

# Chicago Suburban

Office Market | Q1 2026

## Market Remains Steady as Inventory Declines

### Market Observations

- Chicago's suburban office market remained largely unchanged during the first quarter, as vacancy levels and tenant demand remained stagnant from the fourth quarter of 2025. Reductions in obsolete suburban office inventory, which helped offset limited tenant demand, contributed to the direct vacant available rate remaining stable at 18.6% in the first quarter.
- The largest suburban office sale during the first quarter was Red Seal Homes' \$14.0 million acquisition of 1900 E. Lake Ave. in Glenview. The 256,701 SF office building, vacant since 2020, sits on 19.4 acres. Red Seal Homes plans to partner with The Jacobs Companies to demolish the building and redevelop the site into a high-end residential subdivision. The property was previously owned by a joint venture between R2 Companies and T2 Capital Management, which acquired the site through foreclosure in 2022.
- The largest lease deal signed in the first quarter was Inland Real Estate Companies' long-term, 140,000 SF new lease at 3050 Highland Parkway in Downers Grove. The 260,852 SF building is currently vacant, with Inland planning to move in later this year. Inland plans to sell its current headquarters at 2901 Butterfly Road in Oak Brook to GTZ Properties, which intends to demolish the building for a retail redevelopment.



**123.4 MSF**  
Inventory



**20,411 SF**  
Net Absorption



**18.6%**  
Direct Vacant Available Rate



**25%**  
Total Availability



**0 SF**  
Under Construction



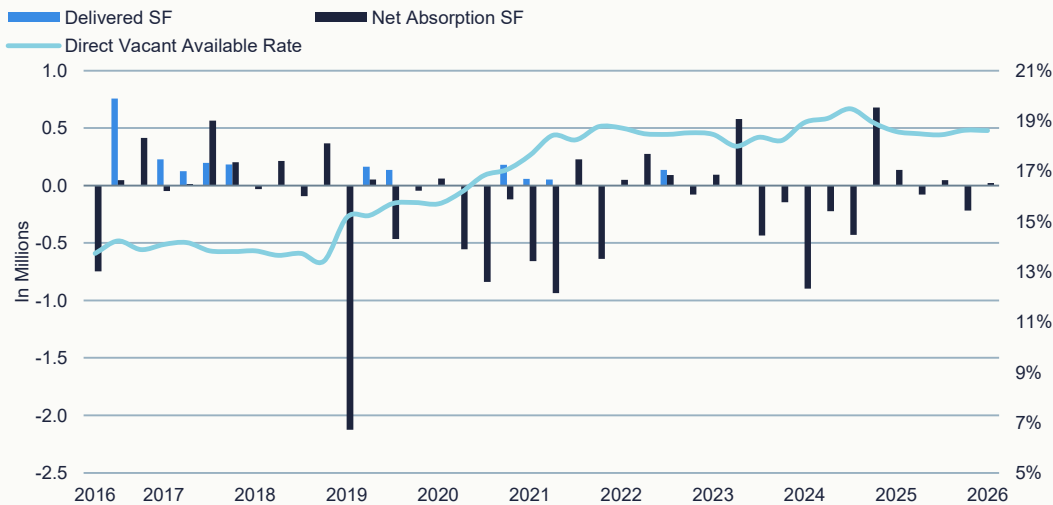
**\$27.14 PSF**  
Asking Rent

## Chicago Suburban



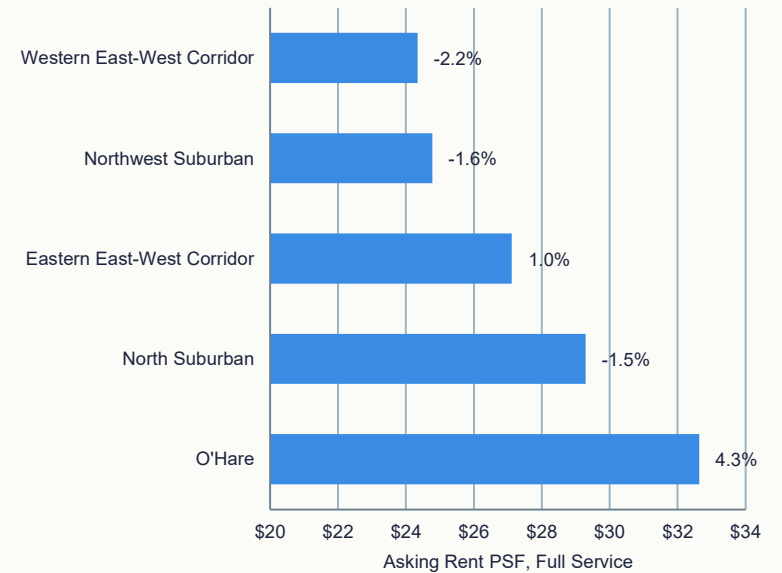
- Chicago's suburban office **direct vacant available rate** held steady in the first quarter at 18.6%. Total availability, which includes all space being marketed, increased 10 basis points quarter over quarter to 25.0% but declined 80 basis points year over year.
- Net absorption** totaled 20,411 SF in the first quarter. The Class A sector recorded 34,874 SF of positive absorption, while the Class B and C sectors posted negative absorption of 14,463 SF. The Northwest Suburban submarket experienced the largest amount of negative absorption, totaling 117,489 SF.
- Full-service asking rents** continued to hold firm, rising nine basis points year over year to a market wide average of \$27.14 PSF in the first quarter. The O'Hare submarket reported the highest asking rents, with an average of \$32.64 PSF.
- Chicago's suburban office **construction pipeline** remained dormant, with no office buildings larger than 40,000 SF under construction. Since 2016, little office space has been delivered, with most development built to suit for owner occupancy.

