

COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE APRIL 2022 | For more information, please contact: Tracy Johnson, CARW 414-698-7474 | Chris Allen, REDICOMPS 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 market posted positive net absorption of 25,000 sf for multi and single tenant properties and a vacancy rate of 15%. Multi-tenant properties had 20,000 sf negative absorption this quarter and a vacancy rate of 20.0%.

MILWAUKEE OFFICE: SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	106	17,062,554	4,056,727	3,101,077	72,293	72,293	18.2%
B	418	26,299,328	4,745,848	3,552,965	(47,148)	(47,148)	13.5%
C	50	2,239,723	117,527	196,499	0	0	8.8%
Grand Total	574	45,601,605	8,920,102	6,850,541	25,145	25,145	15.0%

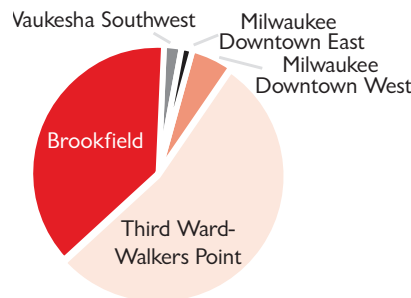
- Milwaukee CBD was flat with little activity and ended with 16% vacancy for all properties and multi-tenant only properties the vacancy rate was 21%.
- The suburban markets posted 24,000 sf positive net absorption and a vacancy rate of 14.3% for single and multi-tenant properties. Multi-tenant properties in the suburbs ended up with 21,000 sf negative net absorption and a vacancy rate of 19.2%. Hydrite Chemical was the main difference between multi and single tenant stats as they vacated 26,000 sf in a multi-tenant building and moved into the new delivery of 45,000 sf in a single tenant building in Brookfield market.
- The Brookfield market had the largest positive gain of 51,000 sf

led by the new delivery of 45,000 sf for Hydrite Chemical and a new lease of 33,500 sf for Metso Minerals. Waukesha Southeast - New Market took the biggest hit of 26,700 sf negative net absorption resulting from Landmark Credit vacating 30,000 sf.

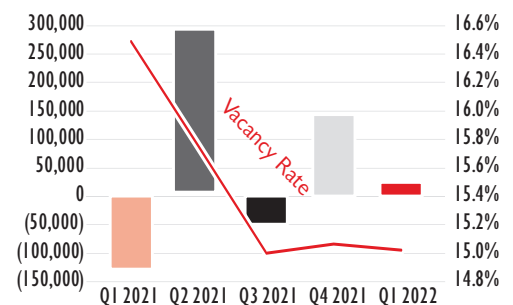
- Milwaukee office market had 93 lease comps totaling 404,000 sf this quarter with 73 of the lease comps in the suburban markets and 20 lease comps in Milwaukee CBD markets. Ten office properties sold with 330,000 sf for \$6,520,000.
- There is 500,000 sf currently under construction in 6 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022. One property was delivered this quarter with 45,000 sf.

UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	8,104
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	266,860
Brookfield	188,000
Waukesha Southwest	10,000
Grand Total	499,214



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 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	1,435,457	1,010,610	17,299	17,299	15.1%
	B	39	4,218,971	544,615	432,202	(12,630)	(12,630)	10.2%
	C	4	146,389	23,250	17,100	0	0	11.7%
	Subtotal	59	11,077,977	2,003,322	1,459,912	4,669	4,669	13.2%
Milwaukee Downtown West	A	3	902,938	473,263	470,090	605	605	52.1%
	B	30	4,122,344	756,778	578,889	(9,044)	(9,044)	14.0%
	C	2	189,311			0	0	0.0%
	Subtotal	35	5,214,593	1,230,041	1,048,979	(8,439)	(8,439)	20.1%
Third Ward-Walkers Point	A	6	746,416	277,807	241,056	1,070	1,070	32.3%
	B	36	2,022,523	385,280	266,794	3,822	3,822	13.2%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	46	2,889,652	706,050	550,813	4,892	4,892	19.1%
Milwaukee CBD	A	25	8,361,971	2,186,527	1,721,756	18,974	18,974	20.6%
	B	105	10,363,838	1,686,673	1,277,885	(17,852)	(17,852)	12.3%
	C	10	456,413	66,213	60,063	0	0	13.2%
	Subtotal	140	19,182,222	3,939,413	3,059,704	1,122	1,122	16.0%
Brookfield	A	25	2,074,412	612,163	373,860	21,484	21,484	18.0%
	B	77	3,991,196	825,308	584,793	30,191	30,191	14.7%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	107	6,213,362	1,442,471	958,653	51,675	51,675	15.4%
Mayfair - Wauwatosa	A	15	2,095,692	255,472	162,274	30,016	30,016	7.7%
	B	29	1,430,209	341,007	334,739	(2,327)	(2,327)	23.4%
	C	7	315,383	26,054	12,785	0	0	4.1%
	Subtotal	51	3,841,284	622,533	509,798	27,689	27,689	13.3%
Mequon - Theinsville	A	6	204,804	107,222	101,314	0	0	49.5%
	B	12	328,283	94,418	72,831	283	283	22.2%
	Subtotal	18	533,087	201,640	174,145	283	283	32.7%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	615,077	65,329		0	0	0.0%
	C	11	675,498		103,530	0	0	15.3%
	Subtotal	20	1,361,130	65,329	103,530	0	0	7.6%

