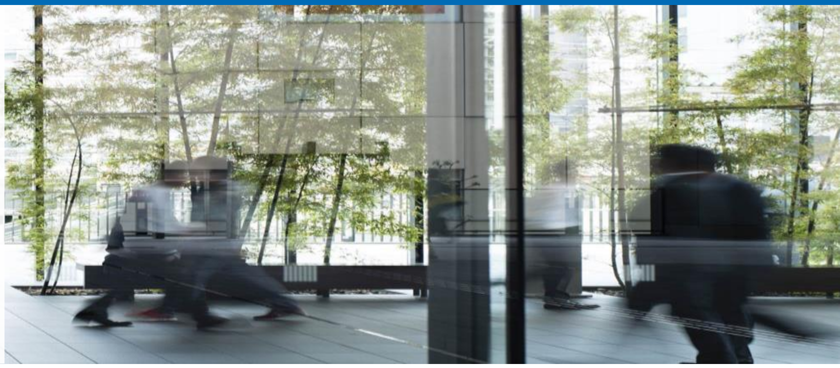
4Q25

Midwest Office Market Quarterly Snapshot

NEWMARK



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Market Trends & Intel

- Performance across the region was highly uneven, as absorption varied by market: Cleveland (+1.04 MSF), Detroit (+722,000 SF) and Columbus (+101,000 SF) posted strong gains, while Chicago (-644,000 SF), Cincinnati (-148,000 SF), Milwaukee (-33,000 SF) and St. Louis (-487,000 SF) saw notable move-outs.
- Average direct asking rent climbed to $28.18 (per SF), up from $27.52 in 3Q25 and $27.16 in 4Q24, with Chicago ($34.59) and Minneapolis ($29.25) leading pricing across the region.
- Sublease space remains a structural headwind, with 15.6 MSF of sublease inventory (about 2.0% of total stock) and more than 2.6 MSF of total sublease availability in the Midwest.

Source: Newmark Research, CoStar

Quarterly Statistics

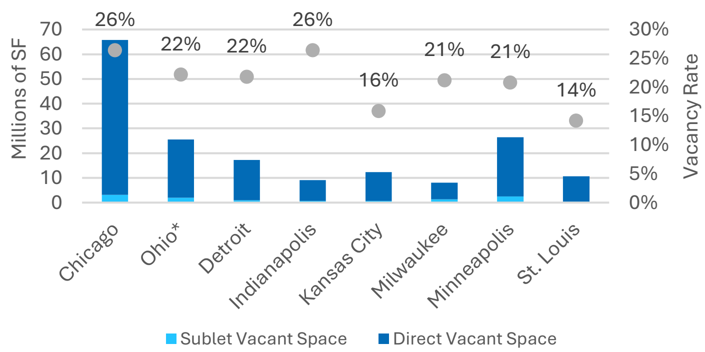
	4Q25	3Q25	4Q24
Total Inventory (SF)	782.7M	783.6M	787.4M
Vacancy Rate	22.0%	23.5%	21.8%
QTR Net Abs (SF)	390K	-746K	-1.27M
YTD Net Absorption (SF)	892.1K	97.1K	-6.1M
Average Direct Asking Rent/SF	$28.18	$27.52	$27.16

KEY TAKEAWAYS – 4Q25

- Midwest net absorption turned positive at 390,000 SF in 4Q25, bringing year-to-date absorption to 892,000 SF, a major swing from negative 6.1 MSF in 2024.
- Overall vacancy improved to 22.0%, down from 23.5% in 3Q25 but roughly flat versus 21.8% in 4Q24, highlighting a stabilizing but still oversupplied market.
- Cleveland's 1.0 MSF Sherwin-Williams HQ delivery drove most of the quarter's 390K SF of positive net absorption; excluding this move-in, the Midwest would have posted negative net absorption.

