

# Chicago 2026 CRE Market Outlook



# Agenda

- Introduction
- Multifamily
- Industrial
- Retail
- Outlook

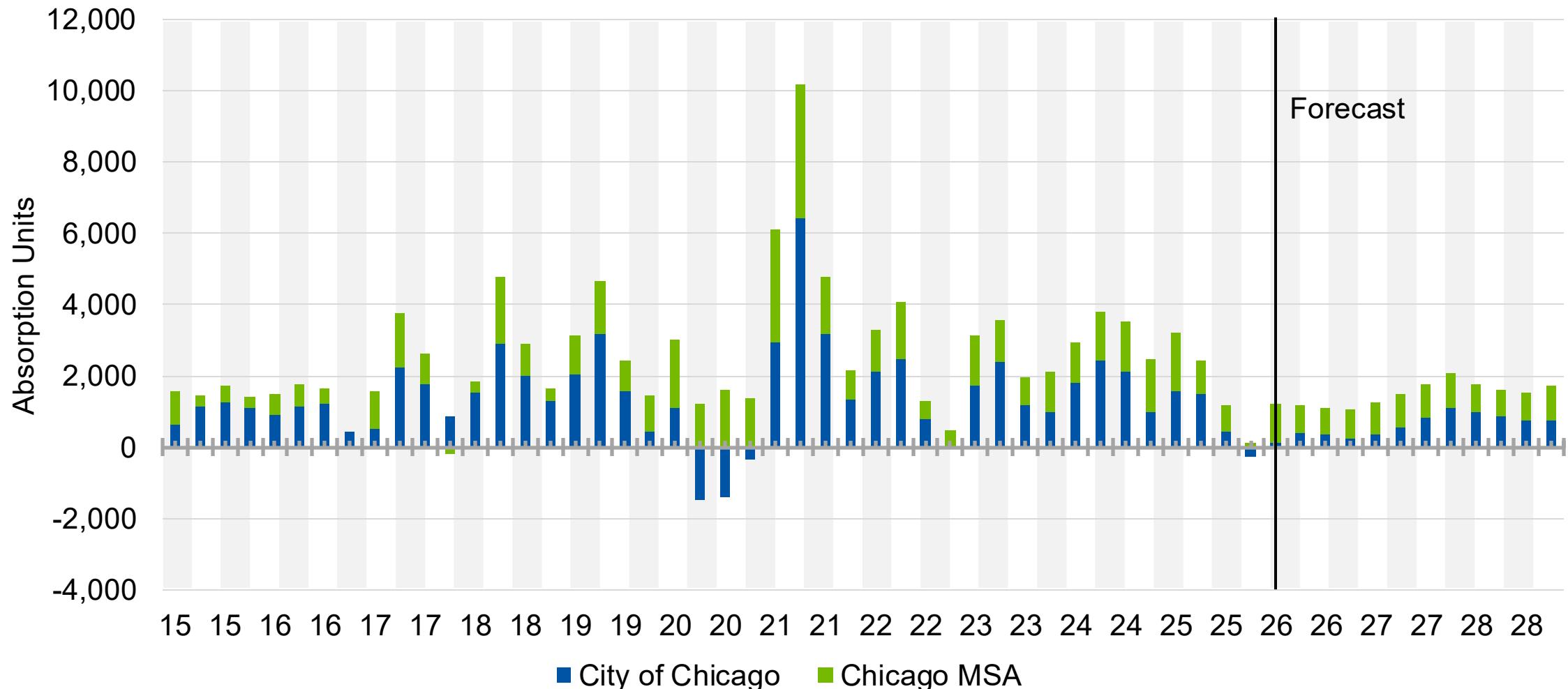




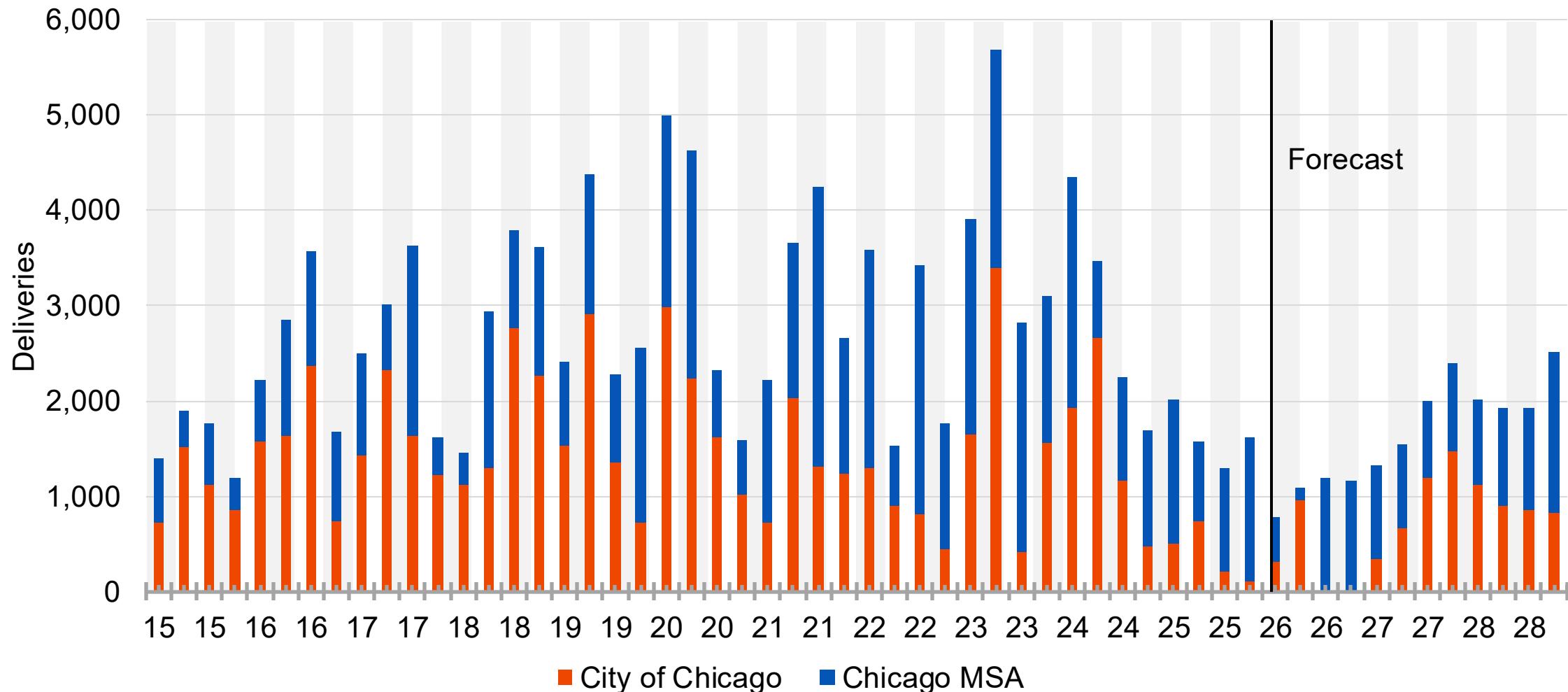
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# Multifamily

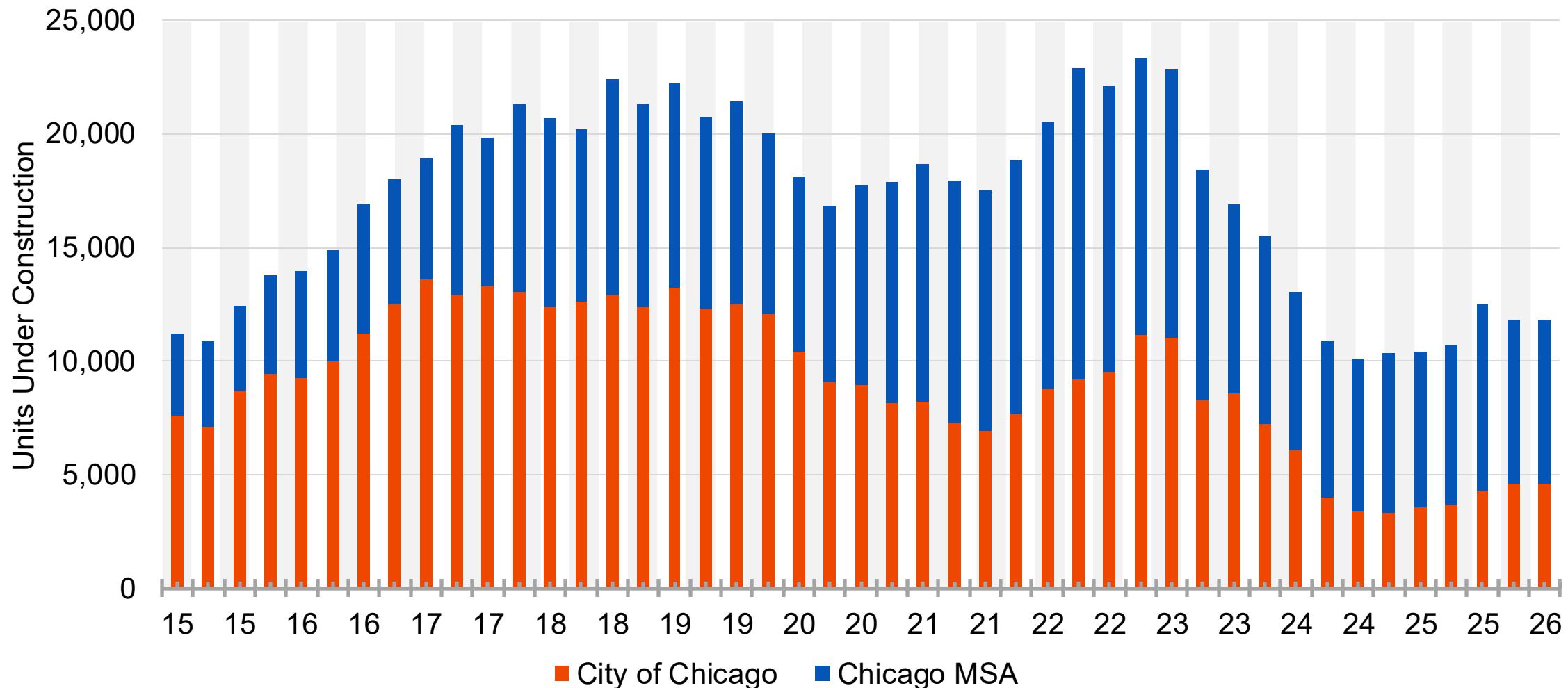
## Absorption trends across the City of Chicago and Chicago MSA



