

FIGURES | MIDWEST OFFICE | Q1 2026

Prime Office Space Remains in High Demand as the Construction Pipeline Dissipates



Note: Arrows indicate change from previous quarter.

SUMMARY

- Quarterly net absorption remained negative in the Midwest, recording -507,345 sq. ft. in Q1. Notably, nine of the fourteen markets recorded positive absorption, however, strong negative movement in Minneapolis/St. Paul and Chicago outpaced the positive occupancy changes elsewhere.
- Overall vacancy increased quarter-over-quarter by 20 basis points (bps) to 22.4%.
- The overall average asking lease rate climbed \$0.18 (60 bps) over the prior quarter to \$28.81 per sq. ft. in Q1 2026.
- At the close of first quarter the Midwest recorded 1.1 million sq. ft. of office space under active construction. The limited pipeline signifies the heightened cost of construction and caution by lenders/developers to bring additional product to market.
- The Midwest markets posted 9.64 million sq. ft. of office leasing activity in Q1 2026 a decrease of 1.4 million sq. ft. (12.9%) over Q1 2025.

FIGURE 1: Midwest U.S. Net Absorption, Construction Completions, and Vacancy Rates



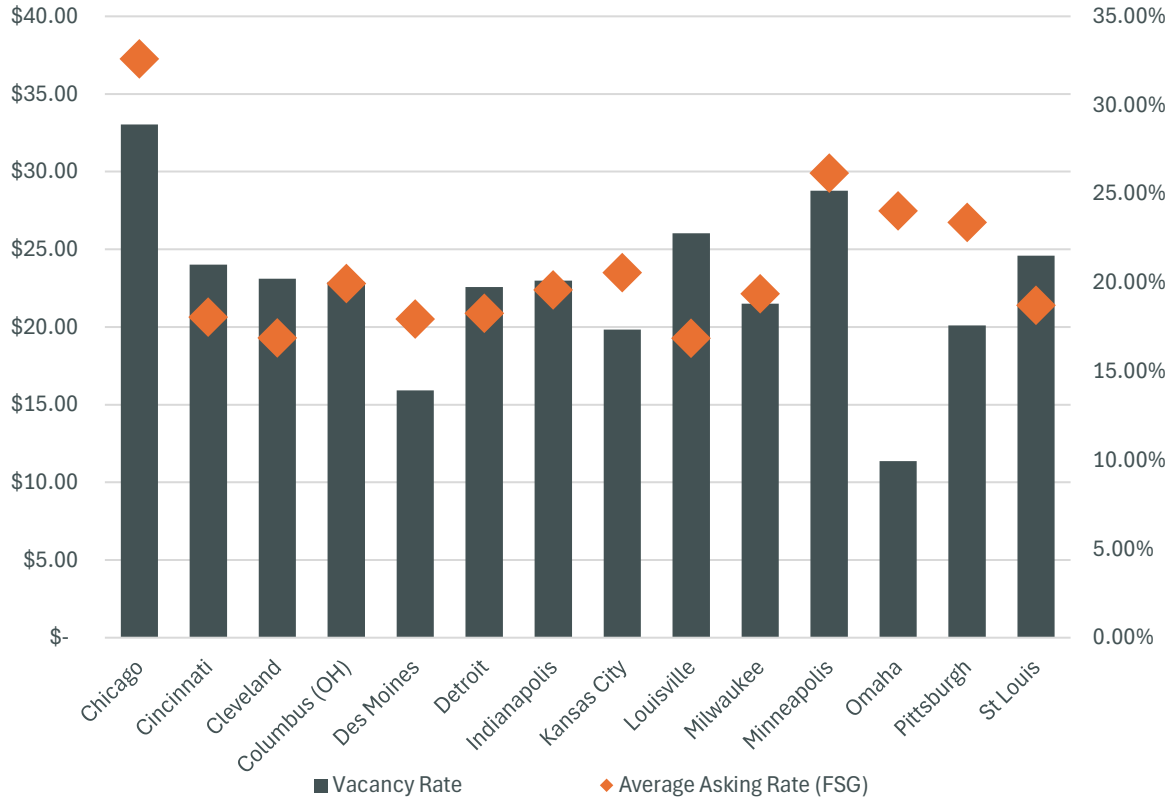
Source: CBRE Research, Q1 2026

Key Market Statistics

Overall vacancy increased by 20 basis points (bps) over the prior quarter to 22.4%.

