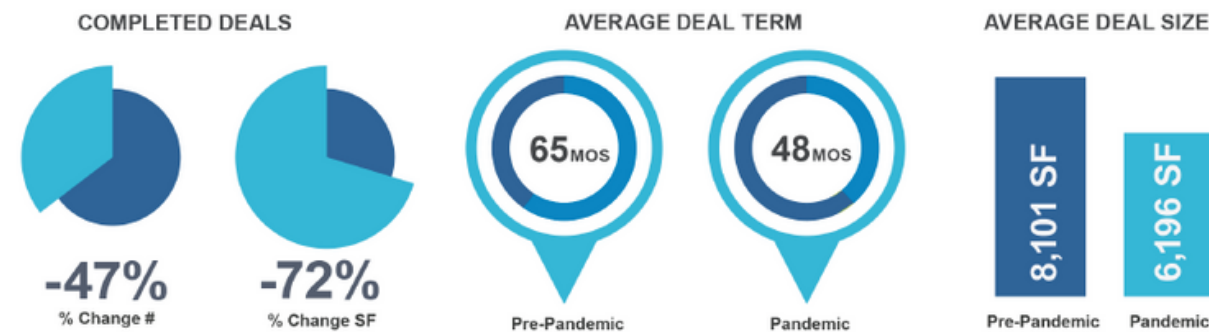


# Office

# Industrial

## How Has the Pandemic Changed Office?



\* Pre-pandemic refers to the 9 months preceding COVID-19 being declared a global pandemic. Pandemic measures activity in the 9 months since then.  
Source: Colliers | Wisconsin

## The Decision Making Process Has Changed



Presented by Ben Anderson, Colliers International

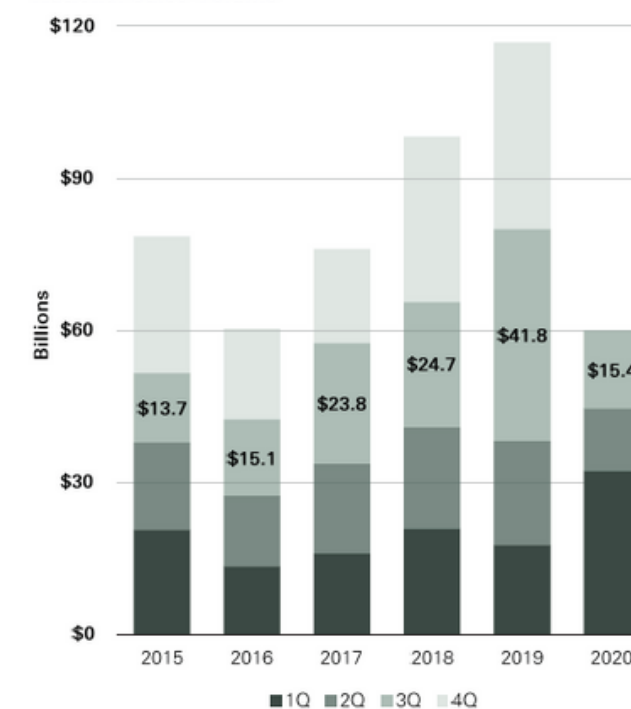
## National Capital Market Observations

- ✓ Total investment volume increased by 37.0% quarter-over-quarter, indicating that overall market conditions are improving. However, volume is still down over 50% year-over-year. Multifamily continued to attract the most volume of all property types, while 1Q-3Q industrial volume has surpassed office volume for the first time in recorded history.
- ✓ Market price discovery has improved, with V-shape recoveries occurring in industrial logistics, garden style multifamily in Sunbelt markets, life science/R&D and suburban office. Ample dry powder has allowed buyers to quickly pivot to assets perceived to be less vulnerable to COVID-19, and low lending rates have allowed for sellers to exit at prices that align to their original underwritten values despite lower growth expectations.
- ✓ Public REIT pricing has continued to reinforce the market's confidence in data centers, industrial logistics, life science and self storage. These four REIT segments have recorded positive total returns year-to-date, while both retail and healthcare REITs have recovered substantively since March.
- ✓ According to NCREIF, rent collection improved across all property types in September at 93.7% for multifamily, 91.8% for office, 94.4% for industrial, and finally 70.5% for retail.
- ✓ Lending activity has been less severely impacted compared with the investment sales market, particularly for office, multifamily and industrial product. GSE lending continues to be buoyant, as Fannie Mae and Freddie Mac remain the backstop to over half of the existing multifamily product nationally. CMBS delinquency has been largely contained within the retail and hospitality sectors.

