

Q1/23

OFFICE MARKET REPORT

DOWNTOWN CHICAGO





CONTENTS

Market Overview	4
Indicators & Market Trends	6
Central Loop	10
East Loop	12
Fulton Market	14
North Michigan Avenue	16
River North	18
West Loop	20
Submarket Map	22

RISING RENTS & FALLING DEMAND: THE CHALLENGE OF HIGHER INTEREST RATES

In Q1/23, both vacancy rates and rental rates rose in Chicago’s downtown office market. The CBD’s direct vacancy rate reached a record-high of 19.8%, above the 18.9% seen in Q4/22. The average gross asking rate neared \$43 per square foot. Gross rents are rising primarily due to increasing property taxes and operating expenses—costs typically borne by tenants in a net lease structure—more so than anything to do with rising demand. Before the pandemic, net rents accounted for more of the overall rental payment. Now, rising costs of materials & labor coupled with elevated inflation levels have led to an increase in operating expenses, and changing economic conditions in the city have resulted in higher real estate taxes for commercial buildings.

Along with higher direct vacancy rates, the CBD sublease inventory has been steadily rising since the pandemic. Owners of dated office product have struggled to lease up their buildings, leading to a rise in distressed assets and foreclosures. The net result is absorption levels declined as Q1/23 saw negative 1.8 million square feet office space absorbed compared to negative 750,000 square feet in Q1/22.

Even though headline statistics have deteriorated in the short-term, investors and firms across nearly every industry have shown confidence in the long-term future of Chicago’s CBD, including Google, which recently decided to expand its office footprint downtown while reducing office space nationally. For the tenth straight year, Chicago topped Site Selection magazine’s list for capital investment. The city’s consistent top-line performance in this ranking reflects an impressive depth and breadth of local amenities and public assets that employers require.

LEASING ACTIVITY

Leasing activity remained decent at 1.8 million square feet in Q1/23, in-line with last year’s pace of 1.9 million square feet leased in Q1/22. However, leasing volume has been unable to reach levels seen before the pandemic, as there was more than 13.6 million square feet leased in 2019 compared to the 7.6 million in 2022.

Sublease available space continues to rise at an unprecedented rate, resulting in nearly 7.3 million square feet in Q1/23, the most in the city’s history, and more than double the 2.9 million square feet before the pandemic. In the latest example of this trend, Publicis Groupe recently decided to sublease 350,000 square feet of its current office footprint at 35 W. Wacker—now the largest single block of sublease space on the market, surpassing Groupon’s 291,000 square foot sublease at 600 W. Chicago. Publicis has now joined other major employers including Salesforce, Meta, Kellogg, and Tyson in placing some (if not all) of their downtown office space on the sublease market.

As hybrid work models have companies reevaluating their post-pandemic office needs, downtown Chicago office product owners must continue reinvesting in their buildings to compete successfully for tenants. Some landlords have already completed renovation projects, including the owners of 500 W. Madison and 303 E. Wacker who spent a combined \$60 million to enhance common-area amenities. Projects such as these have proven to be successful, as the owners of 71 S. Wacker saw occupancy levels improve from 70% to 94% following their most recent renovation.

INVESTMENT SALES

Sales volume in Chicago’s CBD remained stagnant with only \$80 million trading hands in Q1/23, compared to nearly \$1 billion transacted in Q1/22. Lenders are hesitant to provide financing for office properties as interest rates rise and the number of distressed properties increase nationwide.

Rising interest rates have caused issues for nearly all office owners—not just those who are in financial distress. Even the owner of Chicago’s Willis Tower, which underwent a \$500 million renovation last year, saw their monthly mortgage payment increase by 172% in 2022. Interest rate increases have led to hesitancy in the market—both from buyers and lenders—as the cost of capital continues to rise while occupancy levels decline.

The most notable default this year was the Chicago Board of Trade building which was foreclosed by Apollo Global Management (the lender) in January. However, instead of selling off the asset in an auction, the lender has decided to take control and renovate the building. According to Crain’s, “Apollo is betting on a resurgence of the central Loop—perhaps with a boost from Google as it plans to overhaul and occupy the James R. Thompson Center—and that the CBOT Building can compete for new tenants with a fresh round of capital improvements.”¹ Apollo is also exploring non-office uses for the historic CBOT building to “create a dynamic, mixed-use environment.”

Other investors see the value of this adaptive reuse strategy, as well. Of the nine original bids by developers looking to convert vacant offices into apartment buildings in the LaSalle Street corridor, three have been recently accepted by the city. The developers are seeking a combined \$188 million in tax-increment financing, and these projects will result in

more than 1,000 new residential units. There are still a lot of moving parts that need to come together before ground breaks on any of these projects, especially considering the mayoral election as the fate of the redevelopments will likely be determined by Mayor Lightfoot’s successor.

While some developers are pursuing an adaptive reuse approach, others still see the value of building new office product in Chicago’s CBD. Related Midwest originally proposed a plan for a new mixed-use asset consisting of residential, hotel, and office for the development site at 725 W. Randolph but has since scrapped those plans in favor of a 41-story, 1 million square foot office building. With more vacant office space in Chicago’s CBD than ever before, quality and location have never been more important to attract tenants. Related Midwest rightly believes superior location and bountiful amenities are essential to a successful leasing strategy.

¹ *Crain’s Chicago Business*

DOWNTOWN CHICAGO

Q1 / 23 SNAPSHOT



23.2%
DIRECT AVAILABILITY
RATE



19.8%
DIRECT VACANCY
RATE



\$42.89
DIRECT GROSS
RENTAL RATE (PSF)

Property data were compiled from CoStar with these parameters: existing and under-renovation office property type; within Central, East and West Loops, N. Michigan Avenue, River North, and Fulton Market. Excluded properties include those with under 20,000 s.f. of office space; non-conforming and owner-occupied properties, including those owned by coworking firms. Absorption numbers are calculated using currently reported square footage in CoStar, standardized over the last four quarters.

