



CARW/Catylist



Catylist

COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE OCTOBER 2021 | For more information, please contact: Tracy Johnson, CARW 414-698-7474 | Chris Allen, Catylist 952-456-1669

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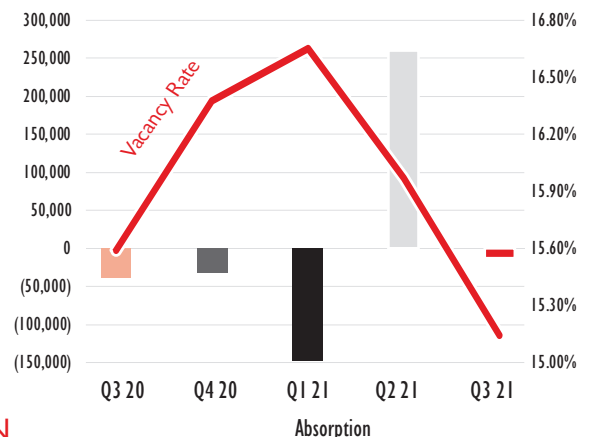
Milwaukee Office Overview

MILWAUKEE OFFICE: SUMMARY

- Milwaukee office market posted negative net absorption of (12,000) sf during Q3 bringing year to date to 98,000 sf positive net absorption. Multi-tenant properties dropped by (50,000) sf negative net absorption with year to date of 219,000 sf positive net absorption.
- Subleases accounted for (47,700) sf of negative net absorption led by GMR Marketing downsizing 37,000 sf and Tribes Services vacating 19,000 sf. Direct space will have 35,000 sf of positive net absorption for the quarter.
- Third quarter overall vacancy rate ended at 15.1% while the multi-tenant vacancy rate increased to 19.8%.
- Milwaukee CBD 20,000 sf positive net absorption bested the suburbs with (32,800) sf negative net absorption.
- Pewaukee had the largest gain of 48,000 sf positive net absorption driven by Generac purchasing a vacant 76,000 sf property which was offset by Mra Management Association vacating 44,800 sf. Milwaukee West and Mayfair Wauwatosa posted the largest loss of (21,000) sf negative net absorption.
- Milwaukee office market had 93 lease comps totaling 409,000 sf this quarter. Twenty nine office properties with 808,000 sf sold this quarter for \$117.9M.
- There is 576,000 sf currently under construction in 8 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022. Two properties have been delivered year to date with 175,500 sf.

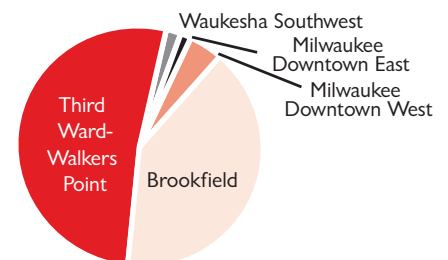
Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	103	16,736,554	3,934,539	2,958,698	8,691	(178,926)	17.7%
B	421	26,415,373	4,792,644	3,679,946	(20,998)	371,455	13.9%
C	51	2,321,200	254,845	247,678	0	(93,807)	10.7%
Grand Total	575	45,473,127	8,982,028	6,886,322	(12,307)	98,722	15.1%

ABSORPTION AND VACANCY RATE



UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	8,104
Milwaukee Downtown West	26,250
Brookfield	233,000
Third Ward - Walkers Point	299,552
Waukesha Southwest	10,000
Grand Total	576,906



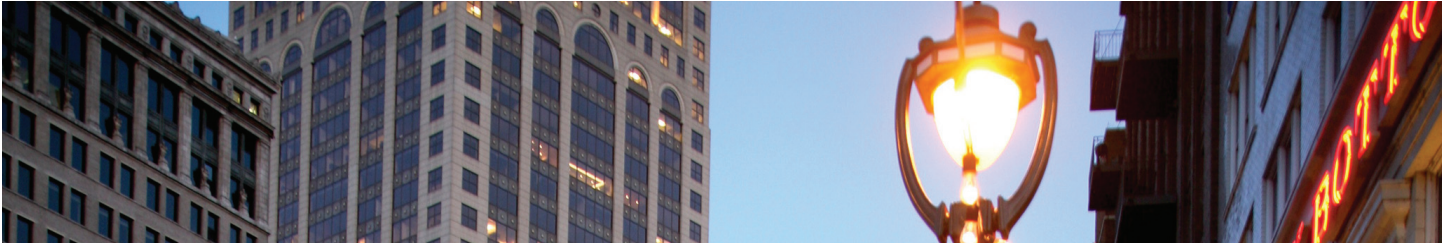
NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

