



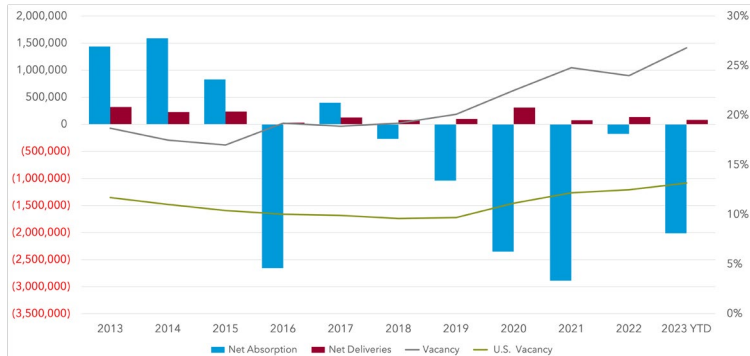
### OFFICE MARKET OVERVIEW

DIANA PEREZ, *Director of Research*

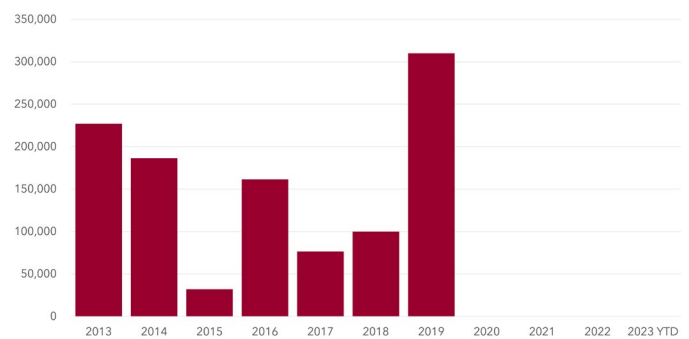
For those actively involved in Chicago's suburban office market, overall health has struggled significantly since the onset of 2020. In the first quarter of 2023, there was a minor uptick in leasing activity which was a reason for optimism. Many had hoped that the market had finally hit bottom in terms of tenant bleed and downsizing. Unfortunately, the market currently sits at a combined 28.1% vacancy rate (26.8% direct and 1.3% sublease) with 30% of all space being actively marketed. Tenants find themselves in an interesting spot in the market cycle with ample options, extremely high construction costs, and owners that are having a hard time justifying deal costs to their lenders when a deal could be executed.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	(2,130,707)	480,843	(350,902)	257,484	109,009
▲ Vacancy Rate	26.8%	23.7%	24.0%	23.9%	23.9%
▼ Avg NNN Asking Rate PSF	\$24.23	\$24.53	\$24.27	\$24.18	\$23.65
◀ ▶ SF Under Construction	-	-	-	-	-
▼ Inventory SF	81,015,372	128,429,706	127,284,517	126,988,433	127,405,034

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1960 Lucen Lane Naperville, IL	1,780,297 SF	\$4,750,000 \$9.20 PSF	Franklin American LLC Nokia Corporation	Class B
150 NW Point Boulevard Elk Grove Village, IL	176,844 SF	\$14,422,000 \$81.55 PSF	Aligned Data Centers Bridge Industrial	Class A
2250 Point Boulevard Elgin, IL	80,978 SF	\$2,050,000 \$25.32 PSF	Aligned Data Centers Bridge Industrial	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1415 W. Diehl Road Naperville, IL	42,895 SF	Office Properties Income Trust	Undisclosed	Undisclosed
100 S. Saunders Road Lake Forest, IL	30,833 SF	Newsweb LLC	Undisclosed	Undisclosed
550 E. Commerce Drive Schaumburg, IL	25,126 SF	First American Properties	Natus Medical Incorporated	Medical