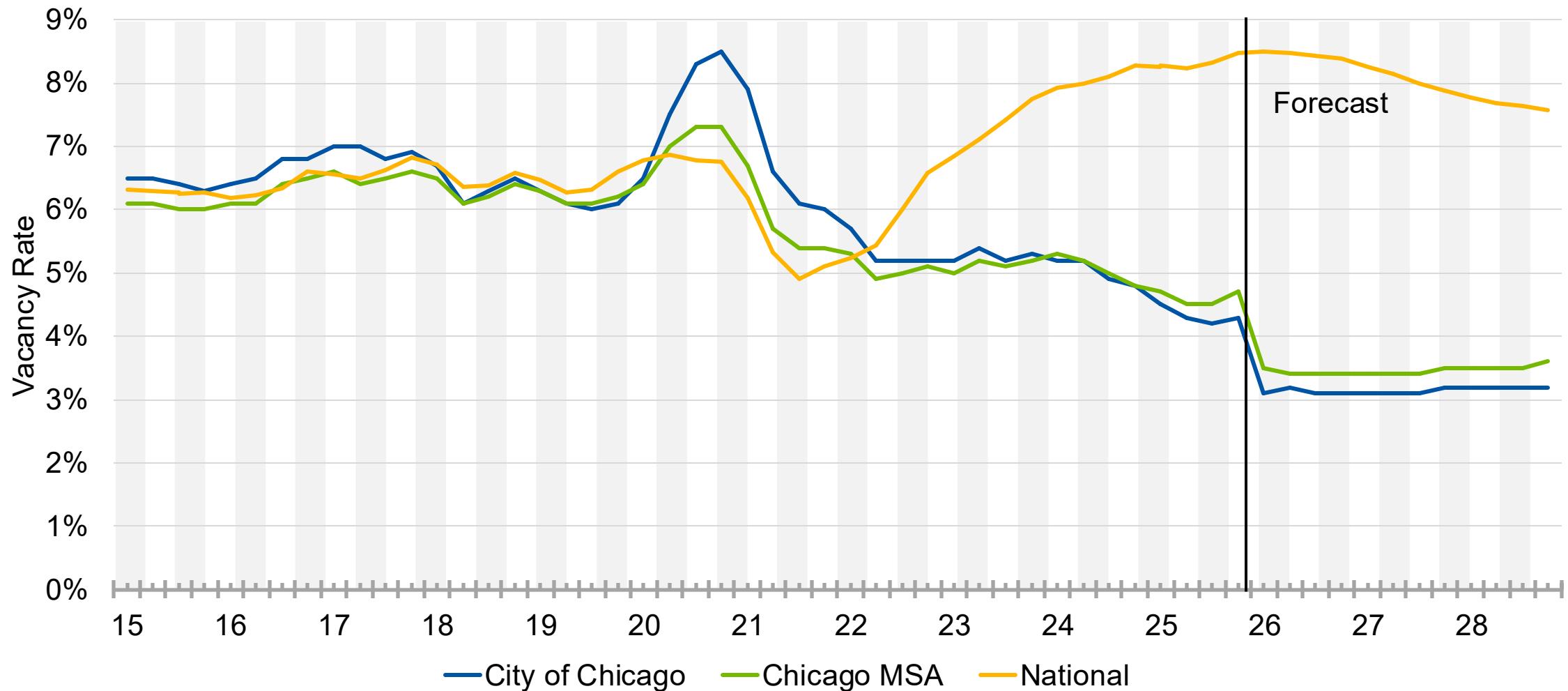
## Deliveries moderated in 2025 after surging in 2023-2024



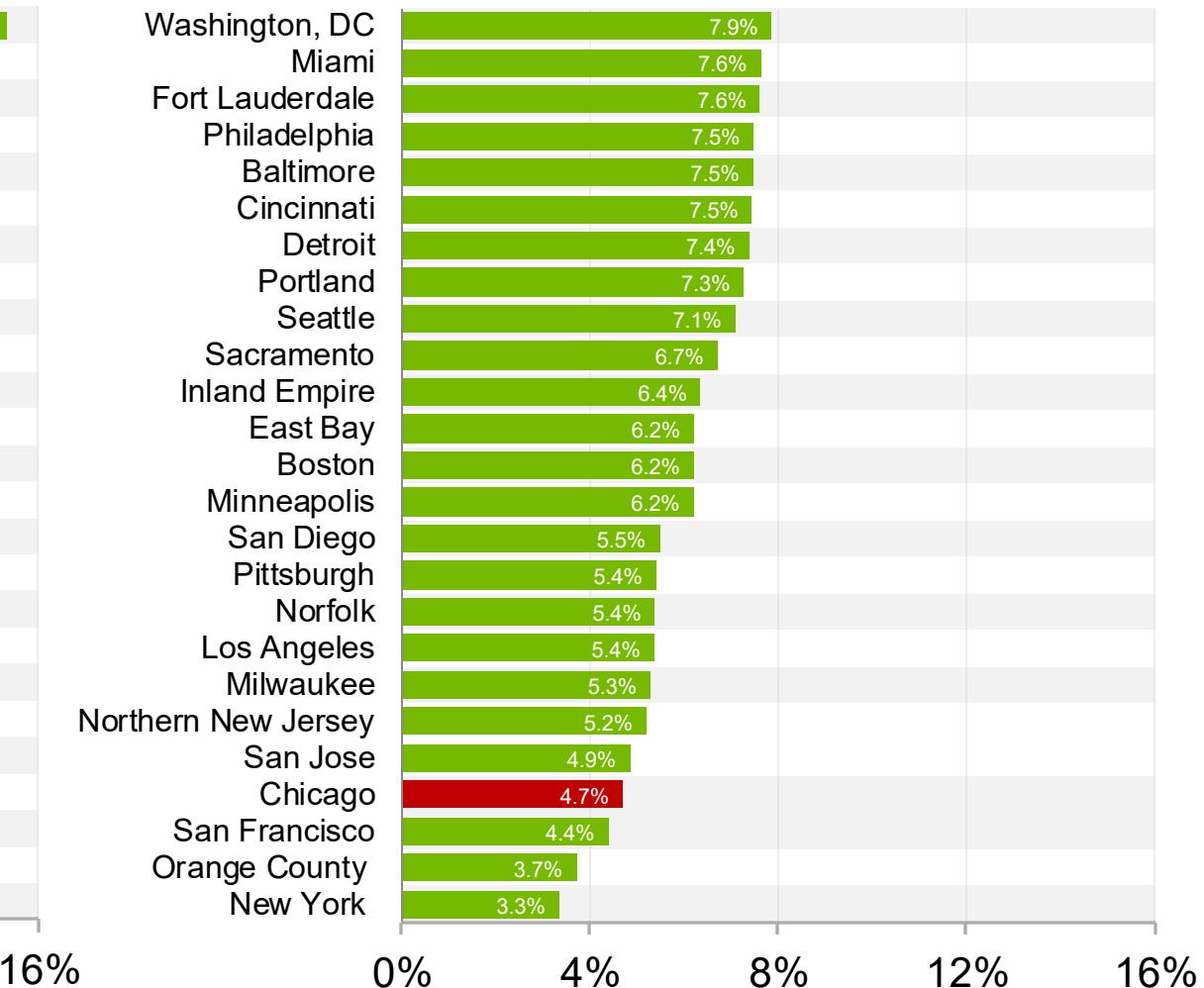
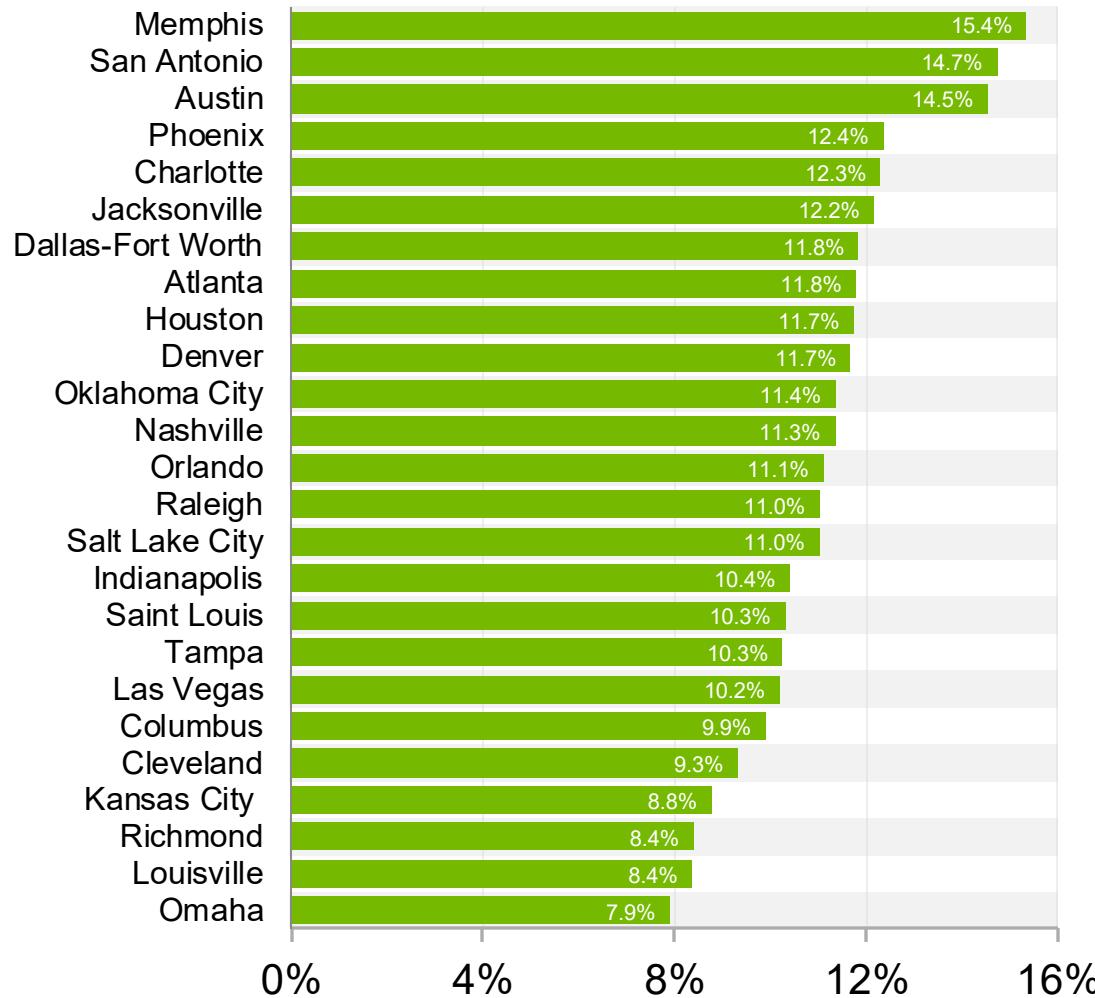
## Development activity picked up in the second half of 2025



