

CHICAGO SUBURBS

OFFICE MARKET | Q4 2025



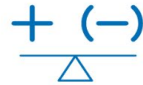
122.5M

Inventory SF



25.6%

Total Availability



(213.0K)

Net Absorption SF



0

Under Construction SF



19.3%

Direct Vacant Available Rate



\$27.25

Full Service Rent PSF

Availability Ticks Up as Demand Fails to Materialize

Market Observations

- The suburban office market closed the year on a muted note, as tenant demand remained soft and vacancy rates ticked upward. With direct vacant availability rate rising to 19.3%, the fourth quarter reinforced that the market is still in a holding pattern with no signs of strengthening.
- The largest reported lease deal in the fourth quarter occurred in the O'Hare submarket: Encore Group signed a 95,165-SF renewal at 5100 River Rd. in Schiller Park, where they will remain the anchor tenant in the building. There were no other reported lease deals signed in the fourth quarter over 50,000 SF.
- The largest sales transaction in the Chicago suburban office market during the fourth quarter was Tryperion Holdings' acquisition of Mid America Plaza in Oakbrook Terrace for \$59M. The transaction included two buildings totaling 414,442 SF, which were 87% leased at the time of sale. The property last traded for \$78M in 2016, marking a notable decline in valuation since its prior sale.

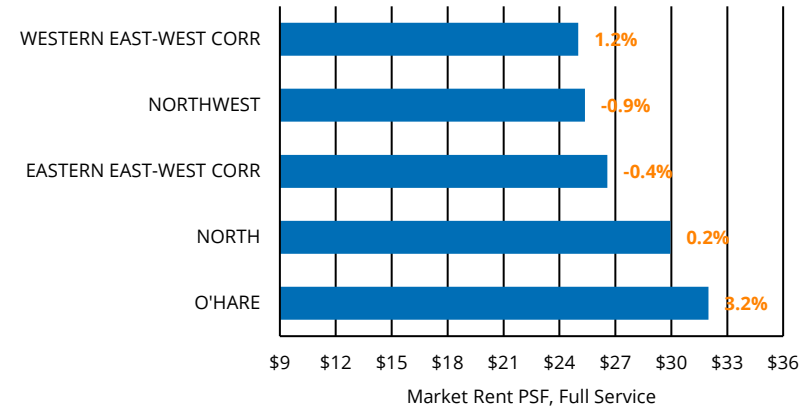




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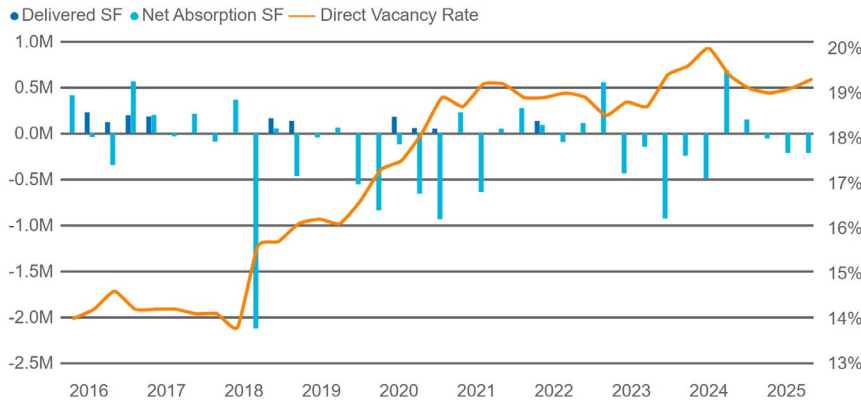
- Chicago's suburban office **direct vacant available rate** increased by 20 basis points to 19.3% in the fourth quarter. Total availability, which includes all space being marketed, declined to 25.6%, down 50 basis points quarter over quarter and down 60 basis points year over year.
- Net absorption** in the fourth quarter totaled negative 212,965 SF. The Class A sector experienced negative 145,921 SF, while the Class B and C sectors saw negative absorption of 102,564 SF. All five submarkets experienced negative absorption this quarter, with the O'Hare submarket experiencing the least, totaling negative 12,650 SF.
- Full-service rents** continue to hold firm, up five basis points year over year to \$27.25 PSF in the fourth quarter. The highest asking rents are found in the O'Hare submarket, with a total submarket average of \$32.00 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.

OVERALL ASKING RENTS BY SUBMARKET AND Y-O-Y GROWTH



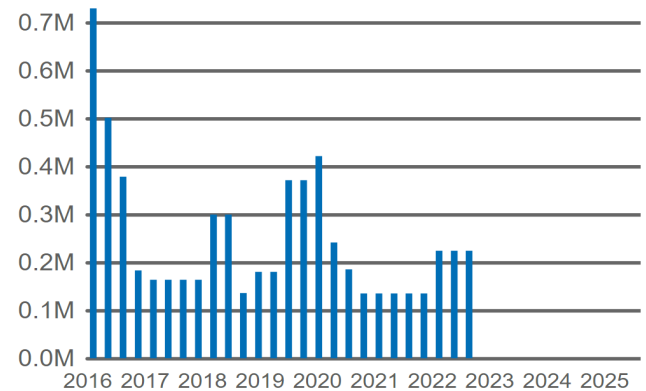
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



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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	5,333,395	20.9%	25.7%	0	(76,770)	(271,128)	\$26.58
North	31,213,631	5,273,526	16.9%	25.0%	0	(46,597)	(35,786)	\$29.95
Northwest	31,859,894	7,416,982	23.3%	28.6%	0	(51,179)	9,854	\$25.38
O'Hare	12,889,900	2,437,689	18.9%	25.7%	0	(12,650)	(124,881)	\$32.00
Western East/West Corr	20,994,049	3,189,837	15.2%	21.7%	0	(25,769)	91,760	\$25.01
Suburban Chicago Total	122,464,250	23,651,429	19.3%	25.6%	0	(212,965)	(330,181)	\$27.25



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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	1,943,682	19.7%	25.1%	0	1,150	71,255	\$29.63
North	13,049,119	2,092,892	16.0%	23.7%	0	(69,318)	51,369	\$33.01
Northwest	14,745,270	3,551,690	24.1%	32.4%	0	(56,819)	100,765	\$27.45
O'Hare	6,453,948	1,402,986	21.7%	31.4%	0	(62)	(145,507)	\$37.50
Western East/West Corr	5,973,782	1,280,910	21.4%	31.7%	0	(20,872)	(55,239)	\$27.98
Suburban Chicago Total	50,065,551	10,272,160	20.5%	28.5%	0	(145,921)	22,643	\$30.50



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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	3,389,713	21.6%	26.0%	0	(77,920)	(342,383)	\$21.24
North	18,164,512	3,180,634	17.5%	26.0%	0	22,721	(87,155)	\$25.67
Northwest	17,114,624	3,865,292	22.6%	25.2%	0	5,640	(90,911)	\$20.76
O'Hare	6,435,952	1,034,703	16.1%	20.0%	0	(12,588)	20,626	\$19.99
Western East/West Corr	15,020,267	1,908,927	12.7%	17.6%	0	(4,897)	146,999	\$19.11
Suburban Chicago Total	72,398,699	13,379,269	18.5%	23.6%	0	(67,044)	(352,824)	\$21.99



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.

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