The Midwest average asking lease rate climbed quarter-over-quarter \$0.18 (60 bps) to \$28.81 per sq. ft. this quarter after a long trajectory of downward pressure on rents.

FIGURE 2: Overall Vacancy and Asking Lease Rate



Source: CBRE Research, Q1 2026

FIGURE 3: Overall Market Statistics

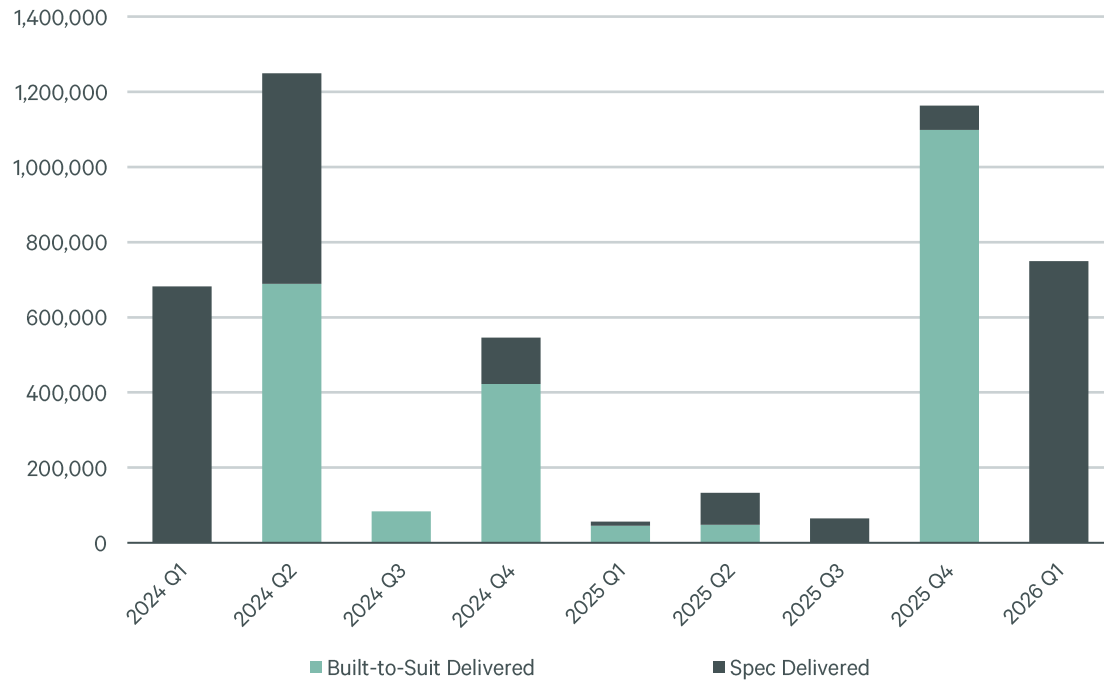
Market	Total Rentable Area (SF)	Availability Rate %	Vacancy Rate %	Q1 2026 Net Absorption	Avg. Asking Rate (FS)
Chicago	252,621,142	30.9%	28.9%	(697,382)	\$37.27
Cincinnati	34,827,318	26.2%	21.0%	156,922	\$20.63
Cleveland	34,148,040	24.0%	20.2%	19,950	\$19.29
Columbus (OH)	41,149,620	22.9%	20.0%	164,360	\$22.80
Des Moines	22,486,843	15.3%	13.9%	357,154	\$20.50
Detroit	77,613,983	22.8%	19.8%	429,827	\$20.88
Indianapolis	36,645,970	22.8%	20.1%	(85,991)	\$22.40
Kansas City	54,626,622	19.5%	17.4%	259,443	\$23.51
Louisville	19,794,634	24.4%	22.8%	229,622	\$19.28
Milwaukee	44,113,216	20.5%	18.8%	(49,089)	\$22.13
Minneapolis/St Paul	75,332,896	29.4%	25.2%	(1,174,732)	\$29.92
Omaha	25,968,669	13.4%	9.9%	77,633	\$27.48
Pittsburgh	72,090,439	20.7%	17.6%	(265,956)	\$26.74
St Louis	52,541,726	23.5%	21.5%	70,994	\$21.40
Midwest Total	843,961,118	25.1%	22.4%	(507,245)	\$28.81

