



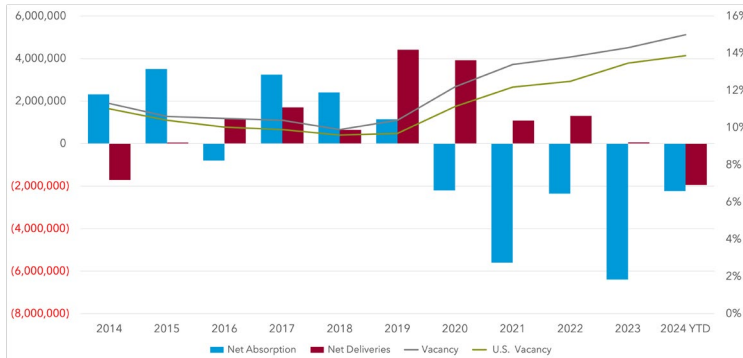
OFFICE MARKET OVERVIEW

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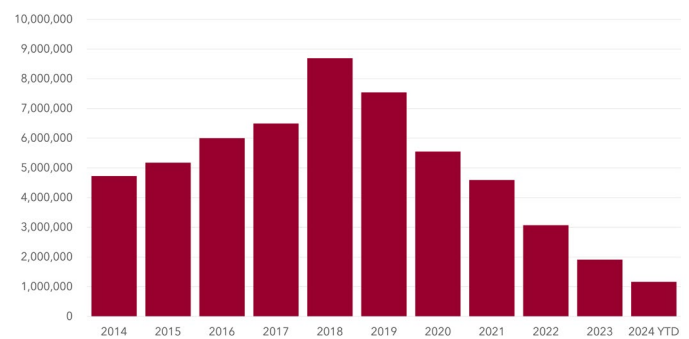
Chicago's office market is grappling with a surge in vacancy, reaching 103 million square feet, or 20.1% of total inventory—a significant increase of 27 million square feet since Q1 2020. The current vacancy rate stands at 16.2%, with an annual negative absorption of 4.3 million square feet. Construction activity has dwindled to 1.2 million square feet, primarily concentrated on medical and laboratory spaces. Despite absorption challenges, Class C offices maintain a 6.5% vacancy rate, attracting tenants. Landlords are providing concessions to fill space, but these may necessitate rent adjustments.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(4,274,392)	(7,134,567)	(6,398,101)	(6,688,469)	(4,241,280)
▼ Vacancy Rate	16.2%	16.7%	16.3%	16.2%	15.8%
▲ Avg NNN Asking Rate PSF	\$29.87	\$29.82	\$29.75	\$29.69	\$29.62
▼ SF Under Construction	1,166,426 SF	1,860,602 SF	1,914,394 SF	1,554,856 SF	1,673,089 SF
▼ Inventory SF	510,744,025 SF	512,593,942 SF	512,686,874 SF	512,978,767 SF	513,359,707 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
20 W. Kinzie Street Chicago, IL	258,658 SF	\$20,000,000 \$77.32 PSF	Bixby Bridge Capital The Alter Group	Class A
915-939 W. North Avenue Chicago, IL	199,683 SF	\$20,960,500 \$104.97 PSF	MCZ Development Corporation Principal	Class A
216 W. Jackson Boulevard Chicago, IL	185,479 SF	\$2,575,000 \$13.88 PSF	Brog Properties Starwood Capital Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1299 Zurich Way Schaumburg, IL	214,108 SF	Stonemont Financial Group	Wheels	Professional, Scientific, and Technical Services
222 Merchandise Mart Plaza Chicago, IL	108,617 SF	Vornado Realty Trust	Grubhub	Retailer
203 N. LaSalle Street Chicago, IL	76,932 SF	Sumitomo Corporation of Americas	Lessen	Professional, Scientific, and Technical Services

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