NEWMARK

RESEARCH | 4Q25

Experiential Retail

Chicago

Chicago Tourism

#1 Best Big City in the U.S.

For the ninth consecutive year, Condé Nast honored Chicago as the top ranked big city to visit in the country.

55.3M Visitors

In 2024, 55.3 million visitors traveled to Chicago, marking a 6.3% increase year-over-year. Visitors were estimated to spend $20.6B, a 5.0% increase year-over-year.

#1 Most Connected Airport in the U.S.

O'Hare International Airport, through the first seven months of 2025, welcomed 48.3 million passengers, marking an increase of 6.4% over the same period last year.

$2.8B in Revenue

As tourism soars, hotel revenue reached an all-time high of about $2.8 billion in 2024, up roughly 11–12 percent year-over-year, with RevPAR and ADR both advancing as occupancy climbed to just over 68 percent.

Chicago's Experiential **Retail**

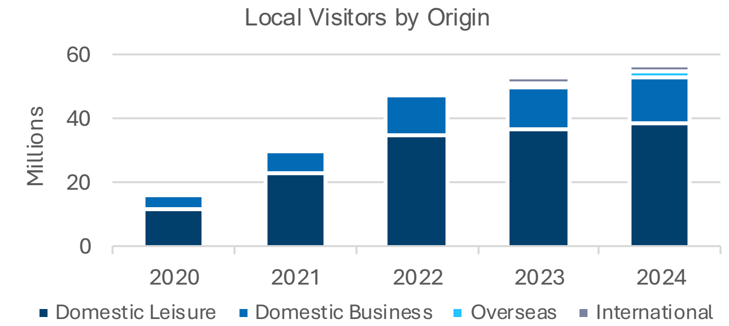
4Q25

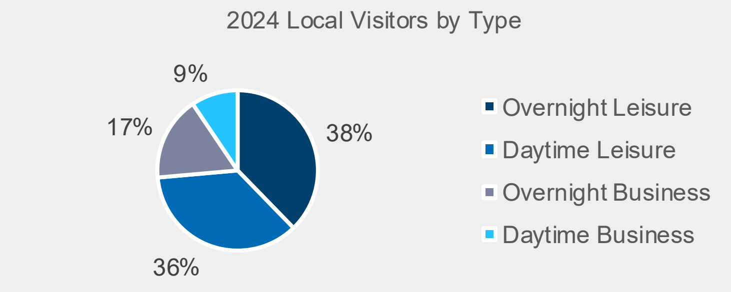
Market Snapshot

Experiential retail is setting the pace in Chicago: Fulton Market/West Loop and Oak Street/Gold Coast lead with hospitality-grade design, patios, and activated public realm, while the Mag Mile pivots to destination dining, entertainment, and brand showrooms.

