

CHICAGO SUBURBS

OFFICE MARKET | Q2 2025



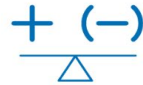
123.0M

Inventory SF



26.1%

Total Availability



(158.1K)

Net Absorption SF



0

Under Construction SF



19.0%

Direct Vacant Available Rate



\$27.16

Asking Rent PSF

Availability Steady Amid Leasing Drop

Market Observations

- The suburban office market showed little change in the second quarter, with tenant demand still muted. The direct vacant availability rate remained steady at 19.0%, signaling that a broader recovery has yet to take hold. Leasing activity declined 34.3% from the first quarter, with only 1.2 MSF of direct space leased. The path to recovery hinges on reducing outdated inventory and repositioning assets, while landlords must invest in spec suites, amenities, and flexible deal structures to stay competitive.
- The largest new lease deal in Chicago's suburban office market in the second quarter occurred in the Eastern East-West Corridor submarket, where the Illinois Municipal Retirement Fund (IMRF) signed a 79,828-SF lease for the entire building at 800 Commerce Drive in Oak Brook. IMRF will be relocating from its current 60,000-SF space at 2211 York Road, also in Oak Brook.
- The largest sales transaction in Chicago's suburban office market in the second quarter was Ashley Capital's \$10M acquisition of the 183,428-SF office building at 2001 York Road in Oak Brook. At the time of sale, the property was just 20% occupied and in receivership, following a \$25M foreclosure lawsuit filed by the lender in 2023. It was sold by Varde Partners and last traded in May 2013 for \$34M, indicating a steep discount from its previous sale price. Ashley Capital plans to move its Chicago area office into the property and intends to make capital improvements to attract new office tenants.

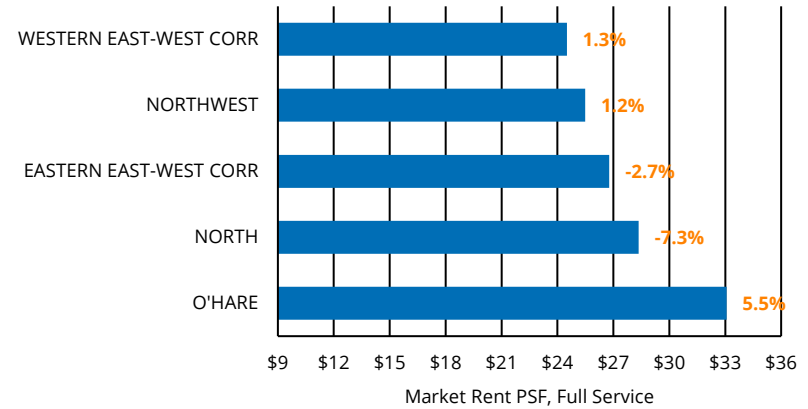




CHICAGO SUBURBS OFFICE MARKET | Q2 2025

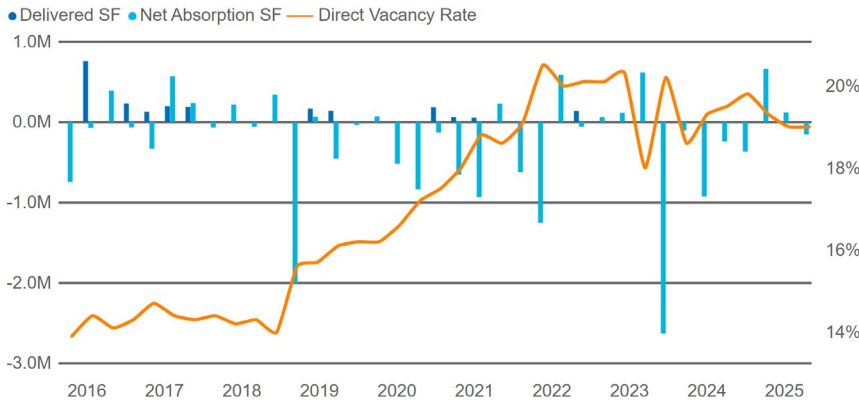
- Chicago's suburban office **direct vacant available rate** remained at 19.0% in the second quarter, unchanged from the first quarter. Total availability, which includes all space being marketed, reached 26.1%, down 20 basis points from last quarter and down 2.2% year over year.
- Net absorption** in the second quarter of 2025 totaled negative 158,109 SF. The Class A sector experienced negative absorption of 183,476 SF, while the Class B and C sectors saw positive absorption of 25,367 SF. The North submarket recorded the largest amount of positive absorption, totaling 157,087 SF.
- Full-service rents** in Suburban Chicago averaged \$27.12 PSF this quarter, down \$0.17 from the second quarter of 2024. The highest asking rents are found in the O'Hare submarket, with a total submarket average of \$33.07 PSF.
- The **construction pipeline** in Chicago's suburban market has remained dormant, with no office buildings larger than 40,000 SF currently under construction. Since 2016, very little office space has been constructed, and almost all new developments have been built to suit for owner occupancy.

