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For More Information, Contact: Tracy Johnson – CARW: (414) 271-2021/Joe Doyle – Xceligent: (262) 613-9878

CARW/Xceligent 2014 – 4th Quarter Commercial Real Estate Market Report

Southeastern Wisconsin Commercial Real Estate Markets have continued the positive trend and experienced significant growth in two out of the three general uses according to the commercial real estate market reports for the fourth quarter of 2014 released today by CARW and Xceligent.

The market reports are produced in collaboration by CARW and Xceligent under the direction of an advisory panel of CARW member commercial real estate professionals. Distinguished panel members include:

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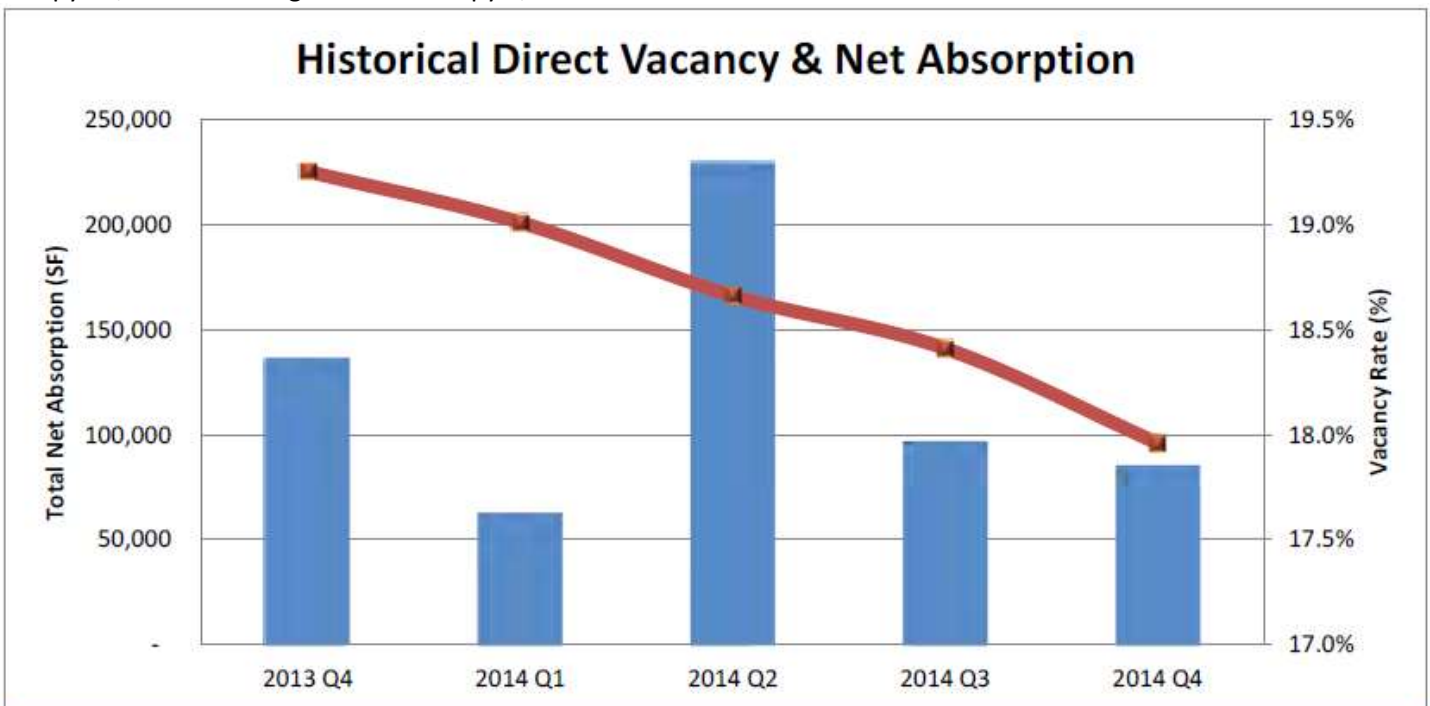
Milwaukee Office 4Q/2014

- Milwaukee experienced 85,898 SF of positive direct absorption for the quarter and 510,657 SF of positive direct absorption for the year. The continued positive absorption has driven the direct vacancy rate from 19.25% (Q4 2013) to 17.96% (Q4 2014).

- Class B properties experienced 74,907 SF of direct absorption for the quarter and 414,257 SF for the year.

