

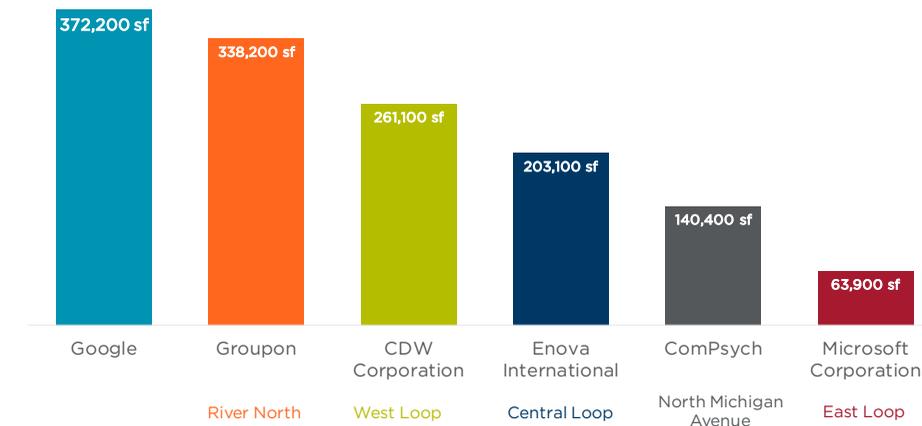
CHICAGO

Once a major hub for hard goods, Chicago has adapted to software manufacturing, establishing itself as one of the major tech cities in the country. Chicago boasts an educated and young workforce—more than one-third of Chicago’s millennial population have bachelor’s degrees, and, with two of the top business schools in the world, employers have access to some of the best talent in the country. Since the cost of living is significantly lower than other tech markets such as Los Angeles, San Francisco or New York, Chicago is an appealing choice for the young talent tech companies are looking for and has drawn Microsoft, Google, Salesforce and Facebook.

QUALITY OF LIFE

Chicago’s diverse neighborhoods and food, free concerts and events, architecture and cultural offerings make it a stimulating place to live. The city recently added parks and bikeways to already robust green space and lakefront access. During the cold months, museums and Broadway shows keep people entertained, as well as lots of music, comedy (think *Improv Olympic* and *Second City*), and small theater productions. Population has grown rapidly due to a mix of empty nesters leaving the suburbs and recent college grads moving into the city; as a result, rent and housing purchase costs increased.

TECH OCCUPANCY BY SUBMARKET MAJOR TECH OCCUPIERS



Occupancy by sf as of Mid-Year 2018



TECH IN THE NEWS

When tech companies such as Motorola first came into the city years ago, they chose loft office spaces to attract young talent; now they’re leasing traditional office space too. New developments are very popular for major software companies too.

MARKET METRICS

CLASS A CBD ASKING RENT (2010 VS. Q2 2018)

22.5% ↑ U.S. 25%

COST OF LIVING INDEX

98.9 U.S. 100

PERCENTAGE BACHELOR’S DEGREE OR HIGHER

37.2%

STEM EMPLOYMENT

205,180

CLASS A CBD OFFICE SALES \$/PSF (% CHG. 2010 VS. Q2 2018)

-7.4% ↓ U.S. +26%

MILLENNIAL POPULATION (AGE 20-34)

21%

TECH COMPANY EMPLOYMENT TO TOTAL EMPLOYMENT

4.9%

VC FUNDING (Q3 2017 - Q2 2018)

\$1.7B



HOTTEST SUBMARKET

While River North used to be the only hot submarket for tech companies, other areas across Chicago are becoming attractive too. Fulton Market has made a name for itself as a major tech market largely due to Google’s presence. The West Loop has also seen an increase in leasing activity in part due to the abundance of new construction.