



# COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE APRIL 2020 | For more information, please contact: Tracy Johnson, CARW 414-698-7474 | Chris Allen, Catylist 952-456-1669

The market reports are produced in collaboration of CARW and REDIComps under the direction of an advisory panel of CARW members commercial real estate professionals.

The Commercial Association of REALTORS®Wisconsin (CARW) works to advance the interests of individual practitioners and the industry through education, professional development, public affairs & advocacy, professional standards & ethics and business networking.

## Milwaukee Office Overview

- Milwaukee office market started the year with 92,818 sf in positive absorption. First quarter overall vacancy rate was 13.3% with the multi-tenant vacancy rate in at 17.9%.
- Milwaukee Downtown East market held top spot with 80,581 sf positive absorption resulting from the leases of Gannett, NCR Corp and Miron Construction in three of the top five positive changes.
- Milwaukee West market held the second most positive absorption of 79,252 sf. Centeen held the largest lease of 50,000 sf for the quarter in Milwaukee West but they vacated 28,692 sf in Mayfair - Wauwatosa market.
- Brookfield posted the largest loss of 32,822 sf with Revista vacating the largest space of 14,454 sf.
- There is over 1,200,000 sf currently under construction resulting from 9 properties. BMO Tower is the largest property under construction with over 380,000 sf and an anticipated delivery during Q2 2020.

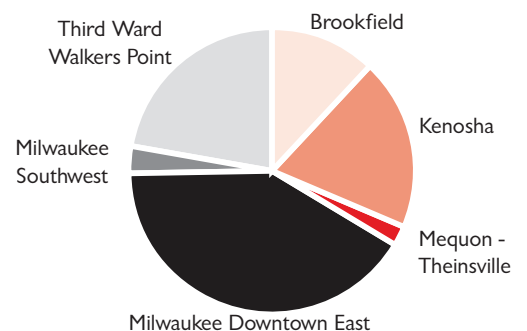
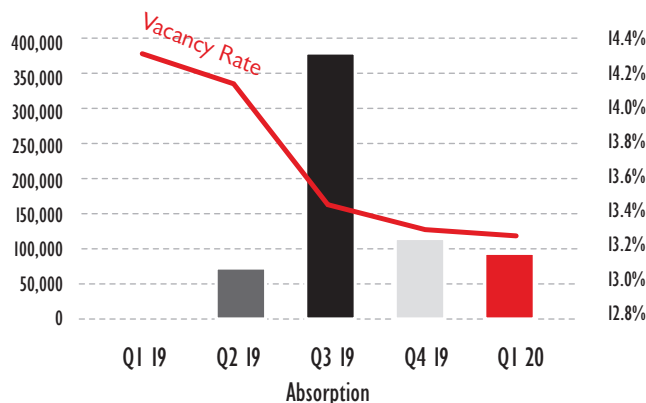
### MILWAUKEE OFFICE: SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	Vacancy Rate
A	97	15,296,749	2,765,701	1,903,931	88,797	12.4%
B	436	27,855,426	4,337,432	4,028,685	4,792	14.5%
C	55	2,392,385	137,705	114,331	(771)	4.8%
<b>Total</b>	<b>588</b>	<b>45,544,560</b>	<b>7,240,838</b>	<b>6,046,947</b>	<b>92,818</b>	<b>13.3%</b>

### UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Brookfield	158,000
Kenosha	250,000
Mequon - Theinsville	29,500
Milwaukee Downtown East	533,817
Milwaukee Southwest	41,600
Third Ward - Walkers Point	286,265
<b>Total</b>	<b>1,299,182</b>

