



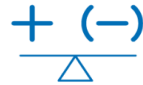
**157.6M**

Inventory SF



**29.9%**

Total Availability



**(541.7K)**

Net Absorption SF



**411.2K**

Under Construction SF



**22.2%**

Direct Vacant Available Rate



**\$42.83**

Asking Rent PSF

## Vacancy Climbs and Absorption Remains Negative

### Market Observations

- The direct vacancy rate in Chicago's Central Business District (CBD) climbed to a new historic high of 22.2% in Q2 2025. The quarter recorded 541,722 SF of negative net absorption, marking the eighth consecutive quarter of occupancy losses.
- Leasing activity in the CBD slowed compared to the previous two quarters. Only 35 confirmed leases exceeding 15,000 SF were signed in Q2, down from 55 deals in Q1. Additionally, several tenants significantly downsized their footprints, contributing to a net imbalance of 590,356 SF across the large, confirmed deals.
- The largest new lease of the quarter was Golub Capital's direct lease of 205,450 SF at 225 W. Randolph St., known as The Bell, located in the West Loop. The Bell is a recently completed redevelopment of the 850,000 SF office tower originally built in 1967 for Illinois Bell. Designated a Chicago landmark in 2021, the building benefited from Cook County's Class L property tax incentive, which helped attract tenants by offering reduced occupancy costs for a newly rebuilt, amenity-rich environment.
- Four office buildings were sold in Q2. The largest transaction was the 1.3 MSF property at 311 S Wacker Dr., acquired by Kohan Retail Investment Group for \$45M, an 85% decrease from its last sale price in 2014. The other three properties were smaller and are all slated for residential conversion.

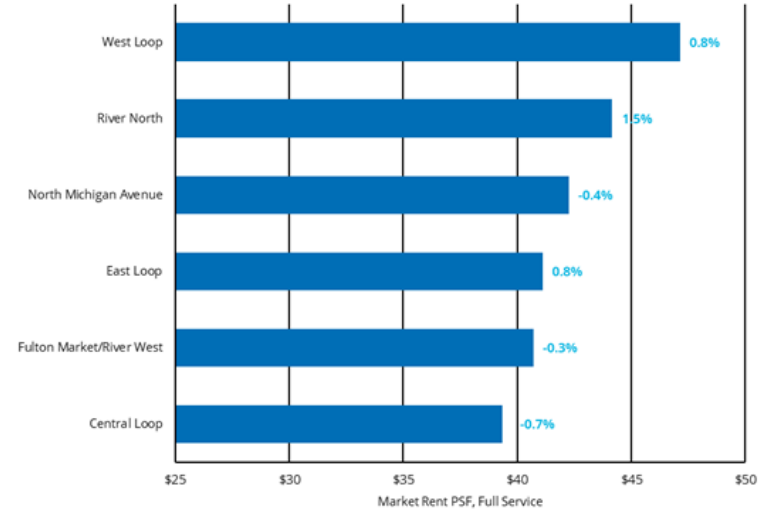




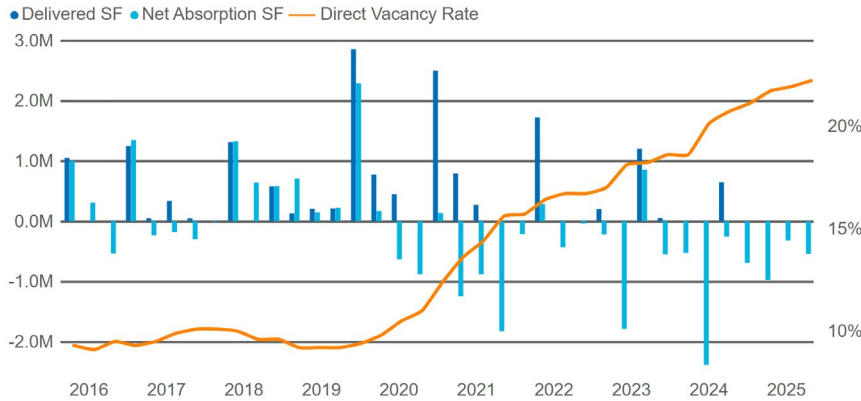
# CHICAGO-CBD OFFICE MARKET | Q2 2025

- Chicago's **direct vacancy rate** rose to 22.2% at the end of Q2 2025, up from 21.9% last quarter and 20.7% year over year. However, market conditions are diverging by asset quality: Class A buildings are showing signs of improvement, while Class B and C properties continue to drag down overall performance. The Class A vacancy rate declined by 20 basis points to 16.5%, while the Class B & C vacancy rate increased by 70 basis points to 28.9%.
- The Chicago CBD recorded negative **net absorption** of 541,722 SF in Q2, driven primarily by continued move outs in the Central Loop. These losses were partially offset by positive absorption in River North and Fulton Market/Near West Side.
- Full-service asking rents** in Chicago averaged \$42.83 PSF this quarter, with West Loop commanding the highest rate at \$47.14 PSF. The average Class A rents in the CBD were \$51.26, with Fulton Market/Near West Side reaching the highest average of \$63.59.
- The **construction pipeline** includes only one active project: 919 W. Fulton St. in the Fulton Market/Near West Side submarket. The 411,202-SF office building is scheduled for completion in August 2025 and is currently 47.1% pre-leased.

