

State of the Loop

Q3 2026 (July–September)

Business and Infrastructure Investment Reshape the Loop

New investment and exciting events continued in the Loop in the third quarter: ten new businesses opened, the first residential conversion in the LaSalle corridor was completed, and Morningstar led an uptick in office leasing with a major commitment at the Thompson Center.

In addition, the city continued to invest in public transportation as ridership rose closer to pre-pandemic levels, while strong attendance at arts and cultural events further reinforced the Loop's vibrancy.

Inventive Business and Residential Investment Mark the Third Quarter

This summer brought continued momentum to the Loop, as **ten new businesses** joined the 43 already open or announced throughout the district. On State Street, Raygun and Mood Fabrics expanded the Loop's independent retail offerings, while restaurants like Old Town Pour House and the Carlyle Club catered to the evening crowd with dining and happy hour options.

Investment in new construction and improvements to existing buildings throughout Q3 totaled over \$316 million. In September, the first of the LaSalle Corridor Revitalization Initiative's office-to-residential conversion projects opened at the intersection of Monroe and Clark Streets. The 117-unit, 30% affordable apartment building brings new life to a historic landmark, including a restoration of its iconic weather-predicting bell.

In addition to these conversions, which expect to bring more than 4,000 new residents to the Loop, some developers are betting on data centers as a way to restore property values in vacant downtown office buildings. Developers plan to convert the first six floors of the historic building at 300 W Adams into a data center, although the project has garnered criticism from historic preservation, urbanist, and environmentalist groups. Another project, at 400 S LaSalle, is almost complete and expected to be operational in 2027. The 385,000 square foot space is the former home of Cboe.



The restored Weather Bell in action.

Source: Chicago Sun-Times

Office Leasing Stabilizes Everyday Occupancy Trends

Google's restoration of the Thompson Center continued to generate leasing momentum in Q3. While project leaders say the building is now not expected to open until 2028, the investment research firm Morningstar signed a **270,000 square foot lease** for its upper floors in September. Other companies continue to build on Google's investment in the Loop, including law firm Morgan & Morgan, which signed a lease for nearly 30,000 square feet across the street.

Overall, office occupancy averaged 68% of 2019 levels and 109% of 2024 levels in August, confirming that while major companies continue to sign leases in the Loop, hybrid work is here to stay ([Avison Young](#)).

New Transportation Infrastructure Supports Increased Ridership

CTA and Metra ridership continued to increase in Q2, signaling continued reliance on the Loop’s central transit network. **CTA bus and train ridership increased 9% from Q2 2025 ridership, while Metra weekday ridership increased 5% from the same time last year.** In parallel, foot traffic on State Street stayed within 5% of Q3 2025 levels.

Backed by sustained ridership, city officials announced a new, nearly 1.5-mile dedicated bus lane coming to Michigan Avenue in the Loop this October. The infrastructure will run from Roosevelt Road to Wacker Drive, allowing the **22,000 riders** traveling through the corridor each week to reach their destinations more efficiently (Block Club Chicago).



Bus lanes and a Loop Link station in the Loop Source: Newcity Design

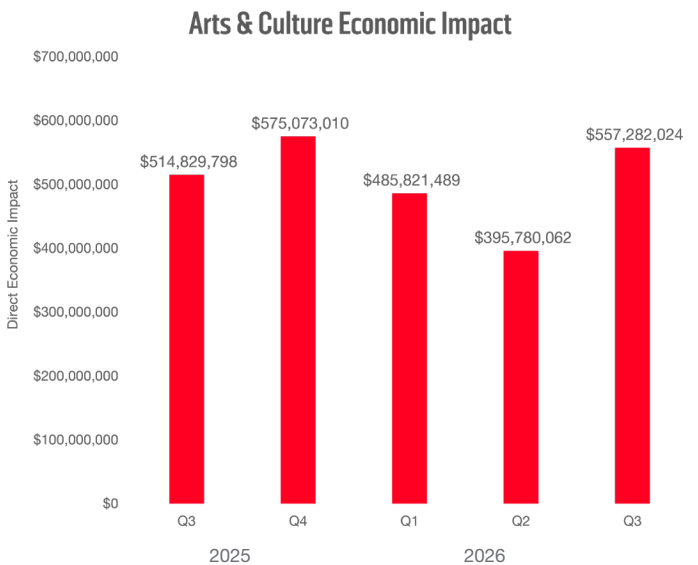
In addition, Chicago transit reached a new milestone when Northern Illinois Transit Authority (NITA) officially began operations on September 1. The agency’s formation came out of a landmark transit funding and reform bill passed last October, which calls for a unified fare system, coordinated service, and safety improvements. As a hub for Metra, CTA, and Pace commuters, the Loop is uniquely positioned to benefit from NITA improvements in the coming years.

Summer Events Anchor Arts and Culture Vibrancy



Fans enjoying Lollapalooza in August.

Summer in the Loop is always filled with outdoor events. This year, classic Chicago events like Lollapalooza and Taste of Chicago **attracted over 2 million visitors to the Loop and generated more than \$557 million in economic impact.** On Lollapalooza weekend, State Street saw foot traffic over 30% higher than 2019 levels. Theaters across the Loop drew 437,000 visitors and DCASE events continued to have a strong Q3, bringing over 600,000 visitors to enjoy the city’s summer programming.



Source: Choose Chicago, DCASE, Art Institute of Chicago, CLA estimates