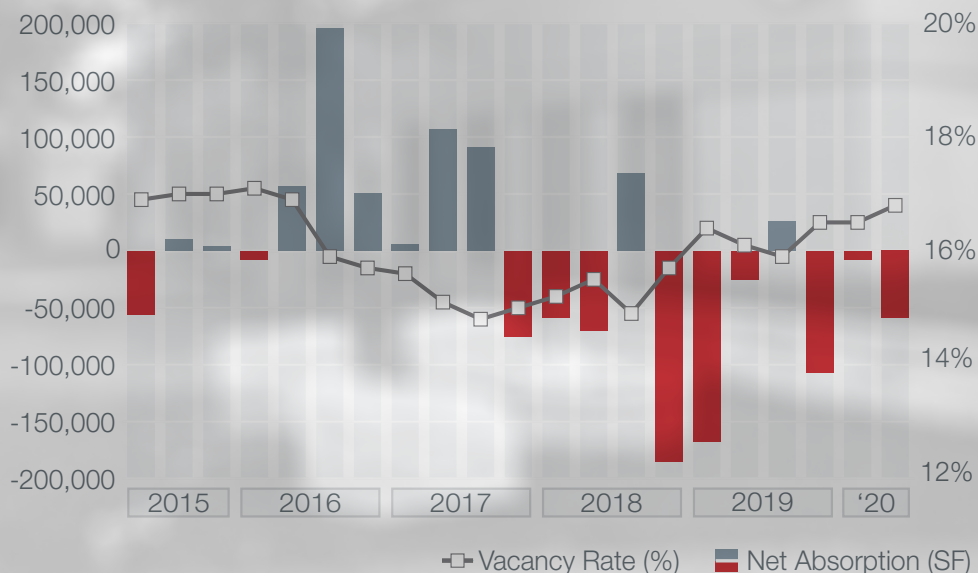


Suburban Single-Story Office

Despite an unprecedented, challenging environment, Chicago's suburban single-story office total vacancy rate at mid-year only softened 30 basis points from the start of the year.



16.83%

VACANCY RATE

-59,006

SF NET ABSORPTION

\$17.98

MARKET RENT PER SF

360,917

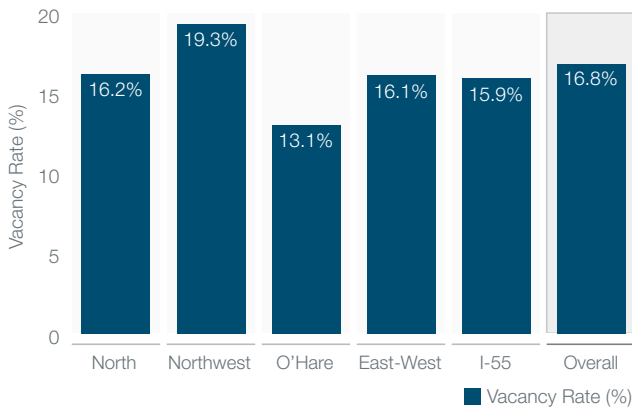
SF YEAR-TO-DATE LEASING

- The second quarter 2020 suburban single-story vacancy rate was 16.83 percent, increasing 76 basis points year-over-year from Q2 2019's 16.07 percent. The O'Hare office submarket was the only submarket to see vacancy decline year-over-year, moving from 17.47 percent to 13.05 percent. Comparatively, the North Suburban submarket, whose inventory comprises 26.8 percent of total suburban single-story office inventory, only saw a 21 basis point increase in vacancy year-over-year, from 15.97 percent to 16.18 percent.
- While year-to-date net absorption in 2020 declined -66,878 square feet, this decline paled to the first half of 2019, which saw -192,950 square feet of negative absorption. North Suburban led all peer markets for the second quarter, with 46,064 square feet of move-ins; O'Hare leads all of its peer markets with 31,139 square feet of move-ins overall on the year.

