

## CHICAGO SUBURBAN MARKET UPDATE

# Chicago Suburban Market – Q2 2025

**Overview:** Leasing activity in the Chicago suburban market continued to see a slight uptick in Q2, with tenant demand focused on well located, high-quality and amenity-rich assets. Notwithstanding, overall market vacancy exceeds 30%.

Class A and Trophy assets continue to lead market activity, with O'Hare and Oak Brook submarkets experiencing a tightening of large, premium office space supply. Class A and Trophy office buildings are maintaining asking rental rates and, while landlords are still offering concessions as incentives to secure tenants, have started to spread them out over a period of the full lease term, allowing landlords to preserve face rates. On the opposite spectrum, older and dated buildings are being redeveloped or repurposed, with a strong focus on common areas and amenity updates.

Sublease availability remains low and continued its downward trajectory, dropping to 1.9% overall. The North market currently offers the largest volume of sublease options among the suburban submarkets, at 3.1%.

Spec suites and well-maintained second-generation office spaces in amenity-rich buildings will continue to excel in the suburban market, with Class A and Trophy buildings experiencing the highest level of activity.

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## Leasing Activity

- Overall vacancy rate is currently 30.6%.
- Leasing activity improved in Q2 and space in high-quality, well-capitalized assets is becoming limited.
- Landlords are forced to invest in space upgrades to meet tenant demands.
- The suburban market reported eleven lease transactions that exceeded 15,000 SF in Q2 of 2025.

## Rental Rates

- Overall average Gross Rental Rates are currently \$22.93/SF.
- Class A average Gross Rental Rate is currently \$33.10/SF.
- Class B average Gross Rental Rate is currently \$19.50/SF.
- Class C average Gross Rental Rate is currently \$16.20/SF.
- The rental rates in the suburban market remained steady in Q2, with no significant changes from the previous quarter.

## Investment Sales

- Six properties were introduced to the market in Q2, totaling 1.7M SF.
- GTZ Partners acquired Oak Brook Office Center, a 327,000 SF asset that is slated for redevelopment.
- Ashley Capital purchased 2001 York Road, a 183,000 SF property in Oak Brook.
- LSC Development purchased 665 West North Avenue in Lombard, a 108,000 SF asset.

## Select Leasing Activity (Select Deals in Q2)



**Renewal**  
30,000 SF



**Renewal**  
32,300 SF



**Renewal**  
39,500 SF



**Renewal**  
78,750 SF