Greater Chicago Market Insights

# Central Business District

## Q2 2025

Buildings trading at a discount for repurposing or renovation are starting to reshape the Loop's landscape, signaling a shift in how older assets are valued. Meanwhile, the flight to quality trend remains strong, with Class A and trophy buildings continuing to post the lowest vacancy rates among CBD properties.

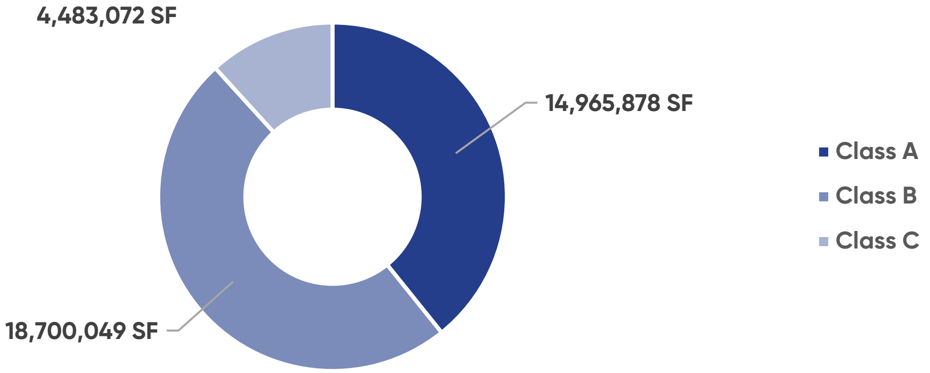
## Vacancy

Midway through the year, the Chicago CBD continues to see vacancy increase across all non-trophy asset types. Even with several high vacancy buildings being taken out of the inventory, dark space continues to flood the market as companies right size. Total CBD vacancy increased nearly a full percentage point to 26.7%. Class B space increased the most up, 180 basis points to 34.6%. The increase for class A & C space was more modest, ending at 22.1% and 26.3%. The only asset type to see vacancy decrease was the trophy class, with a reducing of 60 basis points to 16.2%. From a submarket perspective, only River North saw vacancy decrease, while all others increased.

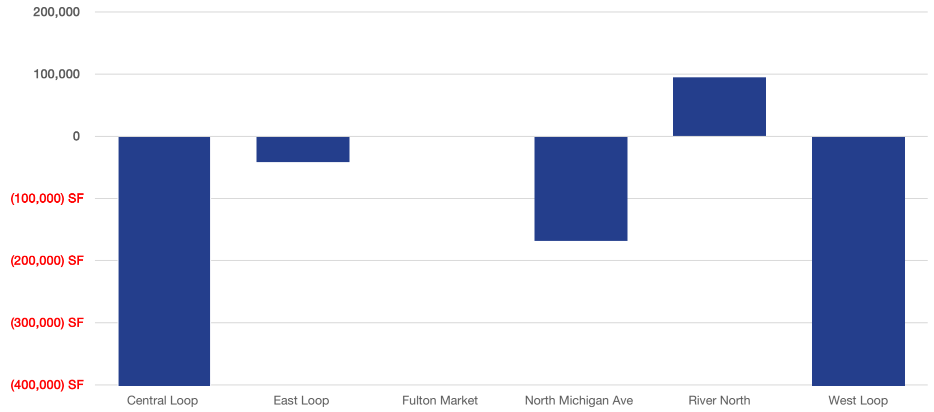
## Absorption & New Availability

Negative net absorption totaled 1.49M square feet for the second quarter, the largest amount of negative movement in in eight quarters. Class B assets have not been able to stem the flow of dark space with 1.1M square feet of negative movement. The two markets hit the hardest by negative absorption were the Central Loop and West Loop, with 508k square feet and 951k square feet of negative movement respectively.

### TOTAL VACANT SF




### DIRECT NET ABSORPTION





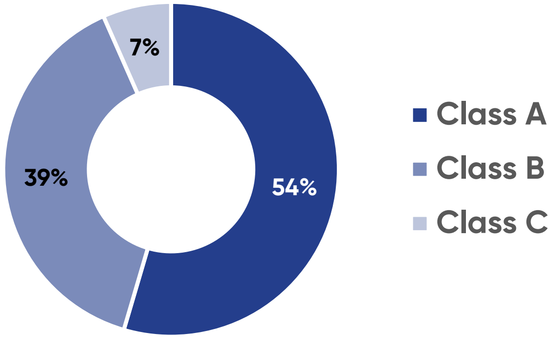

Market data sourced from CoStar and Cresa Analytics, Q2 2025.

cresa

## Market Rent & Lease Volume

Average market rates across the CBD increased $0.47 up to $45.77 from the first to second quarter. The increase in rates was primarily driven by Class A rents in the West Loop, which has seen stiff competition for space with over 600k square feet in transactions this past quarter. The other submarket that experienced a noteworthy increase in rents was Class A Fulton Market product. This segment commands the lowest vacancy in the CBD, helping to propel rates up to $63.08.

### DOWNTOWN LEASING VOLUME




### Q2 2025 LARGE SIGNED LEASES

| | Tenant | Address | Square Feet | Type |
|---|---|---|---|---|
| 1 | Golub Capital | 225 W Randolph | 205,450 | New Lease |
| 2 | JPMorgan Chase | 131 S Dearborn | 126,000 | Expansion |
| 3 | Intelsat | 111 N Canal | 119,000 | Extension |
| 4 | Wolverine Trading | 433 W VanBuren | 83,000 | Sublease |
| 5 | Workbox | 20 N Wacker | 68,000 | New Lease |
| 6 | Berlin Packaging | 222 Merchandise Mart Plz | 38,554 | New Lease |
| 7 | Holcim | 222 S Riverside | 35,000 | New Lease |
| 8 | JBT | 333 W Wacker | 27,356 | New Lease |
| 9 | Newmark | 333 W Wolf Point Plz | 24,000 | Sublease |
| 10 | Amata | 33 N Dearborn | 22,452 | New Lease |
| 11 | Clausen Miller | 225 W Randolph | 22,119 | New Lease |
| 12 | Smith Group | 35 E Wacker | 21,666 | Renewal |
| 13 | Byline Bank | 180 N LaSalle | 20,909 | Extension |
| 14 | National Equity Fund | 540 W Madison | 20,846 | New Lease |
| 15 | Geico | 222 Merchandise Mart Plz | 19,000 | New Lease |
| 16 | Kelly Drye | 333 W Wacker | 18,604 | Renewal |
| 17 | Draper & Kramer | 55 E Monroe | 17,394 | Extension |
| 18 | Grove Biopharma | 400 N Aberdeen | 17,000 | New Lease |
| 19 | Good Karma Brands | 141 W Jackson | 15,000 | New Lease |
| 20 | Frontenac | 155 N Wacker | 13,846 | New Lease |
| 21 | Global Furniture Group | 1045 W Fulton | 13,717 | New Lease |
| 22 | Phillips Lytle | 35 W Wacker | 12,000 | New Lease |
| 23 | Hexware | 145 S Wells | 11,584 | New Lease |



Market data sourced from CoStar and Cresa Analytics, Q2 2025.

# Central Business District Q2 2025

## METRICS OVERVIEW

**Inventory**
156,562,510 SF

**Direct Vacancy**
25.4%

**Sublease Vacancy**
1.3%

**Total Available**
26.7%

## KEY PERFORMANCE INDICATORS

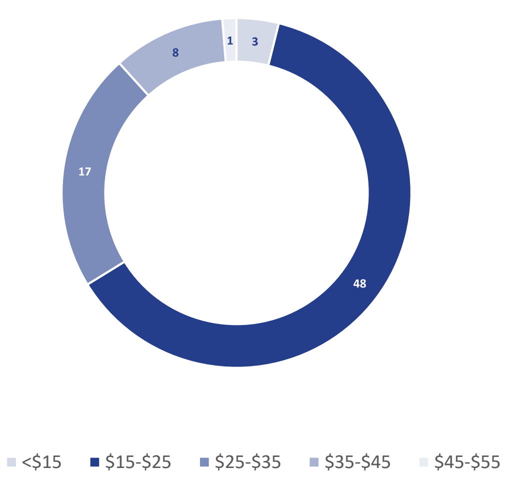
**Average Time on Market**
30.3 Months

**Total Space on Market**
323 Spaces

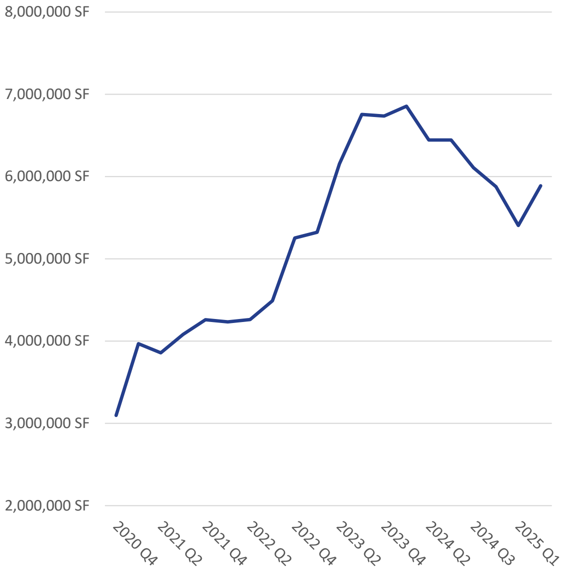
**Average Quarterly SF Additions**
294,398

**Increase in Sublease Spaces since COVID**
101.6%

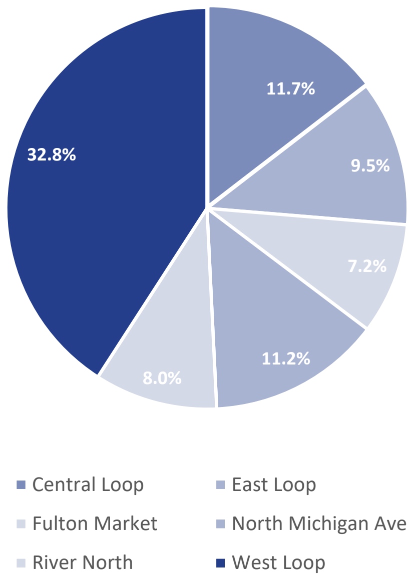
## PRICING BLOCKS



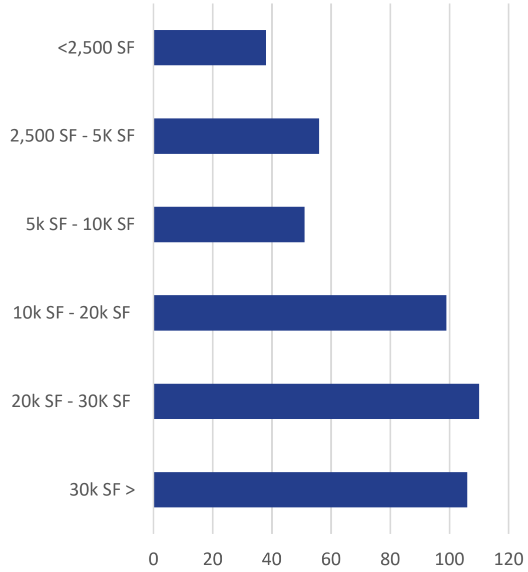

## TOTAL AVAILABILITY




## INVENTORY




## DISTRIBUTION OF AVAILABILITY BY SIZE






Market data sourced from CoStar and Cresa Analytics, Q2 2025.

cresa

## Subleasing

Sublease space continues to be a thorn in the side of landlords, providing tenants with the opportunity to obtain discounted space in the market. Sublease space is now providing another difficulty for landlords: converting back to direct space. Although vacant sublease space is down to 1.3% because of this conversion, it is still stubbornly high. Available sublease space has picked back up to 5.3M square feet (or 3.6%) of total inventory. Some sublease space represents true direct competition for downtown landlords because they are providing long term, high concession opportunities at below market rental rates. These aggressively priced options continue to create a compelling alternative for tenants in the market.

## Capital Perspective

Amid a difficult interest rate landscape, capital markets in downtown Chicago continue to be a difficult environment for landlords to navigate. Rising vacancies and falling demand compound issues for asset values, pushing many buildings into distress. Currently, 52 financially distressed properties make up 14.6% of the total CBD market by square footage. However, creative landlords are taking advantage of market conditions by purchasing discounted buildings and resetting rents.

### LARGE AVAILABLE SUBLEASES

| Address | Size (SF) | Expiration Date | Tenant |
|---|---|---|---|
| 333 W Wolf Point Plz | 119,950 | May-40 | Salesforce |
| 1 N Dearborn St | 101,550 | Oct-31 | ActiveCampaign |
| 101 N Wacker Dr | 100,000 | Aug-27 | TTX |



Market data sourced from CoStar and Cresa Analytics, Q2 2025.

