

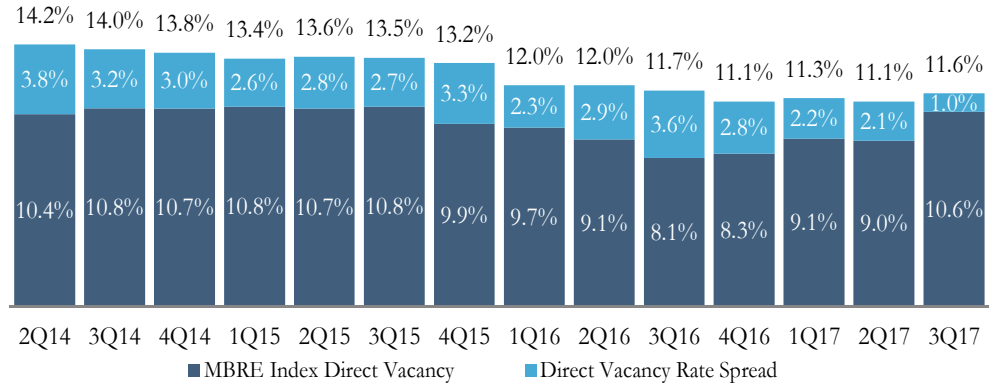
# MARKET INDEX

3<sup>RD</sup> 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	14.1%	▲
4 181 W Madison	1990	952,559	10.8%	▲
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	6.7%	▼
8 500 W Monroe	1992	1,223,268	5.2%	▼
9 161 N Clark	1992	1,068,877	5.1%	▼
10 222 W Adams	1992	943,433	4.1%	▲
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	11.7%	▲
16 550 W Jackson	2001	406,041	35.5%	▲
17 191 N Wacker	2003	737,759	18.9%	▲
18 131 S Dearborn	2003	1,504,364	21.7%	▲
19 540 W Madison	2003	1,111,925	5.8%	▼
20 71 S Wacker	2005	1,490,825	11.2%	▲
21 1 S Dearborn	2005	828,538	3.2%	▲
22 111 S Wacker	2005	1,213,322	8.1%	▲
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	3.7%	▲
26 155 N Wacker	2009	1,152,953	1.9%	▼
27 353 N Clark	2009	1,184,255	4.4%	▼
28 1000 W Fulton	2015	531,190	0.9%	▼
29 444 W Lake	2016	1,081,702	16.5%	▲
30 150 N Riverside	2017	1,284,404	18.3%	▲
<b>MBRE Index Total</b>		<b>29,272,339</b>	<b>10.6%</b>	<b>▲</b>
<b>Overall Chicago CBD</b>		<b>135,391,152</b>	<b>11.6%</b>	<b>▼</b>

## Index Vacancy Increase

Direct vacancy in the MB Real Estate (MBRE) Index has increased by 1.6 percentage points to 10.6 percent. Meanwhile, the CBD direct vacancy increased to 11.6 percent at the end of the second quarter of 2017, a 50 basis point increase from the previous quarter.

The CBD's higher vacancy rate in the second quarter was primarily due to the increase in total inventory. The MBRE Index's vacancy rate increase was due primarily to two recent tenant relocations: Societe Generale's move from approximately 130,000 square feet at 550 W Jackson into about 52,000 square feet at 440 S LaSalle and Seyfarth Shaw's move from about 300,000 square feet at 131 S Dearborn into 200,000 square feet at 233 S Wacker.

## Index Leasing Activity

The largest lease signed for space at an index building in the last three months was Honigman Miller Schwartz & Cohn's sublease of 28,077 square feet at 155 N Wacker.

## Index Availability

There are currently six blocks of directly available space larger than 100,000 square feet at index buildings. The average asking rent for index buildings is \$28.39 net per square foot.

## Index Investment Activity

Only 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.

## Outside the Index

Outside of the index, the largest recent new deal was Northern Trust's lease of 462,000 square feet at 333 S Wabash. The bank plans to move employees from multiple locations, primarily its offices at 801 S Canal, while its global headquarters will remain at 50 S LaSalle. The deal includes naming rights for the building, which is currently CNA Financial's headquarters.

CNA will be relocating to the new office development under construction at 151 N Franklin when it is completed in 2018. John Buck, the developer of 151 N Franklin, purchased 333 S Wabash from CNA when the company agreed to relocate to the new development. Extensive renovations are planned for 333 S Wabash before Northern Trust moves in 2020.

For Additional Information  
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