Q2 2025

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Office Market Report

METROPOLITAN CHICAGO

Office Market Report
METROPOLITAN CHICAGO

Q2
2025

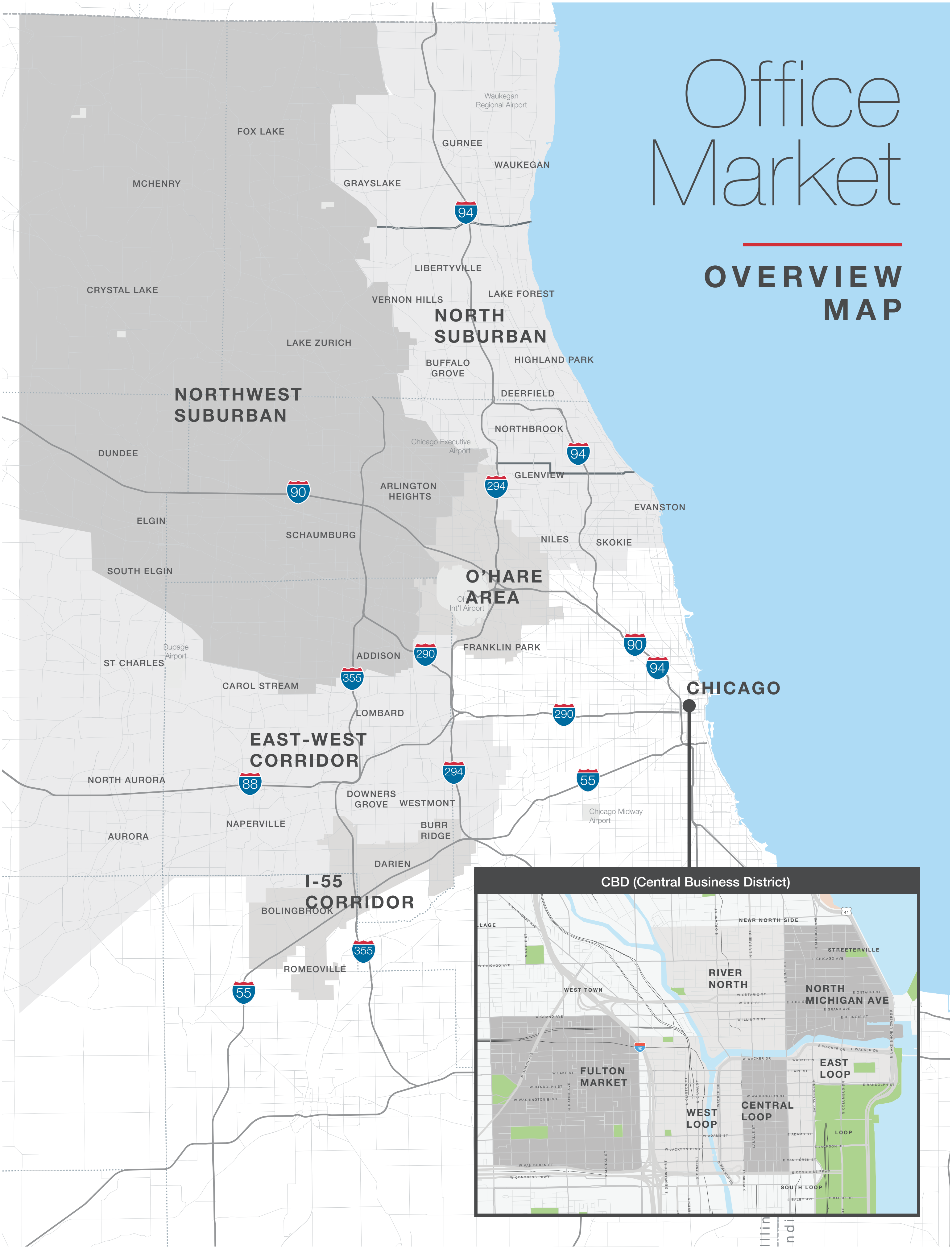
Suburban Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	2Q25 Net Absorption (SF)	YTD 2025 Net Absorption (SF)	2Q25 Leasing Activity (SF)	YTD 2025 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
East-West Corridor	**39,706,657**	**9,547,834**	**23.7%**	**0.4%**	**24.0%**	**29.7%**	**30,607**	**-98,246**	**453,122**	**1,257,515**	**0**	**$17.82**
Class A	21,247,747	5,635,234	26.0%	0.5%	26.5%	34.0%	-98,737	-211,956	315,826	763,734	0	**$18.44**
Class B	16,368,373	3,742,072	22.6%	0.3%	22.9%	26.7%	114,244	86,109	125,068	462,786	0	**$16.70**
Class C	2,090,537	170,528	8.2%	0.0%	8.2%	9.1%	15,100	27,601	12,228	30,995	0	**$16.49**
I-55 Corridor	**3,364,249**	**559,734**	**14.8%**	**1.9%**	**16.6%**	**19.2%**	**-10,914**	**66,101**	**21,829**	**45,603**	**0**	**$16.01**
Class A	833,993	252,867	23.5%	6.8%	30.3%	40.4%	-942	-13,014	0	9,966	0	**$18.82**
Class B	2,144,811	262,664	12.0%	0.3%	12.2%	12.2%	-12,260	79,646	13,379	23,013	0	**$15.33**
Class C	385,445	44,203	11.5%	0.0%	11.5%	12.1%	2,288	-531	8,450	12,624	0	**$17.98**
North Suburban	**25,850,003**	**7,134,073**	**27.2%**	**0.4%**	**27.6%**	**29.0%**	**-1,473**	**309,303**	**274,755**	**689,642**	**0**	**$17.88**
Class A	15,761,587	5,288,715	33.0%	0.6%	33.6%	35.5%	-25,823	152,287	138,916	481,602	0	**$17.58**
Class B	8,703,109	1,612,421	18.4%	0.2%	18.5%	19.2%	18,990	143,935	129,035	188,553	0	**$18.67**
Class C	1,385,307	232,937	16.8%	0.0%	16.8%	17.6%	5,360	13,081	6,804	19,487	0	**$17.16**
Northwest Suburban	**30,662,689**	**9,909,984**	**31.0%**	**1.3%**	**32.3%**	**32.0%**	**-2,506**	**191,182**	**263,362**	**578,070**	**0**	**$18.01**
Class A	16,867,609	5,714,959	31.9%	2.0%	33.9%	34.7%	-56,227	-11,885	85,462	287,278	0	**$19.29**
Class B	12,436,614	4,068,635	32.2%	0.5%	32.7%	30.9%	64,276	204,880	165,398	262,591	0	**$16.37**
Class C	1,358,466	126,390	9.3%	0.0%	9.3%	9.7%	-10,555	-1,813	12,502	28,201	0	**$14.95**
O'Hare	**14,046,683**	**3,210,684**	**22.3%**	**0.5%**	**22.9%**	**28.7%**	**-313,175**	**-155,048**	**268,967**	**402,975**	**0**	**$21.57**
Class A	8,164,557	1,875,238	22.2%	0.7%	23.0%	32.6%	-311,907	-151,865	137,929	217,489	0	**$22.85**
Class B	5,456,417	1,253,604	22.7%	0.3%	23.0%	23.4%	18,686	21,405	131,038	184,834	0	**$19.34**
Class C	425,709	81,842	19.2%	0.0%	19.2%	19.7%	-19,954	-24,588	0	652	0	**$16.68**
Suburban Totals	113,630,281	30,362,309	26.0%	0.7%	26.7%	29.7%	-297,461	313,292	1,282,035	2,973,805	0	$18.37
Class A	62,875,493	18,767,013	28.8%	1.0%	29.8%	34.4%	-493,636	-236,433	678,133	1,760,069	0	**$19.13**
Class B	45,109,324	10,939,396	23.9%	0.3%	24.3%	25.3%	203,936	535,975	563,918	1,121,777	0	**$17.16**
Class C	5,645,464	655,900	11.6%	0.0%	11.6%	12.4%	-7,761	13,750	39,984	91,959	0	**$16.53**

