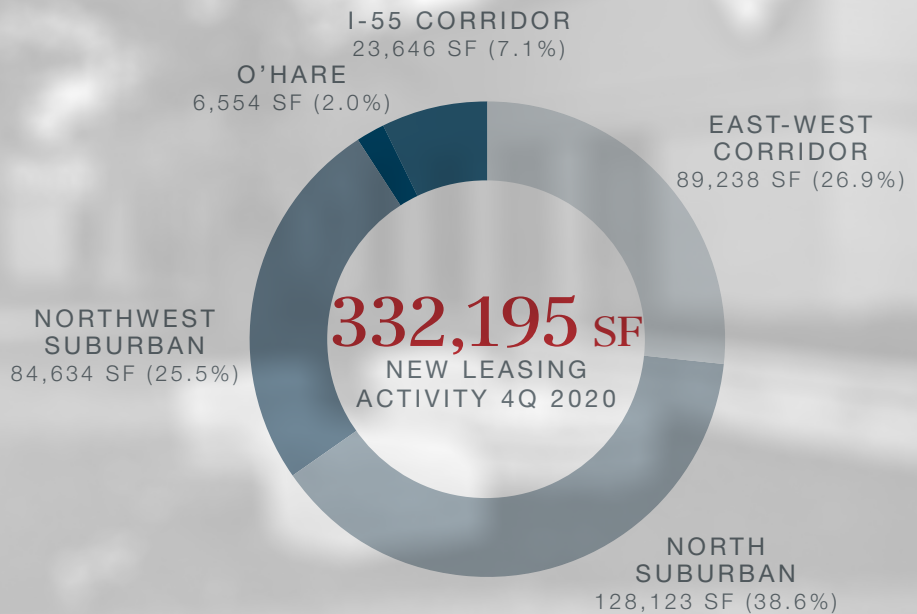


Suburban Single-Story Office

There was 332,195 square feet of leasing activity in the fourth quarter - the largest figure since the 367,540 square feet recorded in the first quarter of 2017; full-year 2020 leasing activity increased 9.8 percent compared to 2019.



17.30%

VACANCY RATE

-36,958

SF NET ABSORPTION

\$18.07

MARKET RENT PER SF

988,643

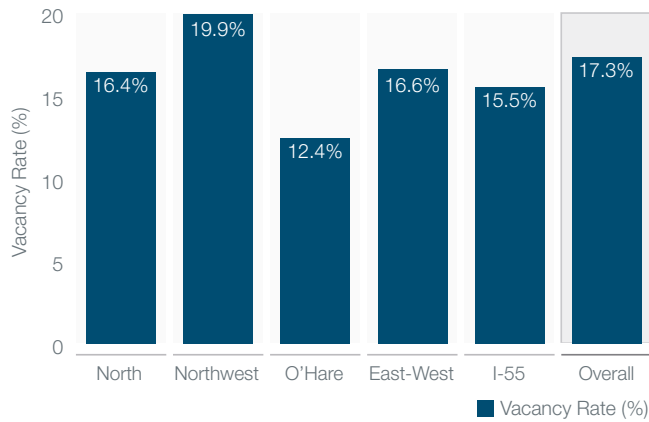
SF YEAR-TO-DATE LEASING

- The fourth quarter suburban single-story total vacancy rate was 17.3 percent to end 2020, increasing 17 basis points from the previous quarter. The rate increased 87 basis points in comparison to year-end 2019's 16.43 percent total vacancy rate.
- Amongst peer submarkets, O'Hare was the only submarket to see a decline in total vacancy year-over-year. The rate fell 416 basis points from the 16.59 percent rate recorded in the fourth quarter of 2019 to the year-end 2020 rate of 12.43 percent. Despite a 305-basis point increase in total vacancy year-over-year, the I-55 Corridor's 15.53 percent rate remained the second tightest submarket at year-end.
- There was 332,195 square feet of leasing activity across 78 deals in the fourth quarter – the largest figure since the 367,540 square feet of leasing activity recorded across 123 deals in the first quarter of 2017. There was 988,643 square feet of leasing activity throughout 2020, a 9.8 percent increase over the 900,485 square feet of leasing activity recorded in 2019.

