



TRANSWESTERN

CHICAGO OFFICE MARKET INDEX

Q3 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 20.4 million square feet, representing approximately 13% of the CBD's total office inventory. The direct vacancy rate of the Chicago Office Market Index was 5.6% at the end of the third quarter of 2023, 14.2 percentage points lower than the 19.8% direct vacancy rate for the overall Chicago CBD. This dramatic and growing difference illustrates the flight-to-quality phenomenon that the market continues to see. While the Chicago office market has been deteriorating, the newest buildings with the most attractive amenities have been pulling tenants from other buildings.

FUTURE ADDITIONS TO THE INDEX

There is one office development currently under construction that will be added to the Index when it is completed, 360 N. Green St. The 493,683-square-foot office development in Fulton Market is 68.2% preleased and expected to be delivered in March 2024.

Another new Fulton Market office development at 919 W. Fulton St. recently secured construction financing and is expected to begin construction soon. The planned development will be approximately 400,000 square feet and has signed a 112,004-square-foot lease with Harrison Street in September.

LEASING ACTIVITY

The largest lease signed at a building in the Index in the third quarter was Winston & Strawn's 148,000-square-foot lease at 300 N. LaSalle St. The largest renewals were RCP Advisors' 28,341-square-foot lease renewal at 353 N. Clark St. and RWE's renewal of its existing 28,557-square-foot space with an expansion of 28,392 square feet, also at 353 N. Clark St.