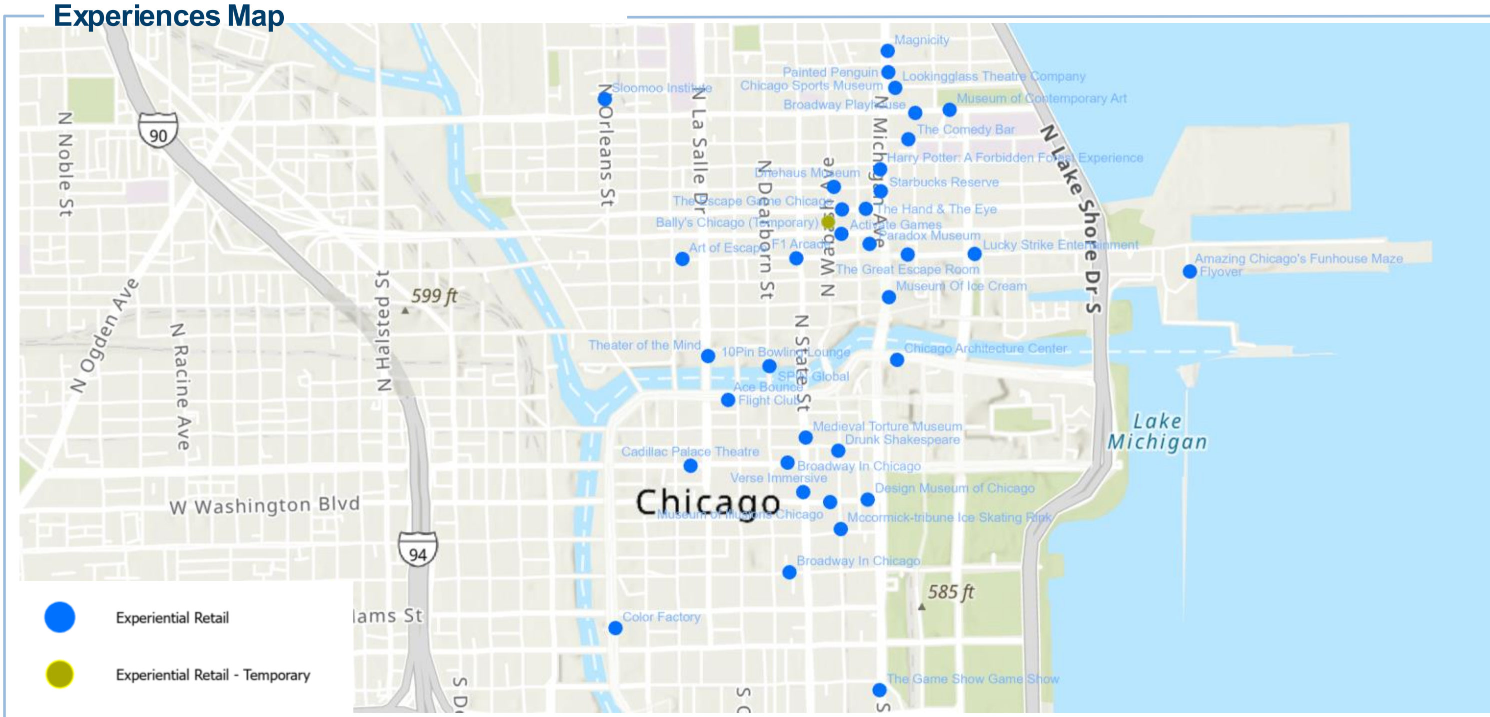
Newmark Research indicates shoppers want stores as social/content hubs, favoring micro-flagships, creator-led drops, and seamless services. With limited new supply, adaptive reuse and big-box conversions stand out. Pop-up-to-permanent paths, percentage rent tied to events, and turnkey F&B infrastructure convert demand.

Tourism





Experiences Map



Source: Newmark Research, Choose Chicago

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New Entrants to the Market

COMPANY	TYPE	SUBMARKET	FOOTPRINT (SF)	GRAND OPENING
Bally's Casino	Amusement & Gambling	Goose Island	750,000	4Q26
F1 Arcade	Race Simulator Arcade	River North	24,000	2Q26
The Hand & The Eye	Magic-Based Experience	North Michigan Avenue	35,900	1Q26
Theater of the Mind	Theatrical Experience	River North	19,000	3Q25
Activate Games	Active Gaming Experience	North Michigan Avenue	16,163	3Q25

Local Demand

$35.7M
2025 Consumer Spending on Entertainment & Recreation, Fees & Admissions

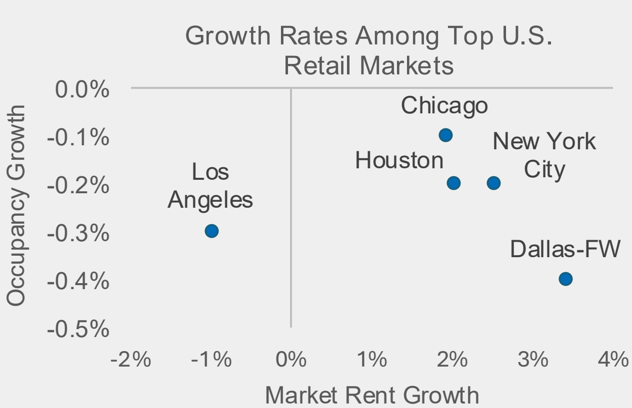
9.09%
Expected Consumer Spending Growth Rate over the next 5 years

