

FIGURES | MIDWEST OFFICE | Q4 2025

Prime Occupancy Peaks Causing Spillover to Non-Prime Class A Office

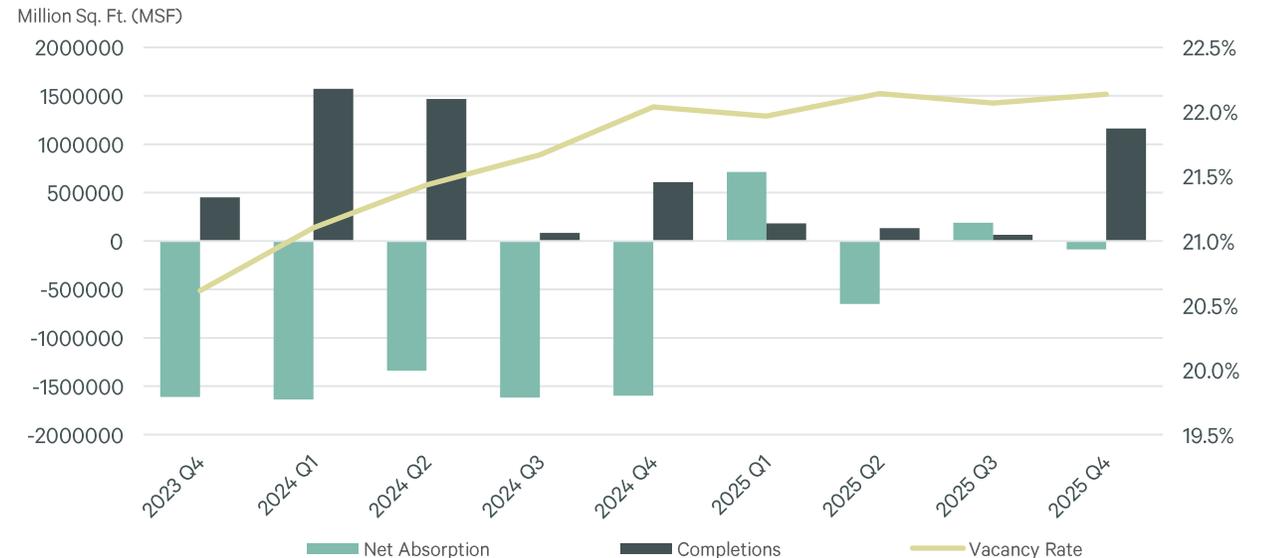


Note: Arrows indicate change from previous quarter.

SUMMARY

- In Q4 2025 net absorption was -85,530 sq. ft., a decrease from the 187,464 sq. ft. in Q3 2025.
- Overall vacancy increased by 10 basis points (bps) this quarter to 22.1%.
- Asking rates decreased in the fourth quarter by \$0.06 to \$28.63 per sq. ft.
- Construction totals remain near record lows as both developers and banks stay cautious to bring any additional office product to the market that does not already have significant pre-leasing in place. In the fourth quarter, 1.2 million sq. ft. of product was delivered, the most since Q2 2024.
- The Midwest markets posted 8.8 million sq. ft. of office leasing activity in Q4 2025, 58% of which was new leasing activity.