## City and metro vacancy tighten notably while national remains elevated

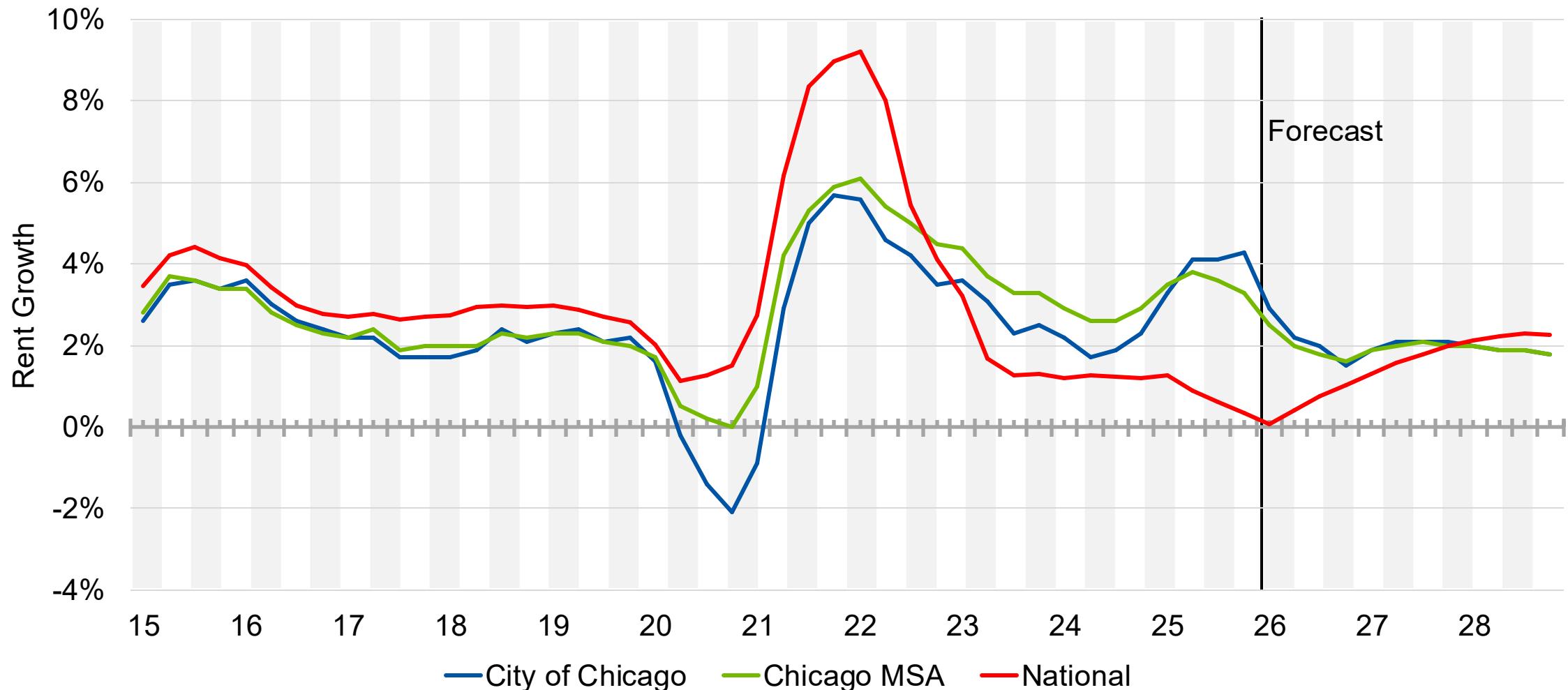


# Vacancy is high in the South/Southwest, low in the Northeast, Midwest, and CA

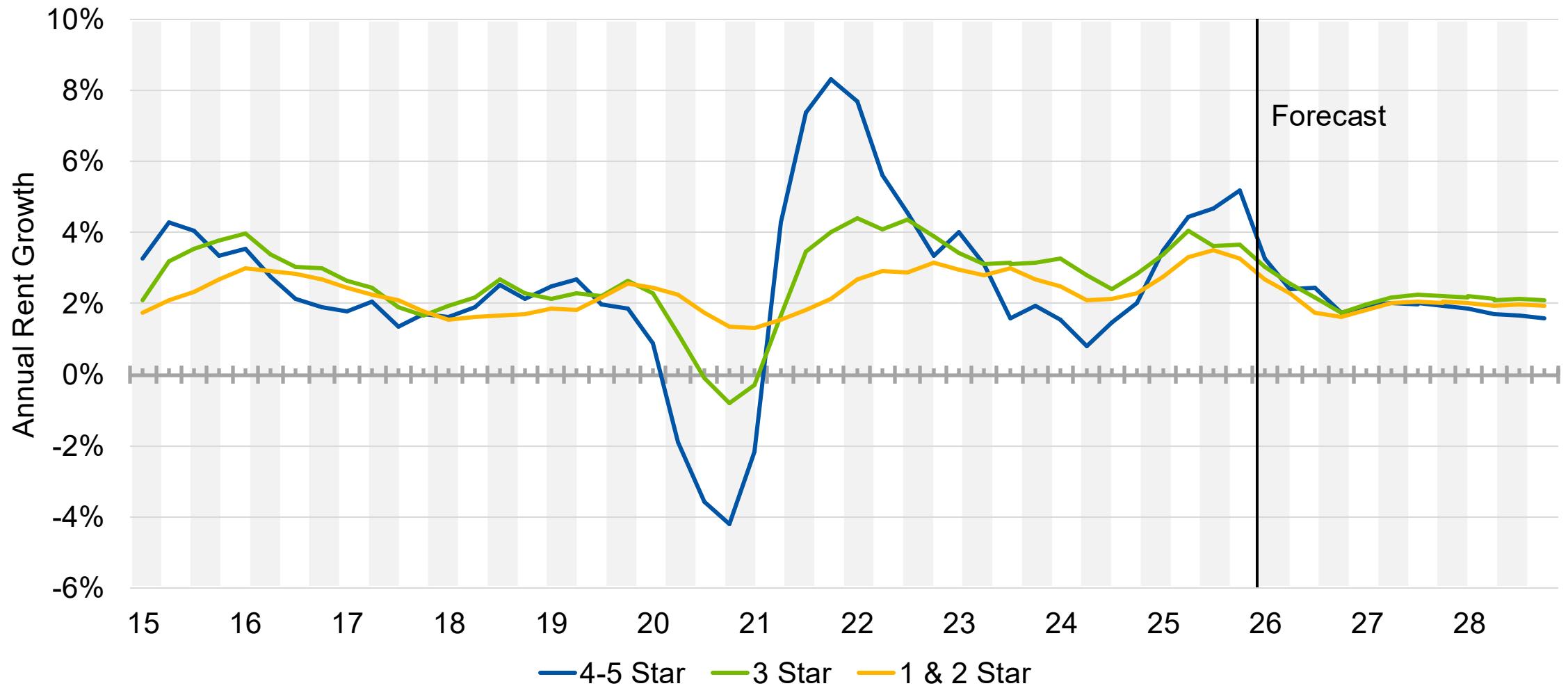


Note: Top 50 Markets. Data as of 2025 Q4

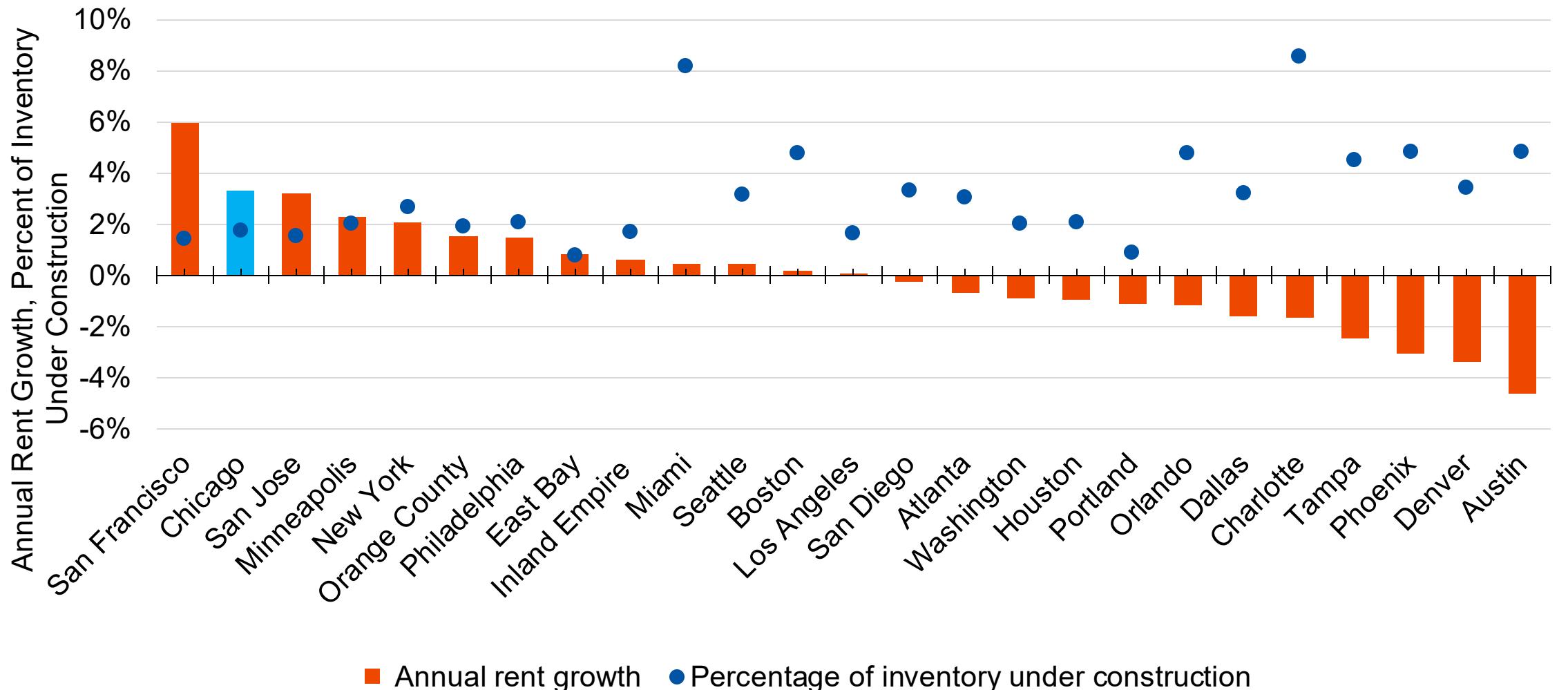
## Rent growth in Chicago is outpacing the national rate by a wide margin



