

**Q1**  
2024

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# Office Market Report

**METROPOLITAN CHICAGO**

# Office Market Report

**METROPOLITAN CHICAGO**

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**Q1**  
**2024**

## Suburban Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	1Q24 Net Absorption (SF)	YTD 2024 Net Absorption (SF)	1Q24 Leasing Activity (SF)	YTD 2024 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
<b>East-West Corridor</b>	40,118,326	10,012,800	23.9%	1.1%	25.0%	30.7%	-61,485	-61,485	433,822	433,822	0	\$23.57
Class A	21,357,631	5,987,854	26.6%	1.5%	28.0%	35.3%	-6,449	-6,449	238,104	238,104	0	\$25.40
Class B	16,707,986	3,850,854	22.4%	0.7%	23.0%	27.2%	-47,400	-47,400	178,633	178,633	0	\$20.98
Class C	2,080,741	174,092	8.4%	0.0%	8.4%	10.5%	-7,636	-7,636	17,085	17,085	0	\$19.02
<b>I-55 Corridor</b>	3,337,318	526,809	15.8%	0.0%	15.8%	19.2%	-24,435	-24,435	13,875	13,875	0	\$21.15
Class A	834,306	177,536	21.3%	0.0%	21.3%	32.3%	-4,464	-4,464	-	-	0	\$23.81
Class B	2,117,567	304,692	14.4%	0.0%	14.4%	15.2%	-12,277	-12,277	13,875	13,875	0	\$18.69
Class C	385,445	44,581	11.6%	0.0%	11.6%	13.1%	-7,694	-7,694	-	-	0	\$19.51
<b>North Suburban</b>	25,841,064	6,763,210	25.5%	0.7%	26.2%	30.1%	-179,214	-179,214	260,845	260,845	0	\$25.02
Class A	15,700,905	4,718,468	29.0%	1.1%	30.1%	34.8%	-198,952	-198,952	144,581	144,581	0	\$28.52
Class B	8,755,778	1,780,078	20.1%	0.2%	20.3%	23.1%	22,293	22,293	89,593	89,593	0	\$21.53
Class C	1,384,381	264,664	19.1%	0.0%	19.1%	21.8%	-2,555	-2,555	26,671	26,671	0	\$18.46
<b>Northwest Suburban</b>	30,708,968	9,982,636	30.8%	1.7%	32.5%	34.7%	-5,234	-5,234	181,808	181,808	0	\$24.38
Class A	16,743,938	5,523,809	30.3%	2.6%	33.0%	37.6%	-2,497	-2,497	77,838	77,838	0	\$26.39
Class B	12,564,659	4,346,440	33.9%	0.7%	34.6%	33.8%	-439	-439	93,369	93,369	0	\$19.01
Class C	1,400,371	112,387	8.0%	0.0%	8.0%	8.4%	-2,298	-2,298	10,601	10,601	0	\$19.07
<b>O'Hare</b>	13,953,766	3,215,932	21.5%	1.5%	23.0%	28.6%	-168,748	-168,748	169,942	169,942	0	\$25.95
Class A	8,047,009	1,952,778	22.9%	1.4%	24.3%	31.6%	-75,873	-75,873	137,926	137,926	0	\$30.18
Class B	5,478,978	1,195,663	20.1%	1.8%	21.8%	25.4%	-88,416	-88,416	32,016	32,016	0	\$22.10
Class C	427,779	67,491	15.8%	0.0%	15.8%	12.1%	-4,459	-4,459	-	-	0	\$16.55
<b>Suburban Totals</b>	113,959,442	30,501,387	25.6%	1.2%	26.8%	31.0%	-439,116	-439,116	1,060,292	1,060,292	0	\$24.20
Class A	62,683,789	18,360,445	27.6%	1.7%	29.3%	35.3%	-288,235	-288,235	598,449	598,449	0	\$26.45
Class B	45,610,952	11,477,727	24.5%	0.7%	25.2%	27.5%	-126,239	-126,239	407,486	407,486	0	\$20.65
Class C	5,664,701	663,215	11.7%	0.0%	11.7%	13.1%	-24,642	-24,642	54,357	54,357	0	\$18.43