FIGURE 01
SUBLEASE TRENDS

Source: CoStar

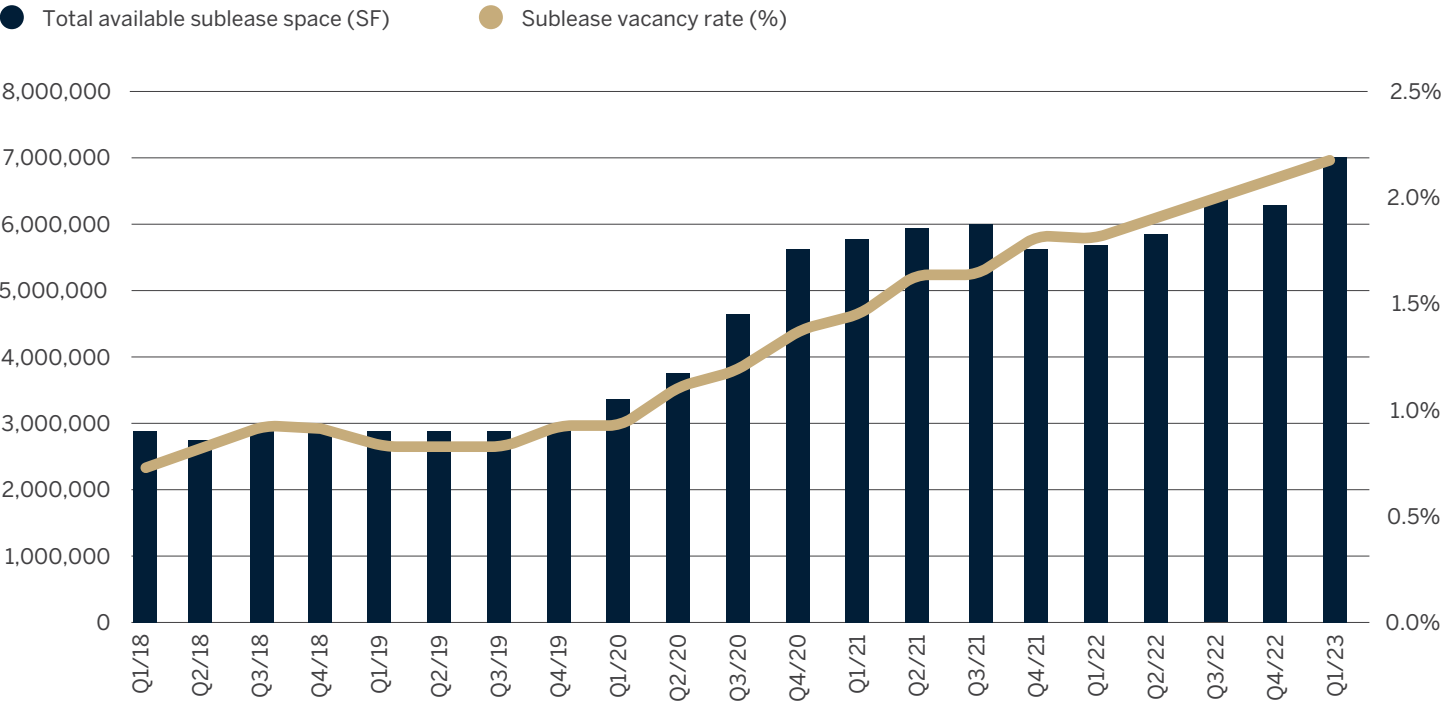


FIGURE 02
FLOATING MORTGAGE RATE: THIRTY-DAY AVERAGE SOFR (%)

Source: St. Louis Federal Reserve

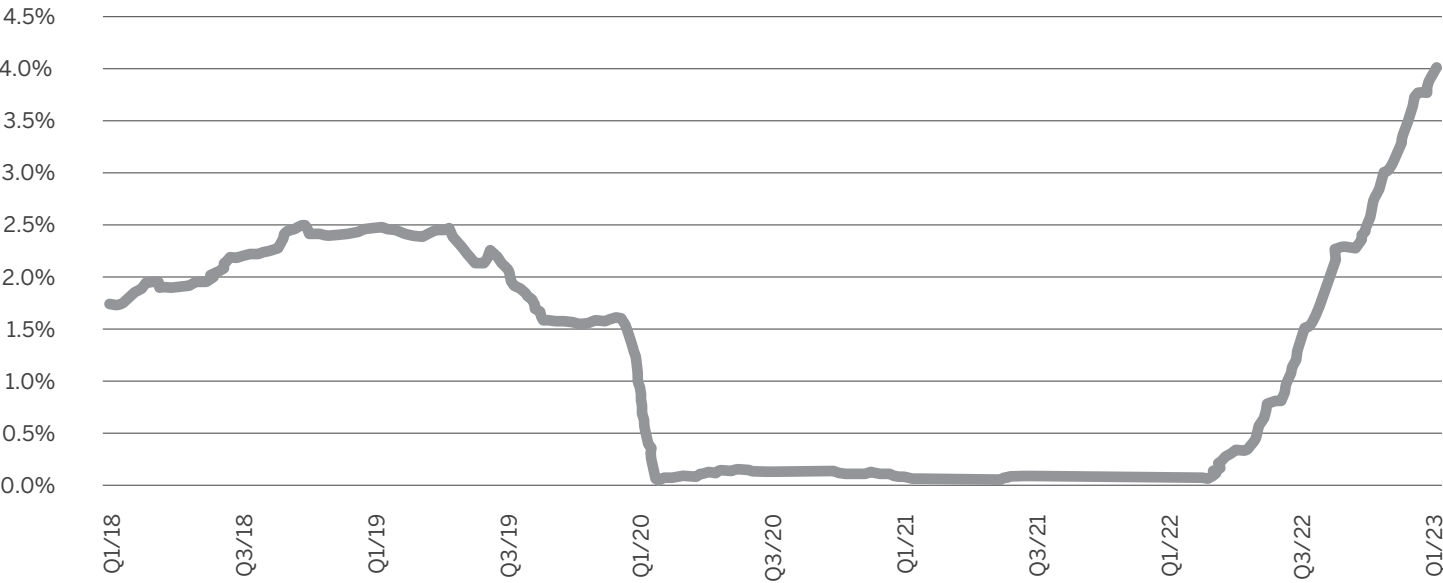


FIGURE 03
CHICAGO CBD SUBMARKET COMPARISON SUMMARY

Source: CoStar

SUBMARKET/ ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CBD	159,644,438	355,556	23.2%	4.5%	19.8%	2.3%	\$42.89	(1,818,934)	(613,587)
CLASS A	109,783,439	795,532	21.2%	5.5%	17.5%	2.8%	\$48.41	(1,030,621)	(197,610)
CLASS B	42,562,416	194,349	27.8%	2.6%	25.2%	1.5%	\$34.34	(501,677)	(354,592)
CLASS C	7,298,583	79,332	27.3%	2.2%	23.3%	1.1%	\$29.09	(286,636)	(61,385)
CENTRAL LOOP	38,231,847	538,477	25.5%	4.5%	22.8%	2.0%	\$40.09	(324,679)	(410,860)
CLASS A	21,730,613	804,838	25.2%	5.7%	22.0%	2.4%	\$44.48	(173,919)	(203,378)
CLASS B	15,663,317	460,686	26.3%	3.1%	24.2%	1.5%	\$34.75	(152,742)	(208,637)
CLASS C	837,917	83,792	18.7%	0.5%	17.2%	0.5%	\$26.93	1,982	1,155
EAST LOOP	26,366,871	507,055	26.6%	3.5%	21.6%	1.5%	\$37.90	(426,403)	(410,896)
CLASS A	17,596,425	1,035,084	23.5%	4.3%	17.7%	1.5%	\$42.54	(95,628)	(327,893)
CLASS B	6,069,797	337,211	32.6%	2.4%	29.1%	2.0%	\$33.41	(23,748)	(48,253)
CLASS C	2,700,649	158,862	33.3%	0.7%	29.7%	0.5%	\$26.44	(307,027)	(34,750)
FULTON MARKET	9,181,675	113,354	19.8%	4.5%	18.9%	2.1%	\$41.68	194,445	(26,831)
CLASS A	5,276,101	293,117	16.4%	5.2%	18.1%	2.7%	\$52.54	162,347	121,468
CLASS B	2,599,080	64,977	29.1%	1.9%	24.8%	0.0%	\$32.43	(8,344)	(135,026)
CLASS C	1,306,494	56,804	14.7%	6.9%	10.7%	3.7%	\$29.06	40,442	(13,273)
N. MICHIGAN AVENUE	12,443,603	319,067	16.4%	3.8%	14.1%	1.8%	\$45.95	60,673	(38,790)
CLASS A	8,365,327	522,833	16.4%	5.1%	13.8%	2.7%	\$50.85	85,426	(33,990)
CLASS B	3,876,737	193,837	16.0%	0.9%	14.5%	0.2%	\$35.67	(24,753)	(4,800)
CLASS C	201,539	67,180	21.9%	5.2%	18.7%	0.0%	\$38.63	0	0
RIVER NORTH	17,412,145	165,830	25.1%	5.9%	18.6%	3.7%	\$47.24	(855,267)	63,120
CLASS A	11,480,751	956,729	26.3%	7.6%	18.3%	4.8%	\$53.62	(730,711)	49,829
CLASS B	4,528,267	68,610	19.5%	2.8%	17.3%	2.1%	\$32.48	(100,760)	26,920
CLASS C	1,403,127	51,968	33.0%	1.6%	25.5%	0.0%	\$33.75	(23,796)	(13,629)
WEST LOOP	56,008,297	554,538	21.6%	4.8%	18.7%	2.7%	\$46.12	(467,703)	210,670
CLASS A	45,334,222	944,463	18.5%	5.3%	15.7%	2.9%	\$51.17	(278,136)	196,354
CLASS B	9,825,218	239,639	35.4%	2.5%	32.4%	1.7%	\$35.04	(191,330)	15,204
CLASS C	848,857	70,738	28.2%	2.2%	26.1%	1.8%	\$29.72	1,763	(888)

