

MARKET OVERVIEW

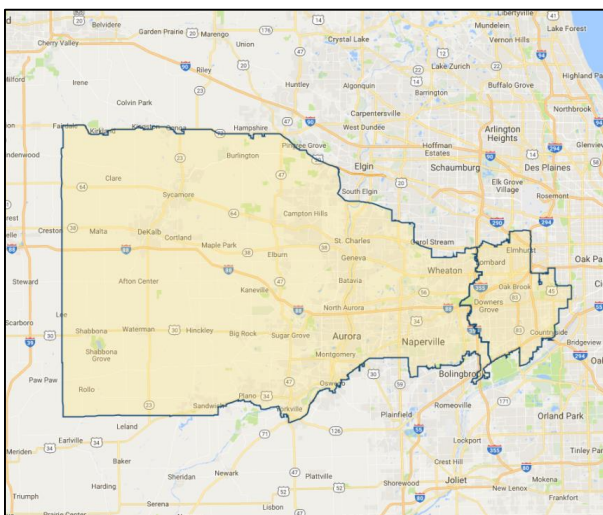
As companies abandoned the suburbs for CBD locations, most notably McDonald's, Landlords in the East/West Corridor took that opportunity to upgrade their existing spaces and are poised to profit on any migration back toward the suburbs. While construction has remained inactive, the existing infrastructure of the East/West Corridor was improved and modernized throughout 2018. Vacancy rates in the East/West Corridor increased by 0.3 percentage point since Q2 2019. Rental rates decreased by \$0.11/SF since last quarter and are down \$0.13/SF since Q3 2018. The submarket's largest transaction in Q3 2019 was the sale of 3113 Woodcreek Drive for \$13.9 million or \$104/SF

GROSS ASKING RATE

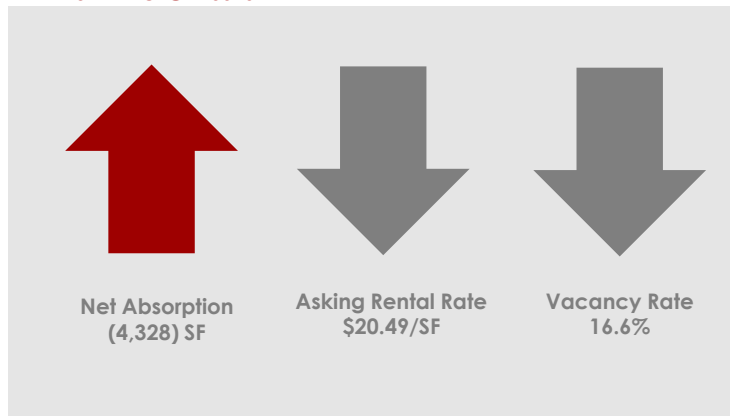


MARKET FORECAST

- The vacancy rate for Class A, B & C buildings in the East/West Corridor decreased slightly by 0.3 percentage point since Q2 2019.
- Though rental rates saw a lot of fluctuation over the course of 2015 & 2016, they have held steady in the \$20.00 - \$21.00/SF range through 2017 and 2018 and are expected to increase slightly in 2019.
- Overall, rental rates are highest in the Eastern East/West Corridor at \$20.81/SF compared to the Western East/West Corridor's \$20.37/SF.



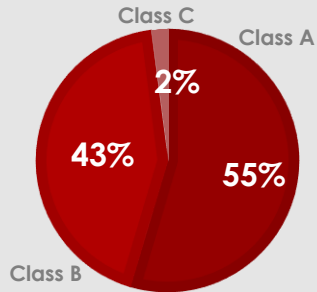
EAST/WEST CORRIDOR AT A GLANCE ALL BUILDING CLASSES



All information contained herein is from sources deemed reliable; however no representation or warranty is made to the accuracy thereof.

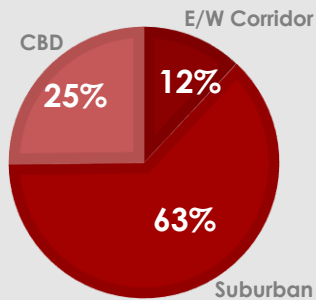
CHICAGO SUBURBS – EAST/WEST CORRIDOR
THIRD QUARTER 2019
OFFICE REPORT
EASTERN & WESTERN

VACANCY BY CLASS

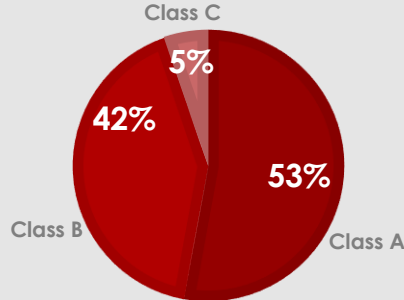


TOTAL VACANT: 7,295,316 SF

VACANCY COMPARISON

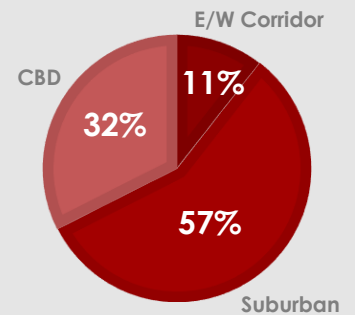


INVENTORY BY CLASS



TOTAL INVENTORY: 43,682,911 SF

INVENTORY COMPARISON



LEASE ACTIVITY

Tenant	Address	Class	Size (SF)	Submarket
	1333 Burr Ridge Parkway	A	90,000	Eastern
	1 Tower Lane	A	22,866	Eastern
	3333 Finley Road	A	20,787	Eastern

SALES ACTIVITY

Address	Class	Size (SF)	Sale Price	Price/SF	Seller	Buyer
3113 Woodcreek Drive	C	132,882	\$13,883,500	\$104	FTD Companies Inc.	Gateway Mercury LLC
2122 York Road	B	131,591	\$15,000,000	\$114	Foxford Communities LLC	Murphy Development Group
2357 Sequoia Drive	B	50,000	\$12,500,000	\$250	REM Management Co	Global Medical REIT Inc.

LEASE ANALYTICS

Class	Total Vacant (SF)	Vacancy Rate
Class A	3,981,685	18.7%
Class B	3,165,281	16.1%
Class A + B	7,146,966	17.5%

SALES ANALYTICS

Sales	Q3 2019	5-Year Annual Average
Sale Price Per SF	\$121	\$121
Sales Volume	\$55 million	\$95 million
Cap Rate	7.9%	8.0%