Q4
2023

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Office Market Report
METROPOLITAN CHICAGO

Office Market Report

METROPOLITAN CHICAGO

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Q4

2023

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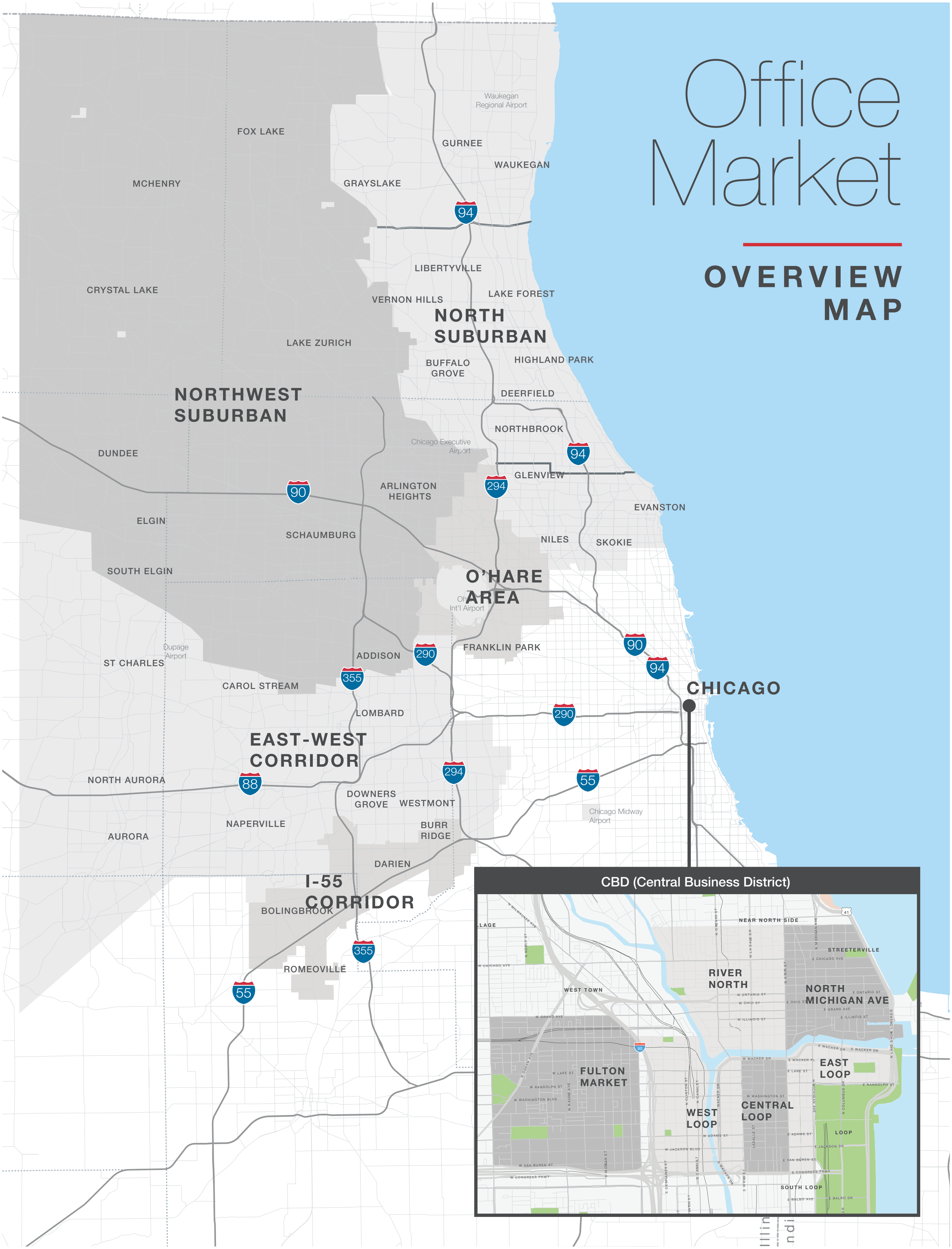
Suburban Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	4Q23 Net Absorption (SF)	YTD 2023 Net Absorption	4Q23 Leasing Activity (SF)	YTD 2023 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
East-West Corridor	40,170,555	9,265,563	21.8%	1.3%	23.1%	29.3%	143,998	46,531	327,079	1,953,869	0	$23.86
Class A	21,409,504	5,408,513	23.5%	1.8%	25.3%	33.7%	267,044	521,038	150,764	1,173,186	0	$25.25
Class B	16,707,829	3,680,262	21.3%	0.7%	22.0%	26.0%	-94,667	-423,283	159,273	729,395	0	$21.80
Class C	2,081,254	176,788	8.5%	0.0%	8.5%	9.5%	-28,379	-51,224	17,042	51,288	0	$18.70
I-55 Corridor	3,365,199	480,104	14.3%	0.0%	14.3%	18.5%	-7,918	-55,392	24,090	137,266	0	$21.80
Class A	834,306	173,072	20.7%	0.0%	20.7%	31.7%	0	-65,179	0	11,796	0	$23.68
Class B	2,117,567	260,945	12.3%	0.0%	12.3%	14.8%	-5,571	8,386	15,601	105,777	0	$18.45
Class C	413,326	46,087	11.2%	0.0%	11.2%	10.9%	-2,347	1,401	8,489	19,693	0	$18.05
North Suburban	25,955,434	6,281,625	23.5%	0.7%	24.2%	30.5%	-378,468	-578,535	173,818	1,070,207	0	$25.26
Class A	15,709,033	4,166,876	25.5%	1.0%	26.5%	35.2%	-353,235	-513,790	101,361	623,962	0	$28.06
Class B	8,863,789	1,816,271	20.3%	0.2%	20.5%	22.9%	-8,586	-29,487	61,077	400,393	0	$22.08
Class C	1,382,612	298,478	21.6%	0.0%	21.6%	24.9%	-16,647	-35,258	11,380	45,852	0	$18.46
Northwest Suburban	31,074,683	9,609,989	29.1%	1.8%	30.9%	33.6%	-93,572	23,154	176,244	1,468,214	0	$23.82
Class A	16,748,945	5,251,255	28.6%	2.8%	31.4%	36.1%	-80,336	111,626	112,202	903,909	0	$25.75
Class B	12,917,699	4,241,187	32.1%	0.7%	32.8%	33.0%	-16,596	-146,463	55,647	526,934	0	$18.83
Class C	1,408,039	117,547	8.3%	0.0%	8.3%	9.1%	3,360	57,991	8,395	37,371	0	$18.37
O'Hare	13,994,253	2,738,657	18.2%	1.4%	19.6%	26.4%	-50,413	109,215	230,006	777,273	0	$27.04
Class A	8,090,473	1,591,172	18.2%	1.5%	19.7%	28.3%	19,462	78,567	181,110	435,009	0	$31.20
Class B	5,476,001	1,084,453	18.4%	1.4%	19.8%	24.8%	-67,769	34,459	48,896	336,691	0	$21.43
Class C	427,779	63,032	14.7%	0.0%	14.7%	11.4%	-2,106	-3,811	0	5,573	0	$17.73
Suburban Totals	114,546,108	28,375,938	23.5%	1.3%	24.8%	30.1%	-386,373	-455,027	931,237	5,406,829	0	$24.29
Class A	62,792,261	16,590,888	24.6%	1.8%	26.4%	34.0%	-147,065	132,262	545,437	3,147,862	0	$26.24
Class B	46,068,869	11,083,118	23.5%	0.6%	24.1%	26.7%	-193,189	-556,388	340,494	2,099,190	0	$21.04
Class C	5,698,994	701,932	12.3%	0.0%	12.3%	13.4%	-46,119	-30,901	45,306	159,777	0	$18.35

