

METROPOLITAN CHICAGO Single-Story Office Report

TRUSTED.

Q3
2021



Vacancy Rate
15.37%



Net Absorption
187K SF



Leasing Activity
261K SF



Market Rent
\$18.57 SF

The largest single quarter of net absorption in the last five years

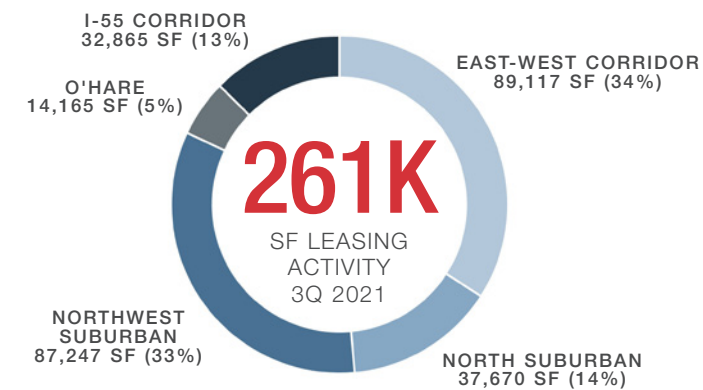
The suburban single-story office market recorded 186,707 square feet of net absorption in the third quarter of 2021, the second consecutive quarter of positive net absorption. The third quarter figure was the largest since the 197,197 square feet tallied in the third quarter of 2016.

Three submarkets recorded positive net absorption on the quarter, led by the 187,145 square feet tallied in the East-West Corridor. The I-55 Corridor (29,257 square feet) and O'Hare (20,086 square feet) submarkets were also in the black. As a result of this increased pace of move-ins, the suburban single-story market had a 15.37 percent vacancy in the third quarter.

There was 261,064 square feet of leasing activity in the suburban single-story office market in the third quarter across 122 deals, the second consecutive quarter where over 120 transactions were signed. Furthermore, there has been 830,621 square feet of leasing activity year-to-date in 2021 across 348 deals, a 24.1 percent increase compared to the 669,412 square feet signed across 240 transactions through the first nine months of 2020.

While some may attribute this improvement to lessening headwinds from the initial onset of the Covid 19 pandemic, year-to-date activity in 2021 has increased 29.7 percent compared to the 640,270 square feet of activity across 267 deals tallied in the first nine months of 2019. Suburban single-story office performance so far in 2021 is on par with the 806,774 square feet of deals signed across 328 transactions in the first nine months of 2018.

Notable deals signed in the third quarter include Duly Health and Care signing for nearly 22,000 square feet at 4205 Westbrook Dr in Aurora and Sollitt Construction leasing nearly 19,000 square feet at the High Point Business Center in the Northwest Suburban submarket.



Market Summary

Q3 2021 SF	
Market Size	22,432,526
Total Vacancy	3,455,603 (15.37%)
Direct Vacancy	3,349,268 (14.93%)
Sublease Vacancy	106,335 (0.47%)
Direct Available Space	4,259,619 (18.99%)
Total Available Space	4,474,096 (19.94%)
Net Absorption	186,707
YTD Net Absorption	226,673
Leasing Activity	261,064
YTD Leasing Activity	830,621
Under Construction	0
YTD New Supply	0

Key Takeaways



There was 186,707 square feet of net absorption in the suburban Chicago single-story office market in the third quarter, the largest figure since the 197,197 square feet tallied in the third quarter of 2016.

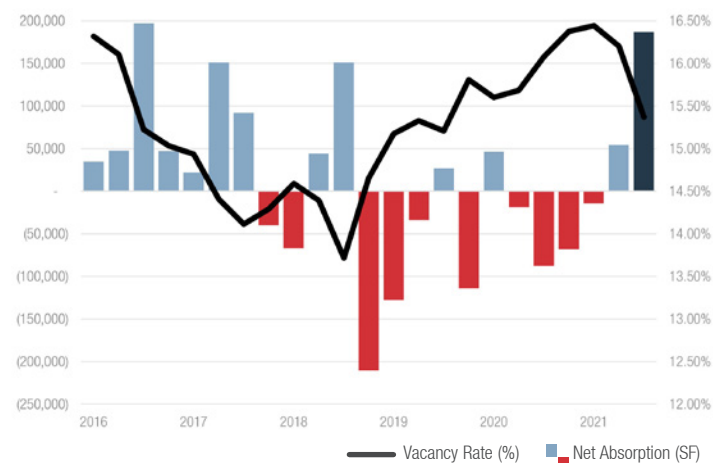


The suburban single-story office market in the third quarter of 2021 recorded a 15.37 percent vacancy rate. The rate decreased 71 basis points year-over-year from the 16.08 percent vacancy rate recorded in the third quarter of 2020.

