

# State of the Loop

Q1 2024 (January-March)

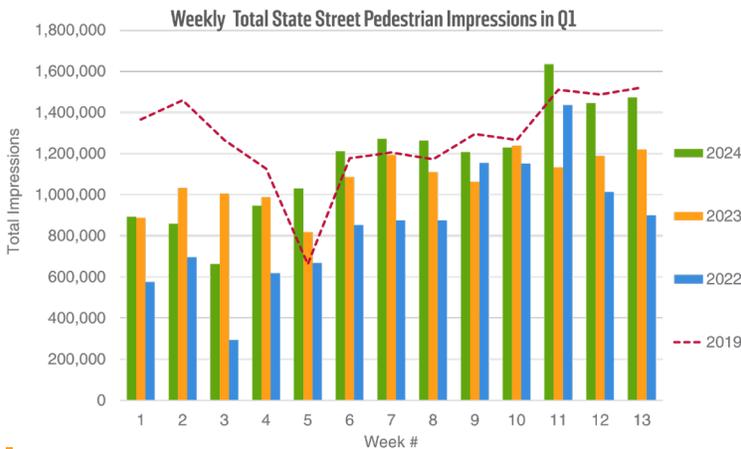
## Executive Summary: The Loop is Back

It's no secret that the new work week looks a little different in 2024. The often-quoted office occupancy figures of 50-60 % are useful, however, these tell only a portion of the story. Who aren't these numbers accounting for? According to Springboard MRI data, State Street pedestrian activity specific to working hours (Monday-Friday, 6 a.m.-5 p.m.) currently averages **91%** of pre-pandemic levels. This statistic accounts for commuting office workers, as well as hospitality workers, tradespeople, shoppers, Loop residents, cultural patrons, and visitors. Transit data available at the time of publishing also mirrors weekday activity with notable spikes to over **1 million** CTA passengers on Tuesdays-Thursdays.

Beyond the workweek, weekend pedestrian activity regularly resembles or exceeds pre-pandemic trends, with Q1 averaging **107%** of 2019 activity. The performing arts downtown are thriving, hotel occupancy continues upward momentum, and recent big swings by industry leaders signify value for major Loop investment. We're asking stakeholders, investors, and Chicagoans to bet big on the Loop. For those wondering when downtown is going to rebound, look no further – it's back.

## Pedestrians

Along State Street in the Loop, total pedestrian activity averaged **94%** of 2019 levels this quarter, representing **1.5 million** impressions per week, a **7% increase** over Q1 2023.



## Arts and Culture

Loop cultural institutions' attendees **increased by 24%** compared to Q1 2023. Total attendance exceeded **995,000 attendees** this quarter compared to Q1 2023, representing over **\$270 million** in direct economic impact (Choose Chicago Cultural Index, DCASE, Art Institute of Chicago).

"Audiences are drawn to the Lyric Opera House for what has been The Joffrey Ballet's **highest-grossing and highest-attended** season in the company's history," according to Brian Smith, Chief Advancement Office of The Joffrey Ballet. Additionally, The Art Institute of Chicago saw a 5% increase in attendance from Q1 last year, while also seeing a measurable increase of international tourists.

## Investment

JPMorgan Chase showed commitment to the future of the Loop, announcing major **Chase Tower** renovations. Good news continued as AmTrust Realty recently released plans for **1 E. Wacker**.