* Metro Chicago Totals incorporate CBD and Suburbs


Office Market
OVERVIEW MAP
Waukegan Regional Airport
FOX LAKE
GURNEE
WAUKEGAN
MCHENRY
GRAYSLAKE
94
LIBERTYVILLE
CRYSTAL LAKE
VERNON HILLS
LAKE FOREST
NORTH SUBURBAN
LAKE ZURICH
BUFFALO GROVE
HIGHLAND PARK
NORTHWEST SUBURBAN
DEERFIELD
NORTHBROOK
Chicago Executive Airport
DUNDEE
94
GLENVIEW
294
90
ARLINGTON HEIGHTS
EVANSTON
ELGIN
SCHAUMBURG
NILES
SKOKIE
SOUTH ELGIN
O'HARE AREA
O'Hare Int'l Airport
Dupage Airport
ST CHARLES
ADDISON
290
FRANKLIN PARK
90
94
355
CAROL STREAM
CHICAGO
LOMBARD
290
EAST-WEST CORRIDOR
294
NORTH AURORA
88
55
DOWNERS GROVE
WESTMONT
Chicago Midway Airport
NAPERVILLE
AURORA
BURR RIDGE
DARIEN
I-55 CORRIDOR
BOLINGBROOK
355
ROMEOVILLE
55
CBD (Central Business District)
NEAR NORTH SIDE
STREETERVILLE
RIVER NORTH
WEST TOWN
NORTH MICHIGAN AVE
FULTON MARKET
EAST LOOP
WEST LOOP
CENTRAL LOOP
SOUTH LOOP

Commercial Real Estate Services, Worldwide

CBD Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	4Q23 Net Absorption (SF)	YTD 2023 Net Absorption	4Q23 Leasing Activity (SF)	YTD 2023 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
Central Loop	37,942,665	9,324,570	23.1%	1.5%	24.6%	29.8%	-122,310	-837,541	299,794	1,364,780	0	$39.98
Class A	21,794,217	5,248,390	22.3%	1.7%	24.1%	29.7%	-23,221	-124,017	112,722	661,158	0	$43.34
Class B	14,824,431	3,888,853	24.9%	1.3%	26.2%	31.2%	-71,889	-676,090	187,072	692,592	0	$35.94
Class C	1,324,017	187,327	14.1%	0.0%	14.1%	14.9%	-27,200	-37,434	-	11,030	0	$56.46
East Loop	27,406,017	6,271,155	21.8%	1.1%	22.9%	30.5%	-106,206	-530,210	91,550	639,208	0	$39.49
Class A	18,000,024	3,688,179	19.4%	1.1%	20.5%	29.6%	-51,645	-422,312	22,996	362,543	0	$39.55
Class B	6,755,174	1,972,349	28.1%	1.1%	29.2%	33.2%	-74,330	-19,675	28,890	172,816	0	$36.83
Class C	2,650,819	610,627	22.9%	0.1%	23.0%	29.3%	19,769	-88,223	39,664	103,849	0	$30.15
Fulton Market	9,861,994	1,739,169	15.5%	2.1%	17.6%	22.0%	70,444	294,610	182,166	804,375	493,680	$39.33
Class A	5,494,721	924,841	13.2%	3.6%	16.8%	21.3%	70,777	322,374	129,956	456,170	493,680	$54.51
Class B	3,098,243	642,188	20.5%	0.2%	20.7%	23.5%	-13,992	-52,605	46,148	276,192		$32.66
Class C	1,269,030	172,140	13.2%	0.3%	13.6%	21.5%	13,659	24,841	6,062	72,013		$29.87
NMA	13,974,324	2,069,994	13.0%	1.8%	14.8%	20.2%	-28,870	-116,947	98,487	291,533	0	$26.60
Class A	9,382,860	1,463,529	13.0%	2.6%	15.6%	21.9%	-22,410	-93,986	94,904	254,793	0	$27.68
Class B	4,344,534	556,554	12.5%	0.3%	12.8%	16.2%	540	-10,661	3,583	32,990	0	$25.00
Class C	246,930	49,911	20.2%	0.0%	20.2%	27.9%	-7,000	-12,300	-	3,750	0	$20.48
River North	18,104,010	4,673,099	21.7%	4.1%	25.8%	31.8%	-9,581	-355,576	242,675	1,093,674	217,000	$38.03
Class A	12,394,111	3,338,436	21.2%	5.7%	26.9%	33.1%	33,023	-40,602	168,304	808,575	217,000	$40.79
Class B	4,270,360	792,317	17.7%	0.8%	18.6%	25.6%	-37,420	-129,833	43,950	207,528	0	$31.20
Class C	1,439,539	542,346	37.7%	0.0%	37.7%	38.9%	-5,184	-185,141	30,421	77,571	0	-
West Loop	58,673,220	12,365,687	18.1%	3.0%	21.1%	27.3%	-435,502	-1,277,402	942,071	3,381,230	0	$44.27
Class A	46,825,118	8,495,802	15.0%	3.2%	18.1%	24.5%	-354,948	-730,702	740,452	2,728,779	0	$45.27
Class B	10,097,086	3,525,688	32.5%	2.5%	34.9%	40.8%	-70,169	-476,027	182,919	548,107	0	$38.34
Class C	1,751,016	344,197	18.7%	1.0%	19.7%	24.1%	-10,385	-70,673	18,700	104,344	0	$22.90
Downtown Totals	165,962,230	36,443,674	19.7%	2.3%	22.0%	28.0%	-632,025	-2,823,066	1,856,743	7,574,800	710,680	$41.46
Class A	113,891,051	23,159,177	17.5%	2.8%	20.3%	26.9%	-348,424	-1,089,245	1,269,334	5,272,018	710,680	$42.94
Class B	43,389,828	11,377,949	24.9%	1.3%	26.2%	31.1%	-267,260	-1,364,891	492,562	1,930,225	0	$35.93
Class C	8,681,351	1,906,548	21.7%	0.3%	22.0%	26.5%	-16,341	-368,930	94,847	372,557	0	$26.87
Metro Chicago Totals	280,508,338	64,819,612	21.2%	1.9%	23.1%	28.9%	-1,018,398	-3,278,093	2,787,980	12,981,629	710,680	-
Class A	176,683,312	39,750,065	20.0%	2.5%	22.5%	29.4%	-495,489	-956,983	1,814,771	8,419,880	710,680	-
Class B	89,458,697	22,461,067	24.1%	1.0%	25.1%	28.8%	-460,449	-1,921,279	833,056	4,029,415	0	-
Class C	14,380,345	2,608,480	18.0%	0.1%	18.1%	21.3%	-62,460	-399,831	140,153	532,334	0	-

