



COMMERCIAL REAL ESTATE MARKET REPORT

Q2 2020

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

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Milwaukee Office Overview

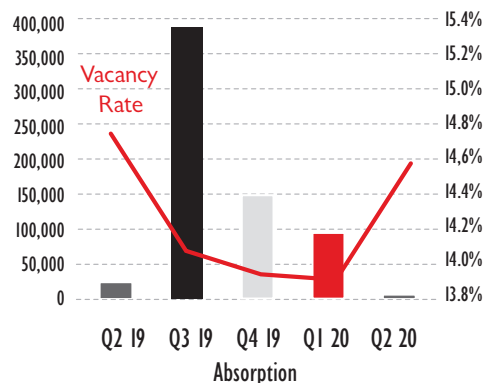
- Milwaukee office market continued the year with 4,000 sf in positive absorption with the largest gain resulting from BMO Tower being delivered. Multi-tenant only properties had 104,000 sf positive absorption.

MILWAUKEE OFFICE: SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	98	15,658,952	2,938,407	2,156,133	121,627	210,424	13.8%
B	436	27,894,923	4,381,933	4,423,772	-117,133	-112,341	15.9%
C	54	2,363,239	227,235	114,331	0	-771	4.8%
Total	588	45,917,114	7,547,575	6,694,236	4,494	97,312	14.6%

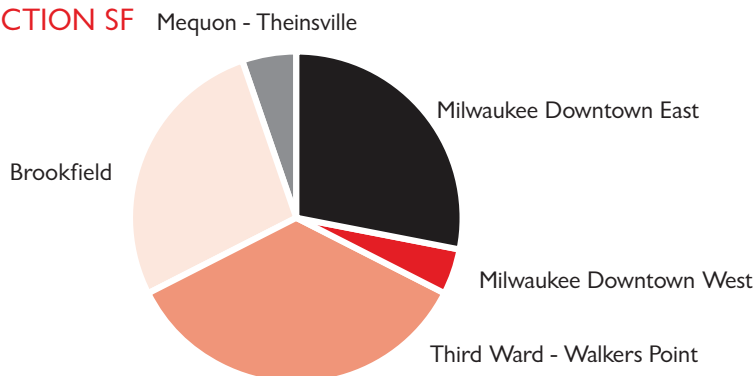
- First quarter overall vacancy rate was 14.6% with the multi-tenant vacancy rate in at 18.9%.
- Milwaukee Downtown West held top spot with 40,500 sf of positive absorption resulting from HUB640 building. Their biggest lease was North Shore Healthcare with 23,639 sf.
- Milwaukee CBD area posted 47,000 sf positive absorption while the suburban markets posted 42,000 sf negative absorption
- Milwaukee North Shore market posted the largest loss of 27,000 sf with Regus vacating the largest space of 16,000 sf.
- There is over 578,000 sf currently under construction resulting from 5 properties. R1VER Bldg 1 with 202,000 sf is the largest property with expectation of delivery in Q4 2020.

ABSORPTION AND VACANCY RATE



NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	163,000
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	202,047
Brookfield	158,000
Mequon - Theinsville	29,500



