



TRANSWESTERN

CHICAGO OFFICE MARKET INDEX

Q1 2023



ABOUT TRANSWESTERN'S CHICAGO OFFICE MARKET INDEX

Transwestern's Chicago Office Market Index is comprised of the last 20 Class A office buildings greater than 300,000 square feet built in Chicago's Central Business District (CBD). This set of buildings, which contains some of the CBD's most desirable space, serves as a leading indicator of office market conditions. As qualifying properties are updated online, they will replace older buildings. The Index is updated mid-quarter, every quarter.

INDEX VACANCY

The Chicago Office Market Index is currently comprised of approximately 20 million square feet, representing almost 13% of the CBD's total office inventory. The direct vacancy rate of the Chicago Office Market Index was 7.3% at the end of the first quarter of 2023, 12.4 percentage points lower than the 19.7% direct vacancy rate for the overall Chicago CBD. This dramatic difference illustrates the flight-to-quality phenomenon that the market has seen. While the Chicago office market has been deteriorating, the newest buildings with the most attractive amenities have been pulling tenants from other buildings.

NEWEST BUILDINGS

The newest building in the Index, BMO Tower at 320 S. Canal St., was delivered in the first quarter of 2022. The 1.5 million-square-foot building has the highest direct vacancy rate of the Index, 39.0%, because it lost pre-leasing momentum during the pandemic. However, Antares Capital leased 79,657 square feet and Molson Coors leased 83,848 square feet at the building in the past two months, so it seems its prospects are improving. These leases are great examples of how flight to quality is benefiting newer buildings at the expense of older ones. Antares will be leaving behind 72,239 square feet at 500 W. Monroe St., and Molson Coors will be vacating 167,000 square feet at 250 S. Wacker Drive.

Sales Force Tower, the 1.2 million-square-foot property at 333 W. Wolf Point Plaza, has just been completed and will be added to the CBD and Index inventory in the second quarter. The new development is 100% pre-leased by Salesforce and Kirkland & Ellis, though Salesforce has recently put 119,950 of its 500,000 square feet on the sublease market.