* Metro Chicago Totals incorporate CBD and Suburbs

Suburban Market Summary

Chicago's suburban real estate market softened during 2023 as multiple factors came to a head, including reduced demand, tighter restrictions on available capital, and persistent economic uncertainty.

Vacancy Rate
24.8%

2023 Net Absorption
-455K SF

2023 YTD New Leasing
5.4M SF

Chicago's Suburban Office Fundamentals Remain Uneven in 2023

Chicago's suburban real estate market softened during 2023 as multiple factors came to a head, including reduced demand, tighter restrictions on available capital, and persistent economic uncertainty. Fluctuating interest rates and tightened lending standards pose formidable challenges for property owners, particularly in the Class B and C sectors. These challenges are amplified by the ever-growing need to upgrade old or obsolete spaces to attract and retain larger tenants.

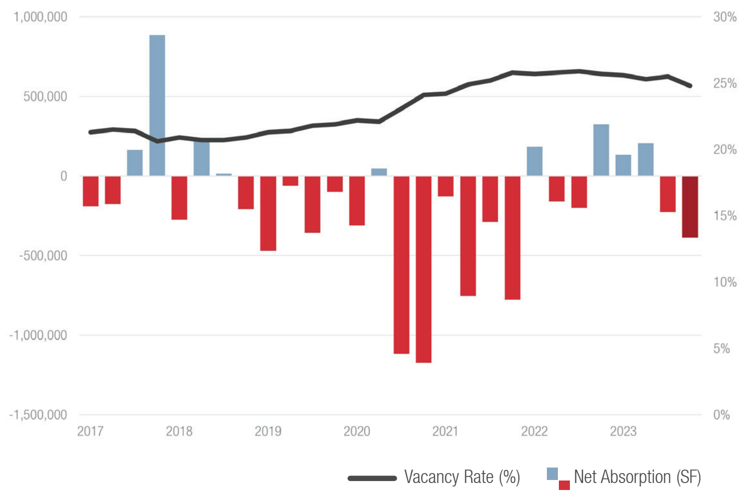
Moreover, the lingering indecision around the return to office has led to a discussion about office space conversion to ensure those spaces are adequately filled and utilized. Properties already slated for conversion away from office include: the former Sears Campus at 3333 Beverly Rd. in Hoffman Estates, the Atrium Corporate Center at 3800 Golf Rd. in Rolling Meadows, and 1699 E Woodfield Rd. in Schaumburg. These three locations alone will remove more than four million square feet from the Chicago Suburban Office inventory.

Net absorption totaled -386,000 square feet during the fourth quarter, bringing the 2023 annual total to -455,000 square feet. Vacancy remains near all-time highs at 24.8%, though down from 25.7% one year ago as significant inventory has been removed from the market for conversion.

Despite some volatility from quarter to quarter, flight-to-quality persists as newer, core, Class A assets continue to pace the market, with 132,000 SF of positive net absorption for the year. Given the highly competitive labor market, tenants continue to prioritize the flight-to-quality strategy to attract and retain top talent. Among the tenants who upgraded their spaces were Ace Hardware, moving into 300,000 SF of newly renovated space in Oak Brook, and Hartford Fire Insurance occupying 43,000 square feet in Naperville.

The suburban market registered 931,000 square feet of new leasing activity during the quarter, bringing the 2023 total to 5.4 million square feet. Since the start of 2023, suburban office

Vacancy Rate vs Net Absorption



Market Summary

Q4 2023	SF	
Market Size	114,546,108	
Total Vacancy	28,375,938	24.8%
Direct Vacancy	26,952,723	23.5%
Sublease Vacancy	1,423,215	1.3%
Available Space	34,423,347	30.1%
QTR Net Absorption	-386,373	
YTD Net Absorption	-455,027	
Under Construction	0	
QTR New Supply	0	
YTD New Supply	0	
QTR New Leasing Activity	931,237	
YTD New Leasing Activity	5,406,829	

Net absorption totaled -386,000 square feet during the fourth quarter, bringing the 2023 annual total to -455,000 square feet.

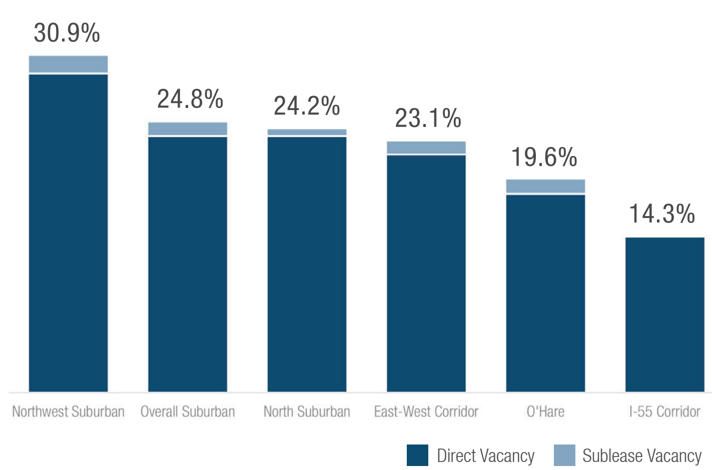
Vacancy remains near all-time highs at 24.8%, though down from 25.7% one year ago as significant inventory has been removed from the market for conversion.

The suburban office market has seen 5.4 million square feet of new leasing activity in 2023, down 23.3% in 2022.