## CBD Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	1Q24 Net Absorption (SF)	YTD 2024 Net Absorption (SF)	1Q24 Leasing Activity (SF)	YTD 2024 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
<b>Central Loop</b>	37,880,901	9,795,043	24.4%	1.5%	25.9%	30.8%	-470,473	-470,473	191,062	191,062	0	\$38.73
Class A	21,732,453	5,467,514	23.3%	1.9%	25.2%	31.1%	-219,124	-219,124	82,298	82,298	0	\$40.14
Class B	14,824,431	4,132,183	26.9%	1.0%	27.9%	31.8%	-243,330	-243,330	106,009	106,009	0	\$36.08
Class C	1,324,017	195,346	14.8%	0.0%	14.8%	16.3%	-8,019	-8,019	2,755	2,755	0	\$18.54
<b>East Loop</b>	27,406,017	6,642,154	23.2%	1.0%	24.2%	31.2%	-370,999	-370,999	118,677	118,677	0	\$38.86
Class A	18,000,024	4,032,720	21.3%	1.1%	22.4%	30.8%	-344,541	-344,541	63,507	63,507	0	\$38.95
Class B	6,755,174	1,984,634	28.2%	1.2%	29.4%	32.9%	-12,285	-12,285	31,337	31,337	0	\$38.16
Class C	2,650,819	624,800	23.4%	0.1%	23.6%	29.7%	-14,173	-14,173	23,833	23,833	0	\$29.68
<b>Fulton Market</b>	9,864,110	1,750,257	15.7%	2.1%	17.7%	24.5%	-11,088	-11,088	102,986	102,986	887,888	\$36.68
Class A	5,494,721	977,684	14.3%	3.5%	17.8%	26.0%	-52,843	-52,843	46,835	46,835	887,888	\$47.42
Class B	3,100,359	600,343	19.1%	0.2%	19.4%	22.7%	41,845	41,845	30,564	30,564	0	\$35.33
Class C	1,269,030	172,230	13.2%	0.3%	13.6%	21.6%	-90	-90	25,587	25,587	0	\$29.14
<b>NMA</b>	13,978,161	2,228,212	14.0%	1.9%	15.9%	24.4%	-158,218	-158,218	24,607	24,607	0	\$29.82
Class A	9,383,710	1,615,400	14.4%	2.8%	17.2%	23.9%	-151,871	-151,871	24,607	24,607	0	\$31.21
Class B	4,347,521	564,651	12.7%	0.3%	13.0%	25.4%	-8,097	-8,097	-	-	0	\$25.00
Class C	246,930	48,161	19.5%	0.0%	19.5%	28.5%	1,750	1,750	-	-	0	\$20.18
<b>River North</b>	18,104,010	4,180,894	21.2%	1.9%	23.1%	30.1%	492,205	492,205	271,519	271,519	217,000	\$38.91
Class A	12,394,111	2,695,220	19.3%	2.4%	21.7%	30.6%	643,216	643,216	196,000	196,000	217,000	\$40.86
Class B	4,270,360	959,909	21.6%	0.9%	22.5%	26.1%	-167,592	-167,592	54,408	54,408	0	\$33.13
Class C	1,439,539	525,765	36.5%	0.0%	36.5%	37.8%	16,581	16,581	21,111	21,111	0	-
<b>West Loop</b>	58,518,443	12,675,761	18.9%	2.8%	21.7%	28.1%	-310,074	-310,074	483,214	483,214	0	\$42.93
Class A	46,685,240	8,728,790	15.8%	2.9%	18.7%	25.1%	-232,988	-232,988	399,962	399,962	0	\$44.26
Class B	10,067,432	3,555,889	32.7%	2.7%	35.3%	42.5%	-30,201	-30,201	62,422	62,422	0	\$37.28
Class C	1,765,771	391,082	21.4%	0.8%	22.1%	26.0%	-46,885	-46,885	20,830	20,830	0	\$37.79
<b>Downtown Totals</b>	165,751,642	37,272,321	20.5%	2.0%	22.5%	28.9%	-828,647	-828,647	1,192,065	1,192,065	1,104,888	\$40.20
Class A	113,669,759	23,517,328	18.3%	2.4%	20.7%	27.7%	-358,151	-358,151	813,209	813,209	1,104,888	\$41.21
Class B	43,365,277	11,797,609	25.9%	1.3%	27.2%	32.6%	-419,660	-419,660	284,740	284,740	0	\$36.29
Class C	8,696,106	1,957,384	22.3%	0.3%	22.5%	27.0%	-50,836	-50,836	94,116	94,116	0	\$30.30
<b>Metro Chicago Totals</b>	279,697,068	67,773,708	22.6%	1.7%	24.2%	29.9%	-1,267,763	-1,267,763	2,252,357	2,252,357	1,104,888	-
Class A	176,353,548	41,877,773	21.6%	2.1%	23.7%	30.6%	-646,386	-646,386	1,411,658	1,411,658	1,104,888	-
Class B	88,976,229	23,275,336	25.2%	1.0%	26.2%	30.0%	-545,899	-545,899	692,226	692,226	0	-
Class C	14,360,807	2,620,599	18.1%	0.2%	18.2%	21.5%	-75,478	-75,478	148,473	148,473	0	-

\* Metro Chicago Totals incorporate CBD and Suburbs

# Suburban Market Summary

Chicago's suburban real estate market softened during 2024 as multiple factors came to a head, including reduced demand, tighter restrictions on available capital, and persistent economic uncertainty.

