



COMMERCIAL REAL ESTATE MARKET REPORT

Photography by Tom Barrett

Q4 2021

FOR IMMEDIATE RELEASE JANUARY 2022 | 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

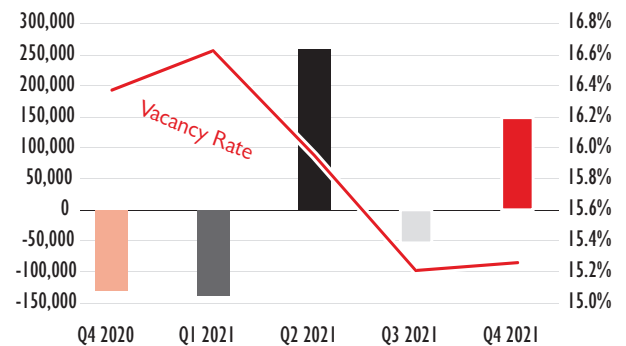
- Milwaukee office market posted positive net absorption of 148,000 sf during Q4 bringing year to date to 216,000 sf positive net absorption. Multi-tenant properties dropped by (2,700) sf negative net absorption with year to date of 184,000 sf positive net absorption.

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	105	17,017,554	3,991,885	3,133,386	103,311	(94,205)	18.4%
B	420	26,344,795	4,590,796	3,622,992	44,866	403,309	13.8%
C	51	2,267,893	232,527	205,941	700	(93,107)	9.1%
Grand Total	576	45,630,242	8,815,208	6,962,319	148,877	215,997	15.3%

- Fourth quarter overall vacancy rate ended at 15.3% while the multi-tenant vacancy rate increased to 19.9%.
- Milwaukee CBD 213,000 sf positive net absorption for Q4 2021 and ended the year with 403,000 sf positive absorption. CBD market bested the suburbs which posted (65,000) sf negative net absorption for Q4 2021 and ended the year with (187,000) sf negative absorption.
- Third Ward had the largest gain of 170,000 sf positive net absorption driven by the new delivery of Komatsu complex with 176,000 sf. Mequon - Theinsville posted the largest loss of (38,000) sf negative net absorption due to Finastra vacating 39,000 sf on a sublease.

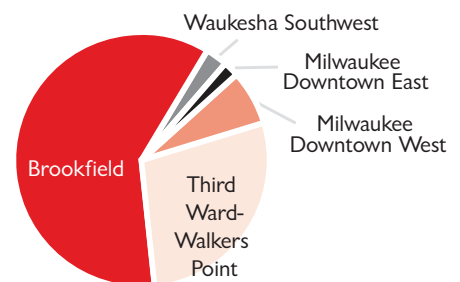
- Milwaukee office market had 104 lease comps totaling 373,000 sf this quarter. Only 7 of those were more than 10,000 sf. The largest being Symbiont Science, Engineering & Construction subleasing 35,800 sf. Nineteen office properties with 641 sf sold this quarter for \$49M.
- There is 386,000 sf currently under construction in 6 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022. Four properties have been delivered year to date with 366,500 sf.

ABSORPTION AND VACANCY RATE



UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	8,104
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	108,552
Brookfield	233,000
Waukesha Southwest	10,000
Grand Total	385,906



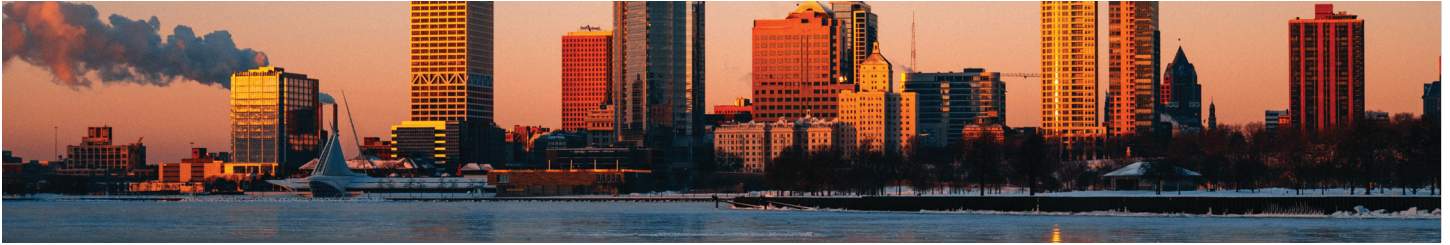
NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