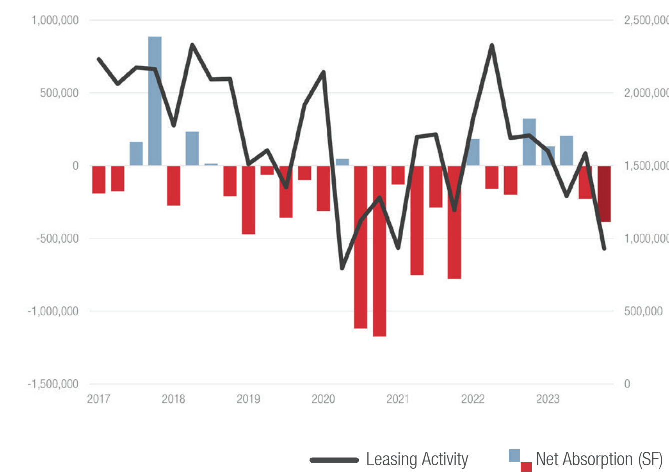
leasing velocity has slowed considerably, experiencing a 23.3% drop from 2022. This decrease raises concerns about potential weakening occupancy trends as both tenants and landlords alike re-evaluate financing and cash flow.

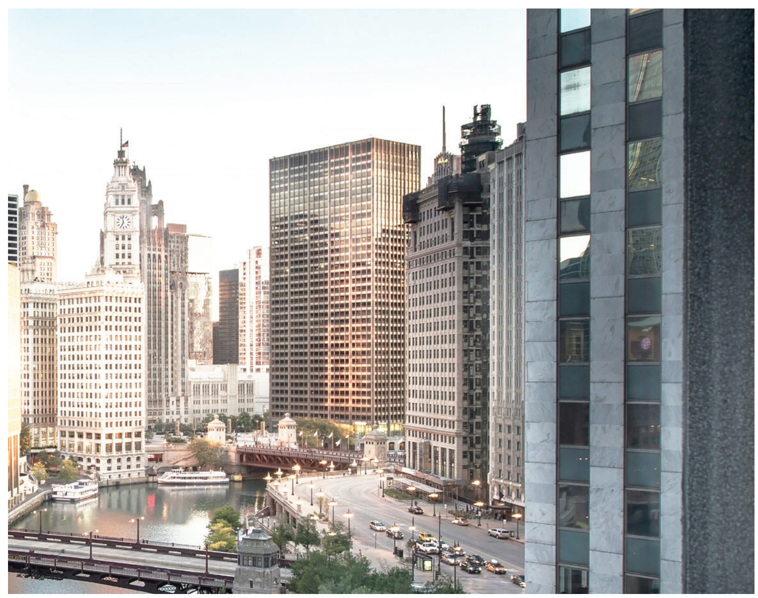
Overall asking rents averaged $24.29/SF during the fourth quarter, up 1.8% year-over-year. Faced with a combination of maturing loans and looming lease expirations, property owners are left in a difficult position of deciding whether to improve their space or lower rates to entice tenants, both of which prove challenging in an environment where available capital remains difficult to secure.

Vacancy by Submarket



Absorption vs Leasing Activity





Significant Transactions

						
Sublease	**New Lease**	**New Lease**	**New Lease**	**Renewal**	**Extension**	**Renewal/ Expansion**
780-800 Remington Blvd Bolingbrook 135,000 SF	9600 W Bryn Mawr Ave Rosemont 108,000 SF	6111 N River Rd Rosemont 106,000 SF	700 Commerce Dr Oak Brook 65,000 SF	2001 Spring Rd Oak Brook 51,000 SF	535 E Diehl Rd Naperville 43,000 SF	720 E Butterfield Rd Lombard 30,000 SF
I-55 Corridor	**O'Hare**	**O'Hare**	**East-West Corridor**	**East-West Corridor**	**East-West Corridor**	**East-West Corridor**
Tenant Invenergy	Tenant Federal Aviation Administration	Tenant Honeywell International	Tenant Sasser Family Holdings	Tenant Millennium Trust Company	Tenant Wilton Brands	Tenant Transdev North America, Inc.

Transactions with the "A" designate NAI Hiffman transactions

CBD Market Summary

Vacancy continues to rise to new cyclical highs as landlords have struggled to backfill large blocks of space amid tenant relocations and contractions within the market.

Vacancy Rate
22.0%

2023 Net Absorption
-2.8M SF

2023 YTD New Leasing
7.6M SF

Downtown's Office Market Continues to Soften

Chicago's CBD softened during the fourth quarter with a further -632,000 square feet of absorption, bringing the year-to-date total to -2.8 million square feet. Vacancy continues to rise to new cyclical highs as landlords have struggled to backfill large blocks of space amid tenant relocations and contractions within the market.

The downtown market registered 1.9 million square feet of new leasing activity during the fourth quarter of the year, for a total of 7.6 million square feet leased across the year. Class A properties continue to lead the new leasing figures quarter after quarter, accounting for 1.3 million square feet during the fourth quarter or 68.4% of all new leases signed.

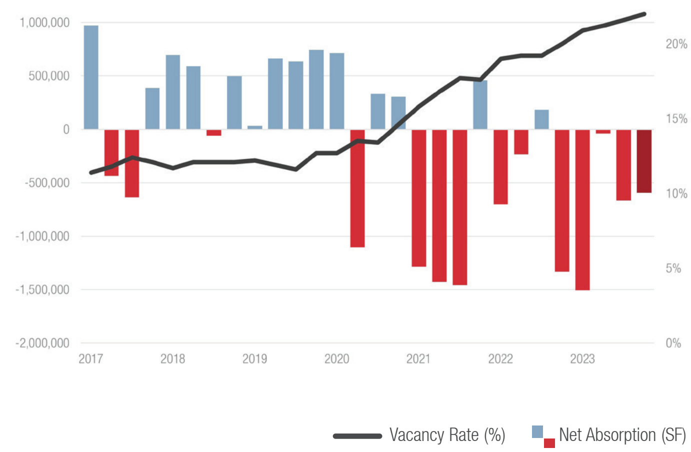
Most notable among this quarter's signed leases was OneDigital subleasing 104,000 square feet at 233 S Wacker. Neal, Gerber & Eisenberg LLP signed the largest direct lease of the quarter, taking 90,000 square feet at 225 W Randolph in the West Loop submarket.

Overall vacancy continues to rise at 22.0% during the fourth quarter, a new cyclical high. Since the start of the pandemic, vacancy has risen 930 basis points from 12.7% during the first quarter of 2020. A record amount of sublet space continues to flood the market, with 3.8 million square feet of vacant space representing a new record high. The sublease vacancy rate increased to 2.3% during the fourth quarter.

CBD asking rents moderated to $41.46/SF during the fourth quarter, down 0.7% year-over-year. Class A asking rents averaged $42.94/SF, down 1.5% from one year ago. Although asking rents have held relatively steady, rising taxes and elevated concessions continue to put downward pressure on effective rents.