FIGURE 04
DIRECT VACANCY RATE

Source: CoStar

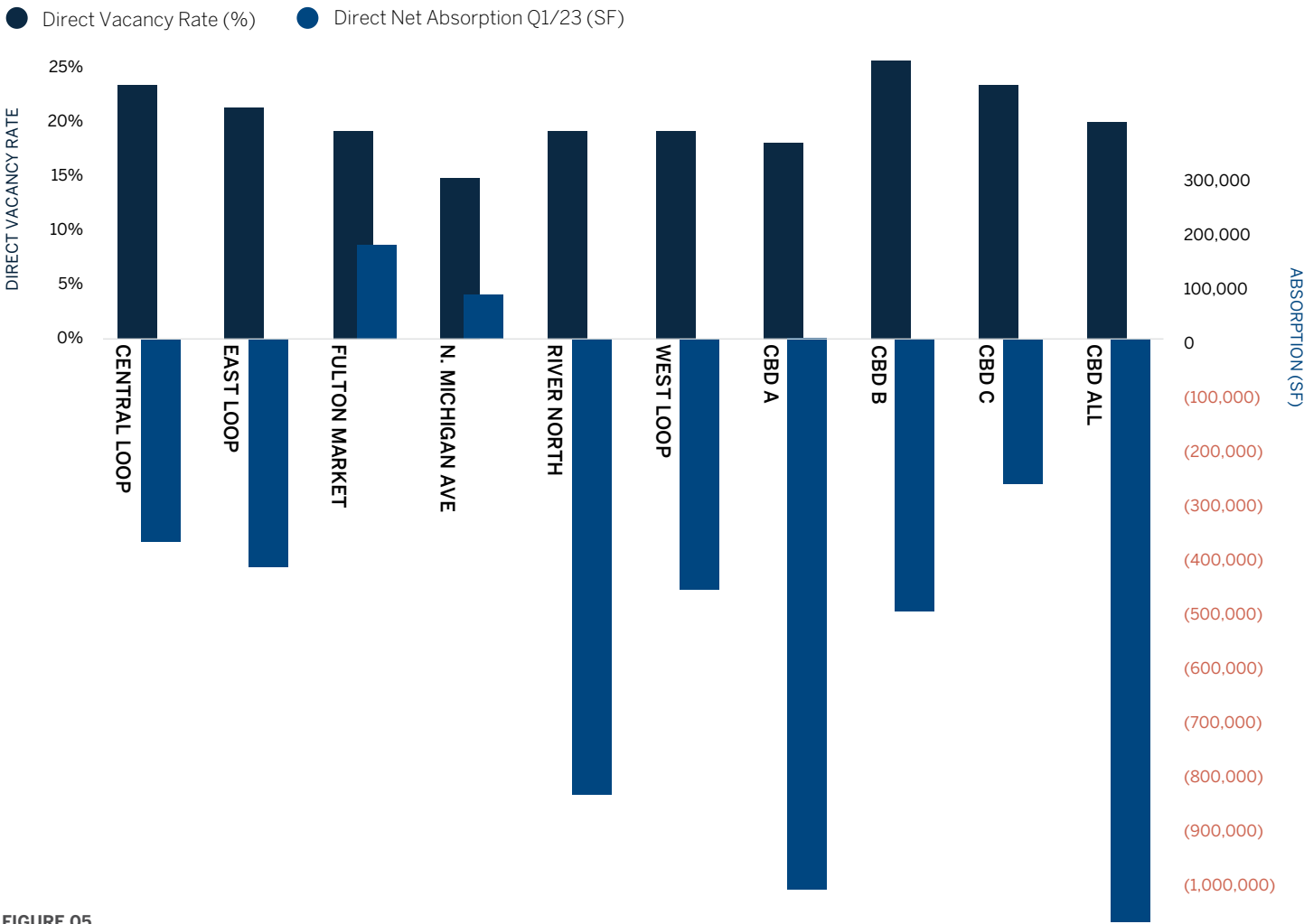


FIGURE 05
PRODUCT IN THE PIPELINE

Source: CoStar

SUBMARKET	PROPERTY ADDRESS	RBA (SF)	BUILDING STATUS	DELIVERY YEAR
WEST LOOP	732 W. Randolph Street	48,560	Under Construction	2023
RIVER NORTH	470 W. Chicago Avenue	20,500	Under Construction	2023
FULTON MARKET/NEAR WEST SIDE	1200 W. Carroll Avenue	494,775	Proposed	2024
RIVER NORTH	311 W. Huron Street	217,000	Under Construction	2023
FULTON MARKET/NEAR WEST SIDE	1300 W. Carroll Avenue	204,780	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	919 W. Fulton Market Street	400,000	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	900 W. Fulton Market Street	64,000	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	170 N. Green Street	609,050	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	330 N. Green Street	712,000	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	360 N. Green Street	493,680	Under Construction	2024
FULTON MARKET/NEAR WEST SIDE	310 S. Green Street	190,810	Proposed	2024
FULTON MARKET/NEAR WEST SIDE	350 N. Morgan Street	592,000	Proposed	2024
RIVER NORTH	333 W. Wolf Point Plaza	1,200,202	Under Construction	2023

FIGURE 06
DIRECT VACANCY RATE

Source: CoStar

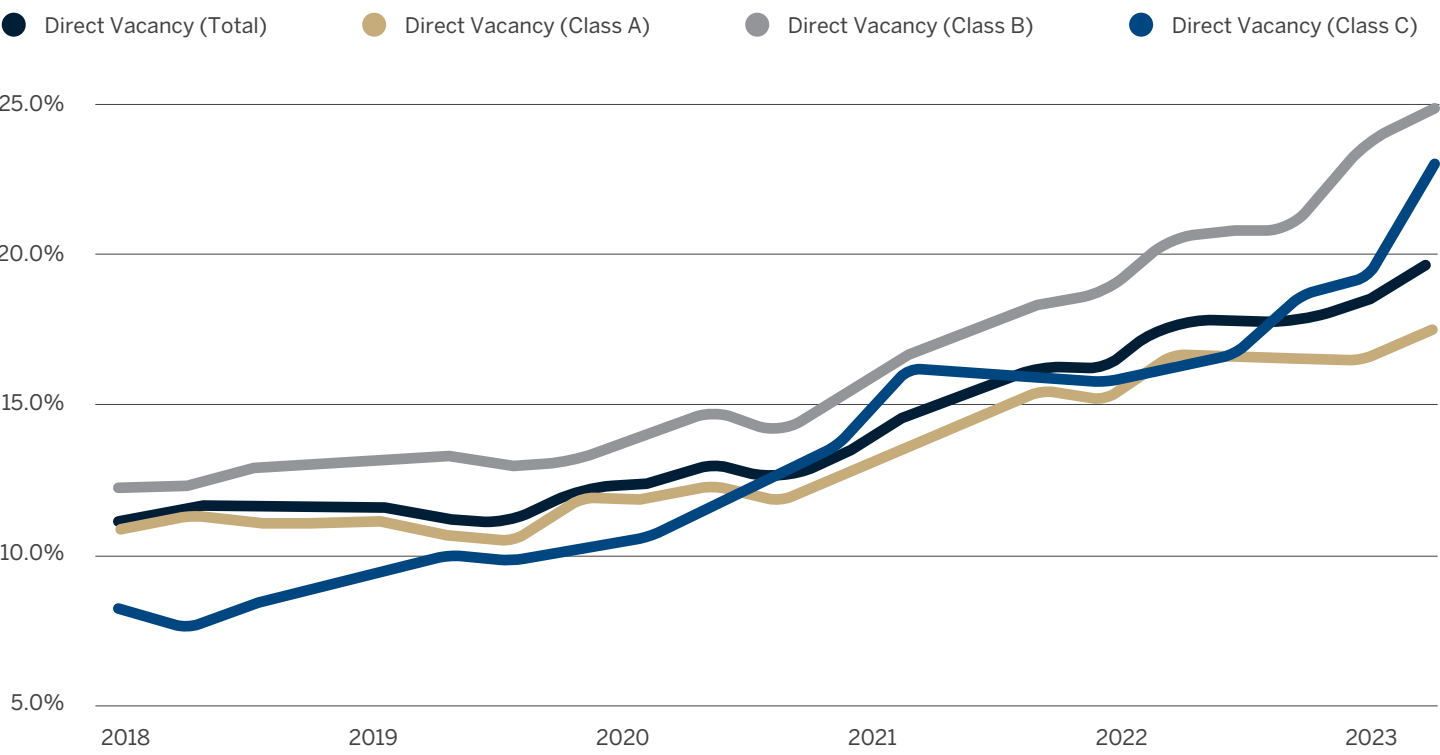


FIGURE 07
Q1/23 INVESTMENT SALES

Source: CoStar

PROPERTY ADDRESS	BUILDING SF	CLASS	SUBMARKET	SALE PRICE	\$/SF	SALE DATE	BUYER	SELLER
400 – 420 N. MAY	70,589	C	Fulton Market	\$29,066,496	\$412	2/24/23	Crescent Heights	MCZ Development Corporation
655 W. MADISON	850,000 (Expected)	A	West Loop	\$53,000,000	N/A (Development Site)	1/31/23	John Buck	MR Properties & Park One
212 E. OHIO	28,900	C	North Michigan Ave	\$6,200,000	\$215	1/31/23	Lissa Sebatu	MB Real Estate Services Inc.
1218 W. ADAMS	19,576	B	Fulton Market	\$4,325,000	\$221	1/5/23	ML Partners, Inc.	Pathway to Adventure Council

