



TRANSWESTERN

CHICAGO OFFICE MARKET INDEX

Q4 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 5.7% at the end of the fourth quarter of 2023, 14.5 percentage points lower than the 20.2% direct vacancy rate for the overall Chicago CBD. This growing bifurcation in the market illustrates how the story of the office market is more nuanced than recent headlines would suggest.

FUTURE ADDITIONS TO THE INDEX

There are two office developments currently under construction that will be added to the Index when they are completed: 360 N. Green St. and 919 W. Fulton St. Both properties are located in Fulton Market, where there is still strong demand and new office buildings have defied the challenging market conditions seen in the rest of the city.

The new office building at 360 N. Green St. is scheduled to be delivered in March 2024. It is 68.2% preleased and will add 493,680 square feet to the CBD office inventory. The development at 919 W. Fulton St. recently broke ground. The 369,008-square-foot office development is 39.1% preleased, and is expected to be completed in spring of 2025.

LEASING ACTIVITY

The largest new lease recently signed at a building in the Index was Monroe Capital's lease of 40,000 square feet at 155 N. Wacker Drive. The asset management firm will be relocating and expanding from 25,000 square feet at 311 S. Wacker Drive. The largest renewal was Mesirow's 110,000-square-foot deal at 353 N. Clark St., which was also a contraction of approximately 55,000 square feet.

