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CARW/Xceligent 2016—1st Quarter Commercial Real Estate Market Report

Southeastern Wisconsin Commercial Real Estate Markets have started the year positively with relatively steady vacancy rates and positive absorption, according to the commercial real estate market reports for the first 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. Distinguished panel members include:

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Milwaukee Office Market Q1/2016

- Through the first quarter of 2016, the Milwaukee office market absorbed 338,237 square feet and the total vacancy rate fell .1% from last quarter to 17.8%
- Average asking rates are at \$19.40 per square foot, up \$.96 per square foot over last year and \$.17 per square foot over last quarter.
- The Downtown East submarket experienced the largest positive absorption of the quarter with 242,733 square feet absorbed, while the Waukesha/Pewaukee submarket experienced the largest negative absorption with (57,854) square feet absorbed.
- Class A office space out performed class B and class C this quarter, with 338,237 square feet, (3,376) square feet, and 3,793 square feet absorbed, respectively.
- The largest absorption created in the first quarter of 2016 comes from the delivery of 833 East Michigan, which was 64% leased at the time of completion.

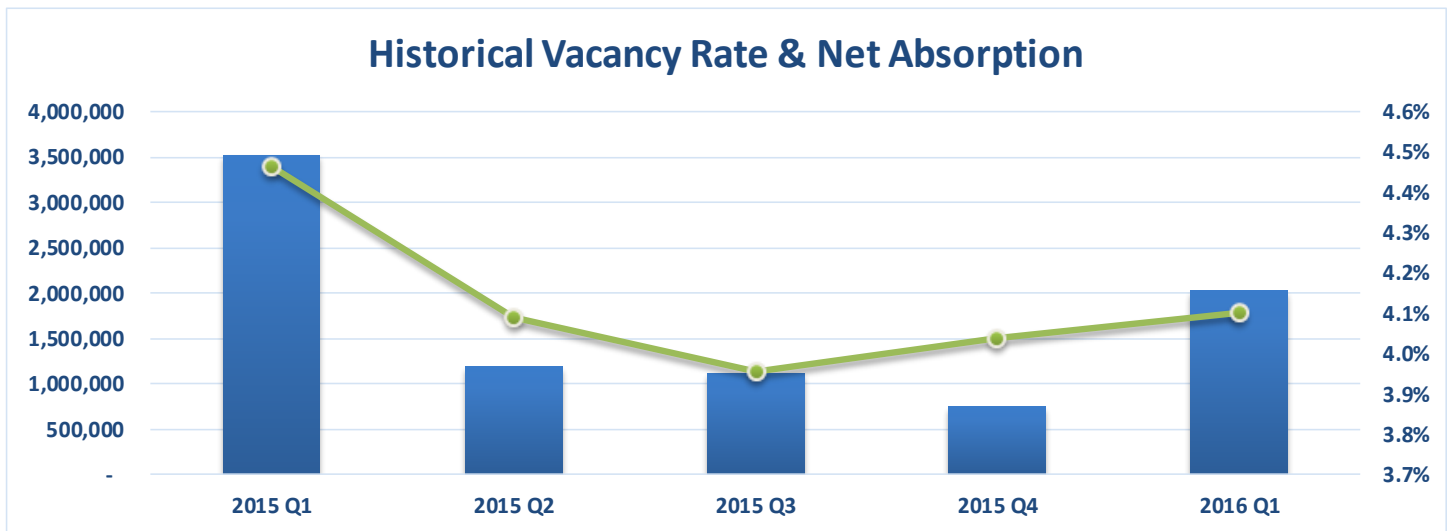
Historical Vacancy Rate & Net Absorption



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
A	135	12,759,732	2,377,601	1,843,483	14.4%	338,237	338,237
B	251	14,166,517	3,804,123	3,030,239	21.4%	(3,376)	(3,376)
C	24	1,145,985	180,591	115,274	10.1%	3,793	3,793
Grand Total	410	28,072,234	6,362,315	4,988,996	17.8%	338,654	338,654

Milwaukee Industrial Market Q1/2016

- Through the first quarter of 2016, the Milwaukee industrial market absorbed 2,027,746 square feet. The total vacancy rate climbed .1% from last quarter to 4.1%
- The average asking rate remains relatively steady at \$4.36 per square foot, up \$.11 per square foot over last year and down \$.01 per square foot from last quarter.
- The Kenosha market experienced the largest net gains of the quarter with 1,178,321 square feet absorbed, while the Walworth market experienced the largest net losses with (81,385) square feet absorbed.
- Warehouse - Distribution out performed both Flex/R&D and Light Industrial uses this quarter, with 1,407,988 square feet, 521,078 square feet, and 98,680 square feet absorbed, respectively.
- The largest absorption created in the first quarter of 2016 comes from the delivery of a 1,200,000 square feet addition to Uline's Warehouse-Distribution center in the Kenosha market.