### ABSORPTION AND VACANCY RATE



## MILWAUKEE OFFICE

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	Vacancy Rate
<b>Milwaukee Downtown East</b>	A	14	6,197,414	986,441	562,312	74,621	9.1%
	B	45	5,215,872	353,044	280,272	5,960	5.4%
	C	5	146,389			0	0.0%
	<b>Subtotal</b>	<b>64</b>	<b>11,559,675</b>	<b>1,339,485</b>	<b>842,584</b>	<b>80,581</b>	<b>7.3%</b>
<b>Milwaukee Downtown West</b>	A	3	902,938	389,635	381,914	(1,701)	42.3%
	B	33	4,415,446	1,019,107	1,047,070	(25,178)	23.7%
	C	3	204,311	14,000		0	0.0%
	<b>Subtotal</b>	<b>39</b>	<b>5,522,695</b>	<b>1,422,742</b>	<b>1,428,984</b>	<b>(26,879)</b>	<b>25.9%</b>
<b>Third Ward-Walkers Point</b>	A	3	263,369	15,877	8,897	0	3.4%
	B	40	2,062,734	309,066	223,410	10,297	10.8%
	C	5	175,896	91,207	84,000	0	47.8%
	<b>Subtotal</b>	<b>48</b>	<b>2,501,999</b>	<b>416,150</b>	<b>316,307</b>	<b>10,297</b>	<b>12.6%</b>
<b>Milwaukee CBD</b>	A	20	7,363,721	1,391,953	953,123	72,920	12.9%
	B	118	11,694,052	1,681,217	1,550,752	(8,921)	13.3%
	C	13	526,596	105,207	84,000	0	16.0%
	<b>Subtotal</b>	<b>151</b>	<b>19,584,369</b>	<b>3,178,377</b>	<b>2,587,875</b>	<b>63,999</b>	<b>13.2%</b>
<b>Brookfield</b>	A	24	2,023,127	384,860	294,275	11,708	14.5%
	B	79	3,911,361	650,060	559,033	(44,530)	14.3%
	C	6	163,390			0	0.0%
	<b>Subtotal</b>	<b>109</b>	<b>6,097,878</b>	<b>1,034,920</b>	<b>853,308</b>	<b>(32,822)</b>	<b>14.0%</b>
<b>Mayfair - Wauwatosa</b>	A	14	1,658,528	328,229	150,154	(11,150)	9.1%
	B	29	1,411,646	313,606	297,820	(7,695)	21.1%
	C	8	343,553	12,238	12,238	(771)	3.6%
	<b>Subtotal</b>	<b>51</b>	<b>3,413,727</b>	<b>654,073</b>	<b>460,212</b>	<b>(19,616)</b>	<b>13.5%</b>
<b>Mequon - Theinsville</b>	A	5	167,134	35,898	30,874	8,668	18.5%
	B	12	328,283	87,160	56,011	(1,464)	17.1%
	<b>Subtotal</b>	<b>17</b>	<b>495,417</b>	<b>123,058</b>	<b>86,885</b>	<b>7,204</b>	<b>17.5%</b>
<b>Milwaukee Central</b>	A	1	70,555			0	0.0%
	B	8	717,056	60,529		0	0.0%
	C	11	672,599			0	0.0%
	<b>Subtotal</b>	<b>20</b>	<b>1,460,210</b>	<b>60,529</b>		<b>0</b>	<b>0.0%</b>