The CBD's development pipeline remains limited, with only 710,680 square feet currently under construction. The largest project currently under construction is 360 N Green St in Fulton Market, a 494,000 square-foot, 24-story Class A project owned and developed by Sterling Bay. The building is projected to deliver in the first quarter of 2024 and is already more than 50% pre-leased by tenants such as Boston Consulting Group and the Greenberg Traurig law firm.

Vacancy Rate vs Net Absorption



Market Summary

Q4 2023	SF	
Market Size	165,962,230	
Total Vacancy	36,443,674	22.0%
Direct Vacancy	32,694,559	19.7%
Sublease Vacancy	3,749,115	2.3%
Available Space	46,469,424	28.0%
QTR Net Absorption	-632,025	
YTD Net Absorption	-2,823,066	
Under Construction	710,680	`
QTR New Supply	0	
YTD New Supply	1,288,762	
QTR New Leasing Activity	1,856,743	
YTD New Leasing Activity	7,574,800	

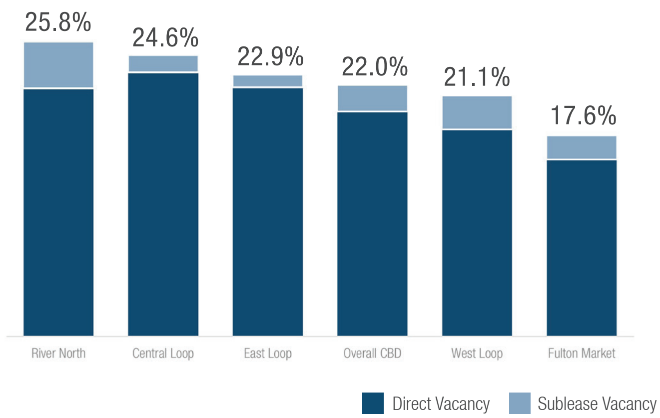
While the CBD remains tenant-favored, signs of recovery persist. Though still well below pre-pandemic levels, more than half of Chicago workers are back in the office as employers push their workforce to return to the office setting. Savvy landlord strategies such as spec suites, in-demand amenities and common-area renovations will be key in attracting and retaining tenants moving forward.

Chicago registered -632,000 square feet of absorption, bringing the total for 2023 to -2,800,000 square feet.

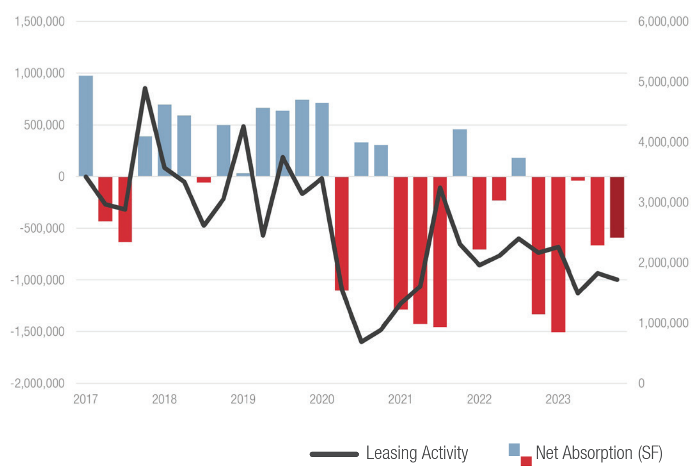
Overall vacancy continues to tick up, hitting a new cyclical high of 22.0% during the fourth quarter.

The downtown market registered 1.9 million square feet of new leasing activity during the fourth quarter of the year, bringing the yearly total to 7.6 million square feet.

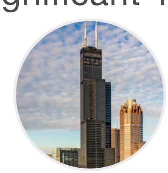
Vacancy by Submarket



Absorption vs Leasing Activity



Significant Transactions

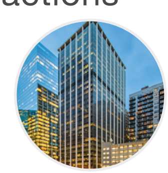


Sublease

233 S Wacker Dr
Chicago
104,000 SF

West Loop

Tenant
OneDigital



New Lease

225 W Randolph St
Chicago
90,000 SF

West Loop

Tenant
Neal, Gerber & Eisenberg LLP

New Lease

222 Merchandise Mart Plz
Chicago
78,000 SF

River North

Tenant
Interpublic Group

New Lease

550 W Washington Blvd
Chicago
74,000 SF

West Loop

Tenant
SC Johnson

New Lease

125 S Clark St
Chicago
48,000 SF

Central Loop

Tenant
Iron Galaxy Studios

New Lease

1 S Dearborn St
Chicago
38,000 SF

Central Loop

Tenant
Riley, Safer, Holmes & Cancila

Suburban Office Capital Markets Overview

by Arthur Burrows

COMPARING Q4 2022 TO Q4 2023

SUBURBAN Q4 2022 MARKET SNAPSHOT

	Sales Volume	Sales Transactions	Avg Sales Price PSF	SF Sold
Q4 2022	$183.1M	12	$83	2.2M
Q4 2023	$109.9M	8	$63	1.7M

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
TOTAL SALES VOLUME	$183.1M	$160.0M	$100.3M	$314.7M	$109.9M
TOTAL SF SOLD	2.2M	1.6M	2.1M	3.5M	1.7M
# BUILDINGS SOLD	12	8	9	7	8
# OF TRANSACTIONS	12	7	9	7	8
PORTFOLIO TRANSACTIONS	1	1	0	0	1

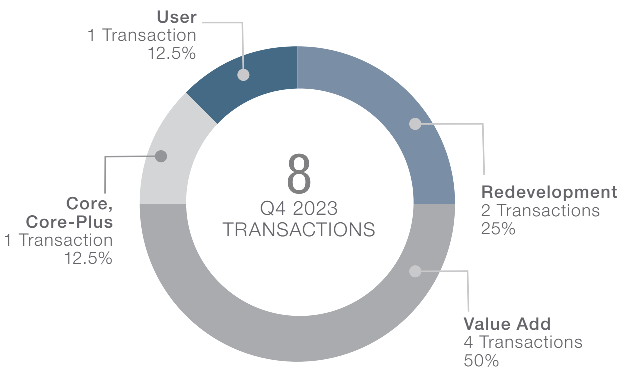
The uncertainty regarding the long-term impact of WFH continues to undermine investor confidence in the office sector. With this post-Covid-19 demand uncertainty came the sole investor focus on the numerator – the utilization of office space – with little attention paid to the denominator, the supply of space. It is likely the supply of space will gain more investor attention going forward given the insatiable AI-driven demand for data center space. We describe calendar 2023 investment sales as the year of the data center. Suburban Chicago 2023 office sales volume totaled $727.1M, 9.6M NRSF, in 37 transactions. Thirteen, or 35% of these properties were acquired by data center developers, representing a sales volume of $386.4M, 53% of total, 4.92 M NRSF, 51% of total NRSF, on 354 acres. The average cost per NRSF was $79, and the average PSF cost of land was $25. The 4.92M NRSF is equivalent to 4.3% of the 114.5M suburban market. Keep in mind that the numerator can also benefit from tenants relocating from these to-be-demolished buildings. An example of this is Citigroup's relocation from the 176K SF 50 NW Point Boulevard building in Elk Grove Village, acquired by Plano, TX-based Aligned Data Centers, to the 1515 East Woodfield Road building in Schaumburg.

