



COMMERCIAL REAL ESTATE MARKET REPORT

Q4 2020

FOR IMMEDIATE RELEASE JANUARY 2021 | 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: SUMMARY

- Milwaukee office market posted a second straight quarter decline in absorption with 80,000 sf negative absorption during Q4 with year to date absorption still positive at 39,000 sf. Multi-tenant properties declined with 47,500 sf negative absorption with year to date posting 60,000 sf positive absorption.

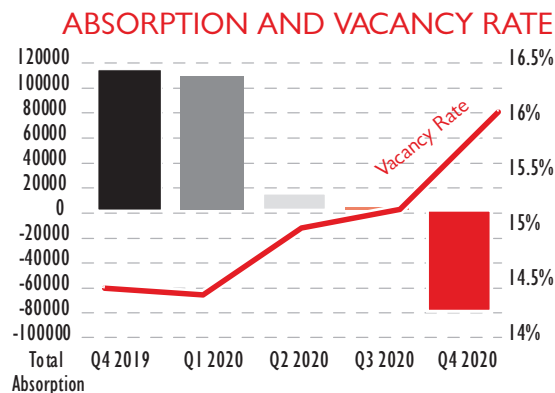
- Fourth quarter overall vacancy rate increased to 16% and the multi-tenant vacancy rate also increasing to 20.3%.

- Milwaukee Northwest market was the only market with noteworthy positive absorption of 44,800 sf. Leading this market was Mindful Staffing leasing 32,000 sf and Cleaver Brooks leasing 17,900 sf.

- Milwaukee Downtown East had the largest drop with 37,400 sf negative absorption led by Northwestern Mutual vacating 65,000 sf.

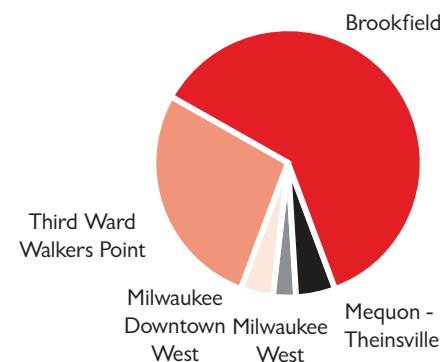
- There is 640,000 sf currently under construction in 7 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022. Four properties were delivered 2020 totaling 755,000 sf.

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	101	16,051,669	3,204,301	2,750,532	6,907	178,935	17.1%
B	429	27,437,886	4,771,981	4,441,129	(87,695)	(106,343)	16.2%
C	52	2,290,636	156,505	147,131	450	(33,571)	6.4%
Total	582	45,780,191	8,132,787	7,338,792	(80,338)	39,021	16.0%



NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

MARKET	BLDG SIZE (SF)
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	176,000
Brookfield	391,000
Mequon - Theinsville	29,500
Milwaukee West	17,500
Grand Total	640,250



