

Chicago 2026 CRE Market Outlook



Agenda

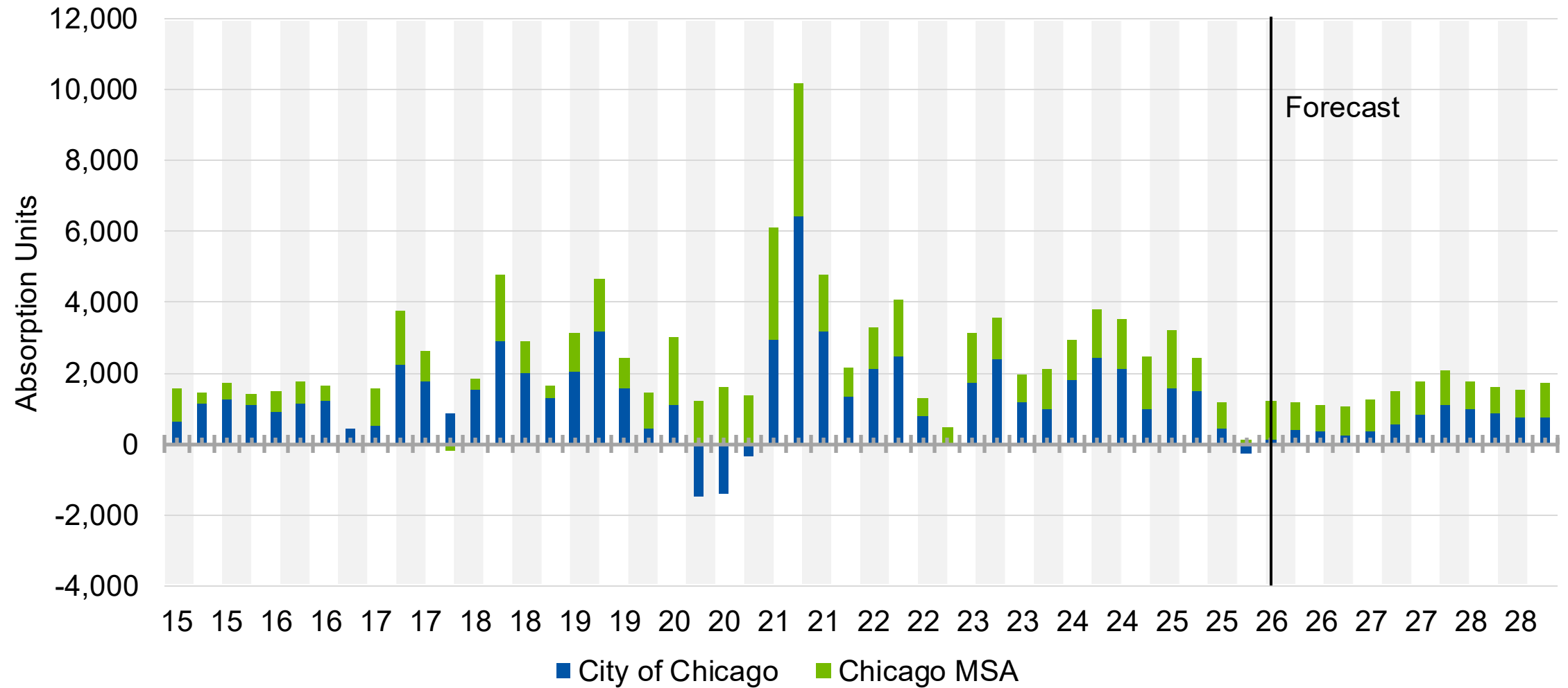
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Multifamily

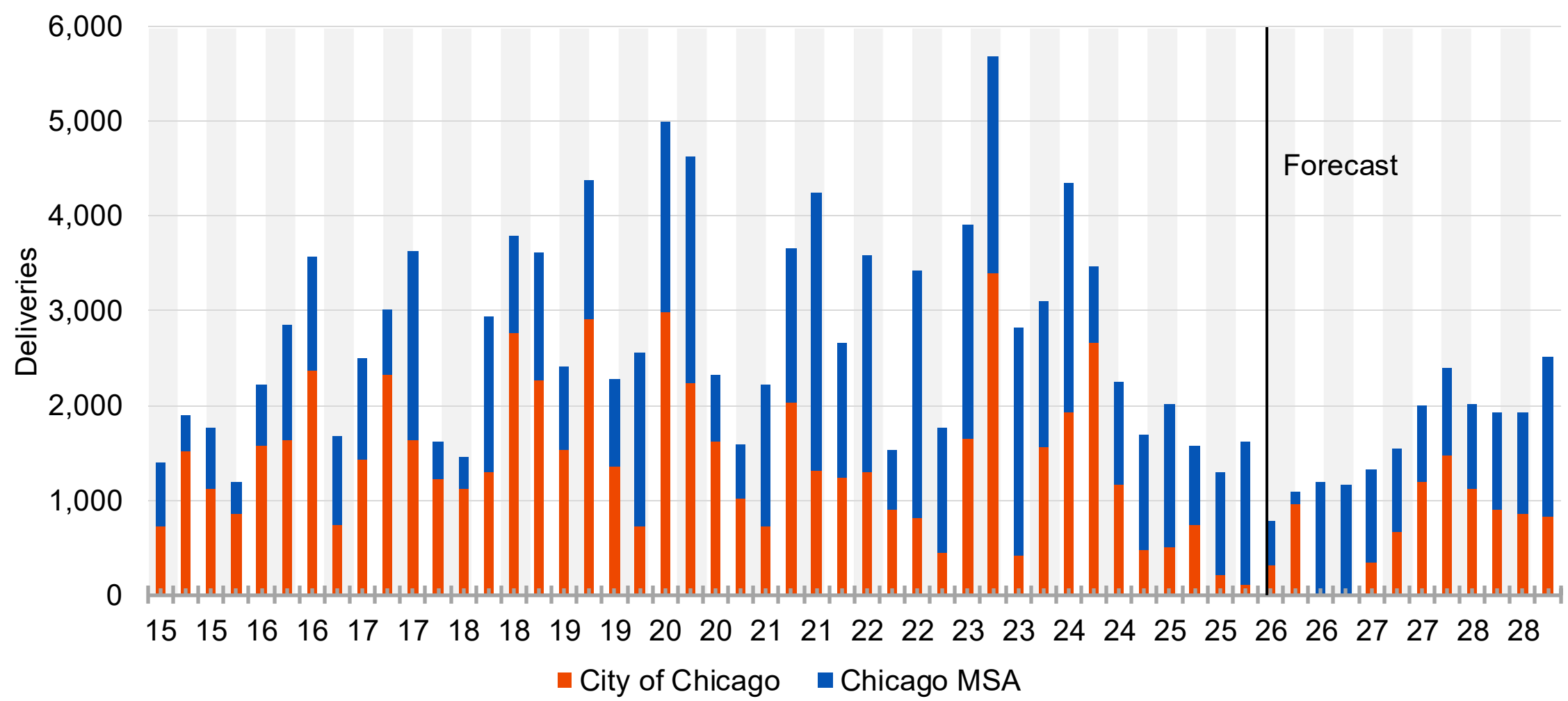


Absorption trends across the City of Chicago and Chicago MSA





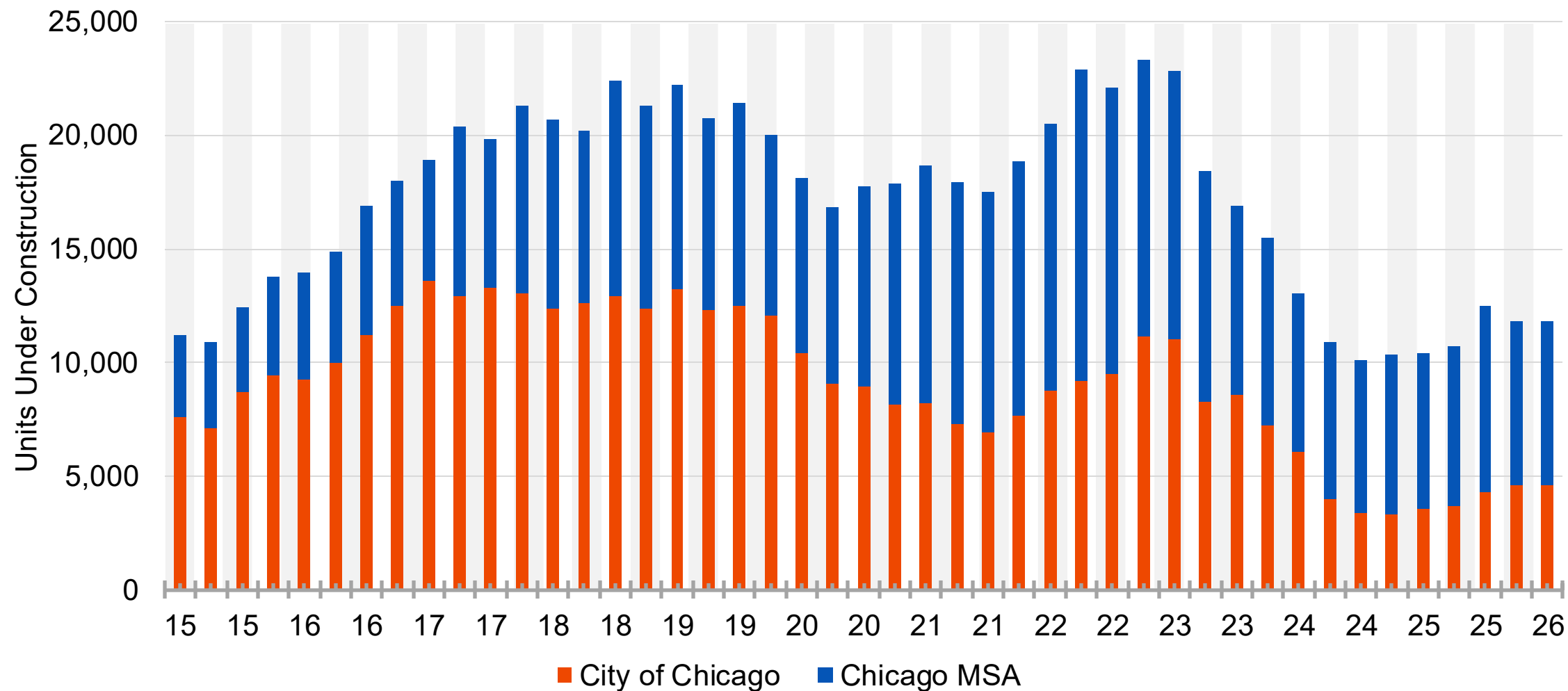
Deliveries moderated in 2025 after surging in 2023-2024