## MILWAUKEE OFFICE, continued

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	Vacancy Rate
<b>Milwaukee North Shore</b>	A	3	149,535	68,386	68,386	2,874	45.7%
	B	36	2,195,860	558,518	570,860	(6,245)	26.0%
	C	8	402,978	20,260	18,093	0	4.5%
	<b>Subtotal</b>	<b>47</b>	<b>2,748,373</b>	<b>647,164</b>	<b>657,339</b>	<b>(3,371)</b>	<b>23.9%</b>
<b>Milwaukee Northwest</b>	A	11	1,915,769	211,409	213,280	5,478	11.1%
	B	44	2,563,681	459,194	449,091	8,069	17.5%
	<b>Subtotal</b>	<b>55</b>	<b>4,479,450</b>	<b>670,603</b>	<b>662,371</b>	<b>13,547</b>	<b>14.8%</b>
<b>Milwaukee Southwest</b>	A	2	111,067	26,776	26,776	0	24.1%
	B	10	390,140	57,644	51,863	(9,158)	13.3%
	C	2	91,658			0	0.0%
	<b>Subtotal</b>	<b>14</b>	<b>592,865</b>	<b>84,420</b>	<b>78,639</b>	<b>(9,158)</b>	<b>13.3%</b>
<b>Milwaukee West</b>	B	18	1,679,789	118,607	230,554	79,252	13.7%
	C	1	27,516			0	0.0%
	<b>Subtotal</b>	<b>19</b>	<b>1,707,305</b>	<b>118,607</b>	<b>230,554</b>	<b>79,252</b>	<b>13.5%</b>
<b>Pewaukee</b>	A	16	1,157,047	318,190	167,063	(1,701)	14.4%
	B	21	756,882	108,088	44,189	0	5.8%
	<b>Subtotal</b>	<b>37</b>	<b>1,913,929</b>	<b>426,278</b>	<b>211,252</b>	<b>(1,701)</b>	<b>11.0%</b>
<b>Waukesha Northwest - Lake Country</b>	B	18	593,108	38,516	27,976	(941)	4.7%
	<b>Subtotal</b>	<b>18</b>	<b>593,108</b>	<b>38,516</b>	<b>27,976</b>	<b>(941)</b>	<b>4.7%</b>
<b>Waukesha Southeast - New Berlin</b>	A	1	680,266			0	0.0%
	B	24	894,381	142,547	142,547	0	15.9%
	<b>Subtotal</b>	<b>25</b>	<b>1,574,647</b>	<b>142,547</b>	<b>142,547</b>	<b>0</b>	<b>9.1%</b>
<b>Waukesha Southwest</b>	B	19	719,187	61,746	47,989	(3,575)	6.7%
	C	6	164,095			0	0.0%
	<b>Subtotal</b>	<b>25</b>	<b>883,282</b>	<b>61,746</b>	<b>47,989</b>	<b>(3,575)</b>	<b>5.4%</b>
<b>Suburban</b>	A	77	7,933,028	1,373,748	950,808	15,877	12.0%
	B	318	16,161,374	2,656,215	2,477,933	13,713	15.3%
	C	42	1,865,789	32,498	30,331	(771)	1.6%
	<b>Subtotal</b>	<b>437</b>	<b>25,960,191</b>	<b>4,062,461</b>	<b>3,459,072</b>	<b>28,819</b>	<b>13.3%</b>
<b>Grand Total</b>		<b>588</b>	<b>45,544,560</b>	<b>7,240,838</b>	<b>6,046,947</b>	<b>92,818</b>	<b>13.3%</b>



## Milwaukee Industrial Overview

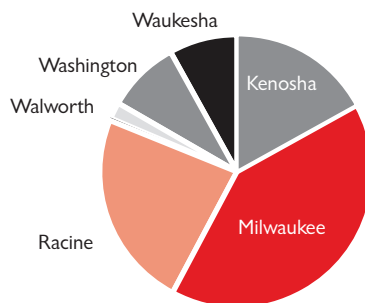
- Milwaukee industrial market started the first quarter 2020 with 337,240 sf of total positive absorption while multi-tenant absorption was 11,936 sf negative absorption.
- First quarter overall vacancy rate was 4.1% with multi-tenant vacancy rate in at 13.6%.
- Kenosha County posted the largest gain of 262,652 sf positive absorption resulting from Trifinity Specialized Distribution leasing 250,000 sf and Rust-Oleum leasing 102,000 sf in a single tenant properties.
- Racine County posted the largest loss of 66,000 sf of negative absorption due to Warren Industries vacating 64,000 sf.
- First quarter overall vacancy rate was 4.1% with the multi-tenant vacancy rate of 13.6%
- There is close to 7,500,000 sf currently under construction resulting from 31 properties. The 2,600,000 sf Amazon distribution center is the largest project and is expected to be delivered during Q 2020. One property was delivered this quarter in Racine County with 438,000 sf.

### SUMMARY

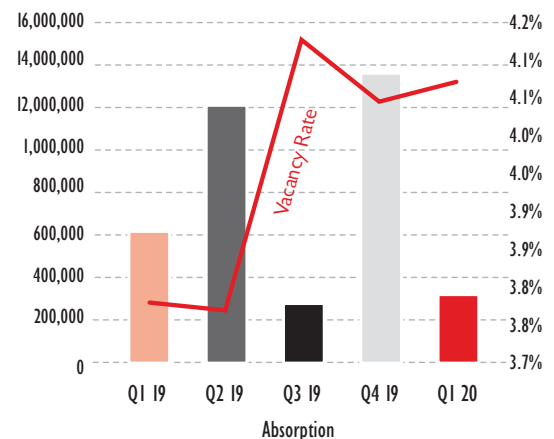
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Vacancy Rate
Flex/R&D	209	8,866,221	1,064,276	634,193	18,337	7.2%
Manufacturing	2,251	180,370,100	4,169,431	2,934,995	(152,909)	1.6%
Warehouse Distribution	1,110	101,141,536	8,345,207	6,363,750	272,670	6.3%
Warehouse Office	1,935	71,966,568	7,380,986	4,816,156	199,142	6.7%
<b>Grand Total</b>	<b>5,505</b>	<b>362,344,425</b>	<b>20,959,900</b>	<b>14,749,094</b>	<b>337,240</b>	<b>4.1%</b>