MILWAUKEE OFFICE

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Downtown East	A	15	6,559,617	1,129,727	826,699	109,442	184,063	12.6%
	B	45	5,183,272	412,970	600,011	(94,998)	(89,038)	11.6%
	C	5	146,389			0	0	0.0%
	Subtotal	65	11,889,278	1,542,697	1,426,710	14,444	95,025	12.0%
Milwaukee Downtown West	A	3	902,938	381,914	381,914	0	(1,701)	42.3%
	B	33	4,461,509	982,002	1,106,051	40,505	15,327	24.8%
	C	3	189,311			0	0	0.0%
	Subtotal	39	5,553,758	1,363,916	1,487,965	40,505	13,626	26.8%
Third Ward-Walkers Point	A	3	263,369	20,707	8,897	0	0	3.4%
	B	39	2,044,734	287,650	222,049	(7,801)	2,496	10.9%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	46	2,469,853	399,564	314,946	(7,801)	2,496	12.8%
Milwaukee CBD	A	21	7,725,924	1,532,348	1,217,510	109,442	182,362	15.8%
	B	117	11,689,515	1,682,622	1,928,111	(62,294)	(71,215)	16.5%
	C	12	497,450	91,207	84,000	0	0	16.9%
	Subtotal	150	19,912,889	3,306,177	3,229,621	47,148	111,147	16.2%
Brookfield	A	24	2,023,127	373,206	282,808	11,467	23,175	14.0%
	B	79	3,899,697	687,019	589,804	(30,771)	(75,301)	15.1%
	C	6	163,390			0	0	0.0%
	Subtotal	109	6,086,214	1,060,225	872,612	(19,304)	(52,126)	14.3%
Mayfair - Wauwatosa	A	14	1,658,528	341,307	150,154	0	(11,150)	9.1%
	B	29	1,422,800	315,985	311,595	(13,775)	(21,470)	21.9%
	C	8	343,553	12,238	12,238	0	(771)	3.6%
	Subtotal	51	3,424,881	669,530	473,987	(13,775)	(33,391)	13.8%
Mequon - Theinsville	A	5	167,134	27,707	22,683	8,191	16,859	13.6%
	B	12	328,283	57,941	56,011	0	(1,464)	17.1%
	Subtotal	17	495,417	85,648	78,694	8,191	15,395	15.9%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	717,056			0	0	0.0%
	C	11	672,599	103,530		0	0	0.0%
	Subtotal	20	1,460,210	103,530		0	0	0.0%

MILWAUKEE OFFICE, continued

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee North Shore	A	3	149,535	84,407	84,407	(16,021)	(13,147)	56.4%
	B	36	2,157,951	582,304	544,550	(11,599)	(17,844)	25.2%
	C	8	402,978	20,260	18,093	0	0	4.5%
	Subtotal	47	2,710,464	686,971	647,050	(27,620)	(30,991)	23.9%
Milwaukee Northwest	A	11	1,915,769	208,305	204,732	8,548	14,026	10.7%
	B	44	2,563,681	468,774	459,762	(10,671)	(2,602)	17.9%
	Subtotal	55	4,479,450	677,079	664,494	(2,123)	11,424	14.8%
Milwaukee Southwest	A	2	111,067	28,936	26,776	0	0	24.1%
	B	10	390,140	58,642	48,630	3,233	(5,925)	12.5%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	87,578	75,406	3,233	(5,925)	12.7%
Milwaukee West	B	18	1,682,242	184,170	227,906	3,446	82,698	13.5%
	C	1	27,516			0	0	0.0%
	Subtotal	19	1,709,758	184,170	227,906	3,446	82,698	13.3%
Pewaukee	A	16	1,157,047	342,191	167,063	0	(1,701)	14.4%
	B	21	756,882	111,065	48,289	(4,100)	(4,100)	6.4%
	Subtotal	37	1,913,929	453,256	215,352	(4,100)	(5,801)	11.3%
Waukesha Northwest - Lake Country	B	18	593,108	39,446	28,906	(930)	(1,871)	4.9%
	Subtotal	18	593,108	39,446	28,906	(930)	(1,871)	4.9%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	25	974,381	132,219	132,219	10,328	10,328	13.6%
	Subtotal	26	1,654,647	132,219	132,219	10,328	10,328	8.0%
Waukesha Southwest	B	19	719,187	61,746	47,989	0	(3,575)	6.7%
	C	6	164,095			0	0	0.0%
	Subtotal	25	883,282	61,746	47,989	0	(3,575)	5.4%
Suburban	A	77	7,933,028	1,406,059	938,623	12,185	28,062	11.8%
	B	319	16,205,408	2,699,311	2,495,661	(54,839)	(41,126)	15.4%
	C	42	1,865,789	136,028	30,331	0	(771)	1.6%
	Subtotal	438	26,004,225	4,241,398	3,464,615	(42,654)	(13,835)	13.3%
Grand Total		588	45,917,114	7,547,575	6,694,236	4,494	97,312	14.6%



