Greater Chicago Market Insights

Central Business District

Q4 2025



Highlights:

- Buildings trading at a discount for **repurposing or renovation** are beginning to reshape the **Loop**.
- The **flight-to-quality** trend continues, with **Class A and Trophy** buildings showing the lowest vacancy rates among CBD assets.

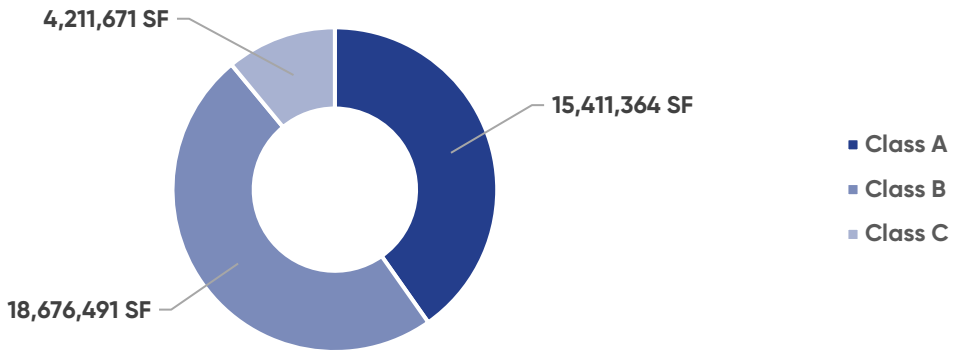
Central Business District Q4 2025

Vacancy

2025 ended the year with total vacancy ticking up further to 27.0%. The driver of this increase was the increase in sublease space across the CBD. In fact, direct vacant space, while static at 25.5%, actually decreased by roughly 250,000 square feet. This is a positive sign for a market that has yet to experience a rebound that some other metros.

- Class A vacancy was flat from the third quarter, remaining at 20.8%.
- Trophy and Class B buildings saw improvements, with vacancies falling to 15.1% and 33.5%.
- Class C vacancy increased from 25.8% to 26.3%. this is primarily due to some building being taken out of the inventory.
- Fulton Market and River North submarkets posted vacancy declines, while all other areas experienced increases.

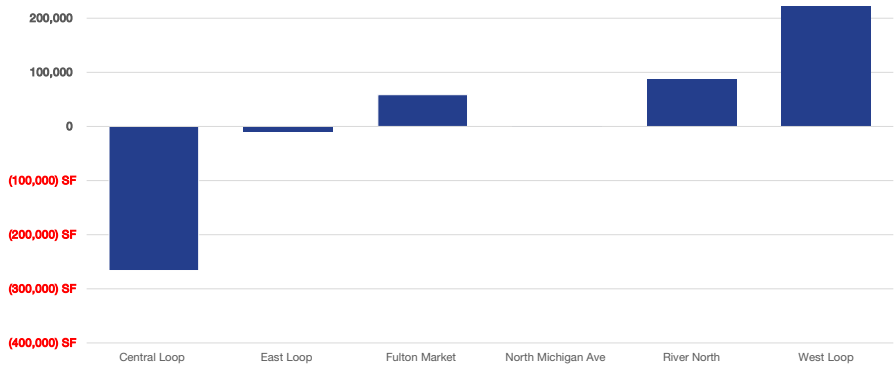
TOTAL VACANT SF



Absorption & New Availability

- Net absorption was positive to in the amount of 131,848 sq. ft., the least negative quarter since Q2 2024.
- Class A properties were negative, with 64,000 sq. ft. returning to market.
- Class B & C buildings saw positive net absorption in the amounts of 85,800 and 72,700 sq. ft. respectively.
- Submarkets with negative movement included Central Loop and East Loop.
- Fulton Market, North Michigan Avenue, River North, and West Loop all saw positive absorption.

DIRECT NET ABSORPTION

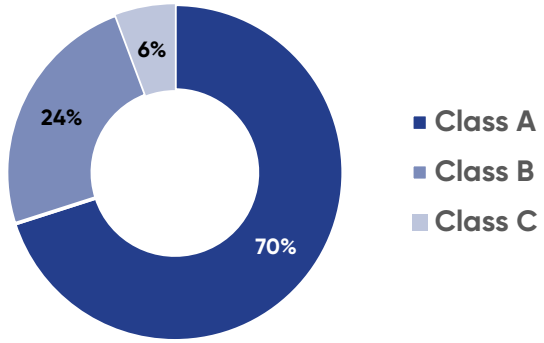


Market data sourced from CoStar and Cresa Analytics, Q4 2025.

Market Rent & Lease Volume

- Average asking rents rose $0.27, hitting $46.41 per sq. ft..
- The jump was primarily driven by Class A rent increases in the West Loop, where 818,000 sq. ft. of transactions occurred last quarter.
- Trophy-class buildings also saw notable rent growth, now commanding rates in the low to mid $70s gross—an all-time high for Chicago.

