

## Greater Chicago Market Insights

# Industrial

## Q4 2025

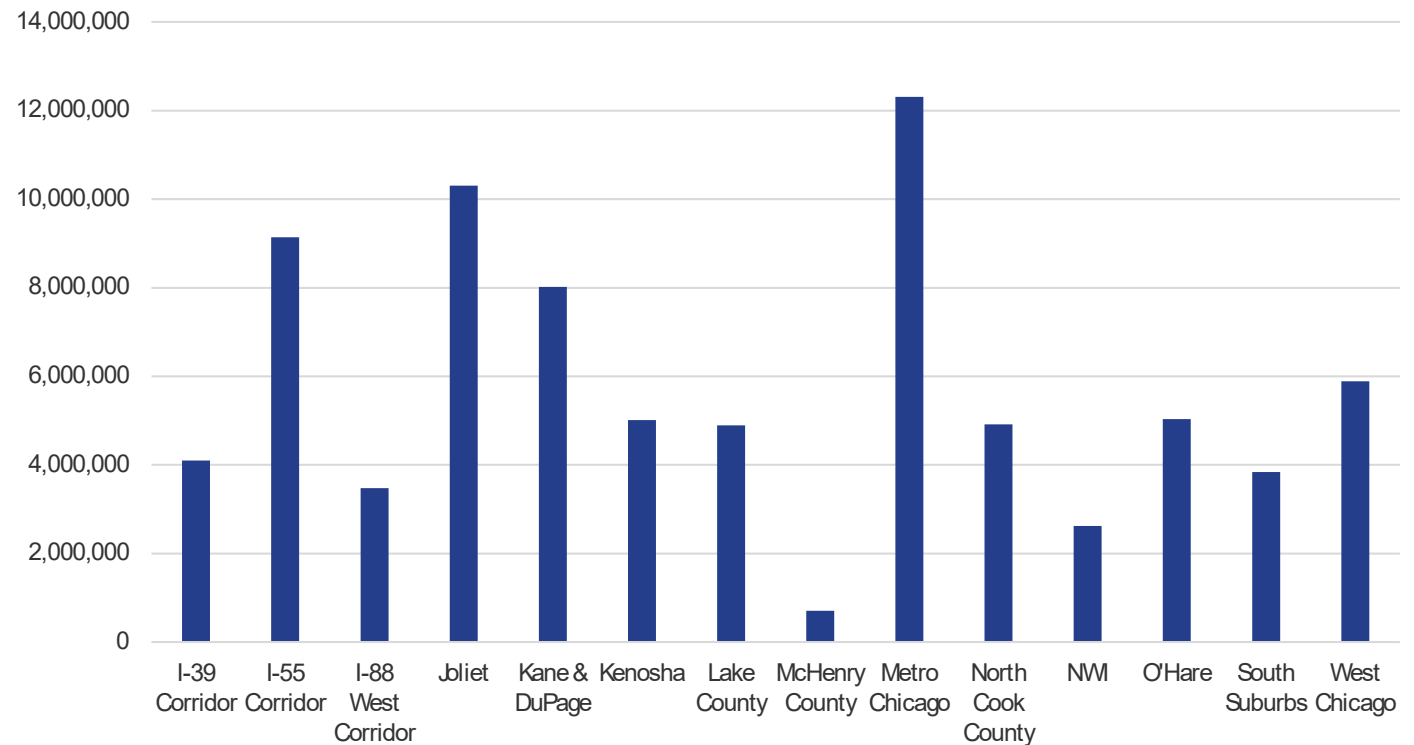
The Chicagoland industrial market saw slight improvement, with vacancy tightening and positive absorption across most submarkets. Asking rents edged up, though leasing activity slowed as landlords remain cautious in a market that's becoming more favorable to tenants. Construction activity continues to taper amid higher costs and a challenging interest rate environment.