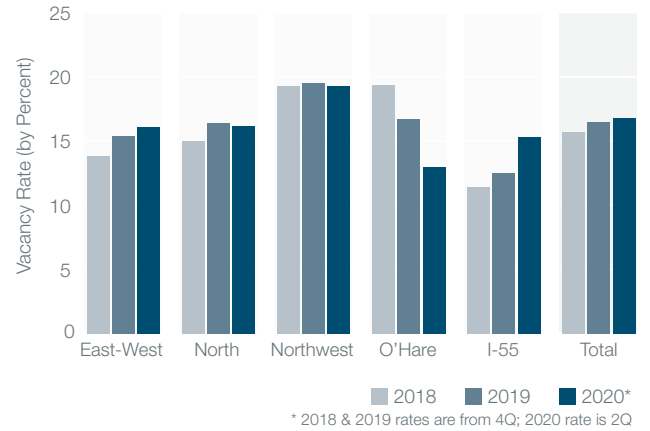
Arrows indicate change from previous period.

MARKET SIZE	22,314,374 SF	2Q 2020 NET ABSORPTION	-59,006 SF
TOTAL VACANCY	3,755,123 SF (16.8%)	YTD NET ABSORPTION	-66,878 SF
DIRECT VACANCY	3,672,847 SF (16.5%)	2Q 2020 NEW LEASING ACTIVITY	97,779 SF
SUBLEASE VACANCY	82,276 SF (0.4%)	YTD NEW LEASING ACTIVITY	351,637 SF
DIRECT AVAILABLE SPACE	5,014,080 SF (22.5%)	UNDER CONSTRUCTION	0 SF
TOTAL AVAILABLE SPACE	5,177,063 SF (23.2%)	2Q 2020 NEW SUPPLY	0 SF

2Q 2020 Vacancy at a Glance

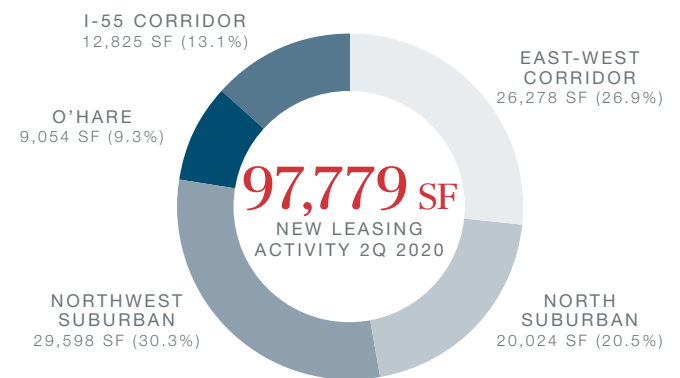


Yearly Vacancy Rates

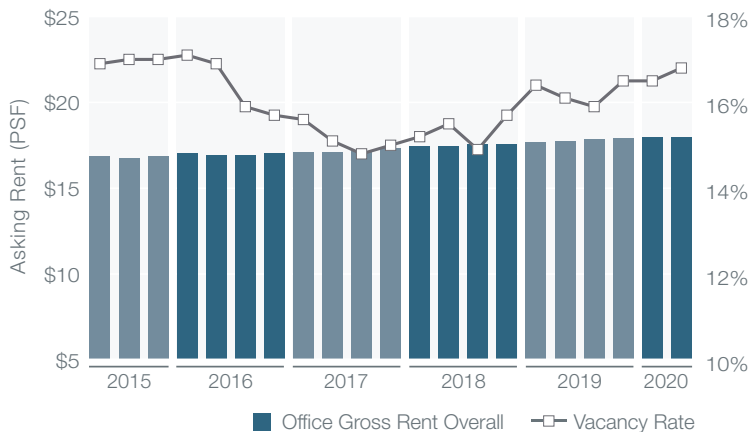


Leasing activity in the single-story portion of suburban office was a tale a two quarters. After a 263,138 SF start to the year - the strongest figure since Q2 2018's 331,911 SF, total leasing activity in the first full quarter of Covid came in at only 97,779 square feet. Year-to-date leasing activity decreased 18.8 percent year-over-year from this year's 360,917 square feet to the 428,735 square feet recorded in the first half of 2019. The pace of deal activity similarly declined, from 183 deals through the first half of 2019 compared to 2020's 140 deals.