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



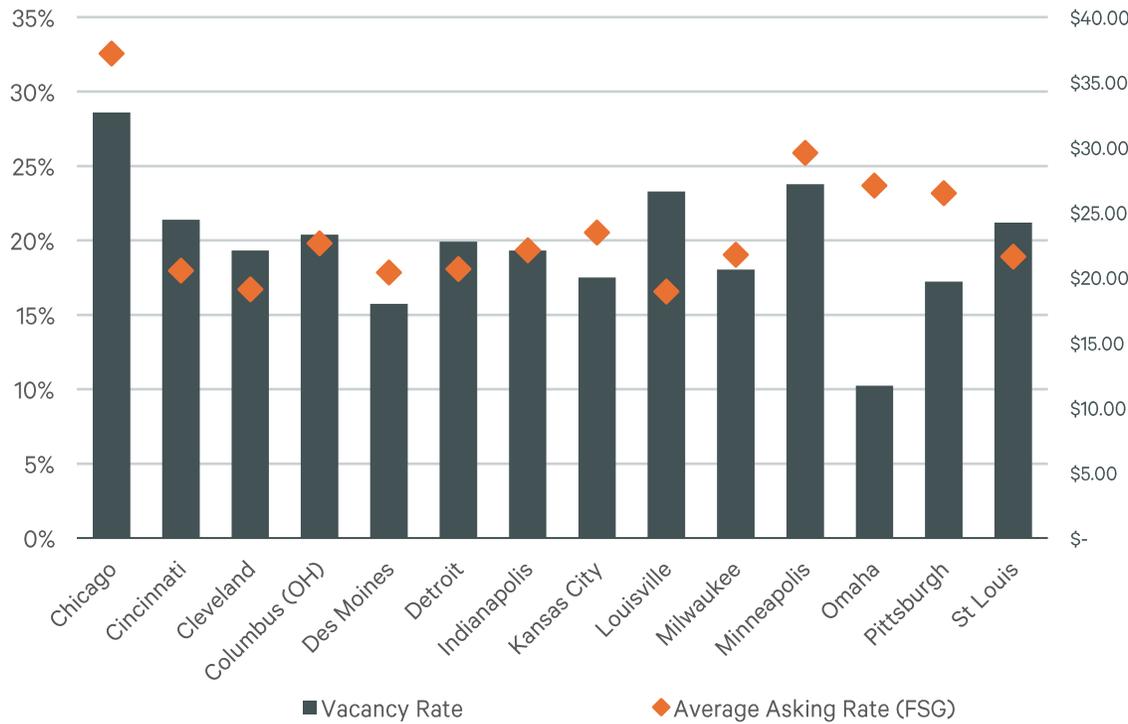
Source: CBRE Research, Q4 2025

Key Market Statistics

Overall vacancy increased by 10 bps in the fourth quarter to 22.1%.

Asking rates decreased in the fourth quarter by \$0.06 to \$28.63 per sq. ft. As large blocks of desirable Class A space are increasingly leased and taken off the market across the Midwest, this will continue to place downward pressure on average asking rates across all markets due to less desirable product being vacated.