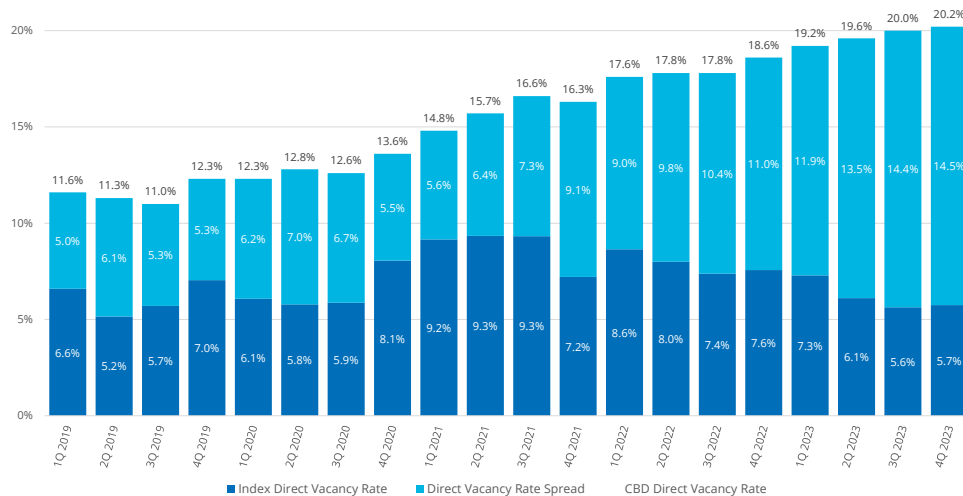


INDEX AVAILABILITY

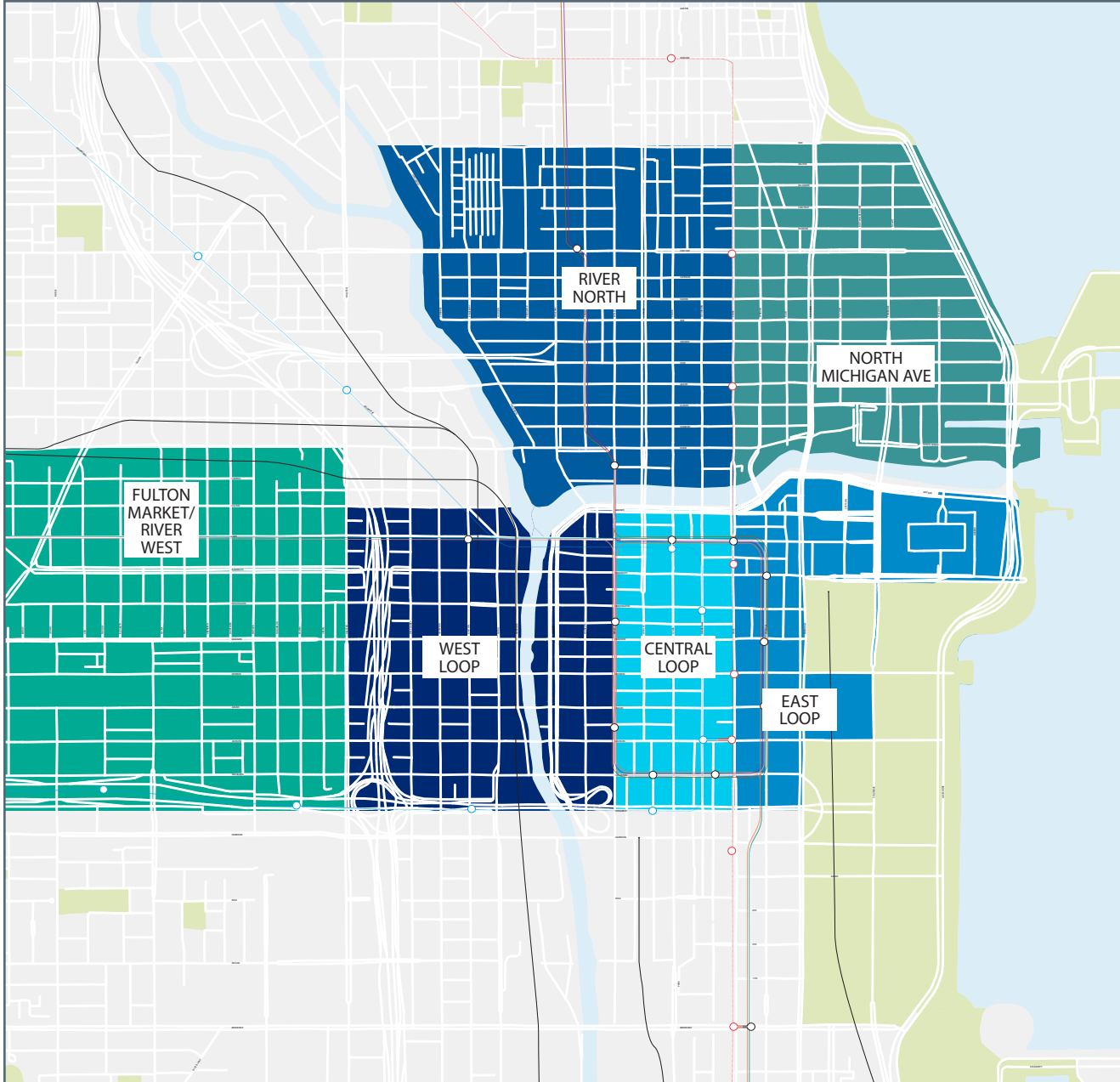
There are currently four blocks of direct space greater than 100,000 square feet available at Index buildings. The largest is the 400,772-square-foot block Kirkland & Ellis will leave behind at 300 N. LaSalle St. There is an additional 179,752-square-foot block available on lower floors of the same building that Kirkland & Ellis will be vacating. These two blocks will not be available for occupancy until March 2025. There is a 203,459-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 160,295-square-foot block of remaining space at BMO Tower, which was completed in 2022.

SUBLEASE MARKET

There was 1,012,169 square feet of available sublease space among Index buildings at the end of the fourth quarter, representing approximately 5.0% of the total Market Index inventory. There are currently five 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	1.7%	↑
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	0.0%	↓
6	333 N. Green St.	2019	553,412	0.0%	↔
7	433 W. Van Buren St.	2019	2,300,000	1.0%	↑
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	3.3%	↑
11	150 N. Riverside Drive	2017	1,246,896	3.0%	↑
12	444 W. Lake St.	2016	1,050,000	0.2%	↑
13	1000 W. Fulton Market	2015	544,617	2.2%	↔
14	300 N. LaSalle St.	2009	1,302,901	4.8%	↓
15	155 N. Wacker Drive	2009	1,152,953	6.9%	↓
16	353 N. Clark St.	2009	1,184,255	7.6%	↓
17	22 W. Washington St.	2008	472,182	12.4%	↔
18	550 W. Adams St.	2006	484,682	19.8%	↑
19	71 S. Wacker Drive	2005	1,609,016	6.5%	↑
20	111 S. Wacker Drive	2005	1,213,322	5.7%	↔
TW Chicago Index Total			20,416,103	5.7%	↑
Chicago CBD Total			158,605,721	20.2%	↑



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

Caitlin Ritter
Research Director
Caitlin.Ritter@transwestern.com
312.881.7009

Tanita Bradley
Market Research Manager
Tanita.Bradley@transwestern.com
312.558.3895

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).