DOWNTOWN LEASING VOLUME



Q4 2025 LARGE SIGNED LEASES

	Tenant	Address	Square Feet	Type
1	USG	550 W Adams	165,410	Renewal
2	AAR	222 Merchandise Mart	90,000	New Lease
3	Sargent & Lundy	77 W Wacker	66,000	Expansion
4	Zurich	233 S Wacker	52,000	New Lease
5	Benesch	71 S Wacker	33,000	Expansion
6	Industrious	33 N LaSalle	31,000	New Lease
7	Hireology	24 E Washington	31,000	New Lease
8	Alliant	360 N Green	27,000	New Lease
9	Shamrock Trading	151 N Franklin	24,800	Sublease
10	1871	111 N Canal	23,000	Sublease

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Central Business District Q4 2025

METRICS OVERVIEW

Inventory
155,808,654 SF

Direct Vacancy
25.5%

Sublease Vacancy
1.6%

Total Vacancy
27.0%

KEY PERFORMANCE INDICATORS

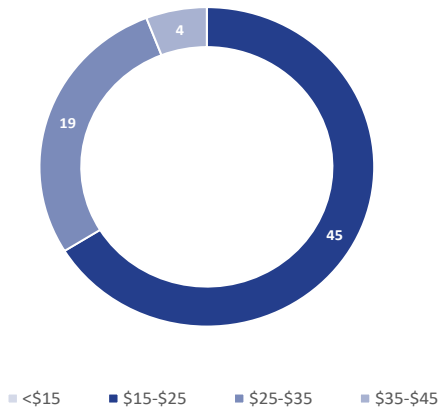
Average Time on Market
32.6 Months

Total Space on Market
293 Spaces

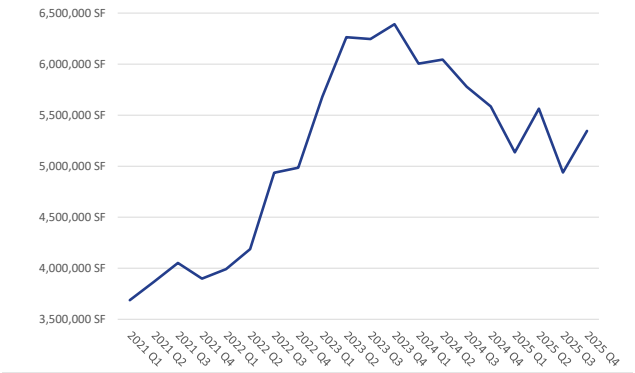
Average Quarterly SF Additions
267,256

Increase in Sublease Spaces since COVID
83.0%

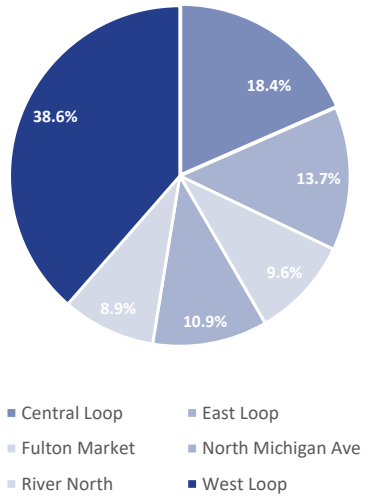
PRICING BLOCKS



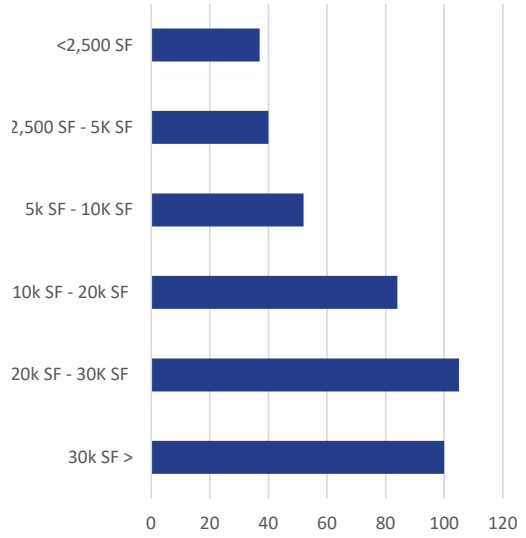
TOTAL AVAILABILITY



INVENTORY



DISTRIBUTION OF AVAILABILITY BY SIZE



Market data sourced from CoStar and Cresa Analytics, Q4 2025.

Subleasing

Sublease space remains a persistent challenge for landlords, offering tenants discounted alternatives in the market.

- Vacant sublease space increased to 1.6%, total available sublease space is still high at 4.8 million sq. ft. (or 3.3% of inventory).
- Some subleases directly compete with primary space by offering long-term deals, deep concessions, and below-market rates—creating an attractive alternative for tenants.