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	1,416,777	997,499	(10,558)	(80,716)	14.9%
	B	39	4,218,971	585,041	468,489	15,490	(43,662)	11.1%
	C	4	146,389	17,800	17,800	0	0	12.2%
	Subtotal	59	11,077,977	2,019,618	1,483,788	4,932	(124,378)	13.4%
Milwaukee Downtown West	A	3	902,938	473,868	470,695	0	(89,911)	52.1%
	B	30	4,122,344	767,975	636,220	7,813	335,364	15.4%
	C	2	189,311			0	0	0.0%
	Subtotal	35	5,214,593	1,241,843	1,106,915	7,813	245,453	21.2%
Third Ward-Walkers Point	A	4	465,416	184,634	148,963	0	81,597	32.0%
	B	35	2,007,523	382,303	270,575	7,764	(7,370)	13.5%
	C	4	161,750	84,000	84,000	0	0	51.9%
	Subtotal	43	2,634,689	650,937	503,538	7,764	74,227	19.1%
Milwaukee CBD	A	23	8,080,971	2,075,279	1,617,157	(10,558)	(89,030)	20.0%
	B	104	10,348,838	1,735,319	1,375,284	31,067	284,332	13.3%
	C	10	497,450	101,800	101,800	0	0	20.5%
	Subtotal	137	18,927,259	3,912,398	3,094,241	20,509	195,302	16.3%
Brookfield	A	24	2,029,412	562,652	327,234	4,028	(41,084)	16.1%
	B	77	3,990,559	803,509	615,012	(14,258)	116,720	15.4%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	106	6,167,725	1,371,161	942,246	(10,230)	75,636	15.3%
Mayfair - Wauwatosa	A	15	2,095,692	272,053	182,951	(14,438)	(19,328)	8.7%
	B	30	1,453,493	351,266	341,455	(7,025)	7,387	23.5%
	C	8	343,553	12,785	12,785	0	(547)	3.7%
	Subtotal	53	3,892,738	636,104	537,191	(21,463)	(12,488)	13.8%
Mequon - Theinsville	A	6	204,804	107,222	61,983	0	476	30.3%
	B	12	328,283	63,720	63,720	(11,424)	(9,418)	19.4%
	Subtotal	18	533,087	170,942	125,703	(11,424)	(8,942)	23.6%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	615,077	65,329		0	0	0.0%
	C	10	638,707	115,000	115,000	0	(115,000)	18.0%
	Subtotal	19	1,324,339	180,329	115,000	0	(115,000)	8.7%

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	233,538	146,335	146,335	(9,925)	(9,925)	62.7%
	B	33	1,977,380	336,688	237,962	(3,345)	(18,523)	12.0%
	C	8	402,978	20,260	18,093	0	21,740	4.5%
	Subtotal	44	2,613,896	503,283	402,390	(13,270)	(6,708)	15.4%
Milwaukee Northwest	A	11	1,915,769	279,742	210,237	3,043	20,820	11.0%
	B	45	2,573,990	522,156	387,325	1,454	42,929	15.0%
	Subtotal	56	4,489,759	801,898	597,562	4,497	63,749	13.3%
Milwaukee Southwest	A	2	111,067	15,390	18,236	1,546	3,706	16.4%
	B	10	390,140	51,453	49,003	2,491	1,714	12.6%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	66,843	67,239	4,037	5,420	11.3%
Milwaukee West	B	18	1,733,534	459,162	283,524	(21,137)	(24,389)	16.4%
	C	2	61,785			0	0	0.0%
	Subtotal	20	1,795,319	459,162	283,524	(21,137)	(24,389)	15.8%
Pewaukee	A	17	1,314,480	475,866	394,565	34,995	(44,561)	30.0%
	B	20	730,608	91,105	55,415	13,092	(1,576)	7.6%
	Subtotal	37	2,045,088	566,971	449,980	48,087	(46,137)	22.0%
Waukesha Northwest - Lake Country	B	19	614,895	62,542	39,727	(3,229)	(4,060)	6.5%
	Subtotal	19	614,895	62,542	39,727	(3,229)	(4,060)	6.5%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	26	939,389	179,672	173,981	(8,684)	(31,208)	18.5%
	Subtotal	27	1,619,655	179,672	173,981	(8,684)	(31,208)	10.7%
Waukesha Southwest	B	19	719,187	70,723	57,538	0	7,547	8.0%
	C	6	137,315			0	0	0.0%
	Subtotal	25	856,502	70,723	57,538	0	7,547	6.7%
Suburban	A	80	8,655,583	1,859,260	1,341,541	19,249	(89,896)	15.5%
	B	317	16,066,535	3,057,325	2,304,662	(52,065)	87,123	14.3%
	C	41	1,823,750	153,045	145,878	0	(93,807)	8.0%
	Subtotal	438	26,545,868	5,069,630	3,792,081	(32,816)	(96,580)	14.3%
Grand Total		575	45,473,127	8,982,028	6,886,322	(12,307)	98,722	15.1%



