

# METROPOLITAN CHICAGO Single-Story Office Report

TRUSTED.

Q1  
2021



Vacancy Rate  
**17.12%**



Net Absorption  
**-9K SF**



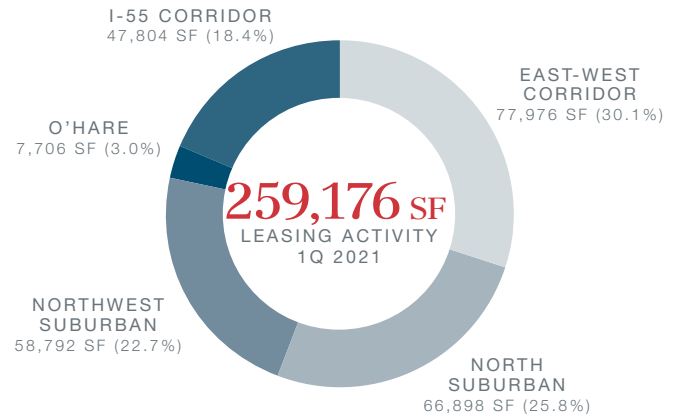
Leasing Activity  
**259K SF**



Market Rent  
**\$18.31/SF**

## Leasing Activity Improved Year-Over-Year

There was 259,176 square feet of leasing activity in the suburban single-story office market to start the year. This represented a modest 2.8 percent improvement year-over-year over a mostly pre-pandemic first quarter of 2020. The East-West Corridor saw 77,976 square feet of leasing activity across 18 deals in the first quarter, a 4.1 percent improvement year-over-year compared to the 74,893 square feet of leasing activity recorded in the first quarter of 2020. Schneider Electric's new lease at Executive Place II in Westmont accounted for 32.1 percent of the submarket's leasing activity on the quarter. Additionally, the North Suburban and I-55 Corridor submarkets both saw increases in leasing activity year-over-year as well.



The total vacancy rate was 17.12 percent to end the first quarter of 2021, increasing 79 basis points year-over-year from the 16.33 percent vacancy rate recorded in the first quarter of 2020. Despite this increase, the suburban single-story vacancy rate is steady when taking a longer view of the market, as demonstrated by the 17.19 percent total vacancy rate recorded in the first quarter of 2016.

Amongst peer submarkets, the North Suburban and O'Hare submarkets both saw decreases in total vacancy year-over-year. Leading the way, O'Hare's total vacancy rate was 11.85 percent in the first quarter of 2021, decreasing 2.18 percent year-over-year from the 14.03 percent rate recorded in the first quarter of 2020.

There was -8,515 square feet of net absorption in the first quarter, a 77.5 percent improvement quarter-over-quarter from the -37,798 square feet of net absorption recorded at year-end 2020. The I-55 Corridor led its submarket peers with 13,188 square feet of net absorption. Furthermore, that submarket has seen positive net absorption in two of the past three quarters.

## Market Summary

	Q1 2021	SF
Market Size	22,173,248	
Total Vacancy	3,796,358	(17.12%)
Direct Vacancy	3,707,872	(16.72%)
Sublease Vacancy	88,486	(0.40%)
Direct Available Space	4,645,908	(20.95%)
Total Available Space	4,849,535	(21.87%)
Net Absorption	-8,515	
YTD Net Absorption	-8,515	
Leasing Activity	259,176	
YTD Leasing Activity	259,176	
Under Construction	0	
YTD New Supply	0	

## Key Takeaways



There was -8,515 square feet of net absorption in the suburban Chicago single-story office market in the first quarter, a 77.5 percent improvement quarter-over-quarter from the fourth quarter of 2020.

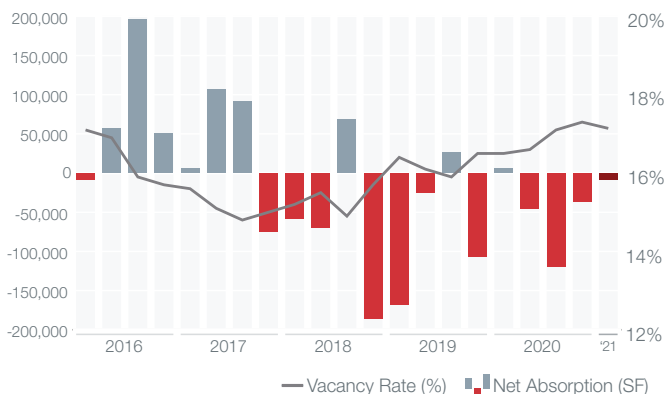


The suburban single-story office market ended the first quarter of 2021 with a 17.12 percent vacancy rate. The rate increased 79 basis points year-over-year from the 16.33 percent vacancy rate recorded in the first quarter of 2020.