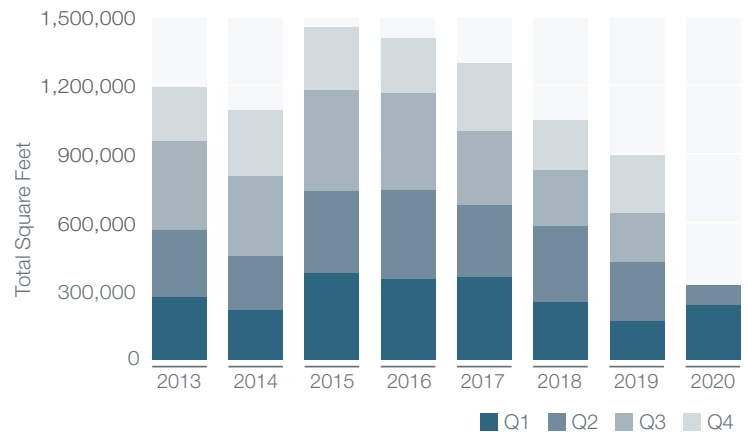
Leasing Activity by Submarket



Vacancy Rate vs Asking Rent



Overall New Leasing Activity

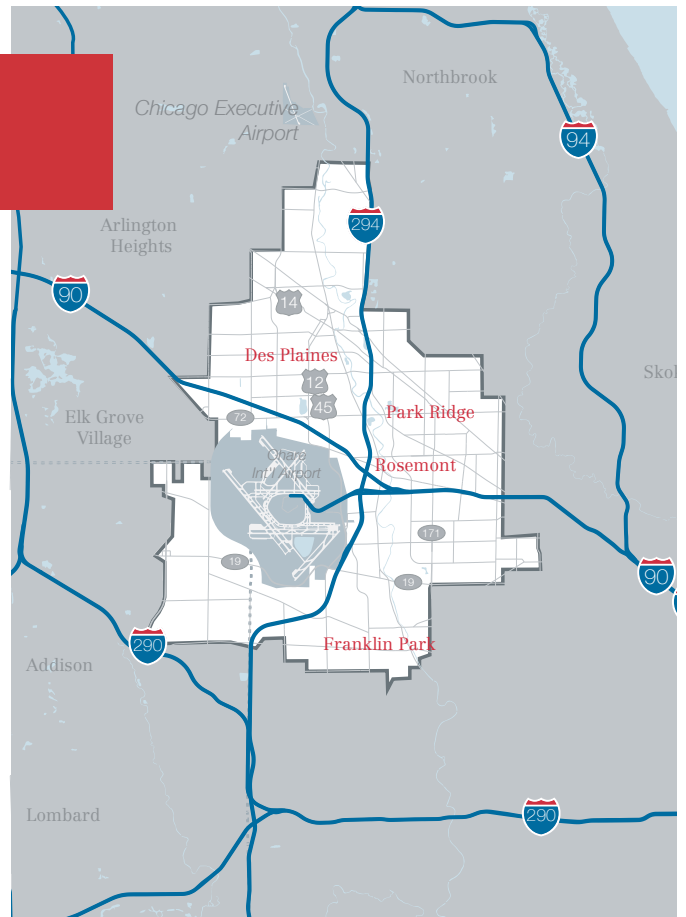
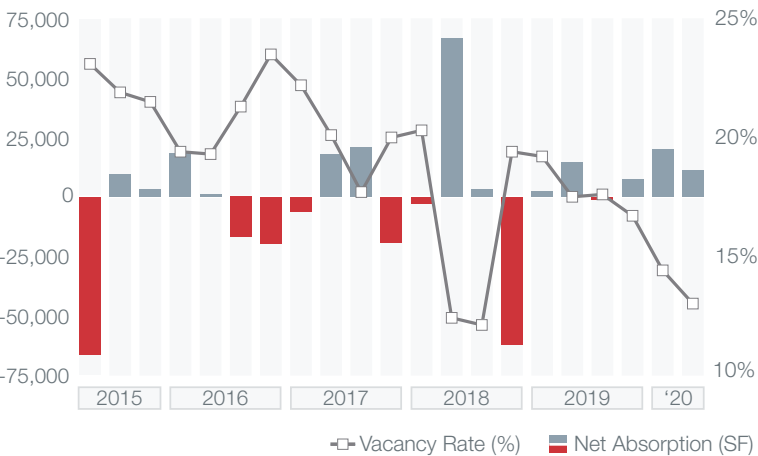