 **Vacancy Rate**  
**26.8%**

 **2024 Net Absorption**  
**-439K SF**

 **2024 YTD New Leasing**  
**1.1M SF**

## Chicago's Suburban Office Faces Challenging Start To 2024

Chicago's suburban real estate market softened during the first quarter of 2024 as multiple factors came to a head, including muted 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 increasing 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.

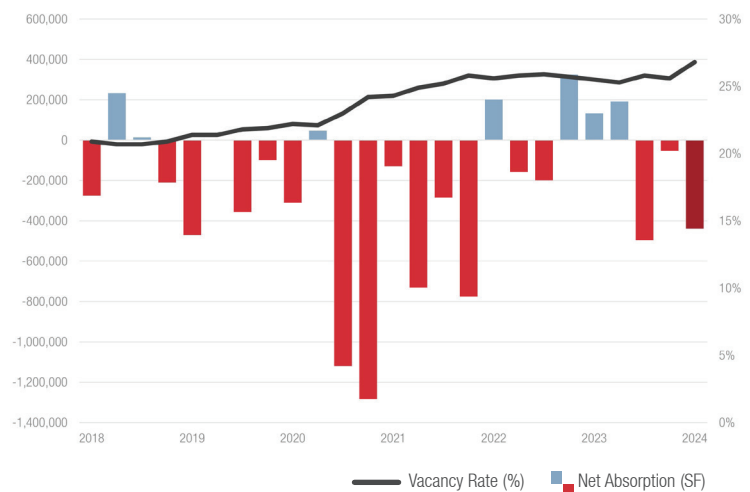
In addition, this quarter saw further inventory sold, including: 100 S Milwaukee Ave in Vernon Hills, sold to Avergeris & Associates, Inc. for industrial redevelopment, 2400-2408 E Oakton St in Arlington Heights and sold to Dimeo Brothers for redevelopment into a restaurant.

Leasing activity slowed significantly during the first quarter of 2024, totaling 1.1 million square feet, down 36.8% year-over-year. Notably, this has had a significant effect on Class A space, down 38.3% as flight to quality may have moderated due to slowing job growth locally and some tenants prioritizing cost cutting initiatives. This decrease highlights concerns about potential weakening occupancy trends as both tenants and landlords alike re-evaluate financing and cash flow.

Net absorption totaled -439,116 square feet during the first quarter, marking the third consecutive quarter of negative absorption. Vacancy reached an all-time record high at 26.8%, up a full 1.2% from the previous quarter.

Class A fundamentals softened following six quarters of steady improvement, reporting -288,235 square feet of negative absorption. As larger occupiers struggle with layoffs and

## Vacancy Rate vs Net Absorption



## Market Summary

	Q1 2024	SF
<b>Market Size</b>		113,945,426
<b>Total Vacancy</b>	30,501,387	26.8%
<b>Direct Vacancy</b>	29,170,029	25.6%
<b>Sublease Vacancy</b>	1,367,345	1.2%
<b>Available Space</b>	35,323,082	31.0%
<b>QTR Net Absorption</b>	-439,116	
<b>YTD Net Absorption</b>	-439,116	
<b>Under Construction</b>	0	
<b>QTR New Supply</b>	0	
<b>YTD New Supply</b>	0	
<b>QTR New Leasing Activity</b>	1,060,292	
<b>YTD New Leasing Activity</b>	1,060,292	

downsize existing space, the higher quality buildings they occupied took the brunt of the change. Some of the new tenant movement this quarter included TopCo Associates moving into 92,023 square feet at 2 Pierce Pl in Oak Brook and Mahoney Environmental Solutions occupying 24,674 square feet at 1200 Internationale Pky in a deal brokered by NAI Hiffman.



Net absorption totaled -439,116 square feet during the first quarter.



Vacancy reached an all-time high at 26.8%, up from 25.5% one year ago.

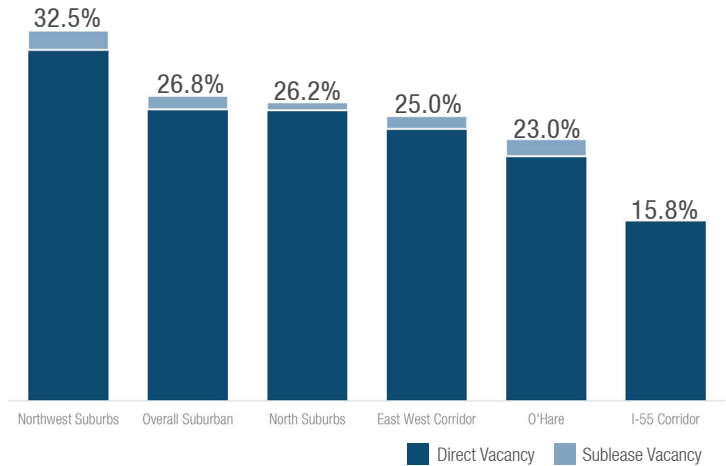


The suburban office market registered 1.1 million square feet of new leasing activity during the first quarter.

