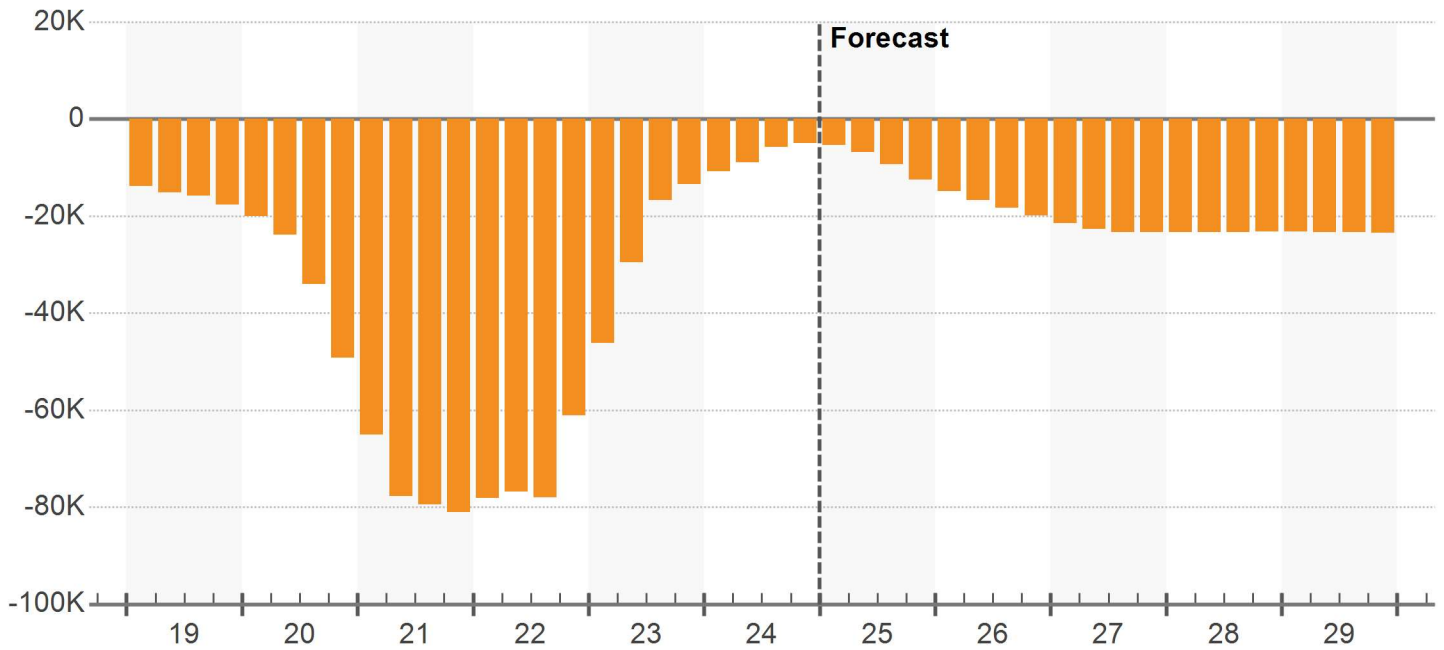
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

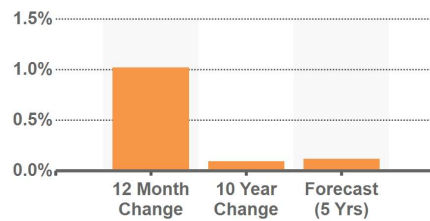
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	9,423,307	337,249,313	-0.1%	0.6%	-0.2%	0.5%	-0.2%	0.5%
Households	3,746,323	132,487,141	0.1%	0.7%	0.5%	0.9%	-0.1%	0.6%
Median Household Income	\$86,902	\$78,423	2.2%	2.4%	3.5%	3.9%	3.9%	3.7%
Labor Force	5,007,028	168,844,672	1.0%	0.6%	0.1%	0.8%	0.1%	0.4%
Unemployment	5.3%	4.2%	0.8%	0.5%	-0.1%	-0.1%	-	-