Source: CoStar, January 2026



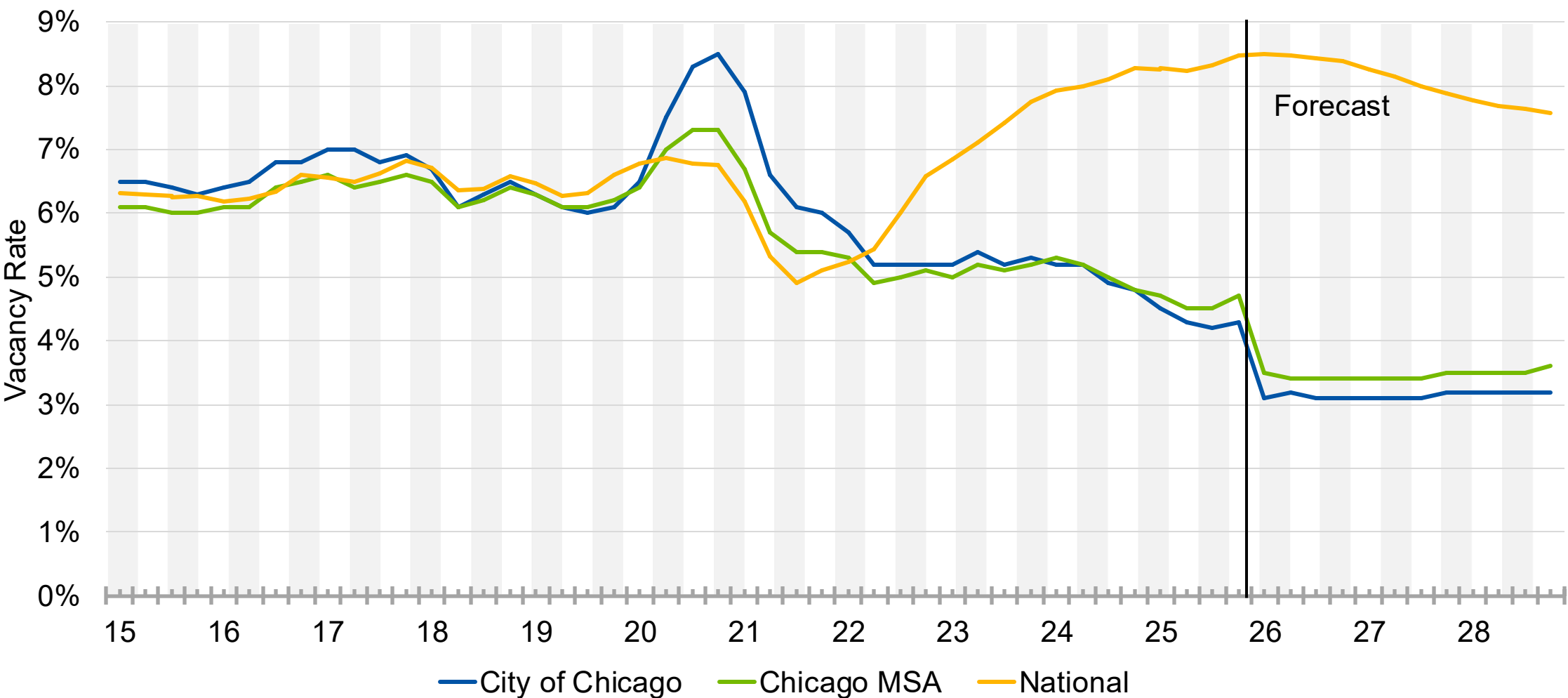
Development activity picked up in the second half of 2025



