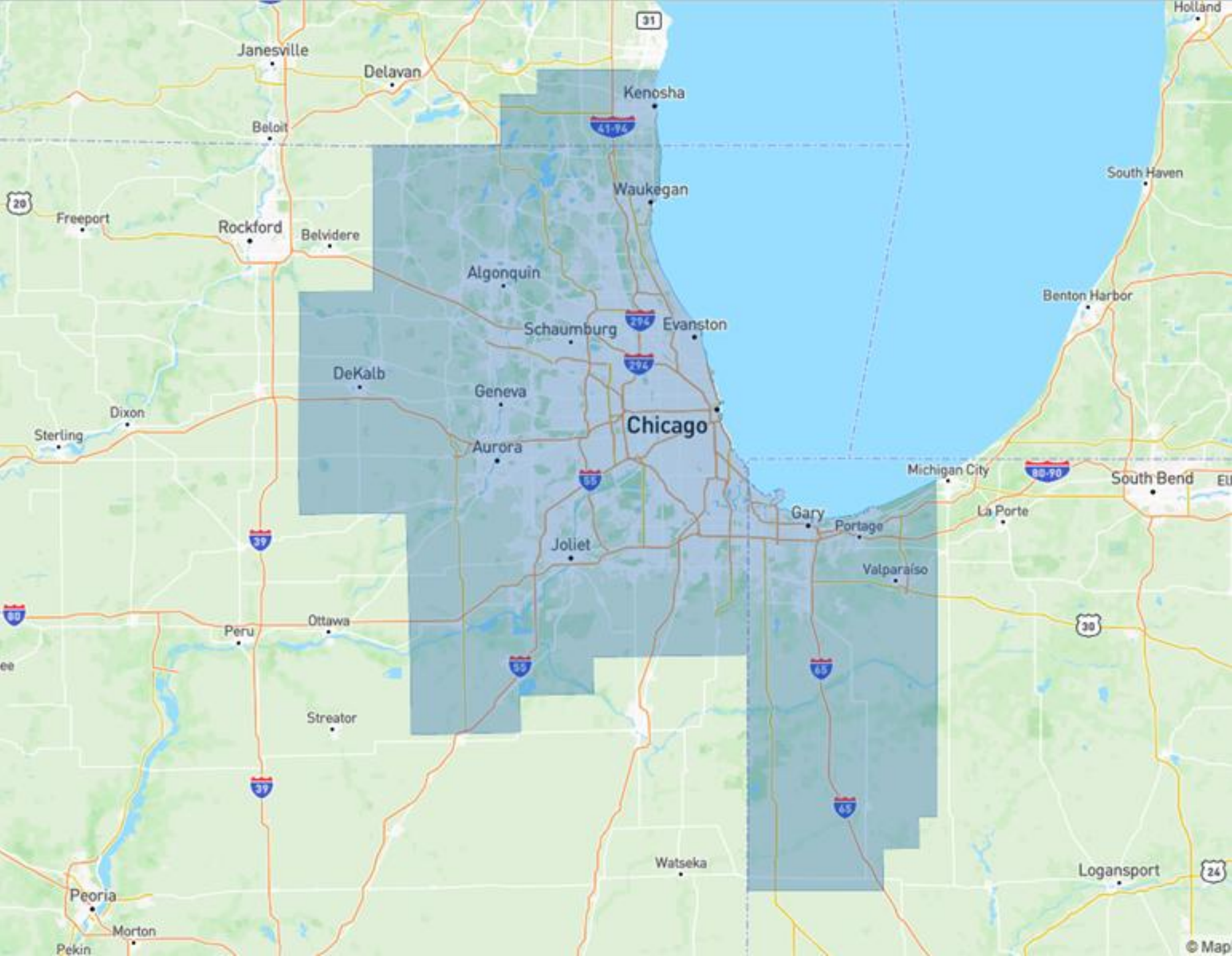


2026 Chicagoland CRE Forecast





Adrian Brizuela

Associate Director of
Market Analytics



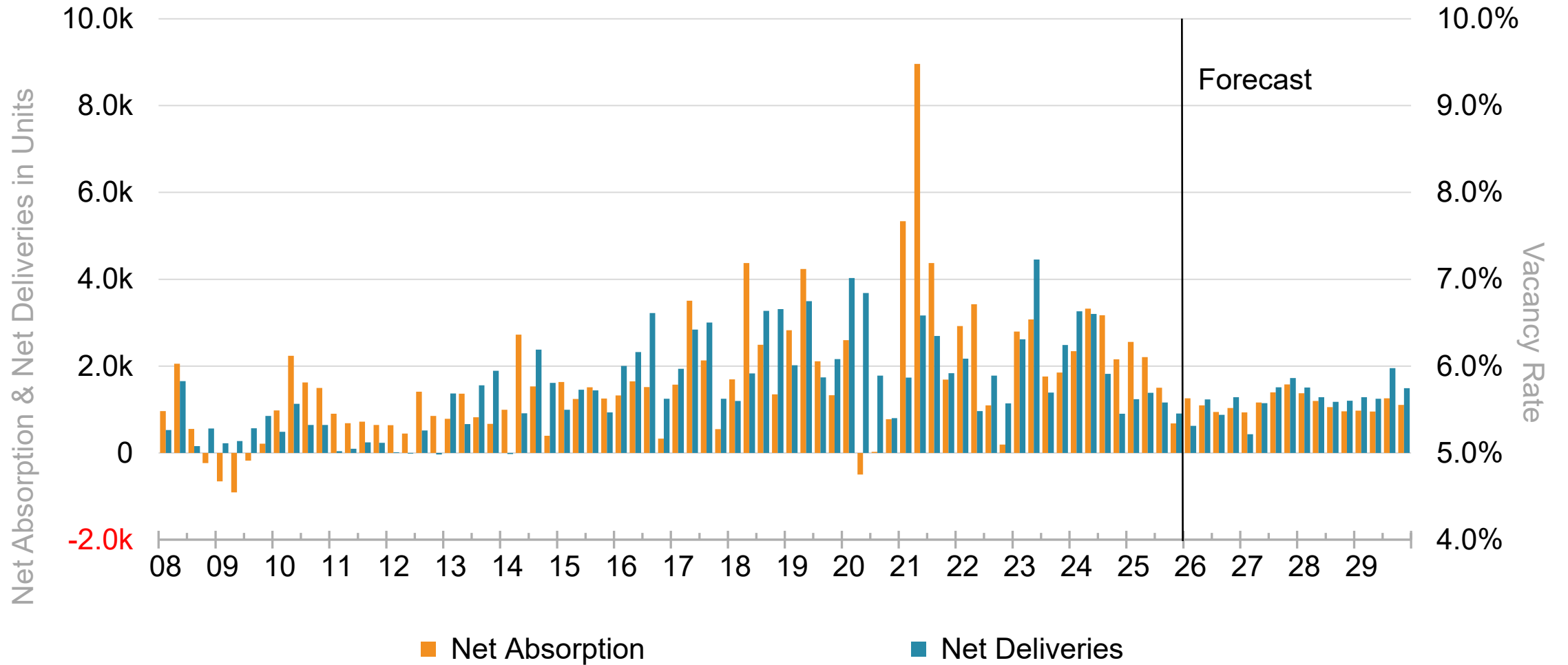
Agenda

- Introduction
- Multifamily
- Industrial
- Retail
- Office
- Outlook

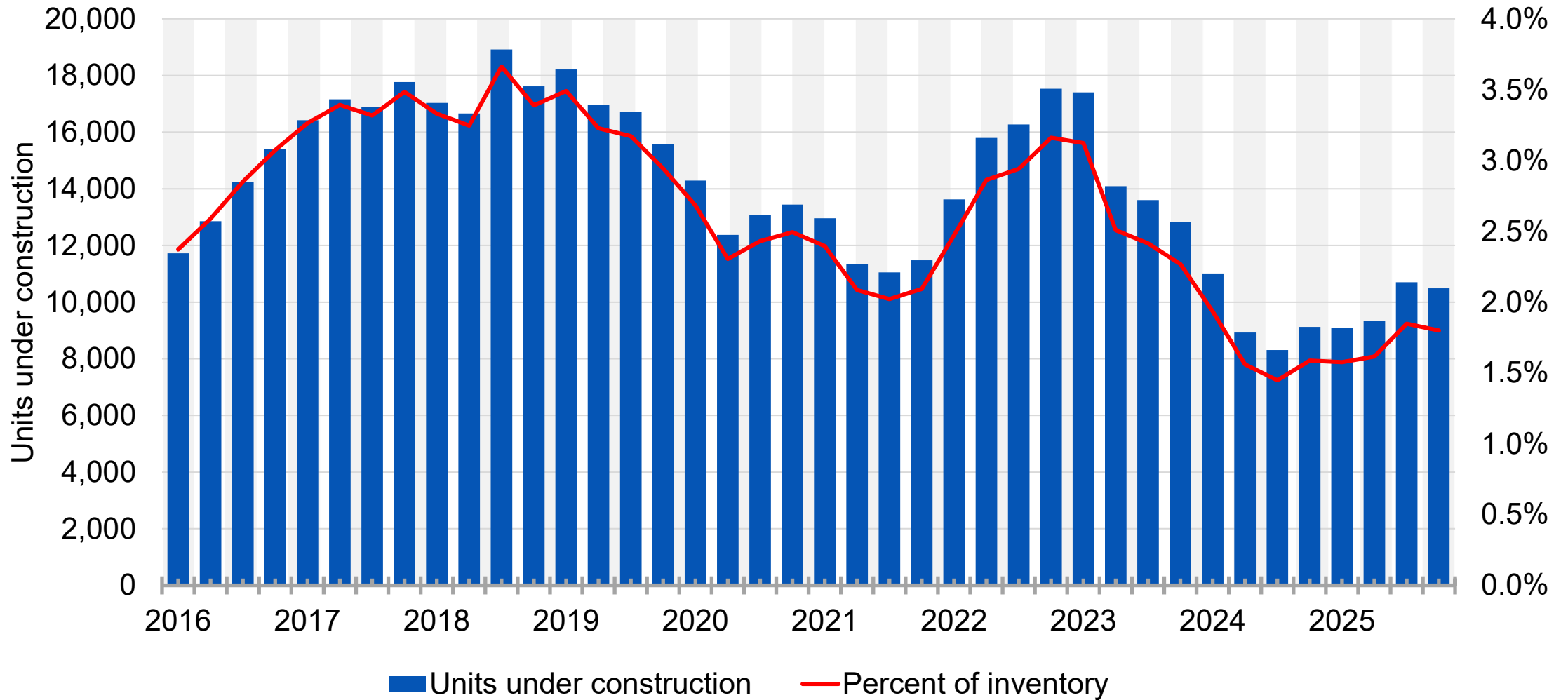


Multifamily

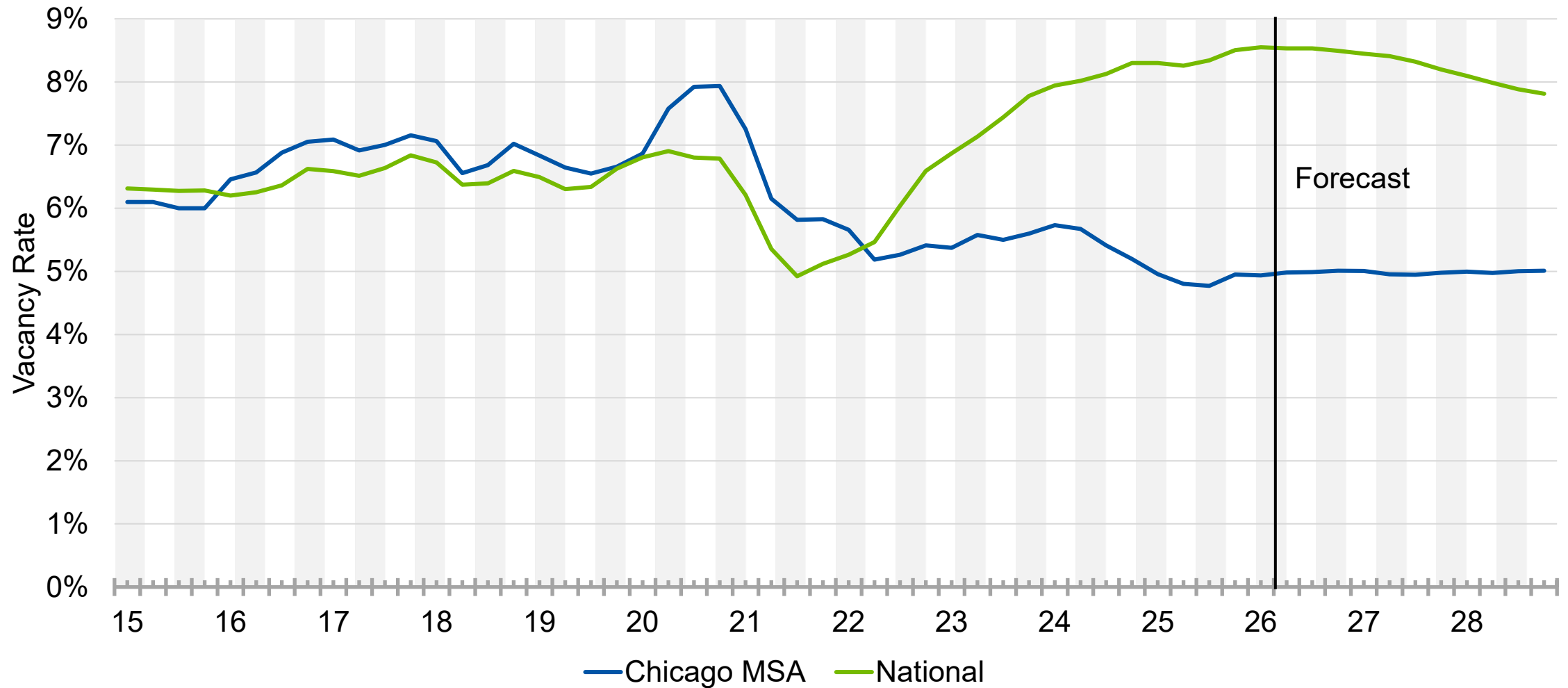
Demand has consistently outpaced supply in recent periods



