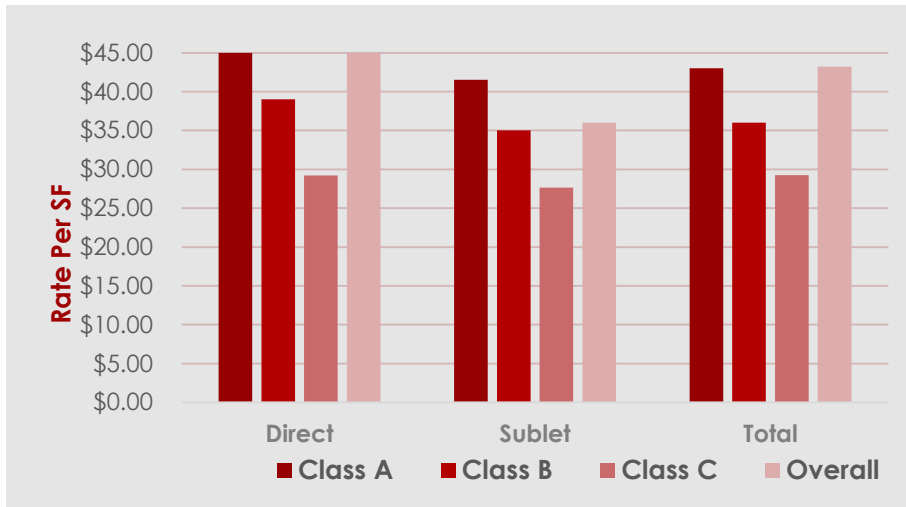


CHICAGO RIVER NORTH THIRD QUARTER 2019 OFFICE REPORT

MARKET OVERVIEW

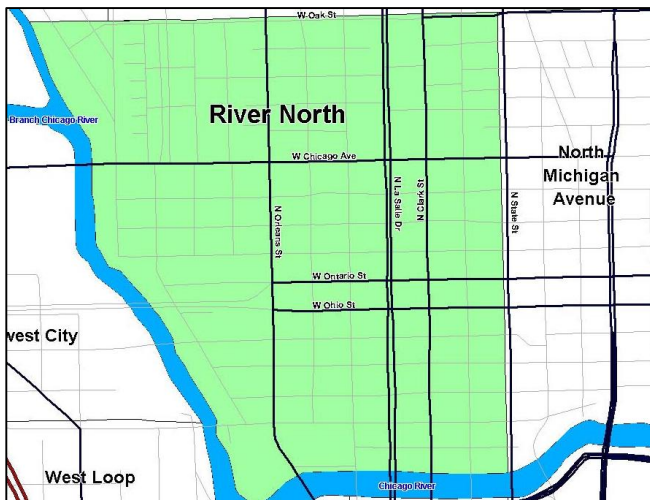
This formerly under-developed area is now home to a majority of the City's tech companies, giving River North the edge it needed to become and remain the CBD's healthiest submarket. River North has an ideal mix of Class B and C loft-style offices as well as upscale Class A office buildings which manage to attract both traditional and non-traditional companies to the area. This is part of the reason River North remains the highest performing Chicago submarket and contributes to its low vacancy rate of 9.3% for all building classes. However, due to a decrease in tech funding, River North's vacancy rates have begun to rise while asking rental rates have decreased. The most significant sale transaction of the quarter was the sale of 720 N Wells Street for \$4.3 million or \$299/SF.