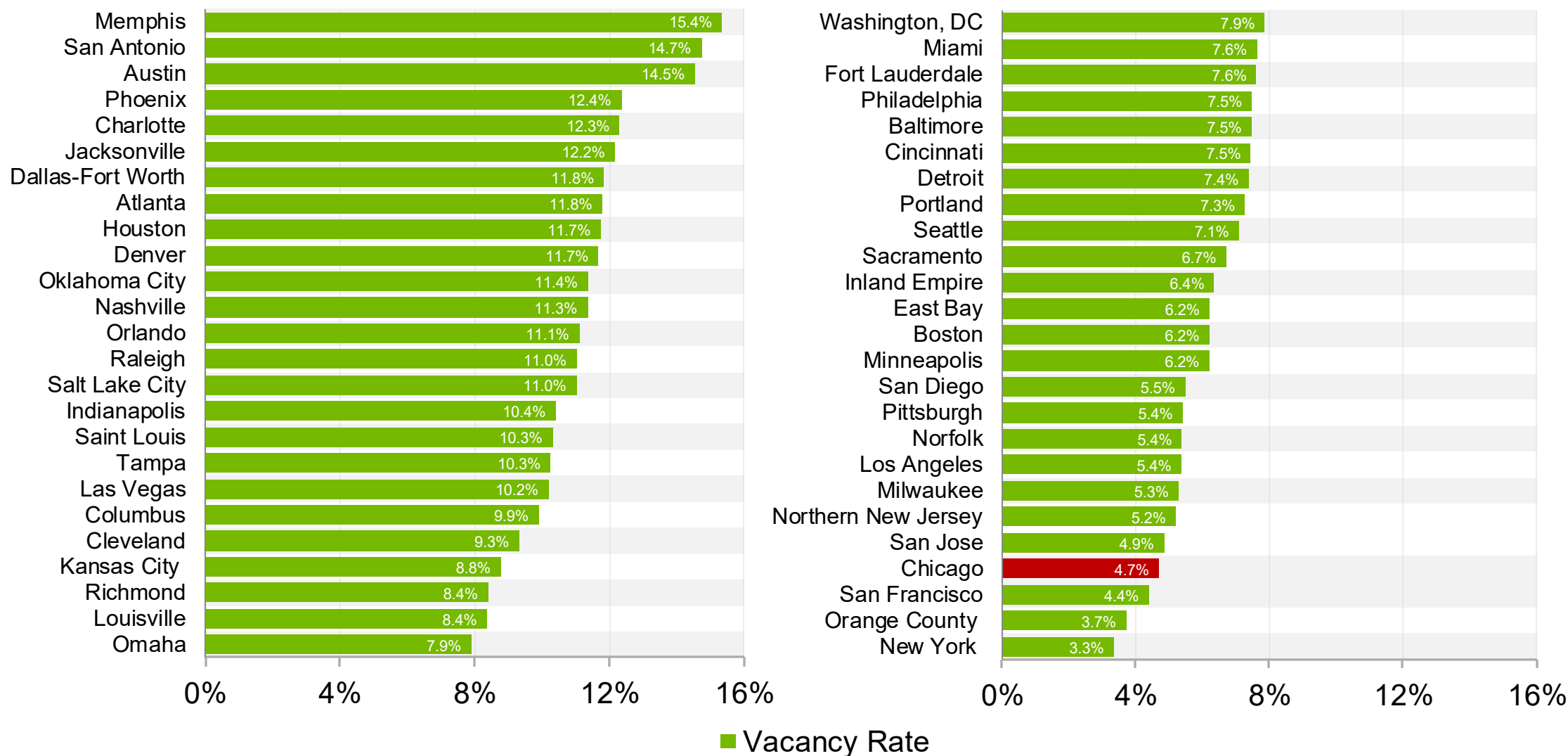
Source: CoStar, January 2026



City and metro vacancy tighten notably while national remains elevated

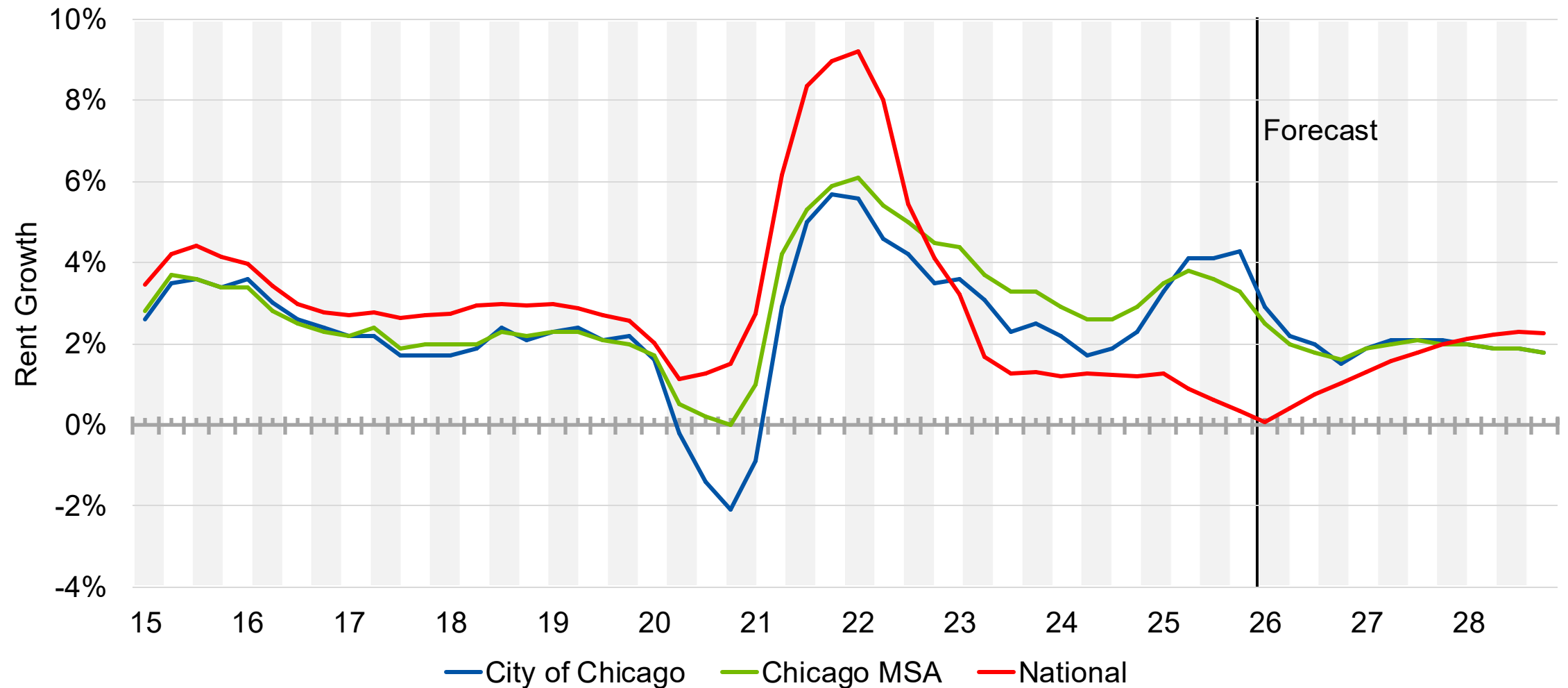


Vacancy is high in the South/Southwest, low in the Northeast, Midwest, and CA

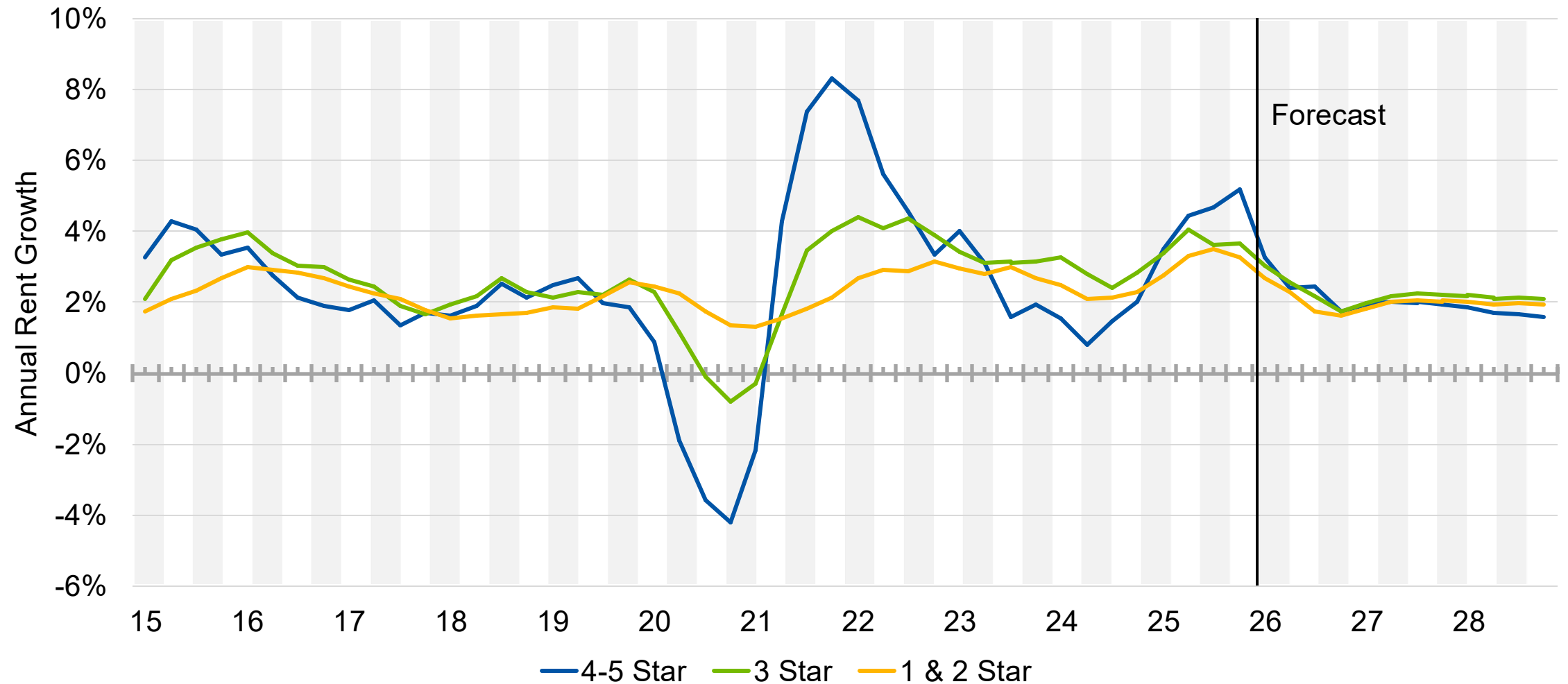


Note: Top 50 Markets. Data as of 2025 Q4

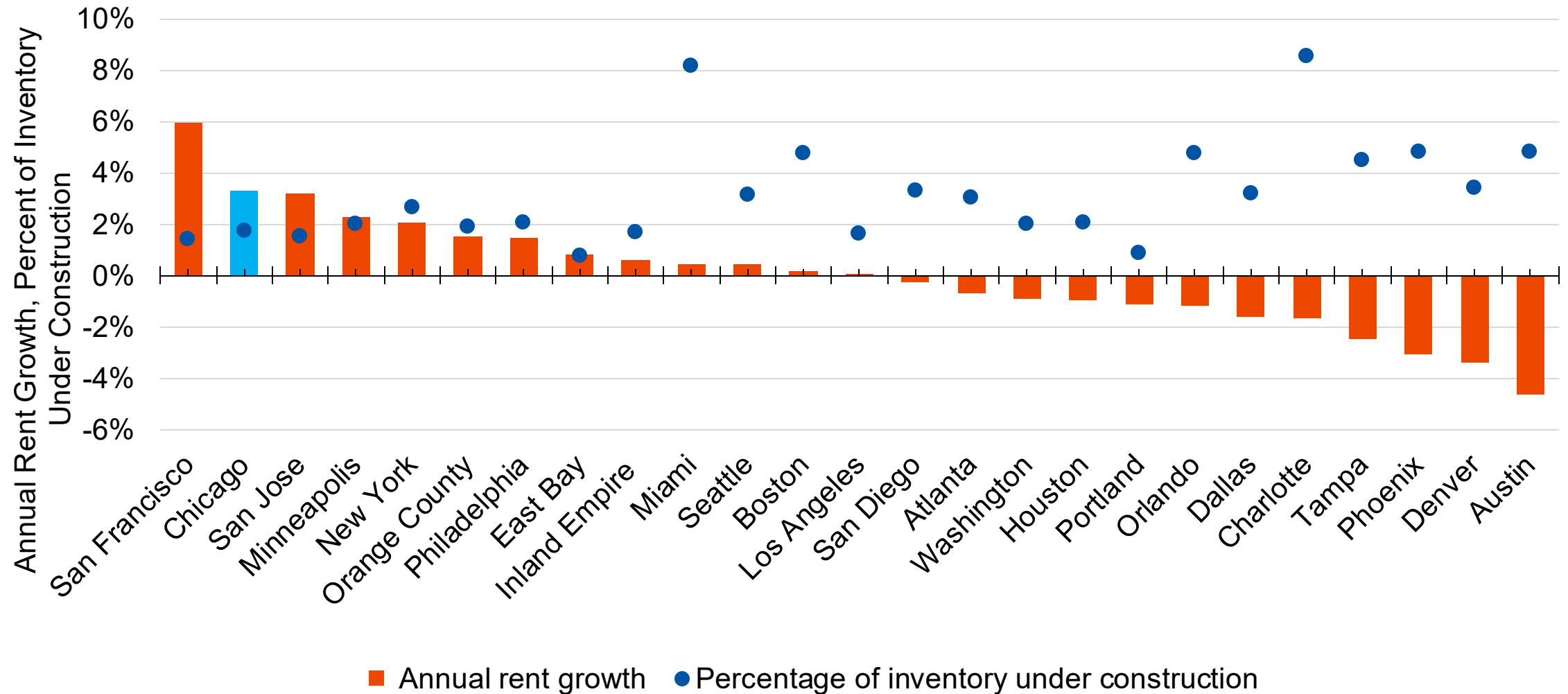
Rent growth in Chicago is outpacing the national rate by a wide margin