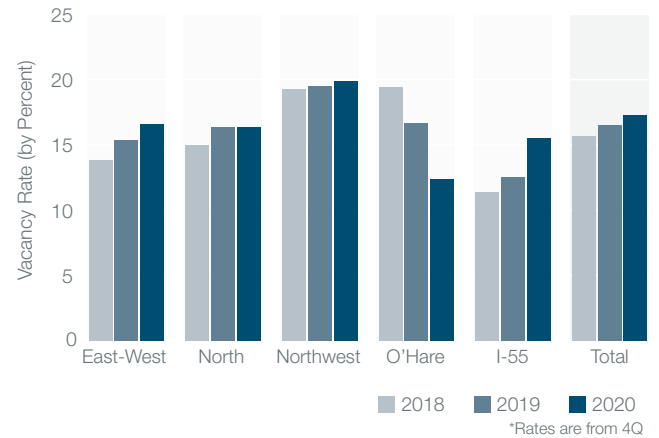
Arrows indicate change from previous period.

MARKET SIZE	22,358,074 SF	4Q 2020 NET ABSORPTION	-36,958 SF
TOTAL VACANCY	3,866,833 SF (17.3%)	YTD NET ABSORPTION	-193,814 SF
DIRECT VACANCY	3,753,610 SF (16.8%)	4Q 2020 NEW LEASING ACTIVITY	332,195 SF
SUBLEASE VACANCY	113,223 SF (0.5%)	YTD NEW LEASING ACTIVITY	988,643 SF
DIRECT AVAILABLE SPACE	4,732,332 SF (21.2%)	UNDER CONSTRUCTION	0 SF
TOTAL AVAILABLE SPACE	4,960,035 SF (22.2%)	YTD NEW SUPPLY	0 SF

Q4 2020 Vacancy at a Glance

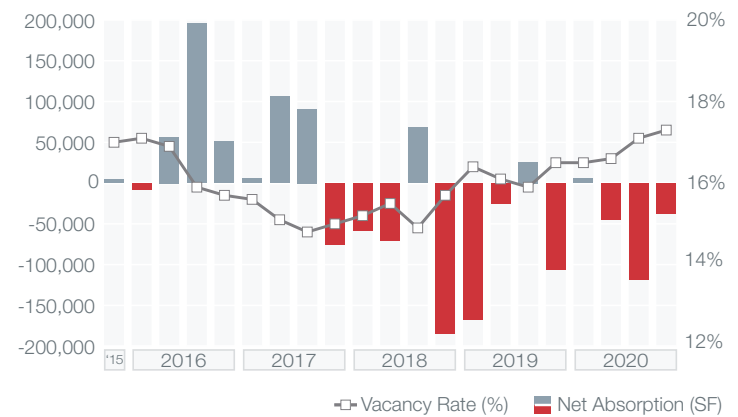


Yearly Vacancy Rates

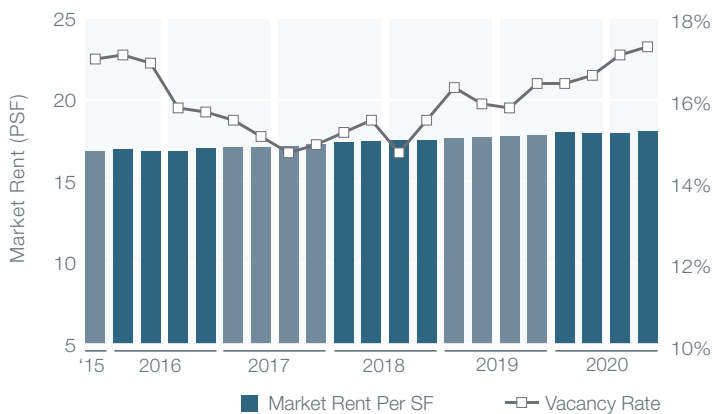


Despite direct net absorption recording its first positive, if modest, figure since the first quarter of 2020, unfortunately total net absorption in the fourth quarter ended at -36,958 square feet due to the increase in sublease offerings. There was positive net absorption in three of the five submarkets – North Suburban (22,275 square feet), O'Hare (6,979 square feet), and the East-West Corridor (5,609 square feet). While full-year net absorption was -193,814 square feet, this represented a marked 37.7 percent improvement over the -311,145 square feet of net absorption recorded throughout 2019. At 35,591 square feet, O'Hare was the only submarket to record a positive full-year net absorption figure.