93.6M
Non-Resident Visits in 2024
(+3.8% YoY)

362.2K
Daytime Population

*Marina City 0.5-mile radius

National Outlook



- U.S. retail swung back to positive net absorption of 1.1 million square feet in 3Q25, breaking a two-quarter negative streak. Availability is holding near historic lows at 5.3 percent—about 120 basis points below the long-term average of 6.6 percent—helped by limited new construction and nearly 109 million square feet of demolitions since 2020 that have removed obsolete space from inventory.
- Assets built 2000 and later show rising occupancy, while pre-2000 stock is a drag on net absorption, underscoring demand for modern formats and locations in Sunbelt and select Midwestern and smaller markets with strong population and income growth.
- Experiential and service users are helping drive rising sales productivity: retail sales per occupied square foot are up about 45 percent since 2019, a rate that outpaces rent growth.

Source: Newmark Research, ESRI, CoStar

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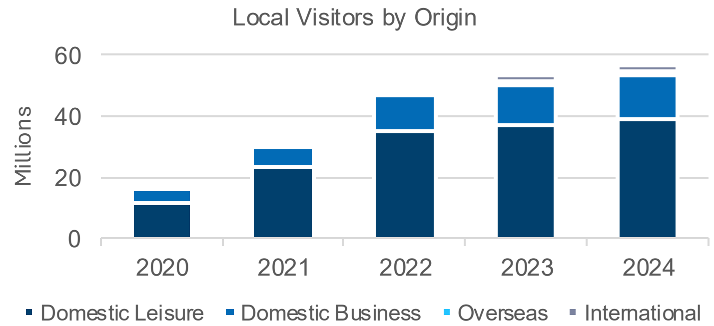
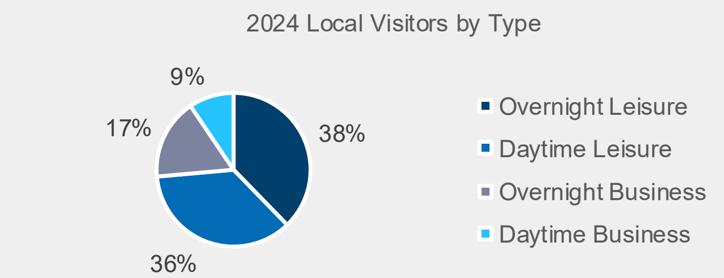
Key Factors:

- **Gen Z is now a primary growth engine for luxury retail:** They expect stores to double as social, content, and community hubs. In Chicago, that favors micro-flagships and brand "houses" on Oak Street/Gold Coast and activation-heavy formats in Fulton Market/West Loop that blend drops, limited collabs, and hospitality layers.
- **Format shifts are toward smaller, flexible, and highly programmable spaces:** concierge lounges, beauty/services as entry points, and integrated resale/authentication. This supports Mag Mile repositioning (experience-first backfills for large boxes), West Loop creator-led pop-ups, and River North showrooming with content studios and late-hour programming.
- **Omnichannel speed-with-theater wins:** in-store services, BOPIS/BORIS, seamless returns, and co-located micro-fulfillment without sacrificing "good friction." Chicago tenants are prioritizing venting/power for F&B, content-ready storefronts, and event calendars synced to conventions, sports, and tourism to convert Gen Z discovery into spend.
- **Community and culture drive loyalty:** partnerships with music, sports, and gaming creators; campus-adjacent activations; and neighborhood collabs that feel authentic to place. Deal structures that enable 3–12-month trials, percentage rent tied to events, and co-marketing with venues reflect how Gen Z tests brands before committing.

Source: Newmark Research, Choose Chicago

Tourism





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