



TRANSWESTERN

CHICAGO OFFICE MARKET INDEX

Q1 2024



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 currently encompasses around 20.4 million square feet, which constitutes about 13% of the total office inventory in the CBD. As of the end of the first quarter in 2024, the direct vacancy rate of the Index stood at 6.0%, a figure that is 15.2 percentage points below the 21.2% direct vacancy rate of the broader Chicago CBD. This widening divergence underscores the complexity of the office market situation, which is more nuanced than headlines would suggest.

FUTURE ADDITIONS TO THE INDEX

There are two office developments under construction in the first quarter that will be added to the Index when they are completed: 360 N. Green St. and 919 W. Fulton St. Both of these properties are situated in Fulton Market, an area that continues to experience robust demand. Despite the city's overall challenging market conditions, new office buildings in this area have managed to thrive.

The new office building at 360 N. Green St. is scheduled to be delivered in the second quarter of 2024. It is 68.6% 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 34.6% preleased and is expected to be completed in spring of 2025.

LEASING ACTIVITY

The Index building with the most leasing activity in the first quarter was 300 N. LaSalle St., which secured three new tenants: White & Case with 63,936 square feet, Ventas, Inc. with 49,088 square feet, and Crowell & Moring with 48,966 square feet. These deals will help the building's occupancy recover after Kirkland & Ellis vacates over 600,000 square feet in the second quarter of 2024.