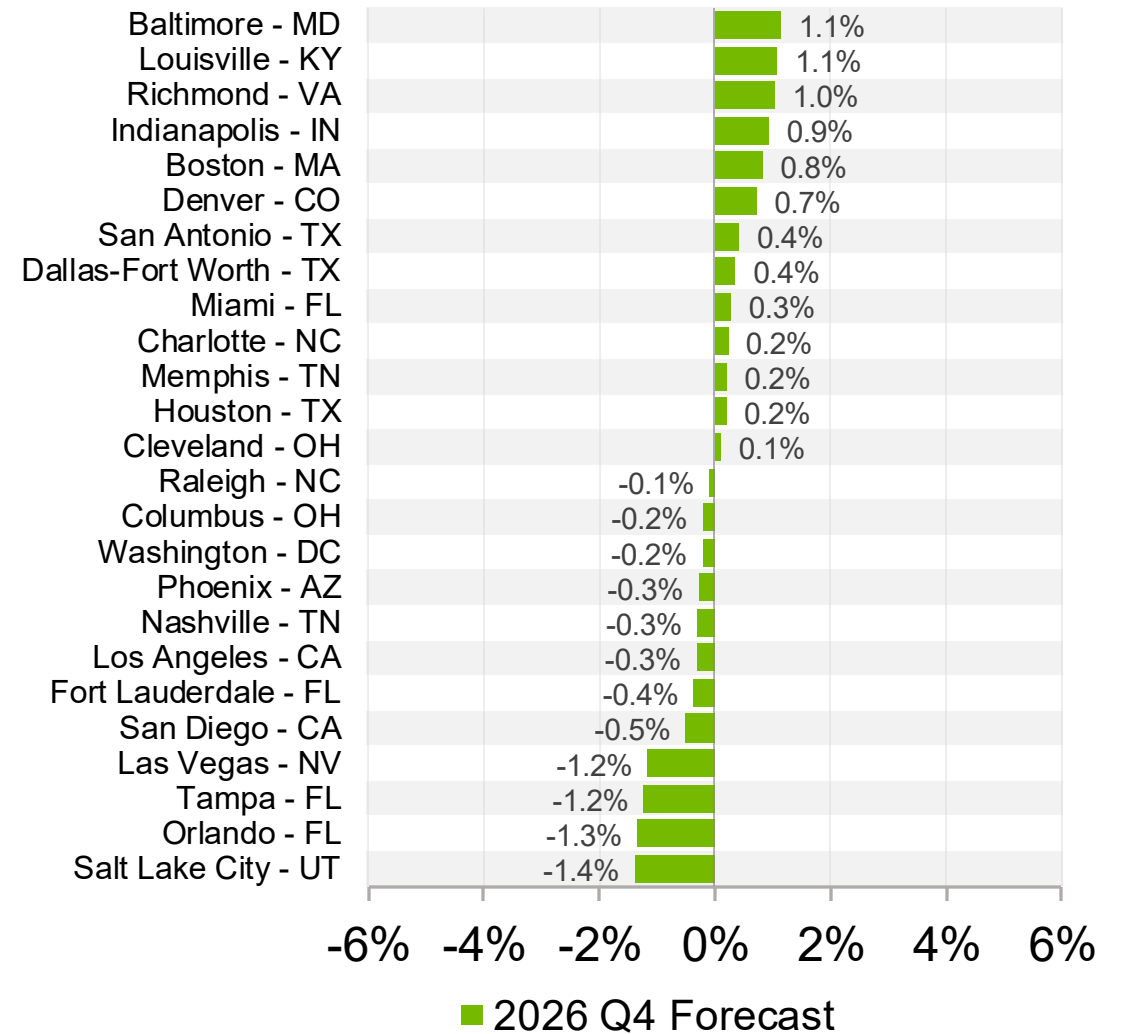
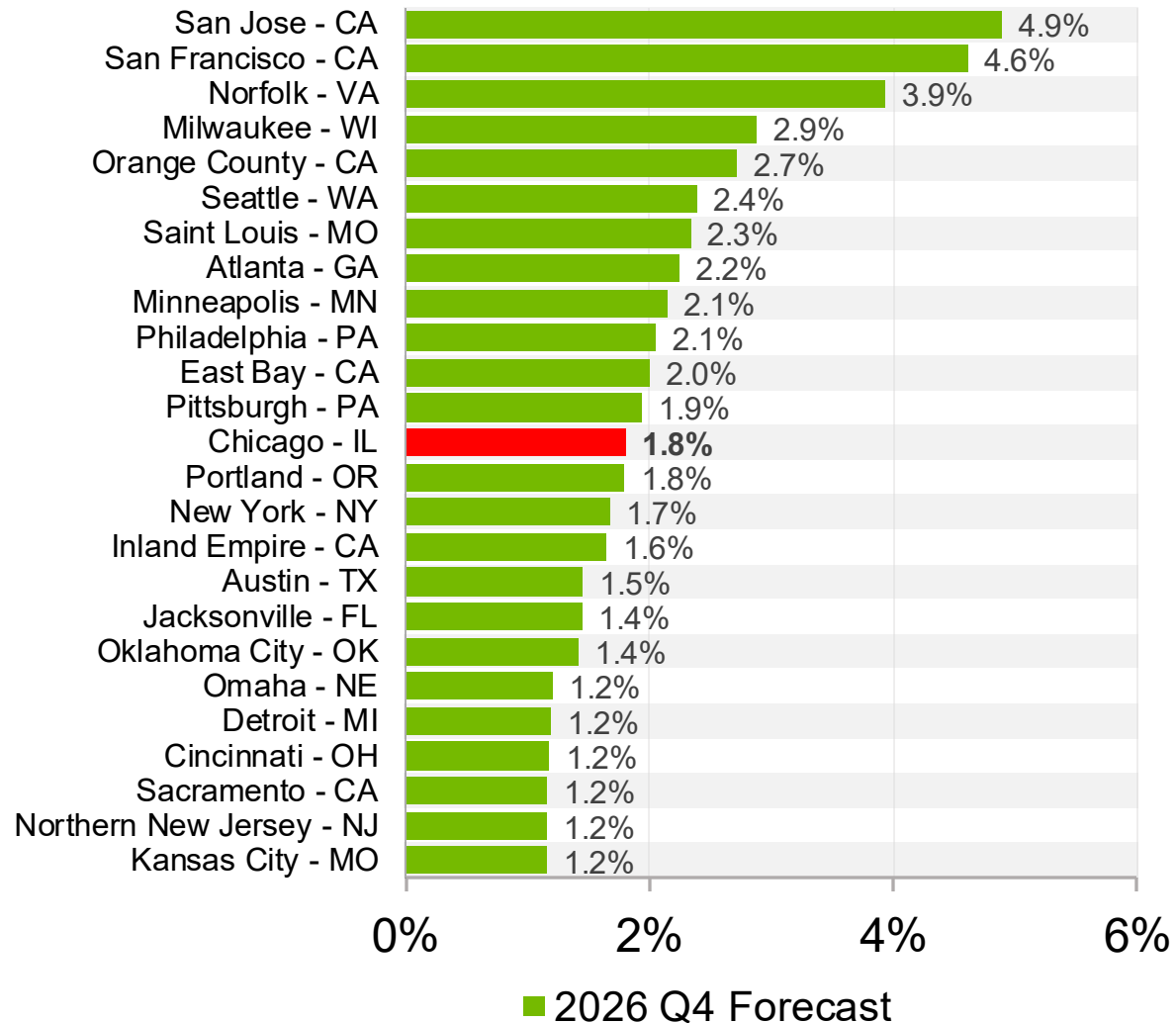
Rent growth is strongest for premium product



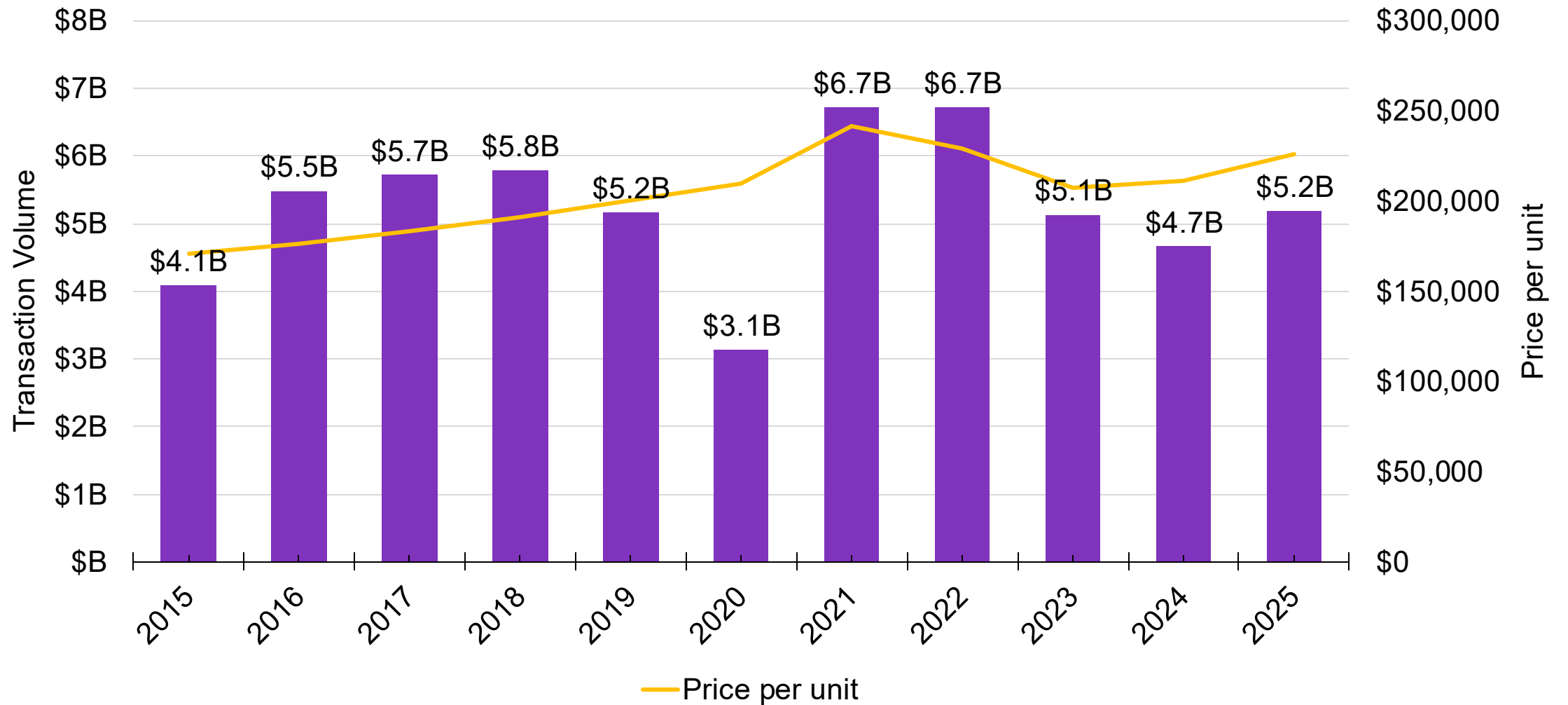
Putting Chicago's pipeline in perspective