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	151,651	149,499	(5,507)	(5,507)	64.0%	
	B	32	1,894,614	275,572	148,738	(590)	(590)	7.9%	
	C	8	371,978	20,260	20,121	0	0	5.4%	
	Subtotal	43	2,500,130	447,483	318,358	(6,097)	(6,097)	12.7%	
Milwaukee Northwest	A	11	1,915,769	259,743	193,811	13,955	13,955	10.1%	
	B	44	2,558,504	445,857	426,353	(35,434)	(35,434)	16.7%	
	Subtotal	55	4,474,273	705,600	620,164	(21,479)	(21,479)	13.9%	
Milwaukee Southwest	A	2	111,067	23,575	15,390	0	0	13.9%	
	B	10	390,140	73,065	31,953	0	0	8.2%	
	C	2	91,658			0	0	0.0%	
	Subtotal	14	592,865	96,640	47,343	0	0	8.0%	
Milwaukee West	B	18	1,733,534	432,870	294,909	(12,793)	(12,793)	17.0%	
	C	2	61,785			0	0	0.0%	
	Subtotal	20	1,795,319	432,870	294,909	(12,793)	(12,793)	16.4%	
Pewaukee	A	17	1,314,480	460,374	383,173	(6,629)	(6,629)	29.2%	
	B	20	730,608	134,888	70,388	(1,700)	(1,700)	9.6%	
	Subtotal	37	2,045,088	595,262	453,561	(8,329)	(8,329)	22.2%	
Waukesha Northwest - Lake Country	B	19	614,895	47,021	39,396	13,261	13,261	6.4%	
	Subtotal	19	614,895	47,021	39,396	13,261	13,261	6.4%	
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%	
	B	25	929,243	232,386	190,612	(26,700)	(26,700)	20.5%	
	Subtotal	26	1,609,509	232,386	190,612	(26,700)	(26,700)	11.8%	
Waukesha Southwest	B	19	719,187	91,454	80,368	6,513	6,513	11.2%	
	C	5	119,254			0	0	0.0%	
	Subtotal	24	838,441	91,454	80,368	6,513	6,513	9.6%	
Suburban	A	81	8,700,583	1,870,200	1,379,321	53,319	53,319	15.9%	
	B	313	15,935,490	3,059,175	2,275,080	(29,296)	(29,296)	14.3%	
	C	40	1,783,310	51,314	136,436	0	0	7.7%	
	Subtotal	434	26,419,383	4,980,689	3,790,837	24,023	24,023	14.3%	
Grand Total			574	45,601,605	8,920,102	6,850,541	25,145	25,145	15.0%



Photography by Tom Barrett

Milwaukee Industrial Overview

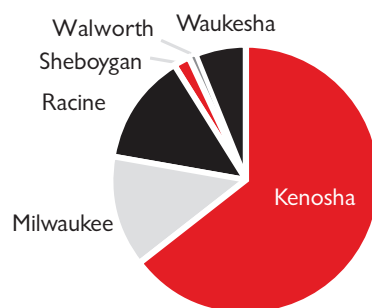
- Milwaukee industrial market posted 1,200,000 sf positive absorption and a vacancy rate of 3.0% for both multi and single tenant properties. Multi-tenant properties posted 330,000 sf positive absorption and a vacancy rate of 8.9%.
- Kenosha County led all counties with 487,000 sf positive absorption resulting from the new delivery of 206,000 sf for Heartland Produce as they vacated 80,000 sf. Another new delivery for 4Front with 113,000 sf and Trifinity leasing 148,000 sf in Kenosha County.
- There were two counties posting negative absorption led by Milwaukee County with 117,000 sf negative absorption. General Mills vacated 250,000 sf out of Milwaukee County as they moved to their new facility of 323,000 sf in Racine County and Transpak USA vacated 208,000 sf.
- Milwaukee industrial market had 58 lease comps totaling over 1,000,000 sf. Thirty properties sold with 1,770,000 sf this quarter for just shy of \$100 million.
- There is over 9,100,000 sf currently under construction resulting from 33 properties. Amazon property with over 1,000,000 sf is the largest expecting to be delivered 2023. Heartland 94 Logistics with 757,000 sf is expected to be delivered during Q2 2022. Kenosha County accounted for 5,900,000 sf currently under construction in 12 properties.
- Nine properties just shy of 2,000,000 sf were delivered this quarter. Kenosha County had three of the properties with 890,000 sf.