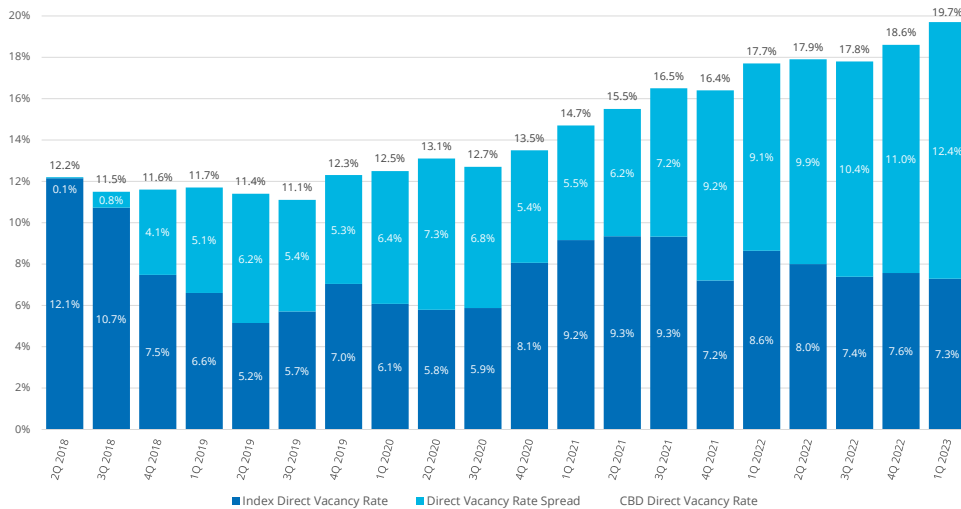


SUBLEASE MARKET

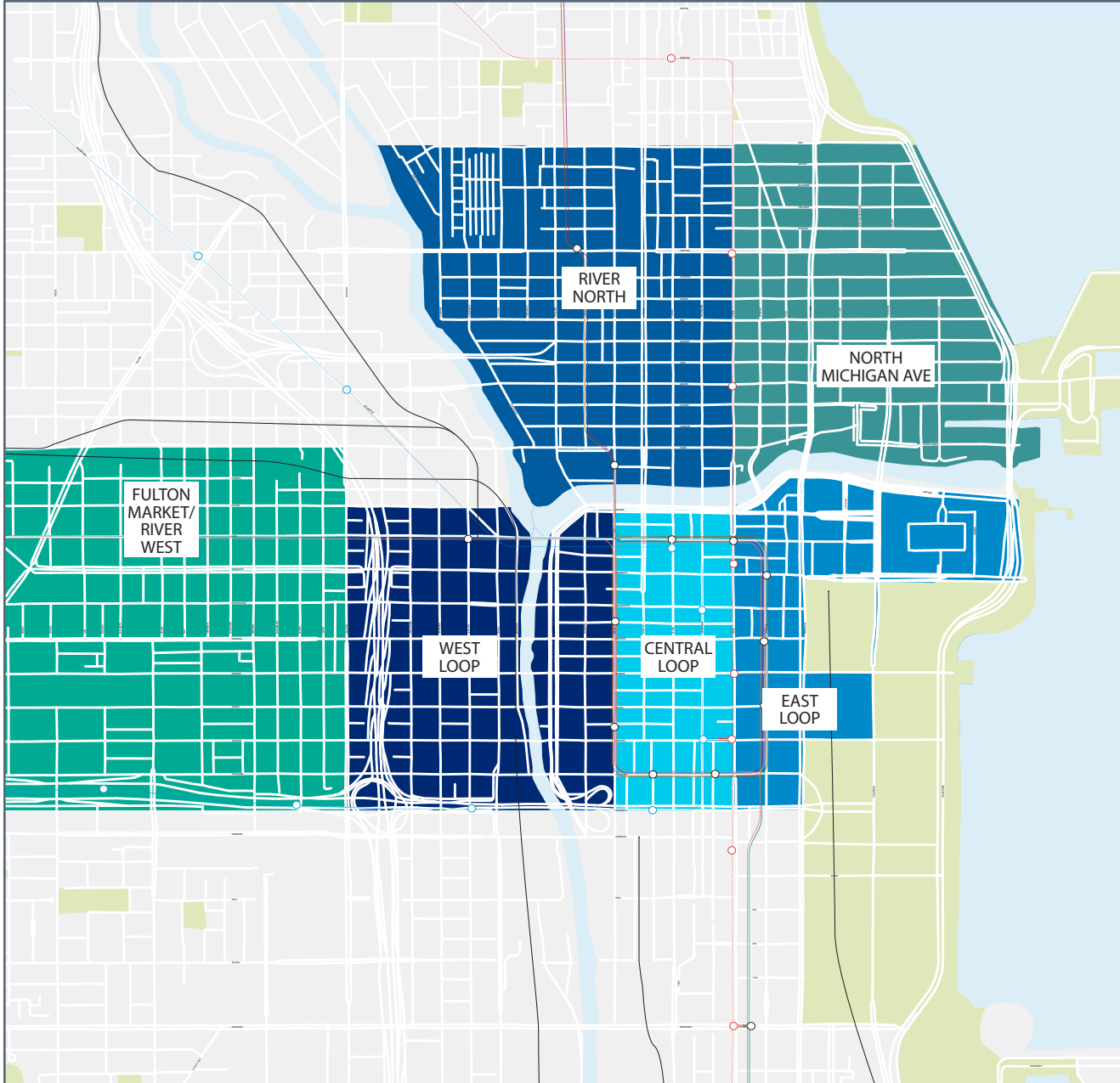
There was 738,985 square feet of available sublease space among Index buildings at the end of the first quarter, representing approximately 10% of the total amount of available sublease space in the CBD. There are currently five blocks of sublease space larger than 50,000 square feet available at Index buildings. The largest is Facebook’s 78,834-square-foot sublease at 151 N. Franklin St.

INDEX AVAILABILITY

There are currently only two blocks of direct space greater than 100,000 square feet available at Index buildings. The largest is the 308,732-square-foot block of remaining space at BMO Tower. The other is a 278,279-square-foot block at 155 N. Wacker Drive, comprised primarily of the nearly 170,000 square feet that Skadden will leave behind when it moves to BMO Tower.



	BUILDING ADDRESS	YEAR BUILT	RENTABLE BUILDING AREA	DIRECT VACANCY RATE	DIRECTION Y-O-Y
1	320 S. Canal St.	2022	1,497,211	39.0%	↓
2	311 N. Green St.	2021	480,490	18.6%	↓
3	110 N. Wacker Drive	2020	1,546,909	4.9%	↓
4	167 N. Green St.	2020	756,308	0.0%	↓
5	333 N. Green St.	2019	553,412	0.0%	↔
6	433 W. Van Buren St.	2019	2,300,000	0.4%	↓
7	110 N. Carpenter St.	2018	575,208	0.0%	↔
8	625 W. Adams St.	2018	438,184	8.1%	↔
9	151 N. Franklin St.	2018	807,355	0.0%	↔
10	150 N. Riverside Drive	2017	1,239,181	0.2%	↓
11	444 W. Lake St.	2016	1,050,000	0.0%	↓
12	1000 W. Fulton Market	2015	544,617	0.0%	↔
13	300 N. LaSalle St.	2009	1,302,901	4.4%	↑
14	155 N. Wacker Drive	2009	1,152,953	6.4%	↓
15	353 N. Clark St.	2009	1,184,255	12.4%	↑
16	22 W. Washington St.	2008	472,182	8.1%	↑
17	550 W. Adams St.	2006	484,682	17.8%	↑
18	71 S. Wacker Drive	2005	1,609,016	5.1%	↓
19	111 S. Wacker Drive	2005	1,213,322	5.1%	↑
20	1 S. Dearborn St.	2005	828,538	14.5%	↓
TW Chicago Index Total			20,036,724	7.3%	↓
Chicago CBD Total			158,286,908	19.7%	↑



RESEARCH METHODOLOGY

The information in this report is the result of a compilation of information on office properties located in the Chicago metropolitan area. This report includes the last 20 Class A office buildings greater than 300,000 square feet (sf) built in Chicago's Central Business District (CBD).

FOR MORE INFORMATION

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ABOUT TRANSWESTERN

The privately held Transwestern companies have been delivering a higher level of personalized service and innovative real estate solutions since 1978. Through an integrated, customized approach that begins with good ideas, the firm drives value for clients across commercial real estate services, development, and investment management. Operating from 33 U.S. offices, Transwestern extends its platform capabilities globally through strategic alliance partners whose unique geographic, cultural, and business expertise fuels creative solutions. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).