

Downtown Chicago

Office – Q2 2026

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Steady leasing and shrinking inventory support market progress

Downtown Chicago's office market continued to stabilize in Q2 2026, supported by resilient leasing activity and gradual improvements in market fundamentals. Availability declined to 29.0%, down 90 basis points (bps) from a year ago, as tenant demand and ongoing inventory contraction continued to absorb space. Asking rents rose to a record \$47.90 per square foot (psf), up 3.7% year over year, while Class A rents reached a new high of \$56.00 psf. The gap between Class A and overall asking rents continued to widen, reflecting sustained occupier preference for higher-quality space and the relative pricing power that top-tier buildings have maintained. Quarterly leasing volume reached 2.6 msf, a healthy result that points to a leasing environment that has found a stable footing.

Renewals and expansions drive leasing activity

Leasing activity this quarter suggested a more nuanced story beyond the headline volume figure. Nine of the quarter's ten largest transactions resulted in occupiers opting to stay put rather than pursue new locations. Rising construction costs, limited availability in top-tier buildings and the capital required to execute a relocation have made reinvestment in existing space an increasingly attractive path. Sublease availability declined further to 4.3 msf, continuing a consistent downward trajectory that reflects the substantial absorption of excess space created during the pandemic.

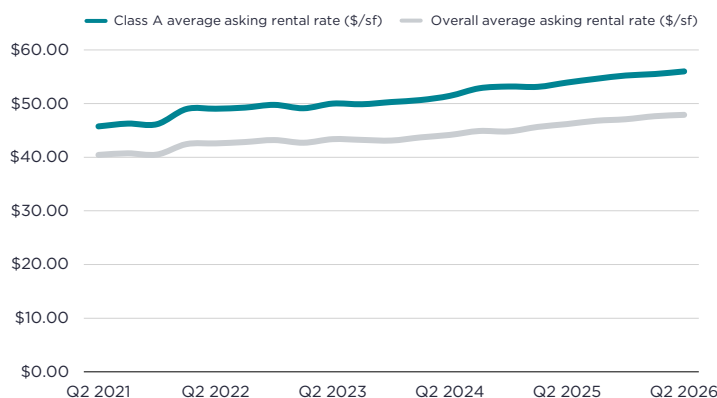
Inventory contraction becomes a more meaningful market force

The market's longer-term trajectory continued to be shaped by a shrinking supply base. Downtown inventory declined by 3.3 msf over the past year as office-to-residential conversions and other redevelopment initiatives removed older product from the competitive base, a trend that is beginning to meaningfully alter the availability picture over time. With no significant office development expected in the near term, future supply remains constrained. Major investments such as Google's Thompson Center redevelopment are also helping reposition portions of the Central Loop, adding a longer-term demand dimension to a submarket that has lagged its peers.

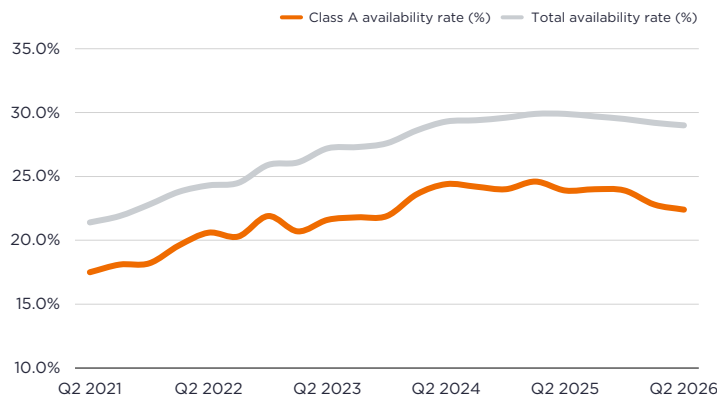
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	146.3 msf	143.0 msf	-3.3 msf
Availability rate	29.9%	29.0%	-90 bps
Asking rental rate	\$46.18	\$47.90	+3.7%
Class A asking rental rate	\$53.92	\$56.00	+3.9%
Quarterly leasing activity	2.3 msf	2.6 msf	+0.3 msf
Available sublease space	5.4 msf	4.3 msf	-1.1 msf

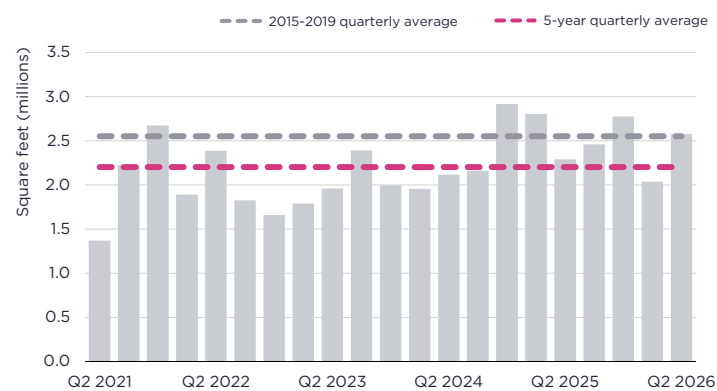
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

01

Leasing activity is expected to remain healthy as occupiers address upcoming expirations and convert longer-term real estate decisions into action.