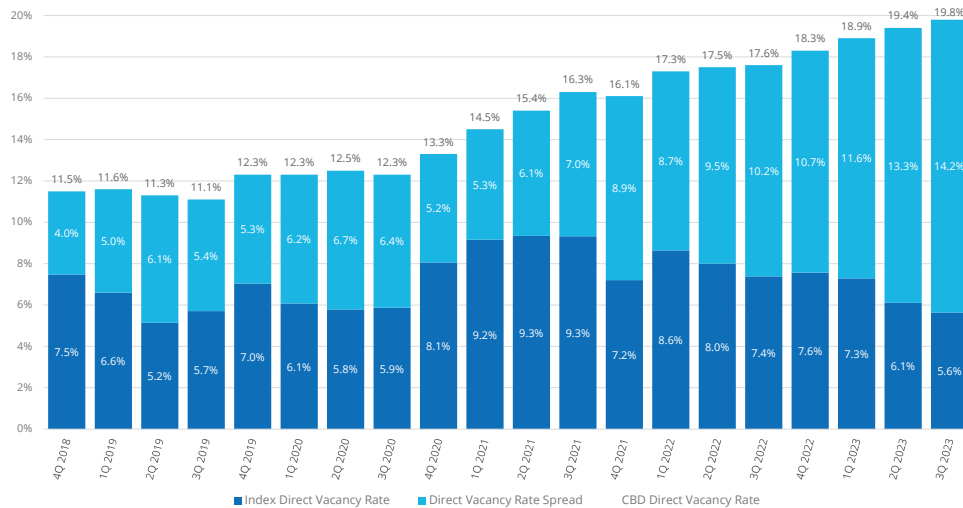


INDEX AVAILABILITY

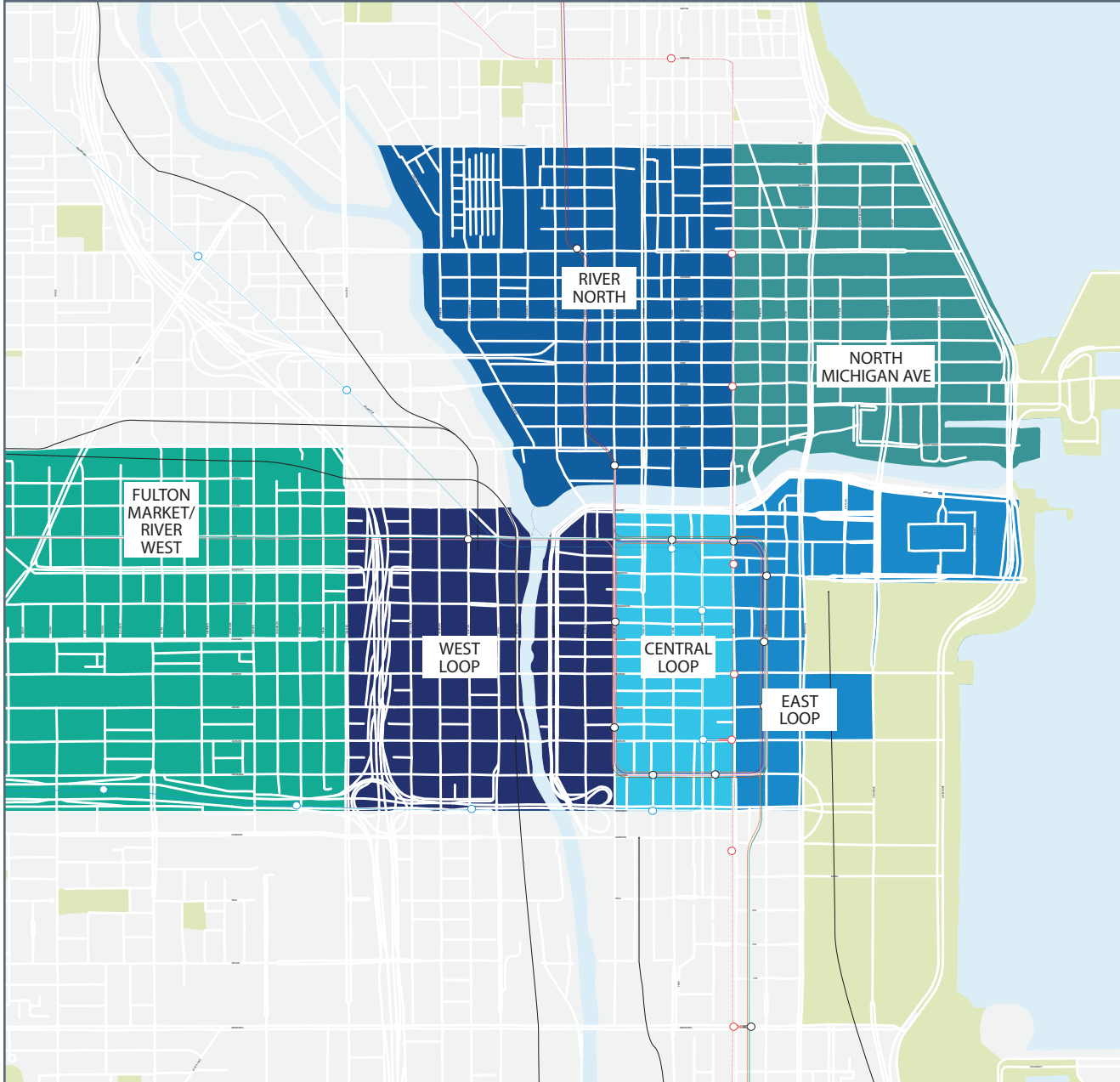
There are currently four blocks of direct space greater than 100,000 square feet available at Index buildings. The largest is the 399,222-square-foot block Kirkland & Ellis will leave behind at 300 N. LaSalle St. There is an additional 174,585-square-foot block available on lower floors of the same building that Kirkland & Ellis will be vacating. These two blocks will not be available for occupancy until March 2025. There 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, 320 S. Canal St. The last is the 204,447-square-foot block of remaining space at BMO Tower, which was completed in 2022.

SUBLEASE MARKET

There was 979,033 square feet of available sublease space among Index buildings at the end of the third quarter, representing approximately 4.8% of the total Market Index inventory. There are currently six blocks of sublease space larger than 50,000 square feet available at Index buildings, the largest of which is Salesforce’s 119,950 square feet of space at 333 W. Wolf Point Plaza, Salesforce Tower.



	BUILDING ADDRESS	YEAR BUILT	RENTABLE BUILDING AREA	DIRECT VACANCY RATE	DIRECTION Y-O-Y
1	333 W. Wolf Point Plaza	2023	1,200,202	0.0%	↔
2	320 S. Canal St.	2022	1,497,211	25.2%	↓
3	800 W. Fulton St.	2021	480,490	10.4%	↓
4	110 N. Wacker Drive	2020	1,546,909	2.0%	↓
5	167 N. Green St.	2020	756,308	1.1%	↔
6	333 N. Green St.	2019	553,412	0.0%	↔
7	433 W. Van Buren St.	2019	2,300,000	0.4%	↔
8	110 N. Carpenter St.	2018	575,208	0.0%	↔
9	625 W. Adams St.	2018	438,184	8.1%	↔
10	151 N. Franklin St.	2018	807,355	0.6%	↔
11	150 N. Riverside Drive	2017	1,246,896	2.8%	↔
12	444 W. Lake St.	2016	1,050,000	0.0%	↔
13	1000 W. Fulton Market	2015	544,617	2.2%	↔
14	300 N. LaSalle St.	2009	1,302,901	4.9%	↑
15	155 N. Wacker Drive	2009	1,152,953	8.7%	↑
16	353 N. Clark St.	2009	1,184,255	12.5%	↓
17	22 W. Washington St.	2008	472,182	12.4%	↔
18	550 W. Adams St.	2006	484,682	17.8%	↔
19	71 S. Wacker Drive	2005	1,609,016	3.9%	↓
20	111 S. Wacker Drive	2005	1,213,322	5.7%	↑
TW Chicago Index Total			20,416,103	5.6%	↓
Chicago CBD Total			159,725,160	19.4%	↑



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).