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	1,390,368	1,027,909	11,512	(89,026)	15.3%
	B	39	4,218,971	547,101	436,173	17,877	(11,346)	10.3%
	C	4	146,389	23,250	17,100	700	700	11.7%
	Subtotal	59	11,077,977	1,960,719	1,481,182	30,089	(99,672)	13.4%
Milwaukee Downtown West	A	3	902,938	473,868	470,695	0	(89,911)	52.1%
	B	30	4,122,344	780,335	623,230	12,990	348,354	15.1%
	C	2	189,311			0	0	0.0%
	Subtotal	35	5,214,593	1,254,203	1,093,925	12,990	258,443	21.0%
Third Ward-Walkers Point	A	6	746,416	277,807	242,126	166,837	248,434	32.4%
	B	36	2,022,523	360,569	281,570	4,005	(3,365)	13.9%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	46	2,889,652	681,339	566,659	170,842	245,069	19.6%
Milwaukee CBD	A	25	8,361,971	2,142,043	1,740,730	178,349	69,497	20.8%
	B	105	10,363,838	1,688,005	1,340,973	34,872	333,643	12.9%
	C	10	456,413	66,213	60,063	700	700	13.2%
	Subtotal	140	19,182,222	3,896,261	3,141,766	213,921	403,840	16.4%
Brookfield	A	24	2,029,412	582,560	350,344	(26,344)	(64,194)	17.3%
	B	77	3,990,559	785,394	623,709	(8,697)	108,023	15.6%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	106	6,167,725	1,372,954	974,053	(35,041)	43,829	15.8%
Mayfair - Wauwatosa	A	15	2,095,692	275,373	194,963	(12,012)	(31,340)	9.3%
	B	30	1,453,493	353,729	337,912	8,843	10,930	23.2%
	C	8	343,553	26,054	12,785	0	(547)	3.7%
	Subtotal	53	3,892,738	655,156	545,660	(3,169)	(20,957)	14.0%
Mequon - Theinville	A	6	204,804	107,222	101,314	(39,331)	(38,855)	49.5%
	B	12	328,283	60,059	62,599	1,121	(8,297)	19.1%
	Subtotal	18	533,087	167,281	163,913	(38,210)	(47,152)	30.7%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	615,077	65,329		0	0	0.0%
	C	11	675,498	115,000	115,000	0	(115,000)	17.0%
	Subtotal	20	1,361,130	180,329	115,000	0	(115,000)	8.4%

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	147,279	146,335	0	(9,925)	62.7%
	B	33	1,954,403	242,742	190,617	11,376	(11,278)	9.8%
	C	8	371,978	20,260	18,093	0	21,740	4.9%
	Subtotal	44	2,559,919	410,281	355,045	11,376	537	13.9%
Milwaukee Northwest	A	11	1,915,769	277,271	207,766	2,471	23,291	10.8%
	B	44	2,521,535	468,714	387,325	0	42,929	15.4%
	Subtotal	55	4,437,304	745,985	595,091	2,471	66,220	13.4%
Milwaukee Southwest	A	2	111,067	23,575	15,390	0	6,552	13.9%
	B	10	390,140	29,065	31,953	17,050	18,764	8.2%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	52,640	47,343	17,050	25,316	8.0%
Milwaukee West	B	18	1,733,534	418,800	282,116	1,408	(22,981)	16.3%
	C	2	61,785			0	0	0.0%
	Subtotal	20	1,795,319	418,800	282,116	1,408	(22,981)	15.7%
Pewaukee	A	17	1,314,480	436,562	376,544	178	(49,231)	28.6%
	B	20	730,608	158,188	68,688	(13,273)	(14,849)	9.4%
	Subtotal	37	2,045,088	594,750	445,232	(13,095)	(64,080)	21.8%
Waukesha Northwest - Lake Country	B	19	614,895	60,852	52,657	1,690	(16,990)	8.6%
	Subtotal	19	614,895	60,852	52,657	1,690	(16,990)	8.6%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	25	929,243	179,672	173,981	0	(31,208)	18.7%
	Subtotal	26	1,609,509	179,672	173,981	0	(31,208)	10.8%
Waukesha Southwest	B	19	719,187	80,247	70,462	(9,524)	(5,377)	9.8%
	C	5	119,254			0	0	0.0%
	Subtotal	24	838,441	80,247	70,462	(9,524)	(5,377)	8.4%
Suburban	A	80	8,655,583	1,849,842	1,392,656	(75,038)	(163,702)	16.1%
	B	315	15,980,957	2,902,791	2,282,019	9,994	69,666	14.3%
	C	41	1,811,480	166,314	145,878	0	(93,807)	8.1%
	Subtotal	436	26,448,020	4,918,947	3,820,553	(65,044)	(187,843)	14.4%
Grand Total		576	45,630,242	8,815,208	6,962,319	148,877	215,997	15.3%