Industrial sector demand also presents warehouse and trucking facility conversion opportunities, however, pushback from residents and local governments has escalated, for example, the 101-acre Baxter campus in Deerfield was withdrawn from the market after a proposed conversion to industrial space. In 2022, Allstate sold its 1.44M SF, 232-acre Northbrook headquarters to Dermody Properties. While owner-occupied space is not included in the market NRSF total, there can be a favorable impact on the numerator with the relocation to investor-owned properties which was not the case with Allstate.

We continue to recommend that private investors consider the midcap office market, which we define as properties less than 75K RSF, as this subsector offers attractive opportunities and warrants attention. While midcap debt remains a challenge, there are options. Properties with varying lease terms and no anchor tenants significantly reduce the risk profile as tenants tend to be sticky. In addition, the vacancy rate of mid-cap properties and single-story complexes is less than half of the overall market, TI costs are more favorable, and the typical PSF acquisition costs work in today's climate.

There were eight transactions in Q4 2023, generating a sales volume of $109.9M, which is 38% below the $177.8M in Q4 2022. Four of the eight transactions were in the

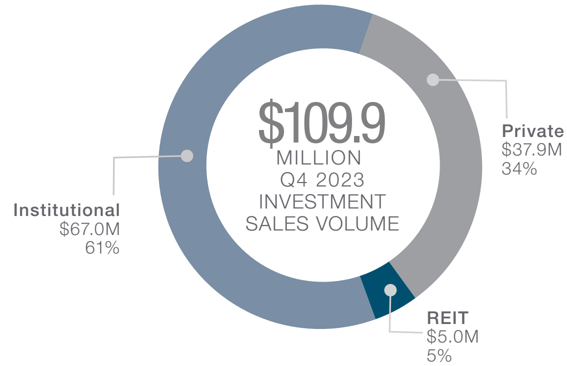
Transactions by Sale Type



Number of Deals / Volume / % of Total

Buyer Pool Composition

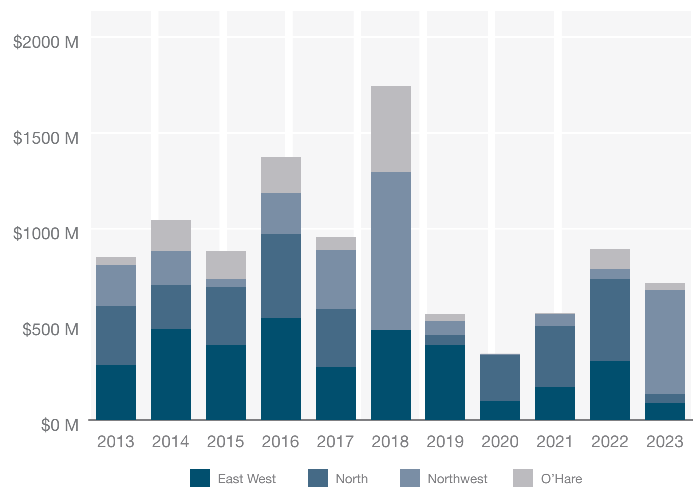
Seller Pool Composition



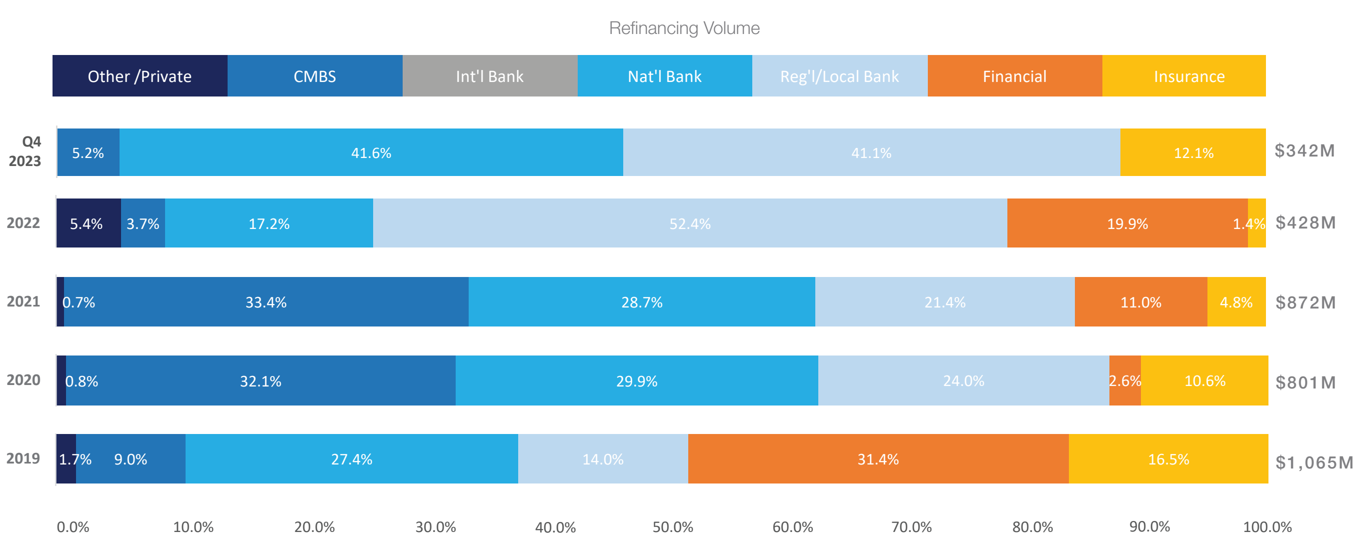
Northwest submarket, two in the East-West Corridor and two in the O'Hare submarkets. The 785K SF Oakbrook Terrace Tower was sold by Blackstone to an Oakbrook Terrace-based private investor for $59M or $75 PSF. This is one of the premier suburban Chicago office buildings, yet investor interest was hampered by the lack of financing for a transaction of this size. In another noteworthy transaction, Hamilton Partners sold the 1200 and 1250 N Arlington Heights Road buildings in Itasca, totaling 233K NRSF, to New York-based NTT Global Data Centers for $27.5M or $118 PSF.