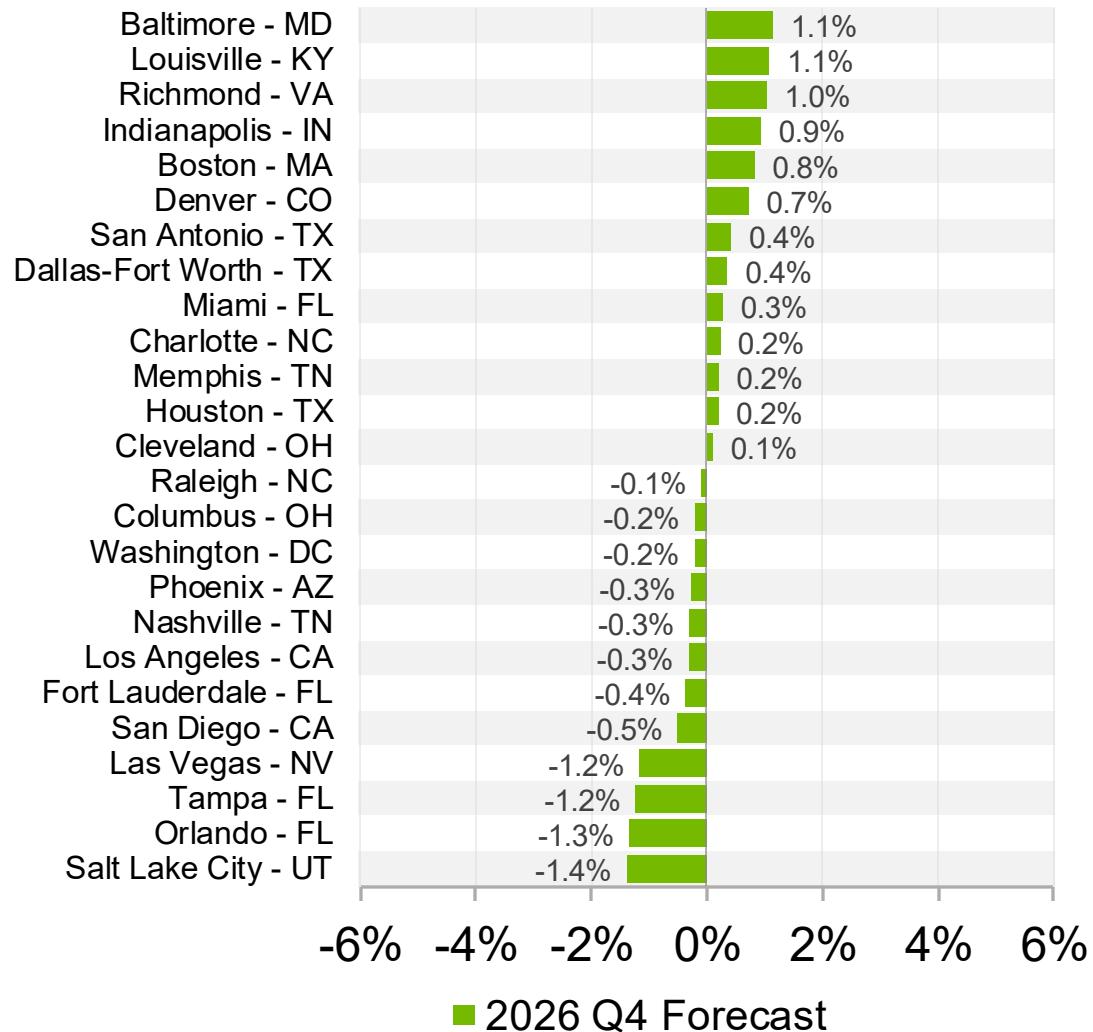
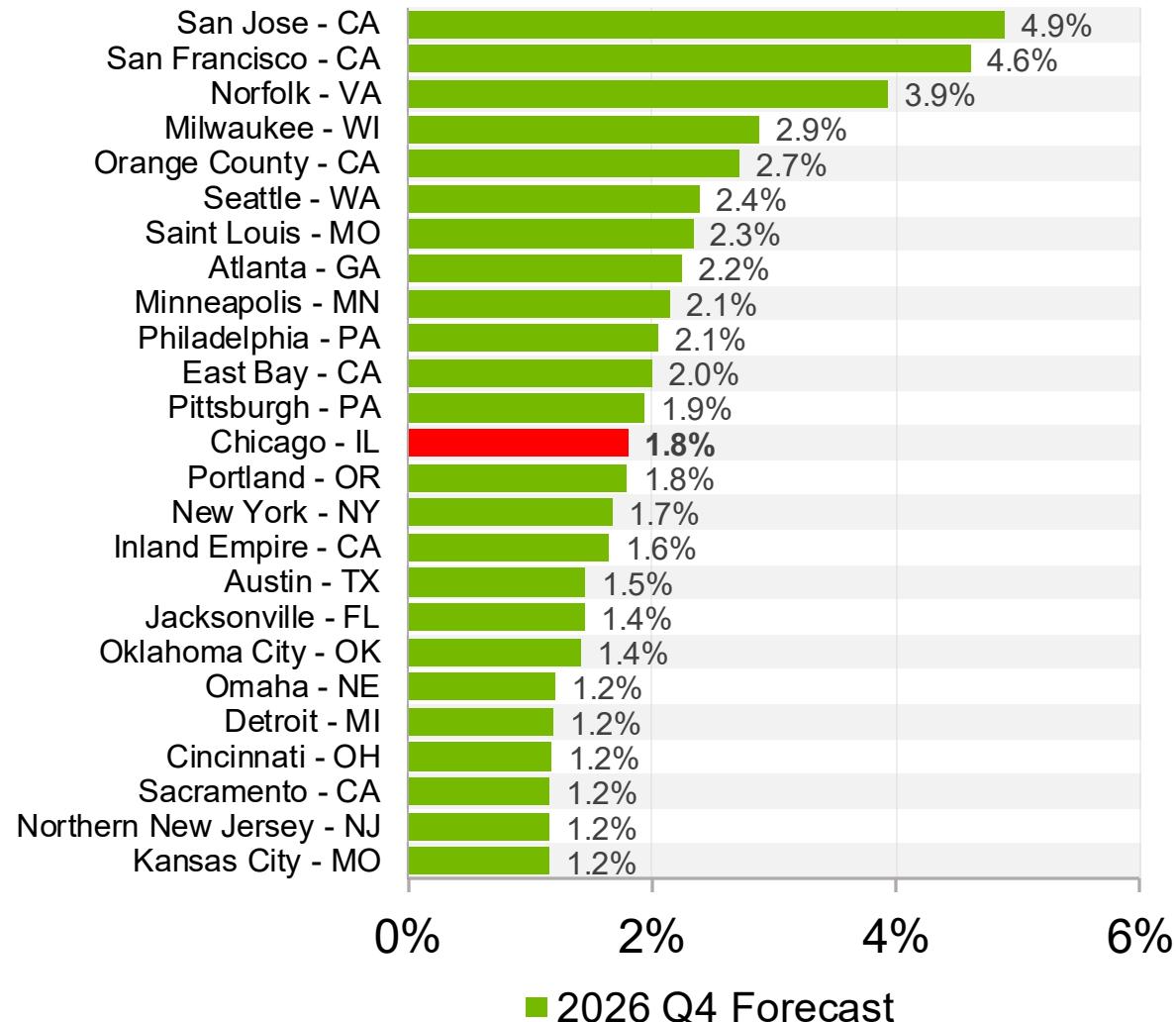
## Rent growth is strongest for premium product



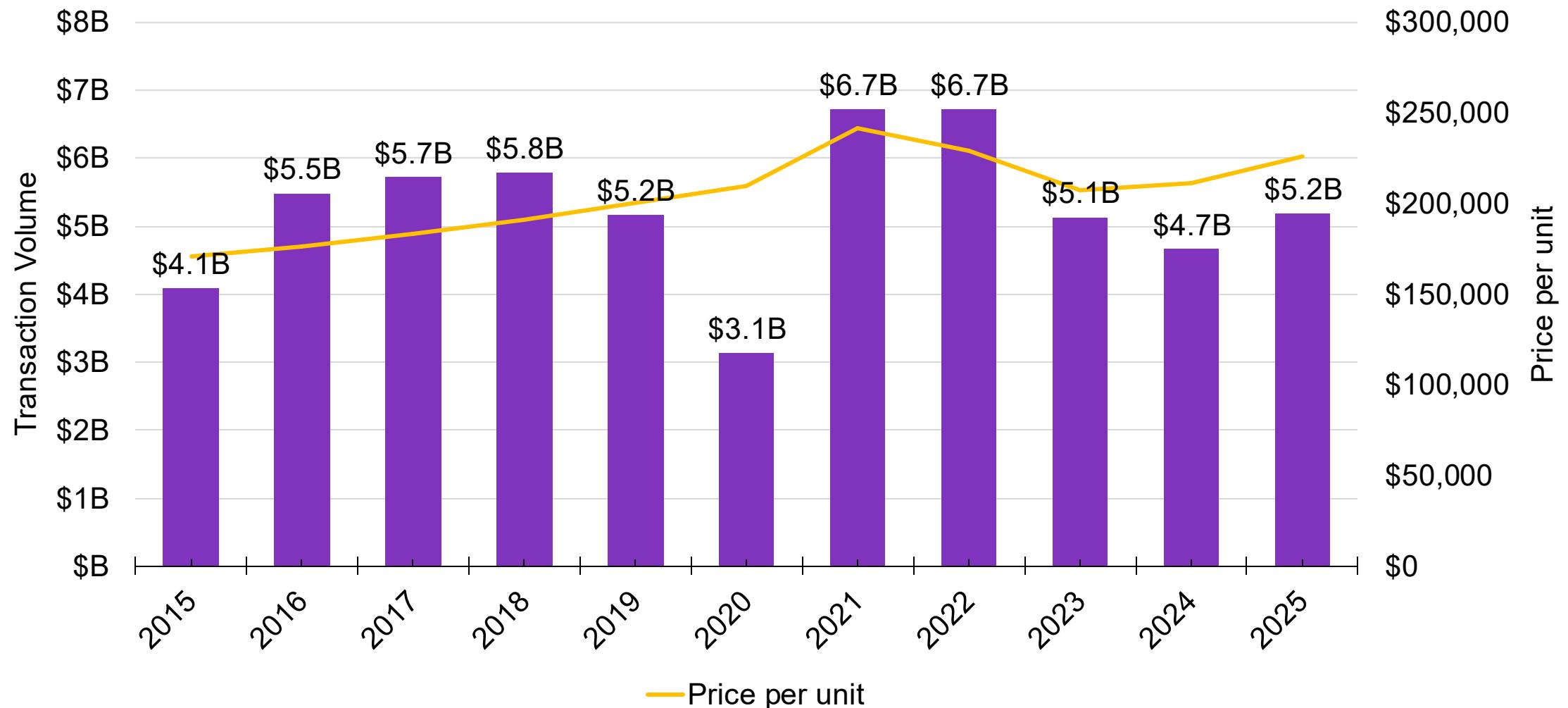
## Putting Chicago's pipeline in perspective