## Industrial Capital Market Dashboard

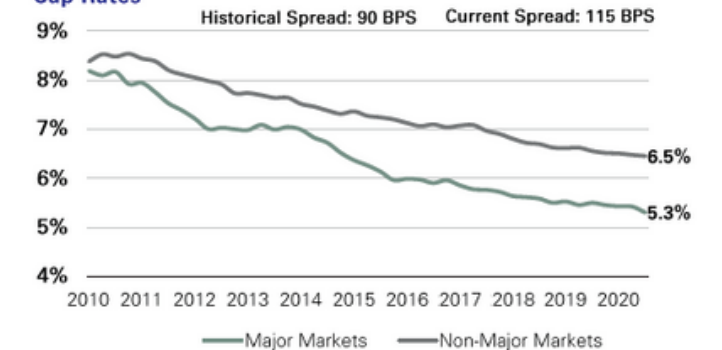
Industrial, while not immune to pandemic-related disruption, has been one of the most favored property types, with volume increasing by 24.7% quarter-over-quarter and with major market cap rates achieving 12 basis points of compression over the same period. Logistics product is continuing to lease at record levels, by e-commerce companies such as Amazon, Walmart and Wayfair.

### National Sales Volume

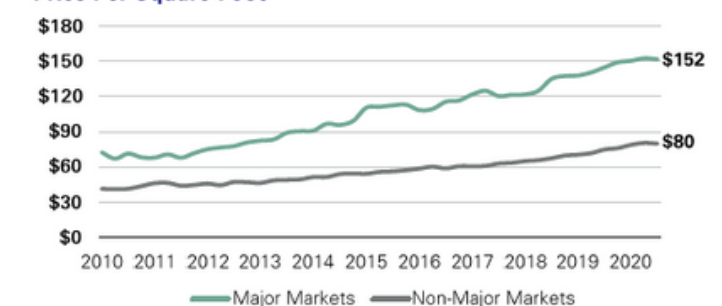


Source: Newmark Research, Real Capital Analytics

### Cap Rates



### Price Per Square Foot



Presented by Adam Matson, SIOR, NEWMARK

2020 Market Update

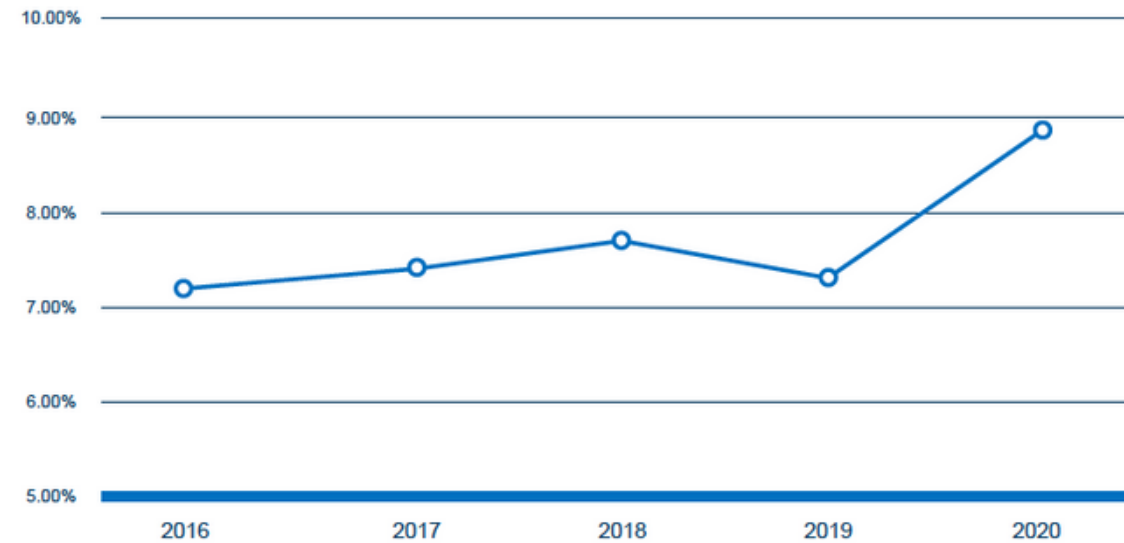




# Retail

# Investment

## Vacancy Rates Over The Years



## Trends of 2020



Big Box  
Closures



Banks & Credit  
Unions Expanding



Convenience



Retailers  