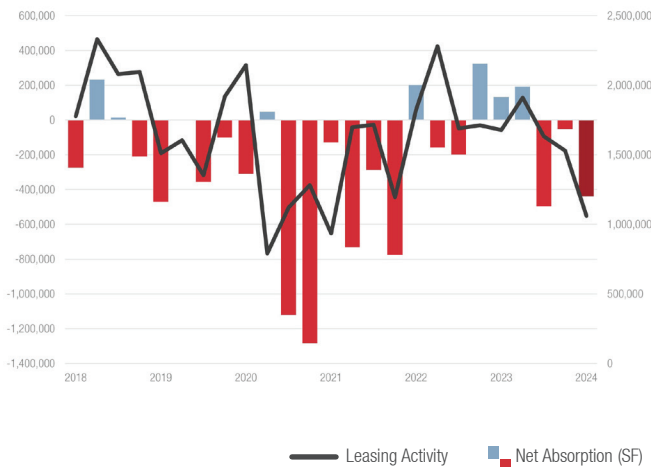
The first quarter of 2024 saw several tenants opting to stay in place and renewing their existing leases, putting major real estate decisions on hold amid uncertain economic conditions. Among the largest renewals were Dover Corporation staying in 79,801 square feet at 3005 Highland Pky in Downers Grove, AM Castle & Co renewing 39,361 square feet at 1520 Kensington Rd in Oak Brook, and IB Appliances renewing their 36,885 square foot lease at 3025 Highland Pky in Downers Grove.

Overall asking rents averaged \$24.20/SF during the first quarter, up 0.5% 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



**Renewal**

3005 Highland Pky  
Downers Grove  
79,801 SF

East-West Corridor

Tenant  
**Dover Corpora-  
tion**



**New Lease**

75 N Fairway Dr  
Vernon Hills  
49,052 SF

North Suburban

Tenant  
Steris Corporation



**Renewal**

1520 Kensington Rd  
Oak Brook  
39,361 SF

East-West Corridor

Tenant  
AM Castle & Co



**Renewal**

3025 Highland Pky  
Downers Grove  
36,885 SF

East-West Corridor

Tenant  
IB Appliances



**Renewal**

1833 Centre Point Cir  
Naperville  
27,280 SF

East-West Corridor

Tenant  
Sedgwick



**Renewal**

2021 Spring Rd  
Oak Brook  
26,342 SF

East-West Corridor

Tenant  
Merrill

# 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**  
**22.5%**

 **2024 Net Absorption**  
**-829M SF**

 **2024 YTD New Leasing**  
**1.2M SF**

## Downtown's Office Market Continues to Soften in 2024

Chicago's CBD office market continued to soften during the first quarter with -828,647 square feet of absorption. 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 1.2 million square feet of new leasing activity during the first quarter of the year, down 42.0% from the previous quarter and the lowest number the market has seen since Q4 2020. Class A properties continue to lead the new leasing, accounting for 813,209 square feet during the first quarter or 68.2% of all new leases signed.

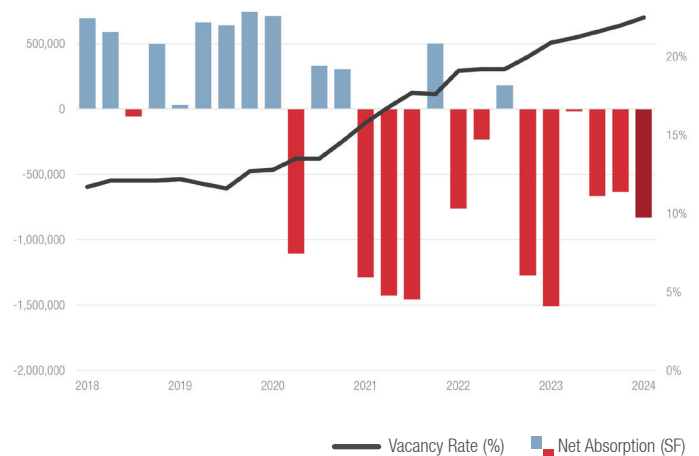
300 N LaSalle inked two of the largest deals of the quarter, with White & Case LLP securing 63,936 square feet and Crowell & Moring LLP taking up 48,966 square feet in the River North submarket.

Overall vacancy continued to rise at 22.5% during the first quarter, a new cyclical high. Since the start of the pandemic, vacancy has risen 970 basis points from 12.8% during the first quarter of 2020. A record amount of sublet space continues to flood the market, with 3.3 million square feet of vacant space. The sublease vacancy rate measured 2.0% during the first quarter.

