

METROPOLITAN CHICAGO Single-Story Office Report

TRUSTED.

Q3
2023

Vacancy Rate
15.9%

2023 Net Absorption
9K SF

2023 Leasing Activity
212K SF

Market Rent
\$19.86 SF

Single-Story Market Demand Accelerates in 2023

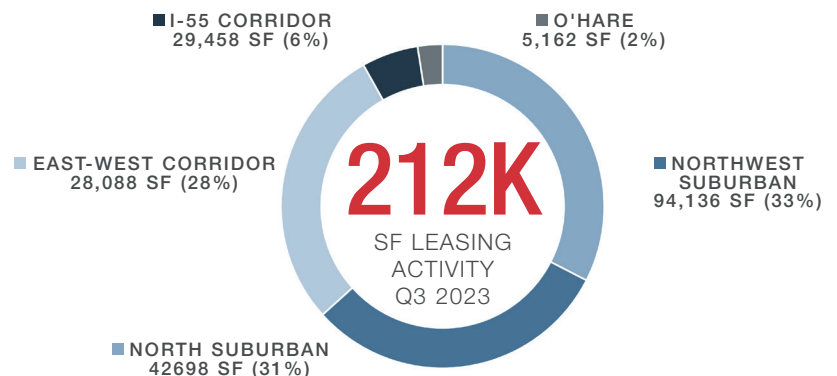
Chicago's suburban single-story office has maintained strong fundamentals in 2023, with 830,562 square feet of new leasing activity year-to-date, up 8.5% from the same period in 2022.

Net absorption totaled 8,559 square feet during the third quarter, bringing year-to-date absorption to 23,901 square feet. The overall vacancy rate measured 15.9%, down 90 basis points year-over-year.

Single-story product continues to outperform the overall suburban office market, which saw vacancy at 25.8% during the third quarter. Since the start of the pandemic, the market has seen many tenants opt for single-story office buildings to take advantage of a more efficient footprint, direct access, dedicated HVAC/rest rooms and full control of the space.

The North Suburban submarket led all submarkets with 68,988 square feet of new leasing activity, 33% of the single-story's total leasing activity for the quarter. The GSA inked the largest deal of the quarter, taking 38,000 square feet at 8125-8145 River Road in the North Suburban submarket.

Asking rents continue to hold steady, averaging \$19.86/SF, up 6.8% year-over-year. The Northwest Suburban submarket commanded the highest gross asking rents, averaging \$20.42/SF during the quarter.



Market Summary

	Q3 2023	SF
Market Size		22,382,014
Total Vacancy	3,551,608	15.9%
Direct Vacancy	3,438,913	15.4%
Sublease Vacancy	112,695	0.5%
Total Available Space	3,901,751	17.4%
Net Absorption	8,559	
YTD Net Absorption	23,901	
Leasing Activity	211,889	
YTD Leasing Activity	830,562	
Under Construction	0	
YTD New Supply	0	



Chicago's suburban single-story office has maintained strong fundamentals in 2023, with 830,562 square feet of new leasing activity year-to-date.

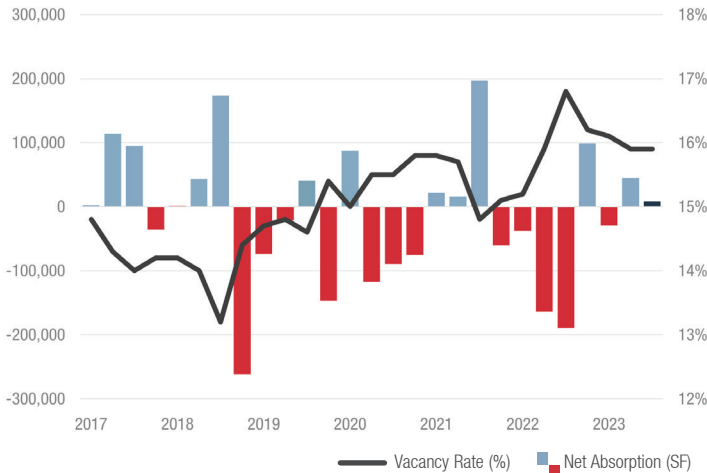


The market registered 8,559 square feet of positive net absorption during the third quarter, bringing the year-to-date total to 23,901 square feet.

