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CARW/Xceligent 2015 – 3rd Quarter Commercial Real Estate Market Report

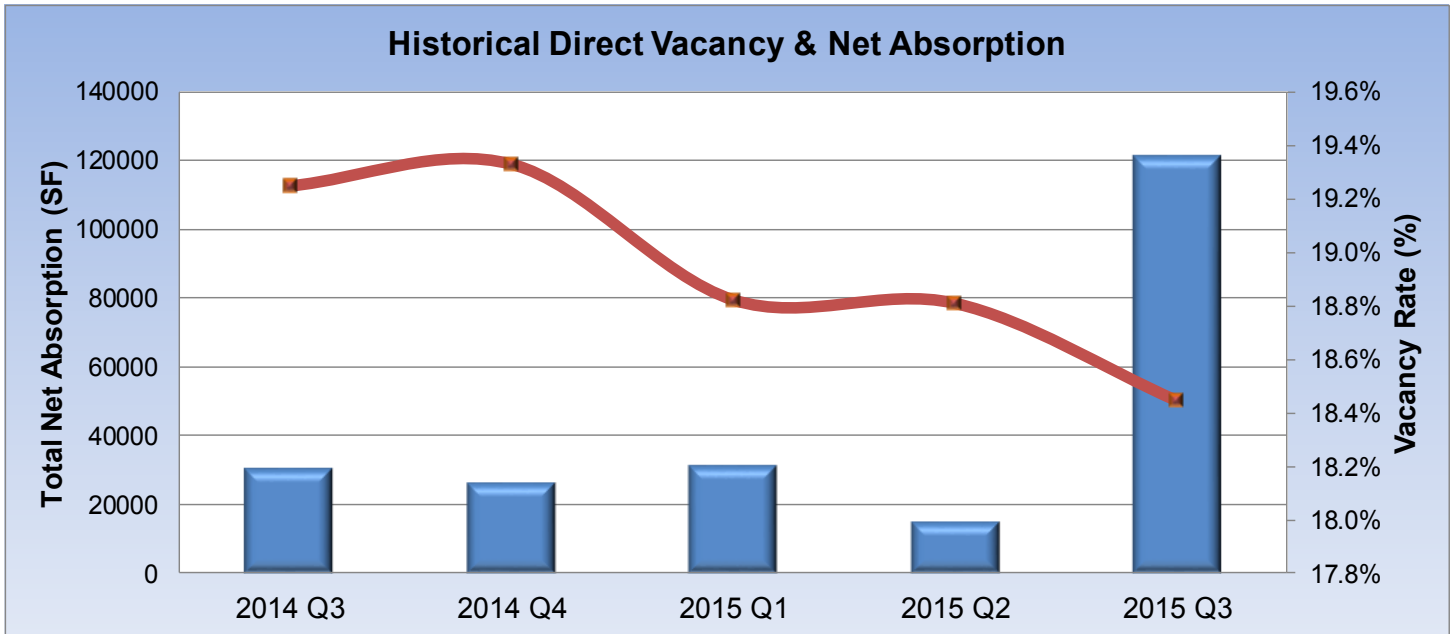
Southeastern Wisconsin Commercial Real Estate Markets have continued the positive trend and experienced significant growth in the first three quarters of 2015 according to the commercial real estate market reports for the third quarter of 2015 released today by CARW and Xceligent.