* Metro Chicago Totals incorporate CBD and Suburbs

Office Market

OVERVIEW MAP



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CBD Office Market Statistics

Submarket	Total RBA (SF)	Total Vacant (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Availability Rate	2Q25 Net Absorption (SF)	YTD 2025 Net Absorption (SF)	2Q25 Leasing Activity (SF)	YTD 2025 Leasing Activity (SF)	Under Construction (SF)	Market Rent Per SF
Central Loop	38,547,268	10,405,820	26.7%	0.3%	27.0%	29.7%	-378,432	-723,548	369,577	615,255	0	$36.26
Class A	22,542,176	5,524,027	24.1%	0.4%	24.5%	27.8%	-159,776	-323,780	247,256	447,152	0	$37.08
Class B	14,678,184	4,648,682	31.5%	0.2%	31.7%	33.8%	-187,304	-367,455	86,348	116,229	0	$35.05
Class C	1,326,908	233,111	17.6%	0.0%	17.6%	16.3%	-31,352	-32,313	35,973	51,874	0	$13.41
East Loop	27,521,664	7,816,509	27.6%	0.8%	28.4%	35.4%	-202,703	-252,832	116,878	381,380	0	$36.20
Class A	18,189,235	5,083,018	27.1%	0.9%	27.9%	37.5%	-53,286	-129,519	83,053	211,775	0	$37.23
Class B	6,707,736	1,908,190	27.6%	0.9%	28.4%	30.7%	10,074	27,418	6,256	80,541	0	$22.00
Class C	2,624,693	825,301	31.4%	0.0%	31.4%	32.7%	-159,491	-150,731	27,569	89,064	0	$25.80
Fulton Market	10,342,931	1,772,331	15.2%	2.0%	17.1%	21.5%	188,495	129,904	120,082	386,953	411,202	$36.25
Class A	5,962,458	1,004,467	13.6%	3.3%	16.8%	21.9%	181,677	204,114	88,351	264,594	411,202	$42.60
Class B	3,134,668	602,565	19.0%	0.2%	19.2%	20.9%	-5,433	-77,886	14,298	51,367	0	$29.41
Class C	1,296,689	173,699	13.4%	0.0%	13.4%	20.8%	12,251	3,676	17,433	70,992	0	$29.96
NMA	12,173,846	2,764,116	19.8%	2.9%	22.7%	27.9%	-304,551	-212,956	60,144	85,638	0	$25.91
Class A	7,480,859	2,036,561	23.0%	4.2%	27.2%	34.2%	-230,734	-158,592	45,055	61,425	0	$23.94
Class B	4,411,548	670,371	14.9%	0.3%	15.2%	17.5%	-77,067	-57,614	10,089	19,213	0	$34.95
Class C	281,439	57,184	12.9%	7.4%	20.3%	22.5%	3,250	3,250	5,000	5,000	0	$32.09
River North	18,369,784	4,878,496	25.2%	1.4%	26.6%	29.5%	-6,732	22,639	179,190	505,770	0	$44.62
Class A	12,666,223	3,480,402	25.8%	1.6%	27.5%	29.6%	-67,191	-100,162	132,601	405,047	0	$45.63
Class B	4,268,095	986,240	21.9%	1.2%	23.1%	27.9%	12,214	35,061	27,224	76,640	0	$29.40
Class C	1,435,466	411,854	28.7%	0.0%	28.7%	32.4%	48,245	87,740	19,365	24,083	0	0
West Loop	58,506,792	13,049,443	20.5%	1.8%	22.3%	28.3%	-831,396	-816,648	812,314	2,045,856	0	$44.70
Class A	46,928,086	9,409,126	17.9%	2.1%	20.1%	26.8%	-488,948	-237,961	619,073	1,586,907	0	$47.10
Class B	9,814,909	3,264,424	32.5%	0.8%	33.3%	36.1%	-300,207	-603,879	187,758	435,878	0	$37.61
Class C	1,763,797	375,893	21.3%	0.0%	21.3%	26.2%	-42,241	25,192	5,483	23,071	0	$29.86
Downtown Totals	165,416,343	40,682,515	23.3%	1.3%	24.6%	29.5%	-1,535,319	-1,853,441	1,658,185	4,020,852	411,202	$39.68
Class A	113,723,095	26,533,401	21.6%	1.7%	23.3%	29.2%	-818,258	-745,900	1,215,389	2,976,900	411,202	$41.36
Class B	42,989,698	12,076,272	27.5%	0.5%	28.1%	30.7%	-547,723	-1,044,355	331,973	779,868	0	$35.04
Class C	8,703,550	2,072,842	23.6%	0.2%	23.8%	26.8%	-169,338	-63,186	110,823	264,084	0	$28.04
Metro Chicago Totals	279,046,624	71,044,824	24.4%	1.1%	25.5%	29.6%	-1,832,780	-1,540,149	2,940,220	6,994,657	411,202	0
Class A	176,598,588	45,300,414	24.2%	1.5%	25.6%	31.1%	-1,311,894	-982,333	1,893,522	4,736,969	411,202	0
Class B	88,099,022	23,015,668	25.7%	0.4%	26.2%	27.9%	-343,787	-508,380	895,891	1,901,645	0	0
Class C	14,349,014	2,728,742	18.9%	0.1%	19.0%	21.1%	-177,099	-49,436	150,807	356,043	0	0

