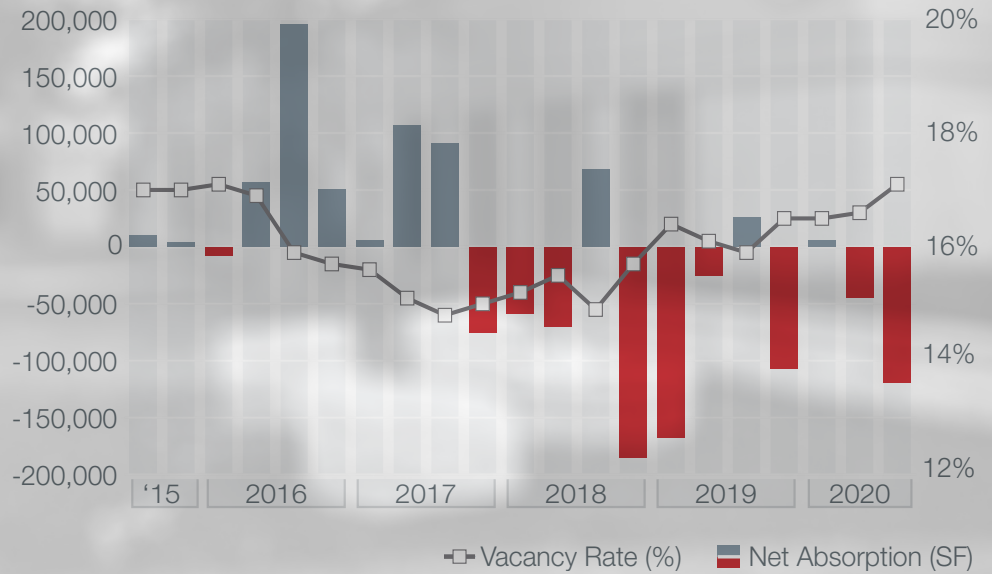


Suburban Single-Story Office

Despite persistent challenges stemming from the ongoing pandemic, leasing activity in the suburban Chicago single-story office market actually improved 31.8 percent compared to the the third quarter of 2019.



17.14%

VACANCY RATE

-118,824

SF NET ABSORPTION

\$18.12

MARKET RENT PER SF

656,882

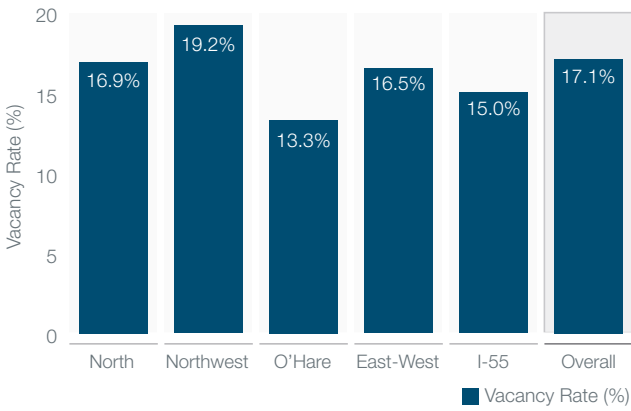
SF YEAR-TO-DATE LEASING

- After three consecutive quarters of steady performance, the 3Q 2020 suburban single-story vacancy rate grew to 17.14 percent, increasing 129 basis points year-over-year from Q3 2019's 15.85 percent.
- For the second consecutive quarter, the O'Hare office submarket saw vacancy decline year-over-year, moving from 17.59 percent to 13.35 percent. Conversely, the steepest increase in vacancy year-over-year was found in the I-55 Corridor submarket. Despite softening 344 basis points from Q3 2019's 11.59 percent, the submarket's current 15.03 percent vacancy rate remains the second tightest amongst its peer submarkets at present.
- Net absorption in the third quarter was -118,824 square feet, the second consecutive quarter where the market gave back space. Despite recording -158,012 square feet of net absorption year-to-date, single-story office net absorption actually improved 12.9 percent compared to the first nine months of 2019. The O'Hare submarket leads its peer submarkets year-to-date with 28,612 square feet of net absorption.

