



COMMERCIAL REAL ESTATE MARKET REPORT

Q3 2020

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

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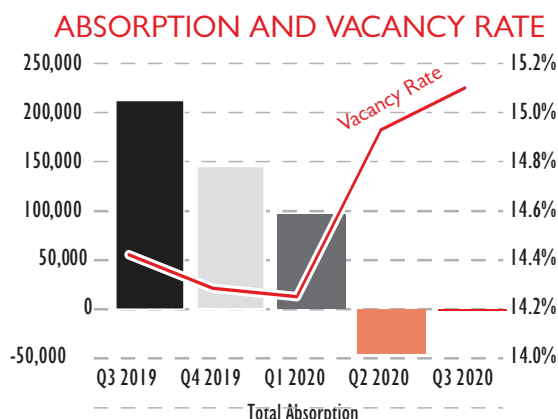
Milwaukee Office Overview

MILWAUKEE OFFICE: SUMMARY

- Milwaukee office market posted a decline in absorption with 1,800 sf negative absorption during Q3 with year to date absorption still positive at 74,000 sf. Multi-tenant properties declined with 113,000 sf negative absorption with year to date posting 62,000 sf positive absorption.

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	99	15,696,622	2,881,195	2,383,339	(23,785)	177,196	15.2%
B	435	27,649,373	4,585,381	4,375,331	53,383	(70,626)	15.8%
C	54	2,363,239	160,755	145,781	(31,450)	(32,221)	6.2%
Total	588	45,709,234	7,627,331	6,904,451	(1,852)	74,349	15.1%

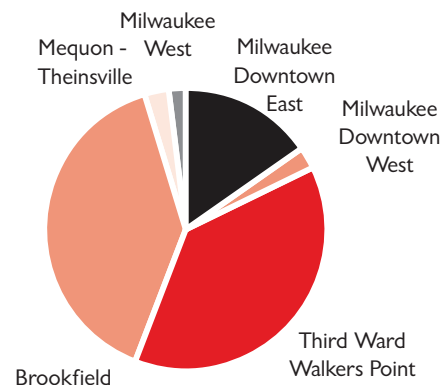
- Third quarter overall vacancy rate was 15.1% with the multi-tenant vacancy rate increasing to 19.1%.



- Milwaukee Downtown West led with 148,000 sf positive absorption due to the delivery of Rexnord bldg of 150,000 sf.
- Milwaukee CBD 84,000 sf positive absorption outperformed suburban markets with 86,000 sf negative absorption.
- Milwaukee Northwest posted the single largest loss of 32,000 sf negative absorption with Wells Fargo vacating.
- There is over 995,000 sf currently under construction resulting from 9 properties. R1VER Bldg 1 with 202,000 sf is the largest property with expectation of delivery in Q4 2020.

NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	153,000
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	378,047
Brookfield	391,000
Mequon - Theinsville	29,500
Milwaukee West	17,500
Grand Total	995,297