* Metro Chicago Totals incorporate CBD and Suburbs

Suburban Market Summary

Midyear finds Chicago's suburban office market facing declining demand, restricted capital access, and ongoing economic uncertainty.

Vacancy Rate **26.7%**

2025 Net Absorption **313K SF**

2025 YTD New Leasing **2.9M SF**

Chicago's Suburban Office Market in Transition: Signs of Stabilization Amid Headwinds

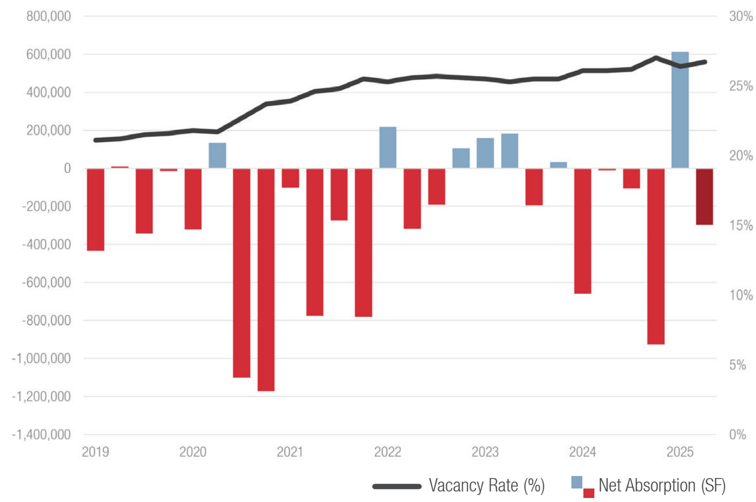
Chicago's suburban office market softened during the first half of 2025 as multiple factors continue to impact the market, including reduced demand, tighter restrictions on capital, and persistent economic uncertainty. Net absorption declined, yet did not fully offset the gain from the first quarter, and vacancy rates rose slightly. Class B buildings continue to thrive in an unsteady market. While the broader market still faces headwinds—such as capital constraints and economic uncertainty—well-managed, mid-size Class A and Class B properties continue to outperform, offering compelling opportunities for proactive landlords and investors.

The second quarter saw net absorption total -297,461 square feet, dropping the year-to-date figure to 313,292 square feet. Vacancy rates rose to 26.7%—a small increase following the decrease seen last quarter. Class A properties reported -493,636 square feet of absorption in the second quarter. This decrease is being offset, in part, by consistent absorption in Class B spaces, which reached 535,975 square feet of positive absorption so far in 2025.

Leasing activity totaled 1.3 million square feet during Q2 2025, with Class A leasing making up 52.9% of the volume. Noteably, Class B accounted for 44.0% of the quarter's total leasing – bringing Class A and B leasing activity closer than they've been in years. This narrowing signals that tenants are increasingly open to exploring a wider range of options in the market. Thus, well-capitalized and maintained Class B properties with attractive spaces are drawing attention from tenants that may have previously looked only at Class A options.

A significant trend shaping the suburban office landscape is the reduction in inventory driven by redevelopment and adaptive reuse projects. Amid sluggish demand and elevated vacancy, landlords and developers are increasingly choosing to convert outdated or underutilized office properties into residential, industrial, or mixed-use developments. These conversions are not only removing millions of square feet from the office market—such as the former Sears headquarters in Hoffman Estates and the Atrium Corporate Center in Rolling Meadows—but they're also helping to rebalance supply and demand dynamics over the long term. As more properties exit the inventory pipeline, vacancy pressures could ease gradually, especially in submarkets where office demand remains tepid. While these projects do not offer an immediate fix, they represent a structural shift that may set the stage for a healthier, more sustainable suburban office market moving forward.

Vacancy Rate vs Net Absorption



Market Summary

Q2 2025	SF	
Market Size	113,630,281	
Total Vacancy	30,362,309	26.7%
Direct Vacancy	29,543,873	26.0%
Sublease Vacancy	795,412	0.7%
Available Space	33,748,193	29.7%
QTR Net Absorption	-297,461	
YTD Net Absorption	313,292	
Under Construction	0	
QTR New Supply	0	
YTD New Supply	0	
QTR New Leasing Activity	1,282,035	
YTD New Leasing Activity	2,973,805	

While the overall suburban office market has softened since early 2020, a clear divide is emerging between different product sectors. Mid-size product— between 20,000 to 100,000 square feet—has demonstrated stronger fundamentals, with more consistent leasing activity and below-average vacancy. Savvy landlords who invest in more flexible floor plans are capturing

Net absorption totaled -297,461 square feet during the second quarter.

Vacancy rose slightly to 26.7%, compared to 26.1% one year ago.

New leasing activity reached 1,282,035 square feet during the second quarter, down from 1,543,768 square feet in Q2 2024.

more interest from small and mid-sized tenants seeking flexibility, rather than waiting out the increasingly rare large corporate relocations. Class A currently stands at 29.8%, while Class B has tightened to 24.3%.

Despite a slowdown in year-over-year leasing activity, the second quarter still saw several notable leases signed. ADP subleased 148,866 square feet at 1299 Zurich Way in Schaumburg, where it will occupy floors 3 through 5 starting in the third quarter. Additionally, Do It Best renewed their 40,642-square-foot lease at 8600 W Bryn Mawr in Chicago.

Softening job growth continues to be a key headwind for the suburban office market, with businesses showing more caution with their hiring. However, with fewer alternative employment opportunities available, employers may find it easier to reinforce in-office mandates or tightened hybrid work policies, potentially slowing the pace of future office space reductions.

