

CHICAGO MARKETPLACE TRENDS

Reaching New Heights, but Degree of Uncertainty Exists

Now in its 115th year, the Building Owners and Managers Association of Chicago (BOMA/Chicago) represents the interests of the people and companies that own, operate, manage and service Chicago's commercial buildings. The organization recently completed its latest Economic Impact Study assessing the impact of Chicago's commercial office building industry on the local economy and related trends.

Go to bit.ly/BOMACHicagoEIS to download the study.



10.3% Vacancy

Average downtown office vacancy rate decreased from 15.7% in 2012



\$38.20/sf Gross Rents

Overall average gross rents increased 23.5% from 2012



12 Fortune 500 HQ

Number of Fortune 500 company HQs in city of Chicago doubled since 2012



412,639 Employees

Employees of tenants in BOMA/Chicago buildings increased 16.7% from last study



34.4% Property Tax Increase

Property taxes — the highest recoverable expense for office buildings — have increased to an average of \$7.50 per sf since 2012



18.7% OpEx Increase

Average operating expenses — driven by labor costs, regulatory requirements and fees - increased to \$10.01 sf



2.5X Residential

Commercial properties are assessed at a rate that is 250% of the rate of residential property and pay more than 36% of all property taxes collected in Cook County



Financial Pressures

Financial pressures facing Illinois, Cook County and Chicago continue to create an uncertain economic climate for Chicago property owners

CHICAGO OFFICE TRENDS

Recognizing New Trends Driving Demand

What's driving increased occupancy rates in Chicago's Central Business District (CBD)? In short, how and where we work is changing. Our 2017 Economic Impact Study took a deeper dive into the key industry drivers impacting demand for commercial office space in the CBD.

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1 Suburban migration continues driving occupancy gains



75 Relocations

From 2012 to 2016, 75 suburban companies have relocated 4.29M sf downtown, 59 moved to BOMA/Chicago buildings



3.5M sf Relocated

BOMA/Chicago buildings captured 78.7% of the increased demand

2 Chicago has evolved into a robust tech market



9M sf Tech Space

Tech sector has absorbed more than 9 million sf over the last past five years



163,340 Industry Jobs

In 2016, high-tech companies comprised 3.8 percent of the Information sector employment in the Chicago metropolitan area

3 The rise of shared space operators



57 Companies

57 shared space companies operate in BOMA/Chicago buildings



1.6M sf Shared Space

Shared space companies comprise 1.6 million sf in BOMA/Chicago buildings



Footprint Doubled

Since 2011, shared space operators have more than doubled their footprint annually in Chicago's CBD



CHICAGO OFFICE BUILDING CONTRIBUTIONS

Injecting Billions into the Local Economy

The Building Owners and Managers Association of Chicago (BOMA/Chicago) completed its latest Economic Impact Study identifying the impact of Chicago's commercial office building industry on the local economy and industry trends.

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12,733 Businesses

Businesses in BOMA/Chicago buildings increased 25% since last study



412,639 Employees

Employees of tenants in BOMA/Chicago buildings increased 16.7% since 2012



\$4.6 Billion Injected into CBD

Chicago office buildings spent nearly \$2.2 billion in operating expenditures in 2015, injecting \$4.6 billion into the local economy



33.4%↑ New Personal Earnings

Labor income generated as a result of both the jobs supported directly by this spending and the jobs supported indirectly by the re-spending of these dollars for consumer goods and services reached nearly \$1.4 billion in 2015



#1 in the Country

Chicagoland office buildings led the nation with the greatest total square footage of buildings with Energy Star or LEED certifications, total Green Office Stock is 66%