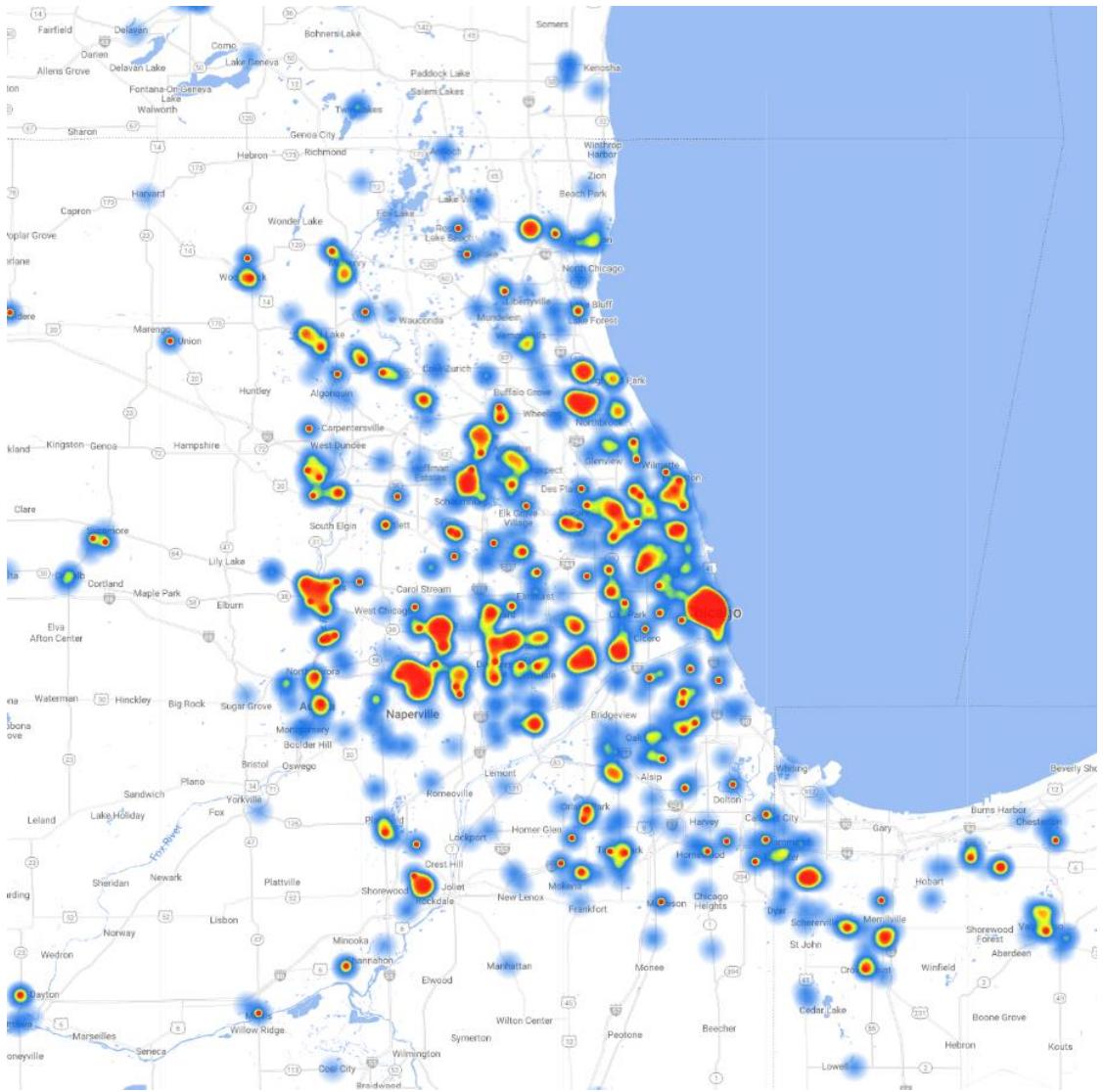
# Rent growth: Q4 2026 Forecast



## 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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Multifamily

## **Outlook**

Industrial

Retail

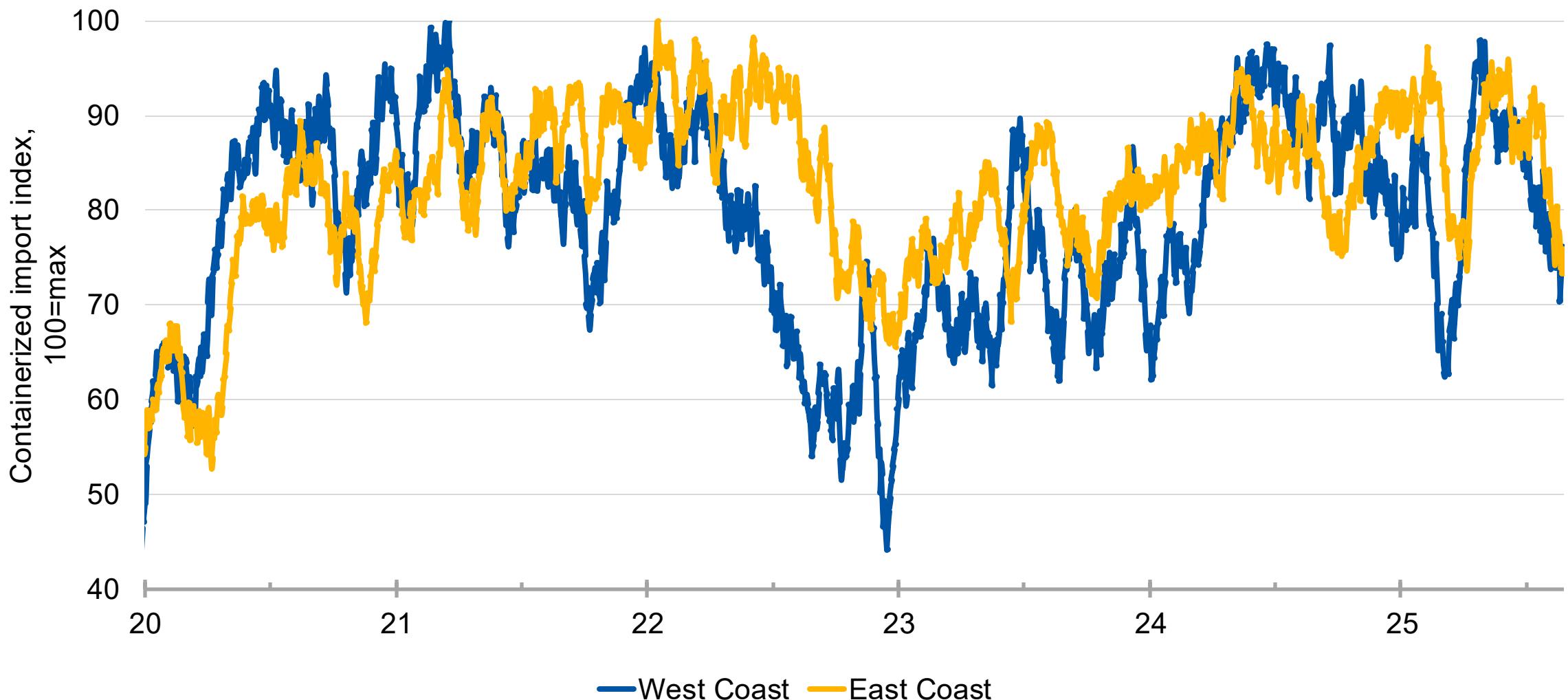
## — What's ahead for Chicago?

- Rent growth is expected to moderate but remain well above the national average
- Construction starts are increasing, though at a slower pace than most U.S. markets
- Premium assets are projected to continue leading in rent growth

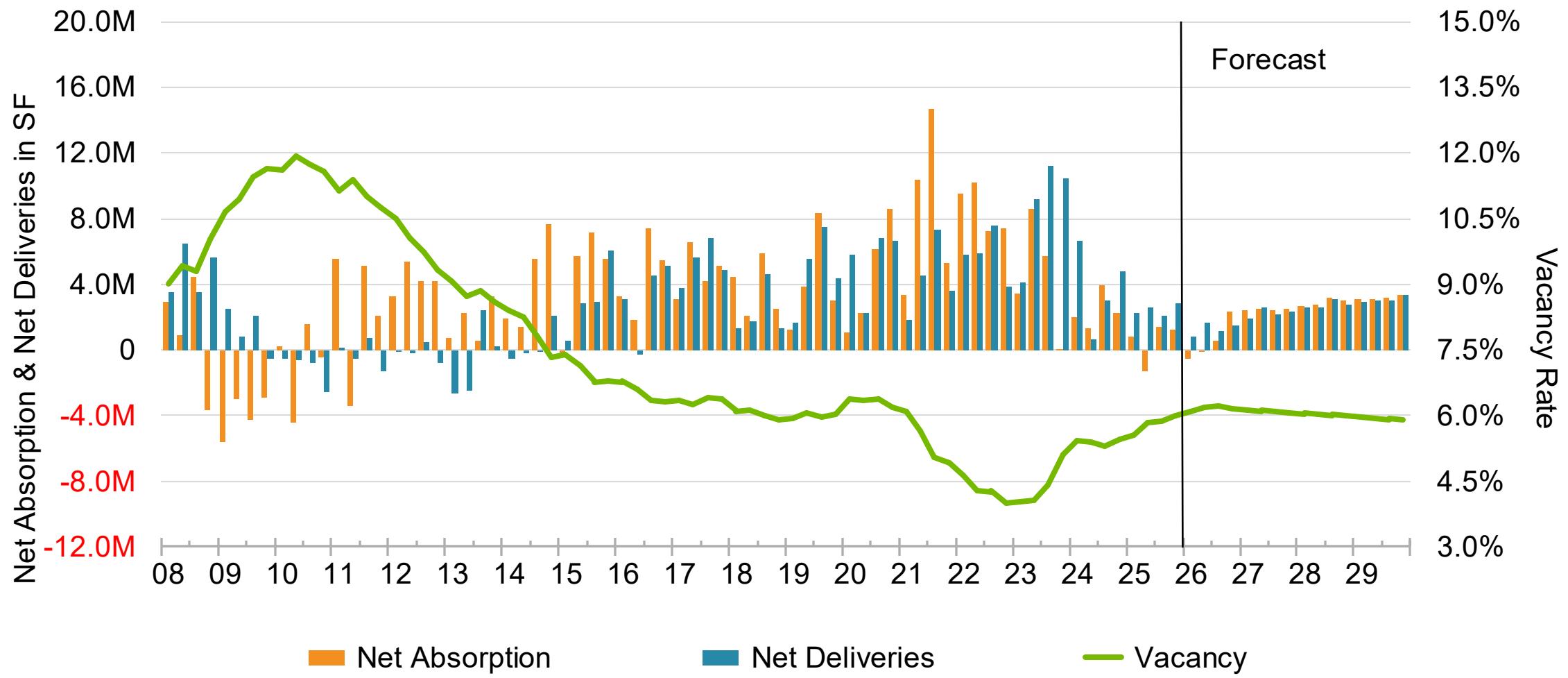
# Industrial



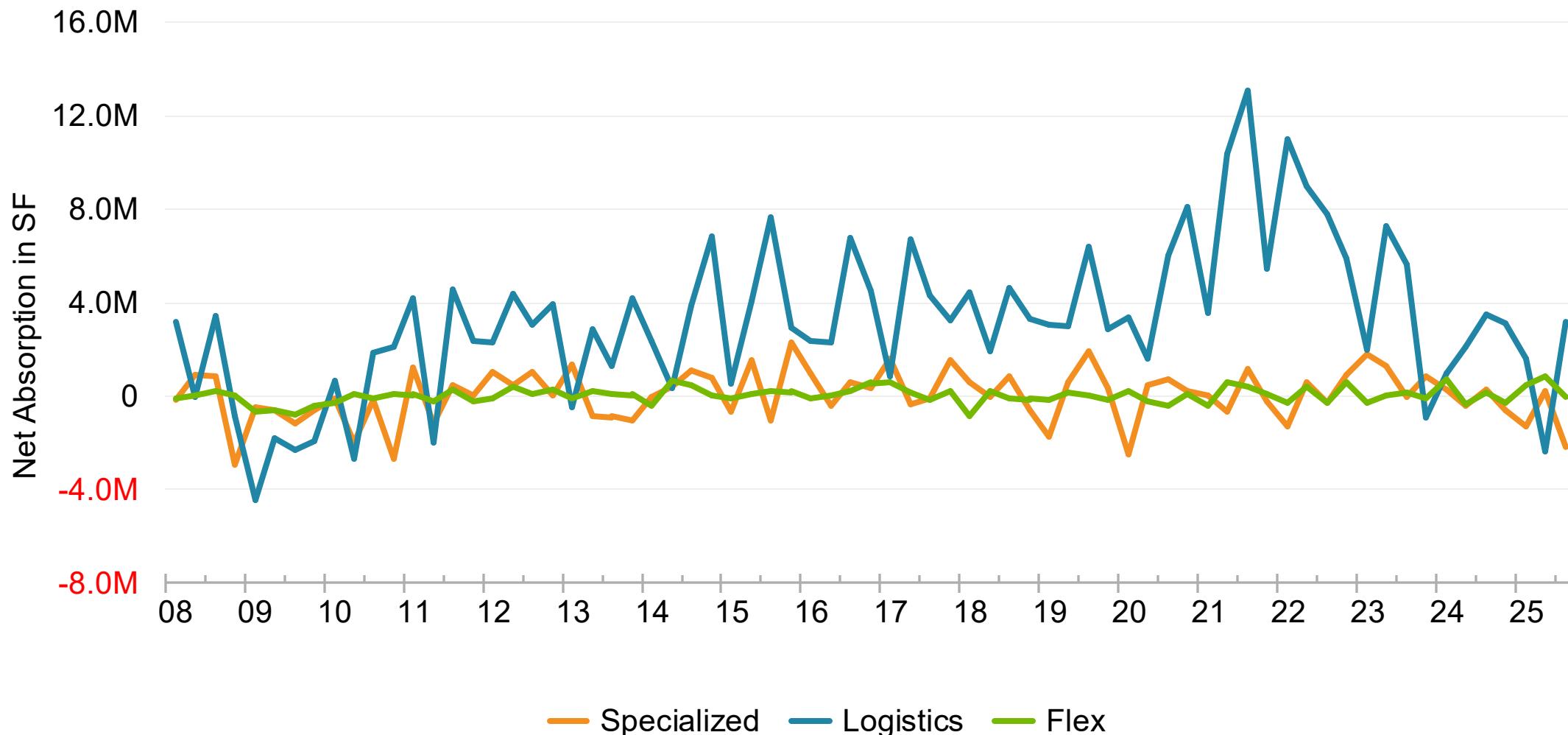
Import activity has dropped by 20% from recent highs