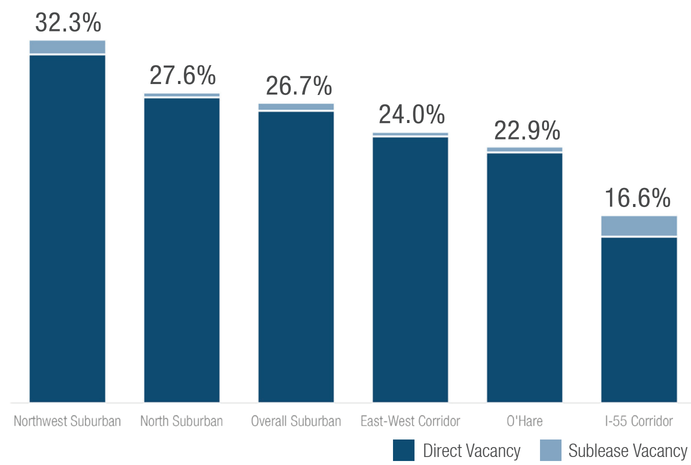
OUTLOOK

Chicago's suburban office market continues to evolve, offering both challenges and opportunities. Fluctuating interest rates and stricter lending standards are placing pressure on owners, particularly those with aging Class B and C properties. Upgrading these buildings and offering flexible space remains critical to attracting and retaining tenants.

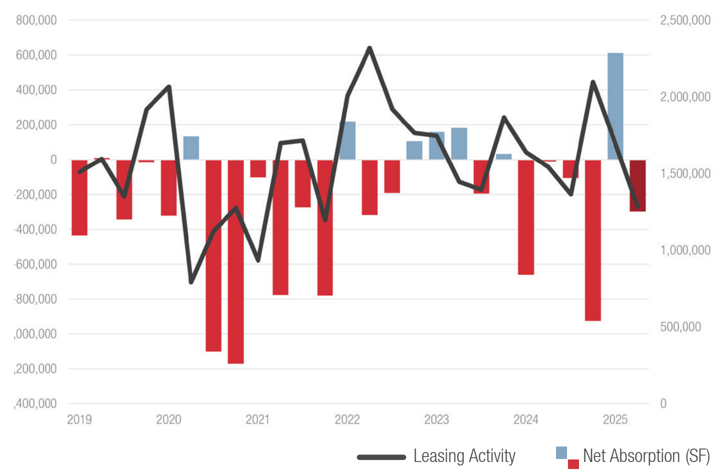
Despite ongoing economic pressures and evolving workplace trends, adaptable landlords and investors are finding success. Mid-size, efficient buildings continue to draw leasing interest, while conversions offer potential for underperforming assets. Vacancy may decline as outdated inventory exits the market and demand gradually stabilizes.

Looking ahead, those who prioritize flexibility and tenant needs are best positioned to lead. The divide between modern, well-managed properties and outdated ones is growing. Strategic upgrades and creative repositioning will be key in unlocking opportunities, especially in scalable, efficient, and tenant-friendly spaces.

Vacancy by Submarket



Absorption vs Leasing Activity



Significant Transactions

User Sale

2001 York Rd
Oak Brook
183,428 SF

East-West Corridor

Buyer
Ashley Capital

Sublease

1299 Zurich Way
Schaumburg
148,866 SF

Northwest Suburban

Tenant
ADP

User Sale

27201 Bella Vista Pky
Warrenville
148,000 SF

East-West Corridor

Buyer
OSI Industries, LLC

Renewal

8600 W Bryn Mawr
Chicago
40,642 SF

O'Hare

Tenant
Do It Best

Renewal

1415 W Diehl Rd
Naperville
39,665 SF

East-West Corridor

Tenant
Northern Trust Company

Transactions with the "A" designate NAI Hiffman transactions

CBD Market Summary

Backfilling Woes Mount for Landlords Facing Tenant Turnover and Economic Contraction

Vacancy Rate
24.6%

2025 Net Absorption
-1.9M SF

2025 YTD New Leasing
4M SF

Downtown's Office Market Continues to Soften in 2025

Chicago's CBD office market faced further challenges during the second quarter with -1,535,319 square feet of absorption, marking the fourth consecutive quarter of negative absorption. Year-to-date absorption in the CBD is down 64.1% compared to this time in 2024. Vacancy continues to climb and remains high as landlords have struggled to backfill large blocks of space amid tenant relocations and contractions within the market, but move ins, combined with lower sublease vacancy brought relief to the market.

The downtown market registered 1.7 million square feet of new leasing activity during the second quarter, down 19.9% from 2024. Class A properties continue to lead the new leasing, accounting for 1,215,389 square feet during the second quarter or 73.3% of all new leases signed, up from 65.6% in 2024.

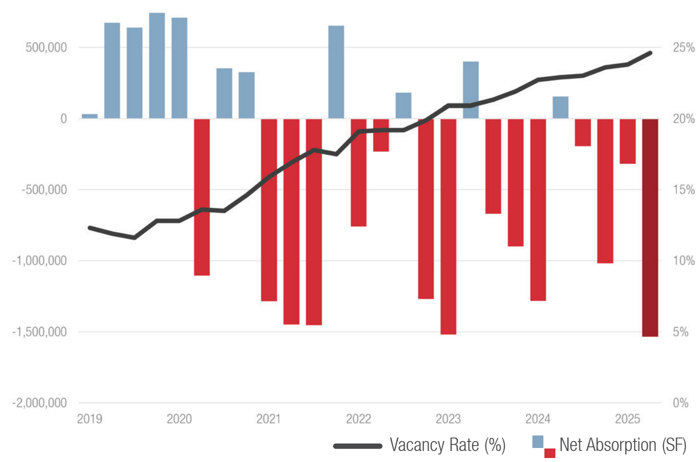
J.P. Morgan Chase & Co. inked the largest deal of the quarter, renewing their 126,341 square feet at 131 S Dearborn St while Legal Aid Chicago signed the largest new lease for 42,254 square feet at 200 N LaSalle St.

Overall vacancy rose to 24.6% during the second quarter, reaching a new historical high for the CBD. Since the start of the pandemic, vacancy has risen 1,080 basis points from 12.8% during the first quarter of 2020. Sublease space has been declining since the fourth quarter of 2023 and is near its lowest amount since 2020. The sublease vacancy rate was 1.3% during the second quarter.