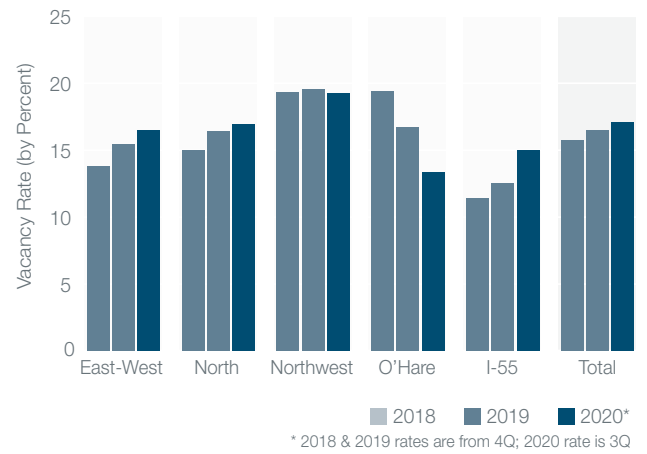
Arrows indicate change from previous period.

| | | | |
|------------------------|----------------------|------------------------------|-------------|
| MARKET SIZE | 22,548,343 SF | 3Q 2020 NET ABSORPTION | -118,824 SF |
| TOTAL VACANCY | 3,864,370 SF (17.1%) | YTD NET ABSORPTION | -168,012 SF |
| DIRECT VACANCY | 3,775,053 SF (16.7%) | 3Q 2020 NEW LEASING ACTIVITY | 283,856 SF |
| SUBLEASE VACANCY | 89,317 SF (0.4%) | YTD NEW LEASING ACTIVITY | 656,882 SF |
| DIRECT AVAILABLE SPACE | 5,005,606 SF (22.2%) | UNDER CONSTRUCTION | 0 SF |
| TOTAL AVAILABLE SPACE | 5,207,056 SF (23.1%) | 3Q 2020 NEW SUPPLY | 0 SF |

3Q 2020 Vacancy at a Glance

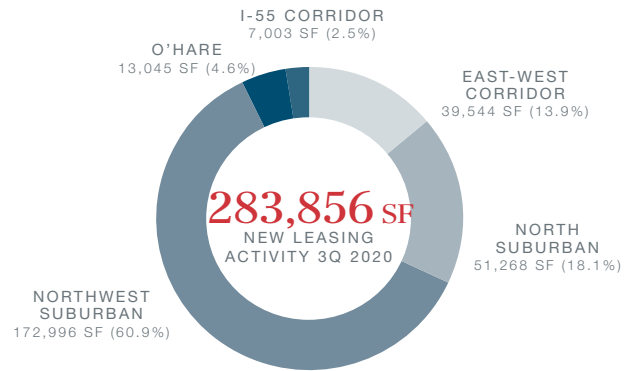


Yearly Vacancy Rates

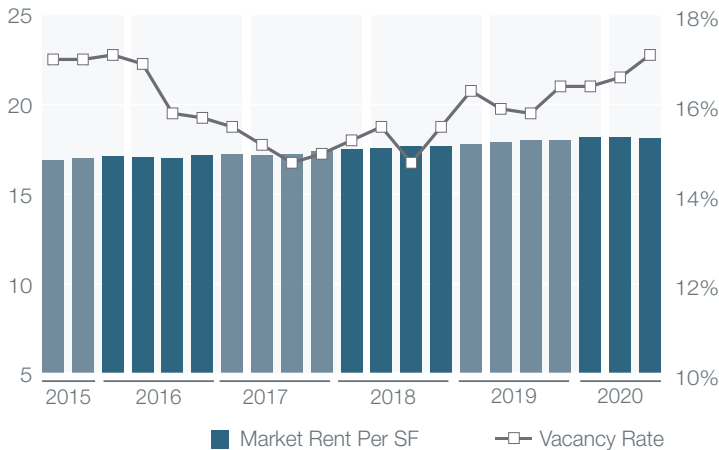


There were 90 deals in the suburban Chicago single-story office market in the third quarter, more than doubling the 44 deals recorded in the previous quarter. The nearly 284,000 square feet of leasing activity recorded in the third quarter represented a 163.7 percent increase compared to 2Q 2020. The third quarter figures also compare favorably to one year prior, when 89 deals accounted for 215,408 square feet of activity. Despite a difficult second quarter, year-to-date leasing activity is actually above 2019's pace by 1.9 percent. Notably, there were multiple lease transactions in the third quarter where tenants originated from multi-story buildings.

