



TRANSWESTERN

CHICAGO OFFICE MARKET INDEX

Q3 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 represents approximately 19.7 million square feet, accounting for about 12.4% of the total office inventory in the CBD. At the end of the third quarter of 2024, the direct vacancy rate of the Index was 9.2%, significantly lower than the 22.2% direct vacancy rate of the broader Chicago CBD. This dramatic difference illustrates the flight-to-quality trend observed in the market. While the overall Chicago office market has been deteriorating, the newest buildings with the most attractive amenities have been drawing tenants away from older buildings.

FUTURE ADDITIONS TO THE INDEX

Chicago's development pipeline has slowed. The only office property currently under construction is 919 W. Fulton St., which will be added to the Index when completed in the spring of 2025. The future 369,008-square-foot building is 40.9% preleased. Harrison Street, the anchor tenant, has committed to 112,000 square feet.

LEASING ACTIVITY

Since the second quarter Market Index report, nine large lease deals have been signed in Index buildings. The largest of these is Adyen's lease of 96,715 square feet at 333 N. Green St. in Fulton Market, which brought the property to 100% occupancy. Not only was Adyen's lease the largest in the Index, but it was also the largest new lease signed in 2024 in Chicago's Central Business District. Another notable new lease deal in the Index was Quarles & Brady's 56,288-square-foot lease at 155 N. Wacker Drive. The law firm will be relocating from approximately 50,000 square feet at 300 N. LaSalle St. The vacated space at 300 N. LaSalle St. will remain occupied, as Willkie Farr & Gallagher will be subleasing it from Quarles & Brady. This series of transactions highlights the dynamic nature of the leasing market within the Index, demonstrating both the demand for premium office space and the strategic moves companies are making to optimize their locations.

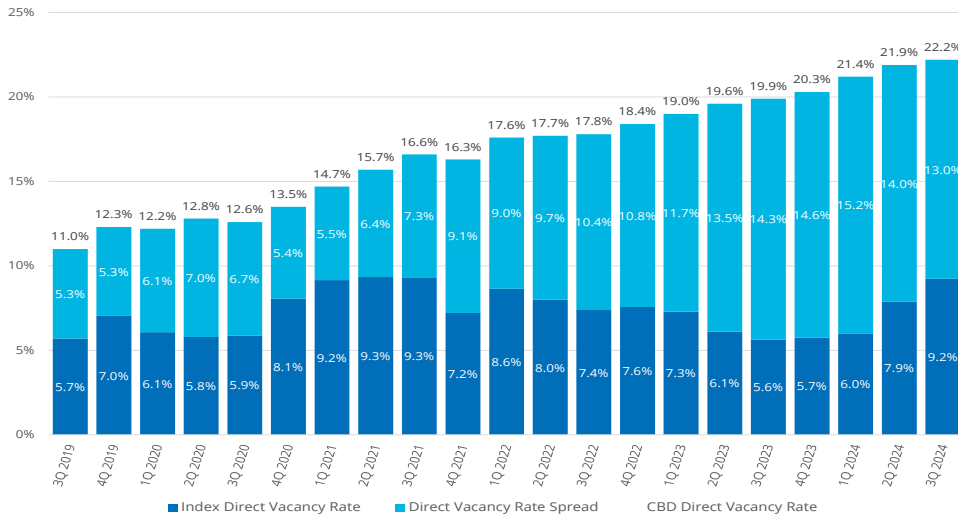
INDEX AVAILABILITY

There are currently four blocks of direct space greater than 100,000 square feet available at Index buildings. Two of the largest blocks are the 251,373-square-foot and 179,752-square-foot spaces left vacant by Kirkland & Ellis at 300 N. LaSalle St. when they moved to Salesforce Tower. Additionally, there is a 160,295-square-foot block of space available at 320 S. Canal St., BMO Tower, completed in 2022. The newest addition to the Index, 360 N. Green St., delivered in the second quarter of 2024 with a 117,828-square-foot block of available direct space.