CBD asking rents averaged $39.68/SF during the second quarter, unchanged year-over-year. Class A asking net rents averaged $41.36/SF, up 2.4% from one year ago. Although asking rents had held relatively steady over the past few years, rising taxes and elevated concessions continue to put downward pressure on effective rents.

There are 411,202 square feet of new development currently under construction in the CBD. The project currently under construction is 919 W Fulton Market in Fulton Market, which has seen 127,712 square feet preleased by Gibsons and Harrison Street.

Vacancy Rate vs Net Absorption



Market Summary

Q2 2025	SF	
Market Size	165,416,343	
Total Vacancy	40,682,515	24.6%
Direct Vacancy	38,462,903	23.3%
Sublease Vacancy	2,219,612	1.3%
Available Space	48,860,290	29.5%
QTR Net Absorption	-1,535,319	
YTD Net Absorption	-1,853,441	
Under Construction	411,202	
QTR New Supply	0	
YTD New Supply	0	
QTR New Leasing Activity	1,658,185	
YTD New Leasing Activity	4,020,852	

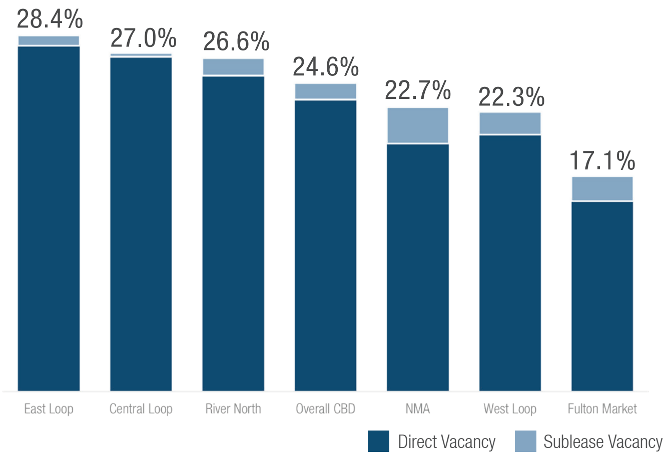
While the CBD remains tenant-favored, signs of recovery persist. Though still well below pre-pandemic levels, more than half of Chicago workers are back in the office as employers push their workforce to return to the office setting. Savvy landlord strategies such as spec suites, in-demand amenities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

Chicago's CBD office saw negative absorption this quarter with -1,535,319 square feet of absorption.

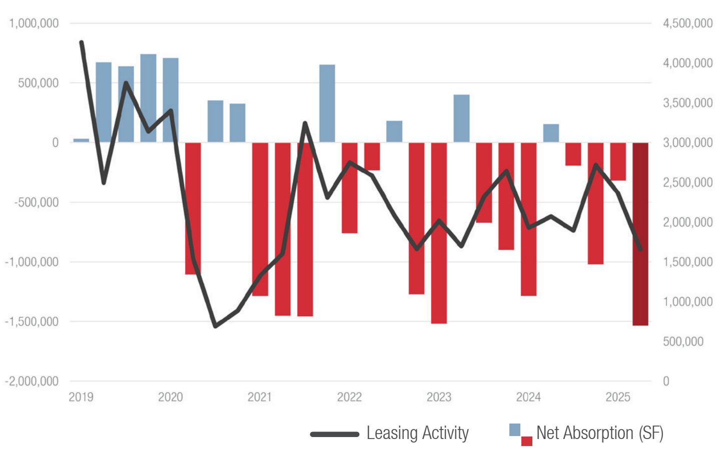
Overall vacancy continued to rise, reaching 24.6%, a new historical high

The downtown market registered 1.7 million square feet of new leasing activity during the second quarter, down 19.9% year-over-year.

Vacancy by Submarket



Absorption vs Leasing Activity



Significant Transactions

Renewal

131 S Dearborn St
Chicago
126,341 SF

Central Loop

Tenant
J.P. Morgan Chase & Co.

