



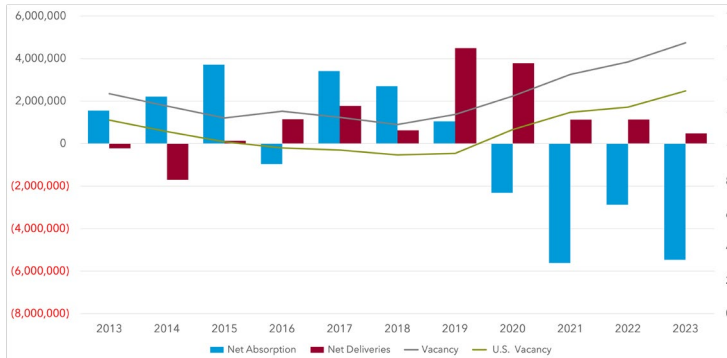
OFFICE MARKET OVERVIEW

ZACH GELLER, Associate Research Director

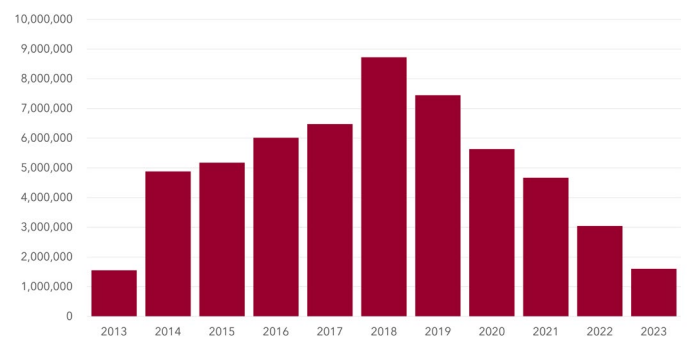
Tenants in Chicago's office market continue to scrutinize their space requirements, shifting worker demand and driving up the amount of available space. A near record of 99.0 million SF of space, 19.5% of total inventory, is available in Chicago, an increase of approximately 25 million SF. Sublet availability rate is on the rise, posting another record high of 2.4%, or 12.2 million SF. It is also being observed that many employers are letting their lease obligations expire, with no thoughts about moving their stakes elsewhere. Chicago's overall vacancy rate now stands at 16.4%-a record high-and move-outs are still outpacing move-ins, with -5.5 million SF of negative absorption recorded over the past 12 months.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	(5,461,624)	(6,287,199)	(4,154,764)	(3,750,046)	(2,876,887)
▲ Vacancy Rate	16.4%	16.3%	15.9%	15.4%	15.2%
▲ Avg NNN Asking Rate PSF	\$29.88	\$29.82	\$29.74	\$29.73	\$29.63
▲ SF Under Construction	1,604,501	1,512,971	1,632,240	3,236,116	3,045,689
▼ Inventory SF	507,254,260	507,390,653	507,190,780	506,288,888	506,773,011

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
955 American Lane Schaumburg, IL	177,892 SF	\$1,375,000 \$7.73 PSF	Gems by IndusPAD LLC Orion Office REIT, Inc.	Class B
2300 Cabot Drive Lisle, IL	152,833 SF	\$8,000,000 \$52.34 PSF	Urban Commercial Property Grp, Inc. Bridge Investment Group	Class A
2340 S. River Road Des Plaines, IL	139,733 SF	\$5,424,400 \$38.82 PSF	MK Asset Management LLC Continental Offices, Ltd.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 S. Wacker Drive Chicago, IL	178,500 SF	The 601W Companies	Invenergy	Energy
9600 W. Bryn Mawr Avenue Rosemont, IL	108,094 SF	Barrington Venture LLC	FAA	Aviation
233 S. Wacker Drive Chicago, IL	103,716 SF	EQ Office	OneDigital	Financial Services