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	1,137,273	804,234	(7,035)	175,135	12.3%
	B	45	5,183,272	431,599	638,112	(38,101)	(127,139)	12.3%
	C	5	146,389	16,450	16,450	(16,450)	(16,450)	11.2%
	Subtotal	65	11,889,278	1,585,322	1,458,796	(61,586)	31,546	12.3%
Milwaukee Downtown West	A	3	902,938	12,481	380,784	1,130	(571)	42.2%
	B	33	4,205,080	1,016,045	959,182	146,869	162,196	22.8%
	C	3	189,311			0	0	0.0%
	Subtotal	39	5,297,329	1,028,526	1,339,966	147,999	161,625	25.3%
Third Ward-Walkers Point	A	3	263,369	36,702	8,897	0	0	3.4%
	B	38	2,036,962	301,521	229,720	(2,255)	(5,175)	11.3%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	45	2,462,081	429,430	322,617	(2,255)	(5,175)	13.1%
Milwaukee CBD	A	21	7,725,924	1,186,456	1,193,915	(5,905)	174,564	15.5%
	B	116	11,425,314	1,749,165	1,827,014	106,513	29,882	16.0%
	C	12	497,450	107,657	100,450	(16,450)	(16,450)	20.2%
	Subtotal	149	19,648,688	3,043,278	3,121,379	84,158	187,996	15.9%
Brookfield	A	24	2,023,127	366,582	278,603	4,205	27,380	13.8%
	B	80	3,887,441	645,390	596,646	(2,042)	(82,143)	15.3%
	C	6	163,390	5,600		0	0	0.0%
	Subtotal	110	6,073,958	1,017,572	875,249	2,163	(54,763)	14.4%
Mayfair - Wauwatosa	A	14	1,658,528	330,464	152,389	10,843	(307)	9.2%
	B	29	1,422,800	325,587	326,541	(8,771)	(36,416)	23.0%
	C	8	343,553	12,238	12,238	0	(771)	3.6%
	Subtotal	51	3,424,881	668,289	491,168	2,072	(37,494)	14.3%
Mequon - Theinsville	A	6	204,804	67,483	62,459	0	14,753	30.5%
	B	12	328,283	54,302	56,983	(972)	(2,436)	17.4%
	Subtotal	18	533,087	121,785	119,442	(972)	12,317	22.4%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	717,056	65,329		0	0	0.0%
	C	11	672,599			0	0	0.0%
	Subtotal	20	1,460,210	65,329		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	80,508	78,482	(1,483)	(14,630)	52.5%
	B	34	2,118,158	538,875	482,851	(1,221)	(15,145)	22.8%
	C	8	402,978	35,260	33,093	(15,000)	(15,000)	8.2%
	Subtotal	45	2,670,671	654,643	594,426	(17,704)	(44,775)	22.3%
Milwaukee Northwest	A	11	1,915,769	243,329	239,756	(30,761)	(22,179)	12.5%
	B	44	2,563,681	469,343	459,994	750	(1,852)	17.9%
	Subtotal	55	4,479,450	712,672	699,750	(30,011)	(24,031)	15.6%
Milwaukee Southwest	A	2	111,067	31,886	29,726	(2,950)	(2,950)	26.8%
	B	10	390,140	50,133	40,874	7,756	1,831	10.5%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	82,019	70,600	4,806	(1,119)	11.9%
Milwaukee West	B	19	1,733,534	268,867	295,390	(16,192)	66,506	17.0%
	C	1	27,516			0	0	0.0%
	Subtotal	20	1,761,050	268,867	295,390	(16,192)	66,506	16.8%
Pewaukee	A	16	1,157,047	574,487	348,009	2,266	565	30.1%
	B	20	756,882	93,233	48,289	0	(4,100)	6.4%
	Subtotal	36	1,913,929	667,720	396,298	2,266	(3,535)	20.7%
Waukesha Northwest - Lake Country	B	18	593,108	45,374	34,034	(5,931)	(6,999)	5.7%
	Subtotal	18	593,108	45,374	34,034	(5,931)	(6,999)	5.7%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	26	993,789	203,425	141,630	(9,411)	917	14.3%
	Subtotal	27	1,674,055	203,425	141,630	(9,411)	917	8.5%
Waukesha Southwest	B	19	719,187	76,358	65,085	(17,096)	(20,671)	9.0%
	C	6	164,095			0	0	0.0%
	Subtotal	25	883,282	76,358	65,085	(17,096)	(20,671)	7.4%
Suburban	A	78	7,970,698	1,694,739	1,189,424	(17,880)	2,632	14.9%
	B	319	16,224,059	2,836,216	2,548,317	(53,130)	(100,508)	15.7%
	C	42	1,865,789	53,098	45,331	(15,000)	(15,771)	2.4%
	Subtotal	439	26,060,546	4,584,053	3,783,072	(86,010)	(113,647)	14.5%
Grand Total		588	45,709,234	7,627,331	6,904,451	(1,852)	74,349	15.1%