### YTD DELIVERIES (SF)

COUNTY	BLDG SIZE (SF)
Kenosha	1,274,106
Milwaukee	3,056,600
Racine	1,749,055
Sheboygan	20,200
Walworth	141,500
Washington	645,237
Waukesha	598,405
<b>Total</b>	<b>7,485,103</b>



### ABSORPTION AND VACANCY RATE



## MILWAUKEE INDUSTRIAL

	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Q3 19 Vacancy Rate
Kenosha	Flex/R&D	1	363,467	143,468		0	0.0%
	Manufacturing	111	8,877,845	510,977	376,196	(37,396)	4.2%
	Warehouse Distribution	81	22,662,887	2,140,241	1,855,466	300,048	8.2%
	Warehouse Office	66	3,920,306	74,166	13,000	0	0.3%
	<b>Subtotal</b>	<b>259</b>	<b>35,824,505</b>	<b>2,868,852</b>	<b>2,244,662</b>	<b>262,652</b>	<b>6.3%</b>
Milwaukee	Flex/R&D	43	2,290,076	385,213	301,095	(2,722)	13.1%
	Manufacturing	680	61,559,303	2,407,727	1,893,492	(37,809)	3.1%
	Warehouse Distribution	496	35,781,671	4,154,087	3,284,333	15,893	9.2%
	Warehouse Office	604	25,818,878	4,064,052	2,277,067	75,260	8.8%
	<b>Subtotal</b>	<b>1,823</b>	<b>125,449,928</b>	<b>11,011,079</b>	<b>7,755,987</b>	<b>50,622</b>	<b>6.2%</b>
Ozaukee	Flex/R&D	15	475,322	37,664	31,664	(5,000)	6.7%
	Manufacturing	133	9,407,199	298,493	181,716	0	1.9%
	Warehouse Distribution	18	1,716,267			0	0.0%
	Warehouse Office	61	2,638,367	554,751	479,835	4,050	18.2%
	<b>Subtotal</b>	<b>227</b>	<b>14,237,155</b>	<b>890,908</b>	<b>693,215</b>	<b>(950)</b>	<b>4.9%</b>
Racine	Flex/R&D	13	811,814	126,386	66,400	0	8.2%
	Manufacturing	189	16,848,095	188,324	241,594	(64,200)	1.4%
	Warehouse Distribution	99	10,416,334	1,034,150	631,959	0	6.1%
	Warehouse Office	130	5,919,869	736,835	808,852	(1,800)	13.7%
	<b>Subtotal</b>	<b>431</b>	<b>33,996,112</b>	<b>2,085,695</b>	<b>1,748,805</b>	<b>(66,000)</b>	<b>5.1%</b>
Sheboygan	Flex/R&D	1	30,720	5,000		0	0.0%
	Manufacturing	169	21,955,999			0	0.0%
	Warehouse Distribution	42	3,047,041			0	0.0%
	Warehouse Office	77	2,132,985	34,159	25,984	0	1.2%
	<b>Subtotal</b>	<b>289</b>	<b>27,166,745</b>	<b>39,159</b>	<b>25,984</b>	<b>0</b>	<b>0.1%</b>
Walworth	Flex/R&D	2	72,646			0	0.0%
	Manufacturing	132	9,707,863			19,336	0.0%
	Warehouse Distribution	36	2,204,273			0	0.0%
	Warehouse Office	60	2,538,286	104,294	148,550	0	5.9%
	<b>Subtotal</b>	<b>230</b>	<b>14,523,068</b>	<b>104,294</b>	<b>148,550</b>	<b>19,336</b>	<b>1.0%</b>
Washington	Flex/R&D	15	453,795	44,551	30,953	0	6.8%
	Manufacturing	234	13,994,232	190,141	54,941	0	0.4%
	Warehouse Distribution	82	7,813,851	204,486	168,530	0	2.2%
	Warehouse Office	170	6,106,361	423,970	368,386	15,000	6.0%
	<b>Subtotal</b>	<b>501</b>	<b>28,368,239</b>	<b>863,148</b>	<b>622,810</b>	<b>15,000</b>	<b>2.2%</b>
Waukesha	Flex/R&D	119	4,368,381	321,994	204,081	26,059	4.7%
	Manufacturing	603	38,019,564	573,769	187,056	(32,840)	0.5%
	Warehouse Distribution	256	17,499,212	812,243	423,462	(43,271)	2.4%
	Warehouse Office	767	22,891,516	1,388,759	694,482	106,632	3.0%
	<b>Subtotal</b>	<b>1,745</b>	<b>82,778,673</b>	<b>3,096,765</b>	<b>1,509,081</b>	<b>56,580</b>	<b>1.8%</b>
<b>Total</b>	<b>5,505</b>	<b>362,344,425</b>	<b>20,959,900</b>	<b>14,749,094</b>	<b>337,240</b>	<b>4.1%</b>	