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	16	6,712,617	1,315,128	929,538	33,270	205,397	13.8%
	B	45	5,102,747	498,198	720,769	(71,138)	(209,796)	14.1%
	C	5	146,389	17,800	17,800	450	(17,800)	12.2%
	Subtotal	66	11,961,753	1,831,126	1,668,107	(37,418)	(22,199)	13.9%
Milwaukee Downtown West	A	3	902,938	12,481	380,784	0	(571)	42.2%
	B	33	4,187,080	1,148,522	1,004,049	(16,828)	167,669	24.0%
	C	3	189,311			0	0	0.0%
	Subtotal	39	5,279,329	1,161,003	1,384,833	(16,828)	167,098	26.2%
Third Ward-Walkers Point	A	4	465,416	174,209	230,560	(14,985)	(14,985)	49.5%
	B	37	2,007,523	299,898	227,805	(535)	(5,710)	11.3%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	45	2,634,689	565,314	542,365	(15,520)	(20,695)	20.6%
Milwaukee CBD	A	23	8,080,971	1,501,818	1,540,882	18,285	189,841	19.1%
	B	115	11,297,350	1,946,618	1,952,623	(88,501)	(47,837)	17.3%
	C	12	497,450	109,007	101,800	450	(17,800)	20.5%
	Subtotal	150	19,875,771	3,557,443	3,595,305	(69,766)	124,204	18.1%
Brookfield	A	24	2,023,127	398,498	286,150	(7,547)	19,833	14.1%
	B	75	3,803,918	680,526	588,032	(9,779)	(87,182)	15.5%
	C	4	123,740			0	0	0.0%
	Subtotal	103	5,950,785	1,079,024	874,182	(17,326)	(67,349)	14.7%
Mayfair - Wauwatosa	A	14	1,658,528	324,964	163,623	(11,234)	(11,541)	9.9%
	B	29	1,422,800	327,517	328,206	(3,680)	(40,096)	23.1%
	C	8	343,553	12,238	12,238	0	(771)	3.6%
	Subtotal	51	3,424,881	664,719	504,067	(14,914)	(52,408)	14.7%
Mequon - Theinsville	A	6	204,804	62,459	62,459	0	14,753	30.5%
	B	12	328,283	67,357	54,302	2,681	245	16.5%
	Subtotal	18	533,087	129,816	116,761	2,681	14,998	21.9%
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	94,410	94,410	(15,928)	(30,558)	63.1%
	B	34	2,118,158	534,337	478,313	4,538	(10,607)	22.6%
	C	8	402,978	35,260	33,093	0	(15,000)	8.2%
	Subtotal	45	2,670,671	664,007	605,816	(11,390)	(56,165)	22.7%
Milwaukee Northwest	A	11	1,915,769	234,630	231,057	15,387	(6,792)	12.1%
	B	44	2,563,681	438,977	430,254	29,499	25,747	16.8%
	Subtotal	55	4,479,450	673,607	661,311	44,886	18,955	14.8%
Milwaukee Southwest	A	2	111,067	19,096	21,942	9,944	4,834	19.8%
	B	10	390,140	47,829	50,717	(9,843)	(8,012)	13.0%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	66,925	72,659	101	(3,178)	12.3%
Milwaukee West	B	19	1,733,534	232,920	259,411	(8,800)	102,485	15.0%
	C	1	27,516			0	0	0.0%
	Subtotal	20	1,761,050	232,920	259,411	(8,800)	102,485	14.7%
Pewaukee	A	16	1,157,047	568,426	350,009	(2,000)	(1,435)	30.3%
	B	20	756,882	102,638	55,746	(2,977)	(11,557)	7.4%
	Subtotal	36	1,913,929	671,064	405,755	(4,977)	(12,992)	21.2%
Waukesha Northwest - Lake Country	B	18	593,108	47,007	35,667	(1,633)	(8,632)	6.0%
	Subtotal	18	593,108	47,007	35,667	(1,633)	(8,632)	6.0%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	26	993,789	204,568	142,773	800	(226)	14.4%
	Subtotal	27	1,674,055	204,568	142,773	800	(226)	8.5%
Waukesha Southwest	B	19	719,187	76,358	65,085	0	(20,671)	9.0%
	C	6	131,142			0	0	0.0%
	Subtotal	25	850,329	76,358	65,085	0	(20,671)	7.7%
Suburban	A	78	7,970,698	1,702,483	1,209,650	(11,378)	(10,906)	15.2%
	B	314	16,140,536	2,825,363	2,488,506	806	(58,506)	15.4%
	C	40	1,793,186	47,498	45,331	0	(15,771)	2.5%
	Subtotal	432	25,904,420	4,575,344	3,743,487	(10,572)	(85,183)	14.5%
Grand Total		582	45,780,191	8,132,787	7,338,792	(80,338)	39,021	16.0%



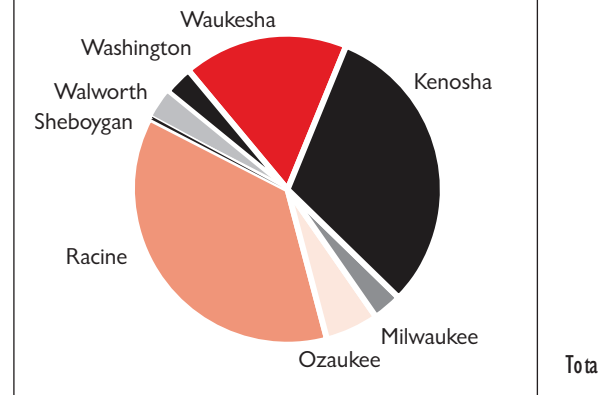
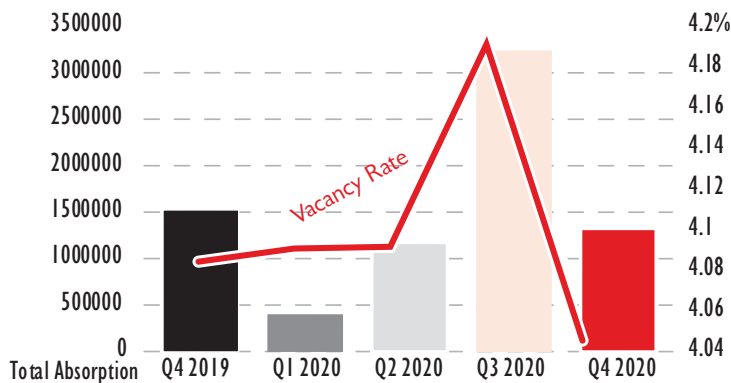
Milwaukee Industrial Overview