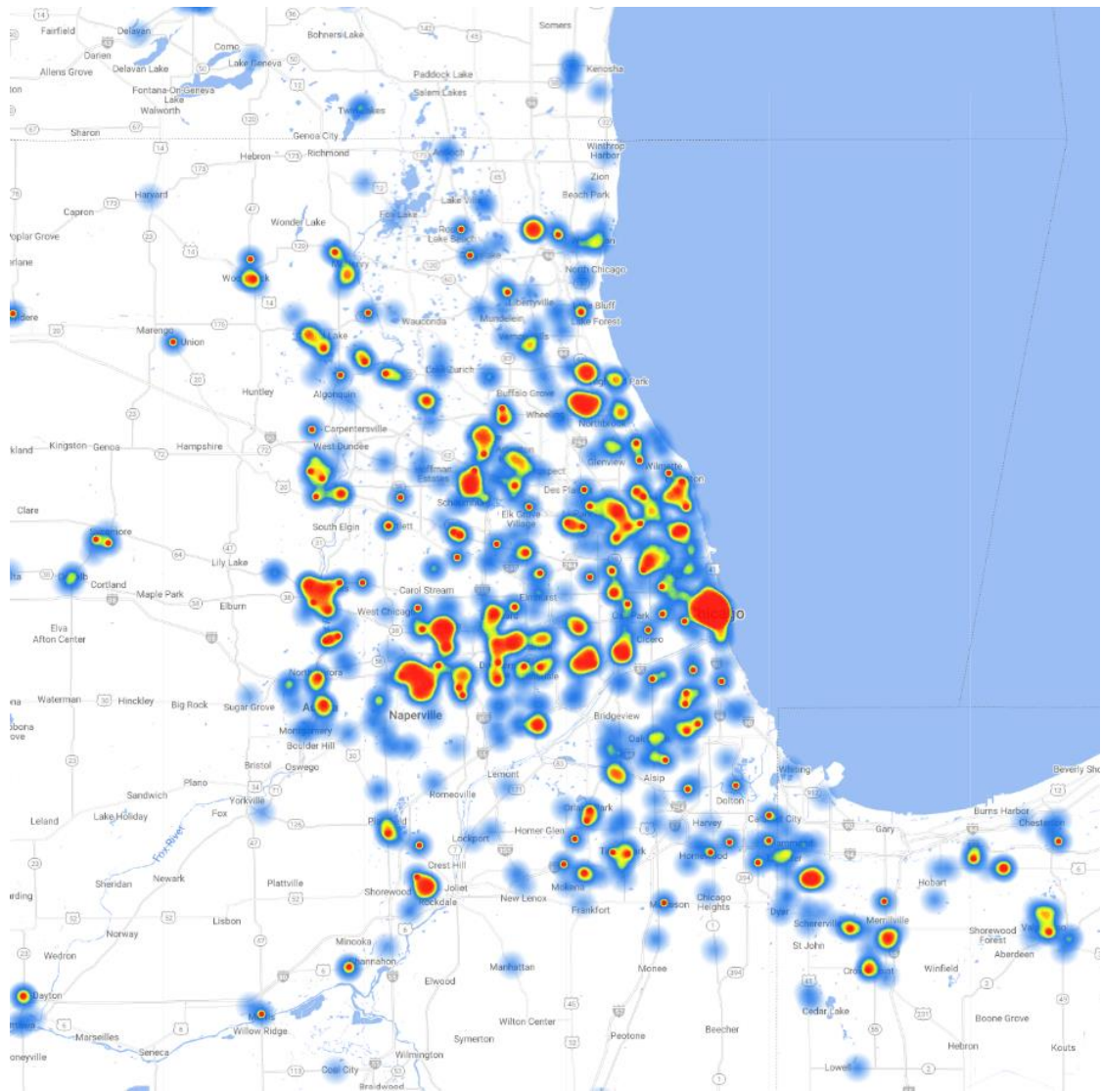
Rent growth: Q4 2026 Forecast



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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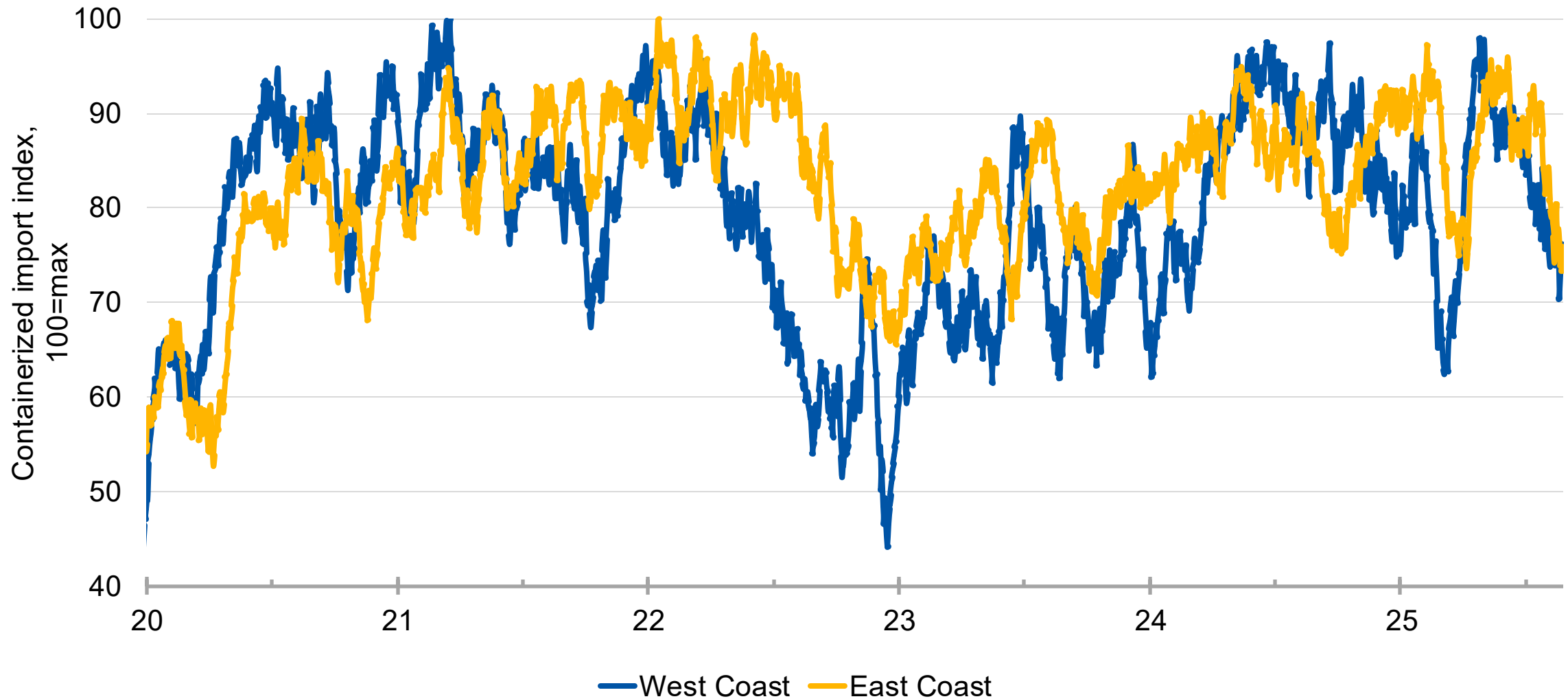
What's ahead for Chicago?