Source: Oxford Economics

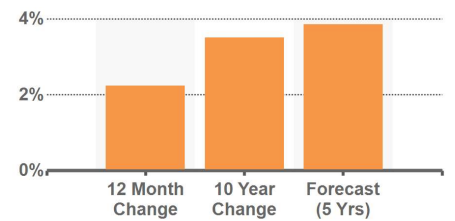
POPULATION GROWTH



LABOR FORCE GROWTH



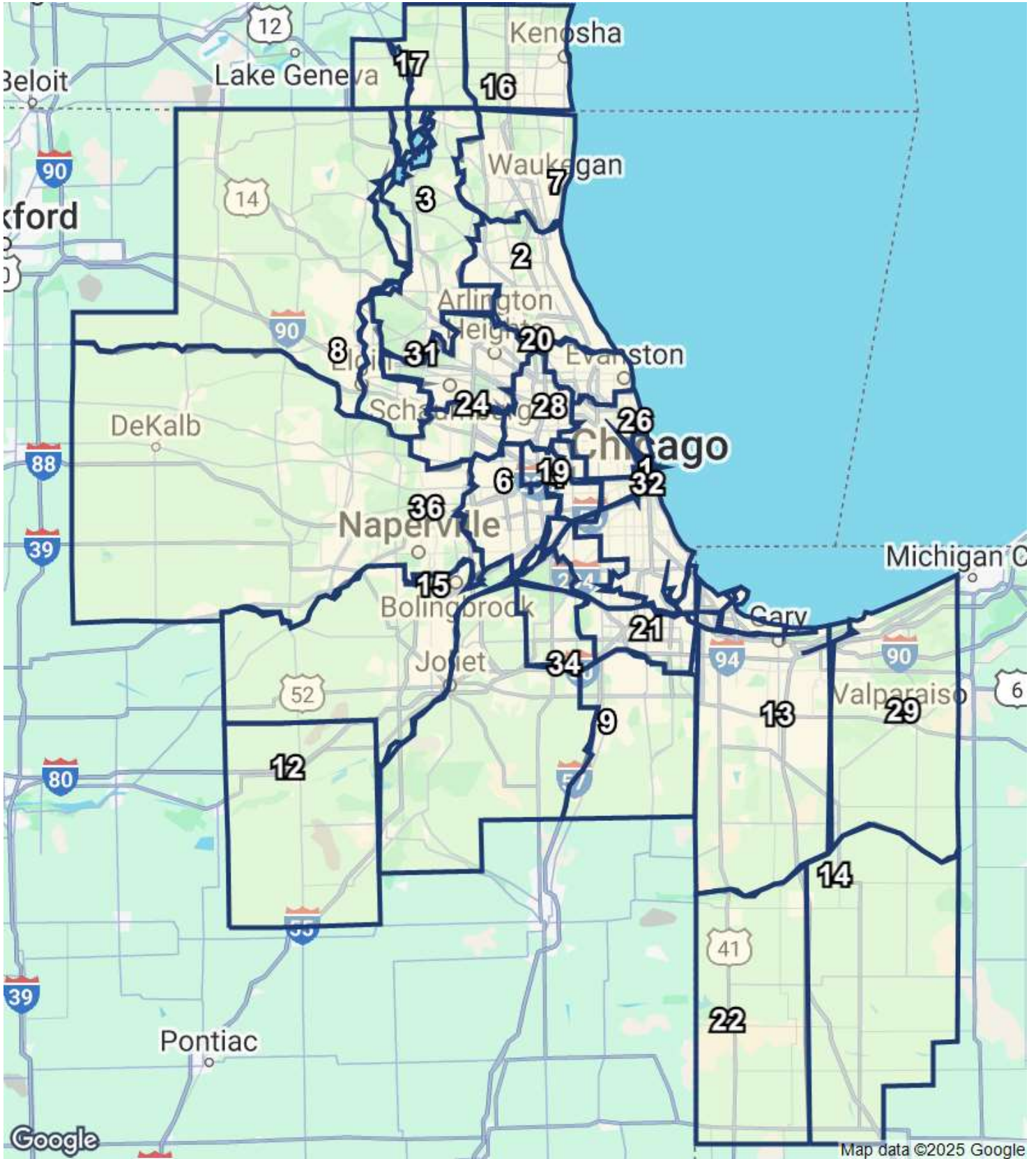
INCOME GROWTH



Source: Oxford Economics

Submarkets

CHICAGO SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Central Loop	96	48,267	9.4%	2	0	0	0%	-	0	-	-	-
2	Central North	899	39,896	7.8%	4	0	0	0%	-	0	-	-	-
3	Central Northwest	428	5,624	1.1%	20	0	0	0%	-	0	-	-	-
4	Cicero/Berwyn Area	179	1,497	0.3%	31	0	0	0%	-	0	-	-	-
5	East Loop	77	29,186	5.7%	7	0	0	0%	-	0	-	-	-
6	Eastern East/West Corr	1,098	36,166	7.1%	5	0	0	0%	-	0	-	-	-
7	Far North	342	4,611	0.9%	23	0	0	0%	-	0	-	-	-
8	Far Northwest	1,087	11,976	2.3%	16	1	11	0.1%	9	0	-	-	-
9	Far South	285	4,955	1.0%	22	0	0	0%	-	2	23	0.5%	8
10	Fulton Market/Near West...	210	12,708	2.5%	15	1	493	3.9%	1	1	369	2.9%	2
11	Gold Coast/Old Town	31	900	0.2%	32	0	0	0%	-	0	-	-	-
12	Grundy County	101	483	0.1%	33	0	0	0%	-	0	-	-	-
13	Indiana	1,051	13,114	2.6%	14	1	30	0.2%	7	3	35	0.3%	7
14	Jasper County	44	206	0%	34	0	0	0%	-	0	-	-	-
15	Joliet/Central Will	872	11,919	2.3%	17	0	0	0%	-	0	-	-	-
16	Kenosha East	274	2,989	0.6%	27	0	0	0%	-	1	370	12.4%	1
17	Kenosha West	35	145	0%	35	0	0	0%	-	0	-	-	-
18	Lincoln Park	103	2,737	0.5%	28	0	0	0%	-	0	-	-	-
19	Melrose Park Area	109	1,579	0.3%	30	0	0	0%	-	0	-	-	-
20	Near North	566	15,232	3.0%	13	1	179	1.2%	2	0	-	-	-
21	Near South Cook	511	5,859	1.1%	19	0	0	0%	-	0	-	-	-
22	Newton County	15	80	0%	36	0	0	0%	-	0	-	-	-
23	North Branch/Goose Island	101	4,573	0.9%	24	0	0	0%	-	0	-	-	-
24	North DuPage	319	7,779	1.5%	18	0	0	0%	-	0	-	-	-
25	North Michigan Avenue	85	19,853	3.9%	10	1	62	0.3%	4	0	-	-	-
26	Northwest City	1,201	16,810	3.3%	12	1	28	0.2%	8	2	62	0.4%	5
27	O'Hare	456	18,543	3.6%	11	0	0	0%	-	0	-	-	-
28	Oak Park Area	196	2,549	0.5%	29	0	0	0%	-	0	-	-	-
29	Porter County	398	3,346	0.7%	26	0	0	0%	-	1	43	1.3%	6
30	River North	225	21,077	4.1%	8	1	154	0.7%	3	0	-	-	-
31	Schaumburg Area	803	33,755	6.6%	6	0	0	0%	-	0	-	-	-