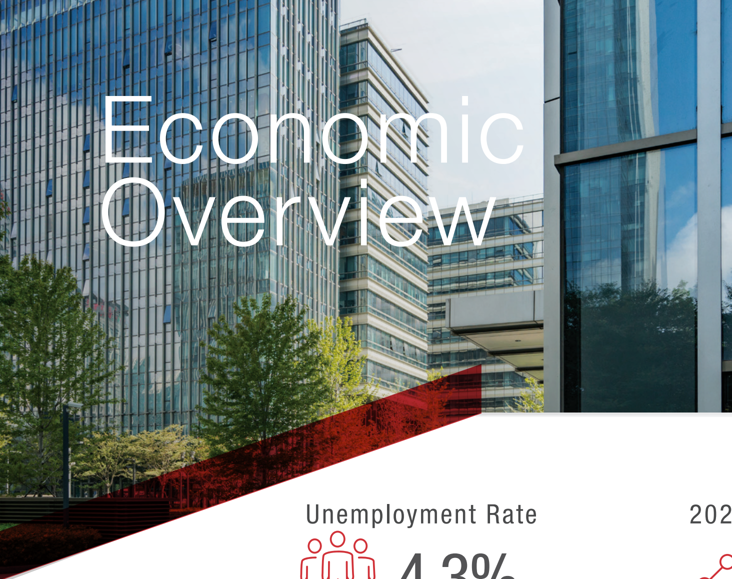
Thirteen loans were refinanced in Q4 2023 totaling $206.8M or $110 PSF versus seven loans in Q4 2022 totaling $123.8M or $104 PSF, a 67% increase. These low loan volumes can be impacted by a handful of core property refinancings which was the case in Q4 2023. The Q4 2023 volume represented 60% of the total 2023 loan volume of $342M or $81 PSF. All loans made in the first three quarters of 2023 were funded by banks while CMBS and life companies funded some of the loans in Q4 2023. The chart below shows the dramatic decline in loan volume over the last five years from $1,065M in 2019 to $342M in 2023. CRE interest rates moved from an estimated 3.6% in September 2021, peaking at 7.2% in Oct 2023, falling to 6.2% by YE 2023. While the Fed is expected to implement several rate reductions in CY 2024, it remains to be seen if the CRE sectors will benefit equally from rate cuts. The $342M CY 2023 refinancing volume is below an average 15% to 20% annual loan maturity rate. We've observed an increasing number of loan extensions with the expectation by both lender and borrower of more favorable loan terms 12 to 24 months out.

Annual Sales Volume



Conventional Refinancing: 2019 - Q4 2023





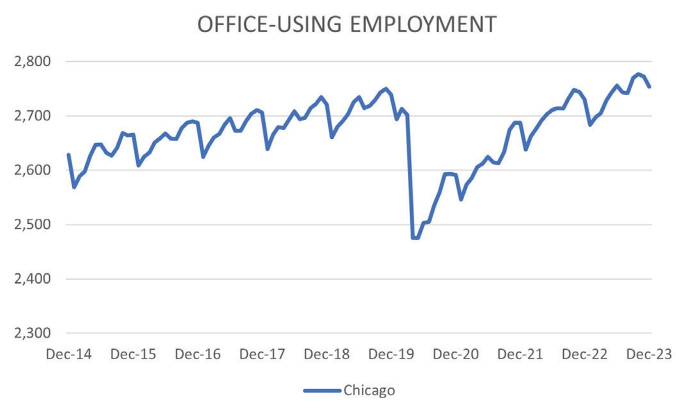
Economic Overview

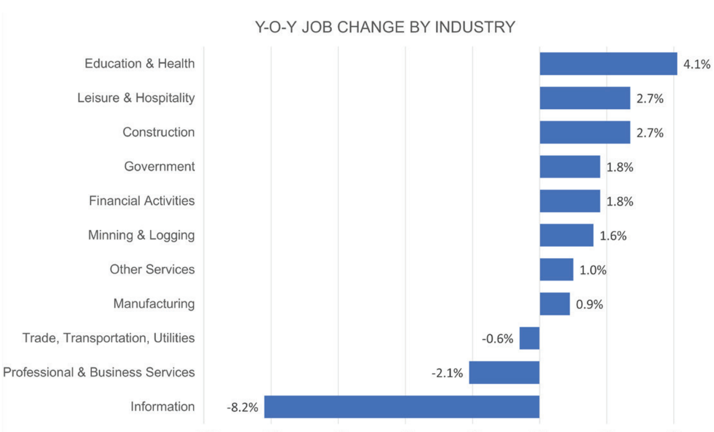
Despite continued job growth, significant headwinds remain as elevated inflation and rising interest rates put downward pressure on consumer spending and the financial markets.

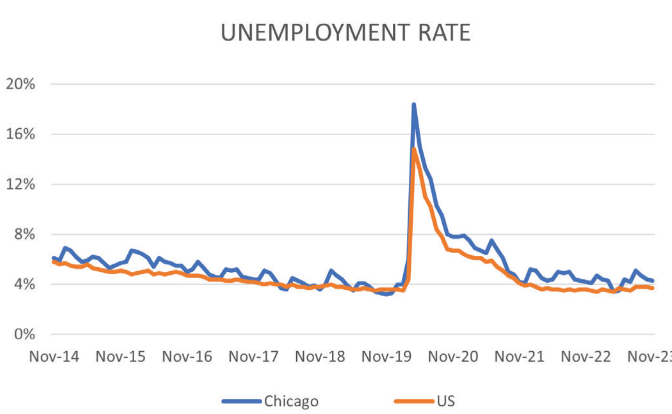
Unemployment Rate	2023 Total Nonfarm Job Growth	Y-O-Y Office-Using Employment
4.3%	+142,800	+23,500

Labor Market Remains Resilient

- The U.S. labor market has remained resilient following an initial downturn during the beginning of the pandemic, averaging 410,000 new jobs added monthly since the beginning of 2021.
- Unemployment remains below pre-pandemic levels at 3.7% as of November 2023.
- Despite continued job growth, significant headwinds remain as elevated inflation and rising interest rates put downward pressure on consumer spending and the financial markets.
- Locally, Chicago's economy saw the unemployment rate drop to 4.3% as of November 2023.
- Total nonfarm employment has increased steadily during 2023, adding 142,800 jobs since the start of the year.
- Chicago has seen year-over-year growth in the majority of job sectors, led by Education & Health (4.1%) and Leisure & Hospitality (2.7%) sectors.
- Office-using employment has increased 0.9% year-over-year.







