



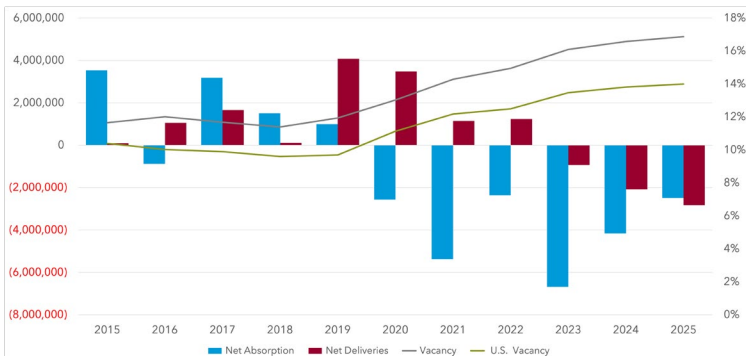
OFFICE MARKET OVERVIEW

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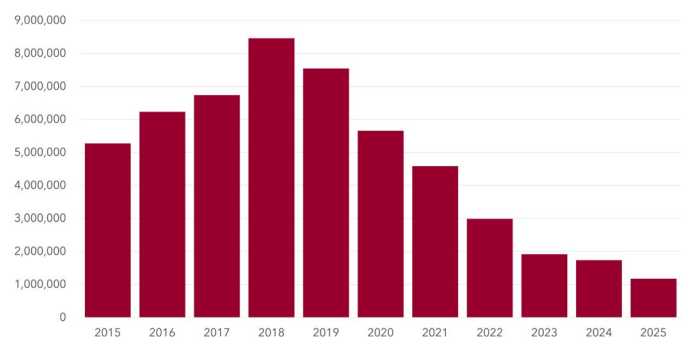
Chicago's office market remains uneven. Availability stands at 19.1% as of 2025 Q4, above the national average but down from its 2024 peak. Leasing has been steady and focused on high-quality, amenity-rich buildings, with activity in line with recent norms. Chicago continues to lead office transformation, as conversions and demolitions have reduced inventory. Absorption remains negative at -2.5M SF, affecting both premium and mid-tier assets. Rent growth, previously supported by a flight to quality, has softened, with rents down 0.5% YoY. Near-term conditions are cautious but stable as ongoing conversions support a gradual market reset.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(2,489,577)	(3,756,660)	(3,599,093)	(1,576,214)	(4,160,577)
▲ Vacancy Rate	16.87%	16.63%	16.72%	16.48%	16.57%
▲ Avg NNN Asking Rate PSF	\$29.35	\$28.70	\$28.57	\$28.56	\$28.52
▲ Sale Price PSF	\$167.70	\$165.56	\$161.13	\$161.16	\$165.28
▼ Cap Rate	10.02%	10.11%	10.04%	10.03%	9.90%
▼ Under Construction SF	1,174,038	1,239,594	1,631,195	1,931,013	1,736,531
▼ Inventory SF	502,427,988	503,237,850	504,220,336	504,428,253	505,254,042

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2000 Center Drive Hoffman Estates, IL	1,243,483 SF	\$13,920,000 \$11.19 PSF	Pulte Homes Inspired by Somerset Development	Class A
190 S La Salle Street Chicago, IL	798,782 SF	\$55,000,000 \$68.85 PSF	Namdar Realty Group Beacon Capital Partners	Class A
100 N. Riverside Plaza Chicago, IL	777,358 SF	\$22,000,000 \$28.30 PSF	Hines Boeing	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
550 W. Adams Street Chicago, IL	165,410 SF	Manova Partners, Inc.	USG Corporation	Manufacturing & Supply
71 S. Wacker Drive Chicago, IL	132,000 SF	The Irvine Company	Benesch	Engineering & Infrastructure
222 Merchandise Mart Plaza Chicago, IL	92,075 SF	Vornado Realty Trust	AAR Corporation	Aerospace & Defense

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