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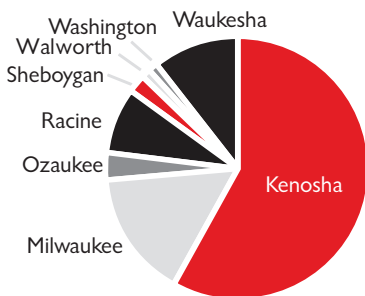
Milwaukee Industrial Overview

- Racine County led all counties with 685,000 sf positive absorption with SC Johnson & Son leasing 396,000 sf and Oterra leasing 155,000 sf. Kenosha County was second highest with 369,000 sf positive absorption due to new leases of 160,000 sf to Apak and Haribo.
- For the second quarter there were no counties with negative absorption for the quarter. The single largest vacancy was in Waukesha County with Eaton vacating 171,000 sf.
- Milwaukee industrial market had 74 lease comps totaling 2,200,000 sf. Fifty one properties with 2,800,000 sf sold this quarter for over \$119M.
- There is over 7,800,000 sf currently under construction resulting from 32 properties. Heartland 94 Logistics Center is the largest project under construction with 757,000 sf with estimated completion date Q1 2022. Kenosha has 11 properties topping 4.5M sf in the pipeline.
- Sixteen properties have been delivered year to date with over 2,931,000 sf. Kenosha led all counties with 4 properties totaling 1,950,000 sf.

SUMMARY

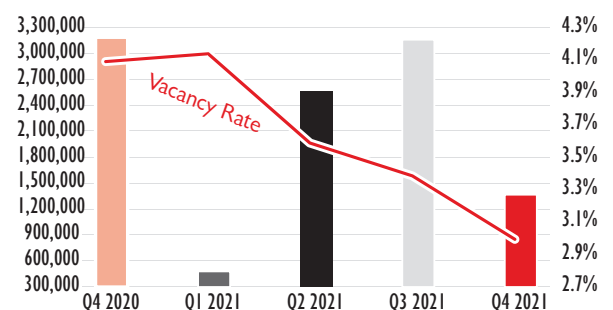
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	242	10,128,113	1,123,218	744,474	33,645	115,264	7.4%
Manufacturing	2,132	173,676,275	4,782,505	3,375,048	245,226	840,018	1.9%
Warehouse Distribution	732	103,616,048	5,900,574	3,614,556	754,554	4,737,297	3.5%
Warehouse Office	2,250	78,695,061	5,753,007	3,229,421	336,202	1,479,505	4.1%
Grand Total	5,356	366,115,497	17,559,304	10,963,499	1,369,627	7,172,084	3.0%

UNDER CONSTRUCTION (SF)



COUNTY	BLDG SIZE (SF)
Kenosha	4,559,006
Milwaukee	1,215,782
Ozaukee	250,000
Racine	640,123
Sheboygan	175,200
Walworth	79,576
Washington	75,000
Waukesha	824,672
Grand Total	7,819,359