Significant Lease Transactions, Year-to-Date

Building Address	Leased (SF)	Tenant	Lease Type
Concourse Chicago, 8608 & 8614 W Catalpa Ave, Chicago	27,408	RedMane Technology	Renewal/Expansion
Executive Place III - 1010 Executive Ct, Westmont	26,966	Nexygen Packaging LLC	New Lease
NAI Hiffman transaction			

O'Hare

At 31,139 square feet, net absorption in the first half of 2020 increased 87.9 percent compared to the 16,570 square feet of move-ins during the first half of 2019.



13.05%

VACANCY RATE

11,124

SF NET ABSORPTION

\$18.27

MARKET RENT PER SF

33,525

SF YEAR-TO-DATE LEASING

Arrows indicate change from previous period.

- O'Hare's total vacancy rate tightened 442 basis points year-over-year, from 17.47 percent in the second quarter of 2019 to 13.05 percent at mid-year. The rate has tightened for three consecutive quarters. The O'Hare submarket has the tightest vacancy rate compared to its peers, and compares favorably to the suburban Chicago single-story office total vacancy rate of 16.83 percent.
- In the second quarter, the O'Hare submarket recorded 9,054 square feet of leasing activity. At mid-year, O'Hare recorded 33,525 square feet of activity. With 15 deals at mid-year, the pace of deals in 2020 stayed steady, and actually outperformed 2019, which had 14 deals recorded at mid-year.

MARKET SIZE	851,189 SF
TOTAL VACANCY	111,065 SF (13.05%)
DIRECT VACANCY	111,065 SF (13.05%)
SUBLEASE VACANCY	0 SF (0.0%)
AVAILABLE SPACE	199,266 SF (23.41%)
2Q 2020 NET ABSORPTION	11,124 SF
YTD NET ABSORPTION	31,139 SF
2Q 2020 NEW LEASING ACTIVITY	9,054 SF
YTD NEW LEASING ACTIVITY (SF)	33,525 SF
2Q 2020 NEW SUPPLY	0 SF