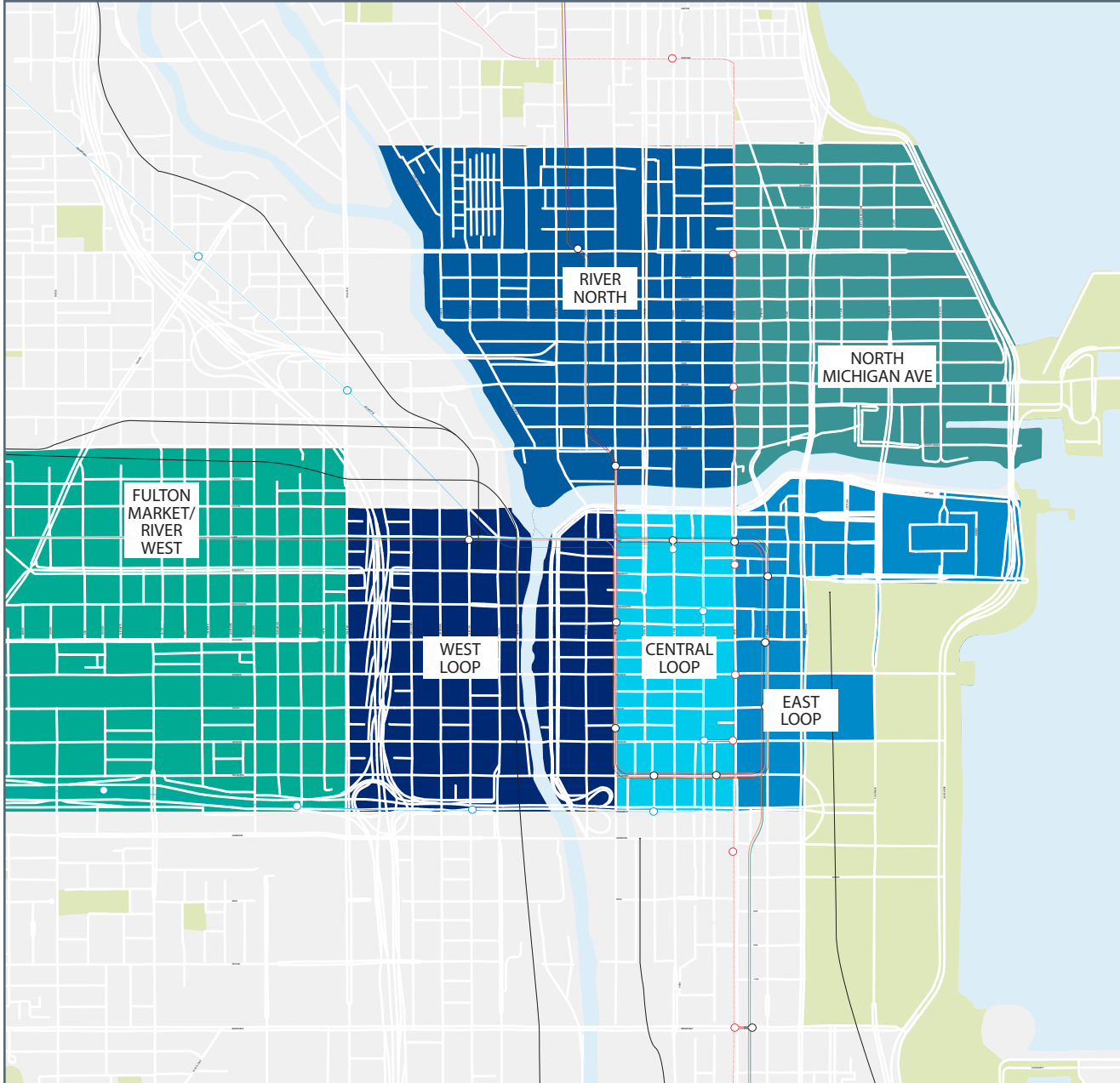
SUBLEASE MARKET

At the end of the third quarter, there was 1,063,835 square feet of available sublease space in Index buildings, accounting for 5.4% of the total Market Index inventory. Currently, five blocks of sublease space larger than 50,000 square feet are available in Index buildings. The largest is Salesforce's 119,950 square feet of space at 333 W. Wolf Point Plaza, Salesforce Tower. Lewis Brisbois's 55,418-square-foot block at 550 W. Adams St. was taken off the market in the third quarter after failing to find a subletter. Of the nine large lease deals signed since the second quarter Market Index report, three were subleases, the largest of which was Vizient subleasing 50,313-square-feet of Uber's space at 433 W. Van Buren St.

VACANCY RATE – INDEX VS CBD



	BUILDING ADDRESS	YEAR BUILT	RENTABLE BUILDING AREA	DIRECT VACANCY RATE	DIRECTION Y-O-Y
1	360 N Green	2024	492,532	31.9%	↔
2	333 W Wolf Point	2023	1,200,202	1.7%	↔
3	320 S Canal	2022	1,497,211	24.6%	↓
4	800 W Fulton	2021	480,490	9.8%	↔
5	110 N Wacker	2020	1,546,909	1.0%	↑
6	167 N Green	2020	756,308	5.7%	↔
7	333 N Green	2019	553,412	0.0%	↔
8	433 W Van Buren	2019	2,300,000	0.8%	↓
9	110 N Carpenter	2018	575,208	0.0%	↔
10	625 W Adams	2018	438,184	7.1%	↔
11	151 N Franklin	2018	807,355	2.0%	↔
12	150 N Riverside	2017	1,246,896	4.2%	↑
13	444 W Lake	2016	1,050,000	1.6%	↔
14	1000 W Fulton	2015	544,617	2.2%	↔
15	300 N LaSalle	2009	1,302,901	34.0%	↔
16	155 N Wacker	2009	1,152,953	8.6%	↓
17	353 N Clark	2009	1,184,255	13.4%	↑
18	22 W Washington	2008	472,182	12.4%	↔
19	550 W Adams	2006	484,682	25.5%	↑
20	71 S Wacker	2005	1,609,016	8.5%	↑
TW Chicago Index Total			19,695,313	9.2%	↑
Chicago CBD Total			159,275,140	22.2%	↑



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).