32	South Chicago	870	20,019	3.9%	9	1	1	0%	10	2	363	1.8%	3
33	South Loop	41	3,773	0.7%	25	0	0	0%	-	0	-	-	-
34	South Route 45	386	5,299	1.0%	21	1	41	0.8%	5	0	-	-	-
35	West Loop	153	63,393	12.4%	1	0	0	0%	-	0	-	-	-
36	Western East/West Corr	1,979	40,822	8.0%	3	3	35	0.1%	6	2	64	0.2%	4

Submarkets

Chicago Office

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Central Loop	\$39.49	4	0.7%	30	-4.6%	31
2	Central North	\$24.78	16	2.1%	7	-2.5%	20
3	Central Northwest	\$22.32	24	2.1%	9	-0.3%	4
4	Cicero/Berwyn Area	\$20.44	28	1.8%	14	-2.3%	17
5	East Loop	\$38.19	6	1.4%	23	-3.7%	28
6	Eastern East/West Corr	\$24.15	18	1.2%	25	-2.0%	14
7	Far North	\$21.25	26	2.7%	5	-1.9%	12
8	Far Northwest	\$19.62	34	2.1%	8	-2.2%	15
9	Far South	\$19.76	32	3.2%	1	-2.8%	24
10	Fulton Market/Near West...	\$42.19	2	0.1%	33	13.8%	1
11	Gold Coast/Old Town	\$28.26	10	0.1%	34	-2.8%	25
12	Grundy County	\$20.36	29	2.6%	6	-1.0%	8
13	Indiana	\$19.98	31	1.7%	18	-2.5%	19
14	Jasper County	\$20.33	30	1.9%	13	-2.0%	13
15	Joliet/Central Will	\$22.13	25	3.0%	3	-1.8%	11
16	Kenosha East	\$24.98	15	1.4%	24	-2.7%	22
17	Kenosha West	\$24.13	19	1.9%	12	-3.3%	26
18	Lincoln Park	\$31.69	7	0%	35	-4.9%	33
19	Melrose Park Area	\$19.68	33	1.7%	19	-5.8%	36
20	Near North	\$27.34	12	2.0%	10	-1.6%	9
21	Near South Cook	\$24.61	17	2.7%	4	-1.6%	10
22	Newton County	\$18.89	36	1.9%	11	-1.0%	6
23	North Branch/Goose Island	\$28.34	9	-0.1%	36	-2.4%	18
24	North DuPage	\$21.02	27	1.8%	17	-1.0%	7
25	North Michigan Avenue	\$39.36	5	0.9%	28	-4.9%	34
26	Northwest City	\$23.73	21	0.5%	31	-3.6%	27
27	O'Hare	\$27.79	11	1.8%	16	-2.6%	21
28	Oak Park Area	\$25.51	14	1.6%	21	-4.3%	29
29	Porter County	\$19.60	35	1.8%	15	-2.2%	16
30	River North	\$41.78	3	0.8%	29	-0.2%	3
31	Schaumburg Area	\$23.85	20	1.7%	20	-0.8%	5
32	South Chicago	\$26.36	13	1.5%	22	-4.6%	32
33	South Loop	\$29.64	8	0.5%	32	-5.0%	35
34	South Route 45	\$23.38	22	3.0%	2	-2.8%	23
35	West Loop	\$44.80	1	1.2%	26	4.8%	2
36	Western East/West Corr	\$22.37	23	1.2%	27	-4.4%	30