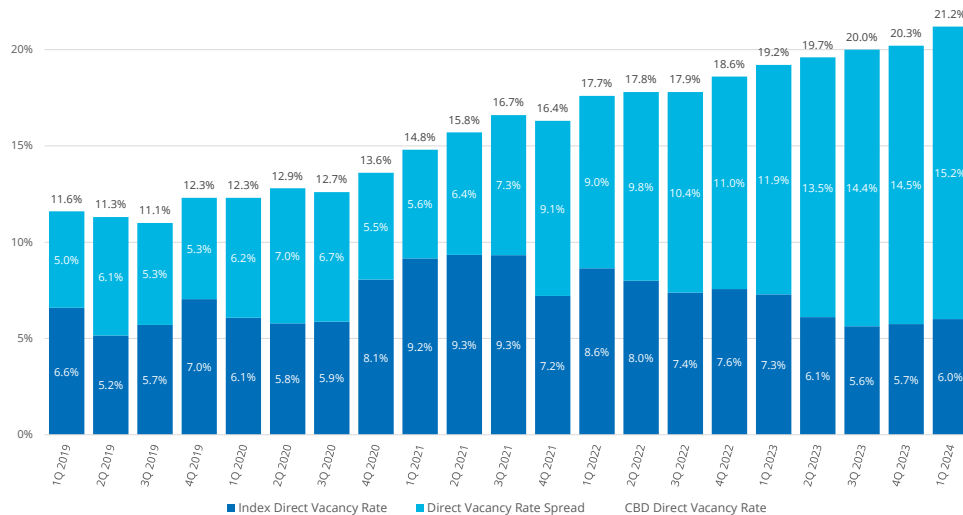


INDEX AVAILABILITY

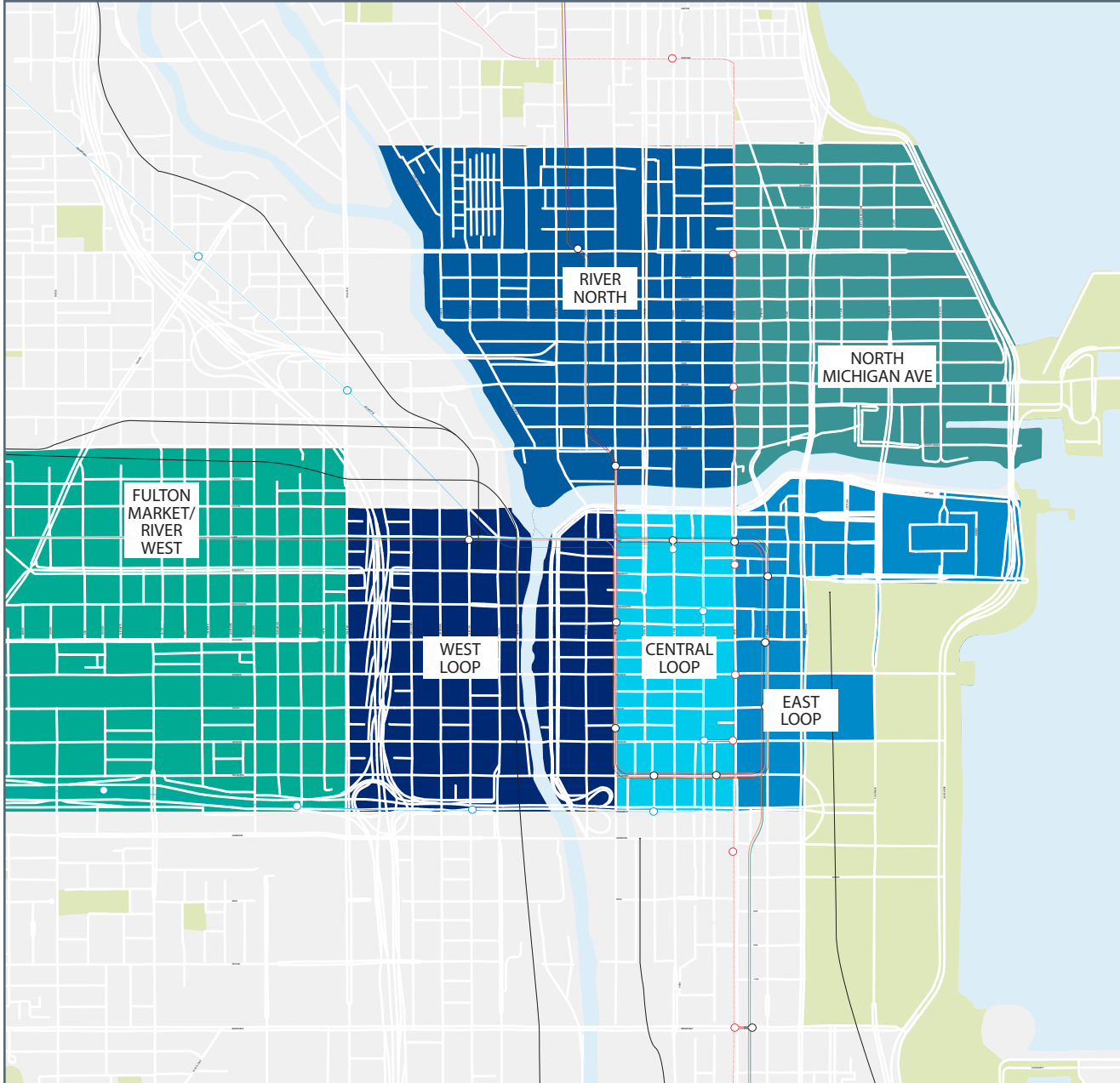
There are currently four blocks of direct space greater than 100,000 square feet available at Index buildings. Two of the largest are the 276,218-square-foot and 179,752-square-foot blocks of remaining Kirkland & Ellis space at 300 N. LaSalle St. There is also a 203,459-square-foot block at 155 N. Wacker Drive, comprised primarily of the nearly 170,000 square feet that Skadden is vacating as it relocates 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 1,024,983 square feet of available sublease space among Index buildings at the end of the first quarter, representing approximately 5.0% 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. The newest large block of available sublease space is 79,632 square feet of WPP's space at 333 N. Green St.



	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	25.1%	↔
3	800 W. Fulton St.	2021	480,490	12.7%	↑
4	110 N. Wacker Drive	2020	1,546,909	1.0%	↓
5	167 N. Green St.	2020	756,308	1.8%	↑
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	3.2%	↑
12	444 W. Lake St.	2016	1,050,000	1.4%	↑
13	1000 W. Fulton Market	2015	544,617	2.2%	↔
14	300 N. LaSalle St.	2009	1,302,901	0.0%	↓
15	155 N. Wacker Drive	2009	1,152,953	9.5%	↑
16	353 N. Clark St.	2009	1,184,255	12.1%	↑
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	6.9%	↑
20	111 S. Wacker Drive	2005	1,213,322	5.7%	↔
TW Chicago Index Total			20,416,103	6.0%	↑
Chicago CBD Total			157,086,467	21.2%	↑



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

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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).