

MARKET INSIGHTS

CHICAGOLAND WORKSPACE REPORT

Q2 2019

NOTABLE HEADLINES

**Chicago Among Top Cities
for Tech Talent Growth,**
Ranking #3 on CBRE's Annual List of Momentum Markets.

– CBRE

**Coworking Operators Drive Absorption,
Becoming a Catalyst for New Demand Downtown.**

– JLL

**Of Chicago's 50 Fastest Growing Companies,
Over Half are Headquartered in the Suburbs.**

– Crain's Chicago Business

**Modern Workspaces are Transparent,
Integrated, Flexible, Mindful, Purposeful and
Experiential.**

– Ted Moudis Associates 2019 Workplace Report

**Chicago Remains One of the Strongest Law
Firm & Financial Services Markets in the
Nation.**

– JLL Fit Out Guide 2019

TRENDS & STATS



Chicago build out expenses range from \$154 per SF on the low-end progressive side to \$271 per SF on the high-end traditional side.¹



Average SF per person is 150-225.²



The legal industry is getting more efficient with how they assess their space. SF per attorney has fallen 8.6% over recent years, driven by secretary-per-attorney ratio falling from 4:1 to 10:1.²



Space as an experience continues to be at the forefront of office landlord's minds and we will continue to see a wide array of unique amenity offerings from all office assets.²



As new digital tools and platforms transform traditional ways of working, they're changing how companies think about - and use - their office space.³



14% of Corporate Workers Use Coworking Spaces Regularly.⁴



84% of open workspaces are desking/benching.⁵



Chicago has been one of the fastest growing tech hubs since 2008, seeing a 270% increase and has grown more than competitive cities like Austin and Denver.⁷



82% of new spaces integrated sit/stand desks in 2019.⁶



CHICAGO CITY

- 9.27 Million SF new office space under development.⁶
- The West Loop was most active area with over 563k SF of mainly Class A/trophy space leased.⁷
- River North had the lowest direct vacancy rate (8.2%) in the city.⁷
- Approximately 30 properties on market in early 2019, including AmTrust's 7-property portfolio.⁷
- Fulton Market was 30% of overall leasing despite being about only 3% of inventory.²
- WeWork will be the city's largest office tenant (over 1 million SF in commitments).²
- 8 leases over 100,000 SF were signed plus 28 companies (including Legacy.com, BlueCrew, Cisco, League Inc and Opex Analytics) have announced new offices.²
- After a slow Q1, 25 buildings are now on the market (Amtrust portfolio and Walton Street & R2's loft portfolio equate to 42% of buildings for sale).²

CHICAGO SUBURBS

- Healthcare companies were more than 50% of all SF signed (over 400,000 SF).⁷
- 100,000 SF leased (primarily from mid-sized tenants) in the western East-West Tollway.⁷
- Over half a million square feet of Class B buildings leased (about 54% of all leasing activity).⁷
- Businesses in the Eastern-East West and Northwest submarkets (primarily manufacturing and shipping) showed high growth, keeping overhead costs lower than urban counterparts while growth accelerates.⁸
- Traditional suburban spaces adapt to become more urban by updating amenities and adapting mixed-use redevelopments to massive corporate campuses.²
- Paul Mitchel Systems purchased former McDonald's 80-acre campus in Oak Brook; analysts predict a mixed-use urban redevelopment.²

1. Center for an Urban Future in New York
2. JLL Research

3. Dan Brown, Head of EMEA Flex Space, JLL.
4. Gensler 2019 Workplace Survey

5. Ted Moudis Associates 2019 Workplace Report
6. JLL Fit Out Guide 2019

7. CBRE
8. Crain's Chicago Business