Struggling Due  
to COVID

## Retailers That Are Expanding

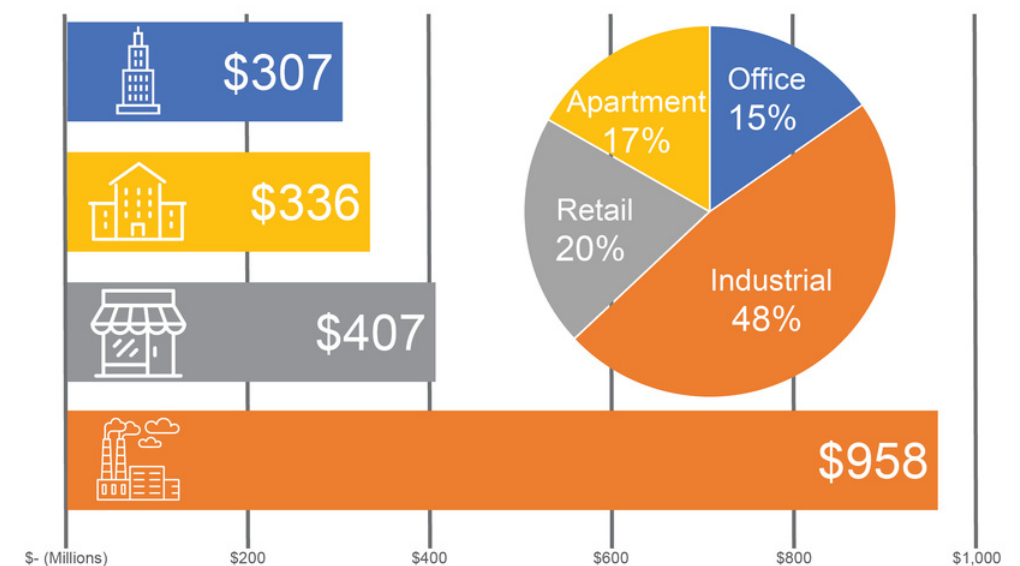


## 2020 Investment Recap

Investment sales in 2020 were largely driven by private capital representing 69% of buyers YTD. REITs and institutional buyers were active in the industrial and medical office sectors but took a pause on acquisitions in the retail, office, and multifamily segments. Industrial and multifamily continue to see cap rates compress as buyers chase yield in the Midwest - both local and nation buyers are active throughout Wisconsin. There is no shortage of capital and 2021 is expected to see robust investment activity.

## Trends for 2021

- Adaptive reuse and infill development on the rise
- Increased Net Lease demand
- Portfolio sales across all sectors



Presented by Kelly Rodenkirk, Cushman Wakefield | Boerke

Presented by Gretchen Richards, CCIM, CBRE

2020 Market Update