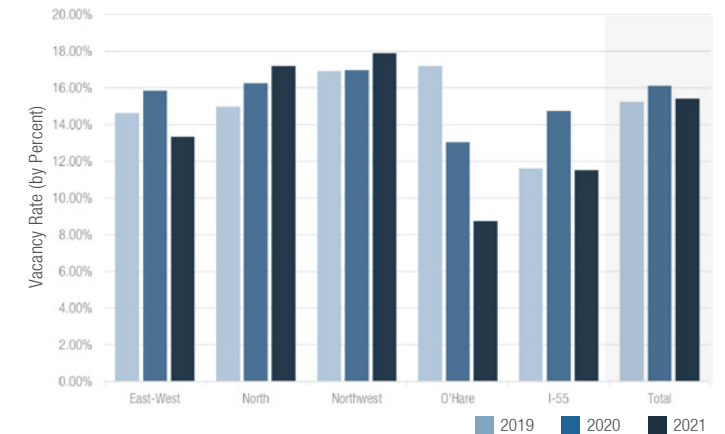


Suburban single-story leasing activity totaled over 261,000 square feet this quarter across 122 deals, the second consecutive quarter where over 120 deals were signed. There has been 348 deals signed year-to-date, the best figure tallied since the 361 deals signed through the first nine months of 2016.

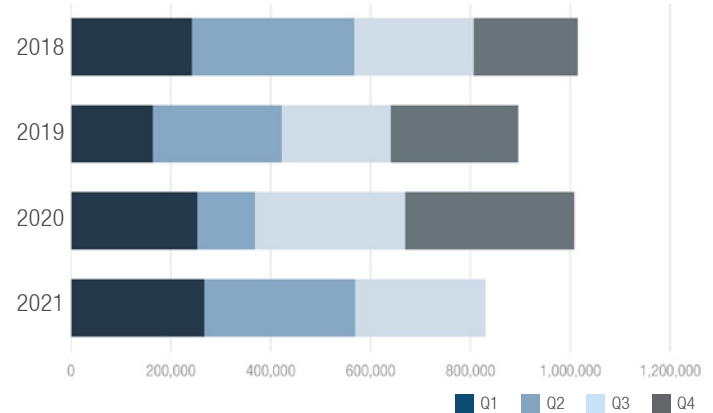
Vacancy Rate and Net Absorption



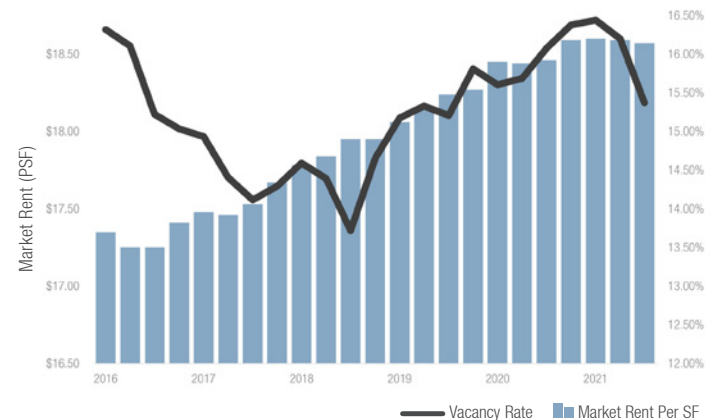
Yearly Vacancy Rates



Overall Leasing Activity



Vacancy Rate vs Market Rent PSF



Largest Blocks of Available Space

887 Deerfield Pky, Buffalo Grove	105,106
1101-1171 Tower Ln, Bensenville	86,087
536-616 Atrium Dr, Vernon Hills	77,646
5350-5360 Keystone Ct, Rolling Meadows	60,412
1580-1598 S Lakeside Rd, Waukegan	59,250
8125-8145 River Dr, Morton Grove	45,543
565 Lakeview Pky, Vernon Hills	44,067
1450 Busch Pky, Buffalo Grove	44,042
1025 Tri-State Pky, Gurnee	43,224
27545 Diehl Rd, Warrenville	41,487