CENTRAL LOOP

- In Q1/23, the direct vacancy rate remained steady at 22.8% and sublease availability increased from 3.7% to 4.5%.
- Absorption figures remain negative in Q1/23, posting negative 325,000 square feet of net absorption.
- The largest lease signed this quarter in the Central Loop was Enova International's long-term renewal at 175 W. Jackson for 135,000 square feet.

MARKET MOVEMENT

BUILDING DISTRESS

13 BUILDINGS
(3,800,000 SF)
of available space

NEW LEASE

SPOTHERO, INC
(32,930 SF)
125 S. Clark

NEW LEASE

AMWINS
INSURANCE
BROKERAGE,
LLC
(22,694 SF)
10 S. LaSalle

RENEWAL

ENOVA
INTERNATIONAL
(135,00 SF)
175 W. Jackson

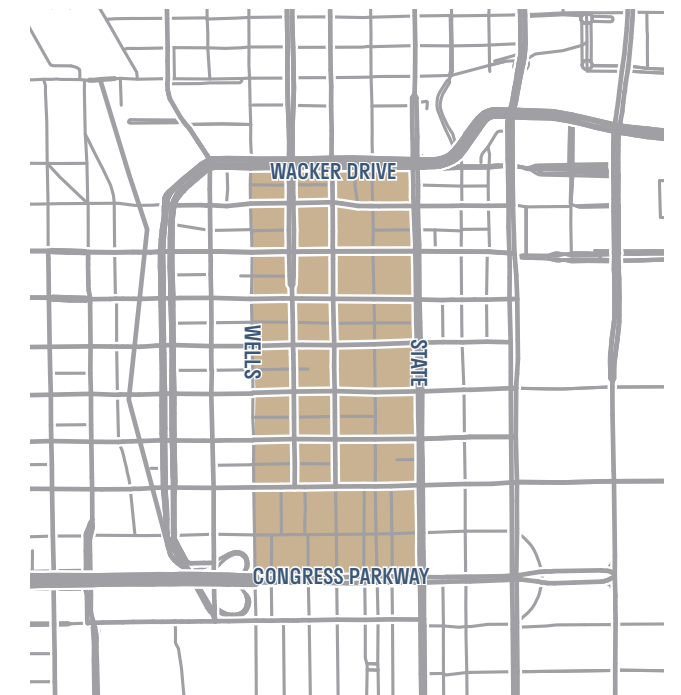
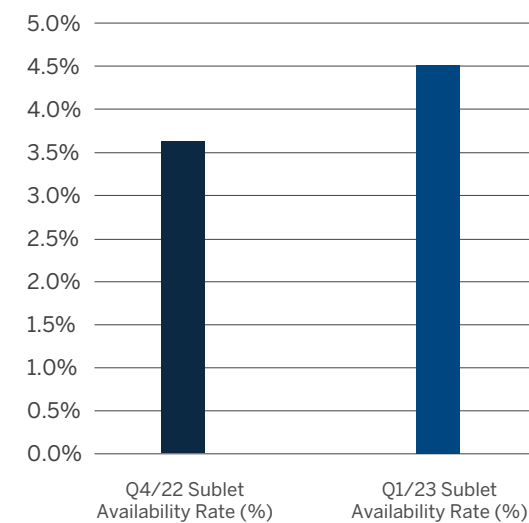
RENEWAL

CORBOY &
DEMETRIO, PC
(27,068 SF)
33 N. Dearborn

RENEWAL

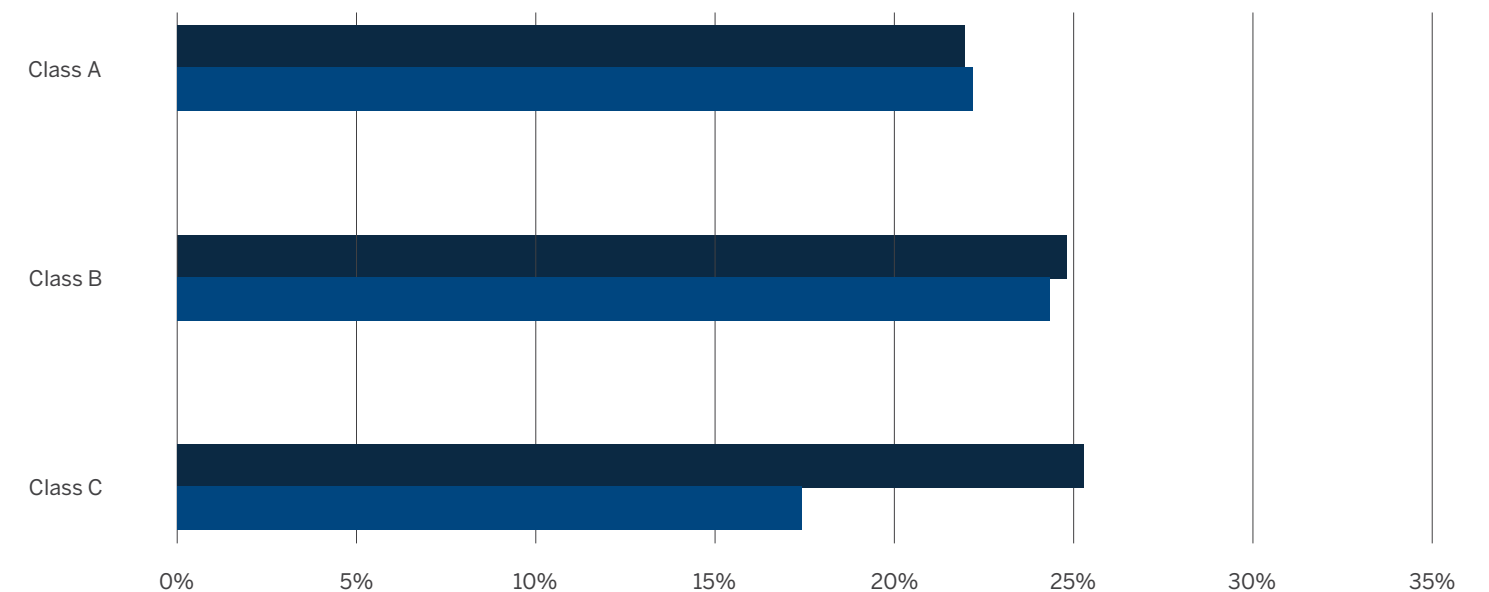
MARK ANTHONY
BREWING INC.
(23,212 SF)
145 S. Wells

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	21,730,613	804,838	25.2%	5.7%	22.0%	2.4%	\$44.48	(173,919)	(203,378)
CLASS B	15,663,317	460,686	26.3%	3.1%	24.2%	1.5%	\$34.75	(152,742)	(208,637)
CLASS C	837,917	83,792	18.7%	0.5%	17.2%	0.5%	\$26.93	1,982	1,155
TOTAL	38,231,847	538,477	25.5%	4.5%	22.8%	2.0%	\$40.09	(324,679)	(410,860)

EAST LOOP

- In Q1/23, the direct vacancy rate increased to 21.6% while the sublease availability rate remained at 3.5%
- The East Loop submarket's rental rate is lower than the overall CBD, sitting at \$37.90 per square foot.
- Absorption levels declined, posting negative 430,000 square feet of net absorption in Q1/23.
- Notable lease deals include a 31,000-square-foot lease signed by Spot at 24 E. Washington.

