



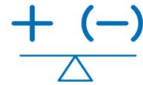
156.0M

Inventory SF



31.1%

Total Availability



(64.1K)

Net Absorption SF



411.2K

Under Construction SF



22.6%

Direct Vacant Available Rate



\$44.51

Full Service Rent PSF

Outside Investors See Plenty of Opportunity

Market Observations

- The fourth quarter brought a welcome period of relative stability to the Chicago CBD office market. The vacancy rate held steady at 22.6%, unchanged from the previous quarter and up 50 basis points year over year. Net absorption totaled negative 64,055 SF, the smallest amount of negative absorption recorded in ten quarters.
- Leasing activity remains below pre-pandemic levels but appears to be settling into a new normal. While many tenants continue to downsize, a growing number are now expanding. Current deal activity suggests that the outsized levels of negative absorption seen in recent years are unlikely to continue at the same pace going forward.
- Average full-service asking rents across Chicago CBD office properties reached \$44.51 PSF in the fourth quarter of 2025, reflecting a slight quarterly decline of 0.1% and a year-over-year increase of 3.4%.
- Lenders holding debt on distressed Chicago office assets are increasingly acknowledging that property values have fallen below outstanding loan balances. As a result, they are accepting lower offers and realizing losses. This shift has sparked renewed interest from outside investors who are acquiring multiple properties, a trend that suggests the market may be nearing, or has already reached, its cyclical bottom.

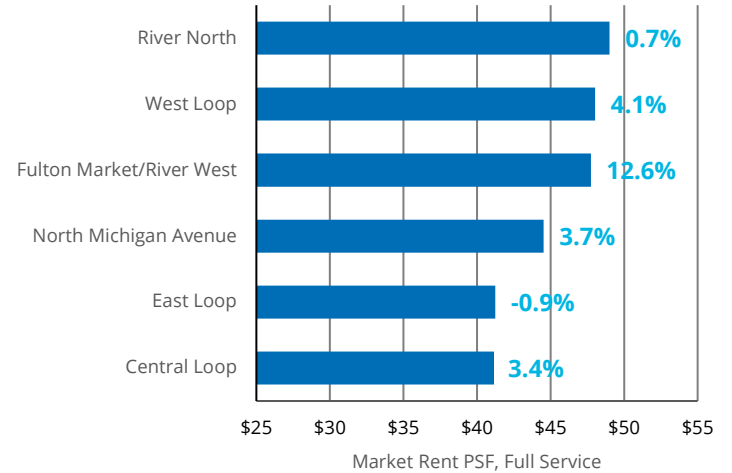




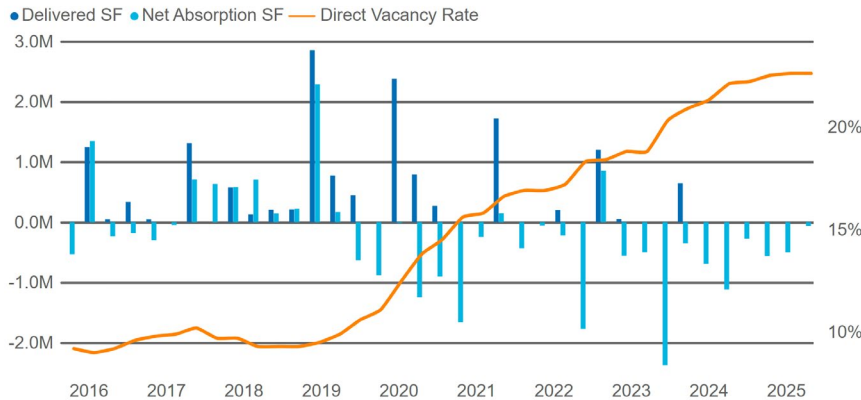
CHICAGO-CBD OFFICE MARKET | Q4 2025

- The **vacancy rate** in the Chicago CBD was 22.6% in the fourth quarter of 2025, unchanged from the previous quarter and up 50 basis points year over year. Total availability rose to 31.1%, increasing from 30.4% in the third quarter and 30.0% at the end of 2024.
- Net absorption** totaled negative 64,055 SF in the fourth quarter of 2025, bringing the year's total to negative 1.4 MSF. The West Loop submarket recorded the most negative absorption, while the River North and Fulton Market/River West submarkets posted positive absorption.
- Average **full-service asking rents** across Chicago CBD office properties were \$44.51 PSF in the fourth quarter of 2025, a quarterly decrease of 0.1% and a year-over-year increase of 3.4%. Class A properties averaged \$48.99 PSF, and Class B and C properties had a combined average of \$38.82 PSF.
- The **construction pipeline** includes only one building: 919 W. Fulton St. in the Fulton Market/River West submarket. The 411,202-SF office building is scheduled for completion in the first quarter of 2026 and is 49.3% preleased.