CBD asking rents dipped to \$40.20/SF during the first quarter, down 3.2% year-over-year. Class A asking rents averaged \$41.21/SF, down 3.6% from one year ago. Although asking rents have held relatively steady over the past few years, rising taxes and elevated concessions continue to put downward pressure on effective rents.

There are 1.1 million square feet of new development currently under construction in the CBD. 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 second quarter of 2024 and is already 68.2% pre-leased by tenants such as Boston Consulting Group and the Greenberg Traurig law firm.

## Vacancy Rate vs Net Absorption



## Market Summary

	Q1 2024	SF
<b>Market Size</b>		165,751,642
<b>Total Vacancy</b>		37,272,321 22.5%
<b>Direct Vacancy</b>		33,984,616 20.5%
<b>Sublease Vacancy</b>		3,287,705 2.0%
<b>Available Space</b>		48,269,023 28.9%
<b>QTR Net Absorption</b>	-828,647	
<b>YTD Net Absorption</b>	-828,647	
<b>Under Construction</b>	1,104,888	
<b>QTR New Supply</b>	0	
<b>YTD New Supply</b>	0	
<b>QTR New Leasing Activity</b>	1,192,065	
<b>YTD New Leasing Activity</b>	1,192,065	

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's CBD office market continued to soften during the first quarter with -828,647 square feet of absorption.

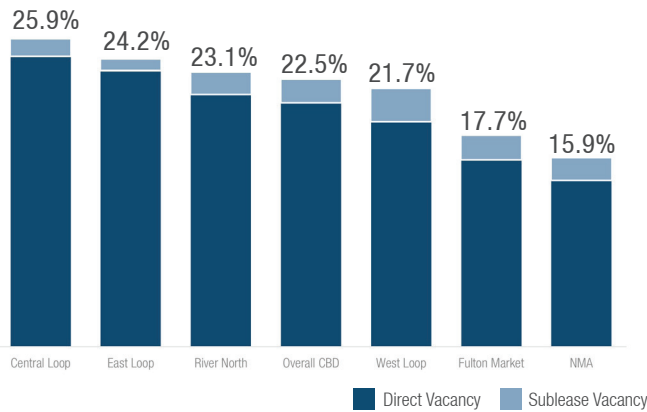


Overall vacancy continues to tick up, hitting a new cyclical high of 22.5% during the first quarter.

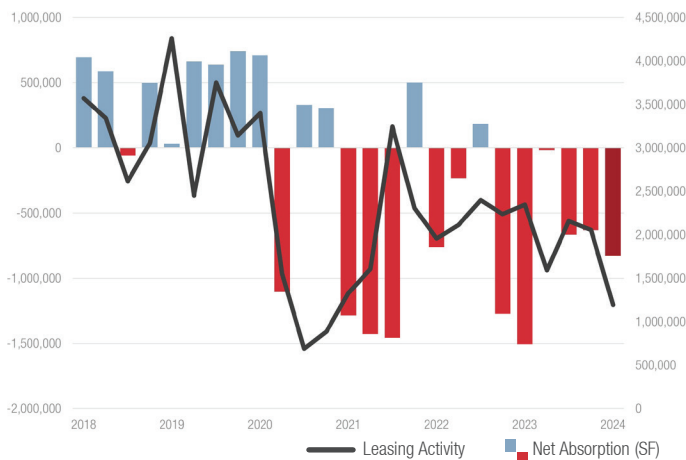


The downtown market registered 1.2 million square feet of new leasing activity during the first quarter of the year, down 42.0% from the previous quarter and the lowest number the market has seen since Q4 2020.

## Vacancy by Submarket



## Absorption vs Leasing Activity



## Significant Transactions



### Renewal

1 N Franklin St  
Chicago  
95,000 SF

West Loop

Tenant  
PNC Bank



### New Lease

300 N LaSalle St  
Chicago  
63,936 SF

River North

Tenant  
White & Case LLP



### New Lease

300 N LaSalle St  
Chicago  
48,966 SF

River North

Tenant  
Crowell & Moring LLP



### Renewal

111 W Jackson Blvd  
Chicago  
48,619 SF

Central Loop

Tenant  
Harris and Harris Ltd.



### New Lease

10 S Riverside Plz  
Chicago  
36,838 SF

West Loop

Tenant  
Attorney's Liability  
Assurance Society



### New Lease

24 E Washington St  
Chicago  
33,000 SF

East Loop

Tenant  
Havas

# Suburban Office Capital Markets Overview

by Arthur Burrows

COMPARING Q1 2023 TO Q1 2024

SUBURBAN Q1 2023 MARKET SNAPSHOT

**Q1 2024** **\$108.3M** **5** **\$65** **1.7M**  
 Sales Volume Sales Transactions Avg Sales Price PSF SF Sold

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>TOTAL SALES VOLUME</b>	\$160.0M	\$100.3M	\$314.7M	\$109.9M	\$108.3M
<b>TOTAL SF SOLD</b>	1.6M	2.1M	3.5M	1.7M	1.7M
<b># BUILDINGS SOLD</b>	8	9	7	8	5
<b># OF TRANSACTIONS</b>	7	9	7	8	5
<b>PORTFOLIO TRANSACTIONS</b>	1	0	0	1	0