MARKET MOVEMENT

BUILDING DISTRESS

3 BUILDINGS
(1,700,000 SF)
of available space

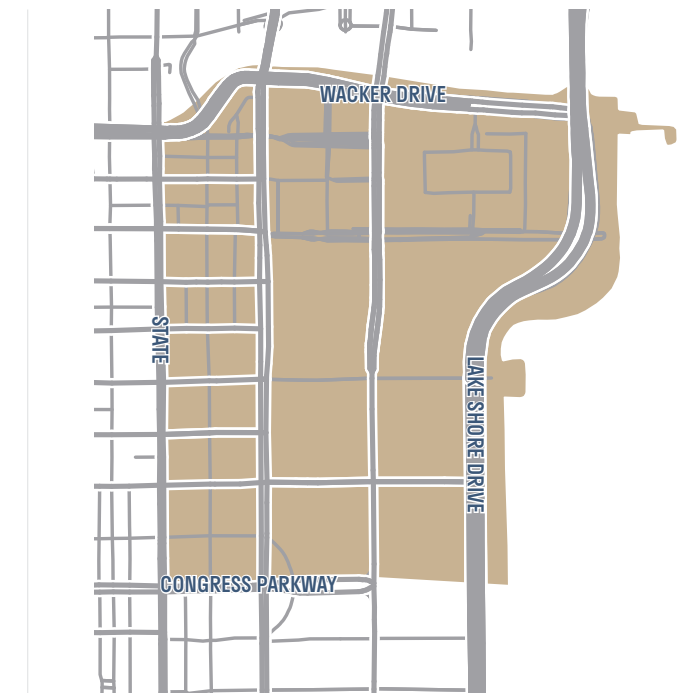
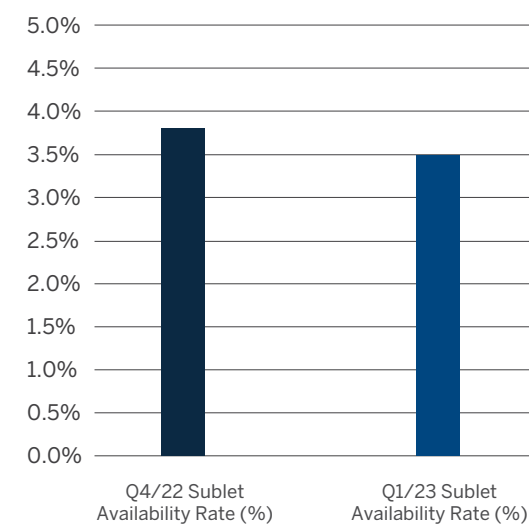
NEW LEASE

SPOT
(31,000 SF)
24 E. Washington

NEW LEASE

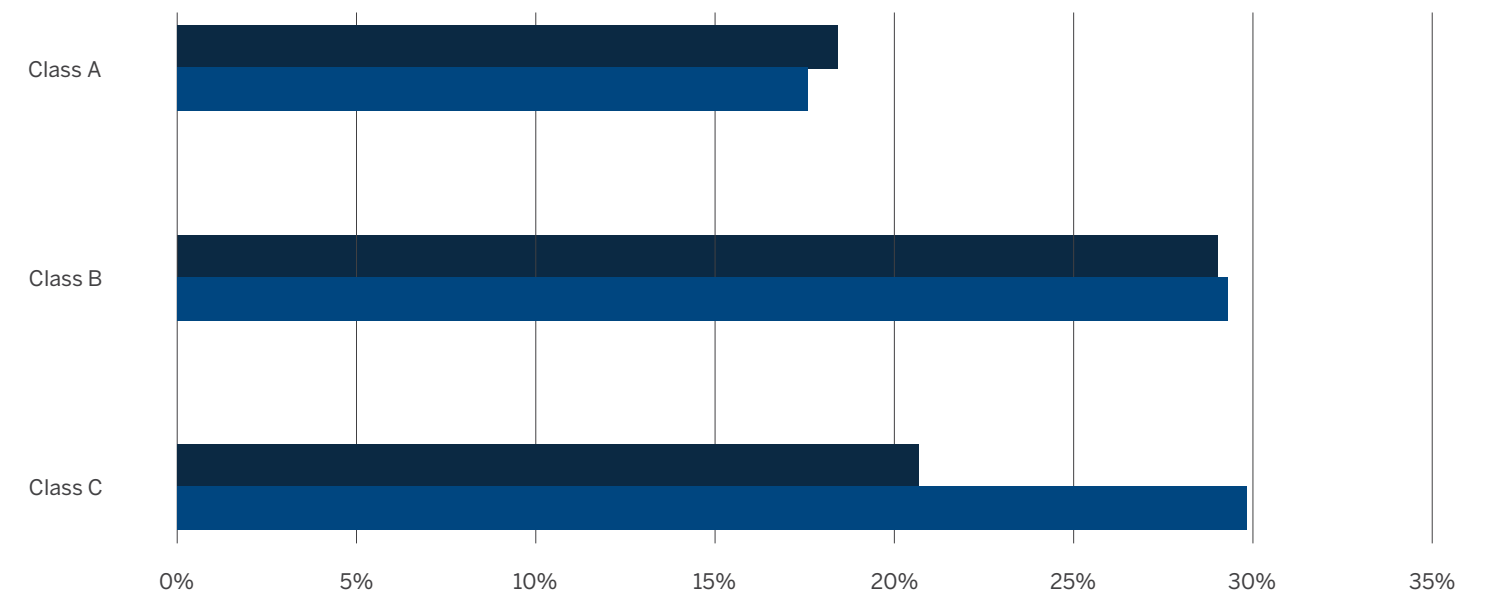
PLAYFLY
SPORTS
(17,089 SF)
303 E. Wacker

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	17,596,425	1,035,084	23.5%	4.3%	17.7%	1.5%	\$42.54	(95,628)	(327,893)
CLASS B	6,069,797	337,211	32.6%	2.4%	29.1%	2.0%	\$33.41	(23,748)	(48,253)
CLASS C	2,700,649	158,862	33.3%	0.7%	29.7%	0.5%	\$26.44	(307,027)	(34,750)
TOTAL	26,366,871	507,055	26.6%	3.5%	21.6%	1.5%	\$37.90	(426,403)	(410,896)

FULTON MARKET

- In Q1/23, the direct vacancy rate dropped to 18.9%, which is more than a 2% decrease compared to Q4/22. However, the sublease availability rate increased to 4.5%.
- Fulton Market was one of two submarkets showing positive absorption levels with nearly 200,000 square feet of office space absorbed in Q1/23.
- Two of the four investment sales occurred in Fulton Market, led by Crescent Heights' purchase of 400 – 420 N. May for \$29 million.
- Notable lease deals include Elevate Energy's renewal at 322 – 340 S. Green.

MARKET MOVEMENT

BUILDING DISTRESS
1 BUILDING
(79,000 SF)
of available space

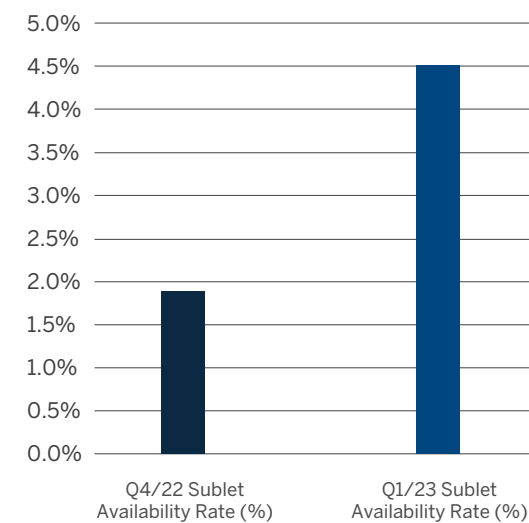
NEW LEASE
ELEVATE
ENERGY
(17,015 SF)
322 – 340 S. Green

NEW LEASE
CHICAGO
RED STARS
(10,417 SF)
820 W. Jackson

INVESTMENT SALE
400 – 420
N. MAY
(70,589 SF)
Buyer: MCZ
Development Corp.