## Vacancy

The Chicagoland Industrial market saw total vacancy drop slightly to 5.63% at the end of the 4th quarter. This was due to direct vacancy decreasing to 5.18%. Sublease vacancy ticked up to 0.46%. The total amount of direct vacant space on the market dipped to 73,780,922 square feet. This marks a downturn from the 5-year peak of 77,087,881 sq. ft. experienced in Q3 of 2025. While most of the vacant space is in buildings that were built more than 5 years ago, newer buildings are struggling to fill space in a competitive market. The vacancy rate for these newer buildings is 16.1%.

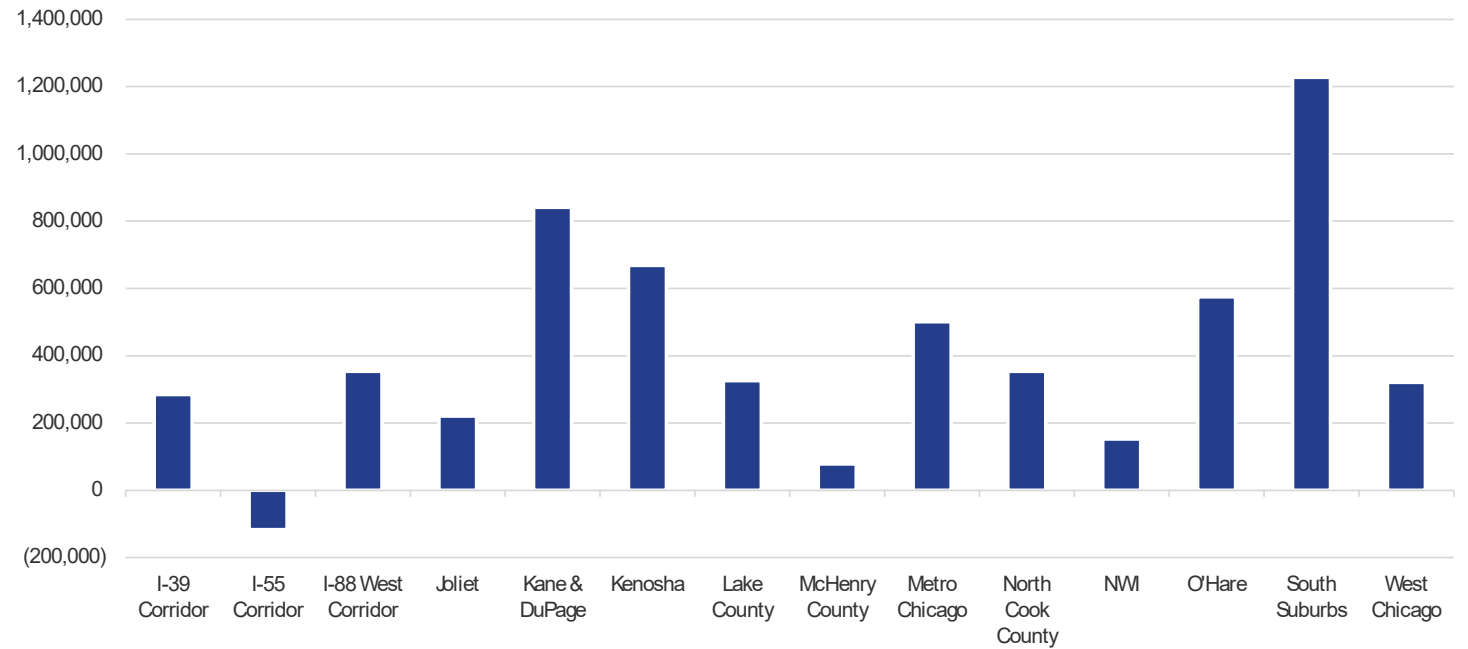
SHARE OF VACANCY



## Absorption

Net absorption in Chicagoland was positive, with over 5.8 million sq. ft. of space absorbed. These gains were largely driven by the South Suburbs, Kane & DuPage, and Kenosha submarkets, all with over 600,000 square feet of positive net absorption. All other submarkets were in the green in terms of movement with only the I-55 corridor experiencing negative movement for 4th quarter.