- Milwaukee industrial market continued the year with 1,326,000 sf positive absorption for Q4 2020 and year to date positive absorption of 6,379,000 sf. Multi-tenant properties also posted 1,185,000 sf positive absorption this quarter and year to date positive absorption of 2,042,000 sf.
- Fourth quarter overall vacancy rate was 4.0% with multi-tenant overall vacancy rate in at 11.9%.
- Kenosha County held the top individual spot in positive absorption with Geneva Supply purchasing 366,000 sf bldg but Milwaukee County posted the largest overall gain with 520,000 sf positive absorption.
- Ozaukee County posted the largest loss of 134,000 sf negative absorption with Calibre closing a couple of locations totaling 109,000 sf.
- There is over 4,687,000 sf currently under construction resulting from 29 properties. Foxconn building with 993,000 sf is the largest property with expectation of delivery in Q2 2021.
- Nineteen properties have been delivered year to date with 6,247,000 sf. Four of the nineteen were delivered with 683,000 sf during Q4 2020.

NEW DEVELOPMENTS - UNDER CONSTRUCTION SF

COUNTY	BLDG SIZE (SF)
Kenosha	1,468,229
Milwaukee	144,000
Ozaukee	250,000
Racine	1,718,568
Sheboygan	20,200
Walworth	141,500
Washington	139,037
Waukesha	805,705
Grand Total	4,687,239

ABSORPTION AND VACANCY RATE



SUMMARY

Property Type	# 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	954,283	575,095	10,347	106,473	6.4%
Manufacturing	2,247	180,384,423	6,143,374	4,113,464	(517,965)	(652,872)	2.3%
Warehouse Distribution	1,113	105,846,344	7,758,631	5,117,784	1,350,260	6,295,251	4.8%
Warehouse Office	1,934	71,867,579	7,530,607	5,043,252	483,259	630,270	7.0%
Grand Total	5,508	367,077,018	22,386,895	14,849,595	1,325,901	6,379,122	4.0%

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	336,151	558,363	(182,167)	(219,563)	6.3%
	Warehouse Distribution	84	23,723,943	1,430,611	1,013,629	341,414	2,202,748	4.3%
	Warehouse Office	66	3,971,049	83,300	22,134	(2,400)	36,609	0.6%
	Subtotal	262	36,936,304	1,993,530	1,594,126	156,847	2,019,794	4.3%
Milwaukee	Flex/R&D	45	2,272,481	324,263	297,963	14,632	410	13.1%
	Manufacturing	676	61,242,637	3,542,284	2,500,214	(163,074)	(416,025)	4.1%
	Warehouse Distribution	496	38,766,929	4,590,926	3,201,794	489,314	3,062,262	8.3%
	Warehouse Office	600	25,199,298	4,069,135	2,535,590	179,362	204,595	10.1%
	Subtotal	1,817	127,481,345	12,526,608	8,535,561	520,234	2,851,242	6.7%
Ozaukee	Flex/R&D	16	499,944	56,766	41,385	0	(14,721)	8.3%
	Manufacturing	133	9,407,199	304,592	316,061	(134,345)	(134,345)	3.4%
	Warehouse Distribution	18	1,716,267			0	0	0.0%
	Warehouse Office	59	2,613,745	572,319	467,109	0	16,776	17.9%
	Subtotal	226	14,237,155	933,677	824,555	(134,345)	(132,290)	5.8%
Racine	Flex/R&D	13	811,814	31,660	17,474	2,844	29,844	2.2%
	Manufacturing	189	16,849,939	462,110	177,394	0	0	1.1%
	Warehouse Distribution	101	10,804,628	360,978	165,650	476,294	971,822	1.5%
	Warehouse Office	129	5,975,278	779,667	782,987	1,800	13,728	13.1%
	Subtotal	432	34,441,659	1,634,415	1,143,505	480,938	1,015,394	3.3%
Sheboygan	Flex/R&D	1	30,720	10,000	10,000	(10,000)	(10,000)	32.6%
	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	88,982	4,625	9,250	21,359	0.2%
	Subtotal	289	27,176,182	98,982	14,625	(750)	11,359	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	165,364	110,070	(12,460)	(36,460)	4.3%
	Subtotal	230	14,523,068	397,655	110,070	(12,460)	(17,124)	0.8%
Washington	Flex/R&D	15	453,795	36,168		3,448	29,073	0.0%
	Manufacturing	234	14,082,426	412,025	54,941	0	100,000	0.4%
	Warehouse Distribution	82	8,027,635	341,403	330,336	0	(37,036)	4.1%
	Warehouse Office	172	6,118,359	343,913	234,573	124,350	134,213	3.8%
	Subtotal	503	28,682,215	1,133,509	619,850	127,798	226,250	2.2%
Waukesha	Flex/R&D	121	4,473,805	351,958	208,273	(577)	71,867	4.7%
	Manufacturing	604	38,312,663	853,921	506,491	(38,379)	(2,275)	1.3%
	Warehouse Distribution	254	17,554,442	1,034,713	406,375	43,238	95,455	2.3%
	Warehouse Office	770	23,258,180	1,427,927	886,164	183,357	239,450	3.8%
	Subtotal	1,749	83,599,090	3,668,519	2,007,303	187,639	404,497	2.4%
Grand Total		5,508	367,077,018	22,386,895	14,849,595	1,325,901	6,379,122	4.0%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf) Tenant	Market Landlord
Greenfield Plaza 4450 S 108th St	10,000 Ultimate Thrift	Milwaukee Southwest Jurceka Properties LLC
Taylor Heights 549 S Taylor Dr	7,713 Pet Supplies Plus	Sheboygan 645 South Taylor Owner Equities LLC
7115 Durand Ave	4,385 Lambeau Tobacco	Racine Pleasant Holdings LLC
Village Market 5760 S 108th St	4,000 Team Rehab	Milwaukee Southwest Village Market LLC
Shoppes of Nagawaukee 3270 Golf Rd	2,445 F45 Fitness	Waukesha Northwest Shoppes at Nagawaukee Equity IV LLC Shoppes at Nagawaukee Equity LLC