Source: CBRE Research, Q1 2026, *Des Moines is a NNN market, this represents an estimated Gross Up rate.

Construction Activity

At the close of first quarter the Midwest recorded 1.1 million sq. ft. of office space under active construction following the delivery of 750,000 sq. ft. of speculative product. The limited pipeline signifies the heightened cost of construction and caution by lenders/developers to bring additional product to market. Just over half of product under construction (53.3%) in the Midwest is pre-leased while 46.7% remains available.

FIGURE 4: Construction Completions by Quarter



Source: CBRE Research, Q1 2026

FIGURE 5: Q1 2026 Construction Underway

Market	Under Construction (SF)	Available Space (SF)	Available Space (%)	Pre-Leased (SF)	Pre-Leased (%)
Chicago	-	-	-	-	-
Cincinnati	-	-	-	-	-
Cleveland	56,000	-	0.0%	56,000	100.0%
Columbus (OH)	94,523	67,027	70.9%	27,496	29.1%
Des Moines	71,000	-	0.0%	71,000	100.0%
Detroit	296,885	54,885	18.5%	242,000	81.5%
Indianapolis	48,012	48,012	100.0%	-	0.0%
Kansas City	-	-	-	-	-
Louisville	-	-	-	-	-
Milwaukee	-	-	-	-	-
Minneapolis/St Paul	337,848	186,977	55.3%	150,871	44.7%
Omaha	240,000	177,639	74.0%	62,361	26.0%
Pittsburgh	-	-	-	-	-
St Louis	-	-	-	-	-
Total	1,144,268	534,540	46.7%	609,728	53.3%

Source: CBRE Research, Q1 2026

Transaction Activity

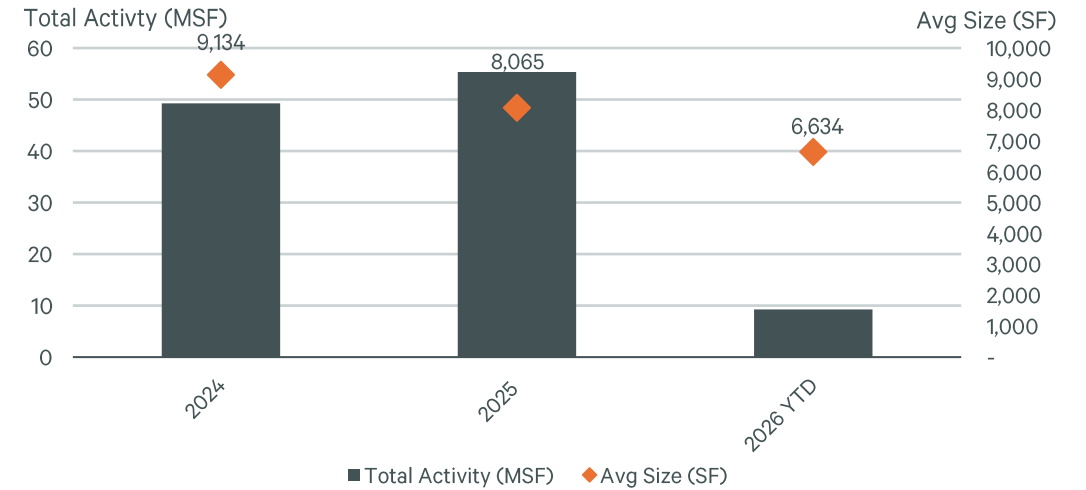
The Midwest markets posted 9.64 million sq. ft. of office leasing activity in Q1 2026, 63% of which was new leasing activity. Leasing activity across the Midwest was roughly even location-wise with 55% of transactions occurring in suburban markets while Downtown leasing activity made up 45%.