Crickets. An appropriate description of core and core plus suburban Chicago office sales transaction volume. The list of these transactions is short. Of the forty-three suburban Chicago office transactions since Jan '23 greater than 75K NRSF, we classify four transactions as core and core plus, or 9% of the transactions. These include Prime Finance's Mar '24 sale of Schaumburg Towers, Blackstone's Nov '23 sale of Oakbrook Terrace Tower, Sovereign Partners' Feb '23 sale of the 1700 & 1900 E Golf Rd buildings, and 90 North RE Partners' Jan '23 sale of 21440 W Lake Cook Rd. These four transactions represent \$237.7M in sales volume, 2.5M NRSF, with an average PSF sale price of \$95. Note that transactions representing land acquisition for redevelopment, for example data centers, are excluded.

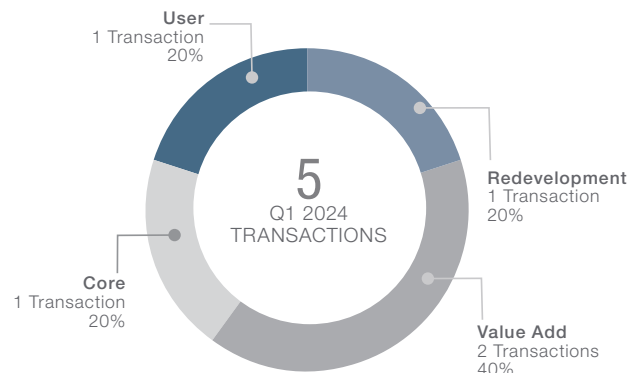
If we redefine "transaction volume" to include transfers to or transfers in process to lenders, we discovered robust transaction activity in the past 15 months. Since Jan '23, we have identified fifteen properties within this new definition totaling \$719M in aggregate loan balance, 6.5M NRSF, and an average loan of \$111 PSF. This aggregate loan balance is triple the Q1 2024 dollar sales volume; 2.6 times the NRSF sold. Of these fifteen properties, 3005 Highland Parkway in Downers Grove is the only property listed for sale by the lender, JP Morgan Chase. Eight, or 53%, of these properties are in the EW Corridor, four, or 27%, are in the O'Hare submarket, and three, or 20%, are in the NW submarket. The status of these loans vary from receiver in place, to foreclosure underway, to REO. CMBS/CLO loans represent 73% of loan total, life co loans represent 20%, and bank loans represent 7%. Given the prevailing lender mind set of not investing in REO property, we would expect many

of these properties will be listed for sale as soon as REO status is reached over the next six to twelve months.

We continue to recommend that private investors consider the mid-cap office market, which we define as properties less than 75K RSF, as this subsector offers attractive opportunities relative to the core and core plus sectors. The syndicator cap stack is typically 50% equity which will generate debt 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.

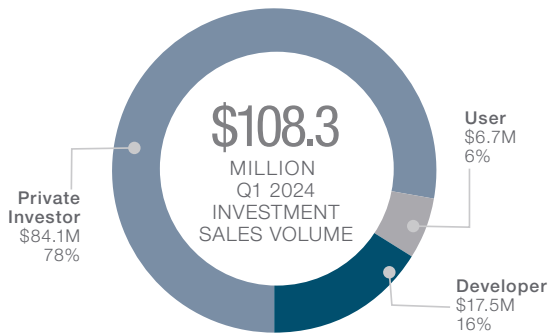
There were five transactions in Q1 2024, generating a sales volume of \$108.3M, which is 33% below the Q1 2023 total of \$160M. Two of the five transactions were in the EW Corridor, two were in the North submarket, and one was in the Northwest submarket. The 882K SF Schaumburg Towers

## Transactions by Sale Type



Number of Deals / Volume / % of Total

## Buyer Pool Composition

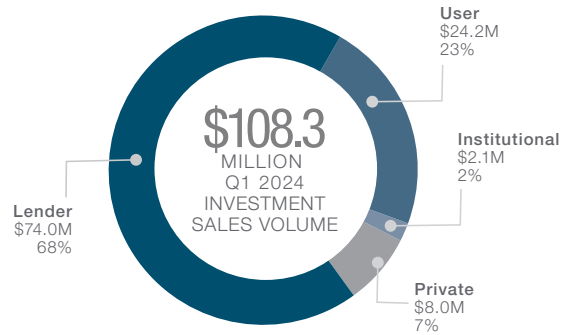


office complex was sold by the first mortgage lender, Prime Finance, to Florida-based Sigma Plastics Group for \$74M or \$84 PSF. Prime Finance's original loan amount was \$95.5M. A \$14.5M mezzanine loan was wiped out. Similar to the buyer of Oakbrook Terrace Tower in Nov '23, the buyer's wealth came from non-real estate investment activity, a trend we expect to continue to see until the funds re-enter the market.

