



CARW/Xceligent 2016—2nd Quarter Commercial Real Estate Market Report

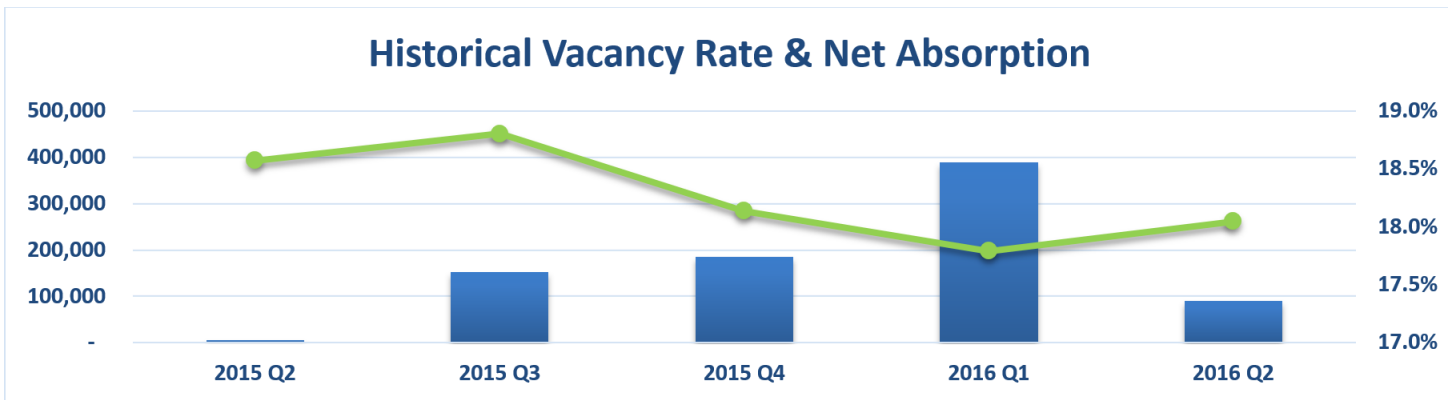
Southeastern Wisconsin Commercial Real Estate Markets have continued the year positively with relatively steady vacancy rates and positive absorption, according to the commercial real estate market reports for the second quarter of 2016, released today by CARW and Xceligent. The market reports are produced in collaboration by CARW and Xceligent under the direction of an advisory panel of CARW member commercial real estate professionals.

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Milwaukee Office Market Q2/2016

- Through the second quarter of 2016, the Southeastern Wisconsin office market experienced 84,266 square feet of direct net absorption. Direct vacancy climbed .3% from last quarter to 17.2%, due to almost 200,000 square feet of new inventory being added to the market.
- The average direct asking rate is \$19.32 per square foot, up \$.72 per square foot over last year.
- The Wauwatosa/Mayfair submarket experienced the largest net gains of the quarter with 117,212 square feet absorbed, while the Downtown East submarket experienced the largest net losses, with -92,130 square feet absorbed.
- Class A out performed Class B & C office product this quarter, with 67,398 square feet, 11,916 square feet, and 4,952 square feet absorbed, respectively.
- The single largest net gain of the quarter comes from the delivery of Meadowland Research & Technology Center, which absorbed 101,569 square feet and was 68% leased at the time of completion. Notable tenants include: Zywave and OneAmerica.

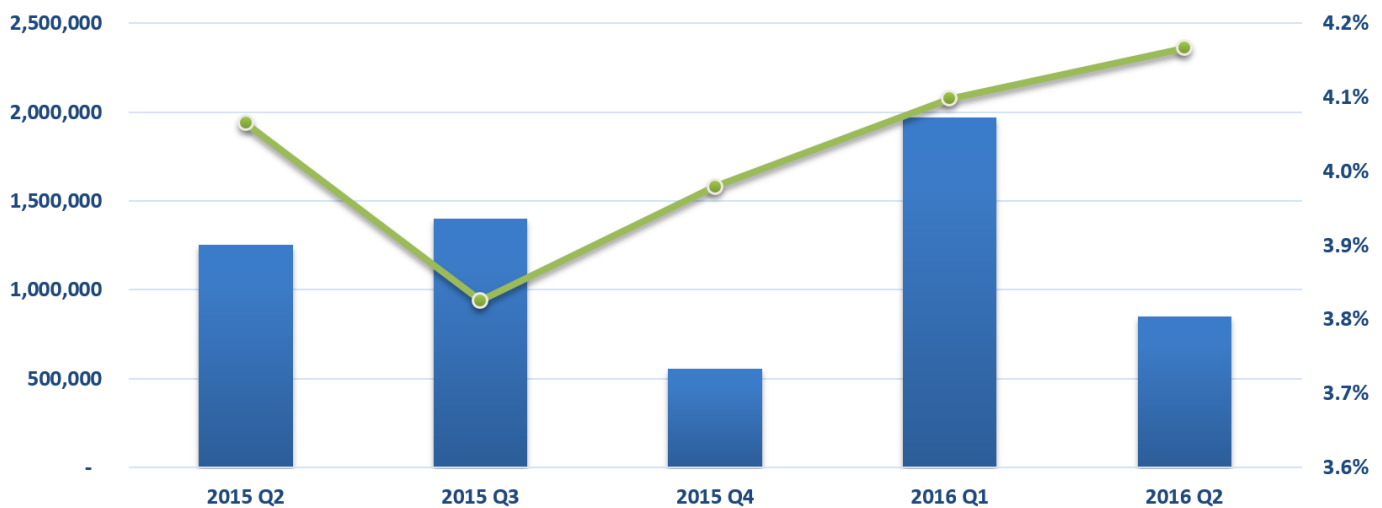


	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
A	131	12,666,272	2,304,595	1,864,876	14.7%	74,112	421,252
B	257	14,408,167	3,636,535	3,117,445	21.6%	11,916	49,641
C	23	1,129,695	154,119	108,058	9.6%	4,952	9,799
Grand Total	411	28,204,134	6,095,249	5,090,379	18.0%	90,980	480,692