02

Renewals and expansions should continue to dominate market activity, as high relocation costs and limited top-tier availability favor reinvestment in existing space.

03

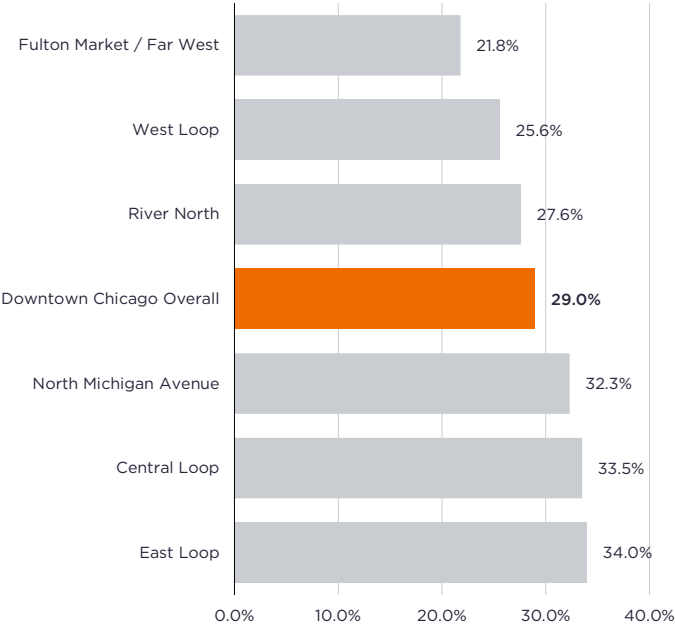
With new supply effectively paused and inventory gradually contracting, availability should tighten over time, placing greater importance on timing for occupiers with near-term decisions.

NOTABLE LEASES

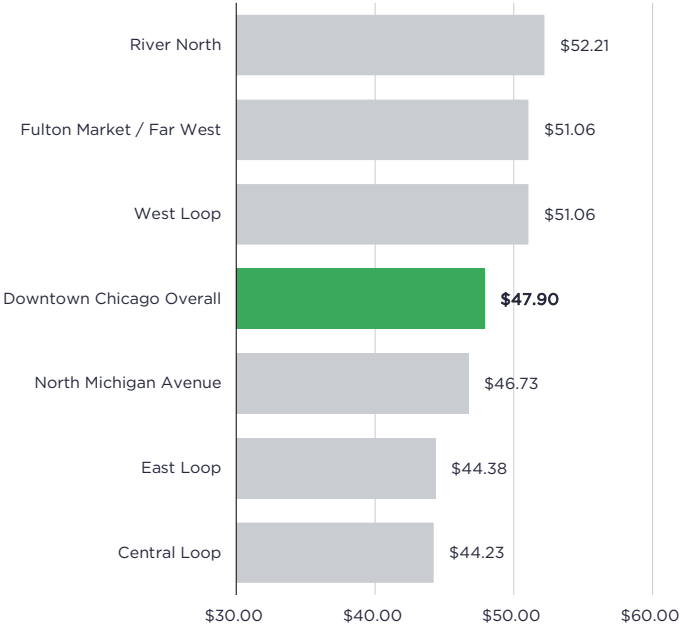
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Stripe	Financial Services & Insurance	River North	350 N Orleans Street	222,000	Extension & Expansion
Vedder	Legal Services	Central Loop	222 N LaSalle Street	163,000	Renewal
Quantitative Risk Management	Financial Services & Insurance	Central Loop	181 W Madison Street	107,000	Renewal
Burns & McDonnell	Architecture, Engineering & Construction	West Loop	200 W Adams Street	99,000	Renewal
Huron Consulting	Business, Professional & Consulting Services	West Loop	550 W Van Buren Street	83,000	Renewal
McKinsey & Co.	Business, Professional & Consulting Services	River North	333 W Wolf Point Plaza Drive*	72,000	Relocation**
U.S. Securities and Exchange Commission	Government	Central Loop	175 W Jackson Boulevard	72,000	Renewal
Huntington Bank	Financial Services & Insurance	Central Loop	222 N LaSalle Street	61,000	Renewal & Expansion
Swanson Martin & Bell	Legal Services	River North	330 N Wabash Avenue	57,000	Renewal
Crowe	Business, Professional & Consulting Services	West Loop	225 W Wacker Drive	52,000	Renewal

AVAILABILITY RATE COMPARISON (%)
DOWNTOWN CHICAGO SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
DOWNTOWN CHICAGO SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills