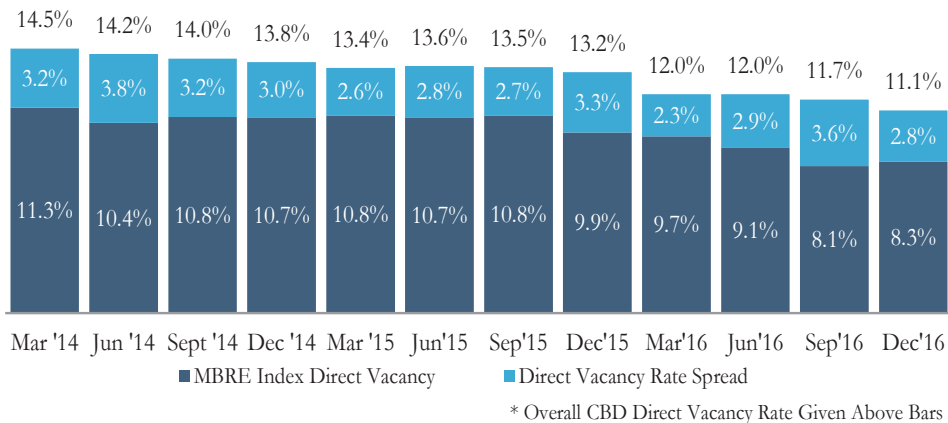


# MARKET INDEX

4th Quarter 2016



## 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.

## 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 increased by 20 basis points to 8.3 percent.

Meanwhile, CBD direct vacancy has continued to decrease for the sixth consecutive quarter, with overall vacancy falling to 11.1 percent, the lowest it has been since 2000. The index vacancy spread decreased by 80 basis points to 2.8 percent.

## INDEX LEASING ACTIVITY

The largest direct lease signed at an index building in the past three months was Option Clearing Corp's lease of approximately 101,620 square feet at The Franklin, 66,537 of which is in the tower at 222 W. Adams and 35,083 of which is in the tower at 227 W. Monroe. Options Clearing Corp is currently located in 73,845 square feet of another index building, at 1 N. Wacker.

515 N. State continues to have the largest direct block of available space,

with 350,000 square feet of contiguous space. There are currently no other available direct blocks of space larger than 200,000 square feet.

There are two blocks of shadow space larger than 200,000 square feet at index buildings that will be vacated in 2017 when tenants move in to 150 N. Riverside and 444 W. Lake: Hyatt Hotels Corporation's space at 71 S. Wacker and McDermott, Will & Emery's space at 227 W. Monroe.

## OUTSIDE THE INDEX

Outside of the index, the largest recent new deal was signed by Cushman & Wakefield for 83,033 square feet at 225 W. Wacker, where it will be consolidating its Chicago offices and locating its corporate headquarters.

## NEW INDEX ADDITIONS

The index will see two new additions in the first quarter of 2017. These two new towers will add 2.4 million square feet to the CBD's office inventory.

Construction on 444 W. Lake has just been completed, and some tenants are moving in by the end of the year. The

largest tenants will be McDermott, Will & Emery and DLA Piper.

150 N. Riverside will be delivered in January of 2017. The largest tenants will be William Blair & Co. and Hyatt Hotels Corporation.

Building Address	Year Built	Rentable Building Area	Direct Vacancy Rate	Direction (over year)
1. 227 W Monroe	1989	1,571,000	5.0%	▼
2. 35 W Wacker	1989	1,118,042	6.8%	▲
3. 455 N Cityfront Plaza	1989	898,623	13.4%	▼
4. 100 N Riverside	1990	770,299	4.1%	▲
5. 180 N Stetson	1990	976,107	11.8%	▼
6. 181 W Madison	1990	952,559	8.8%	▼
7. 311 S Wacker	1990	1,313,315	17.9%	▲
8. 515 N State	1990	664,158	62.8%	▲
9. 1 N Franklin	1991	617,592	9.6%	▼
10. 500 W Monroe	1992	1,223,268	8.9%	▼
11. 161 N Clark	1992	1,068,877	6.0%	▲
12. 222 W Adams	1992	943,433	1.5%	▼
13. 77 W Wacker	1992	959,258	10.5%	▼
14. 300 E Randolph	1997/2010	1,845,460	0.0%	◀▶
15. 525 W Van Buren	2000	522,089	17.6%	▼
16. 550 W Washington	2000	372,000	13.4%	▲
17. 1 N Wacker	2001	1,392,011	11.2%	▲
18. 550 W Jackson	2001	406,041	11.5%	◀▶
19. 191 N Wacker	2003	737,759	10.1%	▼
20. 131 S Dearborn	2003	1,504,364	8.4%	▼
21. 540 W Madison	2003	1,111,925	7.0%	▼
22. 71 S Wacker	2005	1,490,825	4.2%	▲
23. 1 S Dearborn	2005	820,915	4.0%	▲
24. 111 S Wacker	2005	1,027,683	3.5%	▼
25. 550 W Adams	2006	483,677	3.3%	◀▶
26. 22 W Washington	2008	439,434	0.0%	◀▶
27. 300 N LaSalle	2009	1,302,901	5.3%	▲
28. 155 N Wacker	2009	1,152,953	1.6%	▼
29. 353 N Clark	2009	1,184,255	4.7%	▼
30. 1000 W Fulton	2015	531,190	3.3%	▼
<b>MBRE Index Total</b>		<b>29,402,013</b>	<b>8.3%</b>	<b>▼</b>
<b>Overall Chicago CBD</b>		<b>132,925,642</b>	<b>11.1%</b>	<b>▼</b>