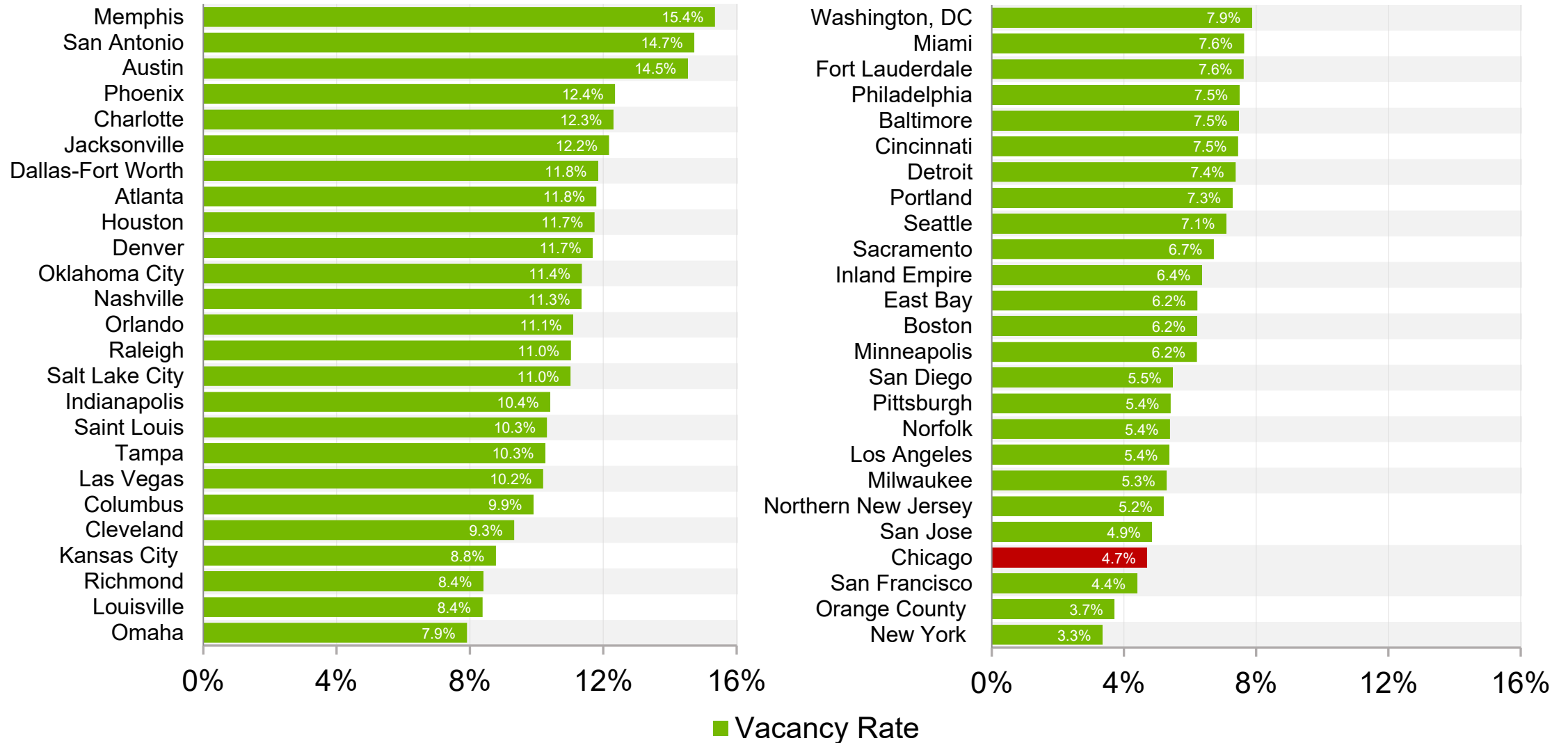
Time series of Chicago's inventory under construction



Chicago's vacancy has tightened notably, while national remains elevated

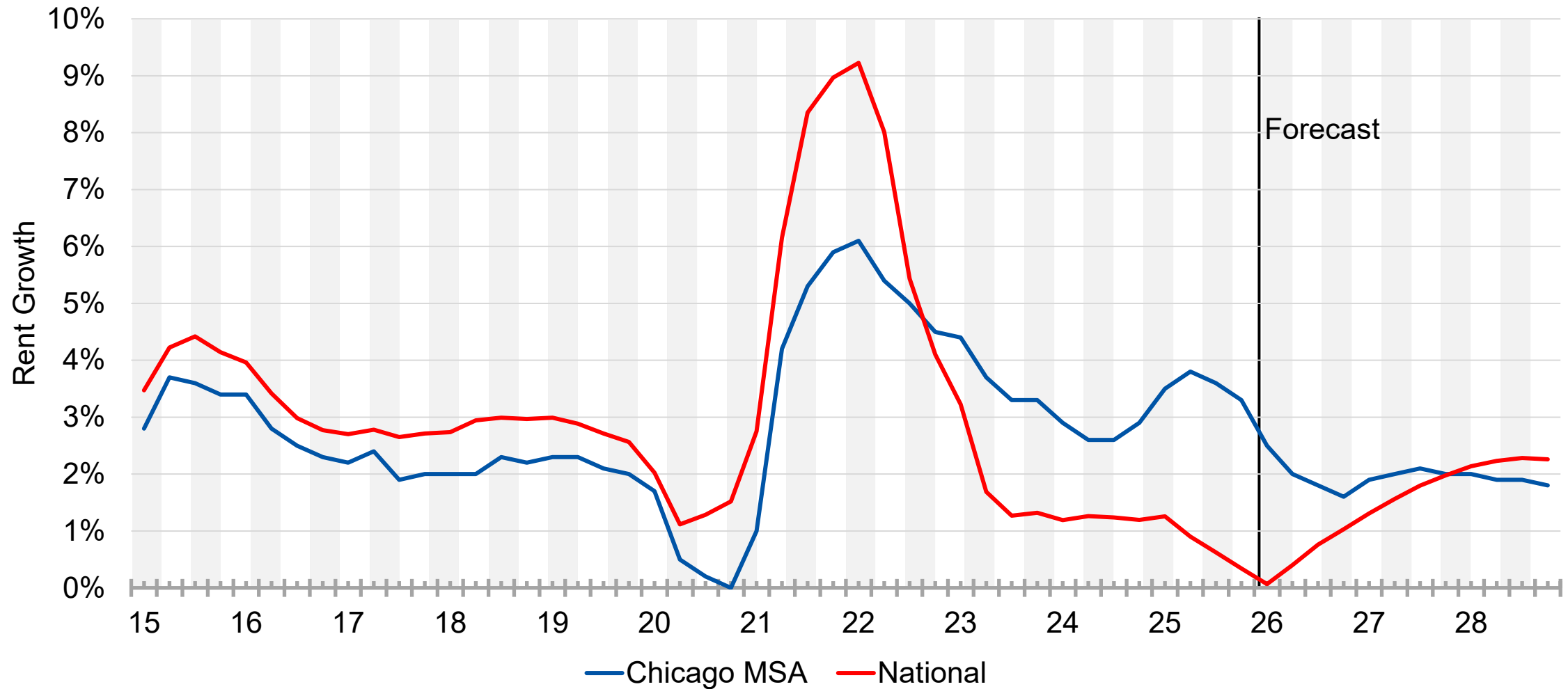


Vacancy is high in the South/Southwest, low in the Northeast, Midwest, and CA

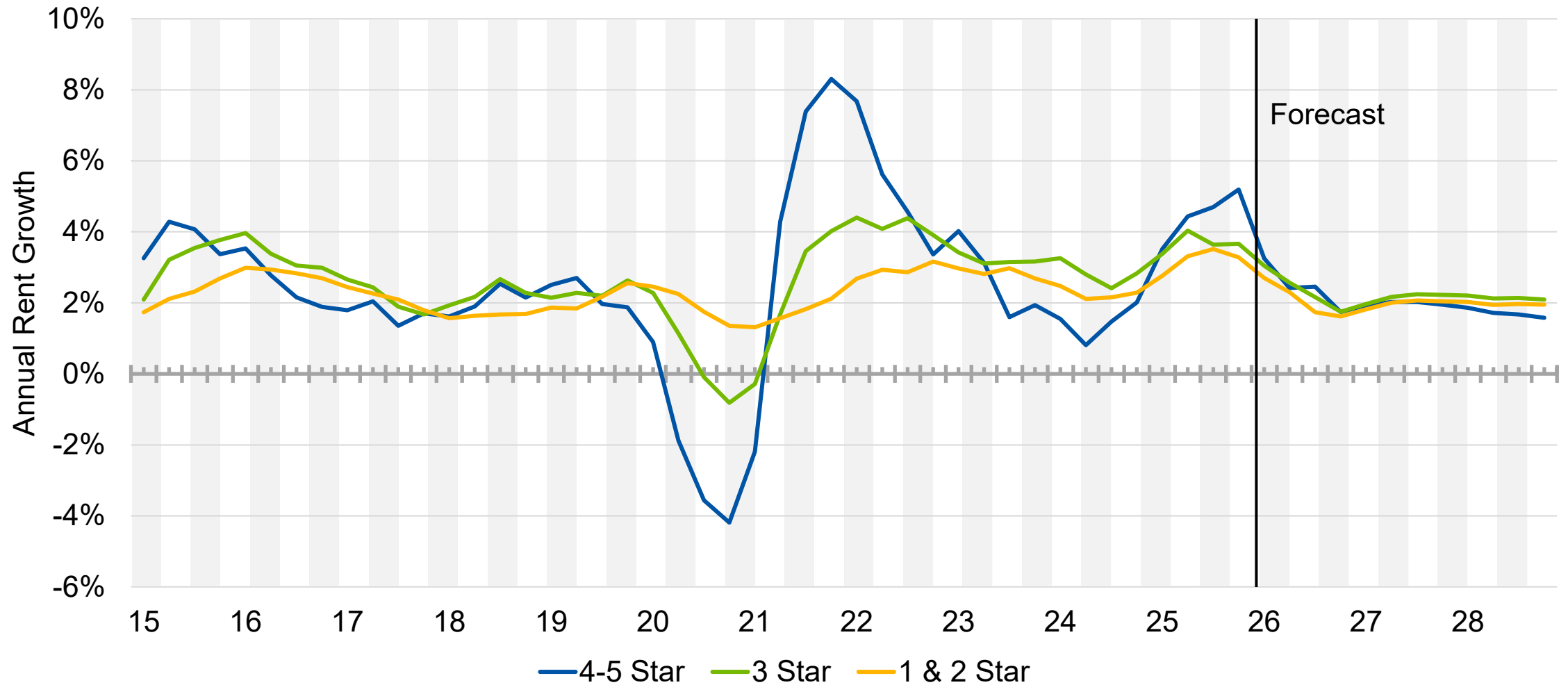


Note: Top 50 Markets. Data as of 2025 Q4

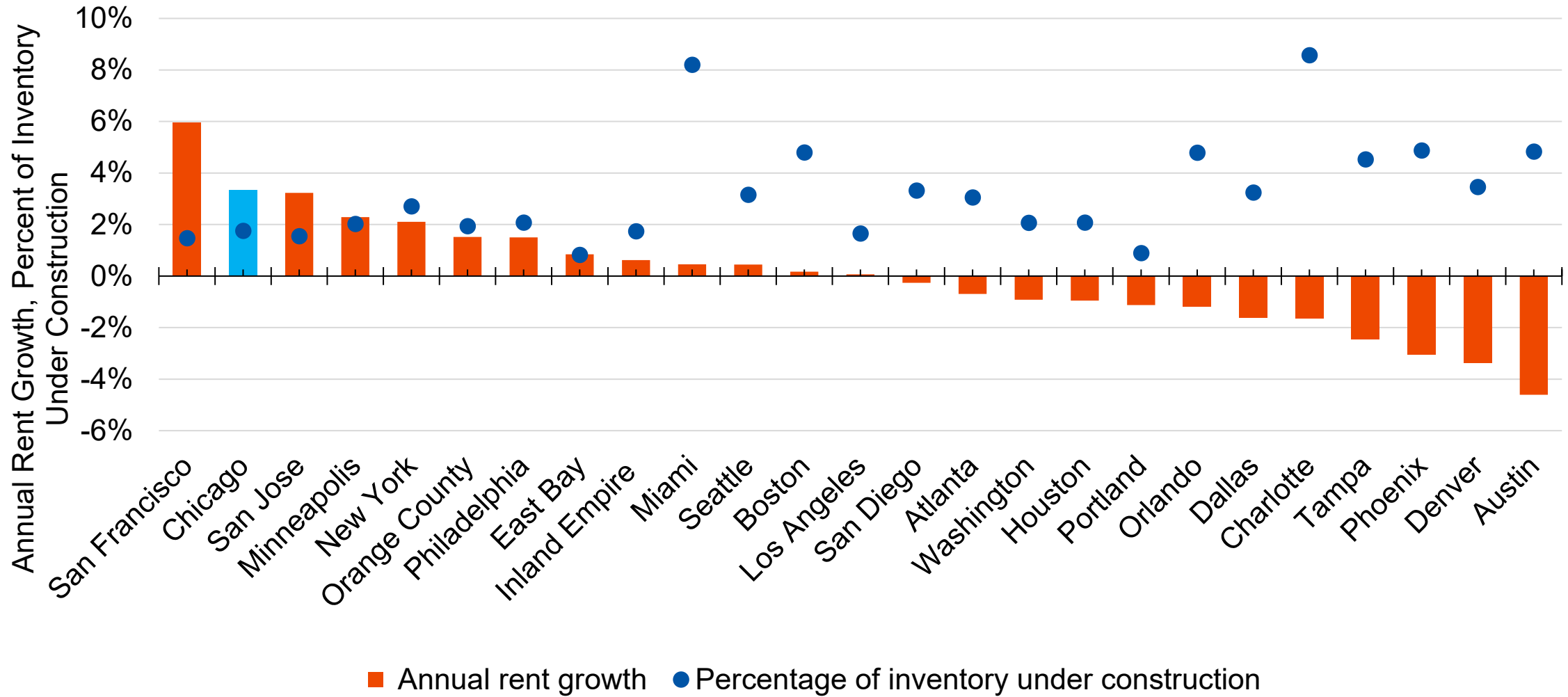
Rent growth in Chicago is outpacing the national rate by a wide margin