Significant Transactions



Lease

185 Hansen Ct
Wood Dale

Northwest Suburban

Tenant

Sollitt Construction



Lease

915 National Pky
Schaumburg

Northwest Suburban

Tenant

Action Behavior Centers



Lease

4205 Westbrook Drive
Aurora

East-West Corridor

Tenant

Duly Health and Care

MICRO-MARKET OVERVIEW

Eastern East-West Corridor

Q3
2021

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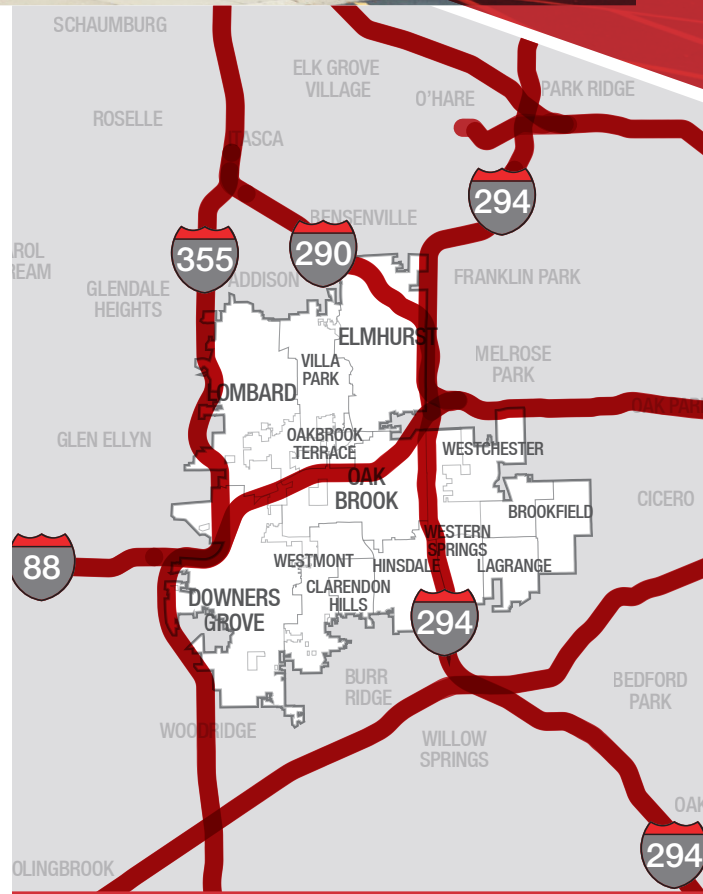


The Eastern East-West Corridor micro-market recorded a 15.50 percent vacancy rate in the third quarter of 2021. The rate decreased 335 basis points quarter-over-quarter from the 18.85 percent rate tallied at mid-year 2021. In addition, the rate decreased 202 basis points year-over-year from the 17.52 percent rate tallied in the third quarter of 2020.

There was 98,285 square feet of net absorption in the Eastern East-West Corridor micro-market in the third quarter, the first quarter of positive net absorption since the scant 1,844 square feet of net absorption tallied in the third quarter of 2020. In addition, this is the largest single-quarter net absorption figure recorded since the 101,955 square feet of move-ins tallied in the third quarter of 2016. Through the first nine months of 2021, the micro-market has recorded 83,186 square feet of net absorption.

Market rent per SF increased 0.64 percent year-over-year from the \$17.26 figure recorded in the third quarter of 2020 to the \$17.37 figure tallied in the third quarter of 2021.

There was 72,689 square feet of leasing activity spread across 21 deals in the third quarter, a 50.8 percent improvement year-over-year from the 48,203 square feet of leasing activity tallied in the third quarter of 2020. The third quarter figure was the largest since the 85,796 square feet of leasing activity signed in the third quarter of 2016; the 21 deals was the largest raw total since the 21 deals completed in the second quarter of 2018. Special Olympics signed the largest deal in the micro-market on the quarter, leasing 9,933 square feet at the Oak Creek Center in Lombard.



