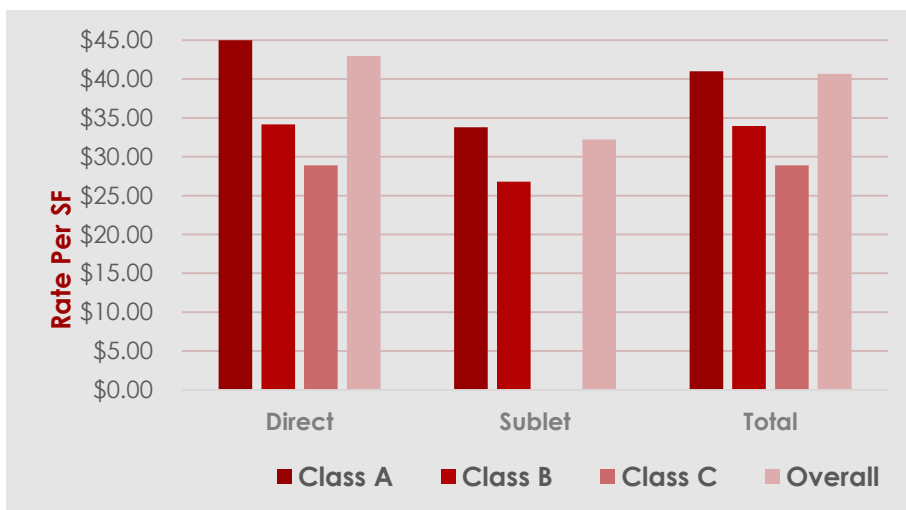


CHICAGO NORTH MICHIGAN AVENUE THIRD QUARTER 2019 OFFICE REPORT

MARKET OVERVIEW

North Michigan Avenue's office buildings share close quarters with high-end hotels and retail space, medical complexes and residential buildings. This unique make-up is perfect for non-traditional offices, making it an ideal home to many of Chicago's media-related businesses. There are also a large number of medical offices in the North Michigan Avenue area due to the proximity of many of the City's largest hospitals. This submarket is tasked with the unique challenge of backfilling a high quantity of existing vacancies. The submarket's vacancy rate is down 1.3 percentage points since Q1 2019 and is down 2.2 percentage points since Q2 2018. There were no significant sales in North Michigan Avenue during Q3 2019.

GROSS ASKING RATE

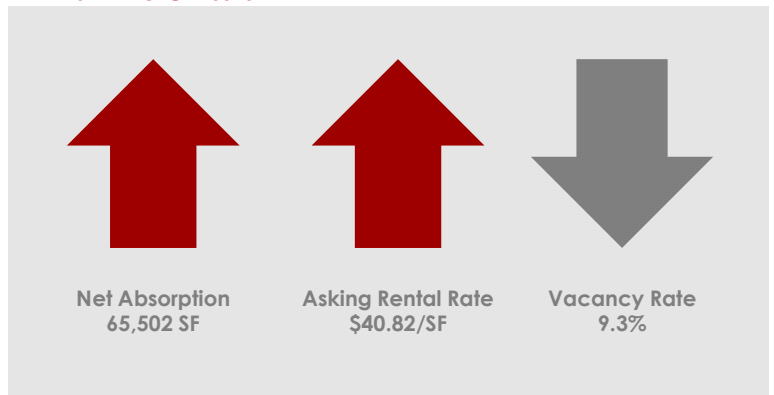


MARKET FORECAST

- Vacancy rates in the submarket decreased very slightly by 0.1 percentage point since Q2 2019 and is down 0.9 percentage point since Q3 2018.
- North Michigan Avenue no longer has the lowest overall rental rates of all CBD submarkets.
- North Michigan Avenue remains popular with healthcare, retail, and residential users but landlords in the submarket still struggle to attract traditional office tenants.



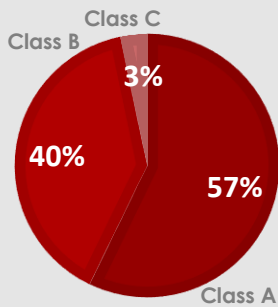
NORTH MICHIGAN AVENUE AT A GLANCE ALL BUILDING CLASSES



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

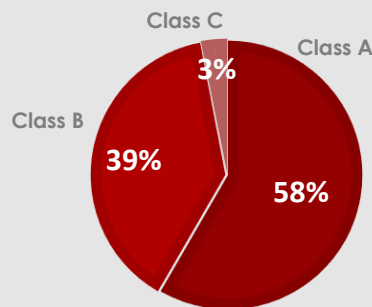
CHICAGO NORTH MICHIGAN AVENUE THIRD QUARTER 2019 OFFICE REPORT

VACANCY BY CLASS



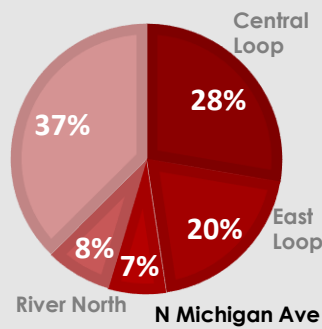
TOTAL VACANT: 1,150,943 SF

INVENTORY BY CLASS



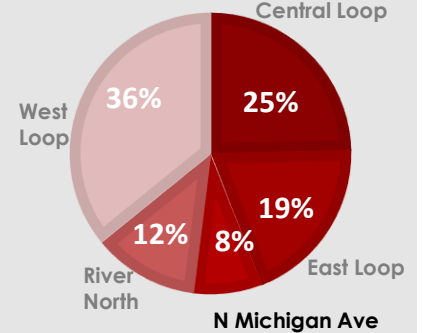
TOTAL INVENTORY: 12,426,225 SF

DOWNTOWN VACANCY



West Loop

DOWNTOWN INVENTORY



N Michigan Ave

LEASE ACTIVITY

Tenant	Address	Class	Size (SF)	Submarket
	444 N Michigan Avenue	B	11,157	N Michigan Ave
	444 N Michigan Avenue	B	11,139	N Michigan Ave
	455 N Cityfront Plaza Drive	A	8,184	N Michigan Ave

SALES ACTIVITY

Address	Class	Size (SF)	Sale Price	Price/SF	Seller	Buyer
No significant transactions						

LEASE ANALYTICS

Class	Total Vacant (SF)	Vacancy Rate
Class A	658,052	8.5%
Class B	455,404	10.9%
Class A+ B	1,113,456	9.3%

SALES ANALYTICS

Sales	Q3 2019	5-Year Annual Average
Sale Price Per SF	N/A	\$381
Sales Volume	N/A	\$275 million
Cap Rate	N/A	5.2%