GROSS ASKING RATE

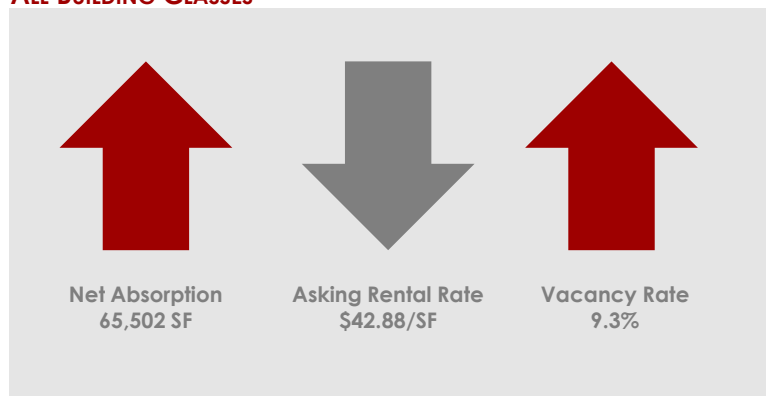


MARKET FORECAST

- Rental rates decreased by \$0.31/SF since Q2 2019 but have increased by \$3.61/SF since Q3 2018.
- Vacancy rates increased by 0.6 percentage point since Q2 2019, currently at 9.3%
- Due to decreased funding for the tech sector, leasing activity will likely slow down in the coming year. This may result in increased vacancy rates and decreased rental rates in River North.

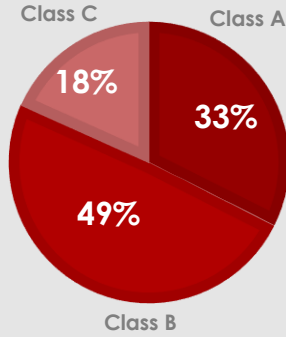


RIVER NORTH AT A GLANCE ALL BUILDING CLASSES



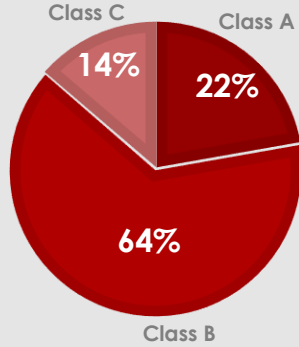
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VACANCY BY CLASS



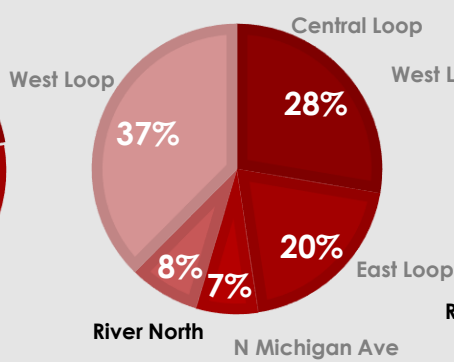
TOTAL VACANT: 1,646,168 SF

INVENTORY BY CLASS

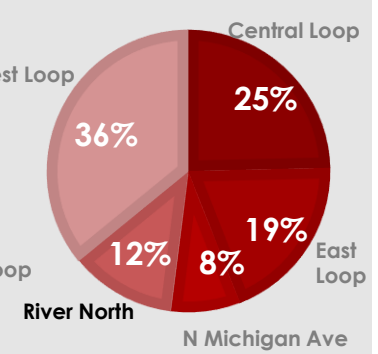


TOTAL INVENTORY: 18,099,289 SF

DOWNTOWN VACANCY



DOWNTOWN INVENTORY



LEASE ACTIVITY

Tenant	Address	Class	Size (SF)	Submarket
	350 N Orleans Street	A	39,538	River North
	353 M Clark Street	A	26,475	River North
	222 Merchandise Mart Plaza	A	17,576	River North

SALES ACTIVITY

Address	Class	Size (SF)	Sale Price	Price/SF	Seller	Buyer
720 N Wells Street	B	14,381	\$4,300,000	\$299	Eugene Chesrow Trust	Taft Service Solutions Corp

LEASE ANALYTICS

Class	Total Vacant (SF)	Vacancy Rate
Class A	533,567	5.5%
Class B	811,036	12.2%
CLASS A + B	1,344,603	8.4%

SALES ANALYTICS

Sales	Q3 2019	5-Year Annual Average
Sale Price Per SF	\$299	\$347
Sales Volume	\$4 million	\$120 million
Cap Rate	N/A	5.9%