Rent growth is strongest for premium product

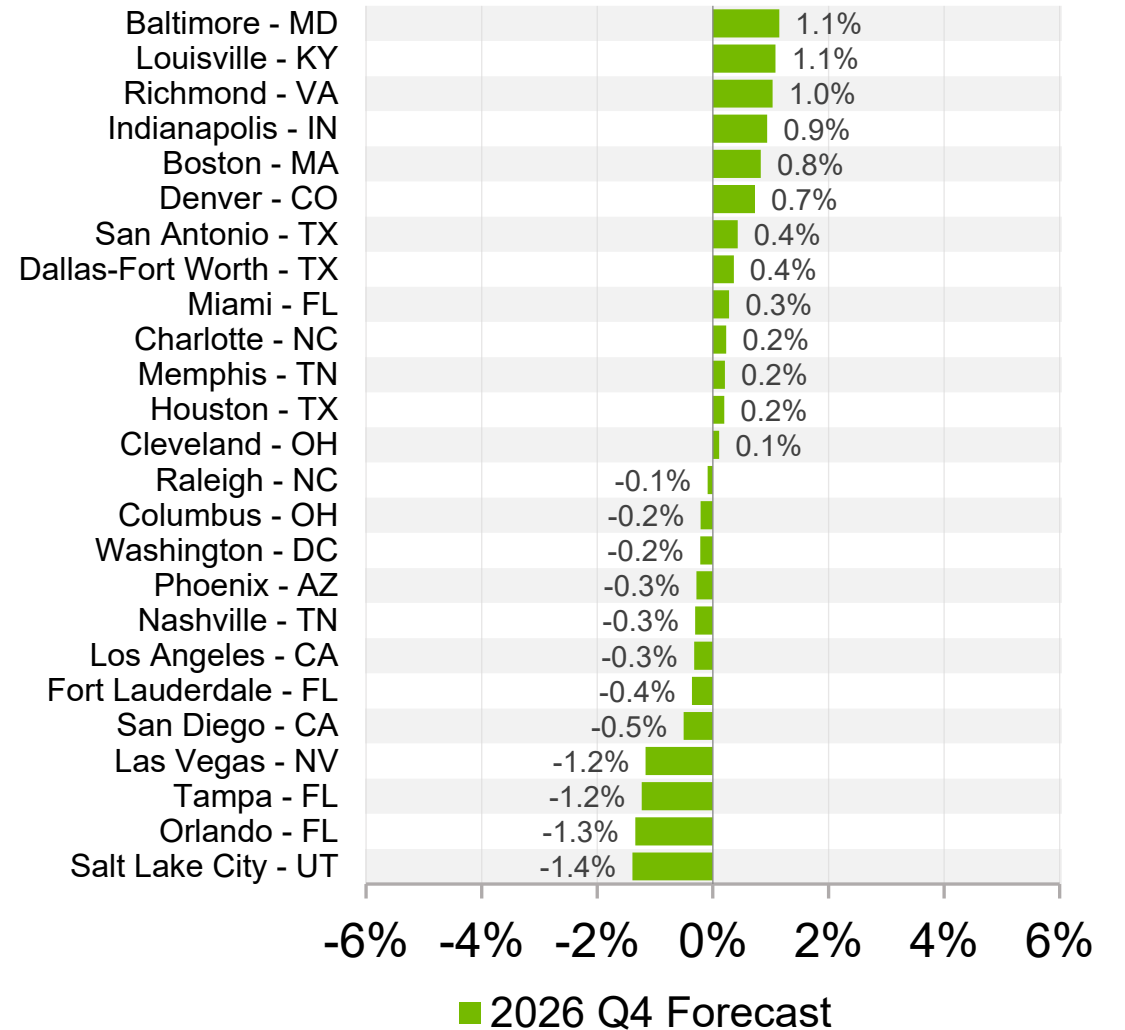
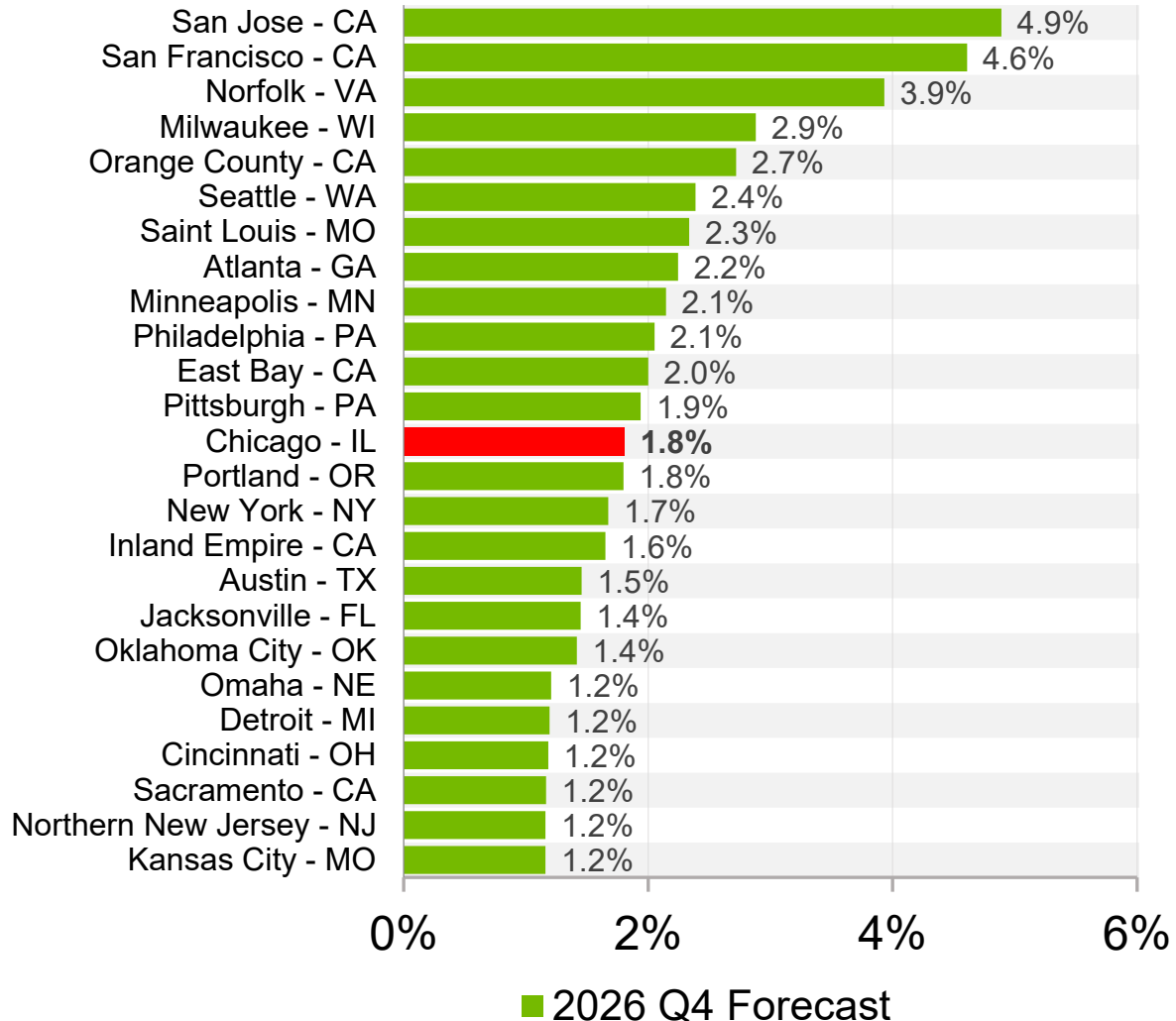


Putting Chicago's pipeline in perspective

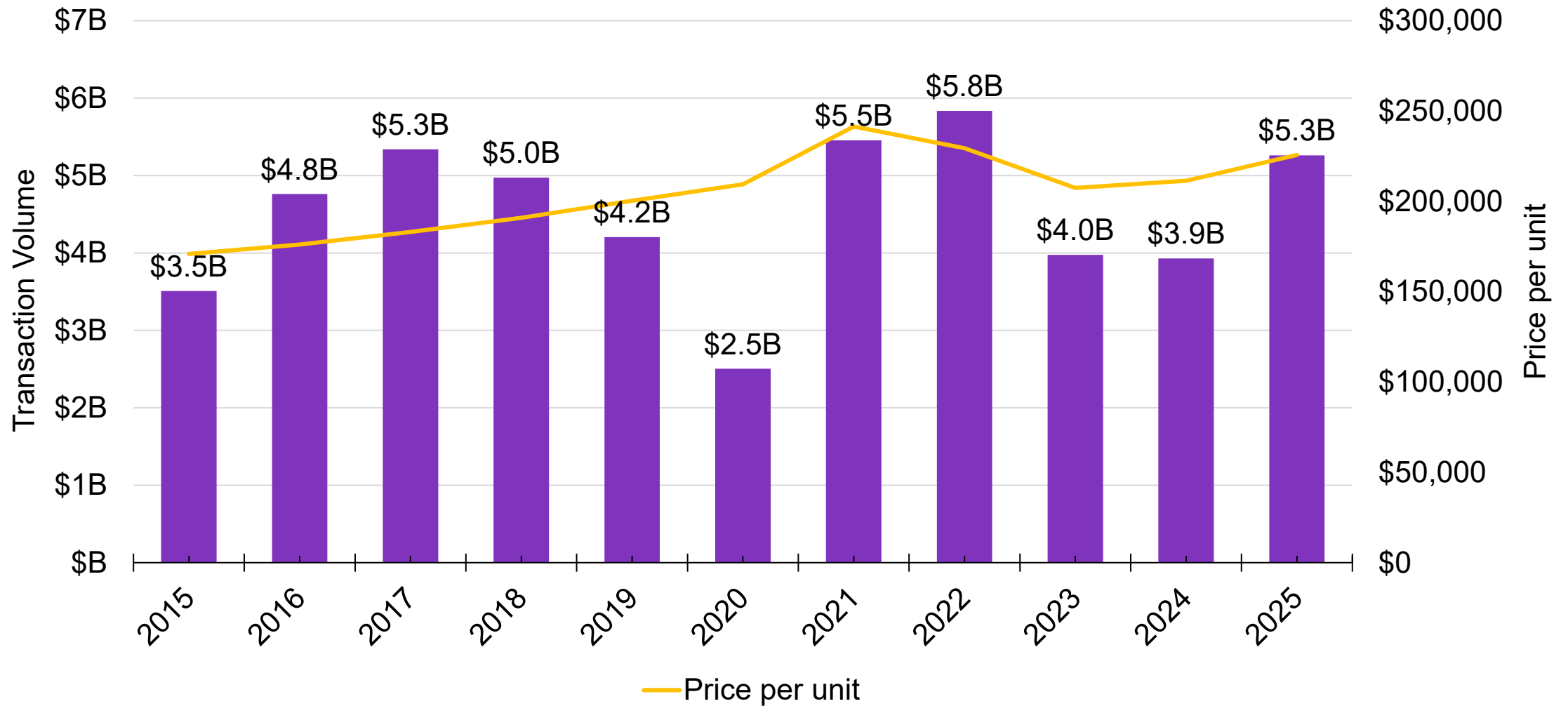


Source: CoStar, January 2026

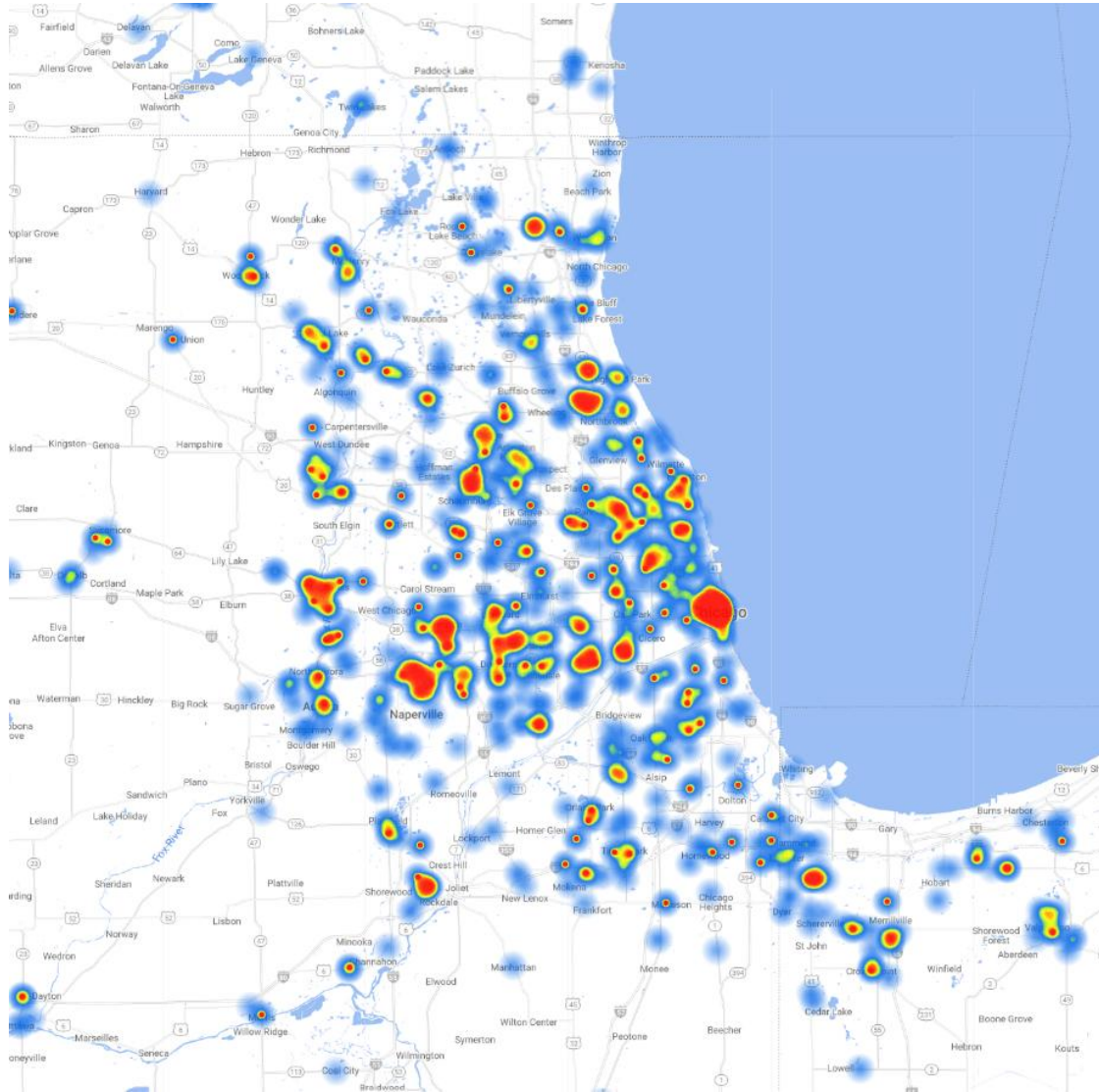
Rent growth: Q4 2026 Forecast



Transaction volume tops \$5B in 2025 as price per unit climbs



The most active submarkets across the Chicago metro



Submarket	2025 Sales Volume	Price/Unit
Downtown Chicago	\$1.2B	\$442,191
North Lakefront	\$1.1B	\$294,270
Naperville/Lisle	\$434M	\$227,420
West Cook	\$224M	\$159,732
Far North Chicago	\$218M	\$183,101
South Lakefront	\$190M	\$155,866
Northwest Chicago	\$188M	\$167,587
Evanston	\$174M	\$274,823
Kendall County	\$173M	\$254,025
Northeast DuPage	\$138M	\$234,051