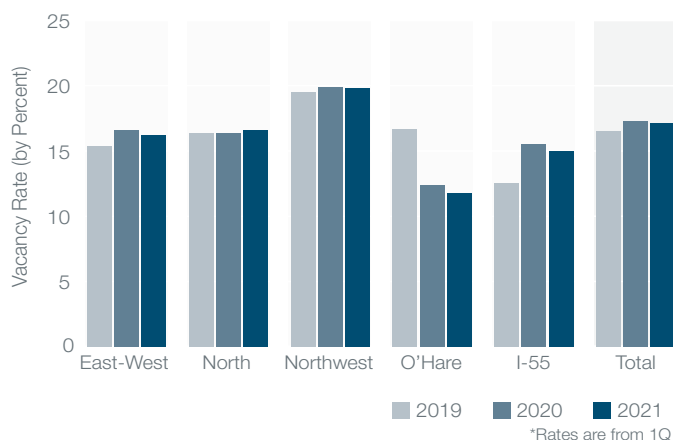


Suburban single-story leasing activity totaled over 259,000 square feet this quarter, a modest 2.8 percent improvement year-over-year over a mostly pre-pandemic 1Q 2020. The East-West Corridor submarket saw nearly 78,000 square feet - the submarket leader across the suburban Chicago market.

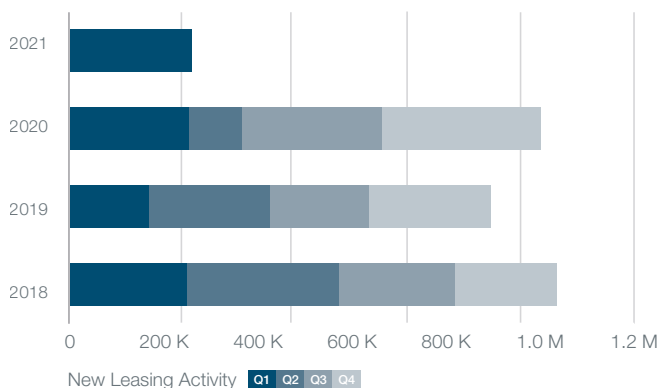
## Vacancy Rate and Absorption



## Yearly Vacancy Rates



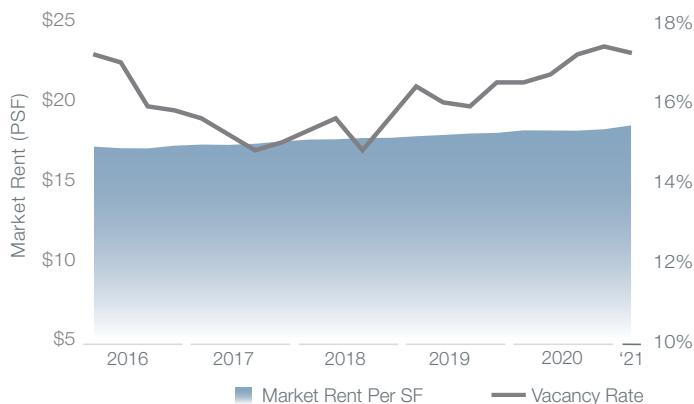
## Overall Leasing Activity



## Largest Blocks of Available Space

8125-8145 River Dr, Morton Grove	91,421 SF
1101-1171 Tower Ln, Bensenville	86,087 SF
536-616 Atrium Dr, Vernon Hills	77,646 SF
150 S Lincolnway, North Aurora	77,308 SF
1580-1598 S Lakeside Dr, Waukegan	59,250 SF
600-680 Oakmont Ln, Westmont	55,913 SF
3060 W Salt Creek Ln, Arlington Heights	50,112 SF
565 Lakeview Pky, Vernon Hills	46,605 SF
200 W 22nd St, Lombard	44,494 SF
1221 E Business Center Dr, Mount Prospect	44,000 SF

## Vacancy Rate vs Market Rent PSF



## Significant Transactions



**Lease**

1111 Pasquinelli Dr  
Westmont

**East-West Corridor**

**Tenant**

Schneider Electric



**Lease**

9014 Heritage Pky  
Woodridge

**I-55 Corridor**

**Tenant**

GovQA



**Lease**

3S 721 West Ave  
Warrenville

**East-West Corridor**

**Tenant**

Caravel Autism Health

# SUBMARKET OVERVIEW

## I-55 Corridor

Q1  
2021

TRUSTED.