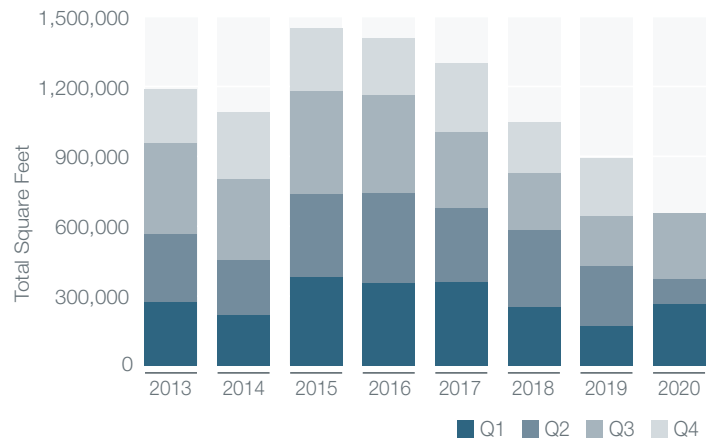
Leasing Activity by Submarket



Vacancy Rate vs Market Rent Per SF



Overall New Leasing Activity

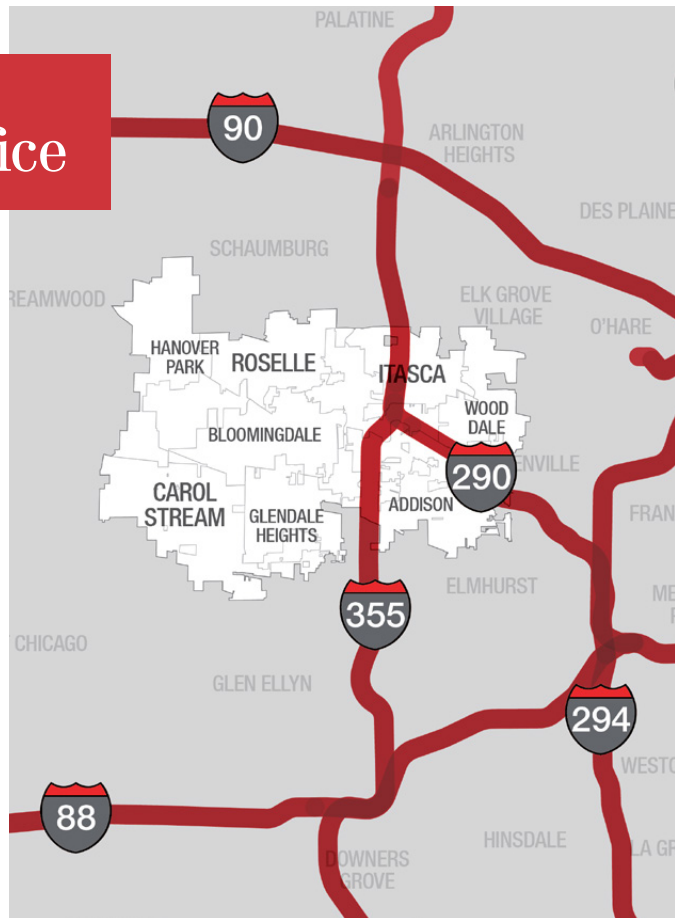
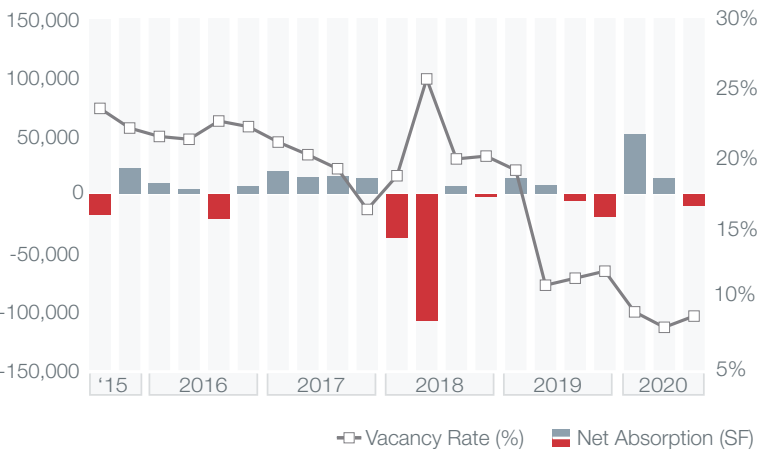


