

METROPOLITAN CHICAGO Single-Story Office Report

TRUSTED.

Q2
2021



Vacancy Rate
16.60%



Net Absorption
52K SF



Leasing Activity
284K SF



Market Rent
\$18.45/SF

Positive total net absorption for the first time in over a year

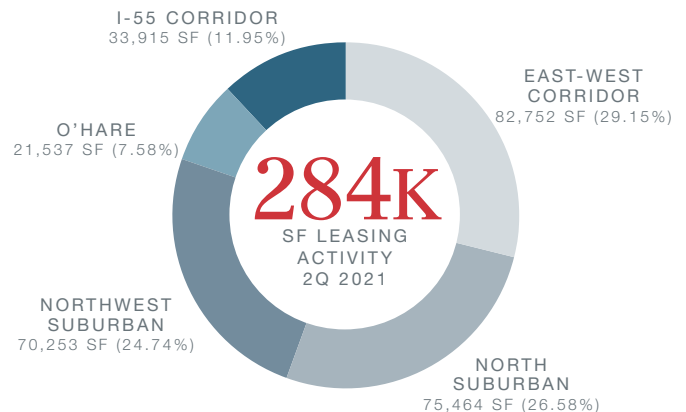
The single-story suburban office market recorded 52,476 square feet of net absorption in the second quarter of 2021, the first quarter in the black after four consecutive quarters of negative net absorption. The second quarter figure was the largest on record since the 122,926 square feet of net absorption tallied in the third quarter of 2018.

Three submarkets recorded positive net absorption on the quarter, led by the 37,686 square feet recorded in the I-55 Corridor. The Northwest Suburban submarket had 36,091 square feet of net absorption in the second quarter, making for a strong second place showing amongst its peer submarkets.

There was 283,921 square feet of leasing activity in the single-story suburban office market in the second quarter, a robust 145.0 percent improvement over the 115,879 square feet of leasing activity recorded at the height of pandemic uncertainty in the second quarter of 2020. Additionally, the nearly 284,000 square feet of activity was spread across 127 deals.

This was largest amount of deals in the market since the 130 deals tallied in the second quarter of 2016. The East-West Corridor led its peer submarkets with 82,752 square feet of leasing activity in the second quarter - 29.1 percent of total single-story suburban activity.

The total vacancy rate was 16.60 percent at mid-year 2021. The rate increased 42 basis points year-over-year from the 16.18 percent vacancy rate recorded at mid-year 2020. Despite this marginal increase in vacancy over the course of the past year, the market remains in good shape - the current vacancy rate compares favorably to the 16.63 percent vacancy rate recorded in the first quarter of 2015. The tightest vacancy rates at mid-year by submarket are found in O'Hare (11.05 percent) and the I-55 Corridor (12.88 percent).



Market Summary

	Q2 2021	SF
Market Size		22,316,767
Total Vacancy		3,705,575 (16.60%)
Direct Vacancy		3,558,867 (15.95%)
Sublease Vacancy		146,708 (0.66%)
Direct Available Space		4,215,443 (18.89%)
Total Available Space		4,434,462 (19.87%)
Net Absorption		52,476
YTD Net Absorption		52,406
Leasing Activity		283,921
YTD Leasing Activity		545,202
Under Construction		0
YTD New Supply		0

Key Takeaways



There was 52,476 square feet of net absorption in the suburban Chicago single-story office market in the second quarter, breaking a four consecutive quarter streak of negative net absorption.