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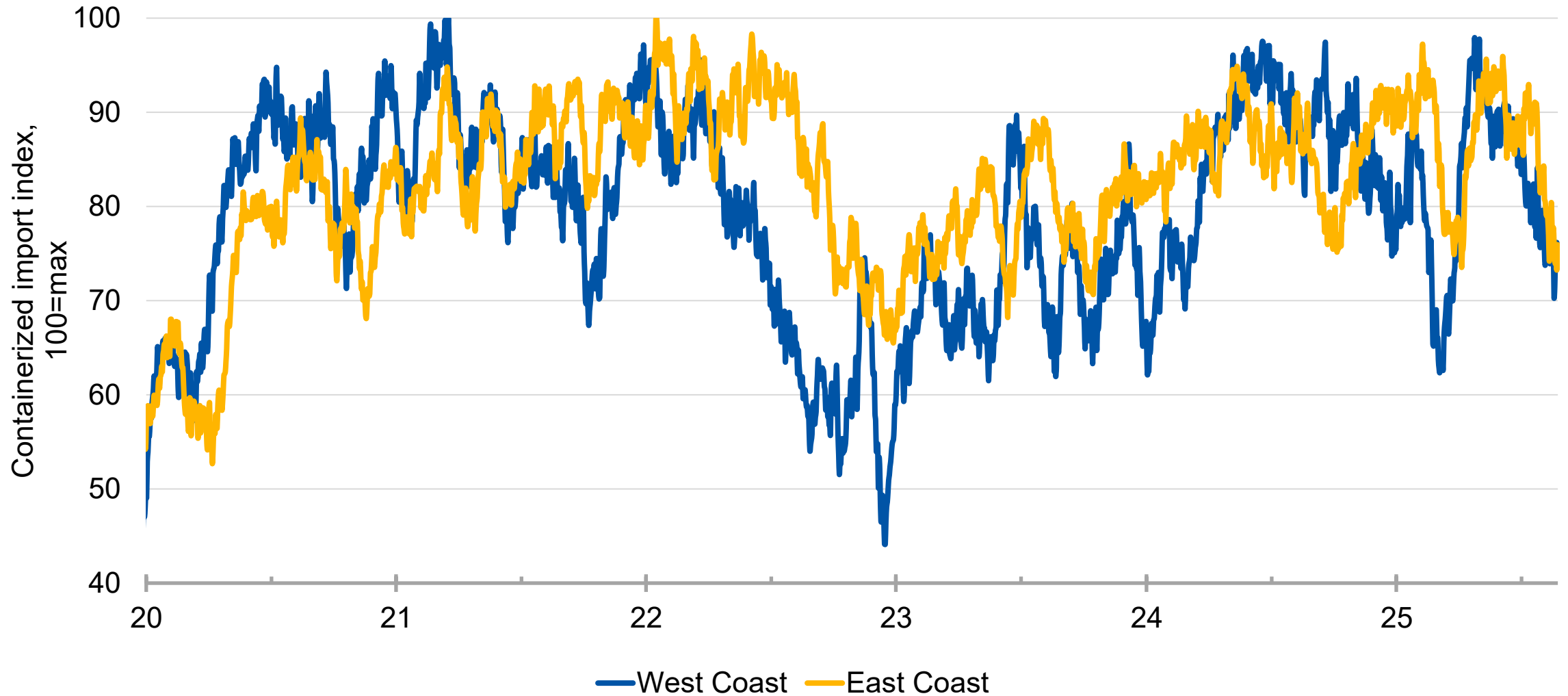
What's ahead for Chicago?

- Rent growth to moderate but continue to exceed the national rate
- Lack of supply remains, but is easing up
- Transaction volume trending in the right direction
- Investor sentiment: urban vs suburban

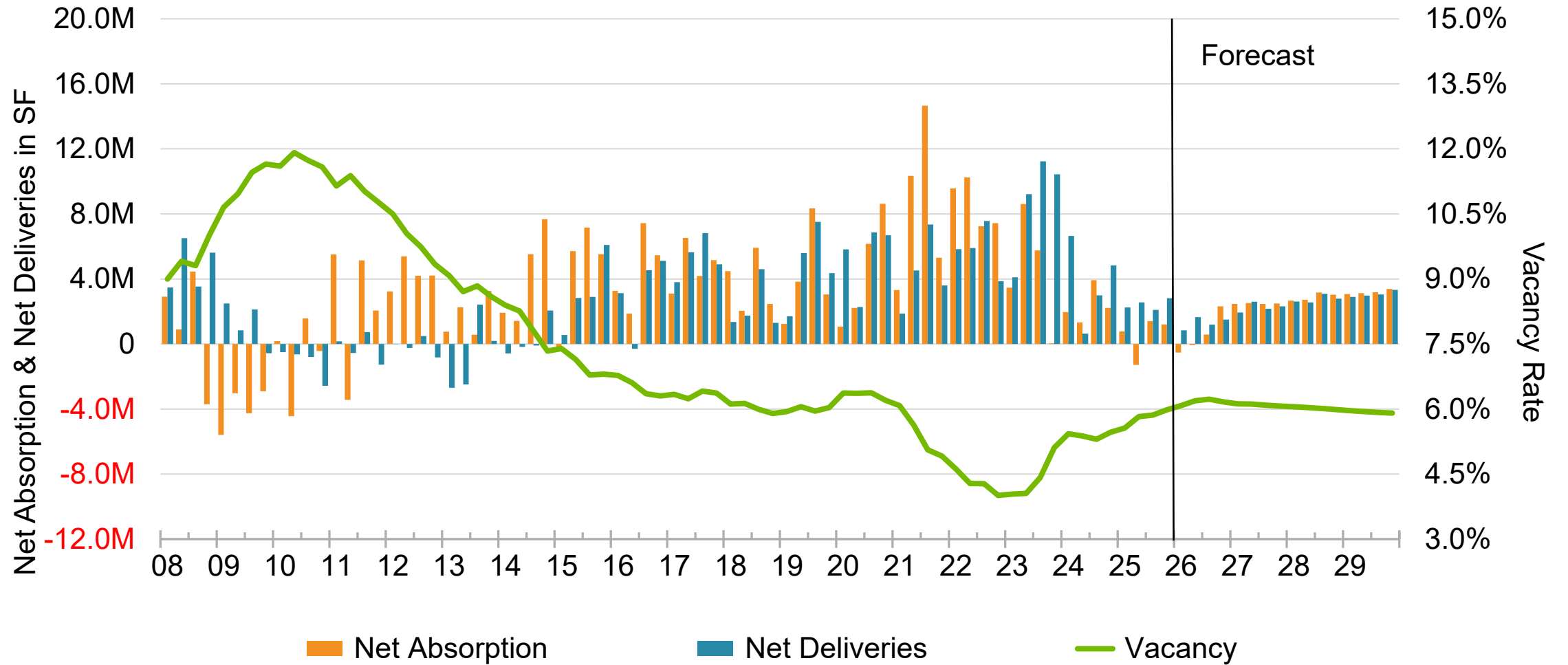
Industrial



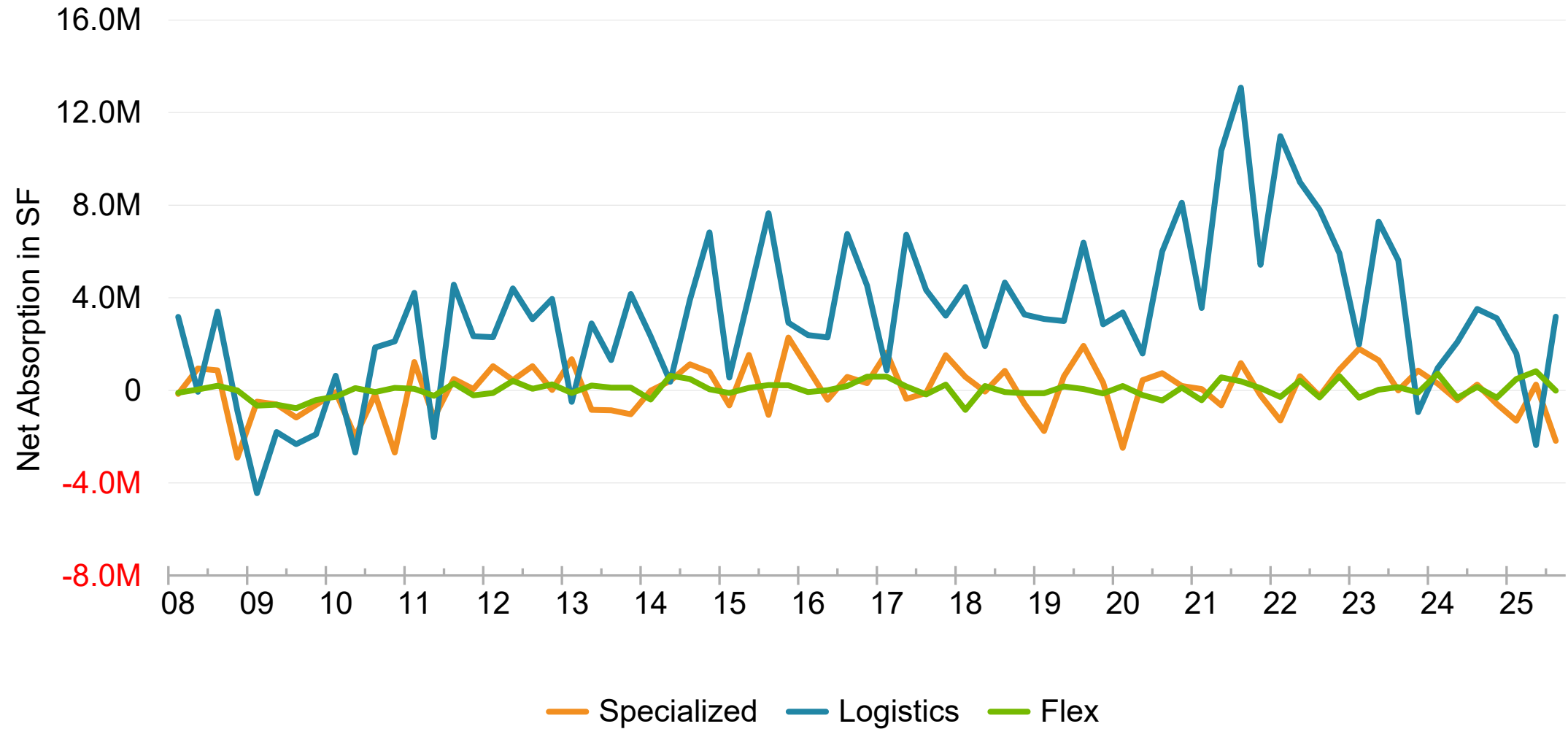
Import activity has dropped by 20% from recent highs



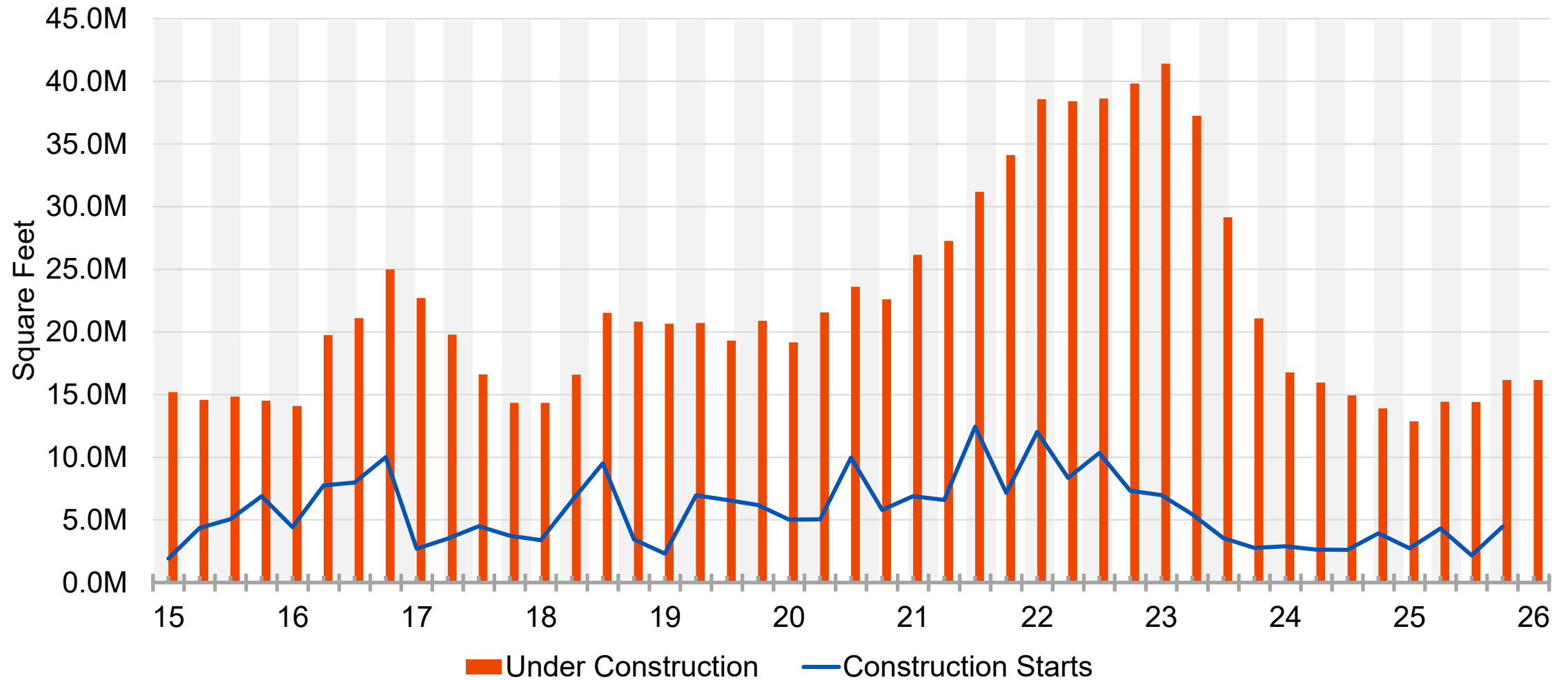
Demand cools while supply holds, lifting vacancy