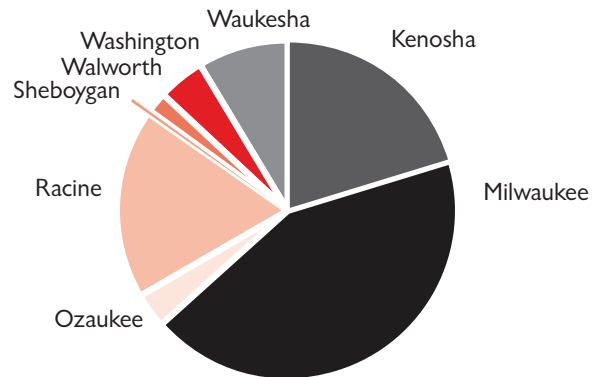
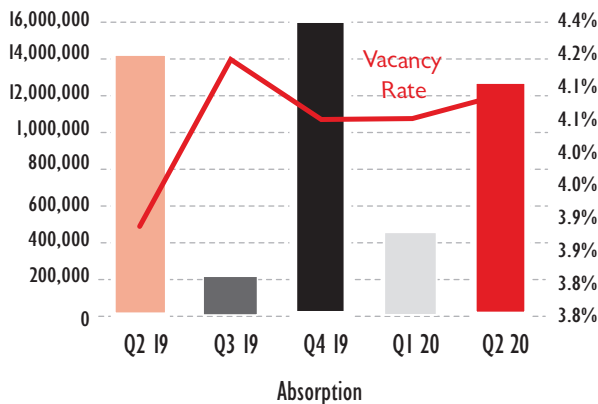
Milwaukee Industrial Overview

- Milwaukee industrial market continued the year with 1,168,700 sf in positive absorption resulting from two Amazon deals totaling 1,186,000 sf and a few new deliveries. Multi-tenant only properties had 190,000 sf positive absorption.
- First quarter overall vacancy rate was 4.2% with the multi-tenant vacancy rate in at 13.8%.
- Kenosha County held top spot with 865,700 sf positive absorption resulting from the Amazon deal with 748,300 sf.
- Racine County held the second most positive absorption of 604,700 sf again due to Amazon leasing 438,300 sf.
- Milwaukee County posted the largest loss of 512,000 sf with Waker Neuson USA vacating the largest space of 230,700 sf.
- There is over 7,358,000 sf currently under construction resulting from 33 properties. Amazon building with 2,600,000 sf is the largest property with expectation of delivery in Q3 2020.

NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

COUNTY	BLDG SIZE (SF)
Kenosha	1,507,497
Milwaukee	3,166,600
Ozaukee	250,000
Racine	1,321,568
Sheboygan	20,200
Walworth	141,500
Washington	324,437
Waukesha	626,950

ABSORPTION AND VACANCY RATE



SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	212	8,865,505	1,199,547	694,835	(80,404)	(63,267)	7.8%
Manufacturing	2,250	180,163,088	4,636,549	3,463,258	(109,255)	(262,164)	1.9%
Warehouse Distribution	1,115	102,503,981	7,508,058	6,024,456	1,726,336	2,026,572	5.9%
Warehouse Office	1,931	71,371,128	7,562,706	5,092,276	(367,891)	(110,254)	7.1%
Grand Total	5,508	362,903,702	20,906,860	15,274,825	1,168,786	1,590,887	4.2%

