



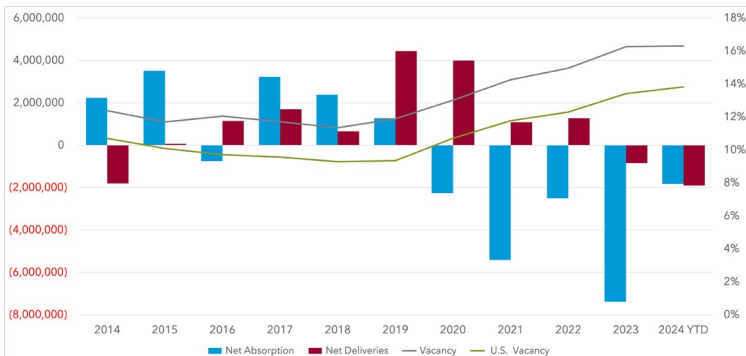
OFFICE MARKET OVERVIEW

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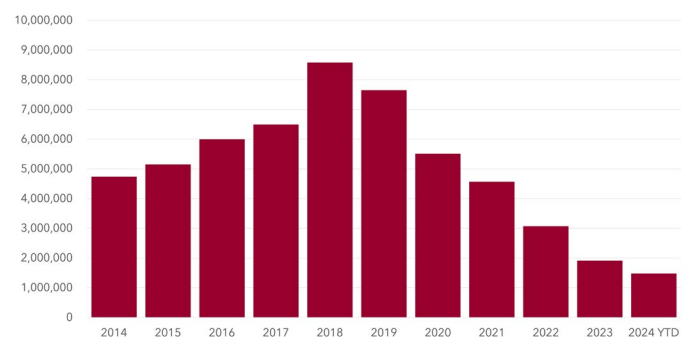
Chicago's office market remains under pressure as tenants downsize, increasing available inventory. By Q3 2024, 102 million SF of office space is on the market, a 26 million SF rise since Q1 2020. Vacancy rates have surged to 16.4%, with net negative absorption of 2.65 million SF over the past year. While new construction is down to 1.5 million SF, demand for medical office buildings offers limited relief. Tenants are seeking cost-saving options, driving demand for Class C spaces, which have a 6.5% vacancy rate. Meanwhile, Class A and B properties continue to struggle, facing higher vacancies and negative absorption.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	(2,654,809)	(4,502,568)	(8,100,280)	(7,377,220)	(7,813,670)
▲ Vacancy Rate	16.31%	16.23%	16.66%	16.26%	16.15%
▲ Avg NNN Asking Rate PSF	\$30.14	\$30.09	\$29.99	\$29.89	\$29.83
▼ Sale Price PSF	\$174.78	\$175.80	\$180.75	\$187.33	\$190.39
▲ Cap Rate	9.51%	9.50%	9.41%	9.24%	9.09%
▲ Under Construction SF	1,479,572	1,194,350	1,852,273	1,914,673	1,536,709
▲ Inventory SF	511,343,538	511,258,760	513,157,343	513,241,667	513,533,560

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
35 E. Wacker Drive Chicago, IL	556,200 SF	\$35,500,000 \$63.83 PSF	The Prime Group John Hancock Life Insurance	Class B
29 N. Wacker Drive Chicago, IL	133,580 SF	\$11,000,000 \$82.35 PSF	Sunshine Enterprise LLC Allstate Corporation	Class B
605 N. Michigan Avenue Chicago, IL	85,000 SF	\$47,000,000 \$552.94 PSF	North American Real Estate Brookfield Property Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2375 Waterview Drive Northbrook, IL	214,560 SF	Astellas Pharma, Inc.	Medline	Manufacturing
222 Merchandise Mart Plaza Chicago, IL	161,000 SF	Vornado Realty Trust	Medline	Manufacturing
77 N. Wacker Drive Chicago, IL	154,904 SF	STRS Ohio CA Real Estate	Capital One	Finance and Insurance

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