FIGURE 2: Overall Vacancy and Asking Lease Rates



Source: CBRE Research, Q4 2025

FIGURE 3: Overall Market Statistics

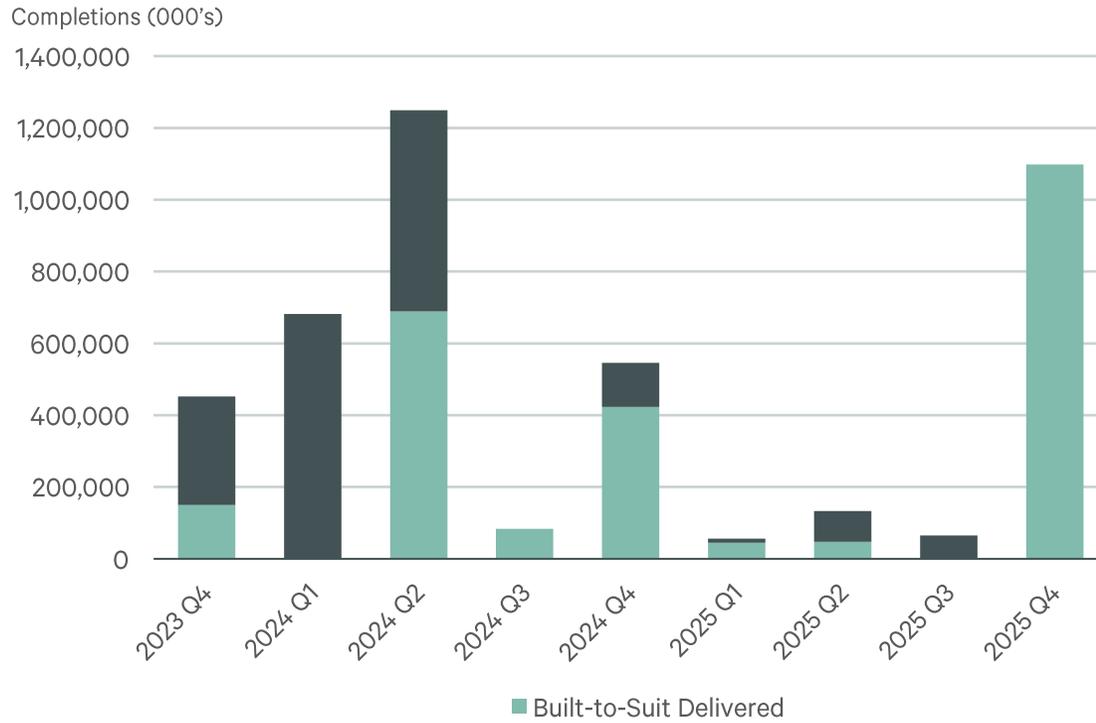
Market	Total Rentable Area (SF)	Availability Rate %	Vacancy Rate %	Q4 2025 Net Absorption	Avg. Asking Rate (\$ PSF, FS)
Chicago	252,326,732	30.9%	28.6%	(328,396)	\$37.20
Cincinnati	35,274,213	26.5%	21.4%	(166,709)	\$20.54
Cleveland	34,810,472	24.2%	19.3%	73,905	\$19.10
Columbus (OH)	41,052,660	23.0%	20.4%	367,348	\$22.65
Des Moines	22,425,346	15.7%	15.7%	106,490	\$20.39
Detroit	80,721,422	22.8%	19.9%	(100,444)	\$20.67
Indianapolis	37,473,205	22.0%	19.3%	88,102	\$22.11
Kansas City	54,889,645	19.4%	17.5%	264,409	\$23.46
Louisville	20,358,626	24.0%	23.3%	11,392	\$18.94
Milwaukee	44,665,450	20.7%	18.0%	57,310	\$21.76
Minneapolis/St Paul	76,607,245	29.1%	23.8%	(141,622)	\$29.58
Omaha	25,995,180	13.2%	10.2%	18,181	\$27.08
Pittsburgh	72,186,634	20.7%	17.2%	197,315	\$26.49
St Louis	53,205,318	23.3%	21.2%	(532,811)	\$21.61
Midwest Total	851,992,148	25.0%	22.1%	(85,530)	\$28.63

Source: CBRE Research, Q4 2025, *Des Moines is a NNN market, this represents an estimated Gross Up rate.

Construction Activity

Construction remains near record lows as both developers and banks stay cautious to bring any additional office product to the market that does not already have significant pre-leasing in place. In Q4 2025 there was 1.8 million sq. ft. under construction across the Midwest. The majority of product under construction (58.8%) in the Midwest is pre-leased. In the fourth quarter, 1.2 million sq. ft. of new office product was delivered, the most since Q4 2022. All three assets delivered were built-to-suit and located in the state of Ohio.

FIGURE 4: Construction Completions by Quarter



Source: CBRE Research, Q4 2025

FIGURE 5: Q4 2025 Construction Underway

Market	Under Construction (SF)	Available Space (SF)	Available Space (%)	Pre-Leased (SF)	Pre-Leased (%)
Chicago	369,008	217,365	58.9%	151,643	41.1%
Cincinnati	0	0	0	0	0
Cleveland	40,000	0	0.0%	40,000	100.0%
Columbus (OH)	94,523	70,672	74.8%	23,851	25.2%
Des Moines	71,000	0	0.0%	71,000	100.0%
Detroit	677,706	82,240	12.1%	595,466	87.9%
Indianapolis	83,556	70,189	84.0%	13,367	16.0%
Kansas City	0	0	0	0	0
Louisville	0	0	0	0	0
Milwaukee	0	0	0	0	0
Minneapolis/St Paul	252,998	136,067	53.8%	116,931	46.2%
Omaha	240,000	177,639	74.0%	62,361	26.0%
Pittsburgh	0	0	0	0	0
St Louis	0	0	0	0	0
Total	1,828,791	754,172	41.2%	1,074,619	58.8%

Source: CBRE Research, Q4 2025

Transaction Activity

The Midwest markets posted 8.8 million sq. ft. of office leasing activity in Q4 2025, 58% of which was new leasing activity. Suburban leasing continued to drive leasing activity across the Midwest, making up 54% of total leases signed.