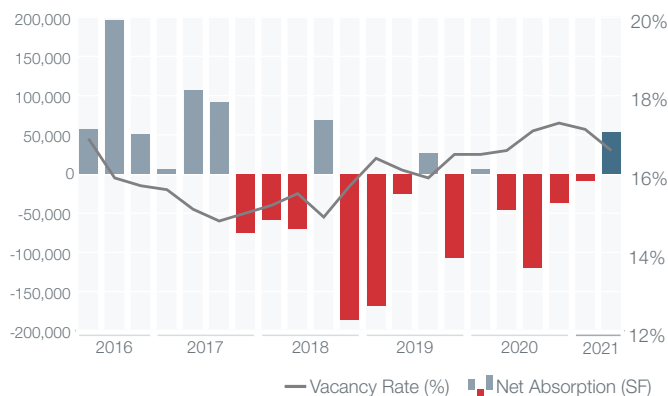


The suburban single-story office market at mid-year 2021 recorded a 16.60 percent vacancy rate. The rate increased 42 basis points year-over-year from the 16.18 percent vacancy rate recorded at mid-year 2020.

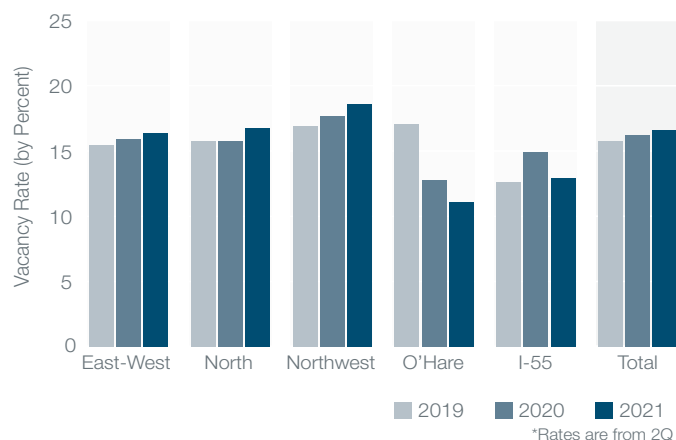


Suburban single-story leasing activity totaled nearly 284,000 square feet this quarter across 127 deals, a robust 145.0 percent improvement over the 115,879 square feet of leasing activity recorded at the height of pandemic uncertainty in the second quarter of 2020.

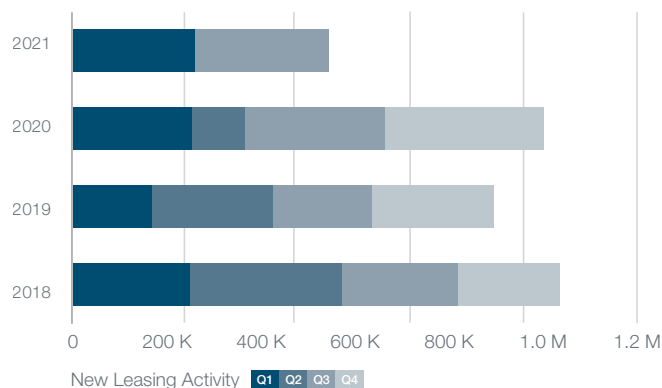
Vacancy Rate and Net Absorption



Yearly Vacancy Rates



Overall Leasing Activity



Largest Blocks of Available Space

1101-1171 Tower Ln, Bensenville	86,087 SF
536-616 Atrium Dr, Vernon Hills	77,646 SF
8125-8145 River Dr, Morton Grove	71,903 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
7230 N Caldwell Ave, Niles	48,326 SF
565 Lakeview Pky, Vernon Hills	46,605 SF
2170 Point Blvd, Elgin	46,093 SF
1221 E Business Center Dr, Mount Prospect	44,000 SF

Vacancy Rate vs Market Rent PSF



Significant Transactions



Sublease

4350 Weaver Pky
Warrenville

East-West Corridor

Tenant

Assured Partners



Lease

3150 W Higgins Rd
Hoffman Estates

Northwest Suburban

Tenant

Greater Elgin Family Care



Lease

9018 Heritage Pky
Woodridge

I-55 Corridor

Tenant

Hummingbird Pediatric

MICRO-MARKET OVERVIEW Schaumburg

Q2
2021

TRUSTED.