New Lease

200 N LaSalle St
Chicago
42,254 SF

Central Loop

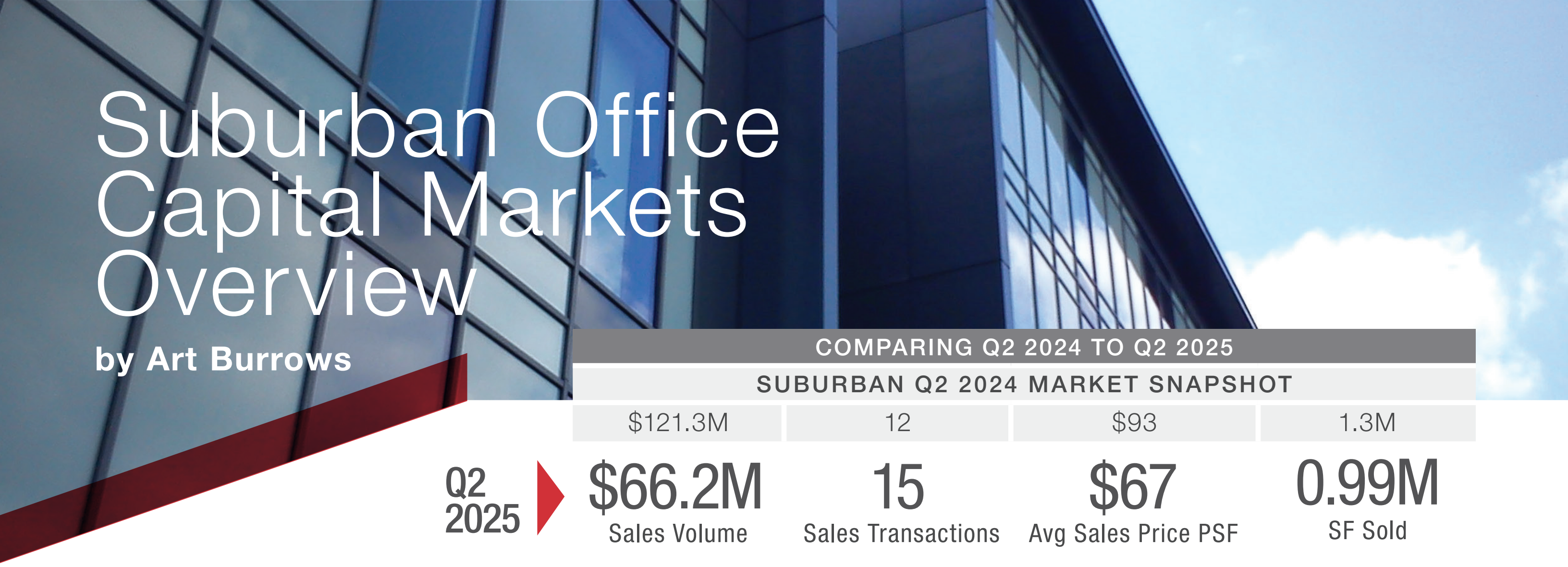
Tenant
Legal Aid Chicago

New Lease

33 N Dearborn St
Chicago
22,330 SF

Central Loop

Tenant
Amata Law Office Suites



Suburban Office Capital Markets Overview

by Art Burrows

COMPARING Q2 2024 TO Q2 2025				
SUBURBAN Q2 2024 MARKET SNAPSHOT	$121.3M	12	$93	1.3M
Q2 2025	$66.2M Sales Volume	15 Sales Transactions	$67 Avg Sales Price PSF	0.99M SF Sold

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
TOTAL SALES VOLUME	$121.3	$42.5M	$220.5M	$60.9M	$66.2M
TOTAL SF SOLD	1.3M	0.76M	3.6M	2.2M	0.99M
# BUILDINGS SOLD	16	10	22	12	15
# OF TRANSACTIONS	12	10	19	12	15
PORTFOLIO TRANSACTIONS	0	0	0	0	0

STATE OF FLUX!

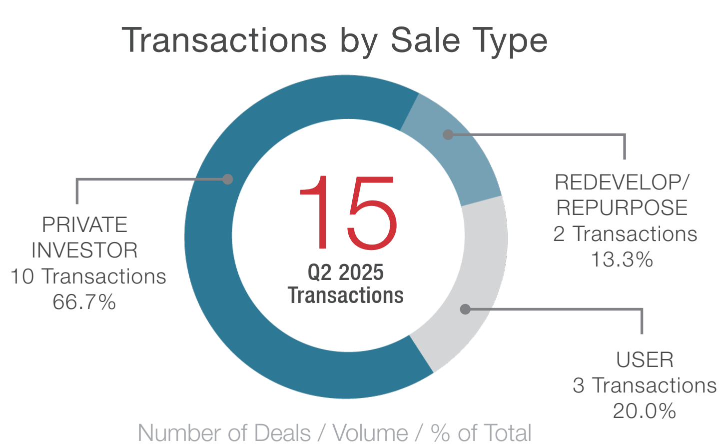
Investors remain in search of clear signals as global economic indicators continue to shift. Initial fears of aggressive tariffs have subsided and the anticipated spike in inflation has yet to materialize. However, onshoring remains an inflationary force, and elevated Treasury yields remain a cloud over the debt markets. Eyes are on the Federal Reserve and Chair Jerome Powell - whose term runs through May 2026. Will the Fed maintain current policy, or yield to pressure with rate cuts of 100-150 basis points under a future chair? Such a move could unlock liquidity, ease refinancing, and bolster CRE valuations. Meanwhile, fiscal dynamics – balancing rising deficits, debt sustainability, and ongoing political debate between fiscal hawks and doves – underscore the importance of ensuring economic growth remains ahead of borrowing costs to avoid triggers for austerity or tax hikes.

THE OFFICE SECTOR. Small to mid-sized tenants have adapted well to post-pandemic workspace needs and have driven most suburban office market absorption. Larger tenants, while still downsizing, are moving into Class A and trophy properties in a deliberate "flight to quality," reshaping tenant demand. From an investment standpoint, we are seeing a growing number of value-add buyers enter the office landscape looking for deals as PSF pricing is near historic lows. Stabilized Office Investments have yet to materialize as rates remain high, debt availability is scare, and the bid/ask spread between Sellers and Buyers have not closed due to perceived risk in the office environment.

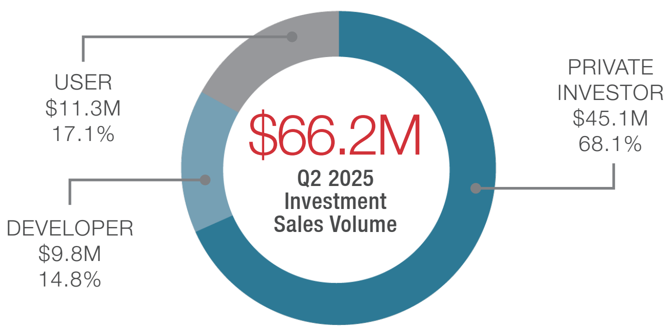
Fifteen suburban sales were closed during Q2 2025, totaling $66.2M in sales volume, and an average sale price of $4.41M and $67 PSF. This contrasts with Q2 2024's four transactions which reached$89.4 M (average sale price of $22.3M, $118 PSF) anchored by two significant transactions that together comprised 92% of Q2 2024's volume. Geographically, seven deals occurred in the East-West Corridor, five in the Northwest suburbs, and two in the North suburbs. There was no activity in the O'Hare market.

In Q2 2025, two notable suburban office transactions occurred, reflecting shifts in property values. The largest dollar transaction was the sale of 2001 York Road in Oak Brook for $9.7M, a substantial decrease from its previous sale price of $34M, reflecting a 72% decline. The buyer, Ashley Capital, plans to relocate its Chicago office and will occupy 5K SF of the building. Another significant transaction was the sale of 27201 Bella Vista Parkway in Warrenville for $7.5M, down from its prior sale price of $8.83M, reflecting a 15% loss. The buyer, OSI Group, intends to relocate its headquarters from Aurora to this 149,000 SF property.