- There were two significant sales completed in the downtown west submarket. 401 W Michigan, a 249,334 SF 10 story 100% vacant building will be redeveloped into an apartment building and 801-803 W Michigan St, a 131,660 SF 2 story building 56% vacant building, sold to the Marquette University. Due to their new uses they have been removed from the tracked set and the class B vacancy rate has changed dramatically from 30.75% (Q3) to 17.93%

- The Pabst Professional Center, 42,000 SF Class A 4 story office building was completed this quarter. TCF Bank will occupy 12,890 SF and Logicalis will occupy 3,060 SF.



Q4 2014 Market Overview by Property Type

| | # of Bldgs | Inventory (SF) | Total Available (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Total Qtrly Net Absorption (SF) | YTD Total Net Absorption (SF) | Direct Vacant (SF) | Direct Vacancy Rate (%) | Direct Qtrly Net Absorption (SF) | YTD Direct Net Absorption (SF) |
|--------------------|------------|-------------------|----------------------|-------------------|------------------------|---------------------------------|-------------------------------|--------------------|-------------------------|----------------------------------|--------------------------------|
| A | 131 | 12,263,568 | 2,373,942 | 1,785,093 | 14.56% | (24,746) | (12,333) | 1,670,994 | 13.63% | 7,340 | 97,297 |
| B | 258 | 14,070,670 | 3,787,823 | 3,136,236 | 22.29% | 74,907 | 425,142 | 3,049,543 | 21.67% | 74,907 | 414,257 |
| C | 25 | 1,213,484 | 248,076 | 229,730 | 18.93% | 3,651 | (4,374) | 227,230 | 18.73% | 3,651 | (897) |
| Grand Total | 414 | 27,547,722 | 6,409,841 | 5,151,059 | 18.70% | 53,812 | 408,435 | 4,947,767 | 17.96% | 85,898 | 510,657 |

Milwaukee Industrial Q4 / 2014

- Milwaukee experienced positive absorption for the eighteenth quarter in a row with 1.8 million SF absorbed in fourth quarter of 2014.
- As a result of the positive absorption, the vacancy rate has dropped from 6.00% to 5.13% over the past year.
- The largest lease for the quarter was the FNA Group Inc. leasing 176,000 SF at Towne Industrial VI.
- The largest sale of the quarter was STAG Industrial, Inc. purchasing W180 N11900 River Ln, Germantown for 9.3 million from Ichan Enterprises Holdings LP. The building is 208,882 SF and is fully occupied by Rock-Tenn Co.
- 672,000 SF of this quarter's absorption can be attributed to new construction or additions. Another 670,000 SF of additions and 4.2 million SF of new construction is scheduled to be completed within the next year.