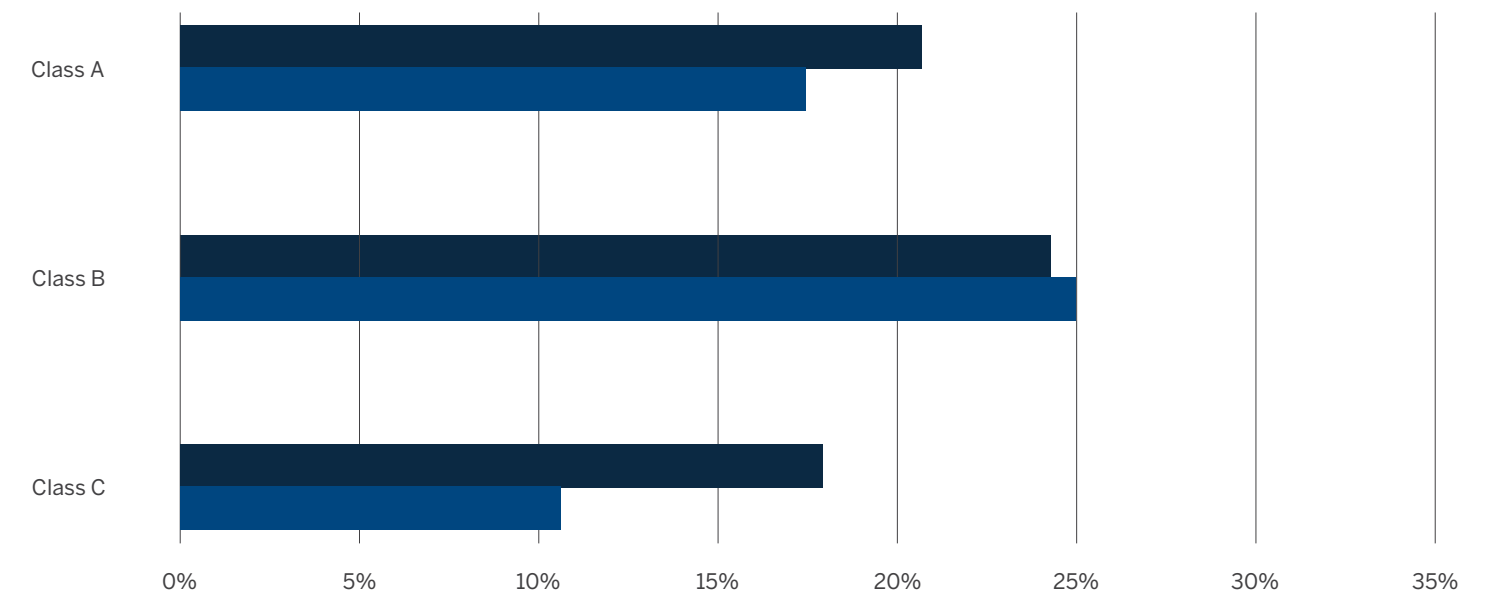
INVESTMENT SALE
1218 W. ADAMS
(19,576 SF)
Buyer: ML
Partners, Inc.

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	5,276,101	293,117	16.4%	5.2%	18.1%	2.7%	\$52.54	162,347	121,468
CLASS B	2,599,080	64,977	29.1%	1.9%	24.8%	0.0%	\$32.43	(8,344)	(135,026)
CLASS C	1,306,494	56,804	14.7%	6.9%	10.7%	3.7%	\$29.06	40,442	(13,273)
TOTAL	9,181,675	113,354	19.8%	4.5%	18.9%	2.1%	\$41.68	194,445	(26,831)

NORTH MICHIGAN AVENUE

- In Q1/23, the direct vacancy rate remained steady at 14.1%, which is lower than every other submarket in Chicago's CBD. The sublease availability rate was 3.8%.
- Absorption levels improved in Q1/23, posting positive 60,000 square feet of net absorption.
- MBRE sold a 29,000-square-foot office building at 212 E. Ohio for \$6.2 million.
- Notable lease deals include Laner Muchin's new lease at 515 N. State for 17,000 square feet.

MARKET MOVEMENT

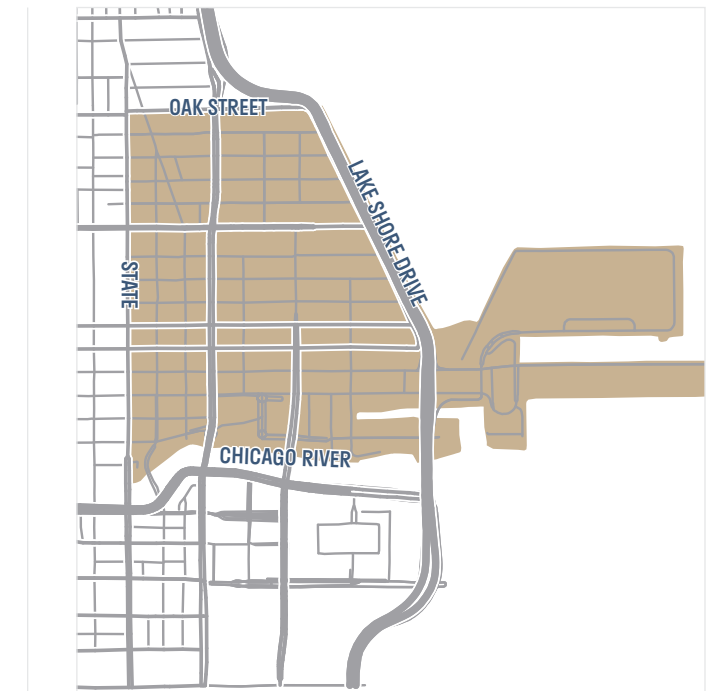
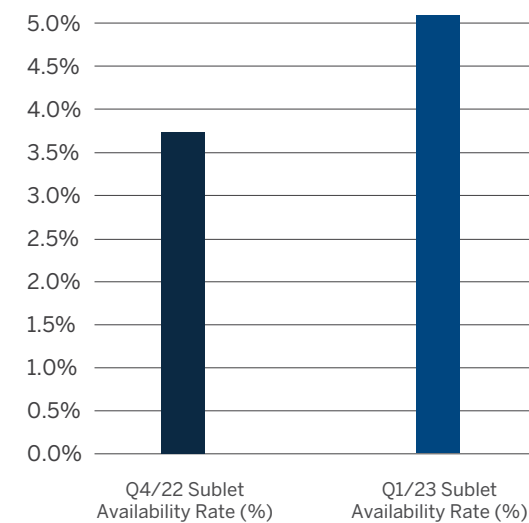
NEW LEASE

