BOMA/Chicago partnered with JLL Research to complete its 2017 Economic Impact Study. In doing so, JLL leveraged its own proprietary research, CoStar, BOMA International’s EER Report, Bureau of Labor Statistics, the Cook County Assessor and various other sources. Data through December 31, 2016 was analyzed. For further insights, please visit the Methodology section of the full Economic Impact Study.

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

12 Fortune 500 HQ

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

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

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

$38.20/sf Gross Rents

Overall average gross rents increased 23.5% from 2012

412,639 Employees

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

18.7% OpEx Increase

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

Financial Pressures

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

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

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

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Injecting Billions into the Local Economy

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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%