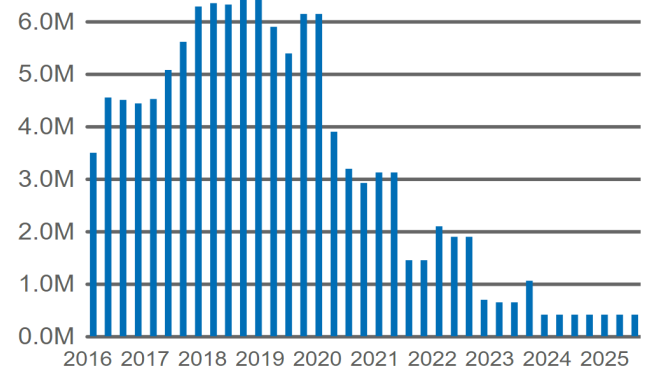
OVERALL ASKING RENTS BY SUBMARKET AND Y-O-Y GROWTH



DELIVERY IMPACT ON KEY INDICATORS



UNDER CONSTRUCTION





CHICAGO-CBD OFFICE MARKET | Q4 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	8,937,719	24.7%	33.2%	0	(59,405)	(625,692)	\$41.15
East Loop	26,887,269	7,717,939	28.7%	36.0%	0	4,931	(307,371)	\$41.24
Fulton Market/Near West Side	8,428,233	917,003	10.9%	21.6%	411,202	64,722	137,712	\$47.74
North Michigan Avenue	8,598,251	1,988,020	23.1%	38.7%	0	(31,940)	(115,814)	\$44.52
River North	17,427,833	4,356,455	25.0%	29.7%	0	43,630	61,834	\$49.01
West Loop	58,520,342	11,362,220	19.4%	28.2%	0	(85,993)	(550,314)	\$48.02
Chicago CBD Total	156,045,152	35,279,356	22.6%	31.1%	411,202	(64,055)	(1,399,645)	\$44.51



CHICAGO-CBD OFFICE MARKET | Q4 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	1,760,601	16.6%	26.6%	0	(101,237)	265,546	\$49.73
East Loop	8,980,350	1,687,327	18.8%	24.3%	0	0	(26,411)	\$50.35
Fulton Market/Near West Side	5,268,999	345,409	6.6%	18.5%	411,202	71,858	188,379	\$71.84
North Michigan Avenue	5,040,120	1,112,011	22.1%	44.1%	0	(30,170)	(133,348)	\$51.03
River North	11,116,077	2,682,699	24.1%	28.7%	0	(5,585)	(1,211)	\$55.42
West Loop	44,340,195	6,924,613	15.6%	25.0%	0	(84,419)	(303,140)	\$53.47
Chicago CBD Total	85,343,278	14,512,660	17.0%	26.3%	411,202	(149,553)	(10,185)	\$53.35



CHICAGO-CBD OFFICE MARKET | Q4 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	7,177,118	28.1%	35.9%	0	41,832	(891,238)	\$31.99
East Loop	17,906,919	6,030,612	33.7%	41.9%	0	4,931	(280,960)	\$35.92
Fulton Market/Near West Side	3,159,234	571,594	18.1%	27.2%	0	(7,136)	(50,667)	\$29.27
North Michigan Avenue	3,558,131	876,009	24.6%	30.9%	0	(1,770)	17,534	\$32.01
River North	6,311,756	1,673,756	26.5%	31.5%	0	49,215	63,045	\$31.09
West Loop	14,180,147	4,437,607	31.3%	38.1%	0	(1,574)	(247,174)	\$34.08
Chicago CBD Total	70,701,874	20,766,696	29.4%	36.9%	0	85,498	(1,389,460)	\$34.24



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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For more information

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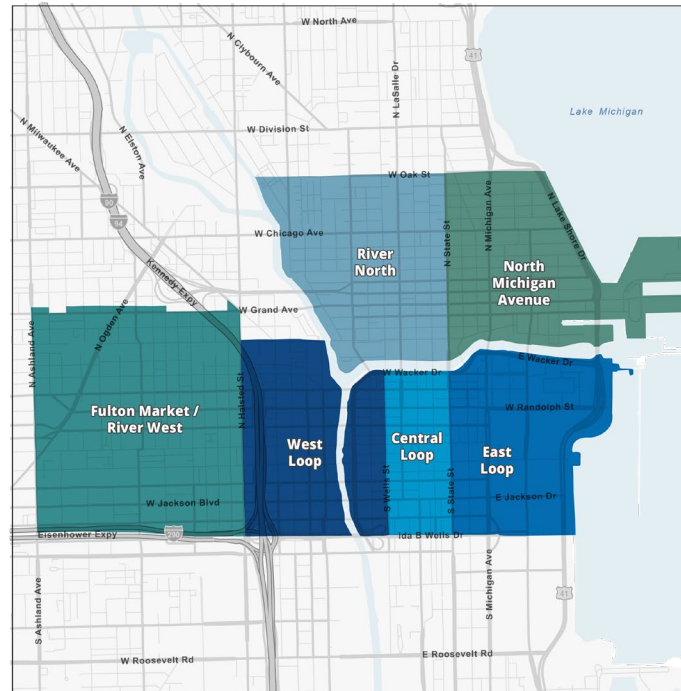
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