### Delivery Impact On Key Indicators



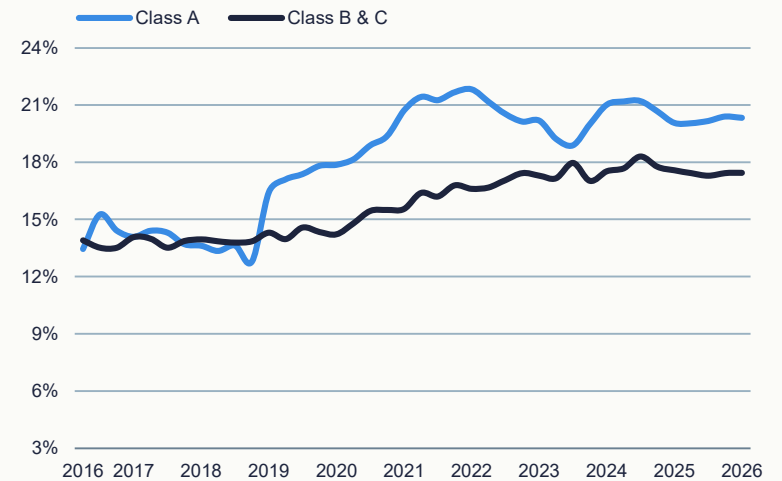
Source: CoStar, Transwestern

### Asking Rents By Submarket and Y-O-Y Growth



Source: CoStar, Transwestern

### Direct Vacant Availability Rate by Class



Source: CoStar, Transwestern

## Market Indicators Table

All Classes of Space | Q1 2026

Submarket	Inventory SF	Direct Vacant Available SF	Direct Vacant Available Rate	Overall Availability Rate	Under Construction SF	Net Absorption SF	Y-O-Y Net Absorption SF	Asking Rent PSF, Full Service
North Suburban	31,187,986	5,171,672	16.6%	24.9%	0	78,489	66,277	\$29.29
O'Hare	13,298,876	2,403,739	18.1%	24.7%	0	33,950	(73,663)	\$32.64
Northwest Suburban	32,356,720	7,168,832	22.2%	27.8%	0	(117,922)	(271,571)	\$24.78
Eastern East-West Corridor	25,613,280	5,079,677	19.8%	24.3%	0	(12,686)	(32,137)	\$27.12
Western East-West Corridor	20,951,586	3,143,711	15.0%	21.7%	0	38,580	80,845	\$24.35
<b>Total</b>	<b>123,408,448</b>	<b>22,967,631</b>	<b>18.6%</b>	<b>25.0%</b>	<b>0</b>	<b>20,411</b>	<b>(230,249)</b>	<b>\$27.14</b>

Source: CoStar, Transwestern

## Market Indicators Table

Class A | Q1 2026

Submarket	Inventory SF	Direct Vacant Available SF	Direct Vacant Available Rate	Overall Availability Rate	Under Construction SF	Net Absorption SF	Y-O-Y Net Absorption SF	Asking Rent PSF, Full Service
North Suburban	12,128,817	1,771,343	14.6%	28.4%	0	59,322	41,740	\$33.62
O'Hare	6,287,295	1,192,041	19.0%	26.1%	0	(13,971)	(132,913)	\$39.18
Northwest Suburban	15,129,653	3,853,112	25.5%	34.0%	0	(118,150)	(189,864)	\$28.78
Eastern East-West Corridor	10,380,494	2,107,801	20.3%	25.3%	0	75,099	55,578	\$30.12
Western East-West Corridor	5,796,629	1,184,572	20.4%	31.5%	0	32,574	(31,530)	\$28.25
<b>Total</b>	<b>49,722,888</b>	<b>10,108,869</b>	<b>20.3%</b>	<b>29.5%</b>	<b>0</b>	<b>34,874</b>	<b>(256,989)</b>	<b>\$31.06</b>

Source: CoStar, Transwestern

## Market Indicators Table

Class B &amp; C | Q1 2026

Submarket	Inventory SF	Direct Vacant Available SF	Direct Vacant Available Rate	Overall Availability Rate	Under Construction SF	Net Absorption SF	Y-O-Y Net Absorption SF	Asking Rent PSF, Full Service
North Suburban	19,059,169	3,400,329	17.8%	22.7%	0	19,167	24,537	\$27.46
O'Hare	7,011,581	1,211,698	17.3%	23.5%	0	47,921	59,250	\$26.59
Northwest Suburban	17,227,067	3,315,720	19.2%	22.4%	0	228	(81,707)	\$19.91
Eastern East-West Corridor	15,232,786	2,971,876	19.5%	23.6%	0	(87,785)	(87,715)	\$24.87
Western East-West Corridor	15,154,957	1,959,139	12.9%	17.9%	0	6,006	112,375	\$20.94
<b>Total</b>	<b>73,685,560</b>	<b>12,858,762</b>	<b>17.5%</b>	<b>21.9%</b>	<b>0</b>	<b>(14,463)</b>	<b>26,740</b>	<b>\$23.93</b>

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.

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<sup>1</sup> Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026

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