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Central Loop	10,410,693	21.6%	27	(565,589)	-1.2%	34	-
2	Central North	6,780,874	17.0%	22	(1,298,432)	-3.3%	36	-
3	Central Northwest	851,293	15.1%	20	65,743	1.2%	7	-
4	Cicero/Berwyn Area	48,536	3.2%	3	15,467	1.0%	13	-
5	East Loop	7,825,580	26.8%	32	(1,241,363)	-4.3%	35	-
6	Eastern East/West Corr	6,253,972	17.3%	25	(439,992)	-1.2%	31	-
7	Far North	642,664	13.9%	18	8,135	0.2%	15	-
8	Far Northwest	1,433,421	12.0%	14	69,094	0.6%	6	-
9	Far South	458,720	9.3%	13	(45,607)	-0.9%	22	-
10	Fulton Market/Near West...	2,179,599	17.2%	24	350,529	2.8%	1	1.4
11	Gold Coast/Old Town	227,582	25.3%	30	(59,670)	-6.6%	23	-
12	Grundy County	8,210	1.7%	1	(576)	-0.1%	21	-
13	Indiana	649,761	5.0%	6	60,148	0.5%	8	-
14	Jasper County	-	-	-	0	0%	-	-
15	Joliet/Central Will	726,357	6.1%	9	55,596	0.5%	9	-
16	Kenosha East	86,490	2.9%	2	2,075	0.1%	17	-
17	Kenosha West	-	-	-	0	0%	-	-
18	Lincoln Park	163,789	6.0%	8	2,281	0.1%	16	-
19	Melrose Park Area	268,944	17.0%	23	49,749	3.2%	10	-
20	Near North	2,037,095	13.4%	17	69,626	0.5%	5	2.6
21	Near South Cook	437,746	7.5%	11	(67,243)	-1.1%	24	-
22	Newton County	-	-	-	0	0%	-	-
23	North Branch/Goose Island	1,054,504	23.1%	28	12,088	0.3%	14	-
24	North DuPage	1,027,852	13.2%	16	206,055	2.6%	3	-
25	North Michigan Avenue	2,767,431	13.9%	19	(496,028)	-2.5%	32	-
26	Northwest City	1,254,271	7.5%	10	255,667	1.5%	2	0.1
27	O'Hare	3,142,387	16.9%	21	(296,223)	-1.6%	29	-
28	Oak Park Area	223,238	8.8%	12	(77,433)	-3.0%	25	-
29	Porter County	141,136	4.2%	4	16,713	0.5%	12	-
30	River North	5,304,942	25.2%	29	(362,300)	-1.7%	30	-
31	Schaumburg Area	8,920,404	26.4%	31	(240,923)	-0.7%	28	-
32	South Chicago	1,122,350	5.6%	7	(160,621)	-0.8%	27	-
33	South Loop	1,027,408	27.2%	33	41,491	1.1%	11	-
34	South Route 45	228,193	4.3%	5	125,418	2.4%	4	-
35	West Loop	13,115,475	20.7%	26	(513,099)	-0.8%	33	-
36	Western East/West Corr	5,130,185	12.6%	15	(130,113)	-0.3%	26	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	508,747,746	(760,078)	-0.1%	(527,302)	-0.1%	-
2028	509,507,824	(739,568)	-0.1%	(714,571)	-0.1%	-
2027	510,247,392	(708,856)	-0.1%	(1,315,029)	-0.3%	-
2026	510,956,248	(479,984)	-0.1%	(2,089,875)	-0.4%	-
2025	511,436,232	(298,209)	-0.1%	(2,215,215)	-0.4%	-
YTD	511,717,114	(17,327)	0%	(767,160)	-0.1%	-
2024	511,734,441	(1,820,463)	-0.4%	(3,870,782)	-0.8%	-
2023	513,554,904	(870,335)	-0.2%	(7,412,345)	-1.4%	-
2022	514,425,239	1,288,994	0.3%	(2,163,113)	-0.4%	-
2021	513,136,245	1,144,205	0.2%	(5,429,524)	-1.1%	-
2020	511,992,040	4,001,301	0.8%	(2,296,012)	-0.4%	-
2019	507,990,739	4,091,058	0.8%	1,324,458	0.3%	3.1
2018	503,899,681	737,795	0.1%	2,075,130	0.4%	0.4
2017	503,161,886	1,697,520	0.3%	3,169,428	0.6%	0.5
2016	501,464,366	1,065,973	0.2%	(856,325)	-0.2%	-
2015	500,398,393	61,270	0%	3,496,777	0.7%	0
2014	500,337,123	(1,923,235)	-0.4%	2,088,463	0.4%	-
2013	502,260,358	(340,124)	-0.1%	1,345,410	0.3%	-

