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BMO Tower is getting a new tenant — who's adding space, for a change

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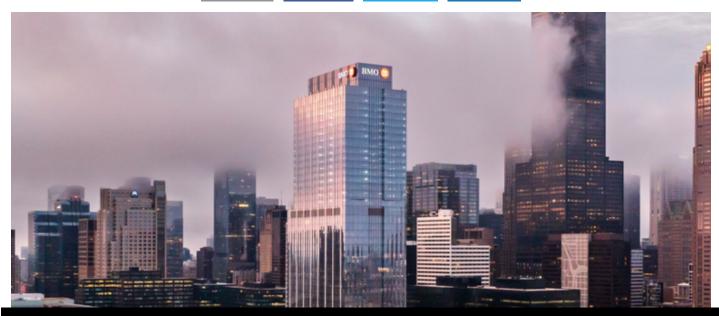EMAIL   SHARE   TWEET   SHARE

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BMO Tower at 320 S. Canal St.

An investment firm that provides financing for midsize companies has struck a deal to move to one of Chicago's newest office towers and expand its workspace by more than 25%, good news for downtown office owners who are getting sick of seeing tenants shrink their footprints.

Antares Capital has signed a lease for 87,586 square feet across three floors in the 52-story BMO Tower property at 320 S. Canal St., the company and the building's owner announced. Antares will move to the new space from its office two blocks north at 500 W. Monroe St., where it is executing an option to terminate its current 69,646-square-foot lease as of next year.

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The new lease lines up with the trend of downtown office tenants flocking to the newest and most updated properties in the city, a movement mostly fueled by companies looking for ways to encourage employees to show up rather than work from home. But the deal belies the streak of companies cutting back on space amid the rise of remote work. The downsizing trend has pushed downtown office vacancy to an all-time high, eating away at profits for landlords and pushing some into foreclosure.

Antares chose the new space on floors 41 through 43 at BMO Tower for its "neighborhood convenience, abundant light and views, shared outdoor space, multiple building conveniences, and an opportunity to create collaborative and branded space that reflects the firm's culture," the statement said.

Antares' commitment marks an important win for the joint venture of Chicago-based Riverside Investment & Development and Convexity Properties that developed BMO Tower during the COVID-19 pandemic. The duo has been trying to lease it up during one of the most competitive times on record for downtown office landlords.

The Antares deal brings the tower to 68% leased, below the 82% average among top-tier, or Class A, office buildings downtown. In addition to anchor tenant BMO, tenants in the building include law firms Skadden Arps Slate Meagher & Flom, Chapman & Cutler and Faegre Drinker Biddle & Reath.

"We continue to see strong interest in 320 South Canal since it provides an amenity rich, health focused, well-located property that creates a desirable environment for the employees of a firm like Antares," Riverside Executive Vice President Rafael Carreira said in the statement.

Working in the tower's favor is that 78% of tenants that have relocated their downtown offices since April 2020 have moved to a higher-quality building, according to data from real estate services firm CBRE.

But Antares is also leaving behind a Class A building in 500 W. Monroe St., which itself

not respond to a request for comment.

Founded in 1996, Antares provides financing to private-equity-backed borrowers and has more than $60 billion of capital under management and administration, according to the company's statement. In addition to its Chicago headquarters, Antares has offices in Atlanta, Los Angeles, New York and Toronto.

Dan Maslauski, Michael Sessa and Jack Deroche of Cushman & Wakefield negotiated the lease on behalf of Antares. Riverside's Christy Domin and Drew Nieman oversee leasing at BMO Tower.

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