- 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

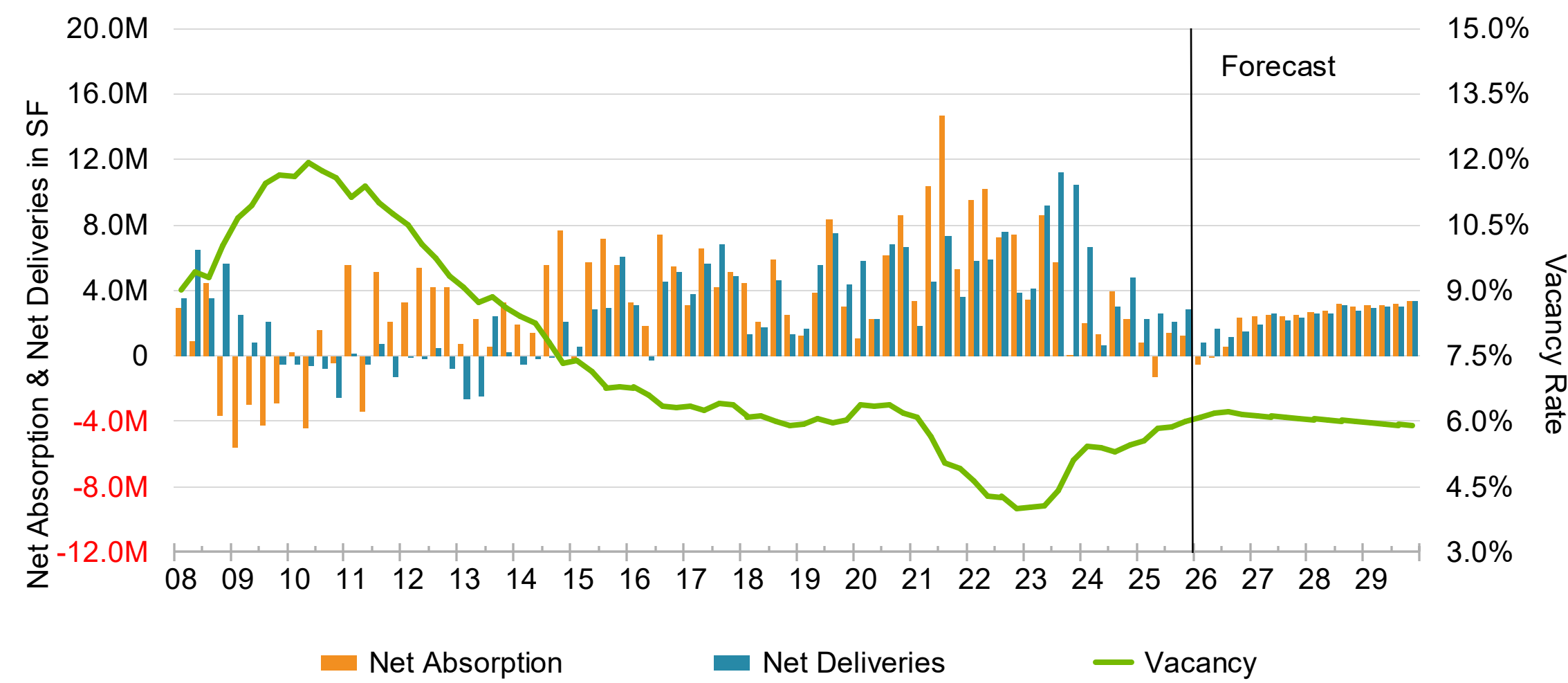


Import activity has dropped by 20% from recent highs

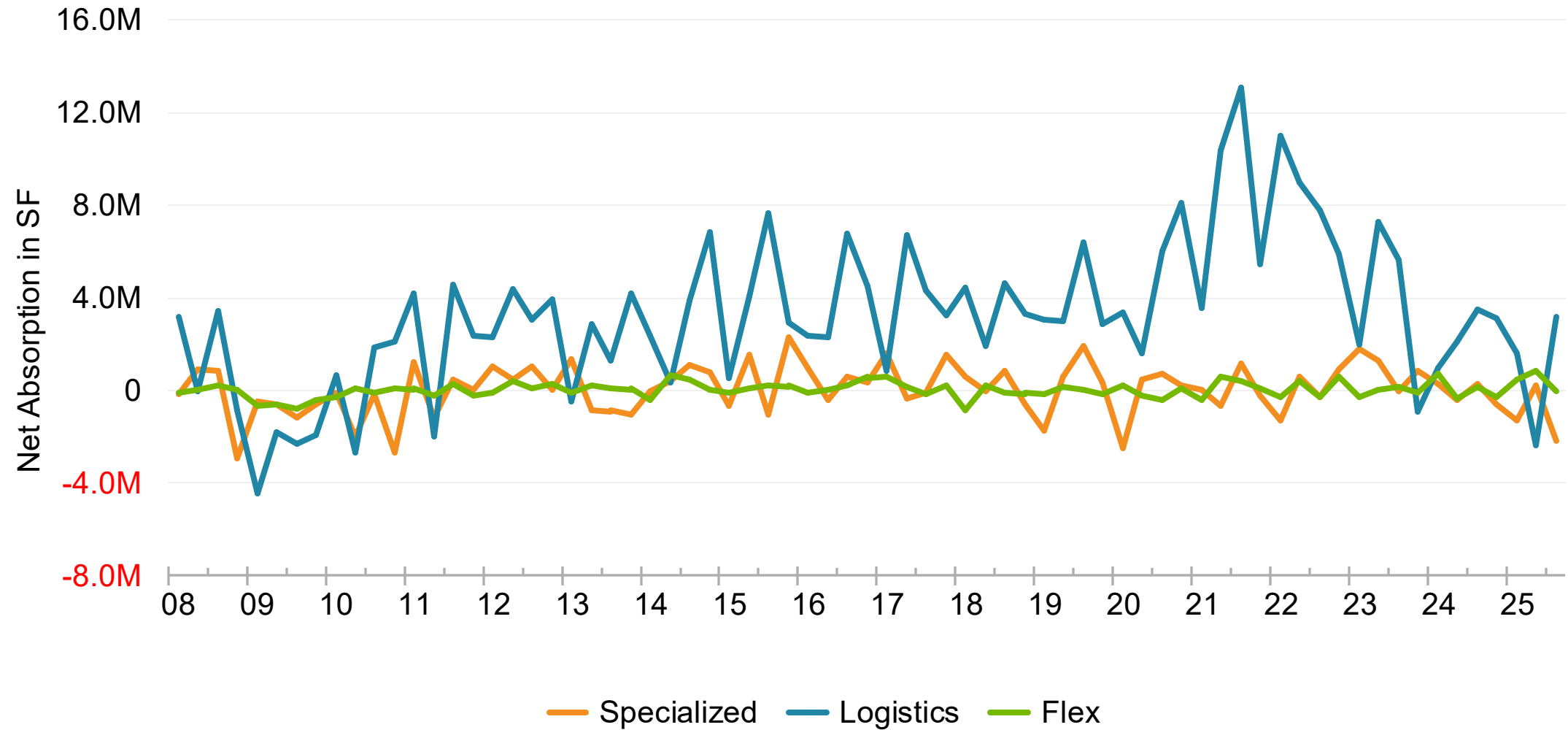




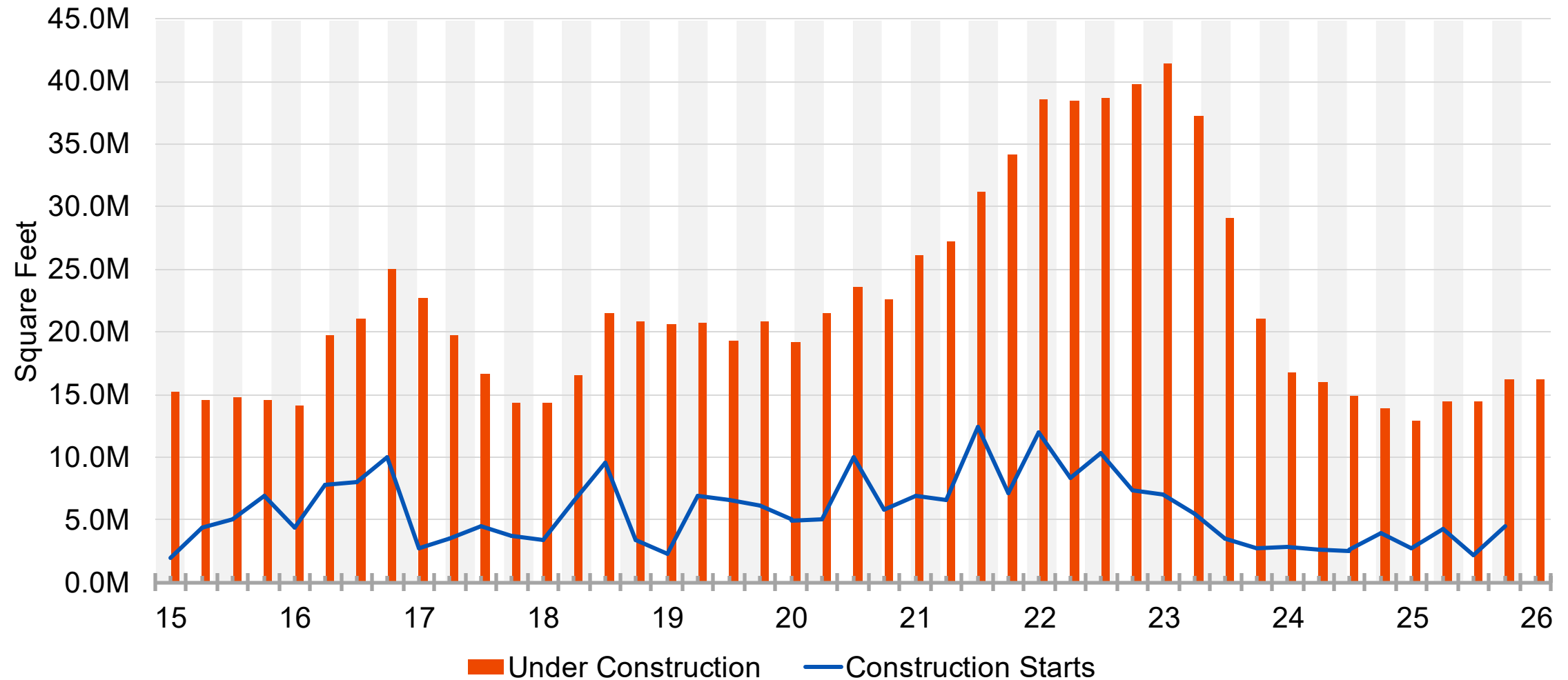
Demand cools while supply holds, lifting vacancy



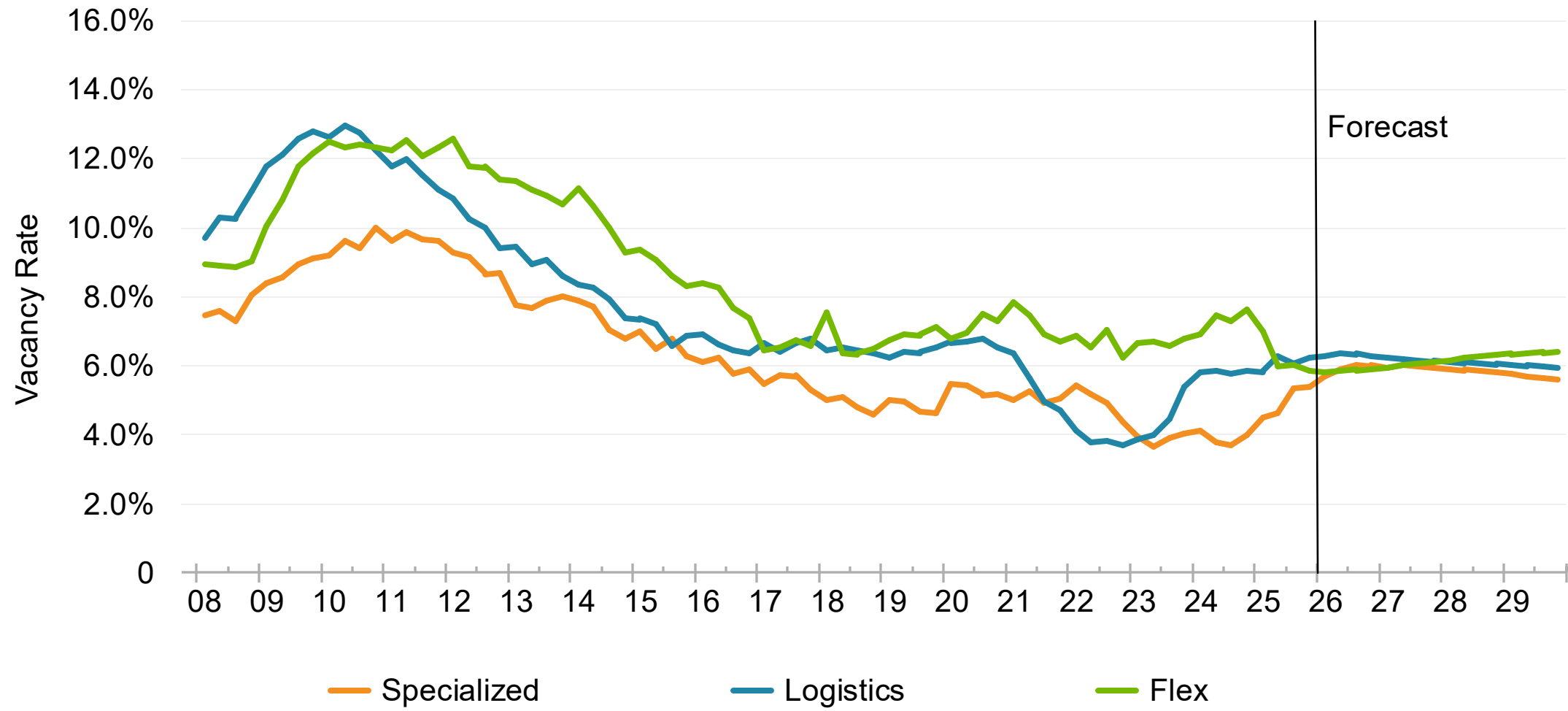
Net absorption by subtype



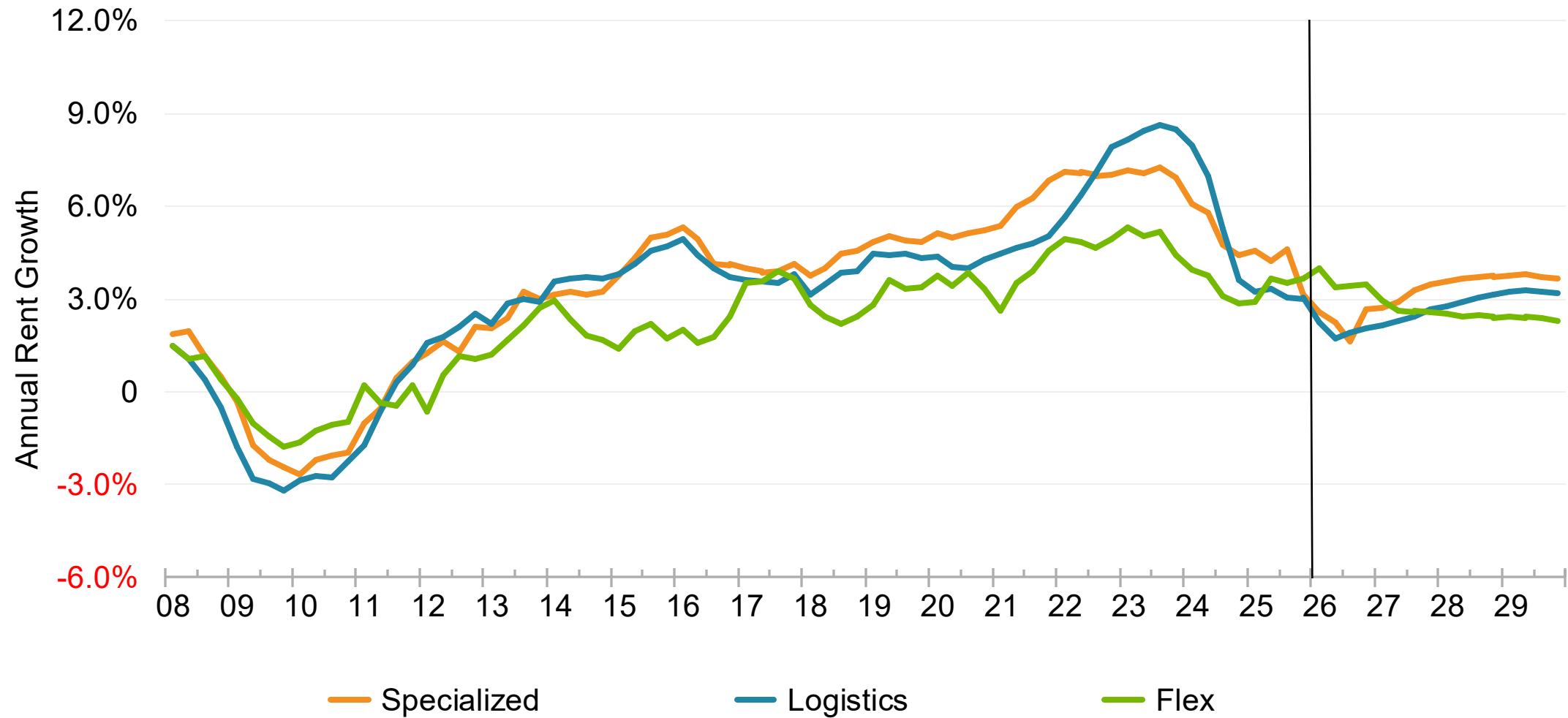
Post peak correction: construction activity moderated in recent periods