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NAI Hiffman
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Executive Leadership

John Heiberger
CEO
630 693 0690
jheiberger@hiffman.com

Carrie Szarzynski
Senior Managing Director
630 317 0718
cszarzynski@hiffman.com

Michael Flynn, CCIM, SIOR
COO
630 691 0600
mflynn@hiffman.com

Gail Vermejan
Managing Director
630 693 0683
gvermejan@hiffman.com

Ann Wallin
CFO
630 317 0707
awallin@hiffman.com

David Petersen
Chairman
630 691 0691
dpetersen@hiffman.com

Bob Assoian
Executive Managing Director
630 317 0761
bassoian@hiffman.com

Dennis Hiffman
Founder & Chairman Emeritus
630 691 0616
dhiffman@hiffman.com

Sarah Cannella
Managing Director
630 317 0719
scannella@hiffman.com

Office Services

Jim Adler
Executive Vice President
630 691 0605
jadler@hiffman.com

Patrick Kiefer
Executive Vice President
630 693 0670
pkiefer@hiffman.com

Stephen Chrastka
Executive Vice President
630 317 0746
schrastka@hiffman.com

John Menzies
Associate Broker
630 317 0777
jmenzies@hiffman.com

Connor Dale
Associate Broker
630 317 0766
cdale@hiffman.com

Dan O'Neill
Executive Vice President
630 691 0610
doneill@hiffman.com

Tabitha Dozier
Senior Associate Broker
630 693 0676
tdozier@hiffman.com

Jack Reardon
Senior Vice President
630 693 0647
jreardon@hiffman.com

Brian Edgerton
Senior Vice President
630 693 0671
bedgerton@hiffman.com

Michael Van Zandt
Executive Vice President
630 368 0848
mvanzandt@hiffman.com

Aubrey Englund
Executive Vice President
630 693 0679
avanreken@hiffman.com

Christiana von Aulock
Associate Broker
630 317 0781
cvonaulock@hiffman.com

Caroline Firrantello
Senior Associate Broker
630 389 8906
cfirrantello@hiffman.com

Jason Wurtz
Executive Vice President
630 693 0692
jwurtz@hiffman.com

Perry Higa
Executive Vice President
630 693 0684
phiga@hiffman.com

Industrial Services

Doug Altenberger
Vice President
630 693 0699
daltenberger@hiffman.com

John Basile
Executive Vice President
630 693 0641
jbasile@hiffman.com

Steven Bass
Executive Vice President
630 317 0738
sbass@hiffman.com

Mark Baumhart, CCIM
Senior Vice President
630 691 0550
mbaumhart@hiffman.com

Jack Brennan
Executive Vice President
630 317 0754
jbrennan@hiffman.com

Joe Bronson, SIOR
Executive Vice President
630 317 0725
jbronson@hiffman.com

Bill Byrne
Associate Broker
630 389 8907
bbyrne@hiffman.com

John Cash, SIOR
Executive Vice President
630 691 0609
jcash@hiffman.com

Steve Connolly, SIOR
Executive Vice President
630 693 0642
sconnolly@hiffman.com

Kelly Disser
Executive Vice President
630 317 0721
kdisser@hiffman.com

Packy Doyle
Vice President
630 691 0601
pdoyle@hiffman.com

Paddy Dwyer
Associate Broker
630 389 8920
pdwyer@hiffman.com

Nick Feczko
Associate Broker
630 693 0668
nfeczko@hiffman.com

Michael Freitag
Executive Vice President
630 693 0652
mfreitag@hiffman.com

Chris Gary
Executive Vice President
630 693 0694
cgary@hiffman.com

John Gearen
Vice President
847 698 7404
jgearen@hiffman.com

Paul Gearen
Brokerage
847 698 7407
pgearen@hiffman.com

Bruce Granger
Senior Vice President
630 693 0648
bgranger@hiffman.com

David Haigh
Executive Vice President
630 693 0649
dhaigh@hiffman.com

Terry Herlihy
Executive Vice President
630 693 0664
therlihy@hiffman.com

Daniel Leahy, SIOR
Executive Vice President
630 691 0604
dleahy@hiffman.com

Mark Moran
Executive Vice President
630 693 0656
mmoran@hiffman.com

Larry Much, SIOR
Executive Vice President
630 691 0606
lmuch@hiffman.com

Jack Pappas
Associate Broker
630 317 0775
jpappas@hiffman.com

Adam Roth, CCIM, SIOR
Executive Vice President
630 691 0607
aroth@hiffman.com

Adam Stokes
Executive Vice President
847 697 7401
astokes@hiffman.com

Stephen Sullivan
Vice President
847 610 0123
ssullivan@hiffman.com

Alex Sutterer
Vice President
630 693 0644
asutterer@hiffman.com

Harrison Taylor
Associate Broker
630 389 8931
htaylor@hiffman.com

Eric Tresslar
Executive Vice President
630 693 0650
etresslar@hiffman.com

John Whitehead
Executive Vice President
630 693 0643
jwhitehead@hiffman.com

Retail Services

Dan Hiffman
Vice President
630 693 0655
dan@hiffman.com

Capital Markets

Arthur Burrows
Senior Vice President
630 693 0675
aburrows@hiffman.com

Arthur Glowinski
Financial Analyst
630 691 0619
aglowinski@hiffman.com

Thomas Gnadt
Senior Associate Broker
630 693 0659
tgnadt@hiffman.com

Adam Johnson
Executive Vice President
630 317 0729
ajohnson@hiffman.com

Patrick Sullivan
Executive Vice President
630 317 0797
psullivan@hiffman.com

Marketing

Heidi Kushner
Director of Marketing Services
630 317 0713
hkushner@hiffman.com

Matt Hronick
Creative Director
630 693 0693
mhronick@hiffman.com

Karl Alsens
Julie Elsner
Elitza Hyman
Karen Kirian
Jordyn Krejci
Megan Lehman
Alison O'Connell
Yesenia Ortega
Gabby Rabianski

Janice Ridderhoff
Angelika Spiewak
Zainab Tapal
Dan Vatch
Sarah Walker
Betty Wasilewski
Alyssa Zerfass
Tracey Zommer

Research

Nick Schlanger
Director of Research Services
630 693 0645
nschlanger@hiffman.com

David Mathis
Research Analyst
630 317 0689
dmathis@hiffman.com

Dan Worden
Research Analyst
630 389 8932
dworden@hiffman.com

TRUSTED.

For further information about our market or specialty reports, please contact

NICK SCHLANGER
Director of Research Services
nschlanger@hiffman.com
630 693 0645

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NAI Hiffman
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ONE OAKBROOK TERRACE SUITE 400
OAKBROOK TERRACE IL 60181

hiffman.com
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