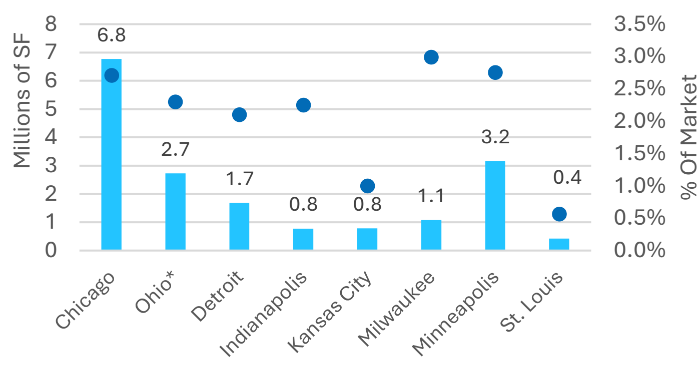
Available Inventory

TOTAL VACANCY | 4Q25



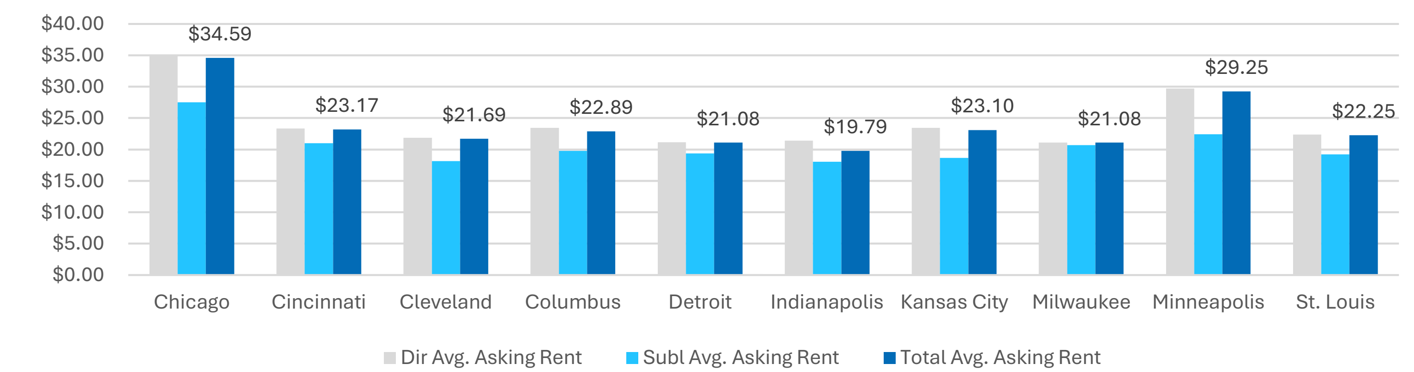
Source: Newmark Research, CoStar

SUBLEASE AVAILABILITY | 4Q25



** Cincinnati, Cleveland, Columbus*

Asking Rate Comparison As Of 4Q25



Source: Newmark Research, CoStar

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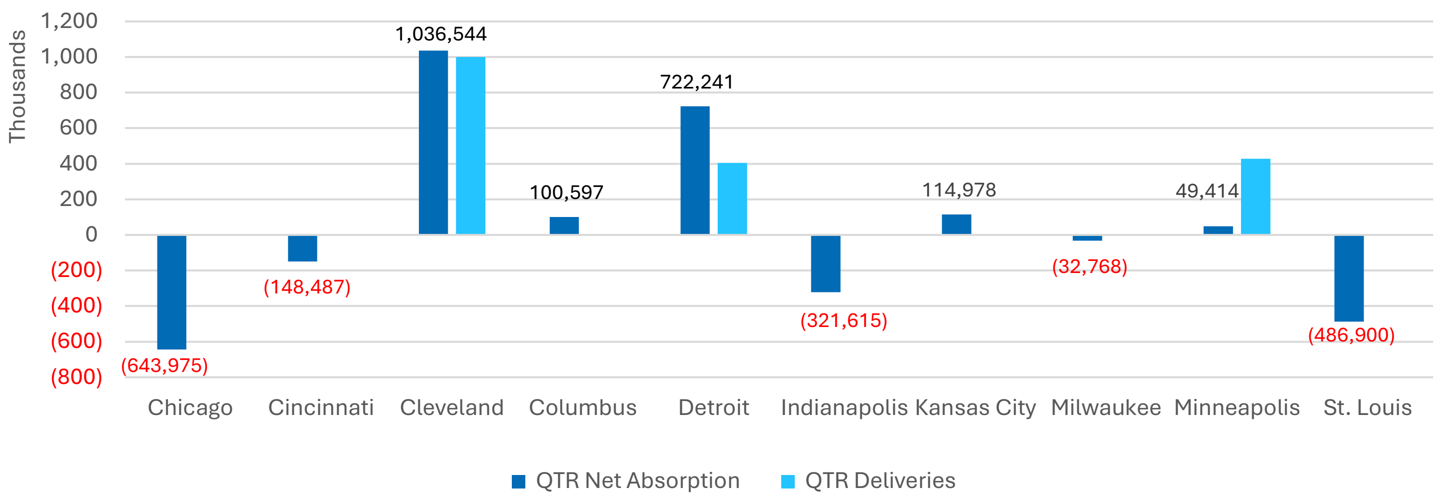
Leasing Activity