Vacancy Rate
28.50%



Net Absorption
64K SF



YTD Leasing
97K SF



Market Rent
\$18.13

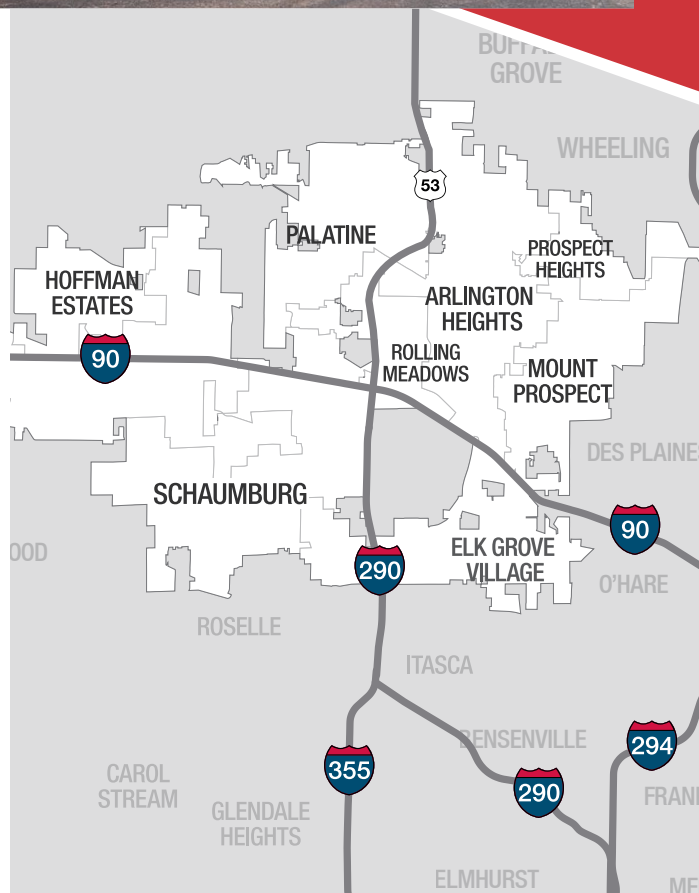
The Schaumburg area micro-market recorded a 28.5 percent vacancy rate at mid-year 2021. The rate decreased 275 basis points quarter-over-quarter from the 31.25 percent vacancy rate tallied in the first quarter of 2021. Despite this improvement in vacancy in comparison to the start of the year, the rate has increased 123 basis points year-over-year from the 27.27 percent vacancy rate recorded at mid-year 2020.

There was 63,522 square feet of net absorption in the Schaumburg area micro-market in the second quarter, the first quarter of positive net absorption recorded since the scant 44 square feet tallied in the first quarter of 2020. In addition, this is the largest single-quarter net absorption figure recorded in 20 years since the 84,576 square feet of net absorption tallied in the second quarter of 2000. At mid-year, the micro-market has recorded 5,117 square feet of net absorption.

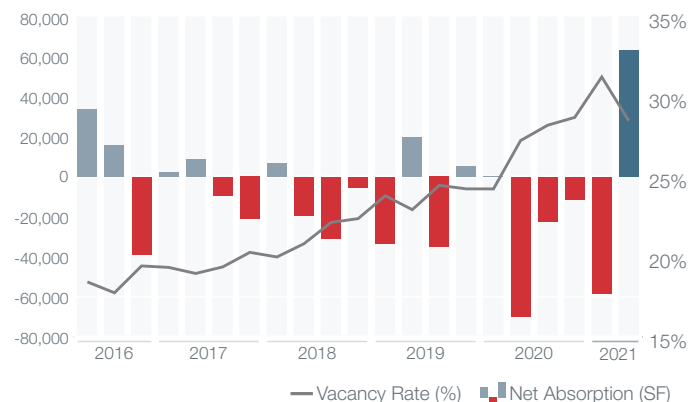
Market rent per SF remained effectively unchanged year-over-year, declining from the \$16.86 rate recorded in the second quarter of 2020 to the \$16.85 rate recorded at mid-year 2021. The all-time high was the \$17.00 recorded in the first quarter of 2020.