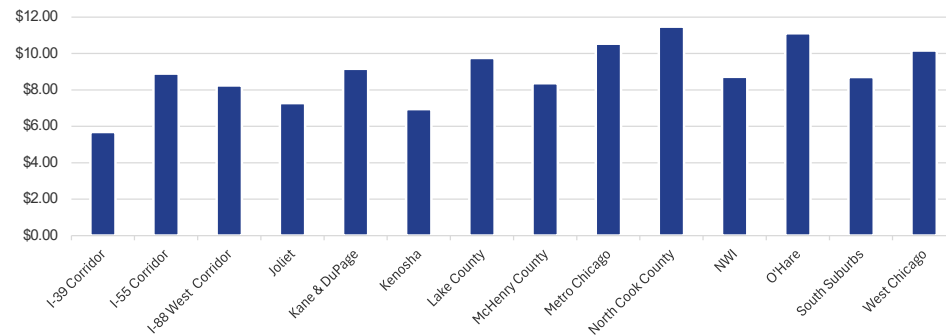
QUARTERLY ABSORPTION TOTALS



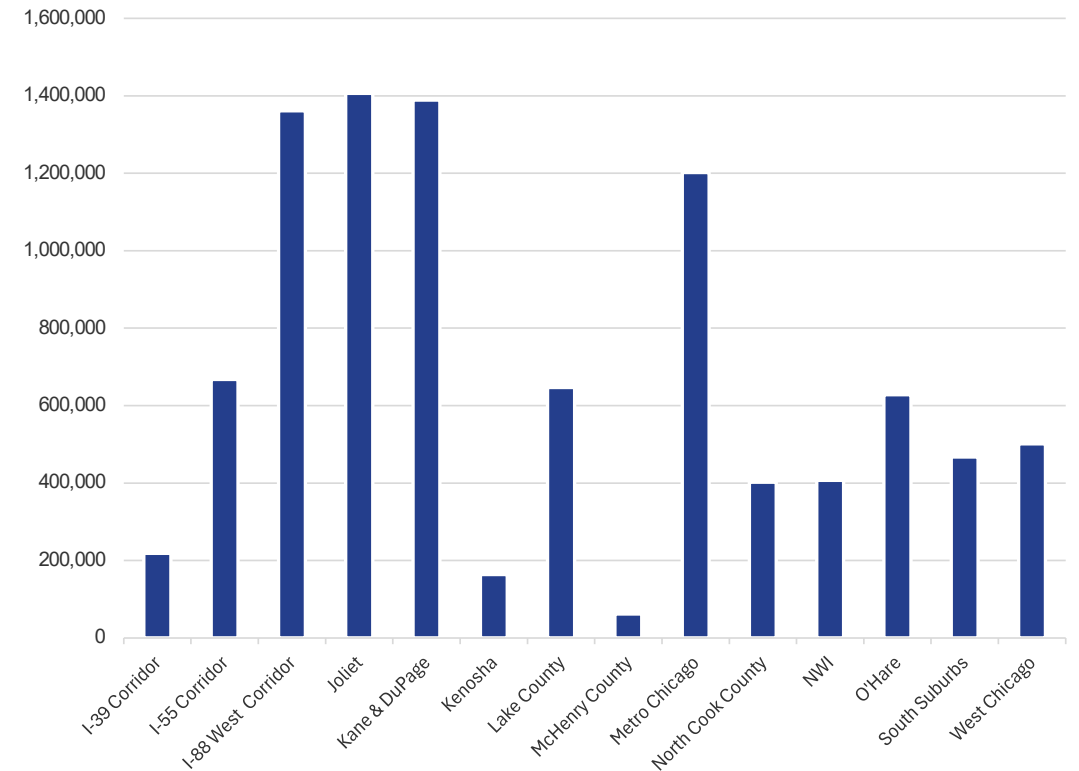
## Market Rent & Lease Volume

Average asking rents increased slightly, up \$0.07 to \$9.13 per sq. ft., across all space sizes and submarkets. Elevated construction costs and limited availability continue to drive prices, but landlords are wary of raising rents too aggressively in a market that's increasingly favorable to tenants. This caution is further fueled by declining leasing activity, which slipped slightly to 9.5 million sq. ft.