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			211,359	233,226	0.0%
	Warehouse Distribution	84	28,214,504	1,343,341	1,239,641	157,656	2,444,233	4.4%
	Warehouse Office	77	3,203,021	312,280	22,134	0	100,000	0.7%
	Subtotal	265	39,625,258	1,799,089	1,261,775	369,015	2,777,459	3.2%
Milwaukee	Flex/R&D	52	2,611,310	550,183	502,741	12,600	48,469	19.3%
	Manufacturing	657	60,513,179	3,156,661	2,264,377	5,000	83,055	3.7%
	Warehouse Distribution	285	30,303,128	2,004,160	1,143,662	9,857	2,160,493	3.8%
	Warehouse Office	725	29,493,758	3,262,961	1,845,452	104,541	515,075	6.3%
	Subtotal	1,719	122,921,375	8,973,965	5,756,232	131,998	2,807,092	4.7%
Ozaukee	Flex/R&D	17	515,185	97,912	41,711	2,086	(326)	8.1%
	Manufacturing	117	8,791,752	522,150	259,054	31,215	29,856	2.9%
	Warehouse Distribution	16	2,138,693			0	0	0.0%
	Warehouse Office	69	2,734,588	523,086	489,059	0	(32,710)	17.9%
	Subtotal	219	14,180,218	1,143,148	789,824	33,301	(3,180)	5.6%
Racine	Flex/R&D	11	580,697	14,450	14,450	0	3,024	2.5%
	Manufacturing	186	16,950,403	22,468	157,994	0	243,029	0.9%
	Warehouse Distribution	71	11,589,821	283,899	156,697	630,859	125,610	1.4%
	Warehouse Office	147	5,855,584	489,662	473,274	54,969	171,480	8.1%
	Subtotal	415	34,976,505	810,479	802,415	685,828	543,143	2.3%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	(80)	32.8%
	Manufacturing	150	19,452,863	142,014	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			0	4,625	0.0%
	Subtotal	280	27,089,600	396,123	81,605	0	4,545	0.3%
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	121	9,432,512			0	0	0.0%
	Warehouse Distribution	25	2,309,893	146,900	146,900	0	(46,900)	6.4%
	Warehouse Office	82	2,762,553	75,294	35,000	0	78,765	1.3%
	Subtotal	231	14,559,985	222,194	181,900	0	31,865	1.2%
Washington	Flex/R&D	15	528,613	67,301		0	0	0.0%
	Manufacturing	228	14,432,094	132,354	121,424	34,916	72,554	0.8%
	Warehouse Distribution	66	8,108,001	1,115,242	398,198	23,888	115,338	4.9%
	Warehouse Office	186	6,010,275	318,951	147,853	(14,520)	49,720	2.5%
	Subtotal	495	29,078,983	1,633,848	667,475	44,284	237,612	2.3%
Waukesha	Flex/R&D	140	5,336,168	244,824	175,492	18,959	64,177	3.3%
	Manufacturing	572	36,366,132	806,858	528,674	(37,264)	178,298	1.5%
	Warehouse Distribution	154	16,146,347	758,003	501,458	(67,706)	(61,477)	3.1%
	Warehouse Office	866	25,834,926	770,773	216,649	191,212	592,550	0.8%
	Subtotal	1,732	83,683,573	2,580,458	1,422,273	105,201	773,548	1.7%
Grand Total		5,356	366,115,497	17,559,304	10,963,499	1,369,627	7,172,084	3.0%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
Moorland Commons 15500 W Beloit Rd	20,000	Waukesha Southeast	Summit Clinical Labs	Sundown Capital LLC
The Shoppes at Fox River Bldg G W Sunset DR	15,000	Waukesha	Tap Yard	SBV Fox River LLC
The Grove Shopping Center 6023-6141 W Forest Home Ave	9,413	Milwaukee Southwest	Dent Wizard	Sunnyvale LLC
North of Paradise 1102-1190 E Paradise Dr	7,218	Washington	Learn-It Systems	Gill Paradise LLC
3904-3906 S 27th St	4,410	Milwaukee Southeast	Senior Helpers	SML Partnership LLC
Plymouth Commons 2615-2643 Eastern Ave	4,095	Sheboygan	Froedtert Health	Plymouth Retail Partners LLC

NOTABLE RETAIL SALES TRANSACTIONS

Property	Price	Market	Buyer	Seller
Market Place at Pabst Farms - Portfolio 1300-1380 Pabst Farms Cir	\$24,650,000	Waukesha Northwest	Pabst Farms Station, LLC	Pabst Farms Market Place, LLC
2211 S Green Bay Ave	\$10,700,000	Racine	NS Retail Holdings, LLC	Rhino Holdings Racine, LLC
8837-8937 W North Ave - Portfolio Sale	\$4,925,000	Mayfair - Wauwatosa	RMD I, LLC	Mathie Tosa Holdings, LLC
College Plaza 6501-6509 S 27th St	\$4,900,000	Milwaukee Southeast	RG Franklin, LLC	6503 College Plaza, LLC
174-196 S 2nd St	\$4,400,000	Third Ward - Walkers Point	Pittsburgh 2nd, LLC	LCM Funds 26 Prime, LLC
Southport Plaza 7450 Green Bay Rd	\$3,250,000	Kenosha	Kenosha Southport, LLC	I-Southport, LLC
BMO Harris Bank 7501 W North Ave	\$2,850,000	Mayfair - Wauwatosa	Cornerstone Village-Wauwatosa, LLC	BMO Harris Bank N.A.
Sunset Retail Center 30 W Sunset Dr	\$2,650,000	Waukesha	530 Sunset, LLC	Garni Properties WI, LLC
US Cellular 5275 S 76th St	\$2,550,000	Milwaukee Southwest	620 Ash Street, LLC	RP Restaurant Group, LLC
3500 S 27 St - Portfolio Sale	\$2,500,000	Milwaukee Southeast	Sri Gyathri Properties, LLC	Stein Family Investments, LLC

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