Milwaukee Industrial Market Q2/2016

- Through the second quarter of 2016, the Southeastern Wisconsin industrial market absorbed 848,163 square feet. Despite the positive net gains, the total vacancy rate climbed .1% from last quarter to 4.2%, due to the completion of 1.16 million square feet of new inventory.
- The average asking rate remains relatively steady at \$4.34 per square foot, up \$.09 per square foot over last year.
- The Waukesha market experienced the largest net gains of the quarter with 538,364 square feet absorbed, while the Washington County market experienced the largest net losses with -80,044 square feet absorbed.
- Light Industrial out performed both Warehouse - Distribution and Flex/R&D uses this quarter, with 473,777 square feet, 279,214 square feet, and 95,172 square feet absorbed, respectively.
- Froedtert delivered a 158,525 square foot Warehouse - Distribution center in Menomonee Falls, for the largest single absorption of the quarter.

Historical Vacancy Rate & Net Absorption

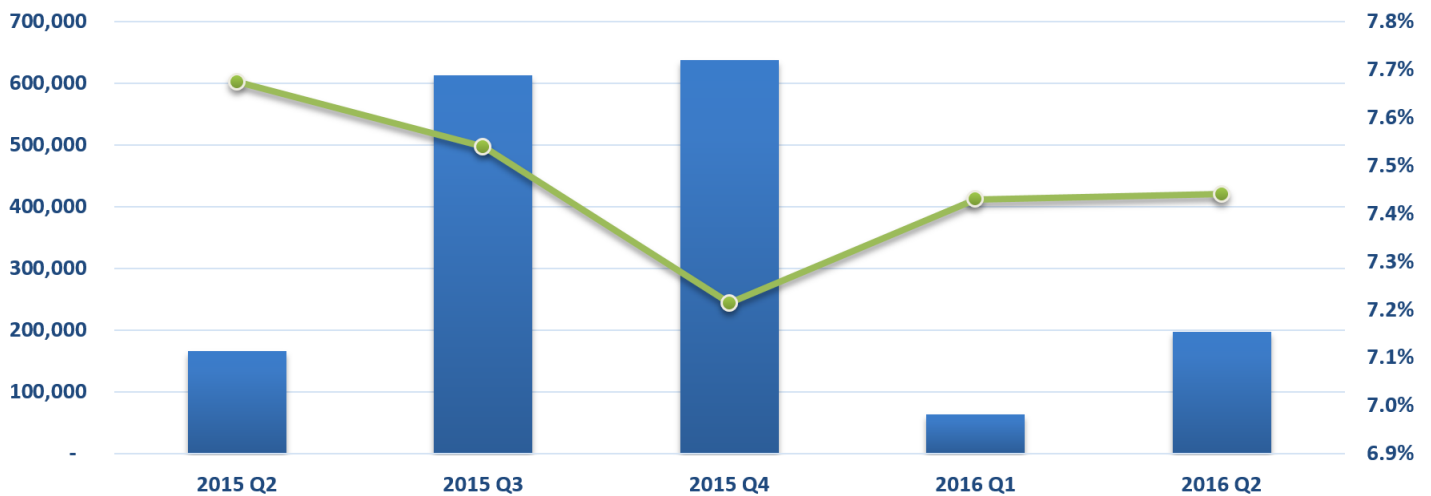


	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Flex/R&D	1,027	45,615,718	3,729,038	2,042,132	4.5%	95,172	567,763
Warehouse - Distribution	703	72,595,227	7,231,339	4,448,195	6.1%	279,214	1,732,202
Light Industrial	2,639	157,876,469	7,486,205	5,011,597	3.2%	473,777	517,344
Grand Total	4,369	276,087,414	18,446,582	11,501,924	4.2%	848,163	2,817,309

Milwaukee Retail Market Q2/2016

- Through the second quarter of 2016, the Southeastern Wisconsin retail market absorbed 197,503 square feet. Despite the net gains experienced this quarter, the total vacancy rate remains steady at 7.4%, due to 220,000 square feet of new inventory.
- The average asking rate remains relatively steady at \$12.33 per square foot, up only \$.02 per square foot over last year.
- The Waukesha market experienced the largest net gains of the quarter, with 224,018 square feet absorbed. The Racine market experienced the largest net losses of the quarter, with -11,239 square feet absorbed.
- Power centers out-performed all other uses in the second quarter of 2016, with 190,000 square feet absorbed. Convenience/Strip centers experienced the largest net losses in the second quarter of 2016, with -11,169 square feet absorbed.
- Meijer completed a 190,000 square foot Power Center for the largest single net gain of the second quarter of 2016.

Historical Vacancy Rate & Net Absorption



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Regional Ctr	10	6,388,669	352,712	325,712	5.1%	-	72,104
Neighborhood Ctr	165	14,907,615	1,815,390	1,610,128	10.9%	-6,019	-3,819
Power Ctr	191	18,407,871	616,029	419,126	2.3%	190,000	321,861
Conv/Strip Ctr	77	3,466,015	378,807	342,213	9.9%	-11,169	-15,074
Community Ctr	70	12,317,852	1,569,082	1,431,287	11.6%	24,691	-116,074
Grand Total	513	55,488,022	4,705,020	4,128,466	7.4%	197,503	258,998