27,408

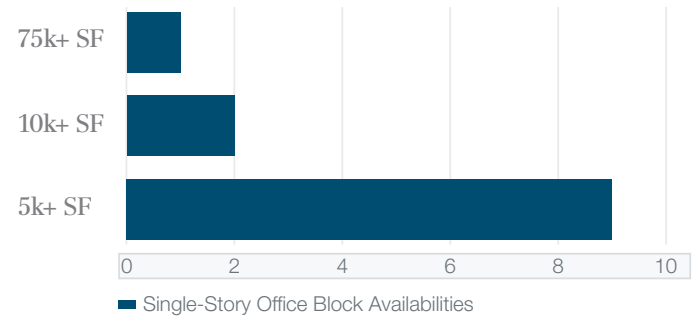
SF RENEWAL & EXPANSION

Concourse Chicago | Chicago, Illinois

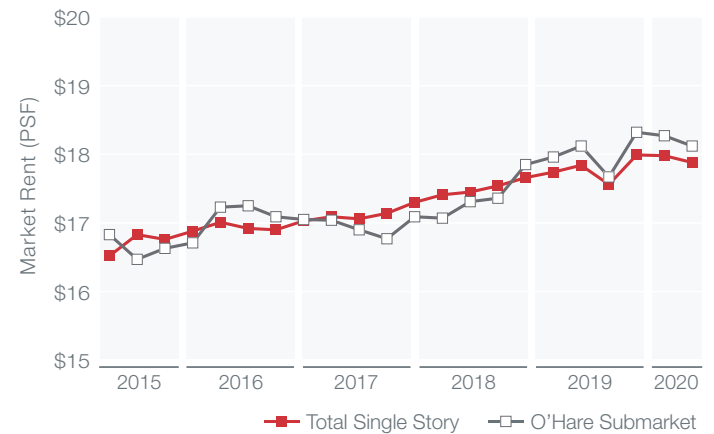
RedMane Technology, a firm that provides software solutions and systems integration services, renewed its lease at Concourse Chicago. Berger Asset Management owns the 12-building Concourse Chicago office park.

- Market Rent Per SF increased 1.73 percent year-over-year, from \$17.96 in the second quarter of 2019 to \$18.27 at mid-year 2020. This gain outpaced the overall single-story office market, which only saw a 1.35 percent increase year-over-year.
- There were 11,124 square feet of move-ins in the second quarter of 2020, bringing the year-to-date total to 31,139 square feet. O'Hare was the only submarket in the suburban Chicago office single-story space to post positive absorption in both quarters of 2020.

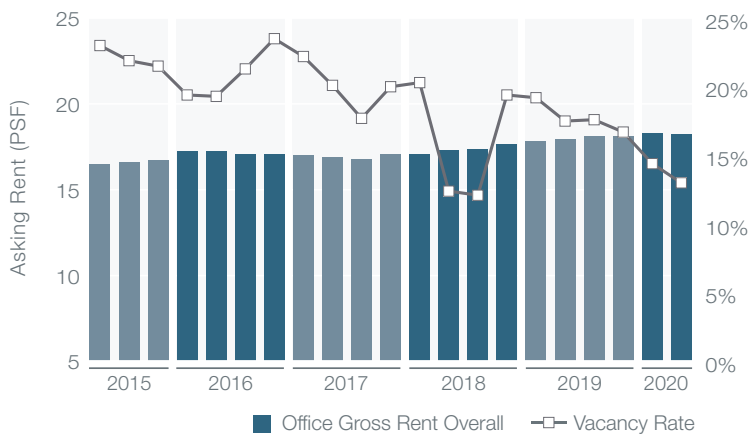
Blocks of Available Space



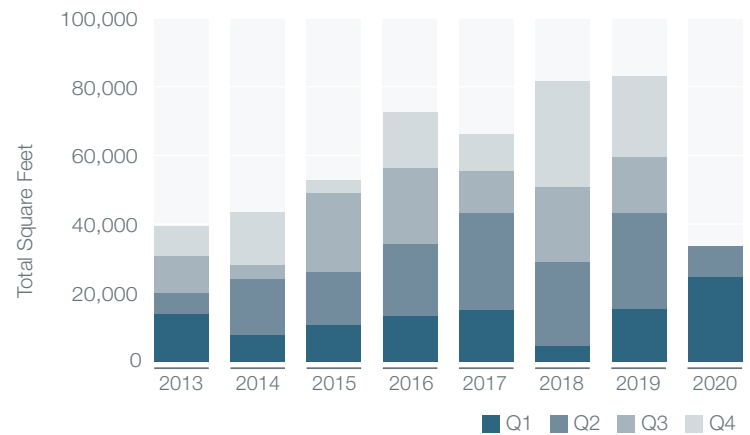
Market Rent PSF



Vacancy Rate vs Asking Rent



Overall New Leasing Activity



Significant Lease Transactions, Year-to-Date

Building Address	Leased (SF)	Tenant	Lease Type
Concourse Chicago, 8608 & 8614 W Catalpa Ave, Chicago	27,408	RedMane Technology	Renewal/Expansion
Concourse Chicago, 8619 W Bryn Mawr Ave, Chicago	13,589	Keller Foundations	New
NAI Hiffman transaction			