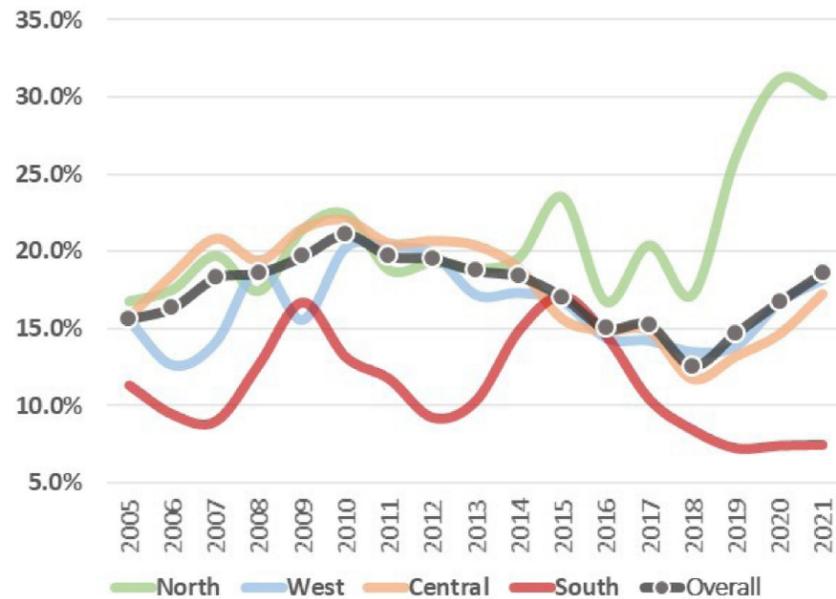


Retail

Investment

2021 ANNUAL UPDATE

Overall Retail Market



BY THE NUMBERS

42.5M square feet inventory
(175K)

3.6M square feet available
(574K)

3.0M square feet vacant
(686K)

7.2% vacancy rate
(1.6%)

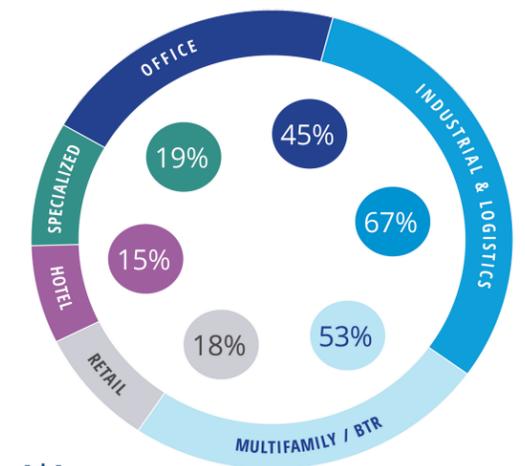
Presented by Joe Kleiman, Mid-America Real Estate

Key Takeaways from 2021

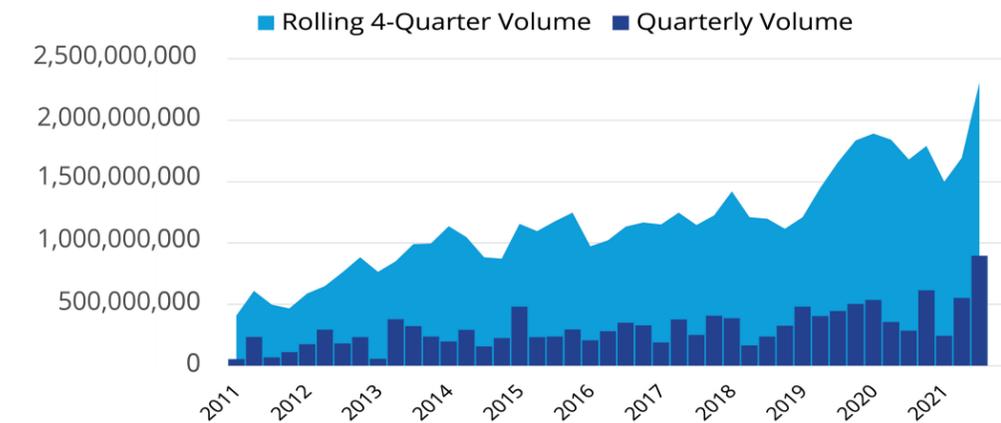
- 2021 is poised to be a **record year** for sales volume
- Property values reached **all-time highs** with industrial rising at the fastest rate
- Pent up capital from 2020 and a lack of product on the market lead to extremely **competitive bidding wars**
- Core **industrial**, net leased **essential retail** and **multifamily** assets were the top in-demand product types
- **Cap rates compressed** across most sectors despite increases to the 10-Year UST as buyers and lenders took on higher risk tolerance

2022 Capital Flow

Based on a 2022 Investor Outlook survey conducted by Colliers, industrial will once again be the most sought-after asset type with 67% of respondents indicating they plan to target the asset type. Investors are also optimistic about the economic outlook - 87% see it as positive with strong market liquidity, rent growth and availability of debt.



Historical Sales Volume (\$)



Sales volume for Milwaukee, Waukesha, Washington, Ozaukee, Racine and Kenosha counties.