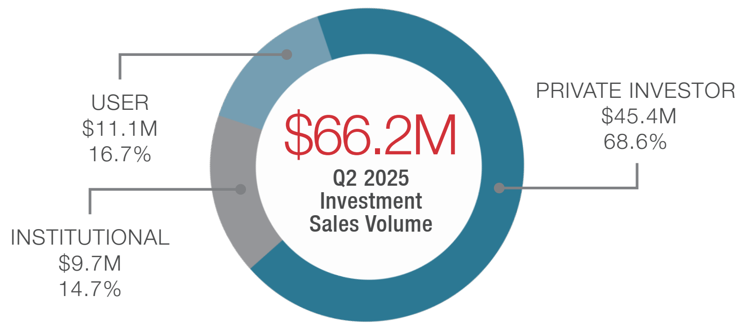
Hiffman continues to recommend that private investors consider mid-cap suburban office properties, which we define as properties under 100K RSF, as this subsector offers attractive opportunities compared to larger core and core-plus buildings. Throughout suburban Chicago, these



Buyer Pool Composition



Seller Pool Composition



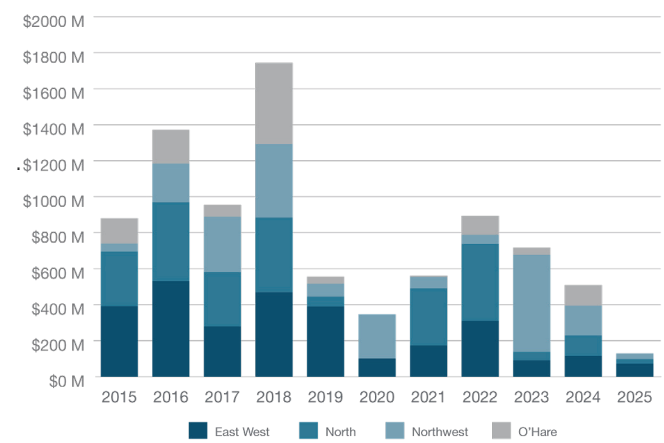
mid-cap buildings typically exhibit lower vacancy rates than their larger counterparts and lower transaction costs due to smaller spaces.

The capital structure of mid-cap properties often comprises 40% to 50% equity, providing a favorable basis that enhances debt options. These properties are typically occupied by multiple small tenants, which diversifies risk and reduces the impact of single vacancy. Additionally, tenant improvement costs are generally lower, and the smaller spaces offer more flexibility for reuse, allowing for a higher percentage of existing improvements to be recycled.

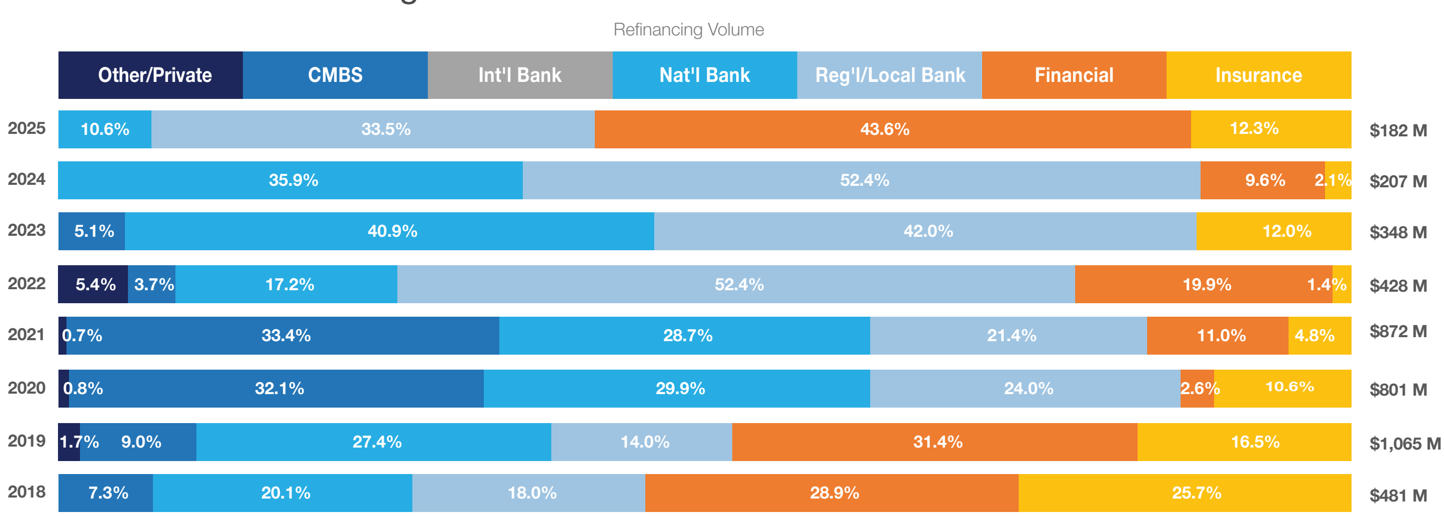
In Q2 2025, six loans totaling $49.6 M ($52 PSF) were refinanced, compared to eight loans totaling $55.9M ($58 PSF) in Q2 2024 - a decline of approximately 11%. Compared to Q1 2025, Q2's refinancing volume dropped by $68.4M (a 53% decrease). However, this comparison could be considered skewed by the large $76.4M loan on 9 Parkway North (Deerfield) Excluding that, Q1 and Q2 2025 loan volumes are nearly identical (~$51-52M). Two transactions accounted for 69% of the Q2 2025 transaction volume: KeyCorp refinanced Woodfield Corporate Center in Schaumburg for $13.5M, and First National Bank of Texas refinanced Westwood of Lisle in Lisle for $20.6M. Both lenders were the existing lenders. Among the six lenders involved, five were banks and one was a federal credit union, with half being existing lenders. Total loan balances in Q2 were 23% lower than the prior aggregate loan balance. With the largest paydown at 43% and the largest payout at 20%, all based on original principal balances. No attempt was made to estimate the amortized loan balances.

