

FIVE FAST FACTS

Chicago CBD Office Market

1 SUBLEASE AVAILABILITY INCREASES FOR THE 12TH CONSECUTIVE QUARTER

Sublease availability in 3Q22 reached **6.8 msf, up 26.9% YOY**. While fewer subleases are hitting the market, the rate at which lessors are vacating their spaces prior to finding a sublessee is increasing, resulting in a larger sublease vacancy rate.

2 LEASING ACTIVITY CONCENTRATED IN CLASS A BUILDINGS

New leasing through 3Q22 totaled **4.5 msf**. Of that, **53.2% was for Class A space**, indicative of the growing demand for top tier assets within the CBD.

3 OFFICE-USING LABOR MARKET CONTINUES TO REBOUND

The professional and business services sector **added 43,000 jobs over the last 12 months** through August 2022, **up 5.2% YOY**. Jobs in the information sector saw **2,200 jobs added** over the same period, **up 2.9% YOY**.

5 TROPHY ASSETS SEE SIGNIFICANT RENT GROWTH

Direct asking rental rates **increased 11.3% YOY to \$61.01 psf**, while overall asking rates recorded a **10.6% increase in rates to \$60.56 psf**. This is indicative of users paying premiums for high quality assets.

4 FULTON MARKET CONTINUES TO SEE HEIGHTENED DEMAND

Fulton Market was the only submarket to experience positive net absorption, totaling **883,000 sf through 3Q22**. This is expected to continue as the submarket's development pipeline is **58.3% pre-leased**. Notable projects include Sterling Bay's 360 North Green St., currently 50.0% pre-leased, and 345 North Morgan St., which is 62.7% pre-leased.