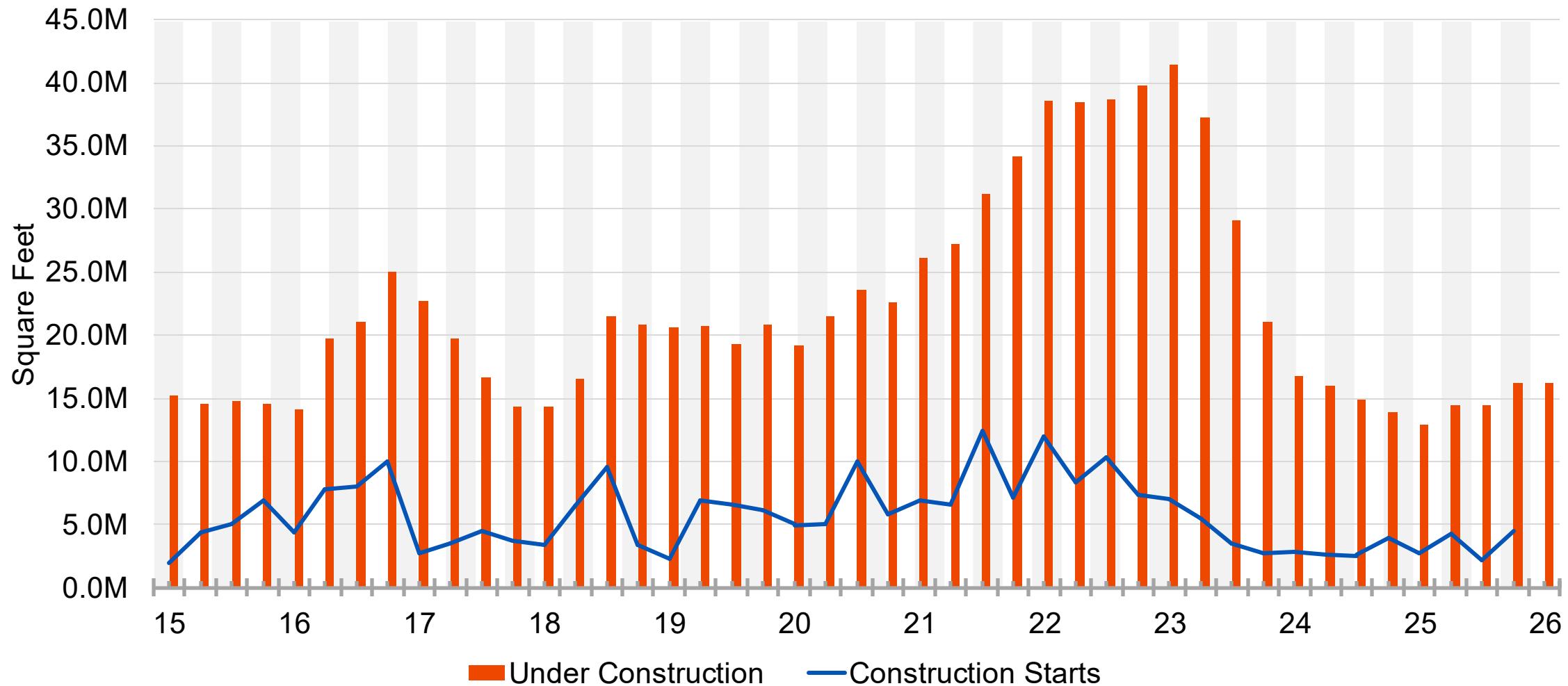
## Demand cools while supply holds, lifting vacancy



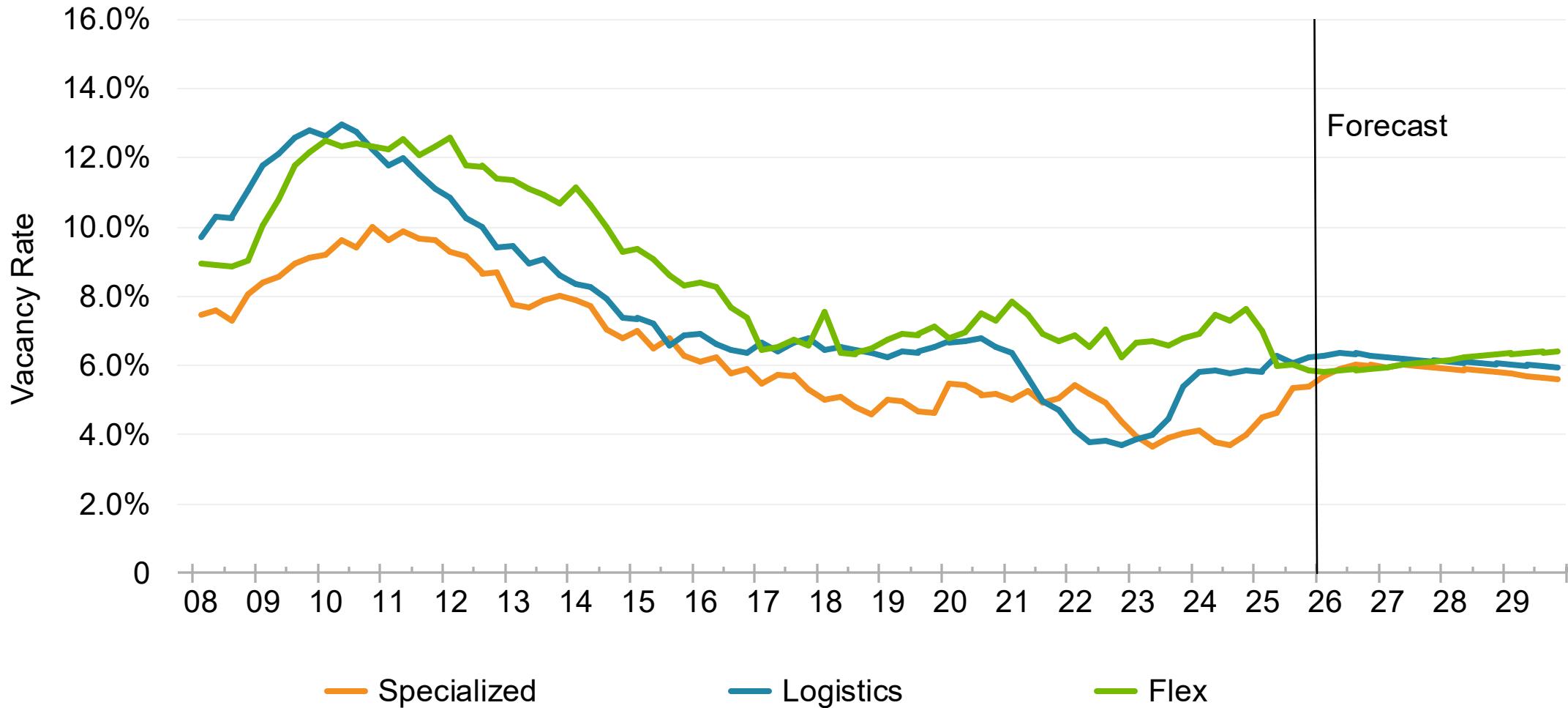
## Net absorption by subtype



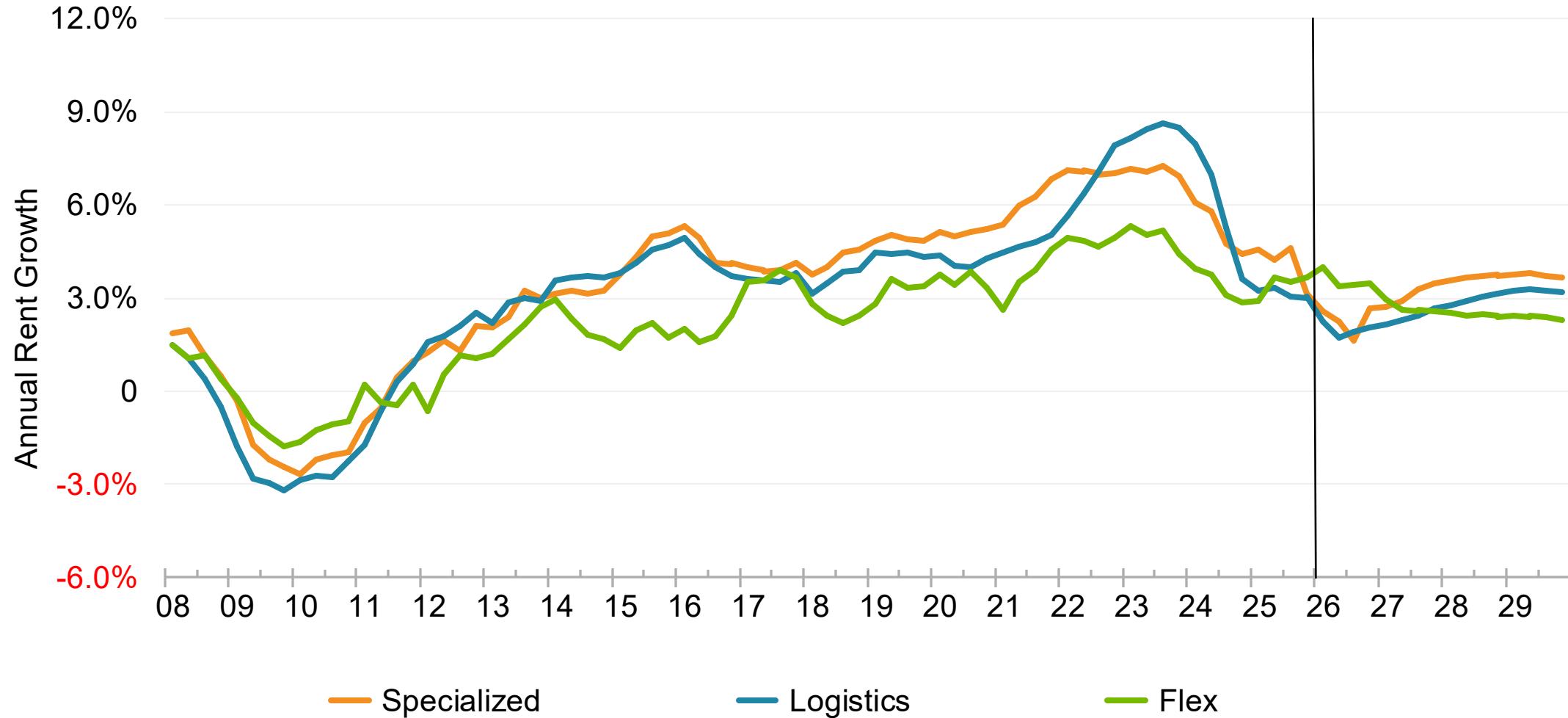
## Post peak correction: construction activity moderated in recent periods