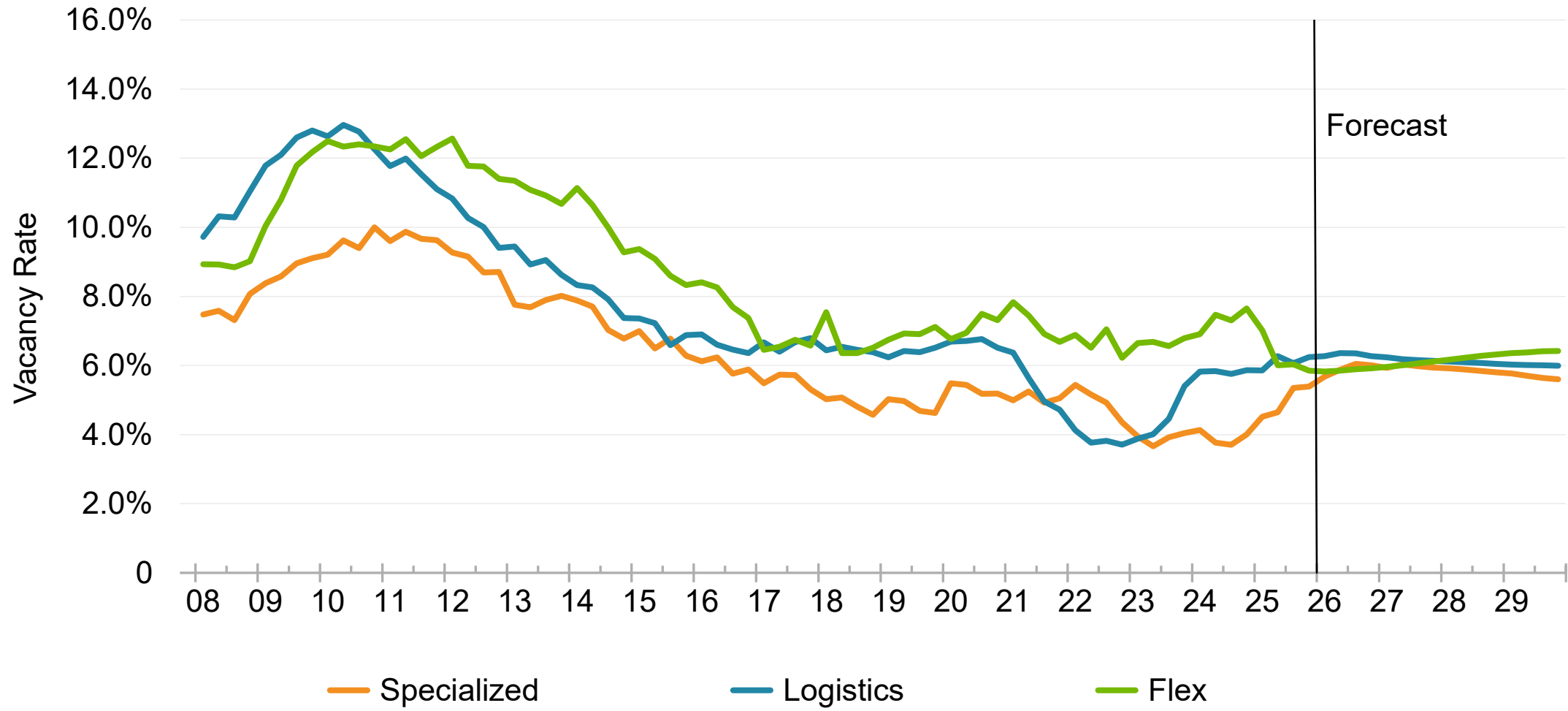
Net absorption by subtype



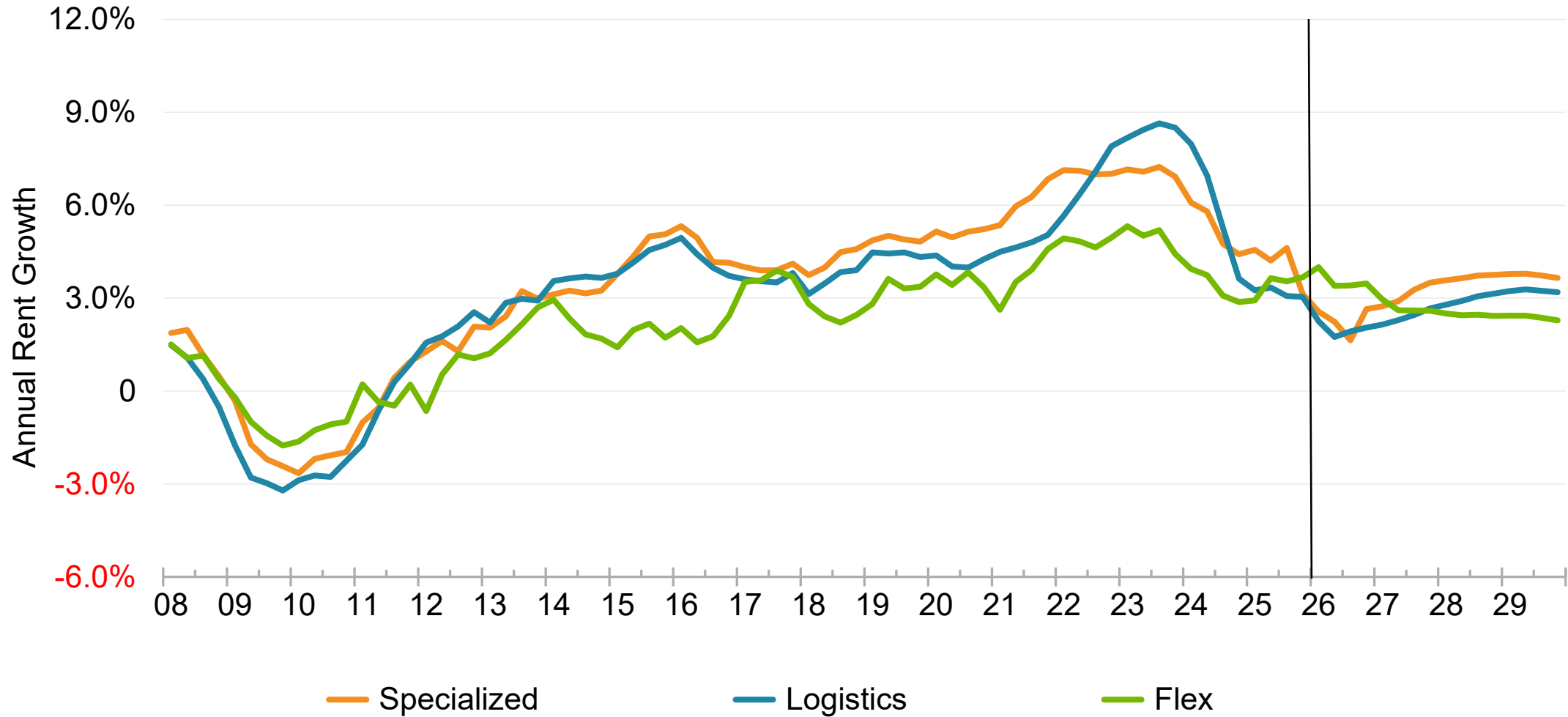
Post peak correction: construction activity moderated in recent periods



Vacancy rates by subtype



Asking rent growth by subtype (Y/Y)



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— What's ahead for Chicago?

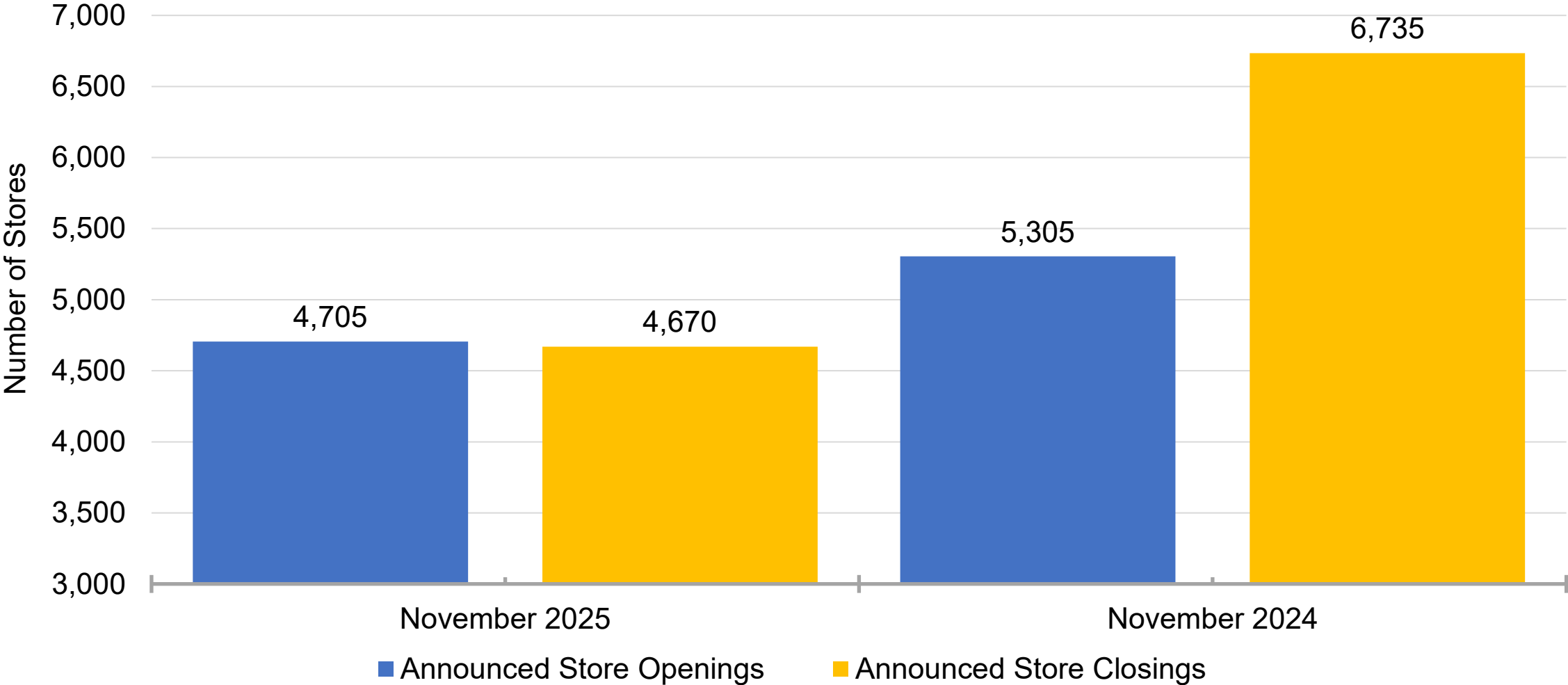
- 2026 leasing and investment hinge on U.S. trade and industrial policy clarity
- Current absorption rate implies a five-year supply overhang, capping near-term rent growth
- Data center development emerging as a key demand driver

Retail



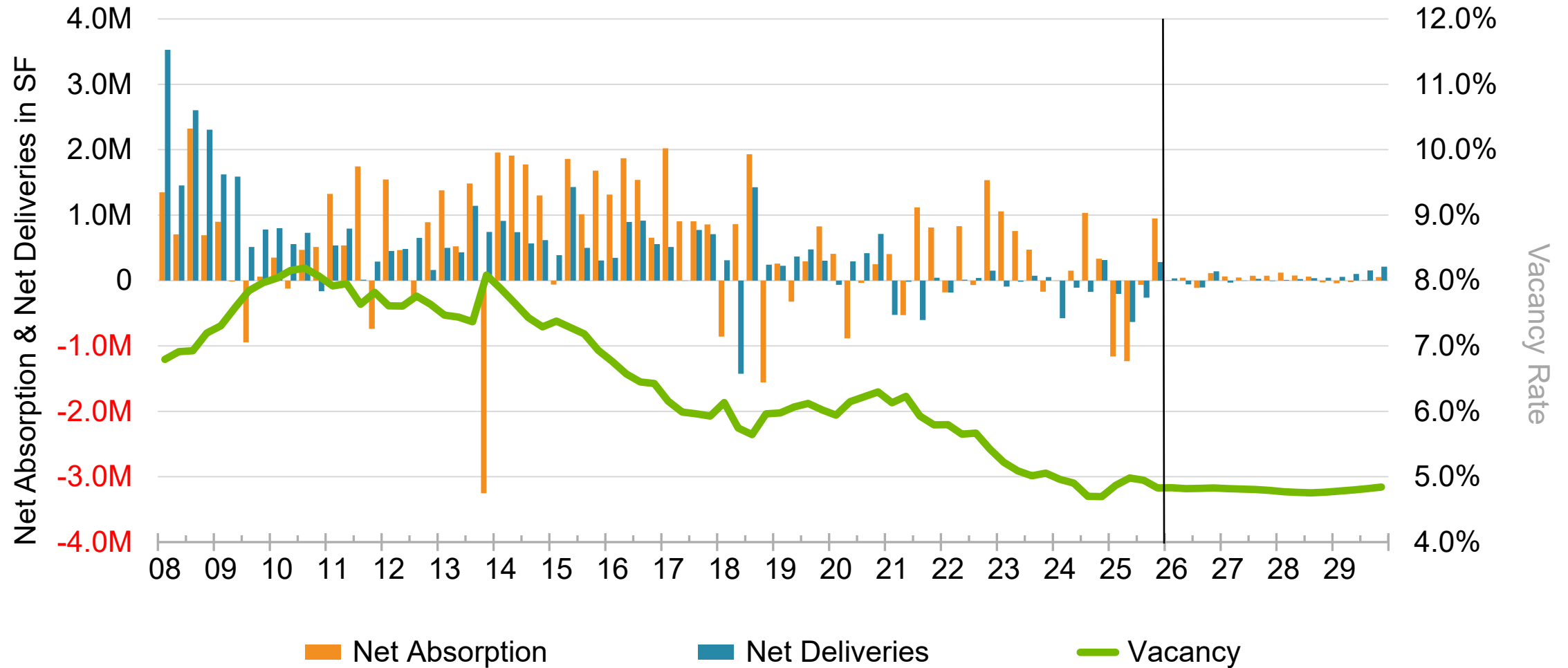


Announced store openings exceed closures for first time since 2023

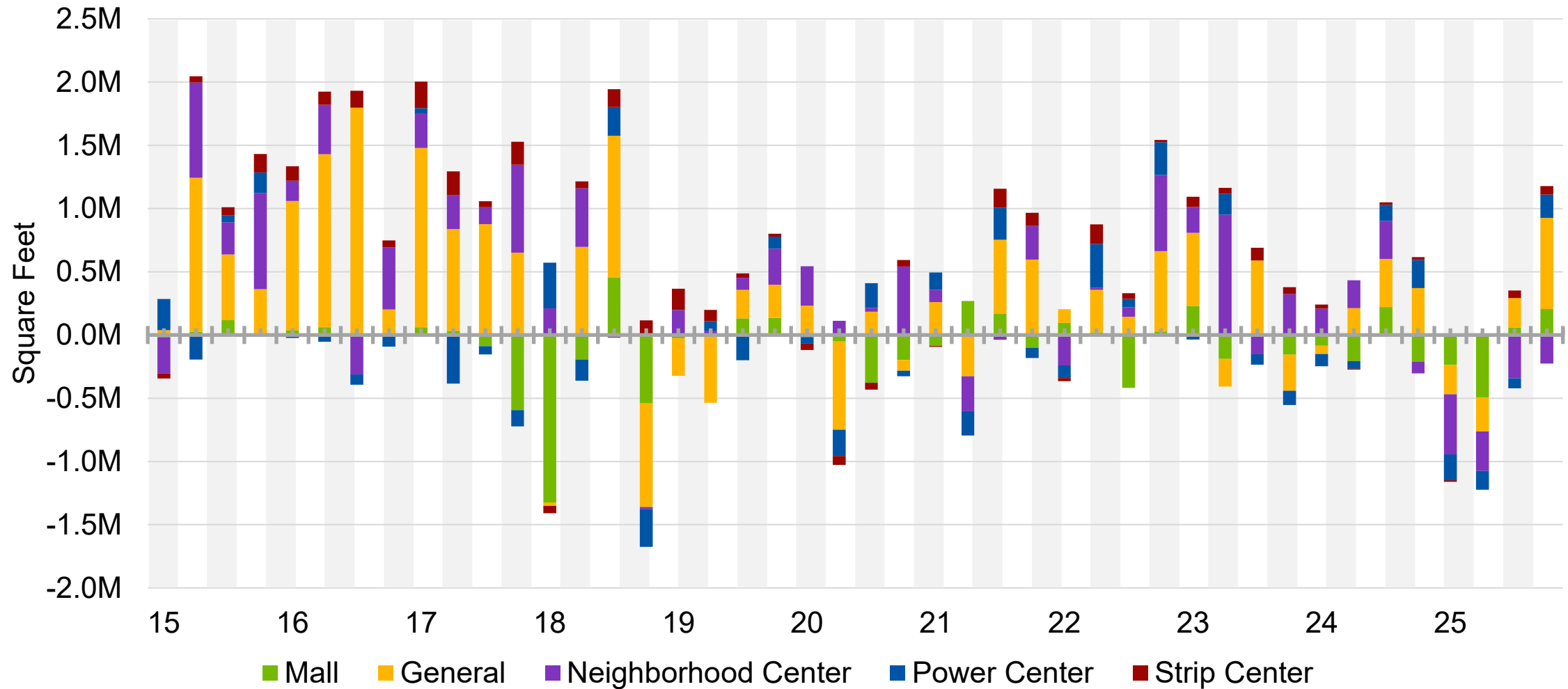


Source: Daily on Retail, November 2025

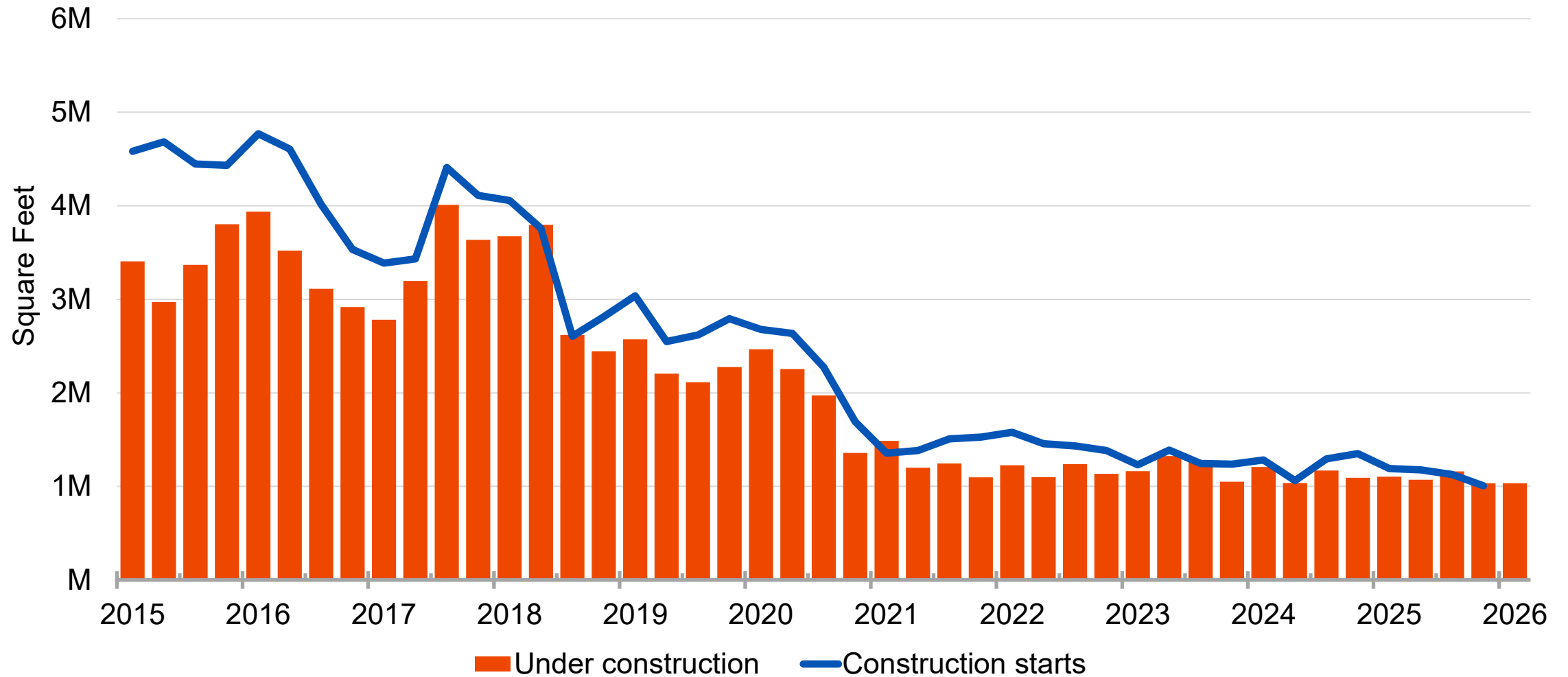
Retail vacancy holds near 5% as absorption and deliveries flatten



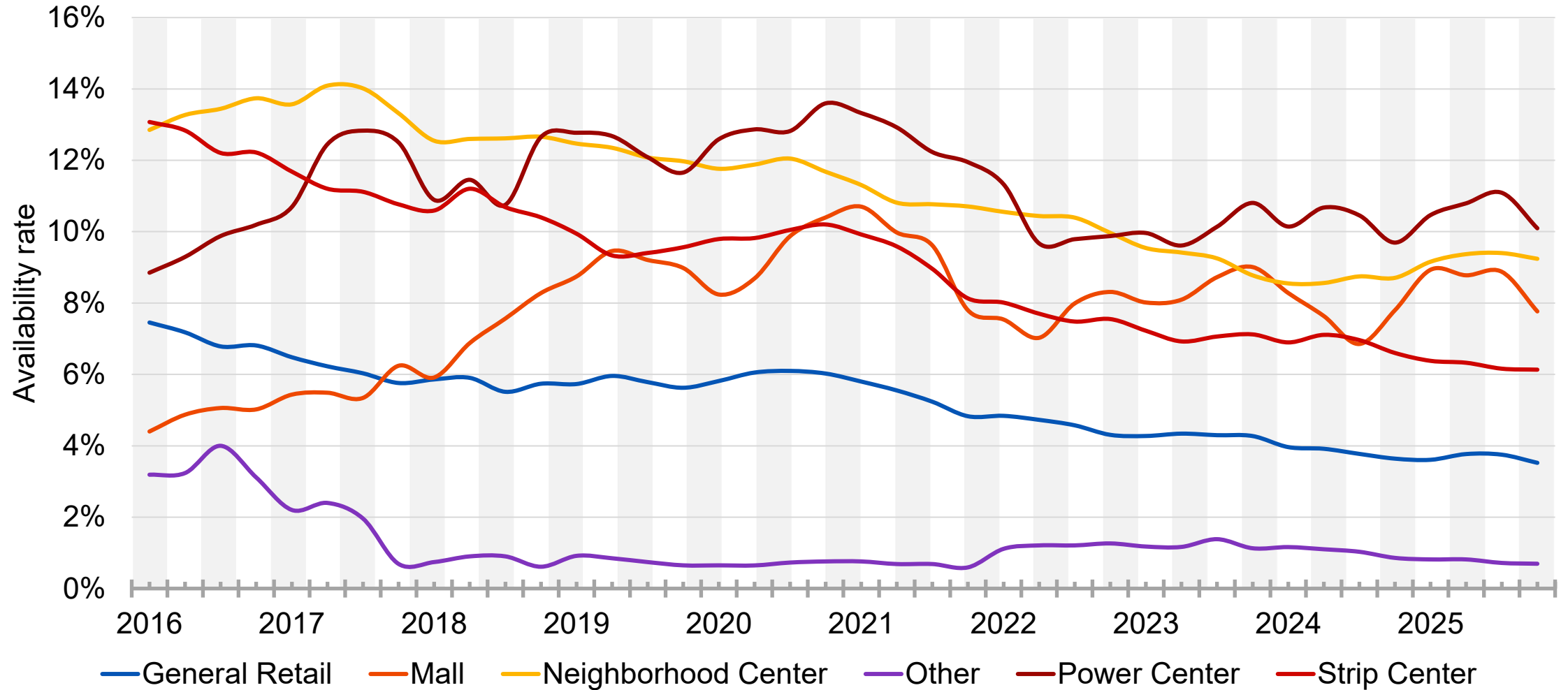
Retail absorption concentrated in strip and power centers



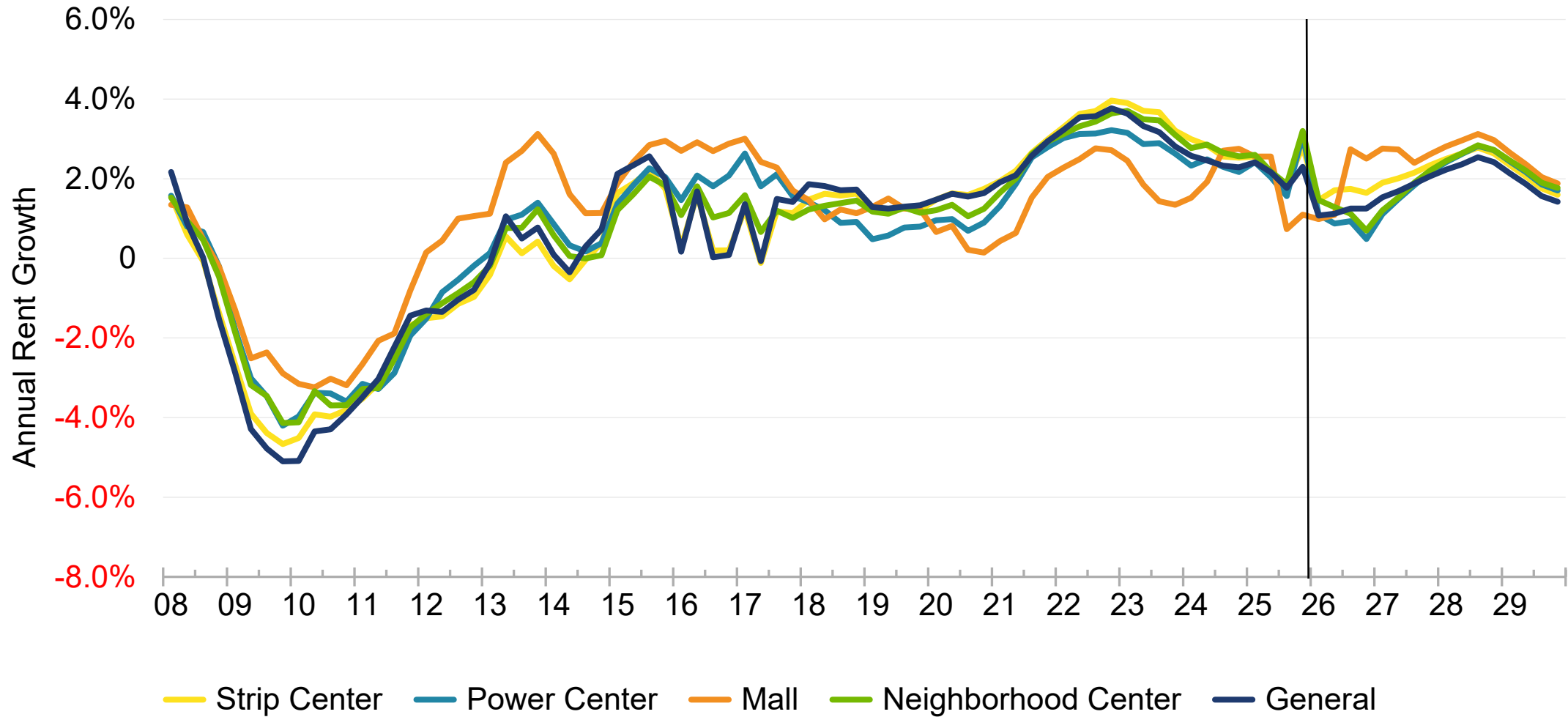
Retail development pullback continued through 2025



Availability rate by subtype



Market asking rent growth by subtype (Y/Y)



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What's ahead for Chicago?