Vacancy rates by subtype



Asking rent growth by subtype (Y/Y)



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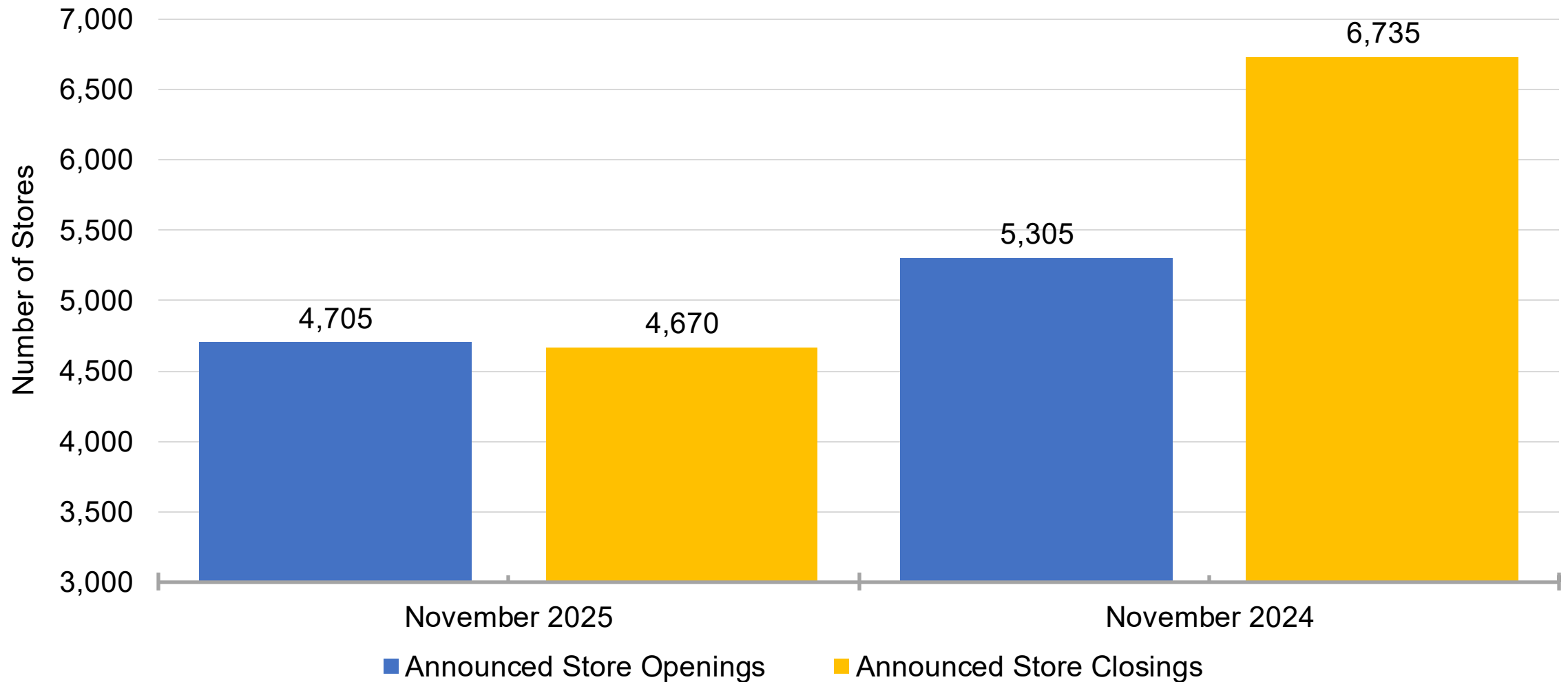
What's ahead for Chicago?

- 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

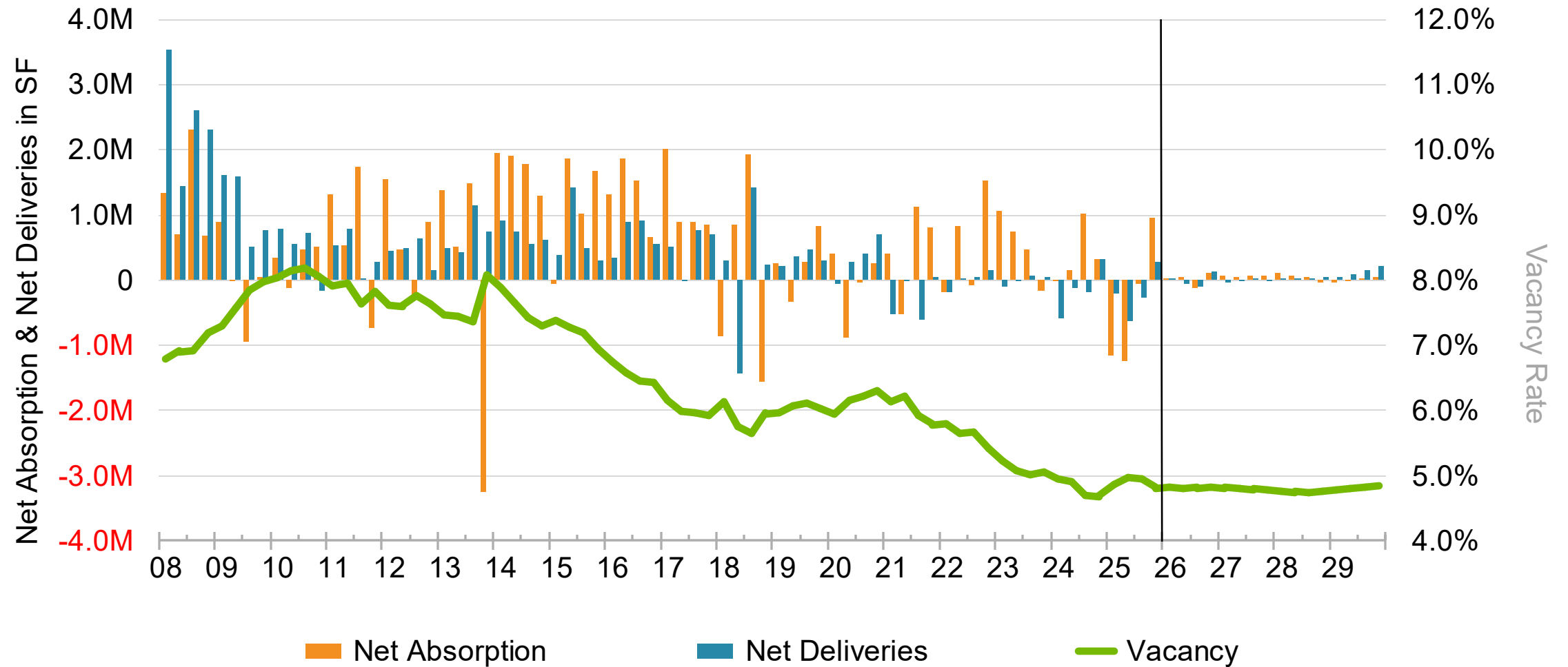
Retail



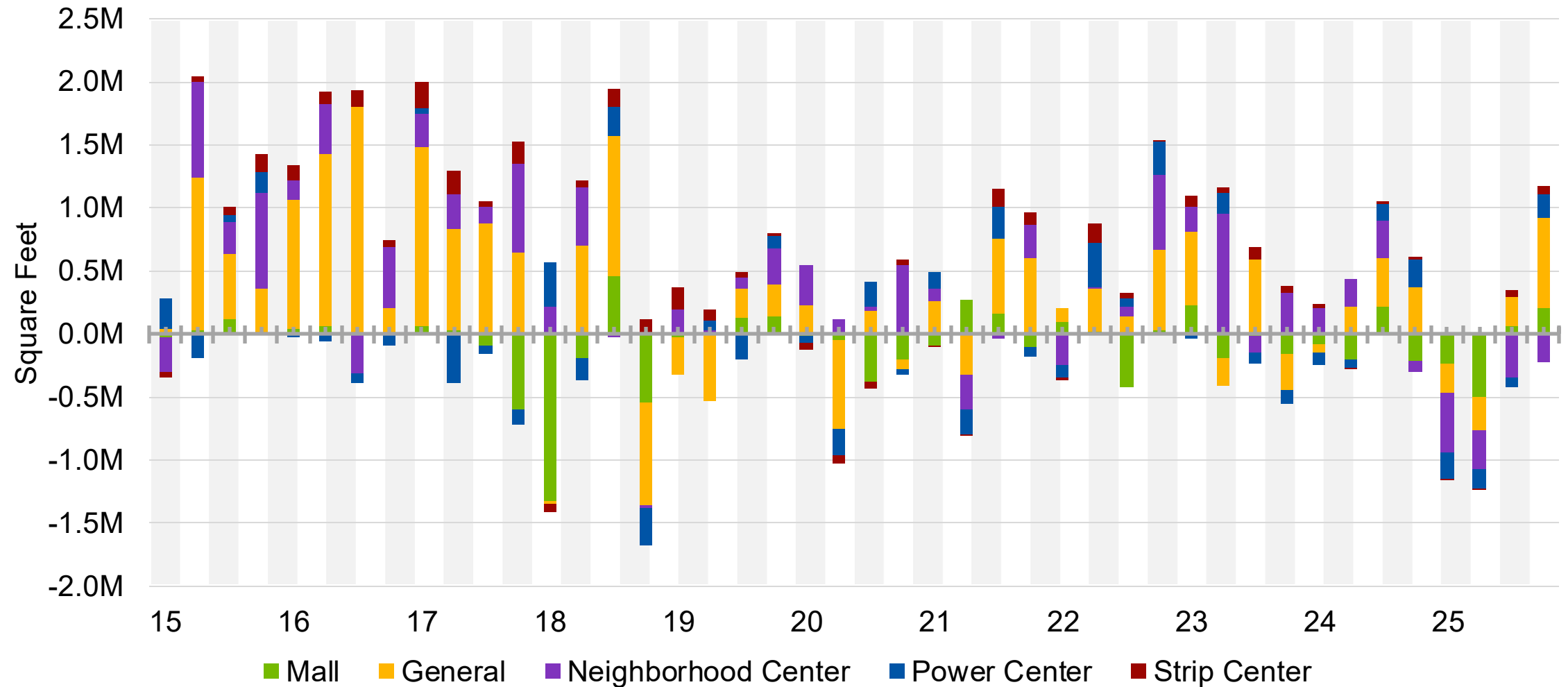
Announced store openings exceed closures for first time since 2023