FIGURE 6: Q4 2025 Leasing Activity – Leases 5,000 sq. ft. and greater



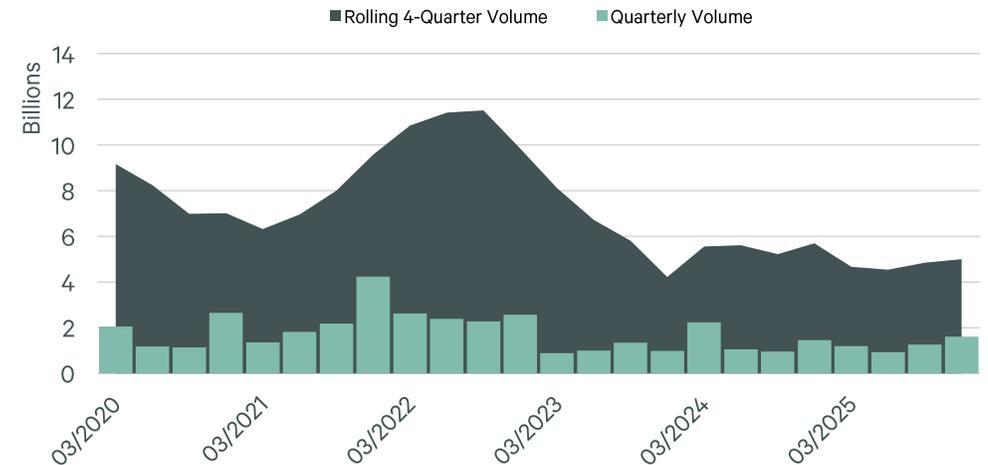
Source: CBRE Research, Q4 2025

FIGURE 7: Historic Leasing Activity



Source: CBRE Research, Q4 2025

FIGURE 8: Investment Activity



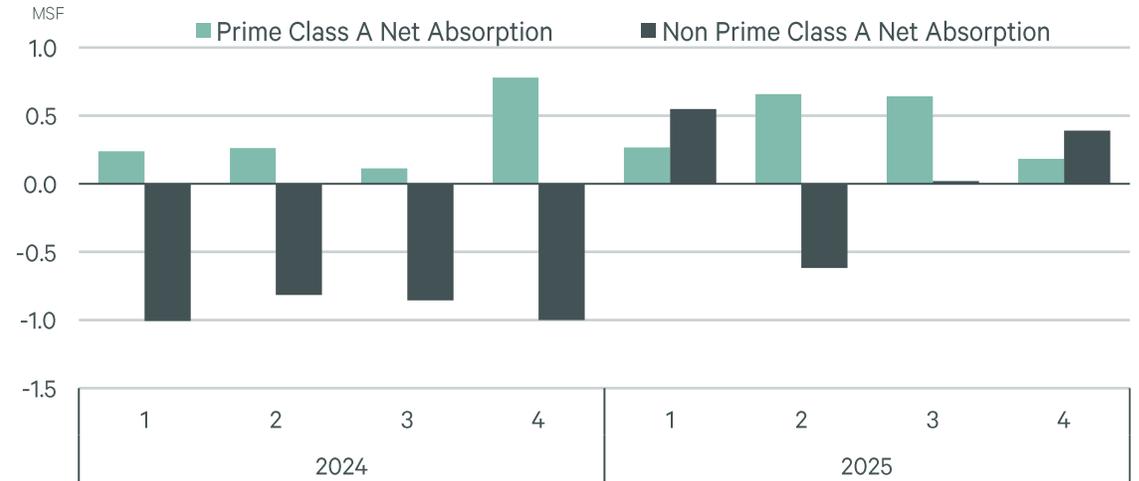
Source: Real Capital Analytics Q4 2025

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. Class A vacancy was 23.4% while Prime Class A vacancy was 15.6%, indicating continued strong demand for those “amenitized” and well-located assets.