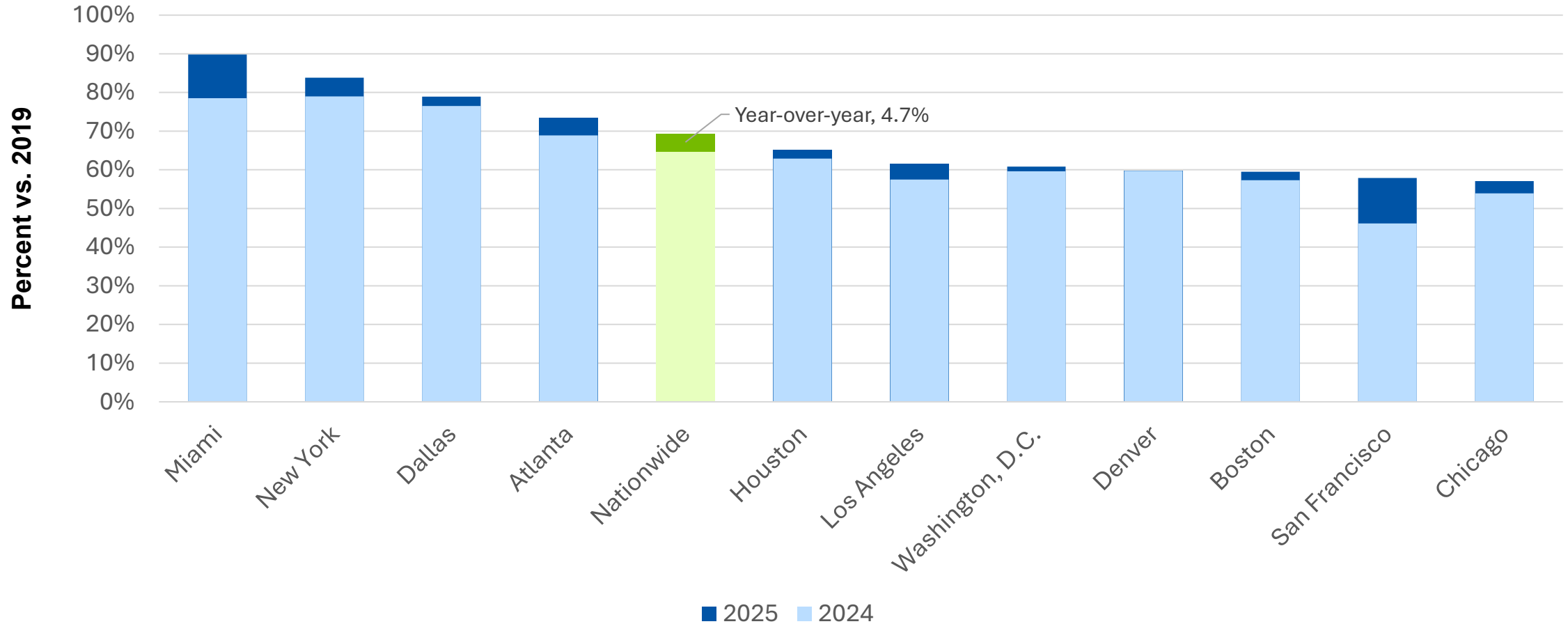
- Limited new supply is helping Chicago retail recalibrate following late-2024 closures
- Rent growth is moderating
- Demand drivers on the horizon: Google/Thompson Center, LaSalle Corridor Adaptive Re-Use

Office

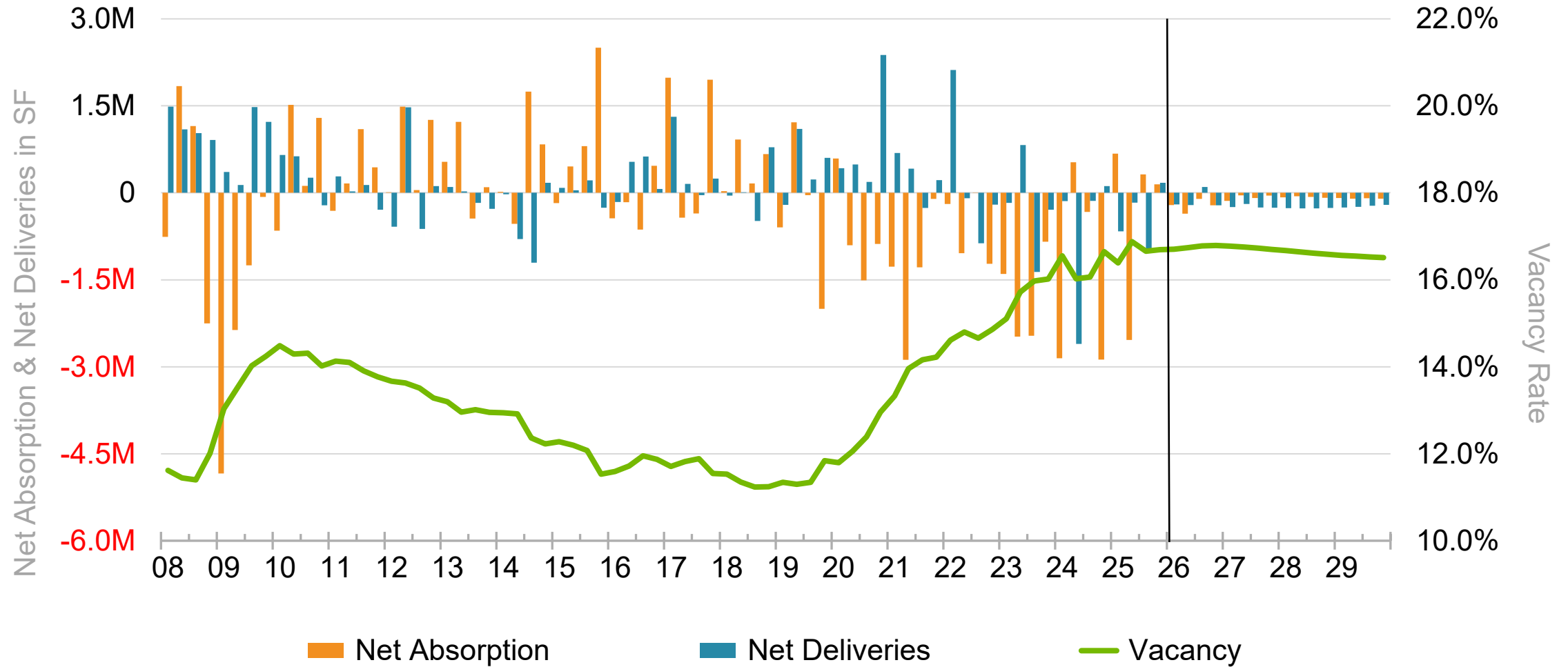


Tracking RTO across major markets

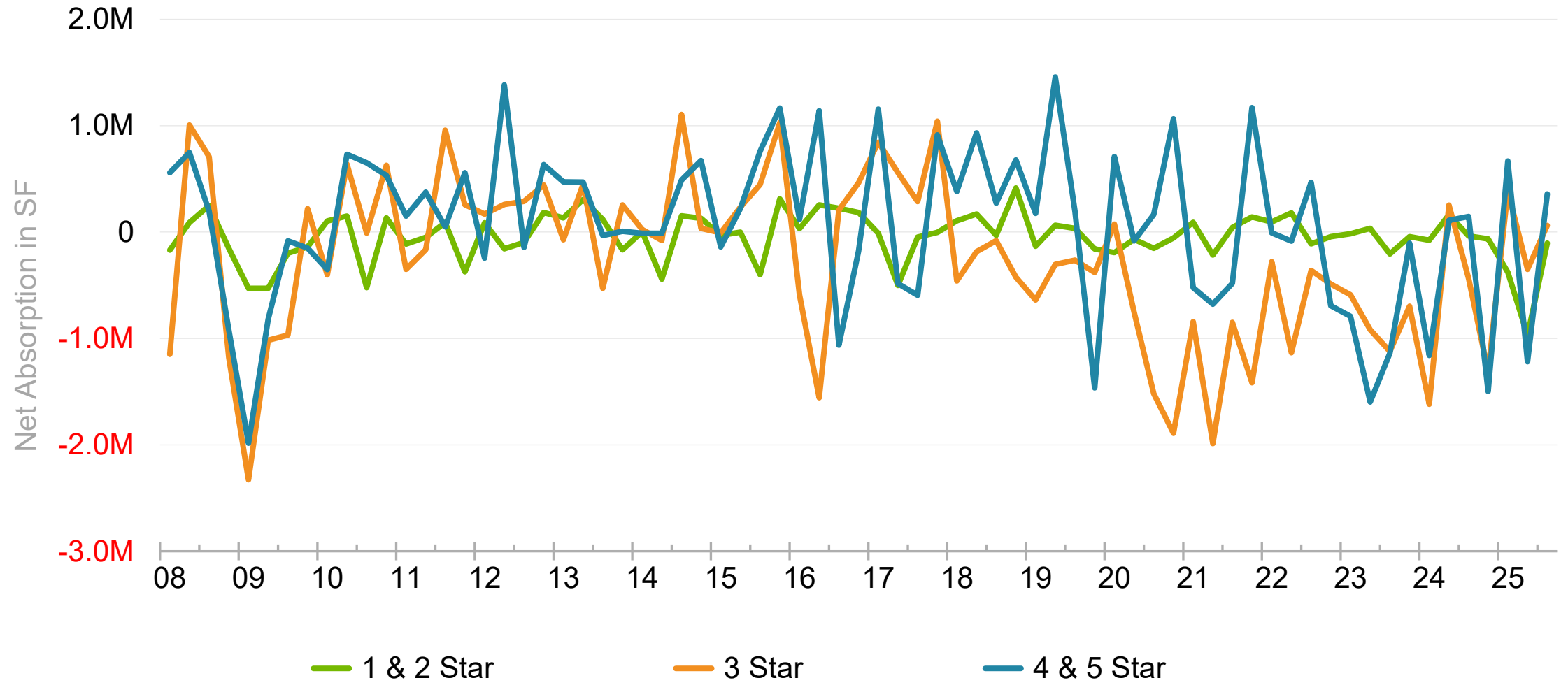
Tracked monthly office visits, December



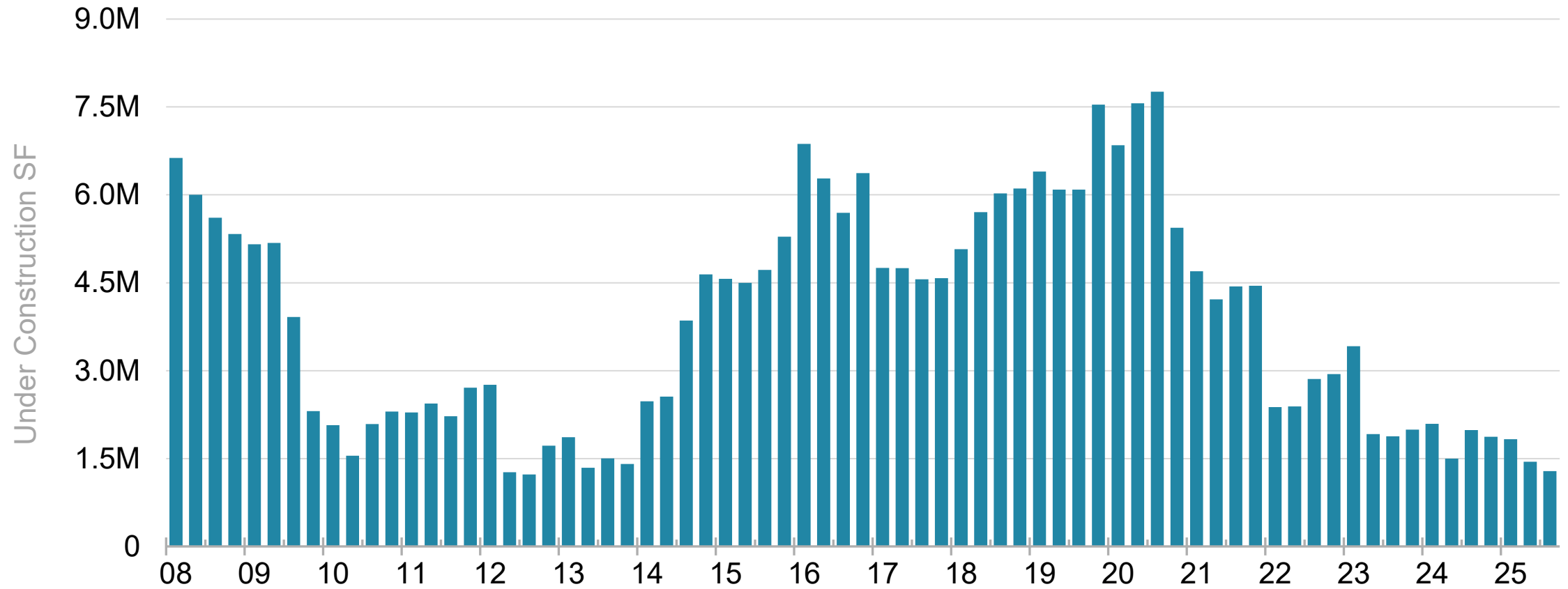
Limited supply, demolitions keeping vacancy in check amid sluggish demand