Retail vacancy holds near 5% as absorption and deliveries flatten

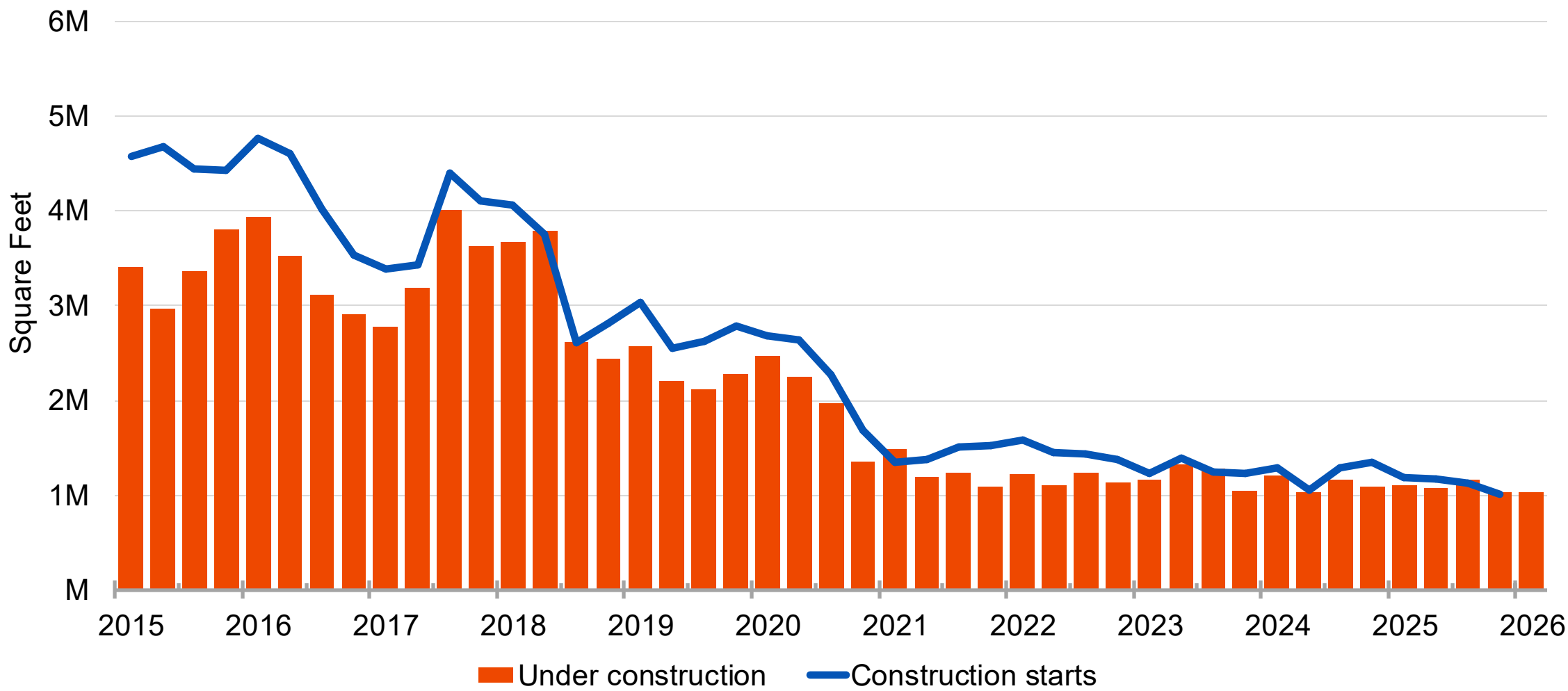


Retail absorption concentrated in strip and power centers

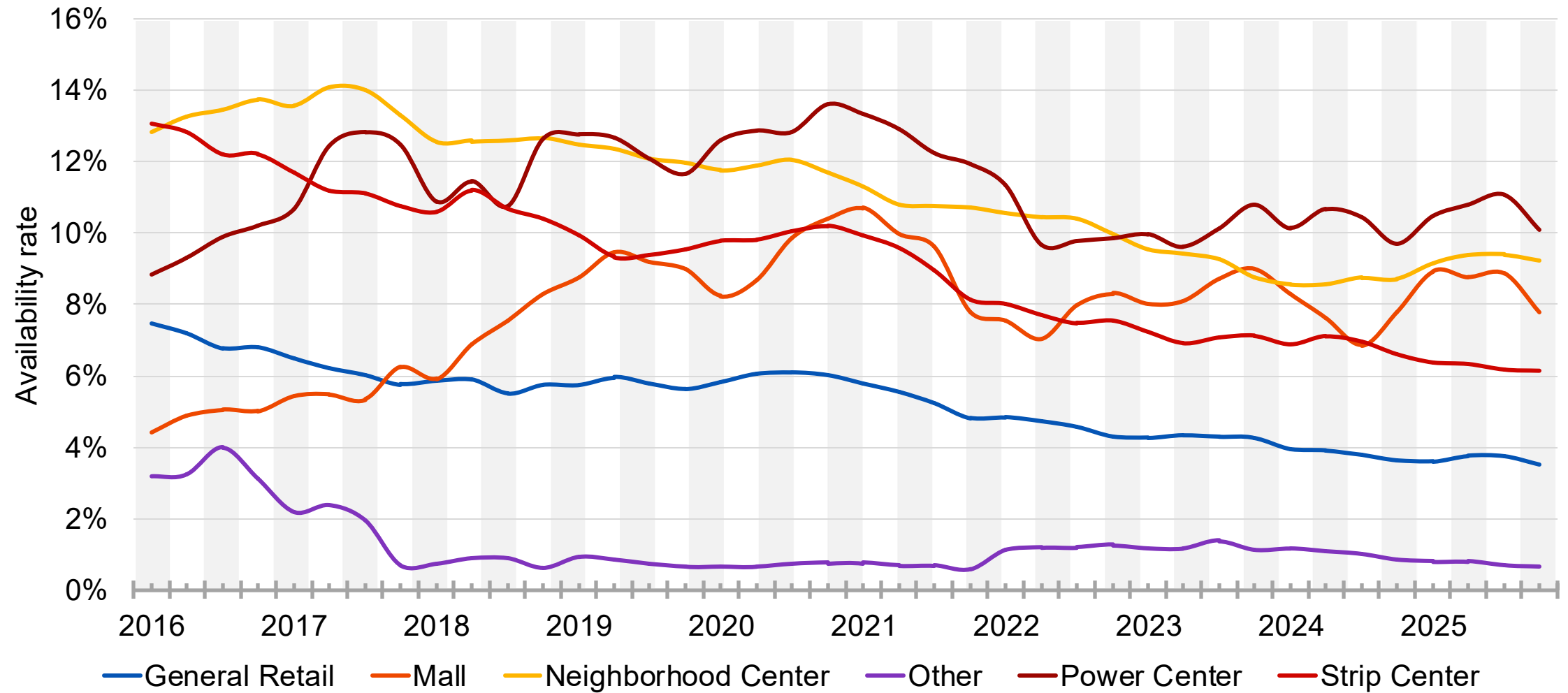




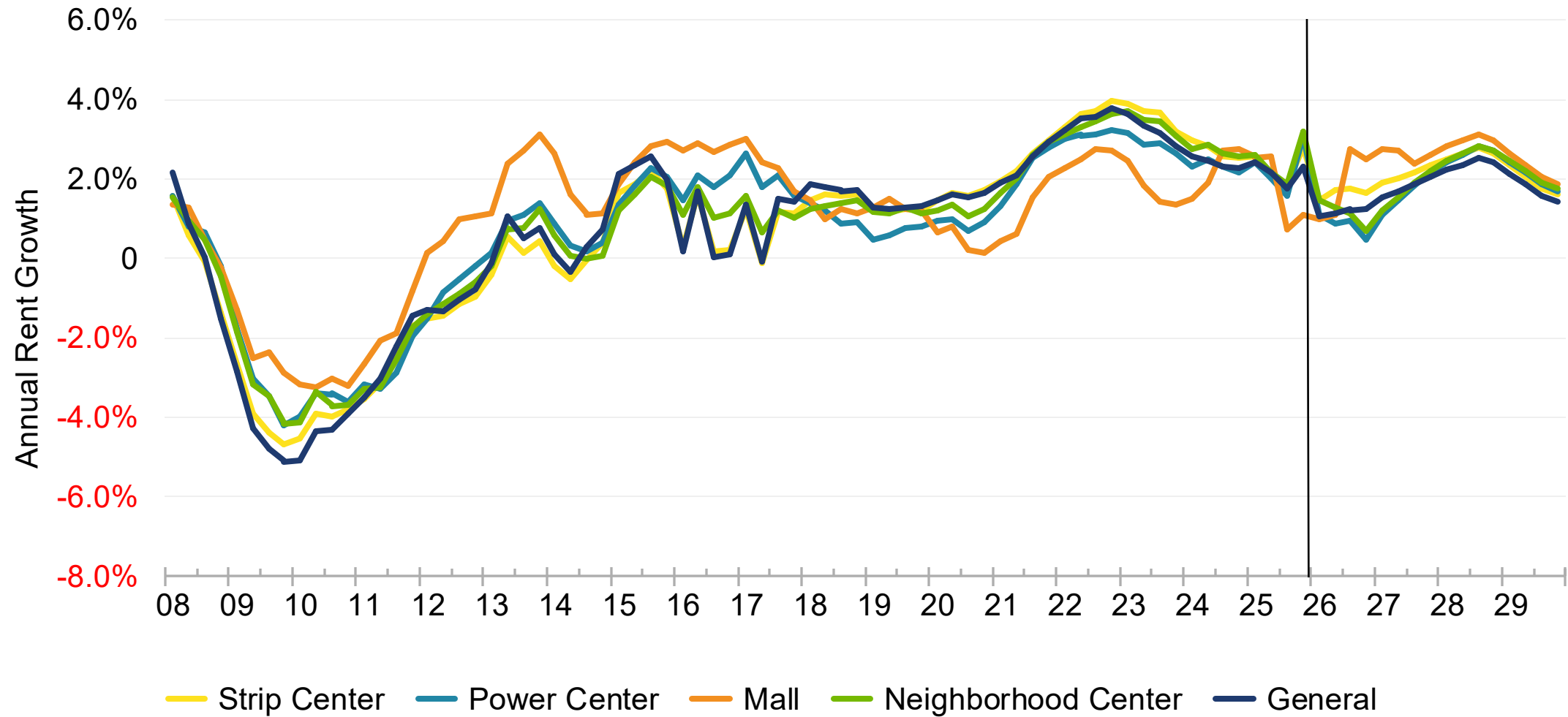
Retail development pullback continued through 2025



Availability rate by subtype



Market asking rent growth by subtype (Y/Y)



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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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