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 Market Q3/2015

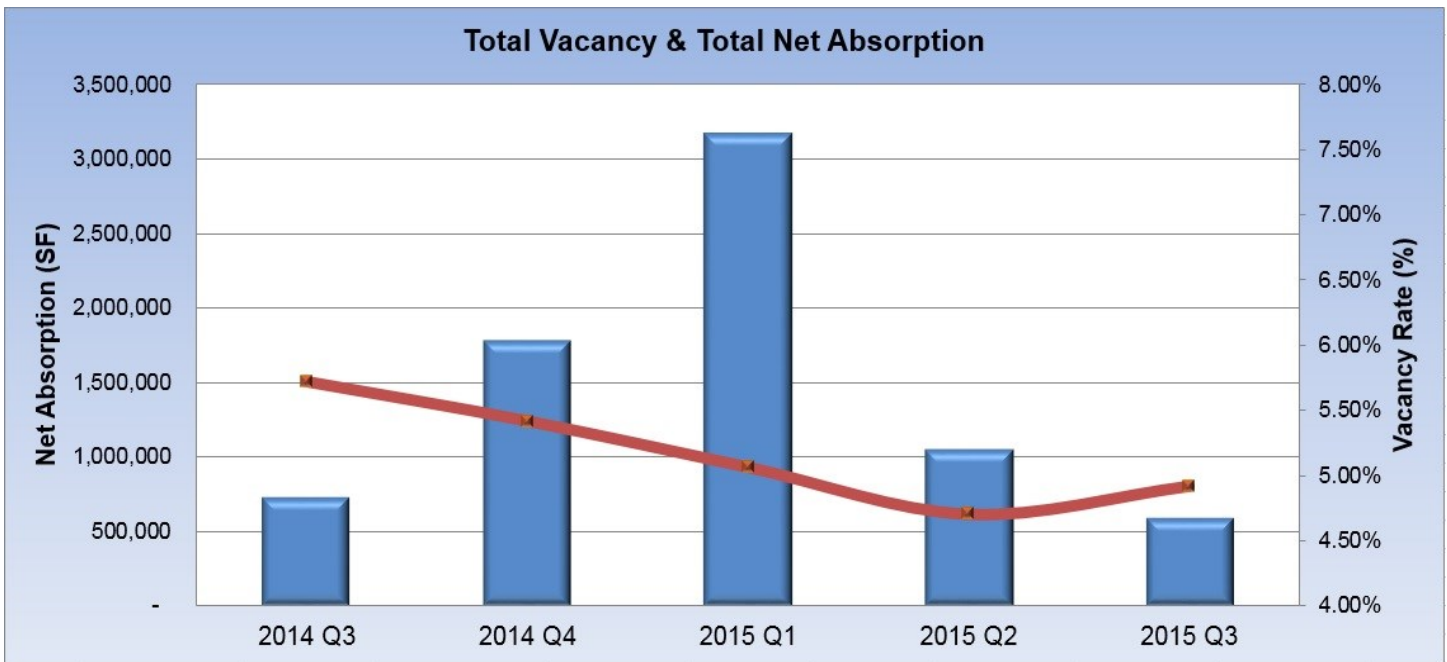
- In the third quarter of 2015, the Milwaukee office market absorbed 121,389 square feet, bringing the total vacancy rate down to 18.4%.
- Downtown East experienced the most positive absorption at 75,761 SF absorbed, while the North Shore experienced the largest negative absorption, with -71,682 square feet absorbed. The absorption in both markets is largely attributed to the relocation of Great West Life Assurance.
- Overall asking rates have been steadily increasing, up \$.88/SF over last year.
- Ridgeview Office Center IV was delivered and added to the tracked set. It is a 25,700 SF, Class A office building in Pewaukee.



	# of Bldgs	Inventory (SF)	Available (SF)	Vacant (SF)	Vacancy Rate (%)	Quarterly Absorption (SF)
A	134	12,348,791	2,347,998	1,814,504	14.7%	106,046
B	256	14,061,901	3,665,472	3,150,175	22.4%	8,911
C	25	1,211,985	181,127	130,390	10.8%	6,432
Grand Total	415	27,622,677	6,194,597	5,095,069	18.4%	121,389