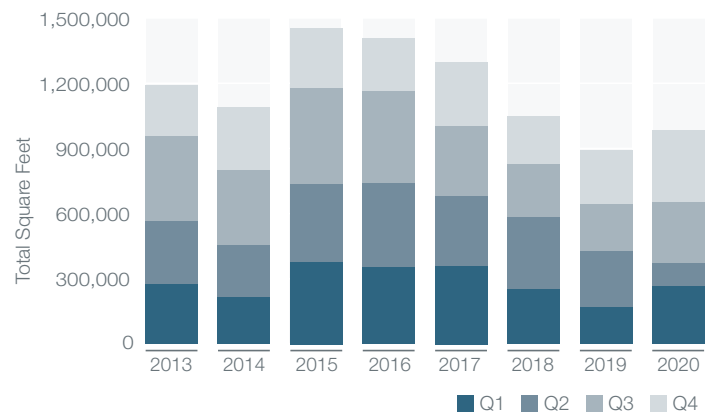
Vacancy Rate and Absorption



Vacancy Rate vs Market Rent Per SF



Overall Leasing Activity



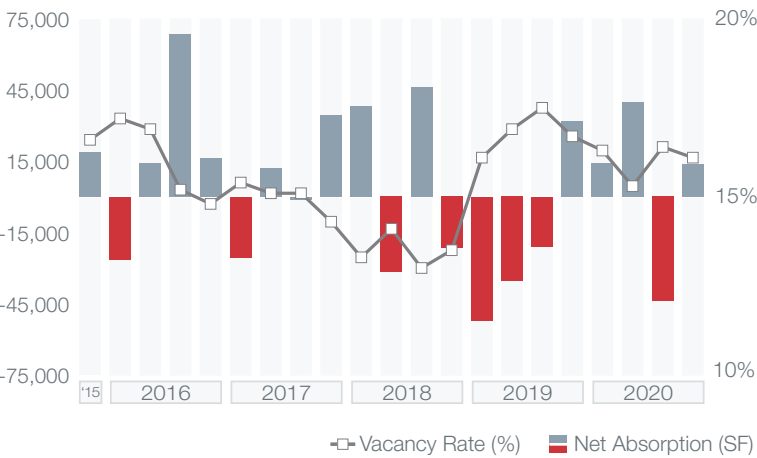
Significant Single-Story Lease Transactions

Building Address	Leased (SF)	Tenant	Lease Type
704-708 Deerpath Dr, Vernon Hills	71,089	Canon Medical Systems USA	Renewal
4255 Meridian Pky, Aurora	19,925	Perfect Air & Home Solutions	New Lease
NAI Hiffman transaction			

SUBMARKET HIGHLIGHT

Central North Single-Story Office

The Central North micro-market, a part of the North Suburban submarket, comprises 18.0 percent of the total suburban single-story office inventory.



16.08%

VACANCY RATE

13,644

SF NET ABSORPTION

\$20.12

MARKET RENT PER SF

242,972

SF YEAR-TO-DATE LEASING

Arrows indicate change from previous period.

- The Central North micro-market, a part of the North Suburban submarket, recorded an 16.08 percent total vacancy rate in the fourth quarter of 2020. This rate tightened 59 basis points compared to the 16.67 percent rate recorded in the fourth quarter of 2019. The vacancy rate has now effectively returned to the level it was at the start of 2019 after increasing to a two-year high of 17.46 percent in the third quarter of 2019.
- There was 13,644 square feet of net absorption in the fourth quarter of 2020 in the Central North micro-market. There have been more move-ins than move-outs in four of the past five quarters.
- There was 23,619 square feet of net absorption recorded throughout 2020, following a -76,345 square foot net absorption figure in 2019.

MARKET SIZE	4,030,989 SF
TOTAL VACANCY	648,296 SF (16.1%)
DIRECT VACANCY	605,470 SF (15.0%)
SUBLEASE VACANCY	42,826 SF (1.1%)
AVAILABLE SPACE	721,730 SF (17.9%)
4Q 2020 NET ABSORPTION	13,644 SF
YTD NET ABSORPTION	23,619 SF
4Q 2020 NEW LEASING ACTIVITY	124,335 SF
YTD NEW LEASING ACTIVITY	242,972 SF
YTD NEW SUPPLY	0 SF