Vacancy Rate vs Net Absorption



9,933 SF

NEW LEASE

1700-1750 S Finley Rd | Lombard, Illinois

Special Olympics signed an eight-year, 9,933-square-foot lease at the Oak Creek Center in Lombard in the third quarter. The Oak Creek Center, which was built in 2001, is now fully occupied.

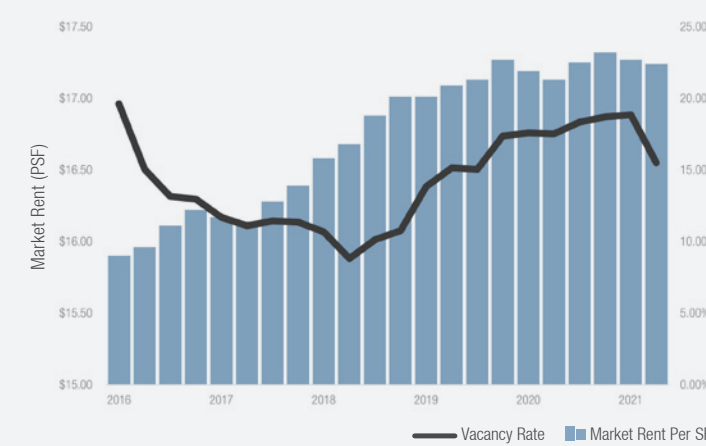
Submarket Snapshot

The Eastern East-West Corridor micro-market consists of over 2.8 million square feet of inventory across 100 buildings.

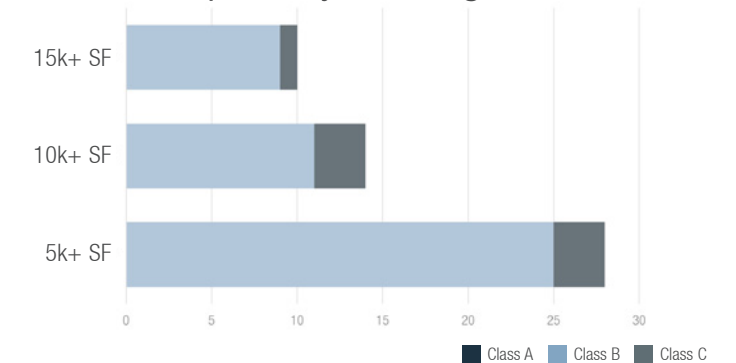
The largest building in the micro-market is the Patriot Corporate Center in Downers Grove; notable building parks include the Oak Creek Center in Lombard and the Woodland Corporate Center in Downers Grove.



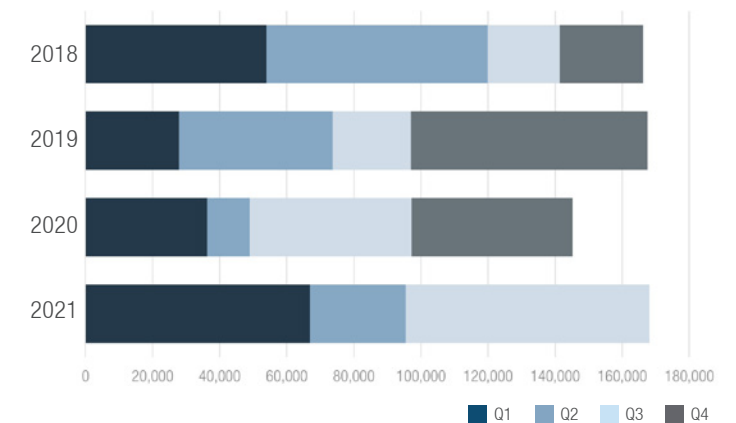
Vacancy Rate vs Market Rent PSF



Available Space by Building



Leasing Activity



Significant Transactions



Lease

Oak Creek Center
Lombard

9,933 SF

Tenant
Special Olympics



Lease

3020 Woodcreek Dr
Downers Grove

4,518 SF

Tenant
SGS



Renewal

3020 Woodcreek Dr
Downers Grove

4,409 SF

Tenant
Solacom