

# FIVE FAST FACTS

## Chicago CBD Office Market

### 1 ELEVATED CONCESSIONS, DRIVEN BY A TENANT-FRIENDLY MARKET & RISING CONSTRUCTION COSTS

Allowance per square foot (psf) and months of free rent on long-term deals transacted after the start of the pandemic are **14.5%** and **8.3% higher**, respectively.

### 2 FULTON MARKET CONTINUES TO SEE HEIGHTENED DEMAND, PUSHING RENTS

Despite the pandemic, Fulton Market continues to deliver space and attract new tenants at a rapid pace. Fulton Market recorded over **554,000 square feet (sf)** of **new leasing activity** (17.9 % of overall new leasing) through Q2 2022.

### 3 FLIGHT TO QUALITY INTENSIFIES

Companies within the CBD continue to flock to quality assets within the trophy, riverfront high-rise and Fulton Market segments of the market. As of mid-2022, trophy blocks of space **50,000 sf and greater have fallen** to just **13 total**, a **35% decline** from the start of the pandemic.

### 4 NEW LEASING IN 2022 REMAINS STRONG

As of Q2 2022, **new leasing activity jumped 60.5%** year-over-year (YOY) to **3.1 million square feet (msf)**. Leases in Class A buildings accounted for **72.1% of new leases**, totaling roughly **2.1 msf**.

### 5 SUBLEASE AVAILABILITY INCREASING AGAIN

**Sublease availability increased** for the eleventh consecutive quarter to just shy of **6.7 msf** - the highest figure recorded since Cushman & Wakefield began tracking sublet inventory.