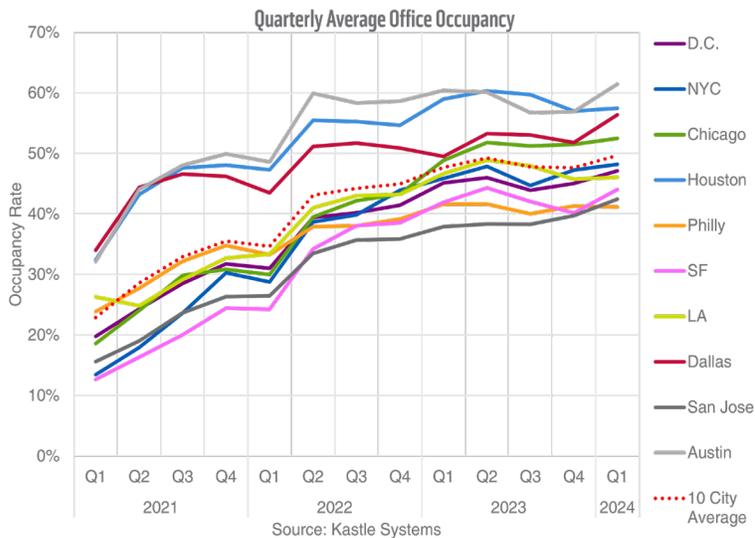
"Significant investment into 1 E. Wacker (State & Wacker), including major renovations to the lobby, street level experience, and amenity suite, further illustrates AmTrust's dedication to elevating the tenant experience, and our belief in Chicago's resilience and growth potential," said Patrick Kearney, Managing Director of AmTrust Realty.



Above: Renderings of 1.E Wacker's new 2nd Floor Amenity Suite (AmTrust Re)

## Office

Chicago averaged **56%** of pre-pandemic office occupancy during Q1 according to Kastle Systems, remaining 3 points above the 10-city average.



## Retail

Exciting new additions are filling out the Loop's restaurant and bar scene. Industry Ales, the Loop's newest brewery recently opened on Wabash; and Bar Sotto, a new concept from Italian Village, merging Italian small plates with Chicago dive bar culture plans expansion and further renovations after a successful pilot run.

Though a record high **30%** retail vacancy rate and a **\$940 million** gap in Loop resident spending potential still plague State Street, quarterly weekend pedestrian activity at **107%** of 2019 levels signifies the corridor's capacity. Does pedestrian momentum and consumer demand forecast a radical shift for the Loop's retail properties?

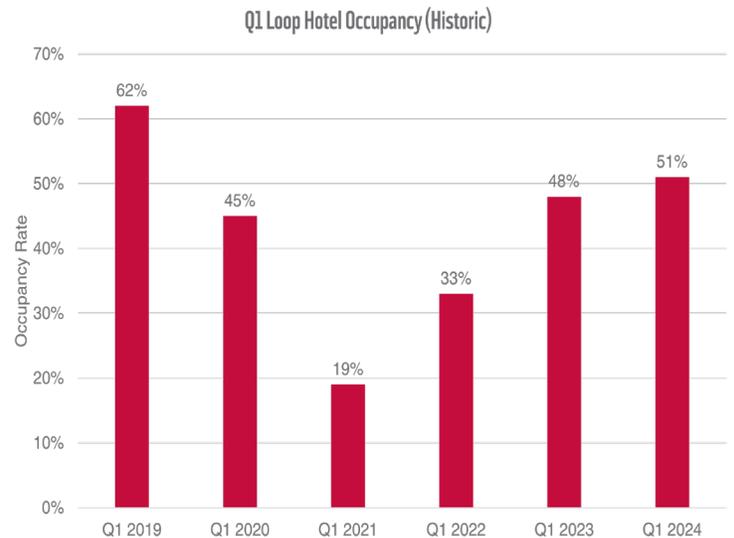
## A note from the President...



*Chicagoans and visitors still love our great street and continue to return in record numbers, but we have to give them a reason to stay. The Loop needs more investors to bet big on our district. Pedestrian activity, visitor numbers, and residential spending demand are just a few of the data points that support this choice, as do the decisions of smart, forward-thinking companies like Google and JPMorgan Chase. - Michael Edwards President & CEO*

## Hotels

Loop hotel occupancy served as the **highest rate for a post-pandemic Q1**, within 11% of Q1 2019.



## City Hall's Big Bet

The much anticipated announcement about LaSalle Street's major office-to-residential conversion projects came from City Hall on April 3. These **four mixed-use, mixed-income buildings** will transform the iconic corridor. This historic investment into revitalizing the Loop adds to the efforts of local stakeholders and community members already working to create a more vibrant and livable neighborhood downtown for everyone.

Below: Mayor Johnson speaking at the Chicago Loop Alliance 2024 Annual Meeting



For more information and past reports, please go to [LoopChicago.com/Research](https://LoopChicago.com/Research)