FIGURE 6: Q1 2026 Leasing Activity – Leases 5,000 sq. ft. and greater



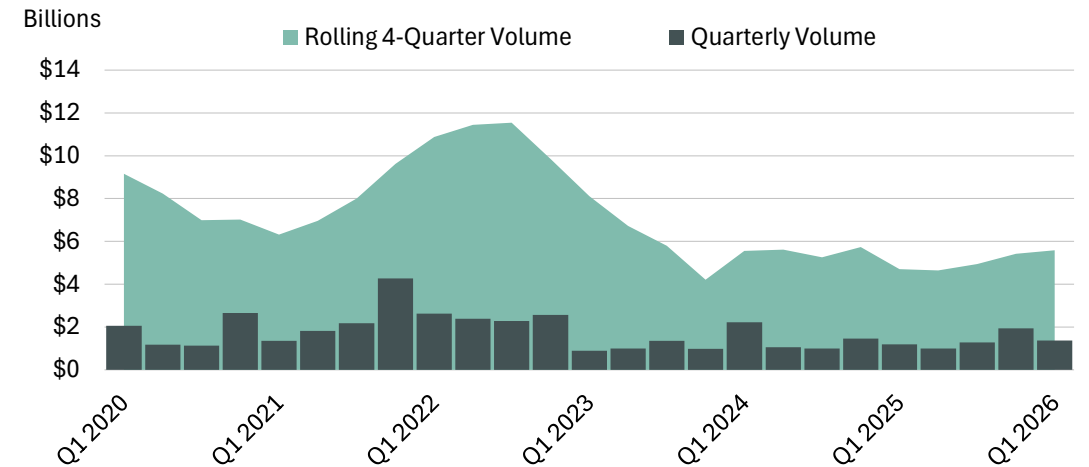
Source: CBRE Research, Q1 2026

FIGURE 7: Historic Leasing Activity



Source: CBRE Research, Q1 2026

FIGURE 8: Investment Activity



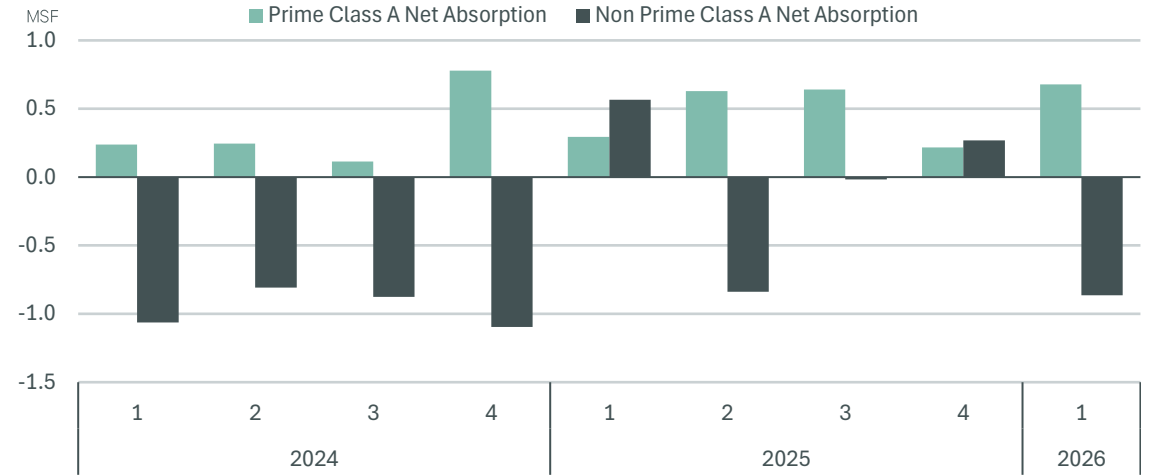
Source: Real Capital Analytics Q1 2026

Prime Midwest Office Space

Prime Class A office space continues to outperform the Non-Prime Class A peer buildings by a wide margin in the Midwest. In Q1 2026 Non-Prime Class A vacancy increased by 60 bps to 24.2% while Prime Class A vacancy decreased by 10 bps to 14.3%, indicating continued strong demand for those “amenitized” and well-located assets.