MILWAUKEE INDUSTRIAL

	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Kenosha	Flex/R&D	1	363,467	143,468		0	0	0.0%
	Manufacturing	111	8,877,845	223,236	376,196	0	(37,396)	4.2%
	Warehouse Distribution	83	23,133,418	1,539,818	1,460,083	865,721	1,165,769	6.3%
	Warehouse Office	66	3,920,306	74,166	13,000	0	0	0.3%
	Subtotal	261	36,295,036	1,980,688	1,849,279	865,721	1,128,373	5.1%
Milwaukee	Flex/R&D	43	2,209,314	446,535	350,940	(48,645)	(52,567)	15.9%
	Manufacturing	679	61,309,112	3,102,572	2,391,044	(178,544)	(216,353)	3.9%
	Warehouse Distribution	495	35,912,318	4,134,482	3,252,618	25,415	41,308	9.1%
	Warehouse Office	603	25,457,098	4,539,947	2,813,318	(310,357)	(225,490)	11.1%
	Subtotal	1,820	124,887,842	12,223,536	8,807,920	(512,131)	(453,102)	7.1%
Ozaukee	Flex/R&D	16	499,944	58,979	52,979	(21,315)	(26,315)	10.6%
	Manufacturing	133	9,407,199	349,919	181,716	0	0	1.9%
	Warehouse Distribution	18	1,716,267			0	0	0.0%
	Warehouse Office	60	2,613,745	512,511	451,095	28,740	32,790	17.3%
	Subtotal	227	14,237,155	921,409	685,790	7,425	6,475	4.8%
Racine	Flex/R&D	13	811,814	146,704	47,318	0	0	5.8%
	Manufacturing	189	16,848,095	124,124	177,394	64,200	0	1.1%
	Warehouse Distribution	101	10,804,628	799,539	610,694	526,778	526,778	5.7%
	Warehouse Office	130	5,919,869	771,867	793,787	13,728	11,928	13.4%
	Subtotal	433	34,384,406	1,842,234	1,629,193	604,706	538,706	4.7%
Sheboygan	Flex/R&D	1	30,720	5,000		0	0	0.0%
	Manufacturing	169	21,955,999			0	0	0.0%
	Warehouse Distribution	42	3,048,227			0	0	0.0%
	Warehouse Office	77	2,132,136	49,093	25,984	0	0	1.2%
	Subtotal	289	27,167,082	54,093	25,984	0	0	0.1%
Walworth	Flex/R&D	2	72,646			0	0	0.0%
	Manufacturing	132	9,707,863			0	19,336	0.0%
	Warehouse Distribution	36	2,204,273			0	0	0.0%
	Warehouse Office	60	2,538,286	152,904	105,110	(24,000)	(24,000)	4.1%
	Subtotal	230	14,523,068	152,904	105,110	(24,000)	(4,664)	0.7%
Washington	Flex/R&D	15	453,795	42,671	29,073	0	0	6.4%
	Manufacturing	234	14,094,312	217,141	54,941	100,000	100,000	0.4%
	Warehouse Distribution	83	8,054,233	354,134	251,448	240,500	240,500	3.1%
	Warehouse Office	169	5,906,361	216,107	168,386	0	15,000	2.9%
	Subtotal	501	28,508,701	830,053	503,848	340,500	355,500	1.8%
Waukesha	Flex/R&D	121	4,423,805	356,190	214,525	(10,444)	15,615	4.8%
	Manufacturing	603	37,962,663	619,557	281,967	(94,911)	(127,751)	0.7%
	Warehouse Distribution	257	17,630,617	680,085	449,613	67,922	52,217	2.6%
	Warehouse Office	766	22,883,327	1,246,111	721,596	(76,002)	79,518	3.2%
	Subtotal	1,747	82,900,412	2,901,943	1,667,701	(113,435)	19,599	2.0%
Grand Total		5,508	362,903,702	20,906,860	15,274,825	1,168,786	1,590,887	4.2%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
Timmerman Plaza 10202 W Silver Spring Dr	35,000	Milwaukee Northwest	Auto Zone	10202 Silver Spring LLC
Former Walgreens 10725 W Greenfield Ave	13,986	Milwaukee West	Dollar Tree	Alpha-K-Holdings LLC
1716-1740 Miller Park Way	12,489	Milwaukee West	Octapharma	Devo Miller LLC
1670 Old Schoolhouse Rd	12,330	Waukesha Northwest	Furniture & Moore Inc J J Karl Enterprises LLC	

NOTABLE RETAIL SALES TRANSACTIONS

Property /Price	Market	Buyer	Seller
N77 W14435 Appleton Avenue \$28,428,268	Menomonee Falls	ExchangeRight Net	KRWI001, LLC Leased Portfolio 36 DST
Walgreens 2826 N Marting L King Jr Dr \$5,395,500	Milwaukee East Side	Pedro, LLC	California Pacific Wisconsin Properties, LLC
1637 W Washington St \$3,100,000	Washington	Kwik Trip Inc	Fleet Farm Properties, LLC
Former Golf Galaxy 7801 W Layton Ave \$2,685,000	Milwaukee Southwest	JCW Greenfield, LLC	Otre Investments, LLC; Otre Captial, LLC; FDM Ventures, LLC; WCM Ventures, LLC
8334 W Appleton Ave \$2,350,000	Milwaukee North Central	Peoples Properties, LLC	Jaber's Properties, LLC

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