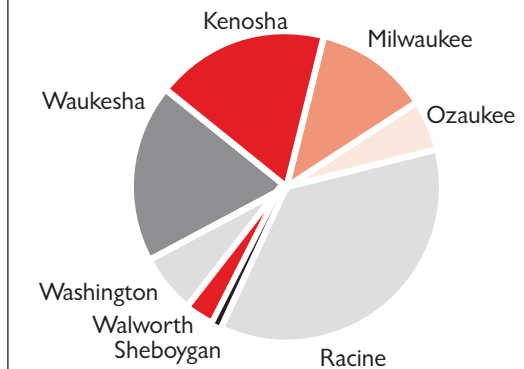
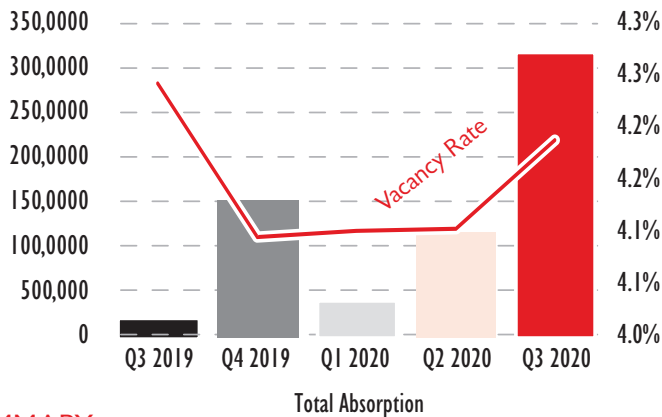
Milwaukee Industrial Overview

- Milwaukee industrial market continued the year with 3,100,000 sf positive absorption for Q3 2020 resulting from five single tenant new deliveries this quarter with Amazon's 2,400,000 sf being the largest. Multi-tenant properties also posted 113,000 sf positive absorption this quarter.
- Third quarter overall vacancy rate was 4.2% with the multi-tenant vacancy rate in at 13.2%.
- Milwaukee County held top spot with 2,484,000 sf sf positive absorption resulting from Amazon's 2,400,000 sf delivery.
- Kenosha held the second most positive absorption of 529,000 sf due to Fresenius Kabi new delivery of 590,000 sf property
- Washington County realized the largest loss of 58,000 sf led by iLLING vacating 78,000 sf. The single largest vacancy was Renaissance Manufacturing closing their 279,000 sf location in Waukesha County.
- There is over 4,766,000 sf currently under construction resulting from 32 properties. Foxconn building with 993,000 sf is the largest property with expectation of delivery in Q2 2021.
- Twelve properties have been delivered year to date with 5,300,000 sf.

NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

COUNTY	BLDG SIZE (SF)
Kenosha	866,229
Milwaukee	566,600
Ozaukee	250,000
Racine	1,718,568
Sheboygan	20,200
Walworth	141,500
Washington	324,437
Waukesha	878,505
Grand Total	4,766,039