Presented by Jennifer Huber-Bullock, CCIM, Colliers

Office

Industrial

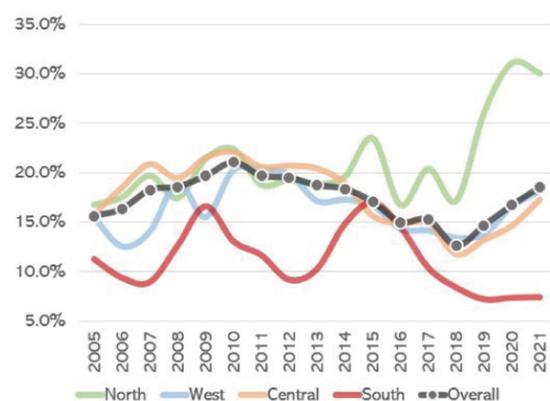
2021 TRENDS



2021 DEAL ANALYSIS



OVERALL OFFICE MARKET



BY THE NUMBERS	
35.0M	square feet inventory
+540K	
8.9M	square feet available
+1.0M	
6.5M	square feet vacant
+737K	
18.5%	vacancy rate
+1.8%	

Presented by John Davis, Founders 3 Real Estate

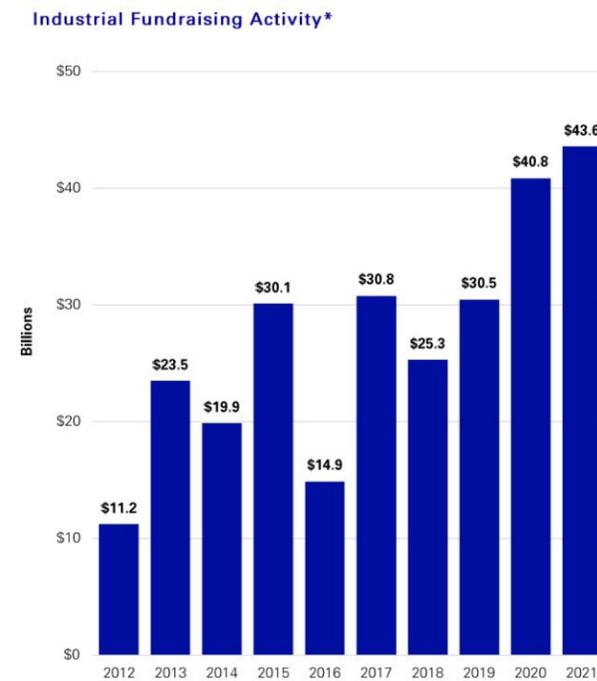
National Capital Market Observations

The recovery from the pandemic is fully underway as investment volume in 3Q21 hit a record high, reaching \$193.0 billion with activity increasing by over 100% year-over-year in all five major property types. Multifamily and industrial continue to receive the largest share of investment volume, attracting a combined \$118.3 billion, representing more than 55% of total sales volume year-to-date, as investors chase higher total returns. According to NCREIF, annualized total returns for commercial real estate reached 12.1% in 3Q21, while industrial and multifamily returns hit 32.4% and 13.4%, respectively. Global investment volume hit \$1.2 trillion year-to-date and investor allocation to the US CRE market reached its highest point in over a decade, as both APAC and EMEA regions have been slower to recover from COVID-19. The amount of dry powder accumulated by North America-focused closed-end real estate funds has reached a record \$236.9 billion in 3Q21.

Industrial Fundraising and Investments Drive Compression

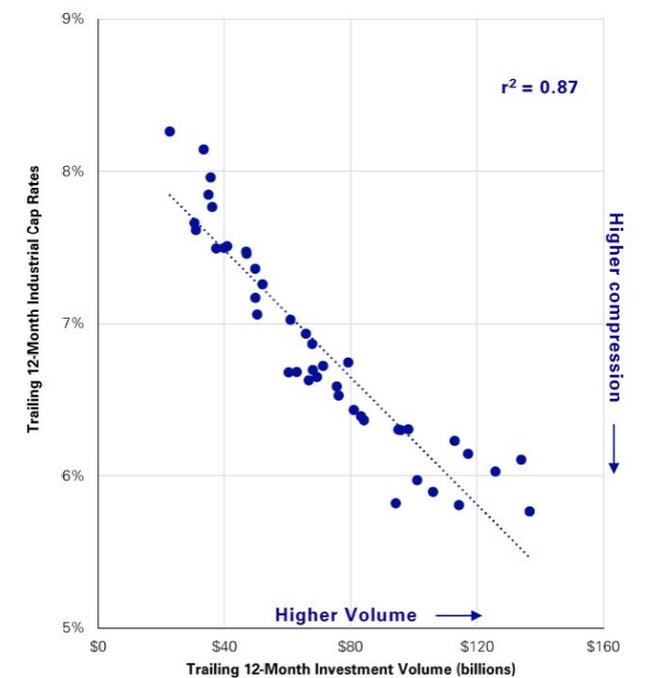
Fundraising activity by closed-end funds targeting industrial real estate has increased by 6.7% in 2021, bringing the total to \$43.6 billion. With the amount of capital earmarked for industrial increasing, downward pressure on cap rates is expected to continue, with every billion dollar increase in investment sales corresponding to a two basis point decline in cap rates.

Industrial Fundraising Activity*



Source: Newmark Research, Real Capital Analytics, Preqin
*Aggregate Fundraising Targets for Closed-End Funds Targeting Industrial
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Past 10-Year Industrial Cap Rates vs. Investment Sales



Presented by Mitch Starczynski, SIOR, Newmark