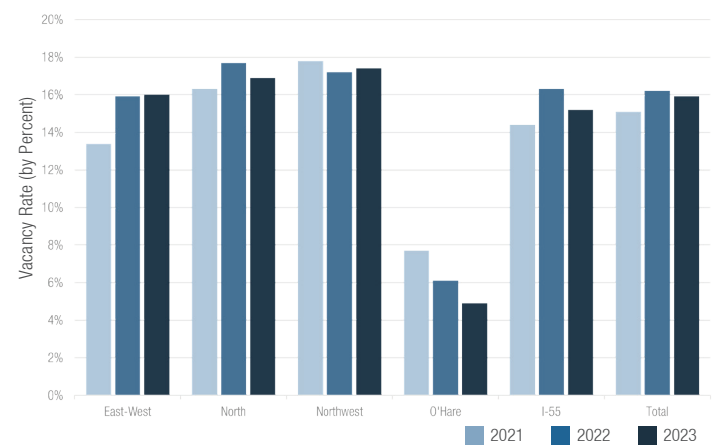


At 15.9% overall vacancy, single-story product continues to outperform the overall suburban office market.

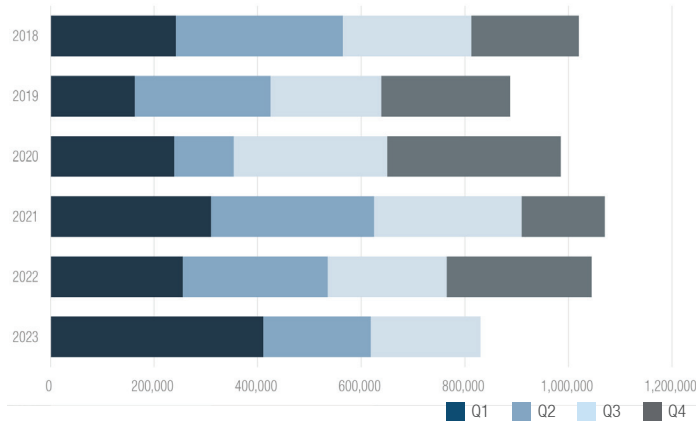
Vacancy Rate and Net Absorption



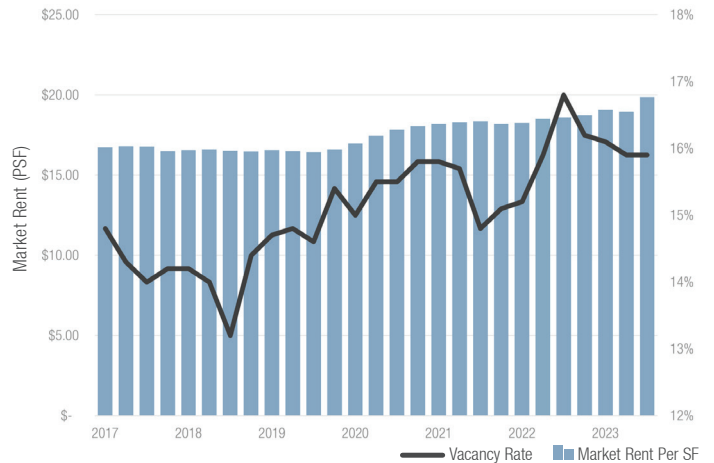
Yearly Vacancy Rates



Overall Leasing Activity



Vacancy Rate vs Market Rent PSF



Significant Transactions



New Lease

8125-8145 River Rd
Morton Grove

North Suburban

38,000 SF

Tenant
GSA



Extension

111 Deer Lake Rd
Deerfield

North Suburban

27,000 SF

Tenant
Envista Forensics



New Lease

1200 Internationale Pky
Woodridge

I-55 Corridor

25,000 SF

Tenant
Mahoney Environmental
Solutions



New Lease

3815 E Main St
St. Charles

East/West Corridor

14,000 SF

Tenant
Smart Source



Sublease

9014 Heritage Pky
Woodridge

I-55 Corridor

12,000 SF

Tenant
Porte Brown