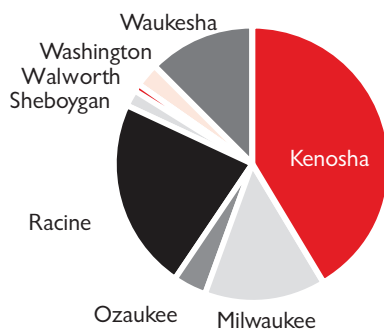
Milwaukee Industrial Overview

- Milwaukee industrial market continues the trend with 3,045,000 sf positive net absorption for Q3 2021 bringing the year to date total 6,244,000 sf positive net absorption. Multi-tenant properties posted 377,000 sf positive net absorption this quarter with year to date 3,150,000 sf positive net absorption. For multi and single tenant properties there was positive net absorption each quarter over the last 2 years. For just multi-tenant properties the last time there was negative net absorption was Q3 2019.
- Third quarter overall vacancy rate dropped down to 3.5% with multi-tenant vacancy rate dropping this quarter to 9.6%.
- Kenosha held the top with 1,800,000 sf positive net absorption led by the new delivery of two buildings with 1,690,000 sf for Uline. Waukesha was second highest with 727,000 sf positive net absorption due to Milwaukee Tool leasing 388,000 sf.
- There were no counties posting negative net absorption but Milwaukee County held the number one spot for the largest single vacancy of US Corrugated vacated 329,000 sf.
- Milwaukee industrial market had 69 lease comps totaling 1,700,000 sf. Fifty one properties with 1,900,000 sf sold this quarter for over \$93.3M.
- There is over 6,000,000 sf currently under construction resulting from 24 properties. Foxconn is the largest project under construction with 993,000 sf.
- Thirteen properties have been delivered year to date with over 2,455,000 sf of which 5 properties were delivered during Q3 2021 with just under 2,000,000 sf.

SUMMARY

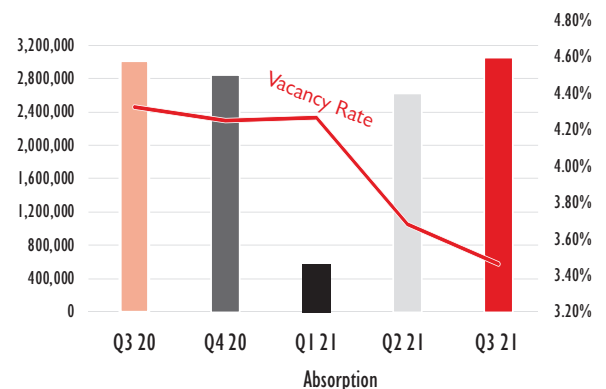
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	241	10,110,052	1,180,754	778,119	28,333	81,619	7.7%
Manufacturing	2,134	173,656,023	6,140,348	3,891,972	(18,153)	523,152	2.2%
Warehouse Distribution	736	103,776,355	6,895,253	4,406,832	2,539,330	4,372,040	4.2%
Warehouse Office	2,250	78,586,003	6,289,734	3,596,288	496,172	1,267,197	4.6%
Grand Total	5,361	366,128,433	20,506,089	12,673,211	3,045,682	6,244,008	3.5%

UNDER CONSTRUCTION (SF)



COUNTY	BLDG SIZE (SF)
Kenosha	2,505,134
Milwaukee	853,500
Ozaukee	250,000
Racine	1,347,398
Sheboygan	175,200
Walworth	1,576
Washington	169,700
Waukesha	742,462
Grand Total	6,044,970