MARKET ASKING GROSS RENT

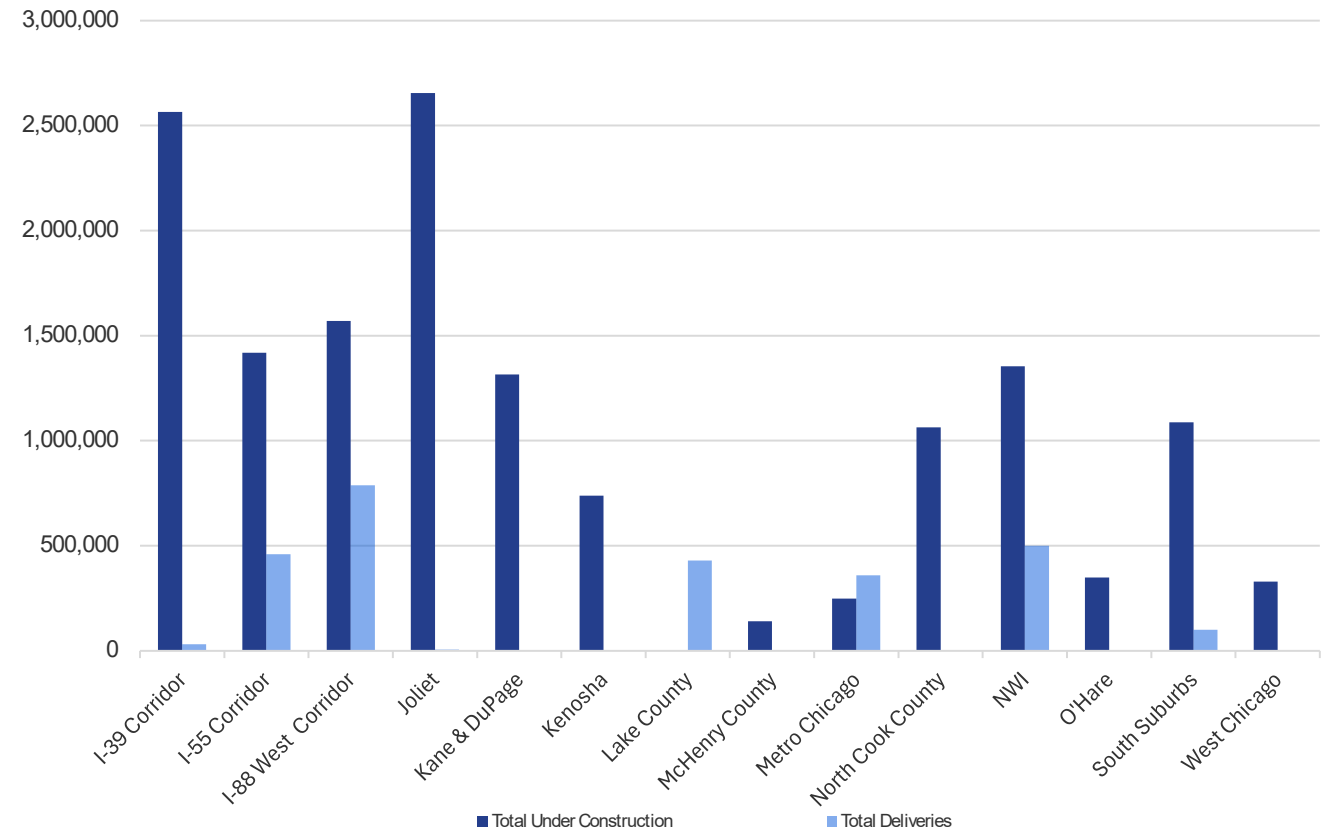


QUARTERLY LEASING TOTALS



### Under Construction & Deliveries

Construction activity is tapering off due to higher material costs and a tough interest rate environment. Roughly 2.7 million sq. ft. of new space was delivered in Q4. Currently, 14.8 million sq. ft. remains under construction, just above the lowest level recorded since Q1 2018. Most of the new builds are focused in eight key submarkets: I-39 Corridor, I-88 West Corridor, I-55 Corridor, Joliet, Kane & DuPage, North Cook County, NWI, O'Hare, and the South Suburbs.