Net Absorption & Deliveries



RECENT LEASES

TENANT	MARKET	ADDRESS	LEASE TYPE	EXECUTION MONTH	SF LEASED
American Medical Association	Chicago	330 N. Wabash Ave.	Renewal	October	261,000
General Motors	Detroit	1208 Woodward Ave.	Direct	December	200,000
SPS Commerce	Minneapolis	333 S. 7th St.	Renewal	October	197,610
USG	Chicago	550 W. Adams St.	Contraction	November	165,000
Par Health, Inc.	St. Louis	675 McDonnell Blvd.	Renewal	November	124,170
BarkleyOKRP	Kansas City	4800 Main St.	New	November	75,840
Robins Kaplan	Minneapolis	90 S. 11th St.	Contraction	October	75,000
Columbia Gas	Columbus	175 W. Nationwide Blvd.	New	November	49,431

BUILDING SALES

STATUS	MARKET	ADDRESS	RSF	SALE PRICE	SALE PRICE PER SF
Sold	Chicago	190 S. La Salle St.	798,782	$55,000,000	$69
Sold	Chicago	100 N. Riverside Plz.	777,358	$22,000,000	$28
Sold	Chicago	525 W. Van Buren St.	589,535	$35,000,000	$59
Sold	Cincinnati	255 E. 5th St.	551,836	$59,000,000	$107
Sold	Minneapolis	100 & 111 Washington Ave.*	911,505	$21,580,323	$41
Sold	Minneapolis	1 Boston Scientific Way	400,000	$188,806,410	$472

** Three-property portfolio sale*

Source: Newmark Research, CoStar

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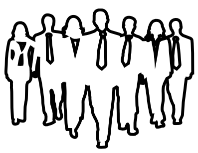
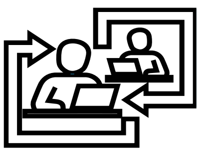
Employment



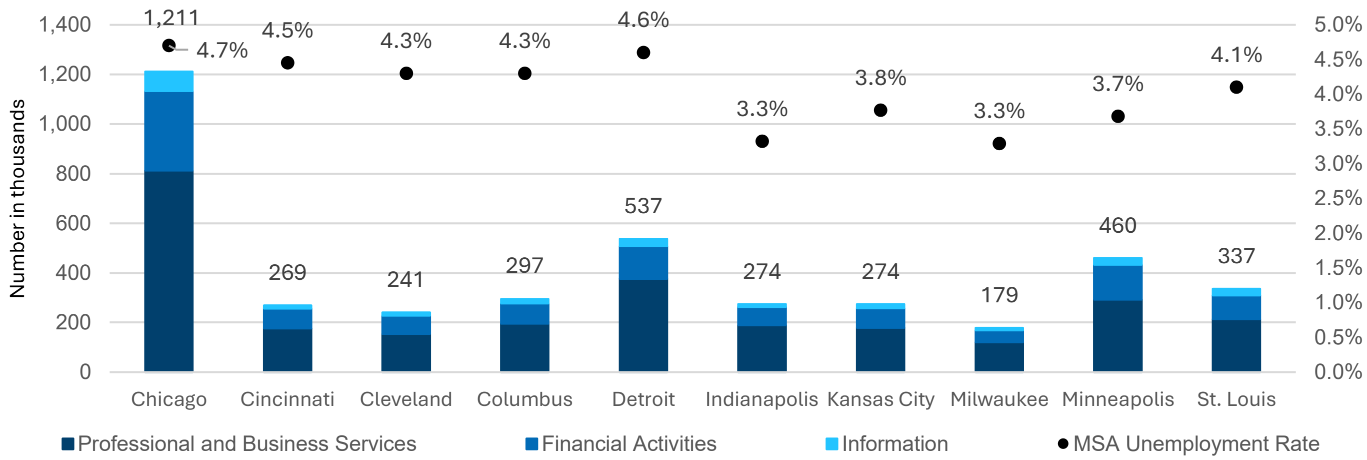
Non-farm Employment
16,947.9*



Unemployment Rate
4.05%

** Number in thousands*

Office Occupying Employment



Source: Newmark Research, U.S. Bureau of Labor Statistics

NOTABLE WARN LAYOFF ANNOUNCEMENTS

COMPANY	STATE OF RECORD	EVENT	INDUSTRY	# OF WORKERS
General Motors	Ohio, Michigan	Mass Layoff	Automotive Manufacturing	1,700
AAR Aircraft Services	Indiana	Closing	Aerospace and Defense Solutions	329
Baker & Taylor LLC	Illinois	Closing	Book, Periodical, and Newspaper Wholesaler	313
Dalton Corporation	Indiana	Closing	Metal Manufacturer & Supplier	262
Kroger	Wisconsin	Closing	Food & Beverage Distributor	211
S&S Activewear	Illinois	Closing	Clothing Wholesaler	195

Source: Newmark Research, U.S. Bureau of Labor Statistics

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