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	145,359,213	286,681	0.2%	309,590	0.2%	0.9
2028	145,072,532	333,575	0.2%	269,325	0.2%	1.2
2027	144,738,957	385,576	0.3%	170,089	0.1%	2.3
2026	144,353,381	616,856	0.4%	499,806	0.3%	1.2
2025	143,736,525	806,801	0.6%	1,500,031	1.0%	0.5
YTD	142,929,724	0	0%	(204,145)	-0.1%	-
2024	142,929,724	(1,621,044)	-1.1%	(1,569,258)	-1.1%	-
2023	144,550,768	1,140,987	0.8%	(4,107,859)	-2.8%	-
2022	143,409,781	2,654,289	1.9%	(104,690)	-0.1%	-
2021	140,755,492	1,712,881	1.2%	(263,574)	-0.2%	-
2020	139,042,611	4,146,084	3.1%	2,009,789	1.4%	2.1
2019	134,896,527	4,321,608	3.3%	2,551,225	1.9%	1.7
2018	130,574,919	1,482,377	1.1%	2,187,281	1.7%	0.7
2017	129,092,542	1,957,487	1.5%	910,975	0.7%	2.1
2016	127,135,055	2,153,390	1.7%	146,826	0.1%	14.7
2015	124,981,665	988,144	0.8%	2,055,887	1.6%	0.5
2014	123,993,521	(9,504)	0%	1,200,762	1.0%	-
2013	124,003,025	693,628	0.6%	752,931	0.6%	0.9

Supply & Demand Trends

Chicago Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	285,426,880	4,002	0%	166,666	0.1%	0
2028	285,422,878	4,669	0%	(71,352)	0%	-
2027	285,418,209	5,406	0%	(546,633)	-0.2%	-
2026	285,412,803	46,804	0%	(1,281,569)	-0.4%	-
2025	285,365,999	96,692	0%	(2,065,046)	-0.7%	-
YTD	285,269,307	0	0%	(490,155)	-0.2%	-
2024	285,269,307	(192,015)	-0.1%	(2,656,633)	-0.9%	-
2023	285,461,322	(1,691,321)	-0.6%	(3,131,167)	-1.1%	-
2022	287,152,643	(1,242,639)	-0.4%	(2,370,699)	-0.8%	-
2021	288,395,282	(379,332)	-0.1%	(5,248,281)	-1.8%	-
2020	288,774,614	(138,701)	0%	(3,951,492)	-1.4%	-
2019	288,913,315	(59,217)	0%	(1,274,417)	-0.4%	-
2018	288,972,532	(576,130)	-0.2%	(616,320)	-0.2%	-
2017	289,548,662	121,572	0%	2,654,265	0.9%	0
2016	289,427,090	(656,737)	-0.2%	(1,728,077)	-0.6%	-
2015	290,083,827	(622,519)	-0.2%	1,438,659	0.5%	-
2014	290,706,346	(1,456,255)	-0.5%	1,014,863	0.3%	-
2013	292,162,601	(819,314)	-0.3%	257,408	0.1%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2029	77,961,653	(1,050,761)	-1.3%	(1,003,558)	-1.3%	-
2028	79,012,414	(1,077,812)	-1.3%	(912,544)	-1.2%	-
2027	80,090,226	(1,099,838)	-1.4%	(938,485)	-1.2%	-
2026	81,190,064	(1,143,644)	-1.4%	(1,308,112)	-1.6%	-
2025	82,333,708	(1,201,702)	-1.4%	(1,650,200)	-2.0%	-
YTD	83,518,083	(17,327)	0%	(72,860)	-0.1%	-
2024	83,535,410	(7,404)	0%	355,109	0.4%	-
2023	83,542,814	(320,001)	-0.4%	(173,319)	-0.2%	-
2022	83,862,815	(122,656)	-0.1%	312,276	0.4%	-
2021	83,985,471	(189,344)	-0.2%	82,331	0.1%	-
2020	84,174,815	(6,082)	0%	(354,309)	-0.4%	-
2019	84,180,897	(171,333)	-0.2%	47,650	0.1%	-
2018	84,352,230	(168,452)	-0.2%	504,169	0.6%	-
2017	84,520,682	(381,539)	-0.4%	(395,812)	-0.5%	-
2016	84,902,221	(430,680)	-0.5%	724,926	0.9%	-
2015	85,332,901	(304,355)	-0.4%	2,231	0%	-
2014	85,637,256	(457,476)	-0.5%	(127,162)	-0.1%	-
2013	86,094,732	(214,438)	-0.2%	335,071	0.4%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$32.09	130	1.4%	4.9%	89,178,136	17.5%	0%
2028	\$31.66	128	1.1%	3.5%	89,397,759	17.5%	0%
2027	\$31.32	127	0.7%	2.4%	89,399,668	17.5%	0.1%
2026	\$31.11	126	0.6%	1.7%	88,774,500	17.4%	0.3%
2025	\$30.91	125	1.1%	1.1%	87,146,544	17.0%	0.4%
YTD	\$30.58	124	1.3%	0%	85,951,102	16.8%	0.2%
2024	\$30.58	124	1.3%	0%	85,183,942	16.6%	0.5%
2023	\$30.19	122	0.8%	-1.3%	83,136,873	16.2%	1.3%
2022	\$29.94	121	0.8%	-2.1%	76,590,763	14.9%	0.6%
2021	\$29.69	120	1.1%	-2.9%	73,137,038	14.3%	1.3%
2020	\$29.37	119	-0.2%	-4.0%	66,541,150	13.0%	1.1%
2019	\$29.42	119	3.1%	-3.8%	60,316,574	11.9%	0.5%
2018	\$28.52	116	4.5%	-6.7%	57,436,054	11.4%	-0.3%
2017	\$27.29	111	2.5%	-10.8%	58,786,749	11.7%	-0.3%
2016	\$26.62	108	3.4%	-13.0%	60,268,776	12.0%	0.4%
2015	\$25.74	104	4.6%	-15.8%	58,351,940	11.7%	-0.7%
2014	\$24.61	100	4.4%	-19.5%	61,776,961	12.3%	-0.7%
2013	\$23.56	96	2.9%	-23.0%	65,772,921	13.1%	-0.3%