Vacancy Rate  
**14.95%**



Net Absorption  
**13K SF**



YTD Leasing  
**48K SF**



Market Rent  
**\$18.69**

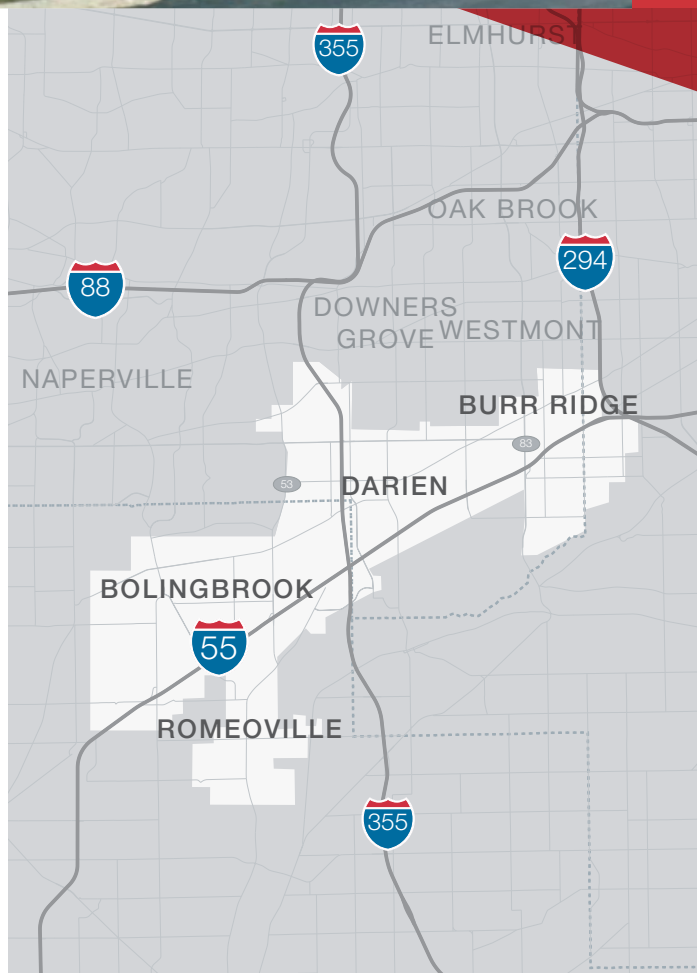
The I-55 Corridor submarket recorded a 14.95 percent total vacancy rate in the first quarter of 2021. This rate decreased 63 basis points quarter-over-quarter compared to the 15.58 percent rate recorded at year-end 2020. Additionally, the vacancy rate increased 105 basis points from the 13.9 percent rate recorded in the first quarter of 2020.

There was 13,188 square feet of net absorption in the I-55 Corridor to kick off 2021. This was the strongest net absorption figure recorded in the submarket since the 21,105 square feet of move-ins tallied in the third quarter of 2019. Additionally, this was the largest first quarter net absorption figure since the 19,904 square feet recorded to open 2018.

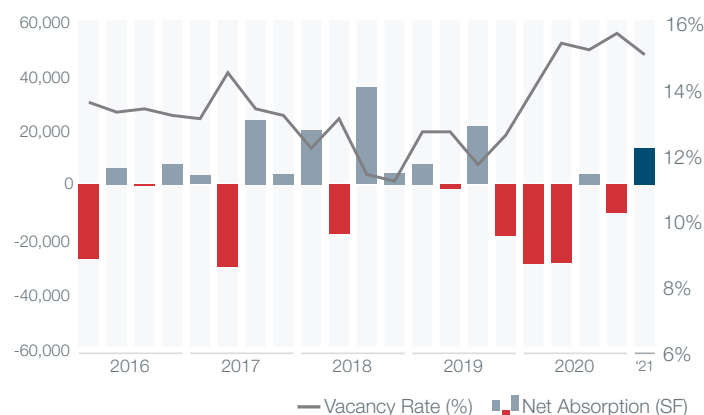
Market rent per SF increased slightly year-over-year, moving from the \$18.58 figure recorded in the first quarter of 2020 to the \$18.71 figure recorded in the first three months of 2021. Despite the pandemic, the current figure represents an all-time high for market rent per SF.