Significant Single-Story Lease Transactions

| Building Address | Leased (SF) | Tenant | Lease Type |
|--|-------------|----------------------------|------------|
| 250 E Devon Ave, Itasca | 58,301 | Ajinomoto USA Food Company | New Lease |
| 955 Parkway Corporate Place - 955 National Pky, Schaumburg | 19,956 | Composites One | New Lease |

North DuPage Single-Story Office

The North DuPage micro-market, a part of the Northwest Suburban submarket, recorded an 8.8 percent vacancy rate in its single-story office market, a 270 basis point decline year-over-year.



8.8%

VACANCY RATE

-10,181

SF NET ABSORPTION

\$16.67

MARKET RENT PER SF

80,648

SF YEAR-TO-DATE LEASING

Arrows indicate change from previous period.

- The North DuPage micro-market, a part of the Northwest Suburban submarket, recorded an 8.8 percent total vacancy rate in the third quarter of 2020. This rate tightened 266 basis points compared to the 11.46 percent rate recorded in the third quarter of 2019. The vacancy rate dipped below 10.0 percent at the start of 2020 and has stayed in single digits throughout the year. After peaking at over 25.0 percent vacant in early 2018, it is the tightest micro-market in the suburban Chicago single-story office market.
- There was -10,181 square feet of net absorption in the third quarter of 2020. Despite this, year-to-date net absorption in the micro-market stands at 54,238 square feet, making North DuPage the top performing micro-market in suburban Chicago single-story office with respect to net absorption.

| | |
|------------------------------|--------------------|
| MARKET SIZE | 1,323,475 SF |
| TOTAL VACANCY | 116,460 SF (8.8%) |
| DIRECT VACANCY | 111,960 SF (8.5%) |
| SUBLEASE VACANCY | 4,500 SF (0.3%) |
| AVAILABLE SPACE | 166,108 SF (12.6%) |
| 3Q 2020 NET ABSORPTION | -10,181 SF |
| YTD NET ABSORPTION | 54,238 SF |
| 3Q 2020 NEW LEASING ACTIVITY | 62,416 SF |
| YTD NEW LEASING ACTIVITY | 80,648 SF |
| 3Q 2020 NEW SUPPLY | 0 SF |