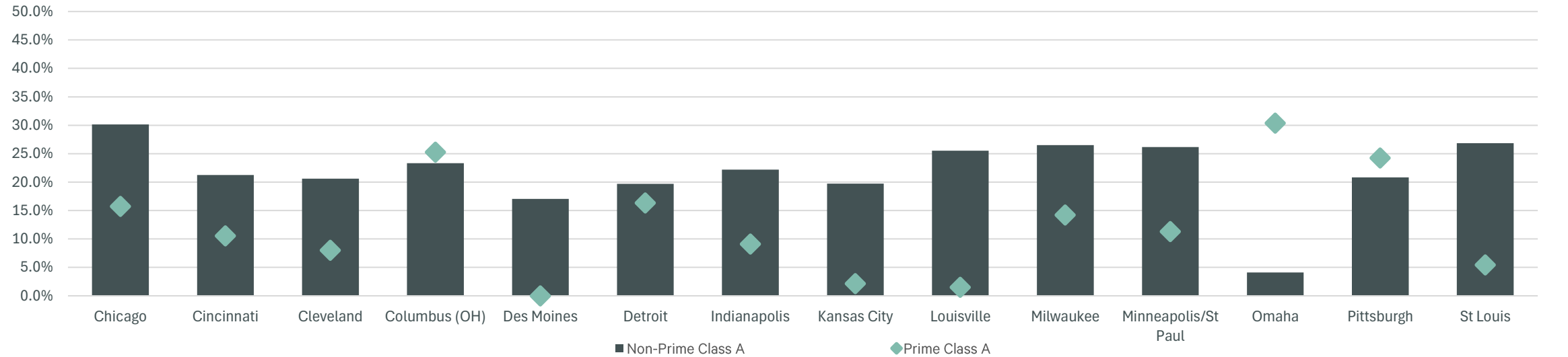
Absorption for Prime Class A assets continue to outperform their Non-prime counterparts. Prime Class A recorded 678,000 sq. ft. of positive absorption in Q1 2026 in contrast to the -864,000 sq. ft. for Non-Prime Class A assets. Prime Class A buildings have experienced positive absorption in the last nine quarters. Conversely, Non-Prime Class A assets have only recorded two quarters of positive absorption in the same period. Non-Prime assets could see improved future absorption as landlords have begun to invest in aging product to remain competitive.

FIGURE 9: Prime vs. Non-Prime Class-A Absorption 2023 – Present



Source: CBRE Research, Q1 2026

FIGURE 10: Non-Prime Class A vs Prime Class A Vacancy



*Des Moines and Omaha each only have one prime asset in the market.

Source: CBRE Research, Q1 2026

CHICAGO OFFICE

300 N LaSalle St, Suite 6000
Chicago, IL 60654

DETROIT OFFICE

2000 Town Center, Suite 2200
Southfield, MI 48075

MINNEAPOLIS OFFICE

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Bloomington, MN 55435

CINCINNATI OFFICE

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Cincinnati, OH 45202

INDIANAPOLIS OFFICE

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Indianapolis, IN 46240

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CLEVELAND OFFICE

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KANSAS CITY OFFICE

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OMAHA OFFICE

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PITTSBURGH OFFICE

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Pittsburgh, PA 15219

DES MOINES OFFICE

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West Des Moines, IA 50266

MILWAUKEE OFFICE

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Milwaukee, WI 53202

ST LOUIS OFFICE

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St. Louis, MO 63105

Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Definitions

Includes all competitive office buildings 10,000 sq. ft. and greater in size. Buildings under construction includes buildings which have begun development beyond initial site work.

Des Moines Data

Des Moines data is effective Q1 2025 and not reflected in prior quarter data.

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