Milwaukee Industrial Market Q3/2015

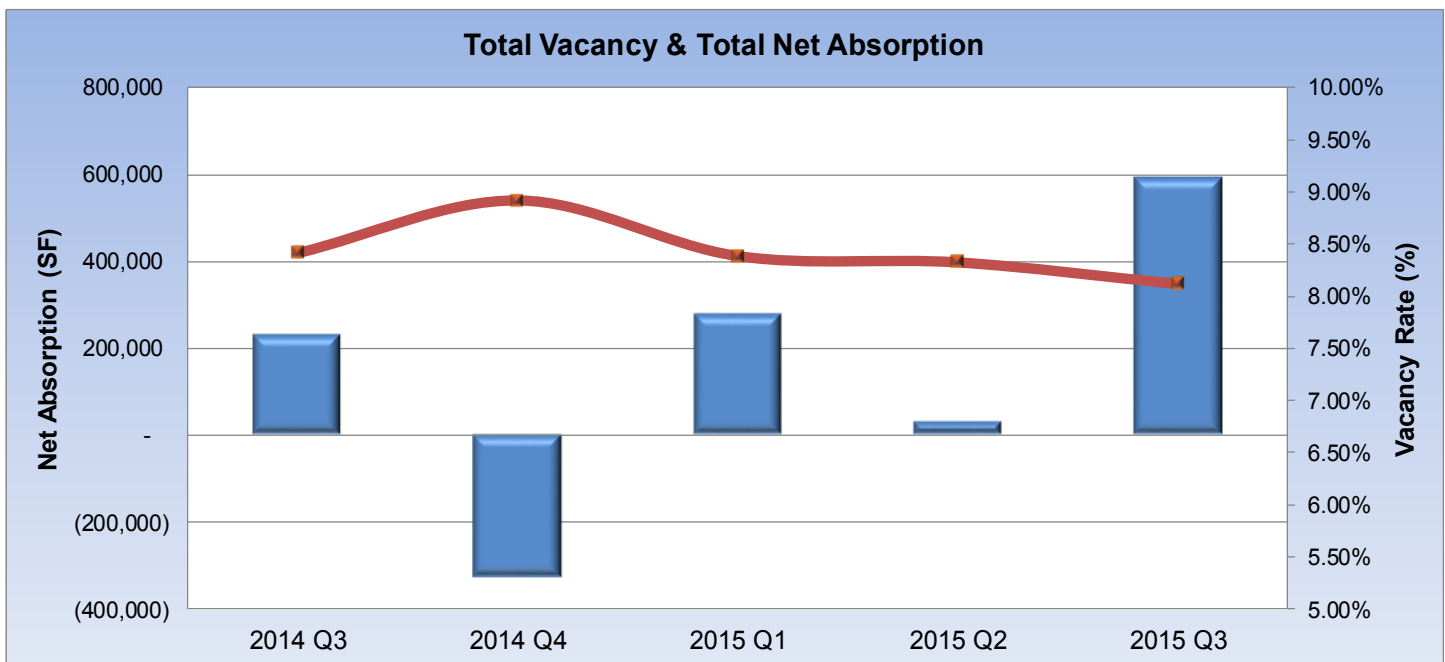
- In the 3rd quarter of 2015, the Milwaukee industrial market absorbed 588,515 square feet.
- Despite the positive absorption seen this quarter, the vacancy rate climbed slightly to 4.92%, due to over 1.2 million square feet of new construction, with a pre-lease rate of 45%.
- The Kenosha market experienced the highest gains of the quarter, with 576,414 square feet absorbed. The absorption is largely attributable to the completion of Uline's 520,000 square feet distribution center.
- Racine experienced the largest losses this quarter, with -132,525 square feet absorbed, yet led the market in new construction, boasting over 600,000 of the market's total 1.2 million square feet of new construction.
- The Milwaukee industrial market has experienced 22 consecutive quarters of positive absorption and has absorbed over 23 million square feet since the 2nd quarter of 2010, when the trend began.



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Occupied (SF)	Total Q3 Absorption
Light Industrial	2,394	121,100,341	6,260,183	4,419,231	3.65%	116,681,110	72,579
Warehouse - Distribution	699	70,983,841	7,711,893	5,193,237	7.32%	65,790,604	429,065
Flex/R&D	1,004	44,490,316	3,517,988	2,571,886	5.78%	41,918,430	115,796
Manufacturing	249	35,625,337	1,811,947	1,201,201	3.37%	34,424,136	(28,925)
Grand Total	4,346	272,199,835	19,302,011	13,385,555	4.92%	258,814,280	588,515

Milwaukee Retail Market Q3/2015

- In the 3rd quarter of 2015, the Milwaukee retail market absorbed 590,409 square feet, continuing the positive trend for the year and bringing the vacancy rate to 8.12%.
- The Milwaukee market experienced the highest gains of the quarter, with 446,079 square feet absorbed. Sheboygan experienced the biggest losses this quarter, with -80,479 square feet absorbed.
- There were 3 additions to the retail tracked set this quarter, with Meijer's opening 2 stores and Nordstrom finishing construction at Mayfair Mall, totaling 554,940 square feet delivered.
- Average asking rates remain above \$12 psf NNN in the 3rd quarter, but dipped slightly below the high asking rate of \$12.30 in the second quarter.



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Occupied (SF)	Total Quarterly Absorption
Power Ctr	186	17,618,318	674,827	667,094	3.79%	16,951,224	385,467
Neighborhood Ctr	162	14,856,479	1,862,886	1,636,027	11.01%	13,220,452	91,072
Community Ctr	70	12,169,302	1,485,539	1,377,969	11.32%	10,791,333	(75,475)
Regional Ctr	8	6,057,377	375,207	371,207	6.13%	5,686,170	190,000
Conv/Strip Ctr	75	3,408,394	404,362	339,631	9.96%	3,068,763	(655)
Grand Total	501	54,109,870	4,802,821	4,391,928	8.12%	49,717,942	590,409