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Submarket Cluster	Inventory (SF)	Direct Vacant (SF)	Total Vacant (SF)	Direct Vacant (%)	Total Vacant (%)	Total Available (SF)	Total Available (%)	Total Net Absorption (SF)	Under Construction (SF)	Quarterly Deliveries (SF)	Quarterly Leasing (SF)	Market Asking Gross Rent
I-39 Corridor	81,992,055	4,090,991	4,100,491	5.00%	5.00%	3,824,732	4.50%	284,511	2,565,000	30,400	218,408	\$5.69
I-55 Corridor	157,068,858	7,708,014	9,138,496	4.90%	5.80%	18,220,604	11.50%	(117,062)	1,418,033	459,564	667,322	\$8.89
I-88 West Corridor	78,108,281	3,184,469	3,476,009	4.10%	4.50%	6,491,864	8.10%	353,587	1,569,744	788,000	1,361,059	\$8.24
Joliet	129,865,811	9,867,689	10,308,354	7.60%	7.90%	13,337,656	10.10%	220,403	2,654,821	4,752	1,406,696	\$7.28
Kane & DuPage	154,846,969	7,363,274	8,021,685	4.80%	5.20%	11,094,148	7.10%	840,998	1,315,313	0	1,388,938	\$9.16
Lake County	84,679,817	4,710,477	4,895,635	5.60%	5.80%	6,451,416	7.60%	326,125	0	430,141	646,725	\$9.76
McHenry County	34,078,858	705,420	705,420	2.10%	2.10%	893,120	2.60%	78,238	139,700	0	61,614	\$8.37
Metro Chicago	180,476,001	12,004,566	12,306,328	6.70%	6.80%	16,547,629	9.20%	501,350	248,493	359,369	1,202,132	\$10.54
North Cook County	86,485,898	4,459,111	4,918,100	5.20%	5.70%	7,054,601	8.10%	353,875	1,063,656	0	402,183	\$11.47
O'Hare	101,611,003	4,265,257	5,032,927	4.20%	5.00%	9,876,543	9.70%	575,304	348,070	0	628,110	\$11.11
South Suburbs	92,458,215	3,016,240	3,836,789	3.30%	4.10%	7,930,894	6.90%	1,227,443	1,087,123	34,000	467,325	\$8.71
West Chicago	115,807,364	5,331,640	5,890,969	4.60%	5.10%	10,880,747	8.30%	321,321	329,595	99,682	501,333	\$10.16
<b>Total Chicagoland (IL Only)</b>	<b>1,297,479,130</b>	<b>66,707,148</b>	<b>72,631,203</b>	<b>5.14%</b>	<b>5.60%</b>	<b>112,603,954</b>	<b>8.68%</b>	<b>4,966,093</b>	<b>12,739,548</b>	<b>2,205,908</b>	<b>8,951,845</b>	<b>\$9.24</b>
NWI	73,416,721	2,168,218	2,623,127	3.00%	3.60%	4,065,987	5.40%	152,926	1,354,099	500,395	406,690	\$8.72
Kenosha	53,571,902	4,910,338	5,010,338	9.20%	9.40%	6,443,123	11.90%	668,972	737,788	0	163,842	\$6.94
<b>Total Chicagoland</b>	<b>1,424,467,753</b>	<b>73,785,704</b>	<b>80,264,668</b>	<b>5.18%</b>	<b>5.63%</b>	<b>123,113,064</b>	<b>8.64%</b>	<b>5,787,991</b>	<b>14,831,435</b>	<b>2,706,303</b>	<b>9,522,377</b>	<b>\$9.13</b>

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