SUMMARY

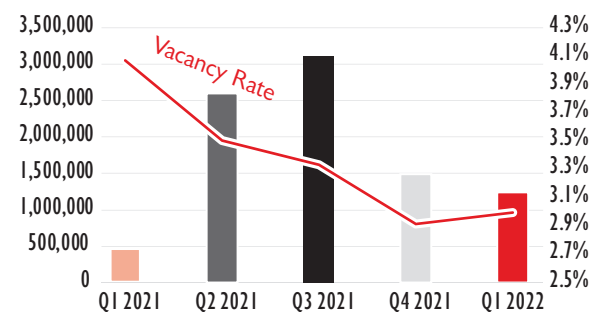
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	244	10,373,401	1,142,646	728,724	249,129	249,129	7.0%
Manufacturing	2,132	173,782,241	3,974,186	3,629,943	76,947	76,947	2.1%
Warehouse Distribution	734	104,874,857	6,455,097	3,523,154	710,241	710,241	3.4%
Warehouse Office	2,250	78,583,423	5,468,145	3,138,374	201,140	201,140	4.0%
Grand Total	5,360	367,613,922	17,040,074	11,020,195	1,237,457	1,237,457	3.0%

UNDER CONSTRUCTION (SF)

COUNTY	BLDG SIZE (SF)
Kenosha	5,907,456
Milwaukee	1,216,962
Racine	1,213,897
Sheboygan	175,200
Walworth	79,576
Waukesha	545,080
Grand Total	9,138,171



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	4	500,681	143,468		0	0	0.0%
	Manufacturing	101	7,737,340			0	0	0.0%
	Warehouse Distribution	87	29,107,715	1,075,647	1,020,250	487,230	487,230	3.5%
	Warehouse Office	77	3,278,521	312,280	22,134	0	0	0.7%
	Subtotal	269	40,624,257	1,531,395	1,042,384	487,230	487,230	2.6%
Milwaukee	Flex/R&D	52	2,611,310	537,001	487,659	33,461	33,461	18.7%
	Manufacturing	655	60,264,145	2,863,142	2,363,824	(92,605)	(92,605)	3.9%
	Warehouse Distribution	282	30,240,223	2,175,418	1,336,522	(225,260)	(225,260)	4.4%
	Warehouse Office	725	29,474,511	2,835,432	1,570,369	167,188	167,188	5.3%
	Subtotal	1,714	122,590,189	8,410,993	5,758,374	(117,216)	(117,216)	4.7%
Ozaukee	Flex/R&D	17	515,185	97,912	41,711	0	0	8.1%
	Manufacturing	118	9,041,752	367,672	343,376	165,678	165,678	3.8%
	Warehouse Distribution	16	2,138,693	6,001	6,001	(6,001)	(6,001)	0.3%
	Warehouse Office	69	2,734,588	391,352	384,043	105,016	105,016	14.0%
	Subtotal	220	14,430,218	862,937	775,131	264,693	264,693	5.4%
Racine	Flex/R&D	11	580,697	14,450	14,450	0	0	2.5%
	Manufacturing	186	16,950,403		157,994	0	0	0.9%
	Warehouse Distribution	72	11,912,821	1,475,712	238,060	364,367	364,367	2.0%
	Warehouse Office	147	5,855,584	489,662	473,274	0	0	8.1%
	Subtotal	416	35,299,505	1,979,824	883,778	364,367	364,367	2.5%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	0	32.8%
	Manufacturing	150	19,482,863	142,014	115,525	(72,000)	(72,000)	0.6%
	Warehouse Distribution	32	4,911,164	221,029	28,000	0	0	0.6%
	Warehouse Office	96	2,664,853			0	0	0.0%
	Subtotal	279	27,089,600	368,123	153,605	(72,000)	(72,000)	0.6%
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	121	9,432,512	30,500		0	0	0.0%
	Warehouse Distribution	25	2,309,893	146,900	146,900	0	0	6.4%
	Warehouse Office	82	2,762,553	65,294	25,000	10,000	10,000	0.9%
	Subtotal	231	14,559,985	242,694	171,900	10,000	10,000	1.2%
Washington	Flex/R&D	15	528,613	67,301		0	0	0.0%
	Manufacturing	229	14,507,094	110,234	121,424	75,000	75,000	0.8%
	Warehouse Distribution	66	8,108,001	890,602	398,198	0	0	4.9%
	Warehouse Office	186	6,010,275	285,464	130,346	17,507	17,507	2.2%
	Subtotal	496	29,153,983	1,353,601	649,968	92,507	92,507	2.2%
Waukesha	Flex/R&D	141	5,551,168	277,434	174,824	215,668	215,668	3.1%
	Manufacturing	572	36,366,132	460,624	527,800	874	874	1.5%
	Warehouse Distribution	154	16,146,347	463,788	349,223	89,905	89,905	2.2%
	Warehouse Office	868	25,802,538	1,088,661	533,208	(98,571)	(98,571)	2.1%
	Subtotal	1,735	83,866,185	2,290,507	1,585,055	207,876	207,876	1.9%
		5,360	367,613,922	17,040,074	11,020,195	1,237,457	1,237,457	3.0%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
3738 S 60th St	11,594	Milwaukee Southwest	Three Wives Day Care LLC	General Enterprise Properties LLC
4777 S 27th St	10,018	Milwaukee Southeast	Dollar Tree	MKB Greenfield LLC
Lake Country Market 690 Westfield Way	7,716	Pewaukee	Dollar Tree	690 Westfield Way LLC
Whitman Park Shopping Center 1039-1093 Summit Ave	7,617	Waukesha Northwest	Burn Boot Camp	Whitman Park I LLC
Artisan 133 W Pittsburgh Ave	7,052	Third Ward - Walkers Point	Flowers for Dreams	Pittsburgh Avenue LLC
RIVER Bldg I 218 W Becher St	6,458	Third Ward - Walkers Point	Benson's Restaurant Group	222 Becher Street LLC
2219 N Farwell Ave	6,200	Milwaukee East Side	Dogtopia	Goldberg Ruehl Properties
Moorland Square Shopping Center 15401-15445 W National Ave	5,615	Waukesha Southeast	PeachTree Restaurant	BRE Retail Residual Owner 5 LLC