58,301

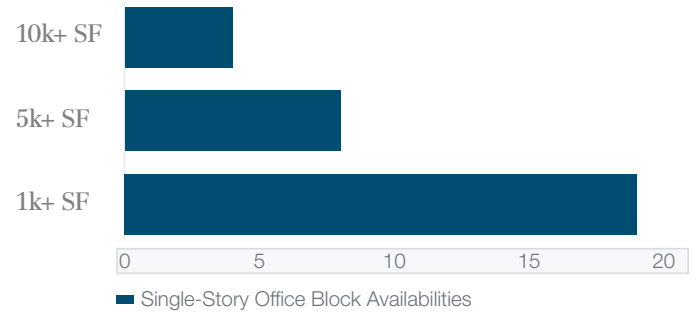
SF NEW LEASE

250 E Devon Ave | Itasca, Illinois

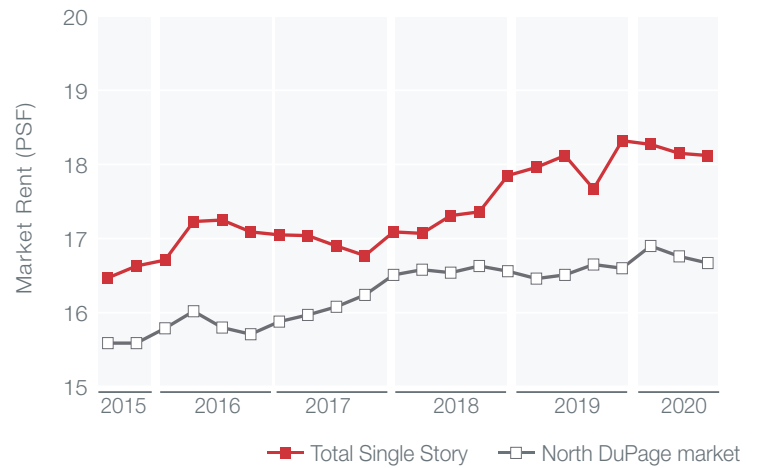
Ajinomoto USA Food Company inked a new deal at 250 E Devon Ave, fully-leasing the office building in Itasca. Ajinomoto is slated to move into its new space in the fourth quarter, leaving behind a multi-story building.

- Market Rent Per SF stayed essentially flat year-over-year at \$16.69. This contrasts with the larger Northwest Suburban submarket, which saw a -0.18 percent decline year-over-year.
- In the third quarter, the North DuPage micro-market recorded 62,416 square feet of leasing activity. Year-to-date, North DuPage recorded 80,648 square feet of activity. With eight deals through the first nine months of 2020, the pace of deals dipped from the 11 deals recorded through the first nine months of 2019. Nevertheless, cumulative leasing activity is up 121.1 percent compared to the 36,473 square feet of leasing activity recorded in 2019.

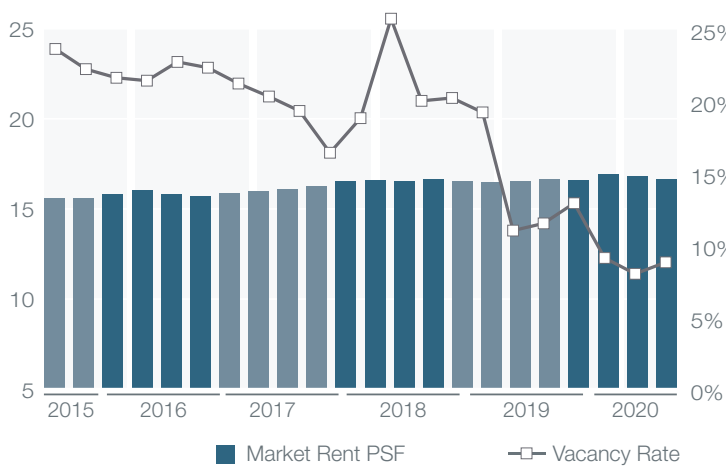
Blocks of Available Space



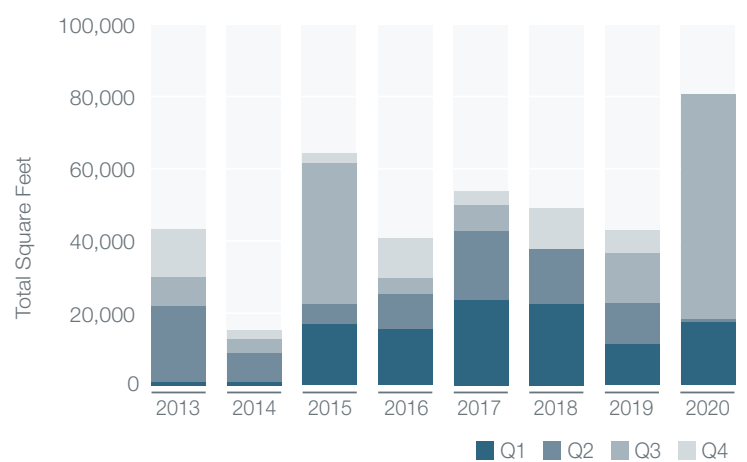
Market Rent Per SF



Vacancy Rate vs Market Rent Per SF



Overall New Leasing Activity



Significant Single-Story Lease Transactions

| Building Address | Leased (SF) | Tenant | Lease Type |
|-------------------------|-------------|----------------------------|------------|
| 250 E Devon Ave, Itasca | 58,301 | Ajinomoto USA Food Company | New Lease |