71,089

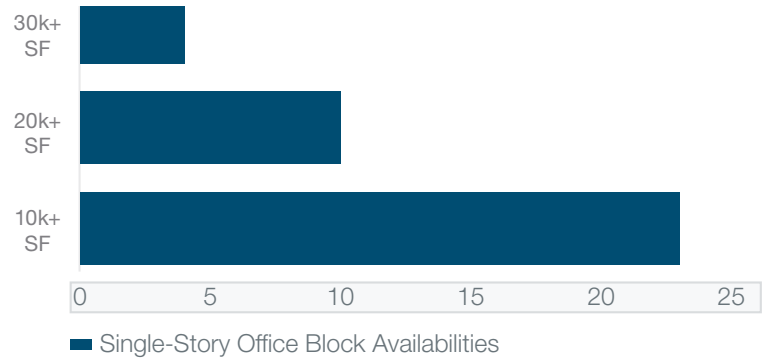
SF RENEWAL

704-708 Deerpath Dr | Vernon Hills, Illinois

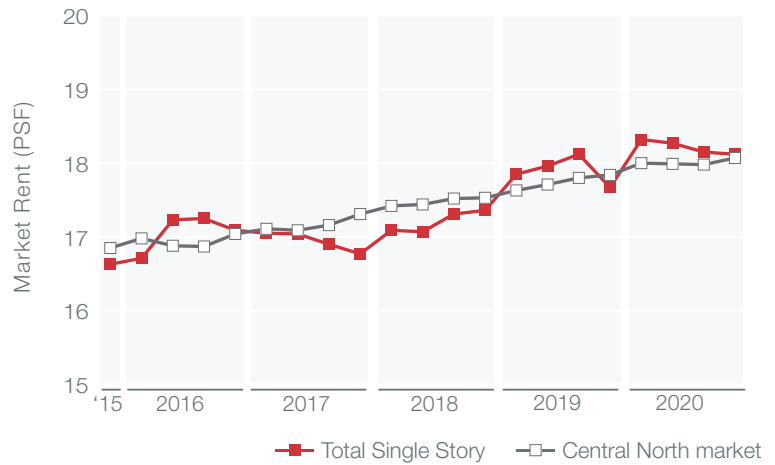
Canon Medical Systems USA, a member of the Canon group companies, renewed its lease for the entirety of a single-tenant building in the Deerpath Office park. They have occupied the space since 2011. This was the second largest suburban office deal overall in the fourth quarter.

- Market Rent Per SF increased 2.9 percent year-over-year, moving to \$20.12. This compared favorably to the larger North Suburban office market, which saw a 2,7 percent year-over-year increase. The submarket ended the year with a \$20.06 market rent per sf rate.
- In the fourth quarter, the Central North micro-market recorded 124,123 square feet of leasing activity across 19 deals. This was the largest single-quarter leasing activity figure since the 132,982 square feet recorded in the second quarter of 2011. The 242,972 square foot 2020 leasing activity figure was the largest full-year figure since the 299,055 square feet recorded throughout 2017.

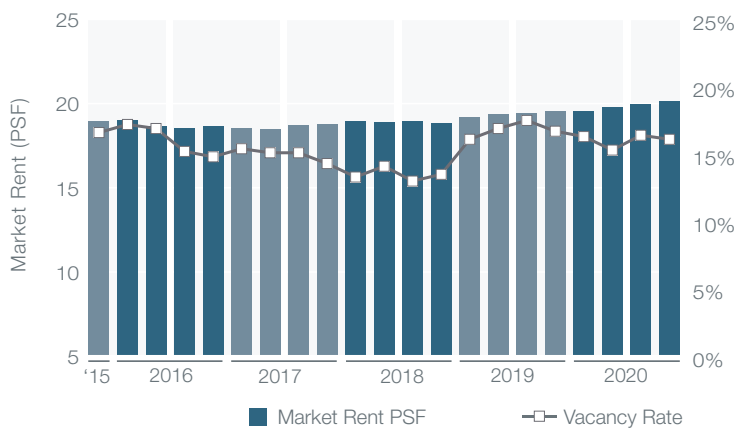
Blocks of Available Space



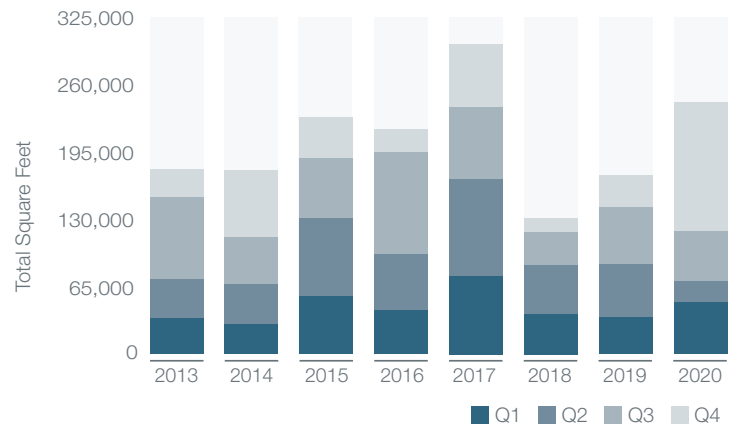
Market Rent Per SF



Vacancy Rate vs Market Rent Per SF



Overall Leasing Activity



Significant Single-Story Lease Transactions

Building Address	Leased (SF)	Tenant	Lease Type
704-708 Deerpath Dr, Vernon Hills	71,089	Canon Medical Systems USA	Renewal