NOTABLE RETAIL SALES TRANSACTIONS

Property	Price Buyer	Market Seller
Pick 'N Save 2820 Green Bay Rd S	\$19,870,000 Agree Central LLC	Racine Mt Pleasant Retail Venture DST
Capital Alhoun 17295 W Capital Dr	\$6,500,000 Silver Shield LLC	Brookfield Wangard Partners Inc
5133 S Pennsylvania Ave	\$5,950,000 SROA 5133 S Pennsylvania WI LLC	Milwaukee RNC Penn Ave LLC
Walgreens 9909 W Loomis Rd	\$3,812,400 9909 Franklin WI, LLC	Milwaukee Southwest Franklin WG LLC
4935 S 76th St	\$3,150,000 ANE, LLC	Milwaukee Southwest ICA II Greenfield Venture LLC

Office Advisory Board

William Bonifas CBRE
John Mazza CBRE
Mike Wanezek Colliers International
Dan Wroblewski Colliers International
Jim Cavanaugh
Cushman & Wakefield | Boerke
Andrew Jensen
Cushman & Wakefield | Boerke
Ned Purtell Founders 3
Jenna Maguire Founders 3
Kevin Armstrong Founders 3
Peter Zanghi Irgens
Nick Hepner JLL
Julia Howe JLL
Matt Hunter JLL
David Pudiosky JLL
Michael Streit JLL
Mitch Bastien Newmark Knight Frank
Jack Jacobson Newmark Knight Frank
Tim Janusz Newmark Knight Frank
Heather Farkas Transwestern
John Dulmes Transwestern

Industrial Advisory Board

Jim Larkin Colliers International
Kyle Fink Colliers International
Nick Unger
Cushman & Wakefield | Boerke
Cody Ziegler
Cushman & Wakefield | Boerke
Paul McBride Founders 3
Brett Deter Founders 3
Kevin Armstrong Founders 3
Brian Parrish Paradigm
Matt Friedman Paradigm
Kevin Barry The Barry Company
Trent Poole CBRE
Scott Furmanski CBRE
Matt Judson Judson
Cole Russell Judson
Mitchell Starczynski
Newmark Knight Frank
Joe Carollo JLL
Tony Haning JLL
Zach Hansen Dickman
Mike Tomlin Dickman
Luke Fehrenbach Ogden
Brock Ferger Ogden
Bob Gintoft Ogden

Research Advisory Board

Don Heckel CBRE
Joseph Wright Colliers International
Margaret Blair Colliers International
Katie Gremban
Cushman & Wakefield | Boerke
Nate Winkle Newmark Knight Frank
Tyler Hegwood JLL
Caroline O'Donnell Founders 3