LANER
MUNCHIN
(17,759 SF)
515 N. State

INVESTMENT SALE

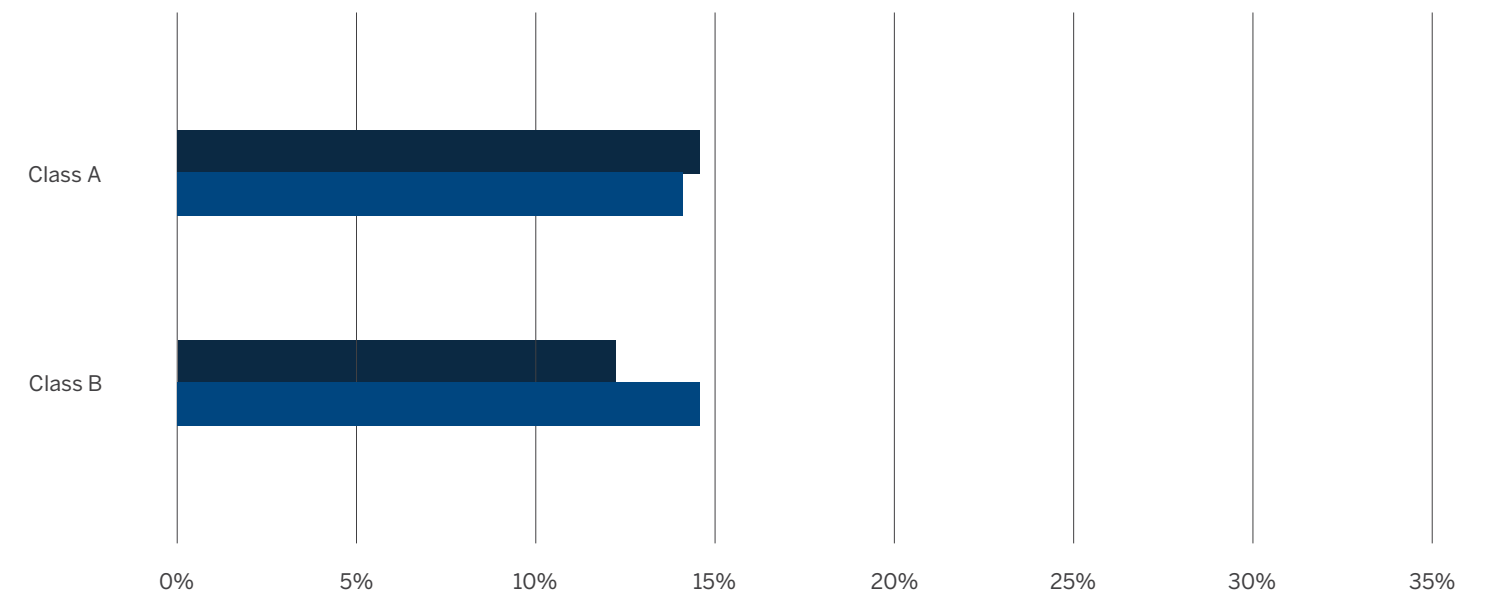
212 E. OHIO
(28,900 SF)
Buyer: Lissa Sebatu

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	8,365,327	522,833	16.4%	5.1%	13.8%	2.7%	\$50.85	85,426	(33,990)
CLASS B	3,876,737	193,837	16.0%	0.9%	14.5%	0.2%	\$35.67	(24,753)	(4,800)
CLASS C	201,539	67,180	21.9%	5.2%	18.7%	0.0%	\$38.63	0	0
TOTAL	12,443,603	319,067	16.4%	3.8%	14.1%	1.8%	\$45.95	60,673	(38,790)

RIVER NORTH

- In Q1/23, the direct vacancy rate increased to 18.6%, and sublease availability remained steady at 5.9%. Even though direct vacancy levels increased, River North's direct vacancy rate has remained below the CBD.
- River North posted the lowest absorption levels of any submarket in Q1/23, with more than 850,000 square feet of negative net absorption.
- The largest lease in River North was signed by GTCR, LLC at 300 N. LaSalle for more than 85,000 square feet.

MARKET MOVEMENT

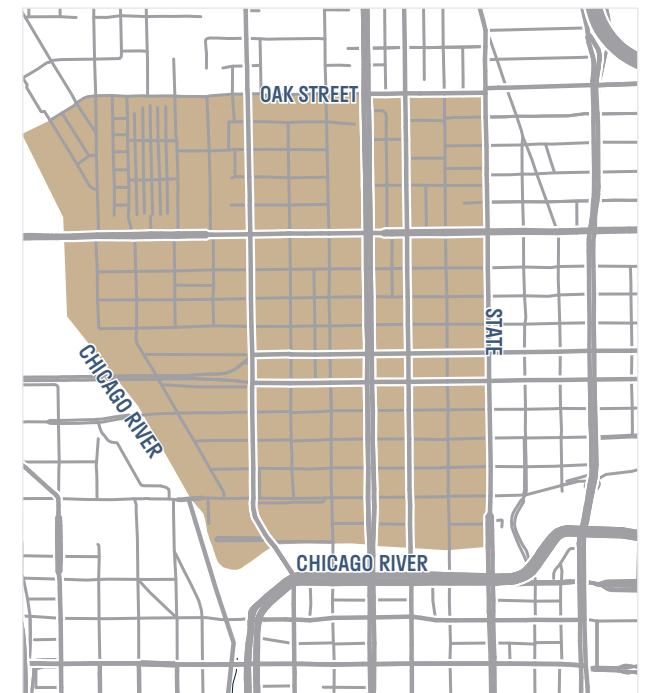
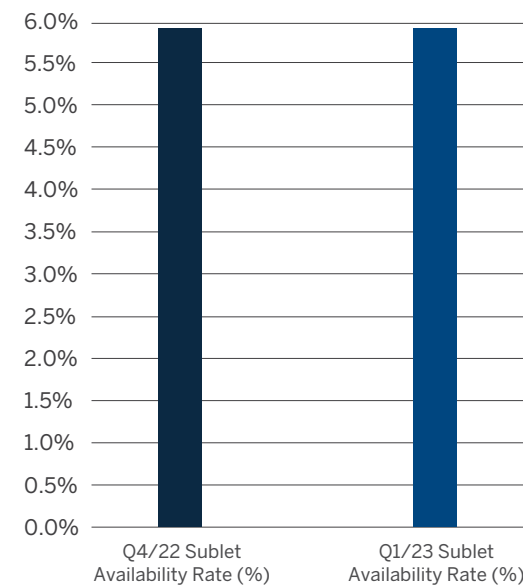
BUILDING DISTRESS
5 BUILDINGS
(150,000 SF)
of available space

NEW LEASE
TEMPUS LABS
(37,228 SF)
600 W. Chicago

NEW LEASE
E80 GROUP
(15,378 SF)
448 N. LaSalle

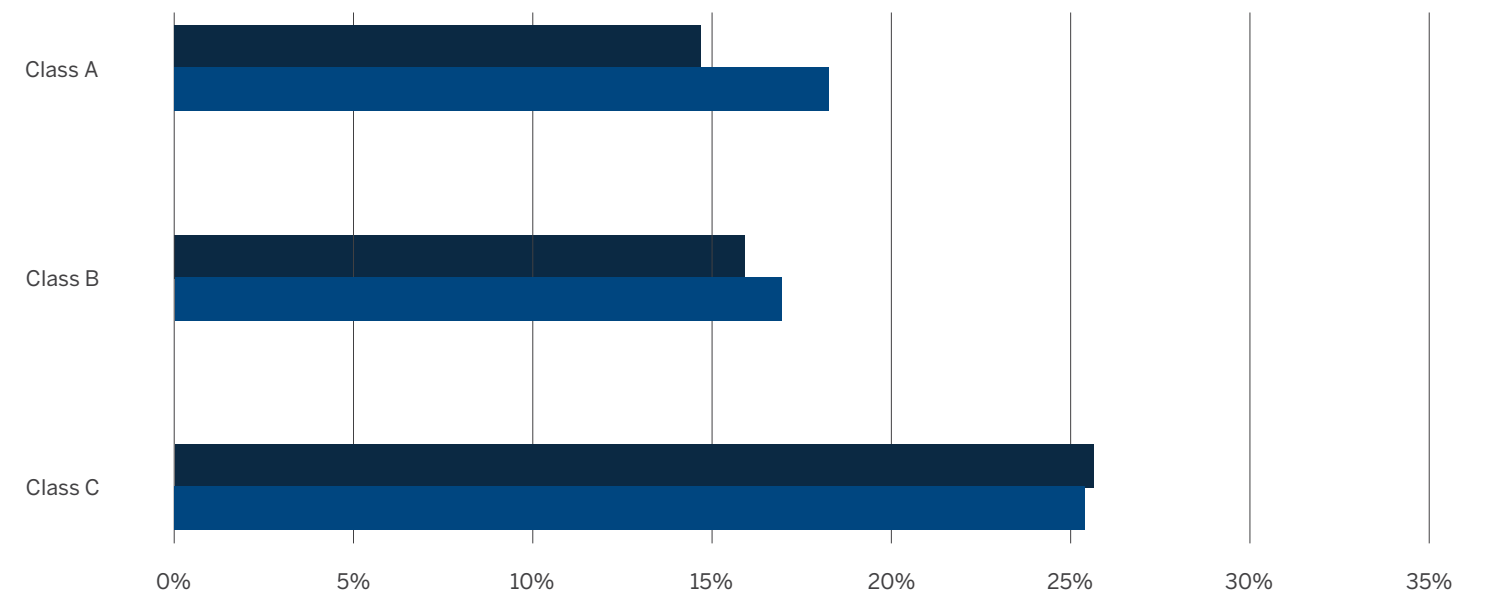
RENEWAL
GTCR
(85,265 SF)
300 N. LaSalle

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	11,480,751	956,729	26.3%	7.6%	18.3%	4.8%	\$53.62	(730,711)	49,829
CLASS B	4,528,267	68,610	19.5%	2.8%	17.3%	2.1%	\$32.48	(100,760)	26,920
CLASS C	1,403,127	51,968	33.0%	1.6%	25.5%	0.0%	\$33.75	(23,796)	(13,629)
TOTAL	17,412,145	165,830	25.1%	5.9%	18.6%	3.7%	\$47.24	(855,267)	63,120

WEST LOOP

- In Q1/23, the direct vacancy rate increased to 18.7%. Sublease availability remained steady at 4.8%.
- Absorption levels declined, posting nearly 470,000 square feet of negative net absorption.
- Leasing activity remained strong in Q1/23, led by Katten's renewal at 525 W. Monroe for 204,000 square feet.
- John Buck purchased a two-acre site at 655 W. Madison for \$53 million with plans to build a 1.5 million-square-foot office development.