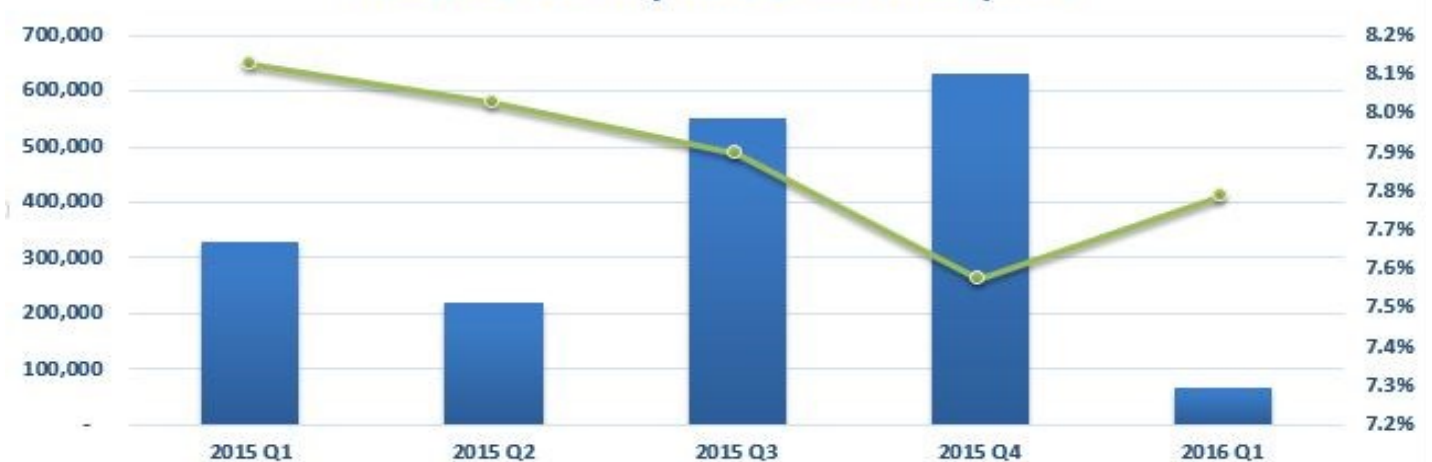


	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Flex/R&D	1,027	45,605,941	3,632,201	2,066,398	4.5%	521,078	521,078
Warehouse - Distribution	703	72,271,531	7,722,246	4,603,770	6.4%	1,407,988	1,407,988
Light Industrial	2,633	156,743,327	7,739,159	4,591,166	2.9%	98,680	98,680
Grand Total	4,363	274,620,799	19,093,606	11,261,334	4.1%	2,027,746	2,027,746

Milwaukee Retail Market Q1/2016

- Through the first quarter of 2016, the Milwaukee retail market absorbed 65,108 square feet. The total vacancy rate climbed .2% from last quarter to 7.8%
- The average asking rate fell slightly to \$10.59 per square foot, down \$.32 per square foot from last quarter, but up \$.17 per square foot over last year.
- The Kenosha market experienced the largest net gains of the quarter with 40,650 square feet absorbed, while the Milwaukee market experienced the largest net losses with -50,408 square feet absorbed.
- Power centers out performed all other specific uses this quarter, with 132,028 square feet absorbed. Community centers experienced the largest net losses in the first quarter of 2016, with -141,069 square feet absorbed.
- Phase II of the Mayfair Collection delivered 105,212 square feet. The project is 68% leased; Whole Foods leased 45,150 square feet, Home Goods leased 22,454 square feet and Verlo leased 4,500 square feet.

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	406,105	382,823	6.0%	72,104	72,104
Neighborhood Ctr	164	14,882,174	1,811,326	1,618,383	10.9%	2,200	2,200
Power Ctr	192	18,367,334	681,862	484,959	2.6%	132,028	132,028
Conv/Strip Ctr	76	3,435,907	363,421	346,701	10.1%	-155	-155
Community Ctr	69	11,999,247	1,518,394	1,454,416	12.1%	-141,069	-141,069
Grand Total	511	55,073,331	4,781,108	4,287,282	7.8%	65,108	65,108