## Vacancy rates by subtype



## Asking rent growth by subtype (Y/Y)



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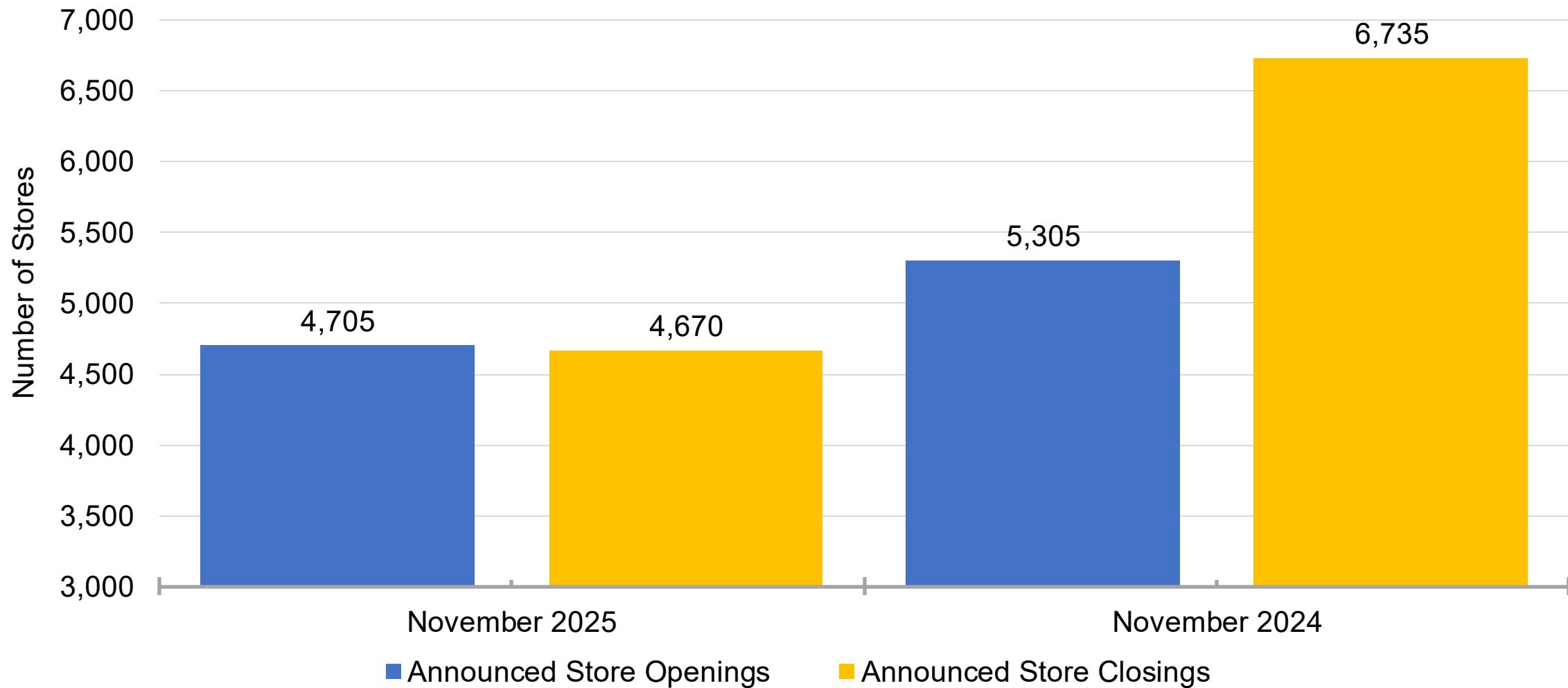
# What's ahead for Chicago?

- 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 (2.2M SF delivering in 2026) emerging as a key demand driver

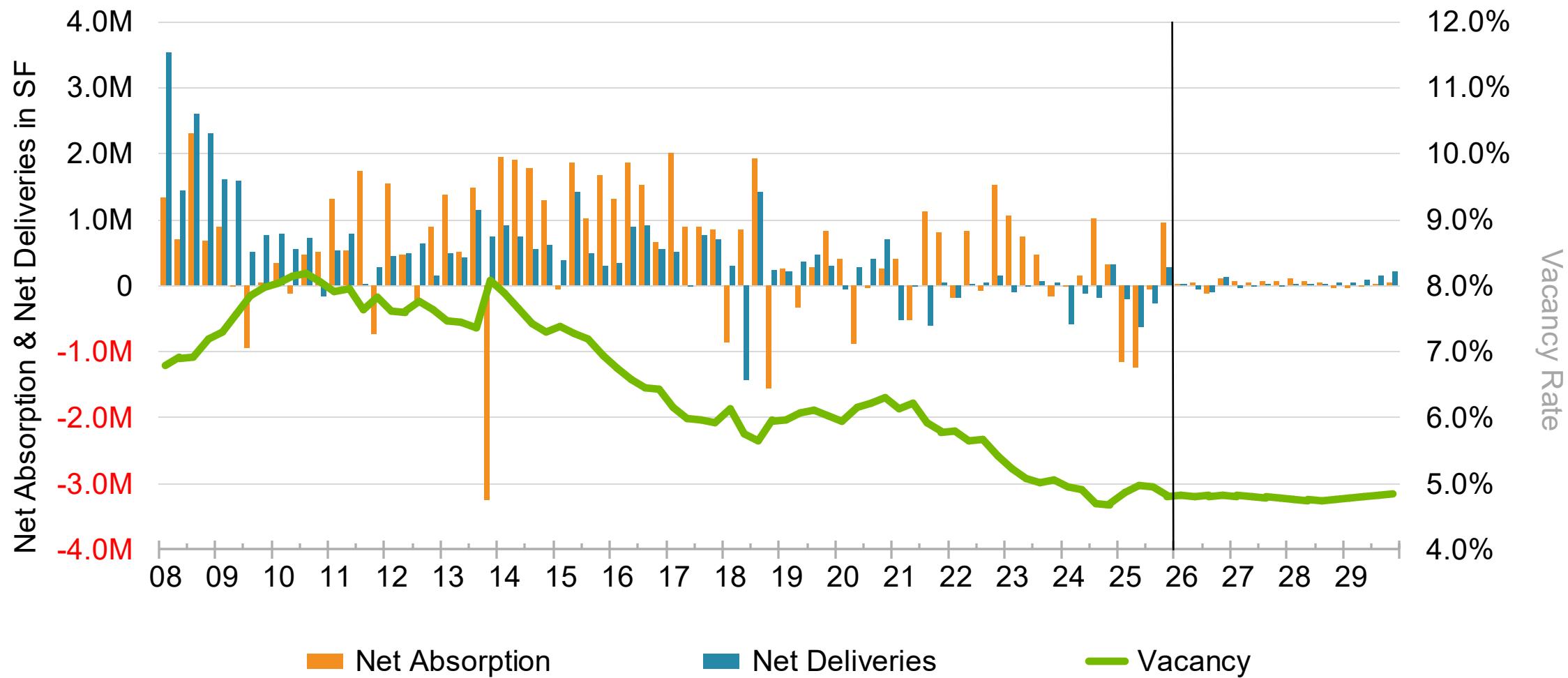
# Retail



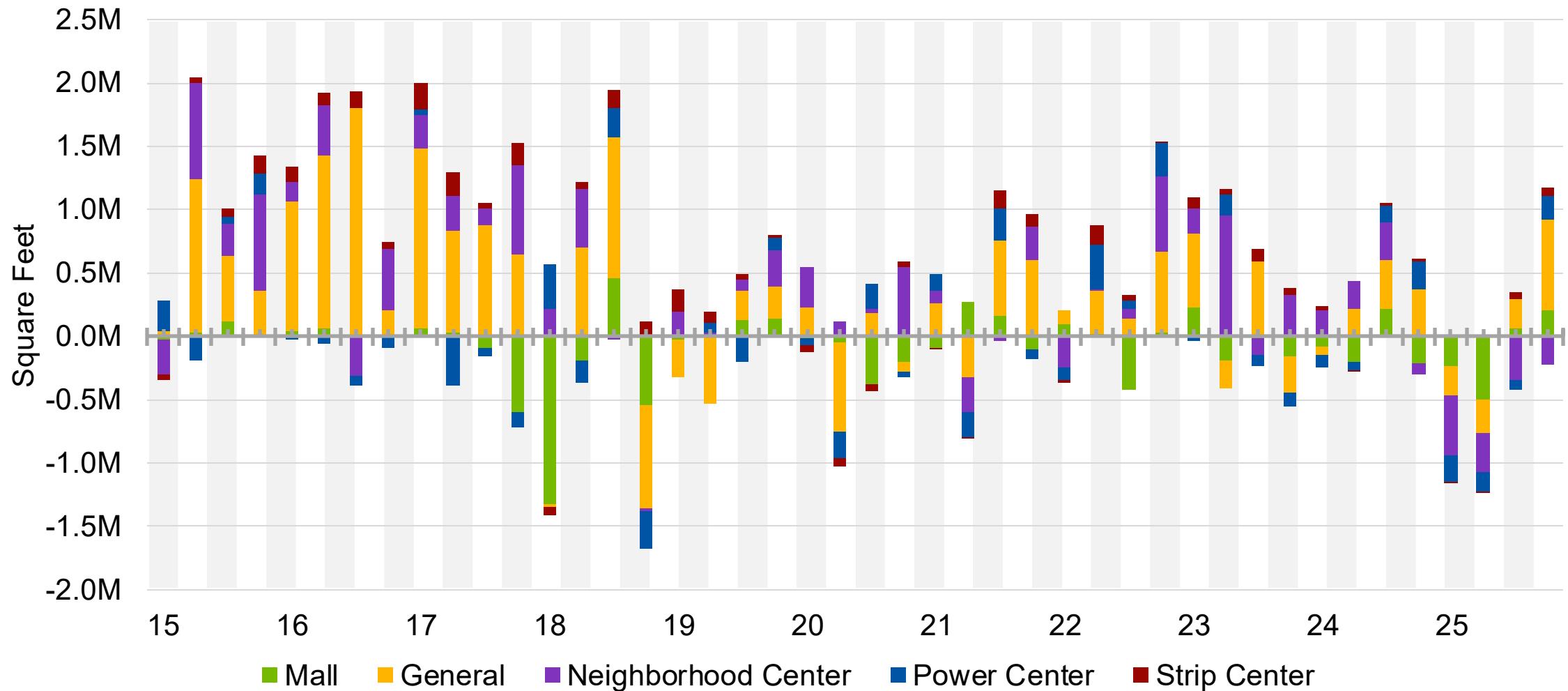
## Announced store openings exceed closures for first time since 2023