# Milwaukee Retail Deals

## NOTABLE RETAIL SALES TRANSACTIONS

Property / City Size (sf)	Price (sf)	Market Buyer	Price/SF Seller
<b>3850 N 124th St</b> Wauwatosa 60,886	\$134.68	Mayfair - Wauwatosa The Shepard Family, LLC	\$8,200,000 IRC Capitol 124, LLC
<b>120 W Town Square Way</b> Oak Creek 15,585	\$474.01	Milwaukee Southeast CH Retail Fund II/Milwaukee Oak Creek, LLC	\$7,387,500 Evcap Oak Creek, LLC
<b>4777 S 27th St</b> Greenfield 130,723	\$30.60	Milwaukee Southeast MKB Greenfield, LLC	\$4,000,000 Target Corporation
<b>15333 W National Ave</b> New Berlin 107,373	\$30.36	Waukesha Southeast Burghardt Sporting Goods	\$3,260,000 JPMCC 2006-CIBC15 WEST NATIONAL
<b>22622 Main St</b> Sussex 22,804	\$70.16	Waukesha Northwest Blue Boys 2, LLC	\$1,600,000 Zeon Properties, LLC
<b>861 E Wisconsin Ave</b> Oconomowoc 8,119	\$188.50	Waukesha Northwest ARG AA14PCK001, LLC	\$1,530,400 Primax Properties, LLC
<b>2907 W Greenfield Ave</b> Milwaukee 4,814	\$299.27	Milwaukee South Central Dexter Real Estate Holdings WI, LLC	\$1,440,700 Blue Kangaroo Properties, LLC
<b>4450-4470 S 108th St</b> Greenfield 33,621	\$41.64	Milwaukee Southwest Jurceka Properties, LLC	\$1,400,000 Roberta A. Konzal
<b>9122 W North Ave</b> Wauwatosa 12,553	\$111.53	Mayfair - Wauwatosa J&S Kim Property, LLC	\$1,400,000 K J Lee Property, LLC
<b>16076 Mequon Rd</b> Germantown 7,788	\$176.55	Washington Seven Drive, LLC	\$1,375,000 DDS-Germantown Investment, LLC

## NOTABLE RETAIL LEASE TRANSACTIONS

Property / City Tenant	Market Landlord	Size (sf)
<b>1700-1712 S 108th St</b> West Allis Hobby Town USA	Milwaukee West SHECTERLE COML PROP 2 LLC	8,393
<b>6500 Washington Ave</b> Racine Havahart Pets	Racine RJPG Investments Inc	6,400
<b>313-333 N Plankinton Ave</b> Milwaukee The Explorium Brewpub	Third Ward - Walkers Point PRITZLAFF REDEVELOPMENT LLC	5,865
<b>15401-15445 W National Ave</b> New Berlin Peachtree Family Restaurant	Waukesha Southeast BRE RETAIL RESIDUAL OWNER 5 LLC	5,615
<b>14900-14966 Appleton Ave</b> Menomonee Falls Sola Salon Studios	Menomonee Falls JLJ Llc	5,503
<b>6650-6750 W State St</b> Wauwatosa Orthopedic Hospitals of Wisconsin	Mayfair - Wauwatosa LEARS1 WISCONSIN LLC	5,160
<b>511 N Broadway</b> Milwaukee Tupelo Honey Southern Kitchen & Bar	Milwaukee Downtown East 511 NORTH BROADWAY LLC	5,000

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