There were four loans refinanced in Q1 2024 totaling \$35.9M or \$62 PSF versus ten loans in Q1 2023 totaling \$ 76.9M or \$67 PSF, a 53% reduction in dollar amount. The four loans were comprised of one core asset representing \$19.9M, or 55% of the loan volume, the remainder of these loans were between \$5 and \$7M. The core asset loan was funded by a financial firm, the remainder of these loans were funded by regional/local banks. The chart below shows the dramatic decline in dollar loan volume over the last five calendar years from \$1,065M in 2019 to \$347M in 2023. CRE interest rates moved from an estimated 3.6% in September in 2022, peaking at 7.2% in October, falling to a current rate estimated at 6.7%. These interest rates reflect an average rate for core asset class properties.

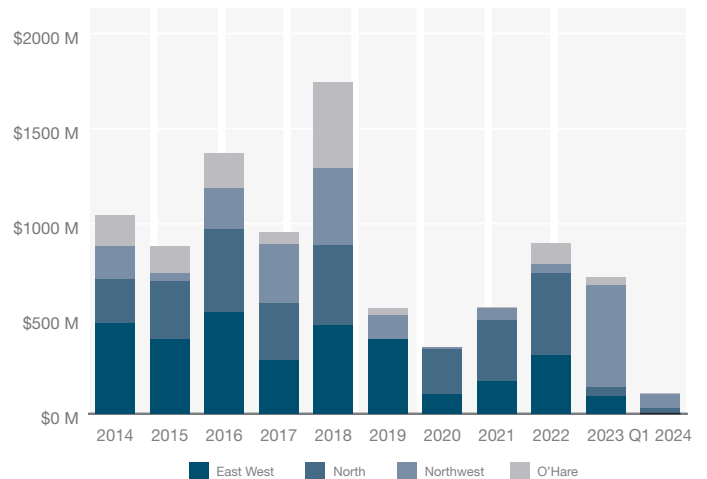
We started the year excited about the prospect of multiple rate cuts by the Fed. Due to an increase in the rate of

## Seller Pool Composition

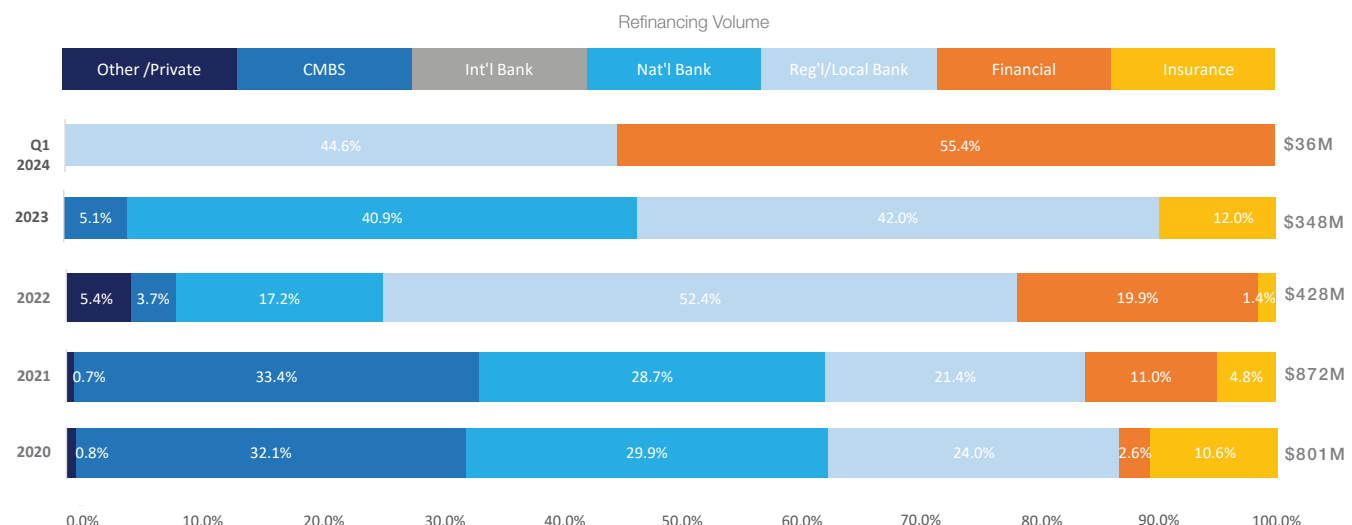


inflation from 3.1% in Jan '24 to 3.5% in Mar '24, this excitement was short lived and replaced with hope that the Fed will implement reductions in the second half of 2024. The Mortgage Bankers Association estimated that nationwide \$300B in 2023 loan maturities were extended to 2024. These extensions were in part dependent upon more favorable interest rates projected in 2024 following multiple FED rates reductions.