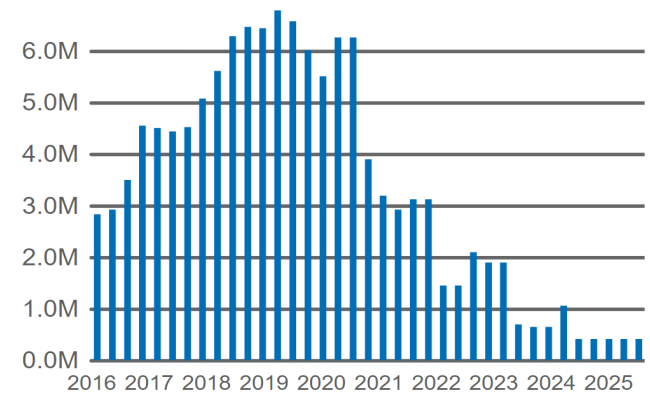
## ASKING RENT



## DELIVERY IMPACT ON KEY INDICATORS



## UNDER CONSTRUCTION





# CHICAGO-CBD OFFICE MARKET | Q2 2025

## OFFICE MARKET INDICATORS - ALL SPACE

SUBMARKET	INVENTORY	DIRECT VACANT AVAILABLE SF	DIRECT VACANT AVAILABLE RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Central Loop	36,183,224	9,014,180	24.9%	33.2%	0	(303,705)	(650,719)	\$39.33
East Loop	26,887,269	7,570,486	28.2%	35.9%	0	(216,522)	(1,032,861)	\$41.11
Fulton Market/Near West Side	8,543,547	1,014,738	11.9%	20.4%	411,202	48,344	44,185	\$40.70
North Michigan Avenue	9,919,480	1,995,028	20.1%	28.6%	0	(112,160)	(170,987)	\$42.27
River North	17,427,833	4,285,833	24.6%	29.8%	0	123,902	(76,966)	\$44.15
West Loop	58,640,193	11,089,369	18.9%	26.8%	0	(81,581)	(643,278)	\$47.14
Chicago CBD Total	157,601,546	34,969,634	22.2%	29.9%	411,202	(541,722)	(2,530,626)	\$42.83



# CHICAGO-CBD OFFICE MARKET | Q2 2025

## OFFICE MARKET INDICATORS - CLASS A

SUBMARKET	INVENTORY	DIRECT VACANT AVAILABLE SF	DIRECT VACANT AVAILABLE RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Central Loop	10,597,537	1,716,629	16.2%	23.9%	0	(57,324)	314,248	\$47.66
East Loop	8,980,350	1,652,001	18.4%	23.4%	0	0	(325,668)	\$50.76
Fulton Market/Near West Side	5,386,513	433,774	8.1%	19.0%	411,202	37,073	97,362	\$63.59
North Michigan Avenue	5,040,120	1,089,027	21.6%	34.5%	0	(97,086)	(57,026)	\$49.38
River North	11,116,077	2,582,008	23.2%	28.5%	0	139,772	(108,202)	\$50.43
West Loop	44,460,045	6,663,512	15.0%	22.9%	0	(19,692)	(348,578)	\$52.70
Chicago CBD Total	85,580,642	14,136,951	16.5%	24.2%	411,202	2,743	(427,864)	\$51.26



# CHICAGO-CBD OFFICE MARKET | Q2 2025

## OFFICE MARKET INDICATORS - CLASS B and C

SUBMARKET	INVENTORY	DIRECT VACANT AVAILABLE SF	DIRECT VACANT AVAILABLE RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Central Loop	25,585,687	7,297,551	28.5%	37.0%	0	(246,381)	(964,967)	\$31.35
East Loop	17,906,919	5,918,485	33.1%	42.1%	0	(216,522)	(707,193)	\$35.84
Fulton Market/Near West Side	3,157,034	580,964	18.4%	23.0%	0	11,271	(53,177)	\$32.87
North Michigan Avenue	4,879,360	906,001	18.6%	22.5%	0	(15,074)	(113,961)	\$31.21
River North	6,311,756	1,703,825	27.0%	32.3%	0	(15,870)	31,236	\$30.68
West Loop	14,180,148	4,425,857	31.2%	39.2%	0	(61,889)	(294,700)	\$34.12
Chicago CBD Total	72,020,904	20,832,683	28.9%	36.7%	0	(544,465)	(2,102,762)	\$34.02



## 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 single-tenant, multi-tenant and owner-user properties 40,000 square feet and larger, excluding condo and medical office facilities and those properties owned and occupied by a government agency.

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