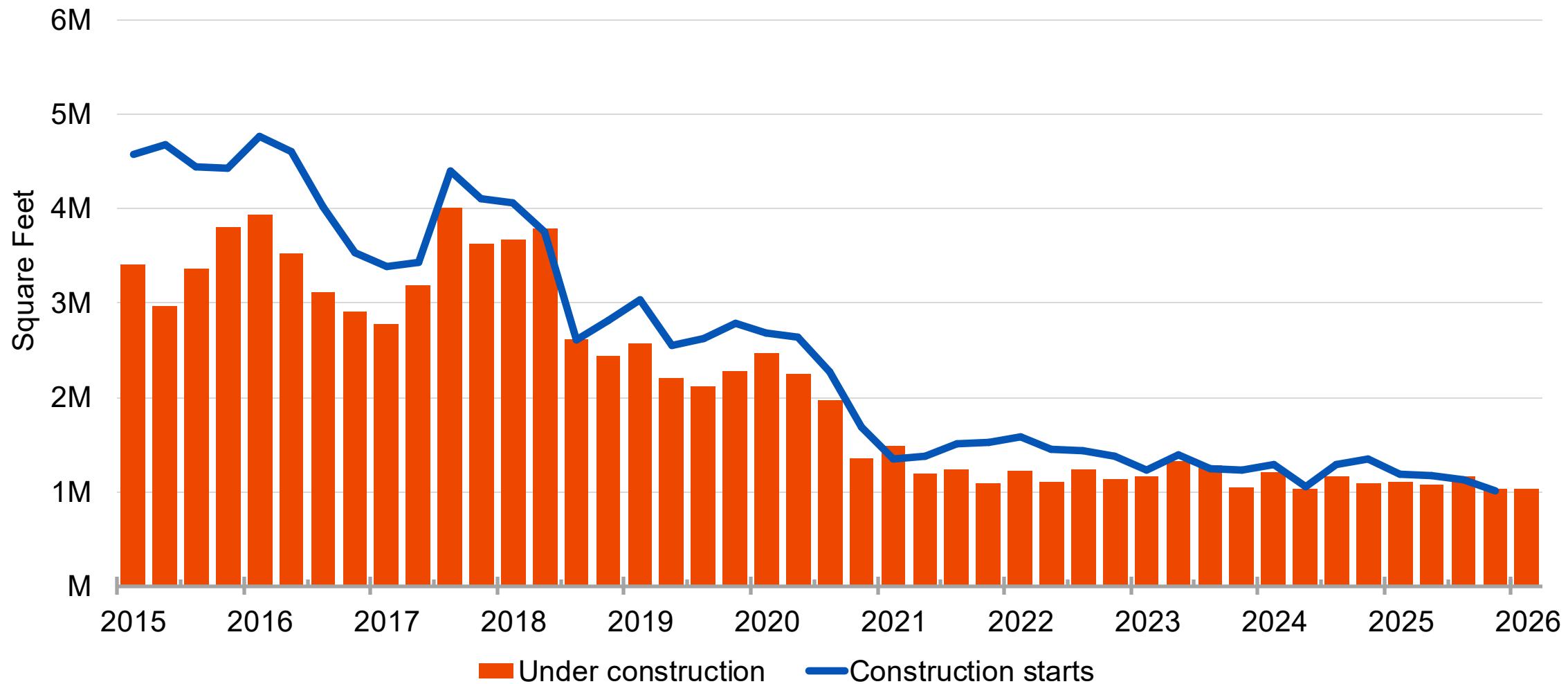
## Retail vacancy holds near 5% as absorption and deliveries flatten



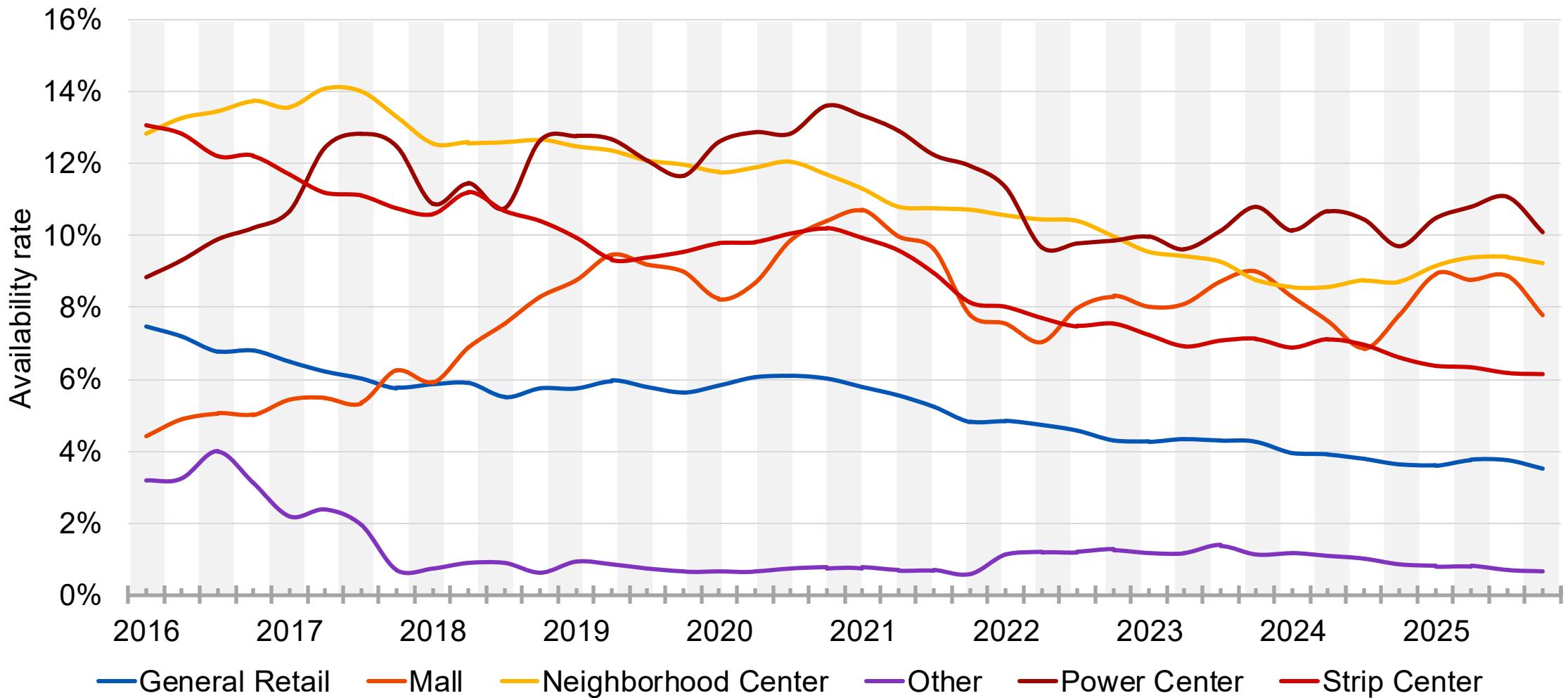
## Retail absorption concentrated in strip and power centers



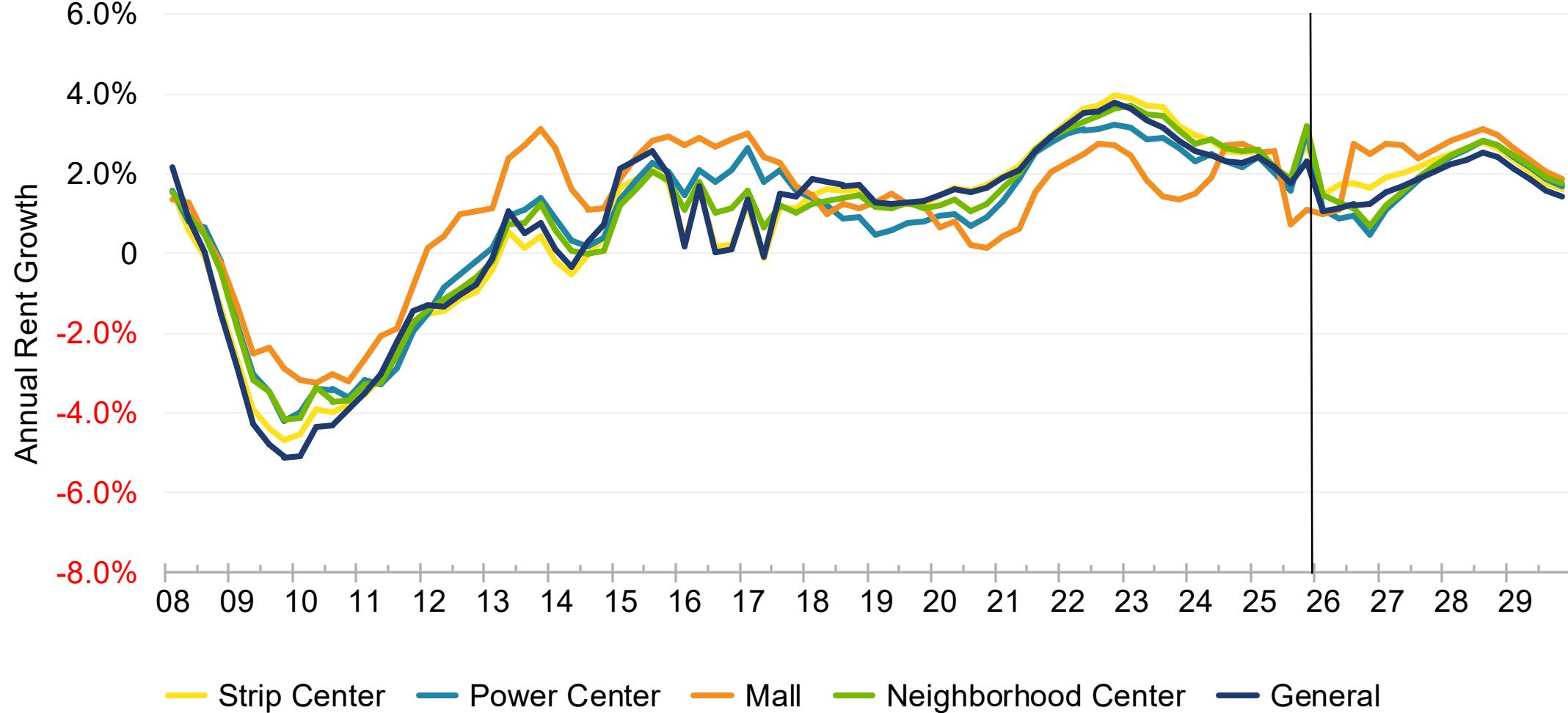
## Retail development pullback continued through 2025



## Availability rate by subtype



## Market asking rent growth by subtype (Y/Y)



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**Outlook**

## What's ahead for Chicago?

- Limited new supply is helping Chicago retail recalibrate following late-2024 closures
- Outperformance is expected to persist in small-format retail (<10k SF)
- Demand drivers on the horizon:  
Google/Thompson Center, LaSalle Corridor  
Adaptive Re-Use

# Thank You!



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