# Central Business District Q2 2025

| Submarket/ Class | Total # of Buildings | Total RBA (SF) | Direct Vacant (SF) | Direct Vacancy Rate | Sublease Vacancy Rate | Total Vacancy Rate | Q2 Net Absorption (SF) | Under Construction (SF) | Gross Rent PSF Per Year |
|---|---|---|---|---|---|---|---|---|---|
| **Central Loop** | **62** | **36,898,447** | **10,395,545** | **28.2%** | **0.2%** | **28.4%** | **(508,042)** | **0** | **$42.57** |
| Class A | 13 | 13,956,341 | 2,399,441 | 17.2% | 0.3% | 17.5% | (10,432) | 0 | $48.85 |
| Class B | 30 | 19,484,909 | 7,125,377 | 36.6% | 0.1% | 36.7% | (456,471) | 0 | $39.64 |
| Class C | 19 | 3,457,197 | 870,727 | 25.2% | 0.2% | 25.4% | (41,139) | 0 | $33.70 |
| **East Loop** | **56** | **27,942,865** | **8,193,014** | **29.3%** | **0.8%** | **30.1%** | **(41,811)** | **0** | **$40.63** |
| Class A | 6 | 8,497,641 | 1,546,797 | 18.2% | 0.8% | 19.0% | 69,537 | 0 | $48.57 |
| Class B | 23 | 14,230,229 | 4,732,871 | 33.3% | 1.0% | 34.3% | (85,638) | 0 | $39.51 |
| Class C | 27 | 5,214,995 | 1,913,346 | 36.7% | 0.0% | 36.7% | (25,710) | 0 | $30.74 |
| **Fulton Market** | **49** | **5,652,915** | **771,754** | **13.7%** | **1.8%** | **15.5%** | **(1,663)** | **0** | **$48.73** |
| Class A | 11 | 2,432,619 | 107,733 | 4.4% | 3.5% | 7.9% | 2,487 | 0 | $63.08 |
| Class B | 13 | 1,051,115 | 214,890 | 20.4% | 0.6% | 21.0% | (6,000) | 0 | $40.92 |
| Class C | 25 | 2,169,181 | 449,131 | 20.7% | 0.5% | 21.2% | 1,850 | 0 | $36.41 |
| **North Michigan Ave** | **32** | **9,377,053** | **2,353,888** | **25.1%** | **2.6%** | **27.7%** | **(168,054)** | **0** | **$42.30** |
| Class A | 8 | 4,356,965 | 1,510,406 | 34.7% | 5.2% | 39.9% | (99,384) | 0 | $47.77 |
| Class B | 11 | 2,918,950 | 732,933 | 25.1% | 0.5% | 25.6% | (71,177) | 0 | $39.25 |
| Class C | 13 | 2,101,138 | 110,549 | 5.3% | 0.0% | 5.3% | 2,507 | 0 | $35.19 |
| **River North** | **58** | **15,183,225** | **4,529,831** | **29.8%** | **1.6%** | **31.5%** | **94,307** | **0** | **$46.50** |
| Class A | 8 | 10,386,131 | 3,482,181 | 33.5% | 2.0% | 35.5% | 7,217 | 0 | $50.38 |
| Class B | 25 | 2,500,805 | 569,794 | 22.8% | 1.0% | 23.8% | (15,921) | 0 | $39.81 |
| Class C | 25 | 2,296,289 | 477,856 | 20.8% | 0.7% | 21.5% | 103,011 | 0 | $36.23 |
| **West Loop** | **84** | **51,803,675** | **11,904,967** | **23.0%** | **1.9%** | **24.9%** | **(950,875)** | **0** | **$50.57** |
| Class A | 35 | 34,323,954 | 5,919,320 | 17.2% | 2.2% | 19.4% | (378,834) | 0 | $54.26 |
| Class B | 33 | 15,524,848 | 5,324,184 | 34.3% | 1.4% | 35.7% | (516,097) | 0 | $44.33 |
| Class C | 16 | 1,954,873 | 661,463 | 33.8% | 0.4% | 34.2% | (55,944) | 0 | $35.38 |
| **Total CBD** | **357** | **156,562,510** | **39,600,546** | **25.4%** | **1.3%** | **26.7%** | **(1,490,160)** | **411,202** | **$45.77** |
| Class A | 81 | 73,953,651 | 14,965,878 | 20.2% | 1.9% | 22.1% | (409,409) | 411,202 | $51.95 |
| Class B | 135 | 55,310,856 | 18,700,049 | 33.8% | 0.8% | 34.6% | (1,151,304) | 0 | $41.22 |
| Class C | 125 | 17,193,673 | 4,483,072 | 26.1% | 0.2% | 26.3% | (15,425) | 0 | $33.86 |
| **Trophy CBD** | **16** | **10,104,330** | **1,451,547** | **14.4%** | **1.8%** | **16.2%** | **85,978** | **411,202** | **$70.69** |

## Central Business District Q2 2025

## 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.

## Contact

For more information about Cresa and the Chicago CRE Market, please contact:

**Cresa Chicago**
167 N. Green St., Suite 1301
Chicago, IL 60607
**cresa.com/chicago**

## + Follow Us

Visit our social media channels to stay current on all things CRE.

cresa