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	214	8,978,672	1,093,370	585,442	190,313	96,126	6.5%
Manufacturing	2,248	180,449,984	5,565,604	3,599,901	115,755	(139,309)	2.0%
Warehouse Distribution	1,114	105,653,016	8,349,739	6,071,364	2,917,912	4,944,991	5.7%
Warehouse Office	1,927	71,300,882	7,352,183	5,091,136	(38,720)	(140,663)	7.1%
Grand Total	5,503	366,382,554	22,360,896	15,347,843	3,185,260	4,761,145	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	314,284	376,196	0	(37,396)	4.2%
	Warehouse Distribution	84	23,723,943	1,918,267	1,355,043	490,525	1,861,334	5.7%
	Warehouse Office	67	3,971,049	83,300	19,734	39,009	39,009	0.5%
	Subtotal	263	36,936,304	2,459,319	1,750,973	529,534	1,862,947	4.7%
Milwaukee	Flex/R&D	45	2,272,481	411,190	312,595	69,265	(14,222)	13.8%
	Manufacturing	677	61,309,112	3,669,212	2,341,542	(41,000)	(257,353)	3.8%
	Warehouse Distribution	495	38,512,318	4,553,972	3,294,428	2,537,525	2,572,948	8.6%
	Warehouse Office	599	25,294,061	4,290,980	2,806,628	(81,602)	(292,092)	11.1%
	Subtotal	1,816	127,387,972	12,925,354	8,755,193	2,484,188	2,009,281	6.9%
Ozaukee	Flex/R&D	16	499,944	55,584	41,385	11,594	(14,721)	8.3%
	Manufacturing	133	9,407,199	304,592	181,716	0	0	1.9%
	Warehouse Distribution	18	1,716,267			0	0	0.0%
	Warehouse Office	59	2,613,745	589,762	467,109	(6,200)	16,776	17.9%
	Subtotal	226	14,237,155	949,938	690,210	5,394	2,055	4.8%
Racine	Flex/R&D	13	811,814	119,704	20,318	27,000	27,000	2.5%
	Manufacturing	189	16,849,939	279,968	177,394	0	0	1.1%
	Warehouse Distribution	101	10,804,628	845,398	641,944	(31,250)	495,528	5.9%
	Warehouse Office	129	5,900,669	736,098	784,787	0	11,928	13.3%
	Subtotal	432	34,367,050	1,981,168	1,624,443	(4,250)	534,456	4.7%
Sheboygan	Flex/R&D	1	30,720			0	0	0.0%
	Manufacturing	168	21,903,851			0	0	0.0%
	Warehouse Distribution	42	3,048,227			0	0	0.0%
	Warehouse Office	78	2,193,384	98,232	13,875	12,109	12,109	0.6%
	Subtotal	289	27,176,182	98,232	13,875	12,109	12,109	0.1%
Walworth	Flex/R&D	2	72,646			0	0	0.0%
	Manufacturing	132	9,707,863	232,291		0	19,336	0.0%
	Warehouse Distribution	36	2,204,273			0	0	0.0%
	Warehouse Office	60	2,538,286	104,294	105,110	0	(24,000)	4.1%
	Subtotal	230	14,523,068	336,585	105,110	0	(4,664)	0.7%
Washington	Flex/R&D	15	453,795	39,616	3,448	25,625	25,625	0.8%
	Manufacturing	234	14,081,512	260,203	54,941	0	100,000	0.4%
	Warehouse Distribution	83	8,054,233	368,001	330,336	(78,888)	(37,036)	4.1%
	Warehouse Office	169	5,906,361	216,107	173,523	(5,137)	9,863	2.9%
	Subtotal	501	28,495,901	883,927	562,248	(58,400)	98,452	2.0%
Waukesha	Flex/R&D	121	4,473,805	323,808	207,696	56,829	72,444	4.6%
	Manufacturing	604	38,312,663	505,054	468,112	156,755	36,104	1.2%
	Warehouse Distribution	255	17,589,127	664,101	449,613	0	52,217	2.6%
	Warehouse Office	766	22,883,327	1,233,410	720,370	3,101	85,744	3.1%
	Subtotal	1,746	83,258,922	2,726,373	1,845,791	216,685	246,509	2.2%
Grand Total		5,503	366,382,554	22,360,896	15,347,843	3,185,260	4,761,145	4.2%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property Size (sf)	Market	Tenant	Landlord
Plymouth Commons 39,352	2615-2643 Eastern Ave Sheboygan	Pick N Save	Plymouth Retail Partners LLC
701-709 E Capitol Dr 23,000	Milwaukee East Side	Hair Saga	PJR Properties LLC
1011 N Wisconsin St 12,792	Ozaukee	Dollar General	1011 North Wisconsin Street Owner LLC
Brookfield Lakes Retail Center 10,500	17915-17925 W Bluemound Rd Brookfield	Land's End	Brookfield Lakes Wisconsin Realty, LP
Shops at Highland Plaza 5,400	8514-8564 W Brown Deer Rd Milwaukee Northwest	London's Loving Pet Care	Hardisty Opportunity Fund LLC

NOTABLE RETAIL SALES TRANSACTIONS

Property Buyer	Price	Seller	Market
Applebee's 5100 S 776th St University Of Wisconsin Credit Union	\$2,850,000	Milwaukee Southwest South 76, LLC; 9102 North Ave, LLC; Jojo Wisconsin, LLC; SG Edgerton, LLC; Applebees 76th, LLC	
Prairie Creek Shopping Center 1260 Brown St Thirst4Jesus, Inc.	\$1,650,000	Waukesha Northwest Granite Stone Properties, LLC	
5252-5264 S 27th St HH Estate, LLC	\$1,665,000	Milwaukee Southeast James M. Petr	
Silver Bay Plaza 1935 W Silver Spring Dr Silver Spring Holding, LLC	\$1,400,000	Milwaukee North Central Silver Bay Holdings LLC	
Appleton Express 7646 W Appleton Ave Appleton 76, LLC	\$800,000	Milwaukee North Central Harjit & Harpreet Sandhar	

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