4 & 5 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$44.84	139	1.2%	4.0%	30,919,126	21.3%	-0.1%
2028	\$44.32	138	0.9%	2.8%	30,942,590	21.3%	0%
2027	\$43.92	137	0.5%	1.9%	30,878,915	21.3%	0.1%
2026	\$43.70	136	0.5%	1.4%	30,663,982	21.2%	0%
2025	\$43.50	135	0.9%	0.9%	30,547,487	21.3%	-0.6%
YTD	\$43.12	134	1.1%	0%	31,444,862	22.0%	0.1%
2024	\$43.11	134	1.1%	0%	31,240,717	21.9%	0.2%
2023	\$42.67	133	0.8%	-1.0%	31,292,503	21.6%	3.5%
2022	\$42.33	132	0.5%	-1.8%	26,043,657	18.2%	1.6%
2021	\$42.14	131	1.6%	-2.3%	23,278,960	16.5%	1.2%
2020	\$41.49	129	-1.1%	-3.8%	21,302,505	15.3%	1.1%
2019	\$41.94	130	5.2%	-2.7%	19,166,210	14.2%	0.9%
2018	\$39.85	124	6.6%	-7.6%	17,383,447	13.3%	-0.7%
2017	\$37.40	116	3.3%	-13.2%	18,088,351	14.0%	0.6%
2016	\$36.22	113	3.5%	-16.0%	17,041,839	13.4%	1.4%
2015	\$34.98	109	6.0%	-18.9%	15,035,275	12.0%	-1.0%
2014	\$33.01	103	5.7%	-23.4%	16,103,018	13.0%	-1.0%
2013	\$31.24	97	3.2%	-27.5%	17,313,284	14.0%	-0.1%