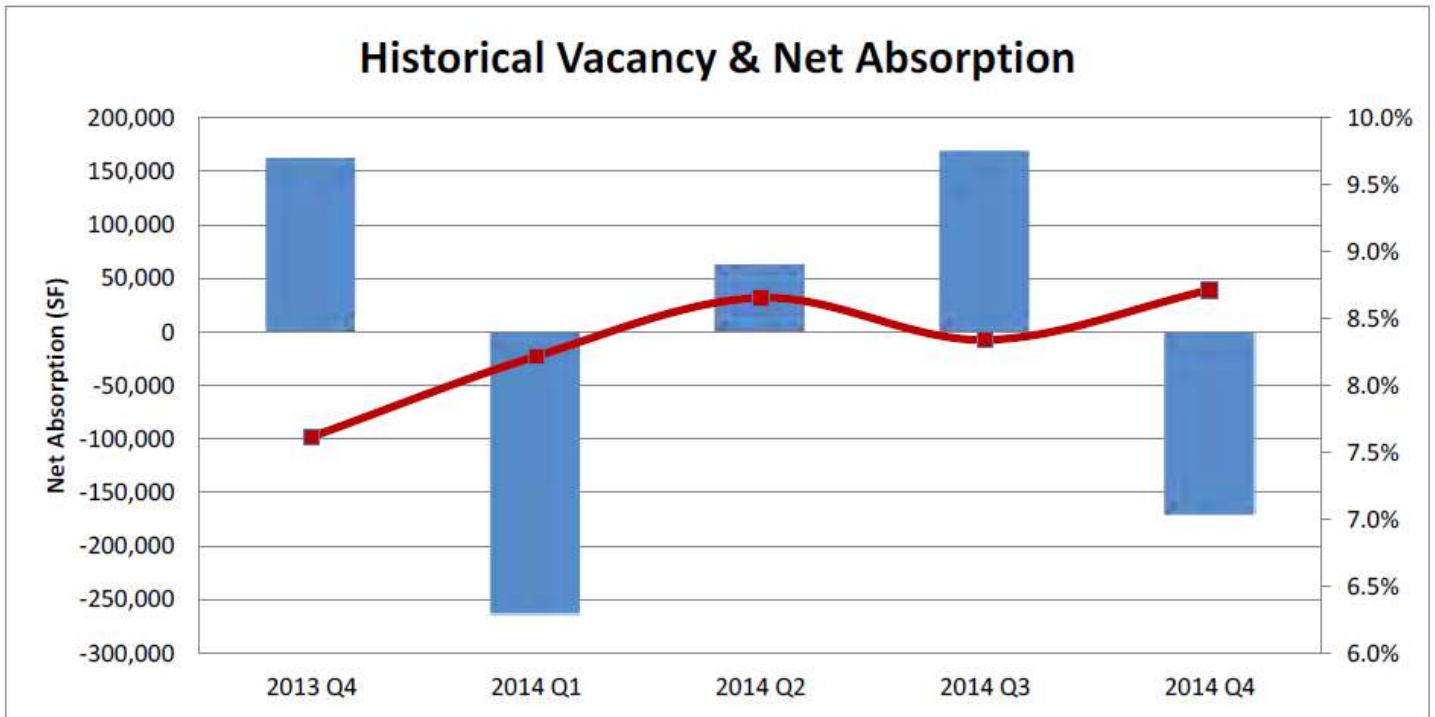


Q4 2014 Market Overview by Property Type

| | # of Bldgs | Inventory (SF) | Total Available (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Total Occupied (SF) | Total Quarterly Absorption | YTD Total Net Absorption |
|--------------------|--------------|--------------------|----------------------|-------------------|------------------------|---------------------|----------------------------|--------------------------|
| Manufacturing | 2,626 | 155,122,014 | 9,202,180 | 6,699,666 | 4.32% | 148,422,348 | 677,229 | 2,369,462 |
| Whse/Distribution | 697 | 68,498,150 | 6,512,729 | 4,117,365 | 6.01% | 64,380,785 | 860,349 | 2,720,419 |
| Flex | 1,016 | 45,211,203 | 4,033,779 | 2,961,938 | 6.55% | 42,249,265 | 288,501 | 247,837 |
| Grand Total | 4,339 | 268,831,367 | 19,748,688 | 13,778,969 | 5.13% | 255,052,398 | 1,826,079 | 5,337,718 |

Milwaukee Retail Q4/2014

- Milwaukee experienced 171,351 SF of negative absorption for the quarter, for the year the market had 199,472 SF of negative absorption. A majority of the negative absorption can be attributed to Sears vacating Bayshore Town Center and Pick 'n Save vacating their Greenfield Ave, West Allis location.
- The largest lease for the quarter was Festival Foods leasing 70,712 SF at Racine Village Center.
- The largest transaction was Grand Avenue Mall LLC purchasing the Shops at Grand Avenue 16.5 Million during a foreclosure auction.



| Q4 2014 Market Overview by Property Type | | | | | | | | |
|--|-------------------|----------------------|-----------------------|-------------------------|-------------------|------------------------|-------------------------------------|-------------------------------|
| | Inventory (SF) | Total Available (SF) | Direct Available (SF) | Available Sublease (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Total Quarterly Net Absorption (SF) | YTD Total Net Absorption (SF) |
| Regional Ctr | 5,910,842 | 493,672 | 489,672 | 4,000 | 264,092 | 4.47% | (117,000) | (206,119) |
| Community Ctr | 12,244,407 | 1,399,203 | 1,399,203 | 0 | 1,314,335 | 10.73% | 80,247 | 213,555 |
| Neighborhood Ctr | 14,526,058 | 2,024,678 | 1,853,778 | 170,900 | 1,731,284 | 11.92% | (50,148) | 47,736 |
| Power Ctr | 17,516,959 | 1,047,094 | 984,652 | 62,442 | 1,012,962 | 5.78% | (77,494) | (266,263) |
| Conv/Strip Ctr | 3,445,840 | 453,442 | 453,442 | 0 | 351,677 | 10.21% | (6,956) | 11,619 |
| Grand Total | 53,644,106 | 5,418,089 | 5,180,747 | 237,342 | 4,674,350 | 8.71% | (171,351) | (199,472) |