There was 47,804 square feet of leasing activity across 15 deals in the submarket in the first quarter. This more than doubled the 22,063 square feet of leasing activity recorded in the first quarter of 2020, when eight deals were signed.

GovQA signed the largest deal on the quarter, as the 11,975 square feet they leased at North Waterfall Glen in Woodridge represented 26.7 percent of the submarket's leasing activity on the quarter.



### Vacancy Rate vs Net Absorption







# 11,975 SF

## NEW LEASE

9014 Heritage Pky | Woodridge, Illinois

GovQA leased 11,975 square feet at North Waterfall Glen. GovQA, a firm which specializes in compliance software for governments, is slated to move in during the second quarter. NAI Hiffman represented the landlord in the transaction.

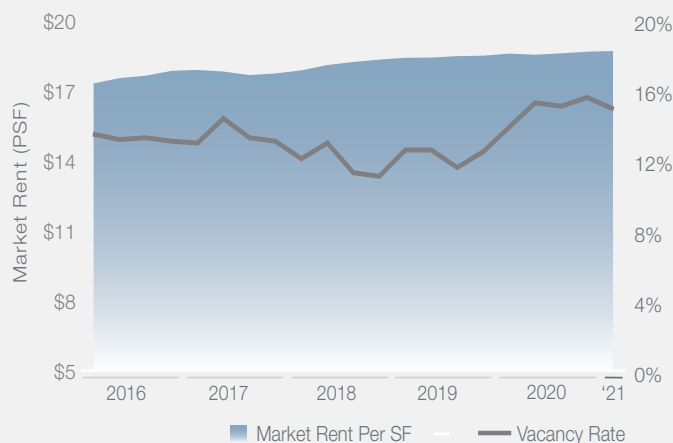
## Submarket Snapshot

The I-55 Corridor submarket consists of over 2.1 million square feet of inventory across 105 buildings.

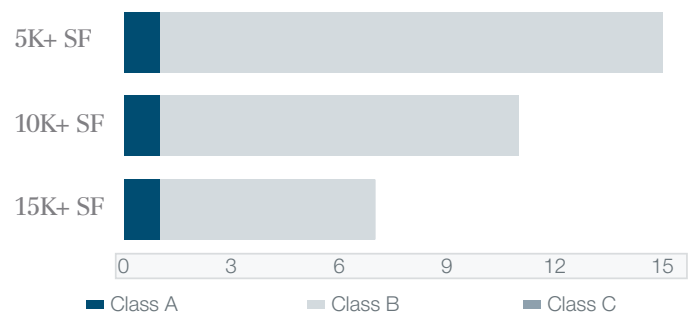
The most recent addition to this submarket was Windham Lakes, a 43,227-square-foot facility in Romeoville that delivered in the first quarter of 2019. There is currently a 15,849-square-foot contiguous availability for lease.



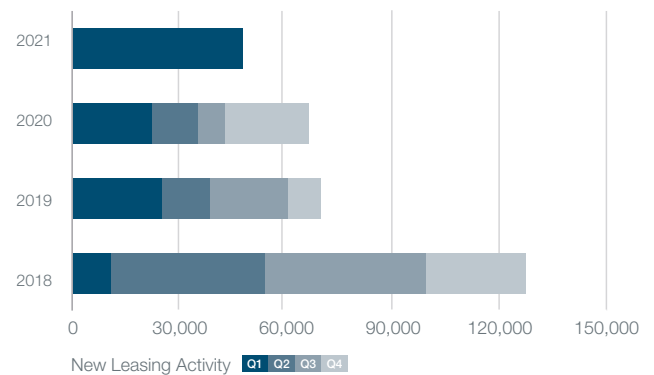
## Vacancy Rate vs Market Rent PSF



## Blocks of Available Space



## Leasing Activity



## Significant Transactions



**Lease**

9014 Heritage Pky  
Woodridge

**11,975 SF**

**Tenant**  
GovQA



**Sale**

7155 Janes Ave  
Woodridge

**\$1,400,000**

**Buyer**  
Guiding Light Academy Inc.