## Annual Sales Volume



## Conventional Refinancing: 2020 - Q1 2024



# Economic Overview

Looking forward, significant headwinds remain as elevated inflation, rising interest rates, and global economic uncertainty put downward pressure on consumer spending and the financial.

Unemployment Rate



2024 Total Nonfarm Job Growth



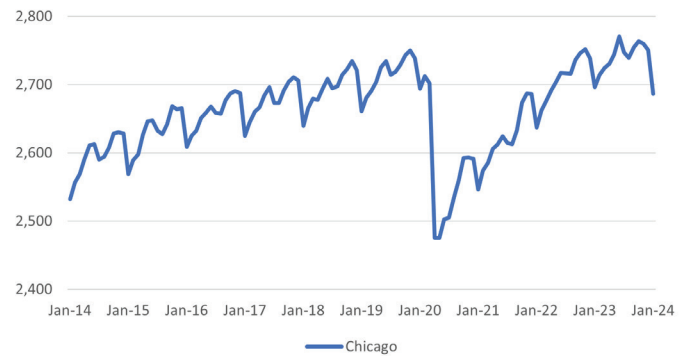
Y-O-Y Office-Using Employment



## Economic Indicators Uneven In 2024

- The U.S. economy is navigating a complicated landscape marked by moderate growth, tempered by ongoing inflationary pressures and a cautious Federal Reserve.
- Consumer spending continues to be robust, supporting the broader economy, but high inflation remains a concern, prompting the Fed to maintain elevated interest rates to curb price increases.
- The U.S. labor market has remained resilient following an initial downturn during the beginning of the pandemic, averaging 400,000 new jobs added monthly since the beginning of 2021, although the pace of job creation has shown signs of slowing.
- Unemployment remains below pre-pandemic levels at 3.7% as of January 2024.
- Looking forward, significant headwinds remain as elevated inflation, rising interest rates, and global economic uncertainty put downward pressure on consumer spending and the financial markets.
- Locally, Chicago's economy saw the unemployment rate rise to 4.8% as of January 2024.
- Total nonfarm employment dipped locally, down 136,500 jobs during the first month of the year.
- Chicago has seen year-over-year growth in several job sectors, led by the Mining and Logging (15.4%) and Other Services (3.4%) sectors.

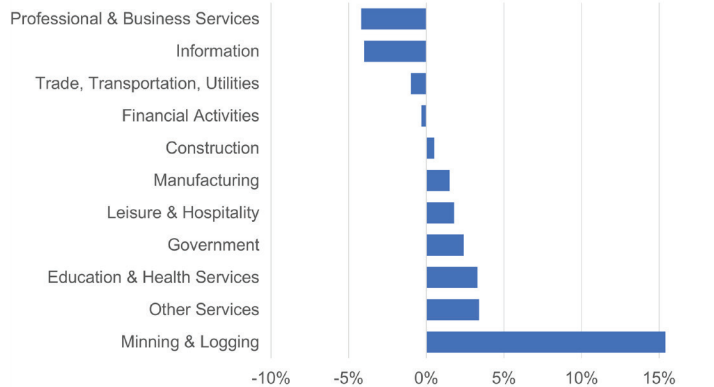
OFFICE-USING EMPLOYMENT



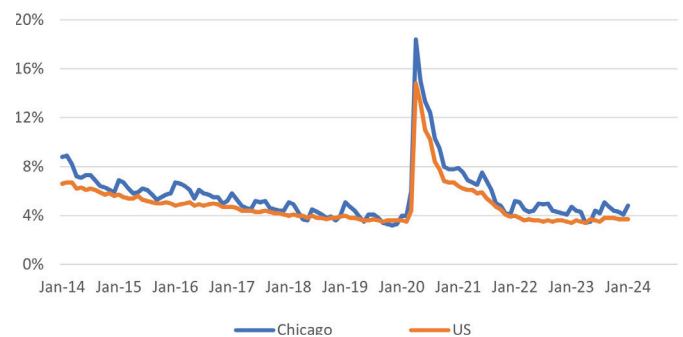
TOTAL PAYROLL EMPLOYMENT



Y-O-Y JOB CHANGE BY INDUSTRY



UNEMPLOYMENT RATE





# We are strategic & innovative

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Tenant Representation  
Appraisal & Valuation

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Portfolio Review  
Market Analysis

### Advisory & Consulting Services

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Acquisition/Disposition  
Capital Markets  
Build-to-Suit  
Project Management  
Feasibility Analysis  
Lease Administration  
Lease Audit  
Tax Appeal  
Title/Escrow/Survey  
Global Supply Chain & Logistics

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Build-to-Suit/Construction Management  
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