Capital Perspective

Despite recent rate declines, high interest rates continue to pose challenges for downtown landlords.

- Building values are dropping as vacancy rates climb and demand softens.
- As a result, 21 properties across the CBD are now classified as distressed, accounting for 5.9% of the market. This number is improving as owners start to trade buildings at discounts and upgrade amenities.
- These conditions present opportunities for rent resets and market repositioning.

LARGE AVAILABLE SUBLEASES

Address	Size (SF)	Expiration Date	Tenant
433 W Van Buren St	208,557	Nov-32	Walgreens
1 N Dearborn St	101,550	Oct-31	ActiveCampaign
101 N Wacker Dr	100,000	Aug-27	TTX
167 N Green St	93,170	May-34	Molo Solutions
333 N Green	81,074	Feb-35	WPP
333 W Wolf Point Plz	72,133	May-40	Salesforce

Central Business District Q4 2025

Submarket/ Class	Total # of Buildings	Total RBA (SF)	Direct Vacant (SF)	Direct Vacancy Rate	Sublease Vacancy Rate	Total Vacancy Rate	Q4 Net Absorption (SF)	Under Construction (SF)	Gross Rent PSF Per Year
Central Loop	**60**	**36,247,600**	**10,511,926**	**29.0%**	**0.2%**	**29.2%**	**(266,203)**	**0**	**$43.05**
Class A	13	13,487,482	2,671,050	19.8%	0.1%	19.9%	(277,073)	0	$49.96
Class B	30	19,646,845	7,074,036	36.0%	0.2%	36.2%	(12,410)	0	$39.92
Class C	17	3,113,273	766,840	24.6%	0.2%	24.8%	23,280	0	$32.81
East Loop	**54**	**28,167,394**	**8,456,822**	**30.0%**	**1.4%**	**31.4%**	**(10,956)**	**0**	**$41.18**
Class A	6	8,914,921	1,644,459	18.4%	1.3%	19.7%	(13,541)	0	$47.50
Class B	23	14,294,031	4,961,658	34.7%	2.0%	36.7%	17,585	0	$40.85
Class C	25	4,958,442	1,850,705	37.3%	0.0%	37.3%	(15,000)	0	$30.77
Fulton Market	**47**	**5,397,208**	**675,039**	**12.5%**	**1.6%**	**14.1%**	**58,617**	**0**	**$49.97**
Class A	11	2,423,932	116,917	4.8%	2.6%	7.4%	0	0	$63.41
Class B	13	1,056,377	244,072	23.1%	2.0%	25.1%	(34,000)	0	$41.58
Class C	23	1,916,899	314,050	16.4%	0.0%	16.4%	92,617	0	$37.61
North Michigan Ave	**31**	**9,275,804**	**2,369,477**	**25.5%**	**2.9%**	**28.5%**	**1,312**	**0**	**$41.89**
Class A	8	4,282,065	1,545,108	36.1%	5.5%	41.6%	(37,156)	0	$47.37
Class B	11	2,978,914	713,528	24.0%	1.2%	25.2%	37,018	0	$38.55
Class C	12	2,014,825	110,841	5.5%	0.0%	5.5%	1,450	0	$35.20
River North	**57**	**15,130,587**	**4,558,212**	**30.1%**	**1.9%**	**32.0%**	**88,241**	**0**	**$46.27**
Class A	8	10,386,131	3,544,679	34.1%	2.3%	36.4%	84,371	0	$49.88
Class B	25	2,686,049	467,641	17.4%	1.2%	18.6%	48,026	0	$39.87
Class C	24	2,058,407	545,892	26.5%	0.8%	27.3%	(44,156)	0	$36.39
West Loop	**83**	**51,583,817**	**11,728,050**	**22.7%**	**2.0%**	**24.8%**	**223,007**	**0**	**$52.12**
Class A	35	34,594,239	5,889,151	17.0%	2.4%	19.4%	178,812	0	$56.57
Class B	32	15,027,485	5,215,556	34.7%	1.4%	36.1%	29,629	0	$43.99
Class C	16	1,962,093	623,343	31.8%	0.4%	32.2%	14,566	0	$36.01
Total CBD	**348**	**155,808,654**	**39,552,763**	**25.5%**	**1.6%**	**27.0%**	**131,848**	**411,202**	**$46.41**
Class A	81	74,088,770	15,411,364	20.8%	2.0%	22.8%	(64,587)	411,202	$53.03
Class B	134	55,689,701	18,676,491	33.5%	1.1%	34.7%	85,848	0	$41.21
Class C	117	16,023,939	4,211,671	26.3%	0.2%	26.5%	72,757	0	$33.91
Trophy CBD	**16**	**10,006,244**	**1,253,237**	**12.5%**	**2.6%**	**15.1%**	**37,830**	**411,202**	**$76.11**

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About Cresa Chicago

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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