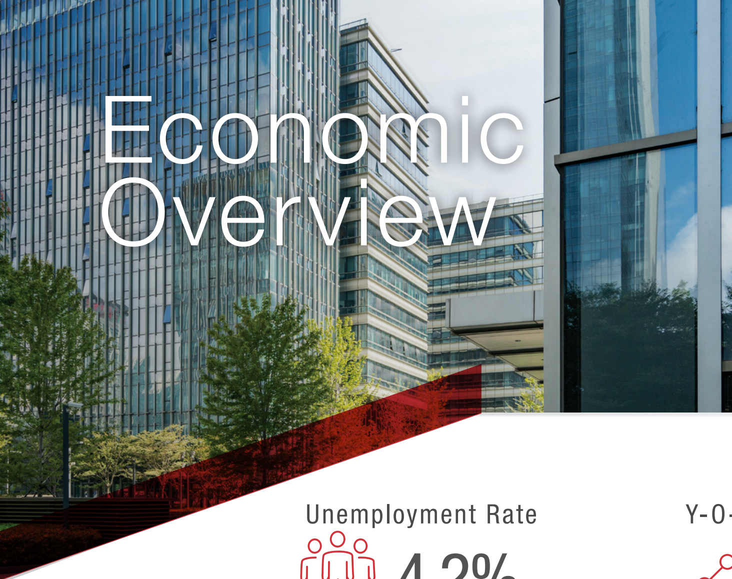
Overall, refinancing continues to lag loan maturities – a trend driven by a high volume of small-balance mid-cap loans (under 100K SF) and distressed core/core-plus assets affected by work-from-home trends. Hiffman estimates nearly $1B of suburban office loans are currently distress and face refinancing challenges without significant principal paydowns. Institutional owners are not inclined to reinvest current costs bases.

Annual Sales Volume



Conventional Refinancing: 2020 - Q2 2025





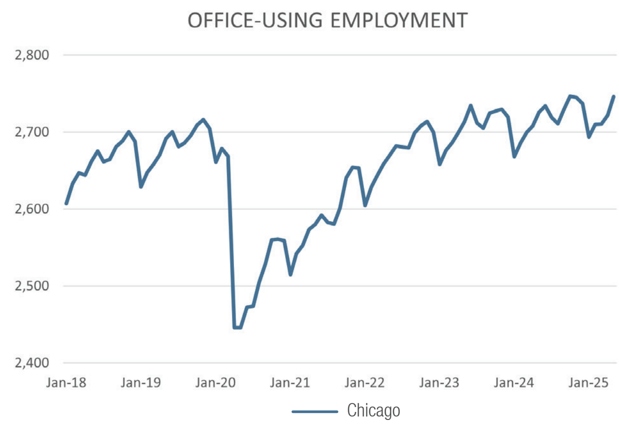
Economic Overview

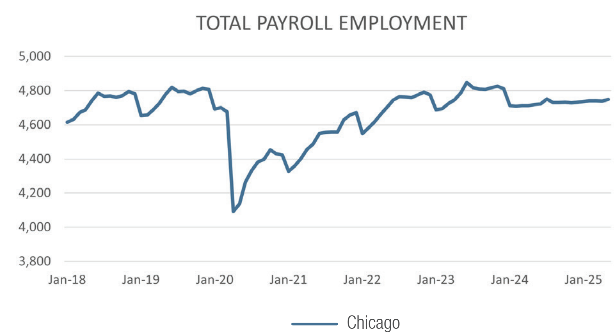
The U.S. economy is navigating a complicated landscape marked by moderate growth, tempered by ongoing inflationary pressures and a cautious Federal Reserve.

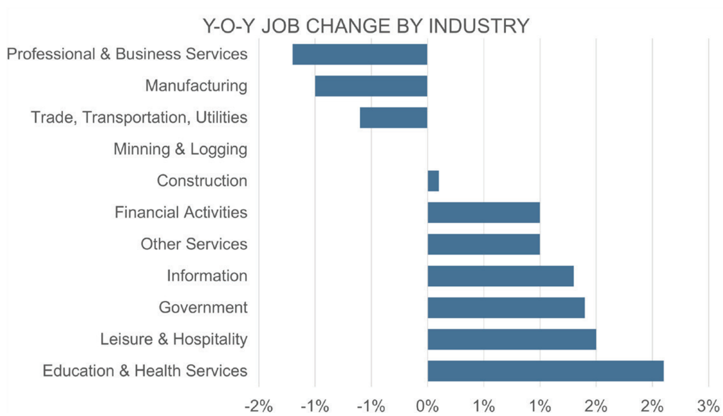
Unemployment Rate	Y-O-Y Total Nonfarm Job Growth	Y-O-Y Office-Using Employment
4.2%	31,100	20,300

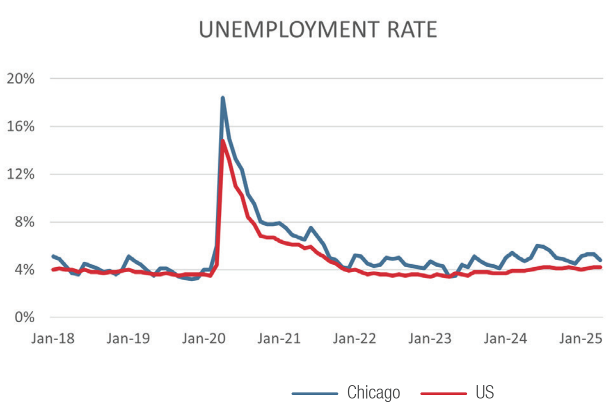
Economic Indicators Steady

- The U.S. labor market has demonstrated resilience in the wake of the pandemic, though signs of slowing have emerged. The U.S. labor market has shown resilience post-pandemic, with an average of approximately 354,500 jobs added monthly from 2021 through 2024.
- So far in 2025, job creation has moderated, with April adding 177,000 jobs and May adding 139,000 jobs, reflecting broader economic uncertainties and a cooling labor market.
- As of May 2025, the national unemployment rate stands at 4.2%, indicating a cautious labor environment.
- Consumer spending remains a primary driver of economic activity, though elevated inflation has prompted the Federal Reserve to maintain high interest rates. While inflation has eased from its peak, it remains above the Federal Reserve's 2% target, resulting in a cautious monetary policy stance.
- Unemployment in Chicago measured 4.8% as of April 2025, mostly unchanged year-over-year.
- Total Chicago nonfarm employment rose by 31,100 jobs year-over-year as of May 2025.
- Sectoral Growth Highlights: Year-over-year gains were led by the Education & Health Services (+2.1%) and Leisure & Hospitality (+1.5%) sectors.
- Office-using employment increased by 0.7% year-over-year, with notable gains in the Education & Health Services (+2.1%) and Government (1.4%) sectors.
- Persistent inflation, elevated interest rates, and global economic volatility continue to pose risks to consumer confidence and financial markets. These challenges create potential ripple effects for commercial office and industrial demand, as businesses carefully assess expansion plans amid higher borrowing costs and economic uncertainty.









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- Project Management
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- Lease Audit
- Tax Appeal
- Title/Escrow/Survey
- Global Supply Chain & Logistics

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