



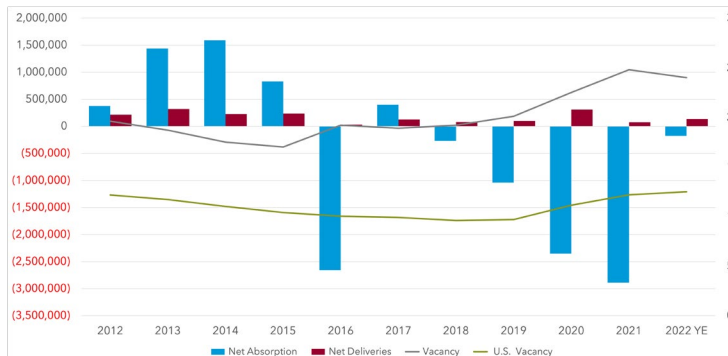
OFFICE MARKET OVERVIEW

DIANA PEREZ, *Director of Research*

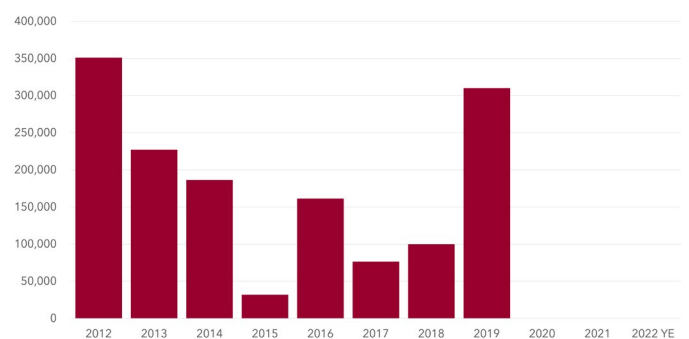
For those actively involved in Chicago's suburban and downtown office markets, the overall health took a small step in wrong direction with vacancy rate rising slightly in the suburbs and urban vacancy rate rising a full percentage. In the closing quarter of 2022, many corporations who had leases coming due prior to years end arrived at a decision to retool their floor plan and downsize. Lease strategy decisions that were made because of the pandemic varied widely with a trend of shedding excess space with an aim to cut unnecessary costs. In general, ownership groups have struggled to attract new tenants due to a lack of demand, ample comparable options, and quickly rising tenant improvement costs.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(350,902)	257,484	109,009	(18,973)	(966,611)
▲ Vacancy Rate	24.0%	23.9%	23.9%	26.0%	24.8%
▲ Avg NNN Asking Rate PSF	\$24.27	\$24.18	\$23.65	\$24.01	\$22.85
◀ ▶ SF Under Construction	-	-	-	-	-
▲ Inventory SF	127,284,517	126,988,433	127,405,034	126,955,460	125,792,396

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Allstate Campus Northbrook, IL	1,440,000 SF	\$232,000,000 \$161.11 PSF	Dermody Properties, Inc. The Allstate Corporation	Class A & B
9550 W. Higgins Road Rosemont, IL	270,512 SF	\$43,600,000 \$161.18 PSF	Bradford Allen Realty Blackstone Inc.	Class A
275 N. Field Drive Lake Forest, IL	197,527 SF	\$19,800,000 \$100.24 PSF	Slate Office REIT Pfizer, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1603 Orrington Avenue Evanston, IL	53,075 SF	GEM Realty Capital, Inc.	UL Research Institutes	Professional, Scientific and Technical Service
1415 W. Diehl Road Naperville, IL	42,106 SF	Office Properties Income Trust	Undisclosed	Undisclosed
5505 Pearl Street Rosemont, IL	37,145 SF	Janko Group	Undisclosed	Undisclosed