3 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$28.39	124	1.3%	5.0%	52,754,176	18.5%	-0.1%
2028	\$28.01	123	1.1%	3.6%	52,917,057	18.5%	0%
2027	\$27.71	121	0.7%	2.5%	52,841,262	18.5%	0.2%
2026	\$27.52	121	0.6%	1.7%	52,289,430	18.3%	0.5%
2025	\$27.34	120	1.1%	1.1%	50,961,275	17.9%	0.8%
YTD	\$27.04	118	1.3%	0%	49,289,656	17.3%	0.2%
2024	\$27.05	119	1.3%	0%	48,799,501	17.1%	0.9%
2023	\$26.70	117	0.5%	-1.3%	46,334,883	16.2%	0.6%
2022	\$26.57	116	0.6%	-1.8%	44,895,037	15.6%	0.5%
2021	\$26.42	116	0.1%	-2.3%	43,766,977	15.2%	1.7%
2020	\$26.38	116	0.1%	-2.5%	38,900,070	13.5%	1.3%
2019	\$26.37	116	1.9%	-2.5%	35,136,179	12.2%	0.5%
2018	\$25.88	113	3.7%	-4.3%	33,829,717	11.7%	0%
2017	\$24.95	109	2.2%	-7.8%	33,800,247	11.7%	-0.9%
2016	\$24.41	107	3.5%	-9.8%	36,351,687	12.6%	0.4%
2015	\$23.57	103	4.1%	-12.9%	35,284,355	12.2%	-0.7%
2014	\$22.65	99	3.8%	-16.3%	37,338,109	12.8%	-0.8%
2013	\$21.83	96	2.9%	-19.3%	39,813,427	13.6%	-0.3%