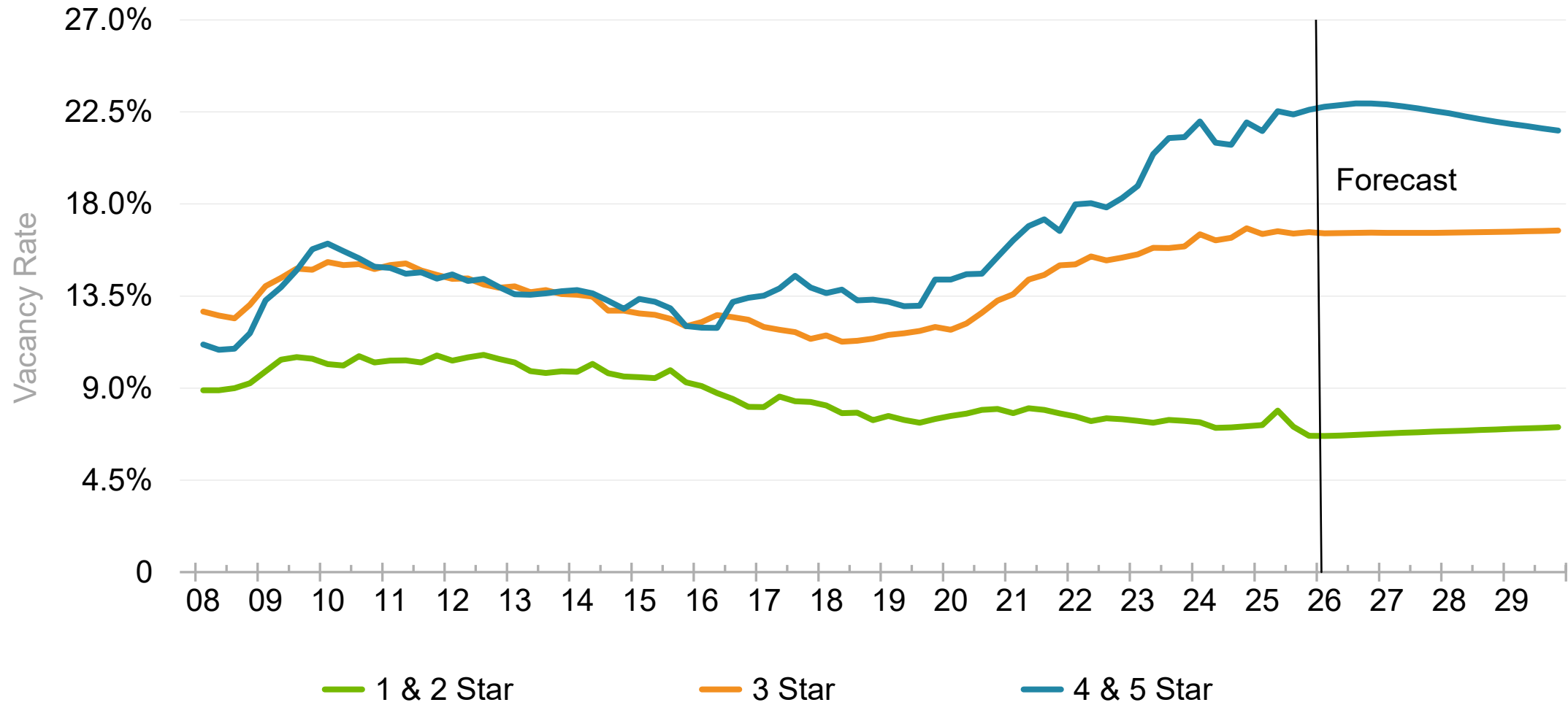
Net absorption by star rating



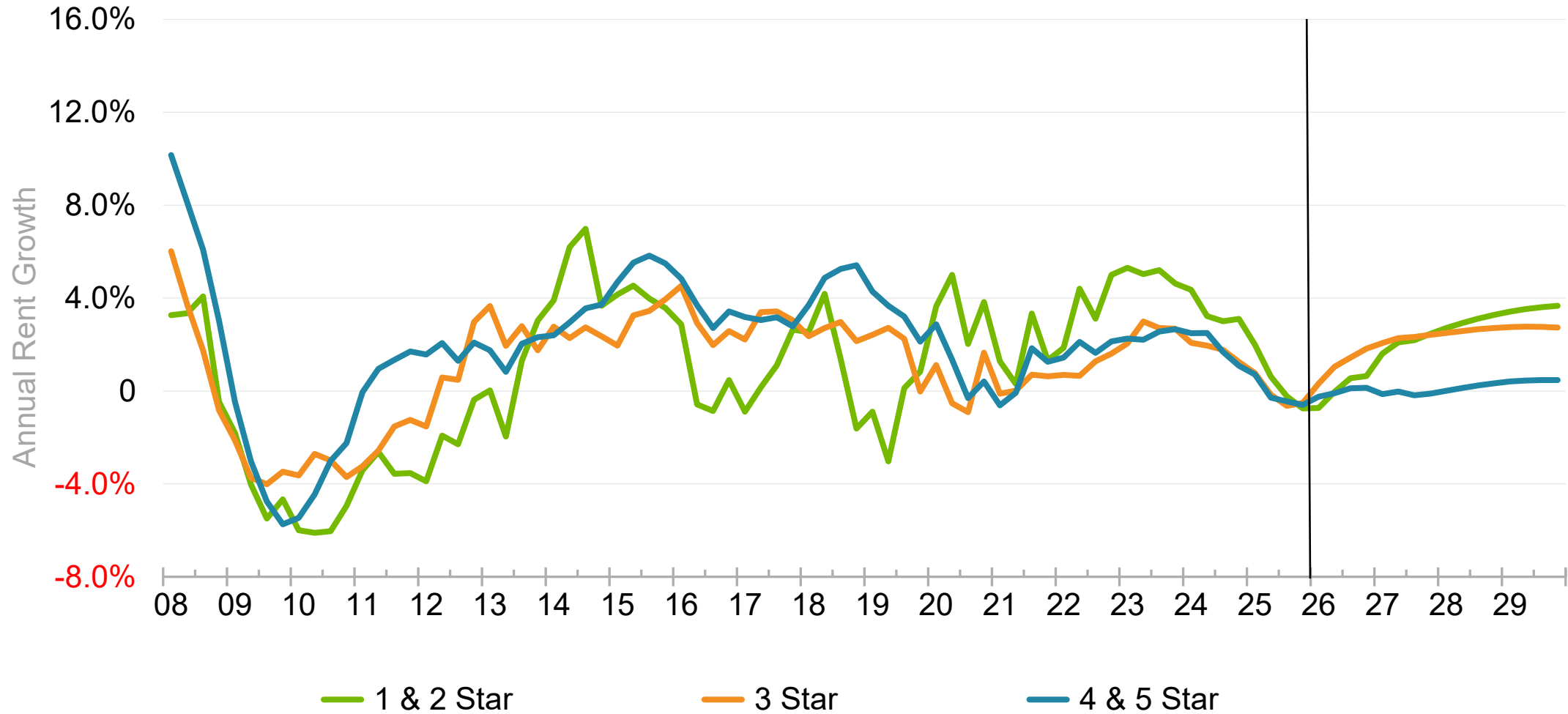
Under construction SF



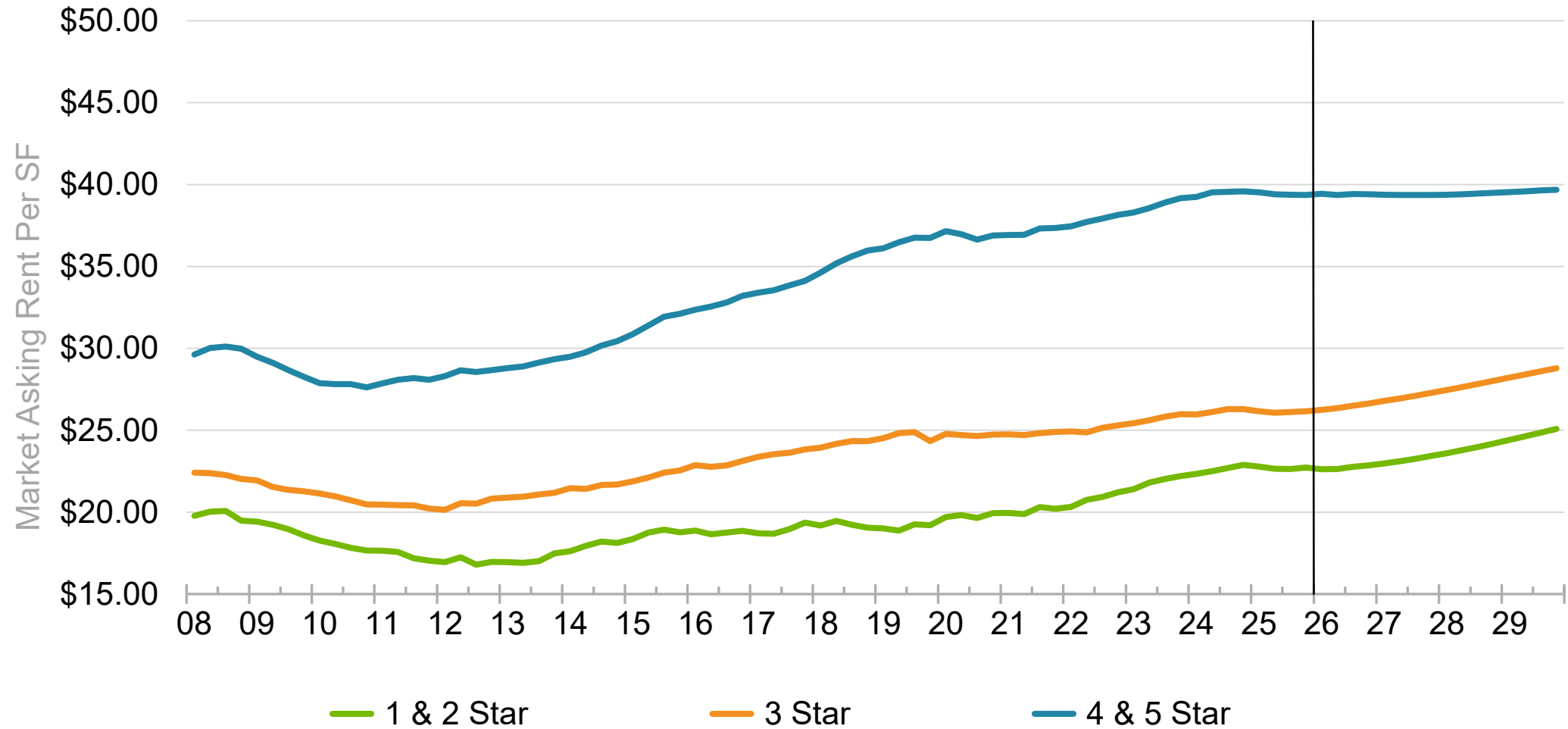
Vacancy by quality segment



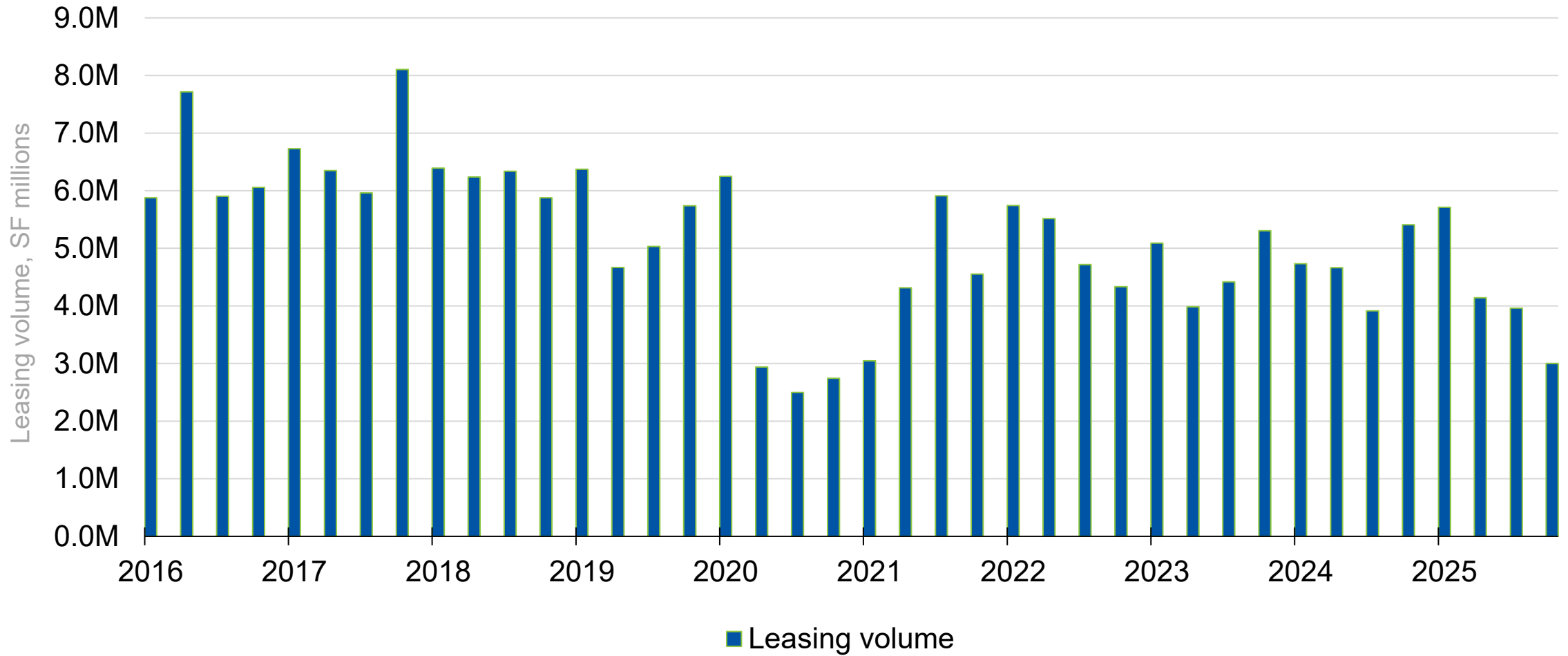
Market asking rent growth by quality segment (Y/Y)



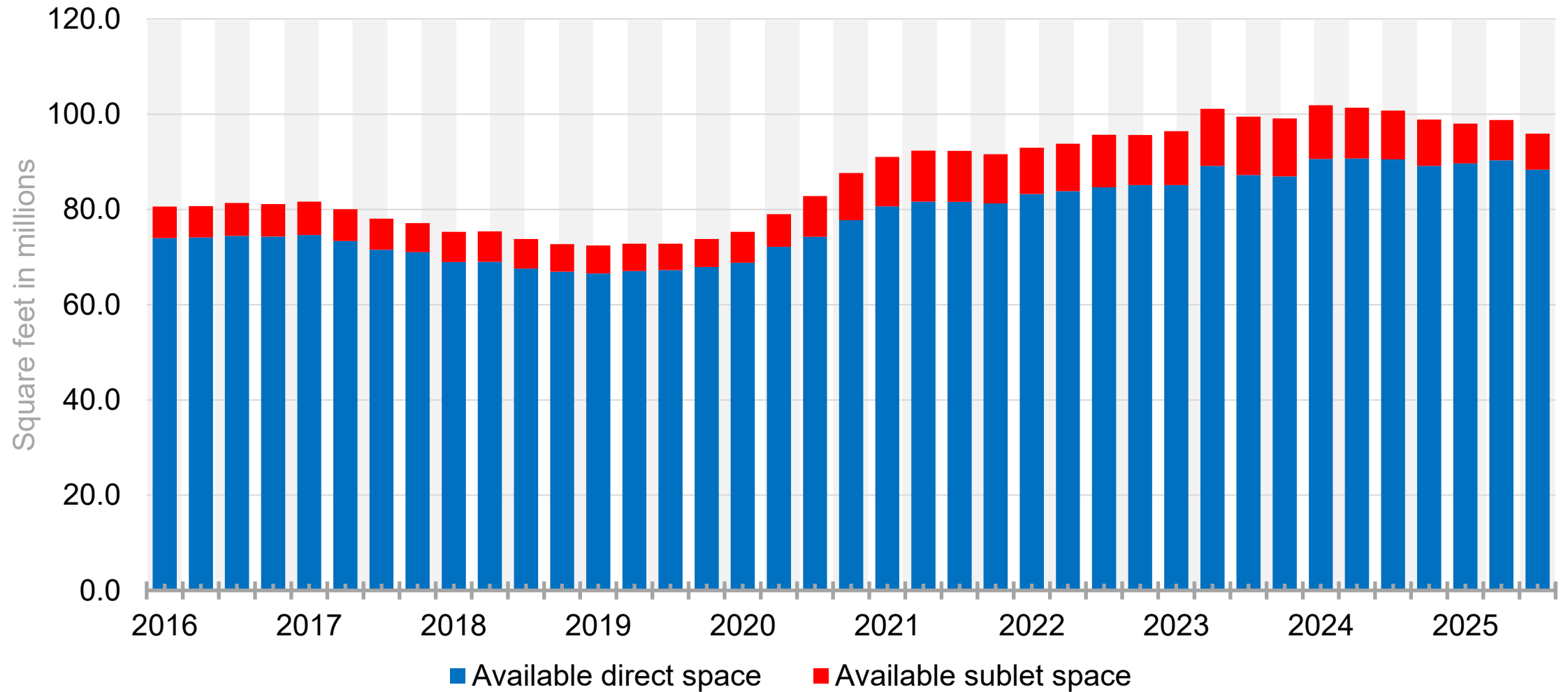
Market asking rent per SF



Leasing activity



Direct and sublet availability



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What's ahead for Chicago?

- Rent growth recovery
- Investor sentiment
- Demand drivers on the horizon

Thank You!



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