There was 55,693 square feet of leasing activity spread across 37 deals in the second quarter. This more than doubled the 22,322 square feet of leasing activity across 9 deals recorded in the second quarter of 2020.

Greater Elgin Family Care signed the largest deal in the micro-market on the quarter, accounting for 33.4 percent of the quarter's leasing activity.



Vacancy Rate vs Net Absorption





18,621 SF

NEW LEASE

3150 W Higgins Rd | Hoffman Estates, Illinois

Greater Elgin Family Care Center leased 18,621 square feet at Greenspoint Phase II in the Greenspoint Office Park. The 31,109-square-foot building is now fully occupied.

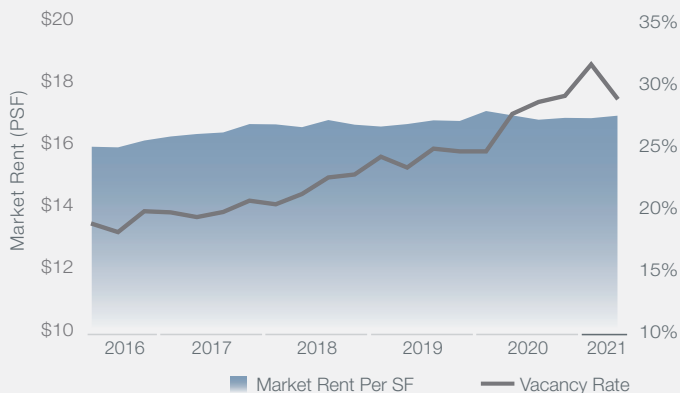
Submarket Snapshot

The Schaumburg Area micro-market consists of over 2.3 million square feet of inventory across 98 buildings.

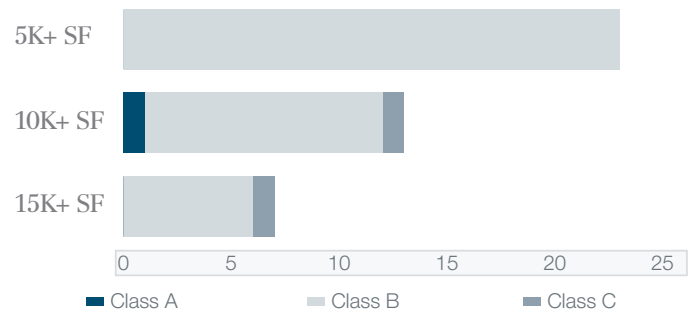
The largest building in the micro-market is the Countryside Medical/Professional Office Building in Palatine; notable building parks include the Northwest Corporate Centre in Hoffman Estates and Parkway Corporate Place in Schaumburg.



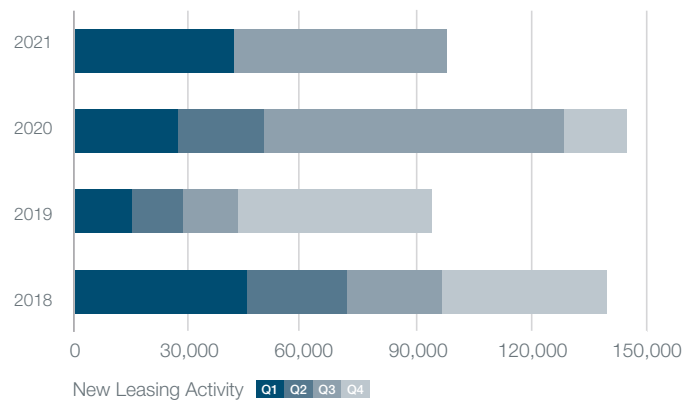
Vacancy Rate vs Market Rent PSF



Blocks of Available Space



Leasing Activity



Significant Transactions



Lease

3150 W Higgins Rd
Hoffman Estates

18,621 SF

Tenant

Greater Elgin Family Care