ASKING RENT



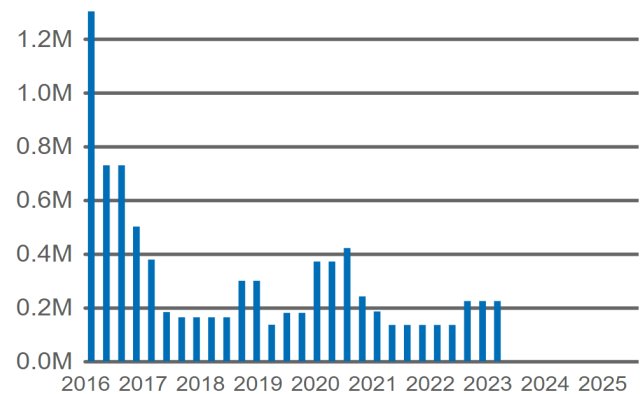
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



CHICAGO SUBURBS 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
Eastern East/West Corr	25,506,776	5,193,513	20.4%	26.7%	0	(202,241)	(257,338)	\$26.85
North	31,626,732	5,164,802	16.3%	23.8%	0	157,087	560,447	\$28.40
Northwest	32,011,894	7,286,486	22.8%	29.8%	0	34,890	73,809	\$25.49
O'Hare	12,889,900	2,527,384	19.6%	26.9%	0	(197,308)	(211,278)	\$33.07
Western East/West Corr	20,994,049	3,188,435	15.2%	22.9%	0	49,463	79,759	\$24.59
Suburban Chicago Total	123,029,351	23,360,620	19.0%	26.1%	0	(158,109)	245,399	\$27.16

Source: CoStar, Transwestern



CHICAGO SUBURBS 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
Eastern East/West Corr	9,843,432	1,999,385	20.3%	26.3%	0	(30,980)	237,180	\$29.78
North	13,328,850	2,086,275	15.7%	22.4%	0	97,046	241,677	\$34.19
Northwest	14,897,270	3,501,712	23.5%	35.1%	0	24,423	396,621	\$27.63
O'Hare	6,453,948	1,526,916	23.7%	33.9%	0	(271,521)	(264,278)	\$38.07
Western East/West Corr	5,973,782	1,225,046	20.5%	30.2%	0	(2,444)	11,072	\$28.13
Suburban Chicago Total	50,497,282	10,339,334	20.5%	29.3%	0	(183,476)	622,272	\$30.90

Source: CoStar, Transwestern



CHICAGO SUBURBS 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
Eastern East/West Corr	15,663,344	3,194,128	20.4%	26.9%	0	(171,261)	(494,518)	\$21.22
North	18,297,882	3,078,527	16.8%	24.8%	0	60,041	318,770	\$26.81
Northwest	17,114,624	3,784,774	22.1%	25.2%	0	10,467	(322,812)	\$20.92
O'Hare	6,435,952	1,000,468	15.5%	20.0%	0	74,213	53,000	\$20.49
Western East/West Corr	15,020,267	1,963,389	13.1%	19.9%	0	51,907	68,687	\$18.96
Suburban Chicago Total	72,532,069	13,021,286	18.0%	23.9%	0	25,367	(376,873)	\$22.77

Source: CoStar, Transwestern



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 SF and larger, excluding condo and medical office facilities and those properties owned and occupied by a government agency.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).

For more information

Caitlin Ritter

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

Tanita Bradley

Market Research Manager
Tanita.Bradley@transwestern.com
312.558.3895

Copyright © 2025 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources.

transwestern.com