ABSORPTION AND VACANCY RATE



NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

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	3	470,393	143,468		0	0	0.0%
	Manufacturing	101	7,737,340	309,600	211,359	21,867	21,867	2.7%
	Warehouse Distribution	84	28,214,504	1,500,997	1,397,297	1,694,000	2,286,577	5.0%
	Warehouse Office	77	3,203,021	312,280	22,134	100,000	100,000	0.7%
	Subtotal	265	39,625,258	2,266,345	1,630,790	1,815,867	2,408,444	4.1%
Milwaukee	Flex/R&D	52	2,611,310	562,783	515,341	4,132	35,869	19.7%
	Manufacturing	661	60,847,874	3,721,098	2,826,295	(224,720)	78,055	4.6%
	Warehouse Distribution	288	30,356,804	2,078,140	1,013,769	378,659	2,155,689	3.3%
	Warehouse Office	725	29,466,752	3,535,009	2,001,657	210,860	474,896	6.8%
	Subtotal	1,726	123,282,740	9,897,030	6,357,062	368,931	2,744,509	5.2%
Ozaukee	Flex/R&D	17	515,185	101,540	43,797	(20,683)	(2,412)	8.5%
	Manufacturing	117	8,785,912	546,540	250,865	0	38,045	2.9%
	Warehouse Distribution	16	2,138,693			0	0	0.0%
	Warehouse Office	69	2,699,286	533,846	401,087	47,479	66,022	14.9%
	Subtotal	219	14,139,076	1,181,926	695,749	26,796	101,655	4.9%
Racine	Flex/R&D	11	580,697	14,450	14,450	11,984	3,024	2.5%
	Manufacturing	185	16,726,774	362,604	157,994	0	19,400	0.9%
	Warehouse Distribution	71	11,589,821	929,367	787,556	0	(108,533)	6.8%
	Warehouse Office	147	5,855,584	522,634	559,443	41,073	85,311	9.6%
	Subtotal	414	34,752,876	1,829,055	1,519,443	53,057	(798)	4.4%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	(80)	32.8%
	Manufacturing	150	19,452,863	191,514	43,525	0	0	0.2%
	Warehouse Distribution	31	4,805,661	249,029	28,000	0	0	0.6%
	Warehouse Office	98	2,800,356	61,248		0	4,625	0.0%
	Subtotal	280	27,089,600	506,871	81,605	0	4,545	0.3%
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	121	9,401,734			0	0	0.0%
	Warehouse Distribution	25	2,302,609	142,260	142,260	0	(42,260)	6.2%
	Warehouse Office	82	2,762,553	75,294	35,000	19,805	78,765	1.3%
	Subtotal	231	14,521,923	217,554	177,260	19,805	36,505	1.2%
Washington	Flex/R&D	15	528,613	74,608		0	0	0.0%
	Manufacturing	227	14,337,394	181,244	61,640	44,337	37,638	0.4%
	Warehouse Distribution	67	8,221,916	1,156,242	439,198	(1,550)	74,338	5.3%
	Warehouse Office	186	6,006,178	262,186	141,333	(9,252)	56,240	2.4%
	Subtotal	495	29,094,101	1,674,280	642,171	33,535	168,216	2.2%
Waukesha	Flex/R&D	139	5,318,107	278,825	194,451	32,900	45,218	3.7%
	Manufacturing	572	36,366,132	827,748	340,294	140,363	328,147	0.9%
	Warehouse Distribution	154	16,146,347	839,218	598,752	468,221	6,229	3.7%
	Warehouse Office	866	25,792,273	987,237	435,634	86,207	401,338	1.7%
	Subtotal	1,731	83,622,859	2,933,028	1,569,131	727,691	780,932	1.9%
Grand Total		5,361	366,128,433	20,506,089	12,673,211	3,045,682	6,244,008	3.5%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
Loomis Shopping Center 3545 S 27th St	25,223	Milwaukee Southeast	Michael's	Loomis Centre LLC
Timmerman Plaza 10202 W Silver Rd	16,000	Milwaukee Northwest	BioLife	Timmerman Holdings WI LLC
Hales Corners Plaza 5301 S 108th St	15,176	Milwaukee Southwest	The Salvation Army	Hales Corners Plaza LLC
Falls Plaza 115066 Appleton Ave	8,569	Menomonee Falls	Lumber Liquidators	Falls Plaza LLC
Greenfield Place 4850 S 74th St	8,237	Milwaukee Southwest	Home Care Medical	Bonnie Management Corp

NOTABLE RETAIL SALES TRANSACTIONS

Property	Price	Market	Buyer	Seller
Indian Trail Plaza & Southport Plaza 6320, 6430, 6610, 6804, 6810-6816, 6820-7380, 7200, 7214, & 7220 Green Bay Rd - Portfolio	\$43,500,000	Kenosha	BZA Kenosha, LLC	SP Southport Plaza, LLC; SP Southport Plaza Nine, LLC; SP Indian Trail, LLC
Pick 'n Save, Kohl's, Walgreens 2601-2675 S 108th St, 2555 S 108th St, & 2677 S 108th St - Portfolio	\$22,523,000	Milwaukee West	2625 West Allis WI, LLC	West Allis Ventures, LLC
13350 Kilbourn Dr	\$15,900,000	Racine	AJZ-Toyota Racine, LLC	M & J Real Estate, LLC
7900 120th Ave	\$15,500,000	Kenosha	AJZ-Subaru Kenosha, LLC	M & J Real Estate, LLC
4003 Durand Ave	\$8,000,000	Racine	Badger ME, LLC	Badger Plaza, LLC

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