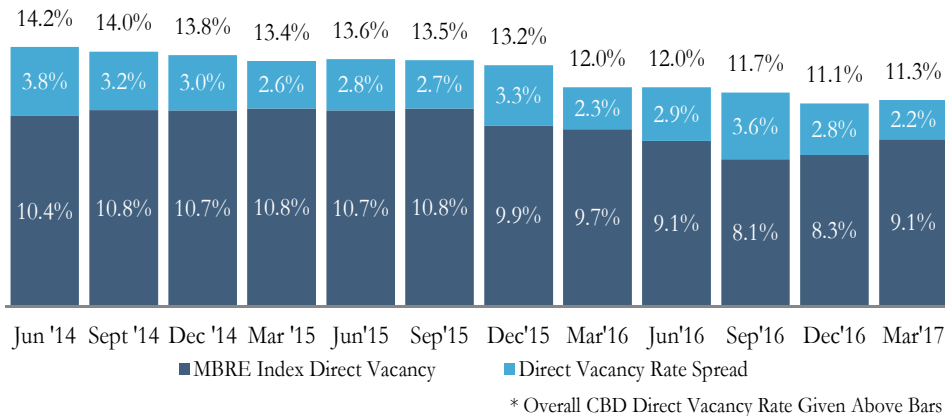


MARKET INDEX

1st Quarter 2017



ABOUT THE MBRE INDEX

The MB Real Estate (MBRE) Index is comprised of the last 30 Class A office buildings greater than 300,000 square feet built in Chicago's Central Business District (CBD). This set of buildings, which contains some of the CBD's most desirable space, serves as a leading indicator of office market conditions. As qualifying properties are updated online, they will replace older buildings. The index is updated on a quarterly basis.

NEW INDEX ADDITIONS

Two new properties have been added to the MB Real Estate (MBRE) Index, which is comprised of Chicago's Central Business District's (CBD) 30 newest Class A buildings.

444 W Lake, which opened in the fourth quarter of 2016, is 83.3 percent leased. The largest tenants will be McDermott, Will & Emery and DLA Piper.

150 N Riverside, which was delivered in January, is 81.7 percent leased. The largest tenants will be William Blair & Co. and Hyatt Hotels Corporation.

The two new properties replaced 227 W Monroe and 35 W Wacker, both of which were built in 1989. The building replacements caused the MBRE Index's total square footage to decrease by 135,743 square feet.

INDEX VACANCY RISES

Direct vacancy in the MBRE Index increased by 86 basis points to 9.1 percent. The increase was caused primarily by the two new buildings,

which are not yet fully leased. Despite this increase, the 9.1 percent vacancy rate is lower than it has been through much of the past ten years.

Meanwhile, the CBD direct vacancy reached 11.3 percent at the end of the fourth quarter of 2016, a 23 basis point increase from the previous quarter. Although there was a slight increase since last quarter, the direct vacancy rate is still at its lowest level since 2000, when vacancy rates were at 9.8 percent.

INDEX LEASING ACTIVITY

The largest new direct lease signed at an index building in the past three months was Outcome Health's lease of 385,050 square feet at 515 N State. Outcome Health, which recently changed its name from ContextMedia, will be growing substantially when it relocates from the approximately 66,000 square feet that it currently occupies at 330 N Wabash. Outcome Health's lease will bring 515 N State's occupancy up to 95.2 percent after being less than 50 percent for the past two years.

The largest lease renewal signed at an index building in the past three months

was Sidley Austin's renewal of 575,000 square feet at 1 S Dearborn. The renewal is a big win for the building, as Sidley Austin occupies 70 percent of the property. The renewal is a loss for the multiple developers that have been hoping to sign a deal with the large law firm in order to launch their proposed new office developments.

Building Address	Year Built	Rentable Building Area	Direct Vacancy Rate	Direction (over year)
1 455 N Cityfront Plaza	1989	898,623	11.6%	▼
2 100 N Riverside	1990	770,299	4.1%	▲
3 180 N Stetson	1990	976,107	12.5%	▼
4 181 W Madison	1990	952,559	11.4%	▼
5 311 S Wacker	1990	1,313,315	15.0%	▼
6 515 N State	1990	664,158	62.8%	▲
7 1 N Franklin	1991	617,592	7.5%	▼
8 500 W Monroe	1992	1,223,268	4.5%	▼
9 161 N Clark	1992	1,068,877	5.4%	▼
10 222 W Adams	1992	943,433	1.5%	▼
11 77 W Wacker	1992	959,258	10.5%	▼
12 300 E Randolph	1997/2010	1,845,460	0.0%	↔
13 525 W Van Buren	2000	522,089	18.2%	▼
14 550 W Washington	2000	372,000	11.7%	▲
15 1 N Wacker	2001	1,392,011	10.8%	▼
16 550 W Jackson	2001	406,041	11.5%	↔
17 191 N Wacker	2003	737,759	17.0%	▲
18 131 S Dearborn	2003	1,504,364	8.4%	▼
19 540 W Madison	2003	1,111,925	7.0%	▼
20 71 S Wacker	2005	1,490,825	5.4%	▲
21 1 S Dearborn	2005	822,469	3.3%	▼
22 111 S Wacker	2005	1,213,322	4.4%	▼
23 550 W Adams	2006	483,677	3.3%	↔
24 22 W Washington	2008	439,434	0.0%	↔
25 300 N LaSalle	2009	1,302,901	5.3%	▲
26 155 N Wacker	2009	1,152,953	1.6%	▼
27 353 N Clark	2009	1,184,255	4.7%	▲
28 1000 W Fulton	2015	531,190	3.3%	
29 444 W Lake	2016	1,081,702	16.7%	
30 150 N Riverside	2017	1,284,404	18.3%	
MBRE Index Total		26,900,164	9.1%	▼
Overall Chicago CBD		133,230,229	11.3%	▼