

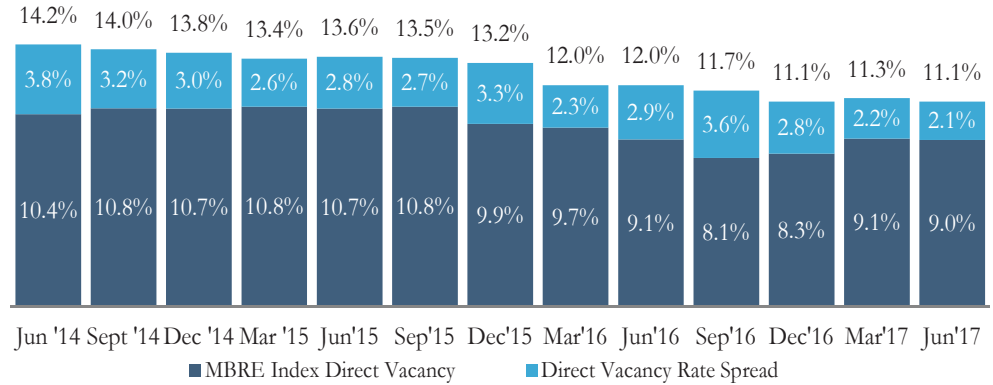
MARKET INDEX

2ND QUARTER 2017

MB Real Estate

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.



* Overall CBD Direct Vacancy Rate Given Above Bars

Building Address	Year Built	Rentable Building Area	Direct Vacancy Rate	Direction (over year)
1 455 N Cityfront Plaza	1989	898,623	11.4%	▼
2 100 N Riverside	1990	770,299	1.2%	▲
3 180 N Stetson	1990	976,107	15.4%	▲
4 181 W Madison	1990	952,559	11.1%	▲
5 311 S Wacker	1990	1,313,315	15.1%	▼
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	5.8%	▼
10 222 W Adams	1992	943,433	0.5%	▼
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	9.9%	▼
16 550 W Jackson	2001	406,041	9.8%	▼
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	7.8%	▲
20 71 S Wacker	2005	1,490,825	4.8%	▲
21 1 S Dearborn	2005	828,538	3.2%	▲
22 111 S Wacker	2005	1,213,322	5.0%	▼
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	3.9%	▲
26 155 N Wacker	2009	1,152,953	2.3%	▲
27 353 N Clark	2009	1,184,255	4.4%	▼
28 1000 W Fulton	2015	531,190	3.3%	▼
29 444 W Lake	2016	1,081,702	16.8%	▼
30 150 N Riverside	2017	1,284,404	18.3%	▼
MBRE Index Total		26,906,233	9.0%	▼
Overall Chicago CBD		133,230,229	11.1%	▼

Index Vacancy Stable

Direct vacancy in the MB Real Estate (MBRE) Index, which is comprised of Chicago's Central Business District's (CBD) 30 newest Class A buildings, has decreased by 10 basis points to 9.0 percent. Meanwhile, the CBD direct vacancy decreased to 11.1 percent at the end of the first quarter of 2017, a 21 basis point decrease from the previous quarter.

Index Leasing Activity

Leasing activity at the index buildings is minimal due to the low amount of available space. There is only one block of space over 200,000 square feet currently on the market at an index building, Hyatt Hotel Corporation's space at 71 S Wacker, which it will be vacating when it moves into the new office tower at 150 N Riverside. The space is available for sublease until February of 2020 and is available as direct space thereafter.

Index Investment Activity

One index building is currently for sale, 161 N Clark. The nearly 1.1 million square foot office building is estimated to be worth approximately \$400 million, or \$374 per square foot. It is currently 95 percent occupied. One index building has sold this year, 181 W Madison. The nearly 1 million square foot office building was purchased by HNA Group for \$360 million, or \$378 per square foot.

New Index Additions

The index will have one more new addition in 2017, 1330 W Fulton, which is expected to be completed in the third quarter. In 2018 there will be three new additions: 151 N Franklin, 625 W Adams, and 1045 W Randolph. In total, these four new properties will add approximately 2.1 million square feet to Chicago's CBD office inventory.

Outside the Index

Outside of the index, the largest recent new deal signed was Bank of America's pre-lease of 500,000 square feet at the new office development planned for 110 N Wacker. The deal will allow the development team, led by Howard Hughes Co and Riverside Investment & Development, to begin construction on the 1.35 million square foot tower in October of 2017. The building that currently stands at 110 N Wacker is home to GGP's headquarters. GGP recently announced that it will be moving its headquarters to approximately 160,000 square feet at 350 N Orleans.

For Additional Information
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