NOTABLE RETAIL SALES TRANSACTIONS

Property	Price	Market	Buyer	Seller
Shoppes at Fountain Square Portfolio 605-695 Main St	\$25,176,200	Brookfield	ARG FSBROWI001, LLC	Cole MT Brookfield WI, LLCF
84South 8775-8871 W Sura Ln	\$9,350,000	Milwaukee Southwest	E & K Land, LLC	84 South Small Shops, LLC
Red Lobster 4645 S 76th St	\$8,152,000	Milwaukee Southwest	The Bagher & Kefayat Navid Trust	MK AVE B LLC
County Fair Shopping Center 5602-5636 S 108th St	\$6,000,000	Milwaukee Southwest	S26th Street, LLC	LLJ ODG Hales Corners, LLC
Highway 100 Retail Center 3001-3021 S 108th St	\$4,310,000	Milwaukee West	3001 Hwy 100, LLC	Robert 100, LLC; RJ 100, LLC
Walgreens N168 W21330 Main St	\$3,821,649	Washington	IBF Properties, LLC	Custom Pharmacy Sale Leaseback, LLC
6912 S 27th St	\$3,495,000	Milwaukee Southeast	World Outreach and Bible Training Center	The Ridge Community Church Corp
3511 S 27 St	\$3,375,000	Milwaukee Southeast	JMS Commercial Investment Properties, LLC	Loomis Centre, LLC
Clayton Crest Shopping Center 5306-5328 S 27th St	\$3,100,000	Milwaukee Southeast	Hover Properties LLC	S26th Street LLC

Office Advisory Board

CBRE
 William Bonifas
 John Mazza
 Nick Becker
Colliers International
 Matt Fahey
 Mike Wanezek
 Dan Wroblewski
Cushman & Wakefield | Boerke
 Jim Cavanaugh
 Andrew Jensen
 Katie Brueske

Founders 3

Jenna Maguire
 Ned Purtell
Irgens
 Alyssa Geisler
JLL
 Julia Howe
 Matt Hunter
 David Pudiosky
Judson & Associates
 Will Schlosser
Newmark Knight Frank
 Mitch Bastien
Transwestern
 John Dulmes

Industrial Advisory Board

Judson
 Matt Judson
 Cole Russell
Newmark
 Mitchell Starczynski
JLL
 Joe Carollo
 Tony Haning
Dickman
 Zach Hansen
Ogden
 Luke Fehrenbach
 Bob Gintoft
Colliers International
 Jim Larkin
 Kyle Fink

Cushman & Wakefield |

Boerke
 Nick Unger
 Cody Ziegler
Founders 3
 Paul McBride
 Brett Deter
Paradigm
 Jim Johnson
 Brian Parrish
 Matt Friedman
The Barry Company
 Kevin Barry
CBRE
 Trent Poole
 Scott Furmanski

Research Advisory Board

CBRE
 Don Heckel
Colliers International
 Margaret Blair
 Joseph Wright
Cushman & Wakefield | Boerke
 Katie Gremban
Founders 3
 Elizabeth Pancratz
 Maddie Blankenship
JLL
 Tyler Hegwood
Newmark
 Nate Winkle