

MARKET INSIGHTS

CHICAGOLAND WORKSPACE REPORT

Q3 2019

NOTABLE HEADLINES

Studio space is in high demand. So are warehouses.

– Crain’s Chicago Business

Chicago is the greenest place to work in America.

– Crain’s Chicago Business & CBRE

Big Leases, Build-to-Suit Deliveries Push Demand to New High.

– Colliers

Low unemployment coupled with healthy job growth highlights a tight labor market.

– Cushman and Wakefield

Strongest third-quarter absorption since 2011.

– JLL

The North’s amenity-rich campuses continue to strive, but the race is far from over.

– JLL

CHICAGO CITY

- Class A West Loop product continues to dominate this year with 534,759 sq. ft. of positive net absorption for Q3 2019.¹
- River North continues to boast the lowest direct vacancy rate, ending the quarter at 8.4%.¹
- Investors wary of Cook County property tax regime changes.³
- Speculative development remains hot as developers have multiple projects in the ground at the same time.³
- The city’s south side continues to witness speculative development.³
- Overall Market Tightens Slightly; Class A Space In Demand While Class B Options Balloon.⁴
- The city’s percentage of certified green office space rose to 71.1%, up from almost 70% last year and 66% two years ago, according to an annual ranking by CBRE Group Inc. and Maastricht University on Friday.⁶

SEE BACK SIDE FOR MORE »

1. CBRE Chicago Downtown Office MarketView Q3 2019
2. Chicago Suburban Office MarketView Q3 2019

3. JLL Research Report Q3 2019
4. Savills

5. CBRE Chicago Industrial MarketView Q3 2019
6. Crain’s Chicago Business

7. Colliers



CHICAGO INDUSTRY

- 5.5 million sq. ft. of construction completed in Q3 2019.⁵
- 37th consecutive quarter of positive net absorption, bringing the YTD total to 7.3 million sq. ft.⁵
- 51 tenants looking for at least 50,000 sq. ft., for a cumulative total of 19.9 million sq. ft.⁵
- Demand reached a new high during the third quarter of 2019, as net absorption totaled 9.2 million square feet for the period, the greatest quarterly total since the current cycle began.⁷
- 4.6 million square feet of build-to-suit construction projects, also a record for the ongoing development.⁷

CHICAGO SUBURBS

- Class B inventory had the highest positive absorption in Q3 2019 at 192,199 sq. ft., holding its position as the strongest class for both absorption and lease signings in 2019.²
- Insurance and manufacturing were the most active industries signing office leases in the suburban market in Q3 2019, making up over 40% of all leasing.²
- Lake County had its third straight quarter of positive absorption, with 156,776 sq. ft. of net move-ins.²
- Two notable full-building speculative preleases in Lake County.³
- The North-Lake submarket continued its strong year by accounting for over 90% of the total absorption in Q3 and seeing vacancy decline for a second straight quarter.³
- Amenities will continue to be a driving force in the suburbs. For the buildings which have been significantly renovated in the suburbs, occupancy rates appear to be 10% to 30% higher than comparable, unrenovated projects.³

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