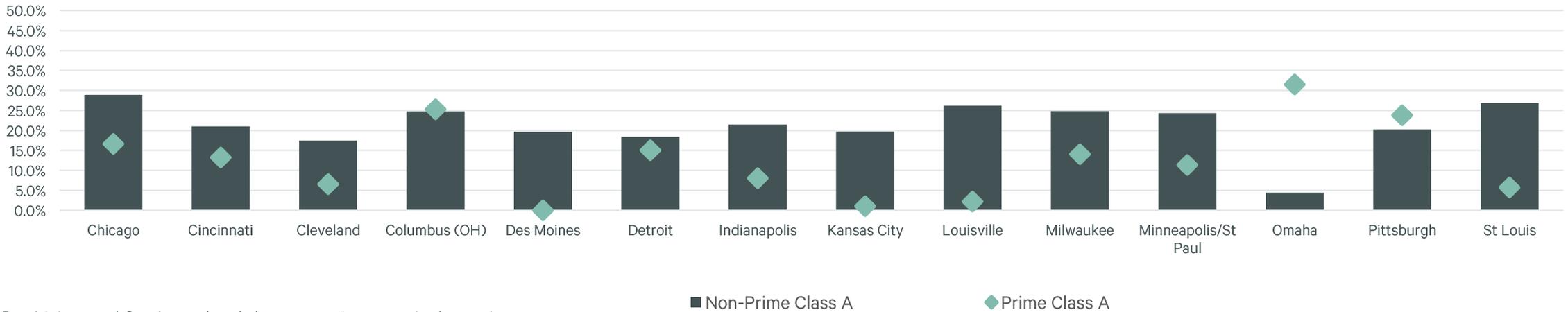
Absorption for both Prime Class A (183,638 sq. ft.) and Non-Prime Class A (390,189 sq. ft.) assets were both positive for the second quarter in a row totaling 573,827 sq. ft. of positive net absorption for Class A assets. Non-Prime assets could continue to see positive absorption as prime office spaces in the Midwest are nearing capacity. Landlords have begun to invest in aging Class A product to remain competitive for what users are still searching for top tier space.

FIGURE 9: Prime vs. Non-Prime Class-A Absorption 2024 – Present



Source: CBRE Research, Q4 2025

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, Q4 2025

CHICAGO OFFICE

300 N La Salle, Suite 600
Chicago, IL 60654

DETROIT OFFICE

2000 Town Center, Suite 2200
Southfield, MI 48075

MINNEAPOLIS OFFICE

4400 West 78th Street, Suite 300
Bloomington, MN 55435

CINCINNATI OFFICE

201 E. 5th Street, Suite 2200
Cincinnati, OH 45202

INDIANAPOLIS OFFICE

8888 Keystone Crossing, Suite 1000
Indianapolis, IN 46240

OAK BROOK OFFICE

700 Commerce Drive, Suite 450
Oak Brook IL, 60523

CLEVELAND OFFICE

950 Main Avenue, Suite 200
Cleveland, OH 44113

KANSAS CITY OFFICE

4520 Main Street, Suite 1600
Kansas City, MO 64111

OMAHA OFFICE

11213 Davenport Street, Suite 300
Omaha, NE 68154

COLUMBUS OFFICE

200 Civic Center Drive, 14th Floor
Columbus, OH 43215

LOUISVILLE OFFICE

10200 Forest Green Blvd, Suite 500
Louisville, KY 40223

PITTSBURGH OFFICE

301 Grant Street, 40th Floor
Pittsburgh, PA 15219

DES MOINES OFFICE

565 S. 60th Street, Suite 245
West Des Moines, IA 50266

MILWAUKEE OFFICE

790 N. Water Street, Suite 1800
Milwaukee, WI 53202

ST LOUIS OFFICE

190 Carondelet Plaza, Suite 650
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.

Contacts

Joshua Allen

Midwest Research Manager
Midwest Research

Joshua.Allen@cbre.com

Marissa LaRue

Research Data Analyst
Midwest Research

Marissa.LaRue@cbre.com

© Copyright 2026. All rights reserved. This report has been prepared in good faith, based on CBRE’s current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE’s control. In addition, many of CBRE’s views are opinion and/or projections based on CBRE’s subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE’s current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE’s securities or of the performance of any other company’s securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