MARKET MOVEMENT

BUILDING DISTRESS

5 BUILDINGS
(1,000,000 SF)
of available space

NEW LEASE

RYAN
SPECIALTY
GROUP
(56,288 SF)
155 N. Wacker

NEW LEASE

GEFK WEALTH
MANAGEMENT
(29,413 SF)
1 N. Wacker

RENEWAL

KATTEN
(204,000 SF)
525 W. Monroe

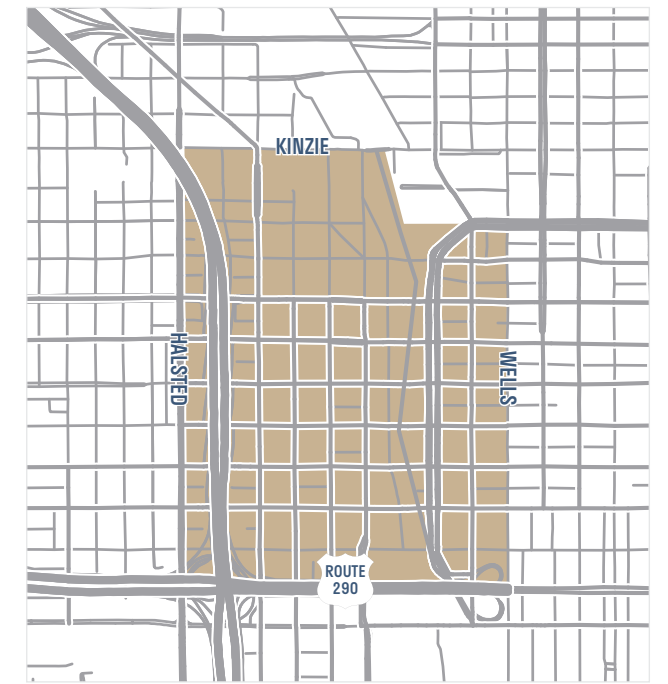
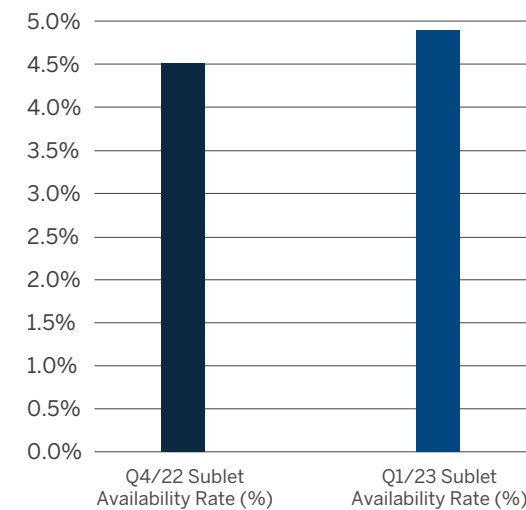
RENEWAL

CHUBB LIMITED
(92,032 SF)
525 W. Monroe

RENEWAL

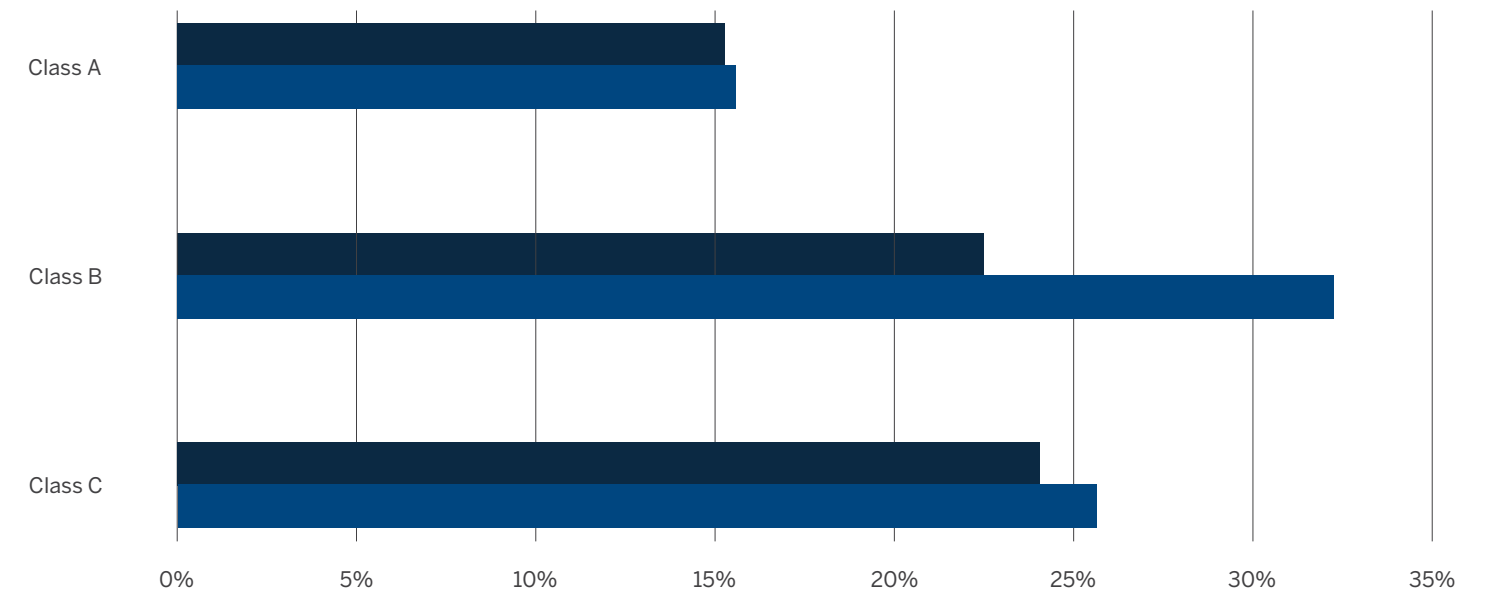
KIN + CARTA
(27,300 SF)
111 N. Canal

SUBLET AVAILABILITY (%)
QUARTER OVER QUARTER



DIRECT VACANCY RATE (%) QUARTER OVER QUARTER

● Q4/22 Direct Vacancy Rate (%) ● Q1/23 Direct Vacancy Rate (%)



ASSET CLASS	INVENTORY (SF)	AVERAGE BUILDING SIZE (SF)	DIRECT AVAILABILITY RATE (%)	SUBLET AVAILABILITY RATE (%)	DIRECT VACANCY RATE (%)	SUBLET VACANCY RATE (%)	GROSS ASKING RATE (DIRECT)	DIRECT NET ABSORPTION Q1/23 (SF)	DIRECT NET ABSORPTION Q4/22 (SF)
CLASS A	45,334,222	944,463	18.5%	5.3%	15.7%	2.9%	\$51.17	(278,136)	196,354
CLASS B	9,825,218	239,639	35.4%	2.5%	32.4%	1.7%	\$35.04	(191,330)	15,204
CLASS C	848,857	70,738	28.2%	2.2%	26.1%	1.8%	\$29.72	1,763	(888)
TOTAL	56,008,297	554,538	21.6%	4.8%	18.7%	2.7%	\$46.12	(467,703)	210,670

SUBMARKET LOCATION MAP