1 & 2 STAR RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2029	\$22.72	127	1.9%	8.0%	5,504,834	7.1%	0.1%
2028	\$22.29	124	1.7%	5.9%	5,538,112	7.0%	-0.1%
2027	\$21.93	122	1.3%	4.2%	5,679,491	7.1%	-0.1%
2026	\$21.65	121	1.2%	2.9%	5,821,088	7.2%	0.3%
2025	\$21.39	119	1.7%	1.7%	5,637,782	6.8%	0.7%
YTD	\$21.04	117	2.1%	0%	5,216,584	6.2%	0.1%
2024	\$21.05	117	2.1%	0%	5,143,724	6.2%	-0.4%
2023	\$20.61	115	2.8%	-2.0%	5,509,487	6.6%	-0.1%
2022	\$20.06	112	3.5%	-4.7%	5,652,069	6.7%	-0.5%
2021	\$19.38	108	3.7%	-7.9%	6,091,101	7.3%	-0.3%
2020	\$18.68	104	2.3%	-11.2%	6,338,575	7.5%	0.4%
2019	\$18.26	102	1.4%	-13.3%	6,014,185	7.1%	-0.2%
2018	\$18	100	1.0%	-14.4%	6,222,890	7.4%	-0.8%
2017	\$17.83	99	1.3%	-15.3%	6,898,151	8.2%	0.1%
2016	\$17.60	98	2.2%	-16.4%	6,875,250	8.1%	-1.3%
2015	\$17.22	96	2.5%	-18.2%	8,032,310	9.4%	-0.3%
2014	\$16.80	94	3.5%	-20.2%	8,335,834	9.7%	-0.3%
2013	\$16.23	90	1.6%	-22.9%	8,646,210	10.0%	-0.6%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$204.31	140	8.7%
2028	-	-	-	-	-	-	\$193.26	132	9.0%
2027	-	-	-	-	-	-	\$184.25	126	9.3%
2026	-	-	-	-	-	-	\$177.45	121	9.6%
2025	-	-	-	-	-	-	\$172.47	118	9.8%
YTD	-	-	-	-	-	-	\$172.55	118	9.8%
2024	695	\$1.3B	3.4%	\$2,545,186	\$83.47	9.0%	\$172.59	118	9.8%
2023	725	\$1B	3.2%	\$2,016,044	\$101.18	8.5%	\$187.61	128	9.3%
2022	1,020	\$3.2B	5.3%	\$4,052,013	\$150.26	8.4%	\$205.99	141	8.4%
2021	967	\$2.5B	4.0%	\$3,520,542	\$165.91	8.6%	\$223.51	153	7.6%
2020	747	\$2.3B	3.1%	\$4,257,461	\$173.02	9.2%	\$212.08	145	7.9%
2019	1,042	\$2.8B	4.7%	\$3,923,594	\$158.67	8.4%	\$203.98	139	8.1%
2018	980	\$5.7B	7.5%	\$9,003,444	\$191.54	8.1%	\$201.14	137	7.8%
2017	810	\$3.8B	5.4%	\$6,852,277	\$174.47	8.1%	\$199.17	136	7.5%
2016	935	\$5B	7.5%	\$7,630,076	\$176.52	8.0%	\$206.70	141	7.1%
2015	933	\$8.5B	9.7%	\$11,768,096	\$205.35	7.8%	\$199.87	137	7.0%
2014	883	\$6.7B	7.7%	\$9,328,227	\$185.71	8.5%	\$188.78	129	7.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$289.78	135	8.0%
2028	-	-	-	-	-	-	\$273.91	127	8.3%
2027	-	-	-	-	-	-	\$261.02	121	8.7%
2026	-	-	-	-	-	-	\$251.37	117	9.0%
2025	-	-	-	-	-	-	\$244.40	114	9.2%
YTD	-	-	-	-	-	-	\$245	114	9.1%
2024	19	\$526.7M	4.3%	\$32,919,016	\$97.31	12.1%	\$245.10	114	9.1%
2023	16	\$205.6M	4.0%	\$34,266,252	\$93.63	15.5%	\$275.59	128	8.5%
2022	24	\$921M	4.2%	\$51,166,238	\$182.88	6.9%	\$305.52	142	7.6%
2021	17	\$868.5M	2.2%	\$62,038,855	\$305.90	6.8%	\$332.36	155	6.9%
2020	12	\$1.3B	3.8%	\$120,205,529	\$265.78	7.8%	\$315.57	147	7.1%
2019	23	\$963.9M	3.0%	\$60,242,965	\$288.11	7.6%	\$306.60	143	7.3%
2018	32	\$3.2B	11.4%	\$121,830,134	\$237.70	6.2%	\$303.03	141	7.0%
2017	24	\$1.9B	6.9%	\$98,525,160	\$245.84	6.0%	\$300.58	140	6.8%
2016	26	\$2.2B	9.0%	\$113,633,596	\$254.49	6.1%	\$311.66	145	6.4%
2015	41	\$4.9B	15.1%	\$220,655,220	\$282.65	5.8%	\$302.73	141	6.3%
2014	27	\$4B	11.3%	\$146,792,209	\$282.87	6.2%	\$282.30	131	6.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$178.33	140	8.8%
2028	-	-	-	-	-	-	\$168.90	133	9.1%
2027	-	-	-	-	-	-	\$161.18	127	9.5%
2026	-	-	-	-	-	-	\$155.37	122	9.8%
2025	-	-	-	-	-	-	\$151.10	119	10.0%
YTD	-	-	-	-	-	-	\$151.14	119	9.9%
2024	295	\$595.2M	3.2%	\$2,633,453	\$69.99	8.1%	\$151.15	119	9.9%
2023	288	\$549.4M	2.6%	\$2,788,864	\$98.34	8.9%	\$161.56	127	9.5%
2022	436	\$1.9B	6.1%	\$5,688,307	\$146.81	7.9%	\$176.20	139	8.6%
2021	475	\$1.4B	4.6%	\$3,985,028	\$145.57	8.9%	\$191.13	151	7.8%
2020	296	\$801.9M	2.6%	\$3,712,270	\$126.76	9.2%	\$181.15	143	8.0%
2019	466	\$1.6B	5.5%	\$5,198,987	\$137.03	8.2%	\$172.77	136	8.3%
2018	428	\$2.3B	6.7%	\$8,312,534	\$163.33	8.1%	\$170.48	134	8.0%
2017	367	\$1.7B	5.1%	\$6,629,550	\$142.47	8.0%	\$168.58	133	7.7%
2016	450	\$2.6B	7.6%	\$8,470,364	\$151.02	8.2%	\$175.73	138	7.2%
2015	465	\$3.3B	9.0%	\$9,182,064	\$158.57	8.0%	\$169.31	133	7.1%
2014	411	\$2.4B	7.2%	\$7,411,939	\$126.45	8.5%	\$161.82	127	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred. The price index is not smoothed.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2029	-	-	-	-	-	-	\$145.65	155	9.3%
2028	-	-	-	-	-	-	\$137.44	146	9.7%
2027	-	-	-	-	-	-	\$130.64	139	10.0%
2026	-	-	-	-	-	-	\$125.41	134	10.3%
2025	-	-	-	-	-	-	\$121.41	129	10.5%
YTD	-	-	-	-	-	-	\$120.74	129	10.4%
2024	381	\$166M	2.7%	\$628,786	\$109.75	9.8%	\$120.75	129	10.4%
2023	421	\$259.1M	3.6%	\$863,555	\$115.68	8.1%	\$124.89	133	10.1%
2022	560	\$331.5M	4.6%	\$774,538	\$110.57	9.0%	\$136.12	145	9.2%
2021	475	\$270.6M	4.7%	\$759,993	\$95.08	8.6%	\$146.38	156	8.3%
2020	439	\$217.5M	3.4%	\$673,351	\$97.40	9.3%	\$139.29	148	8.6%
2019	553	\$273.9M	4.6%	\$690,023	\$94.35	8.9%	\$133.63	142	8.8%
2018	520	\$260.9M	4.7%	\$781,117	\$102.65	8.4%	\$130.16	139	8.5%
2017	419	\$221.3M	4.0%	\$795,970	\$102.66	8.8%	\$128.78	137	8.2%
2016	459	\$253.5M	5.0%	\$765,922	\$94	8.2%	\$131.51	140	7.8%
2015	427	\$282.9M	4.4%	\$844,593	\$92.26	8.3%	\$126.88	135	7.7%
2014	445	\$299.3M	3.9%	\$824,598	\$105.22	9.5%	\$119.62	127	7.8%

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