

# 2023 Market Update

Presented by:



# Market Update Emcee



**Derek Taylor**  
**Three Leaf Partners**

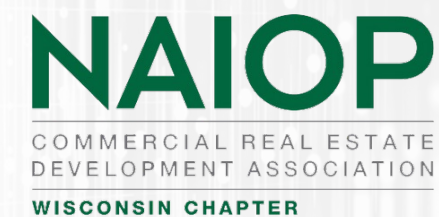
**2023 Market Update**





**#MarketUpdate2023**

**2023 Market Update**



# 2023 Market Update

Presented By:



# 2023 Market Update



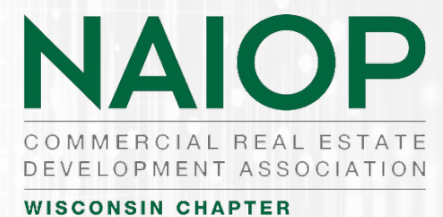
**Alan Clark**  
**EVP Wisconsin Region**



# Breakfast Sponsor

# Reinhart

**2023 Market Update**

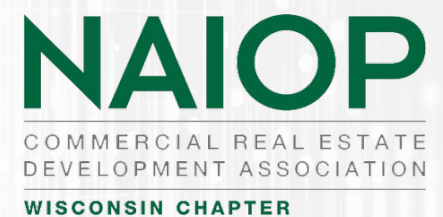


# Data Sponsor

MOODY'S  
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2023 Market Update



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**2023 Market Update**





# Table Sponsors



2023 Market Update



# Thank you!



**Nathan Winkel**  
**NEWMARK**

**2023 Market Update**



# 2023 Market Update Presenters



**Katie Gremban**  
**Cushman &**  
**Wakefield | Boerke**



**Matt Hock**  
**NAI Greywolf**



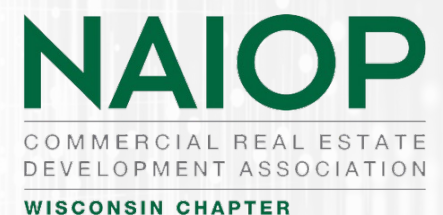
**Isaac Berg**  
**Colliers**



**Joe Carollo**  
**JLL**

**INVESTMENT | OFFICE | RETAIL | INDUSTRIAL**

**2023 Market Update**



# 2023 Market Update

Presented by:



# **Investment Market**

**Presented By:**

**Katie Gremban**

**Cushman & Wakefield | Boerke**



# TODAY'S TOPICS



01

STATE OF THE ECONOMY



02

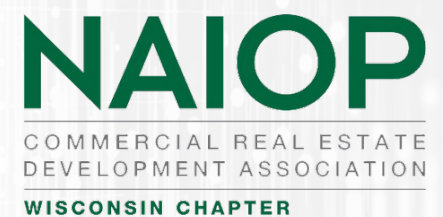
TRENDS & TRANSACTIONS



03

PREDICTIONS

# 2023 Market Update



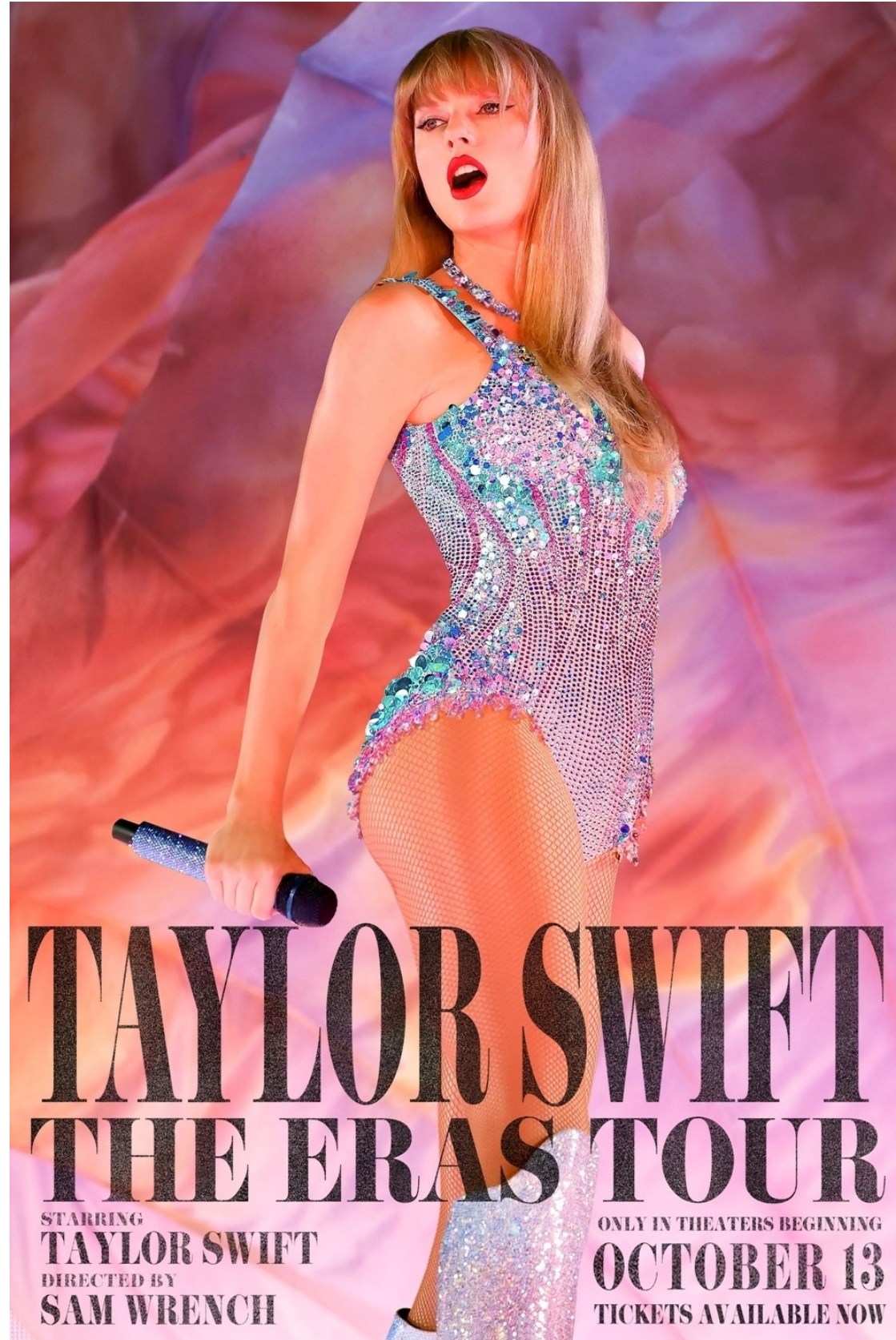


01

STATE OF THE  
ECONOMY

OVERVIEW OF THE ECONOMY

\$5B

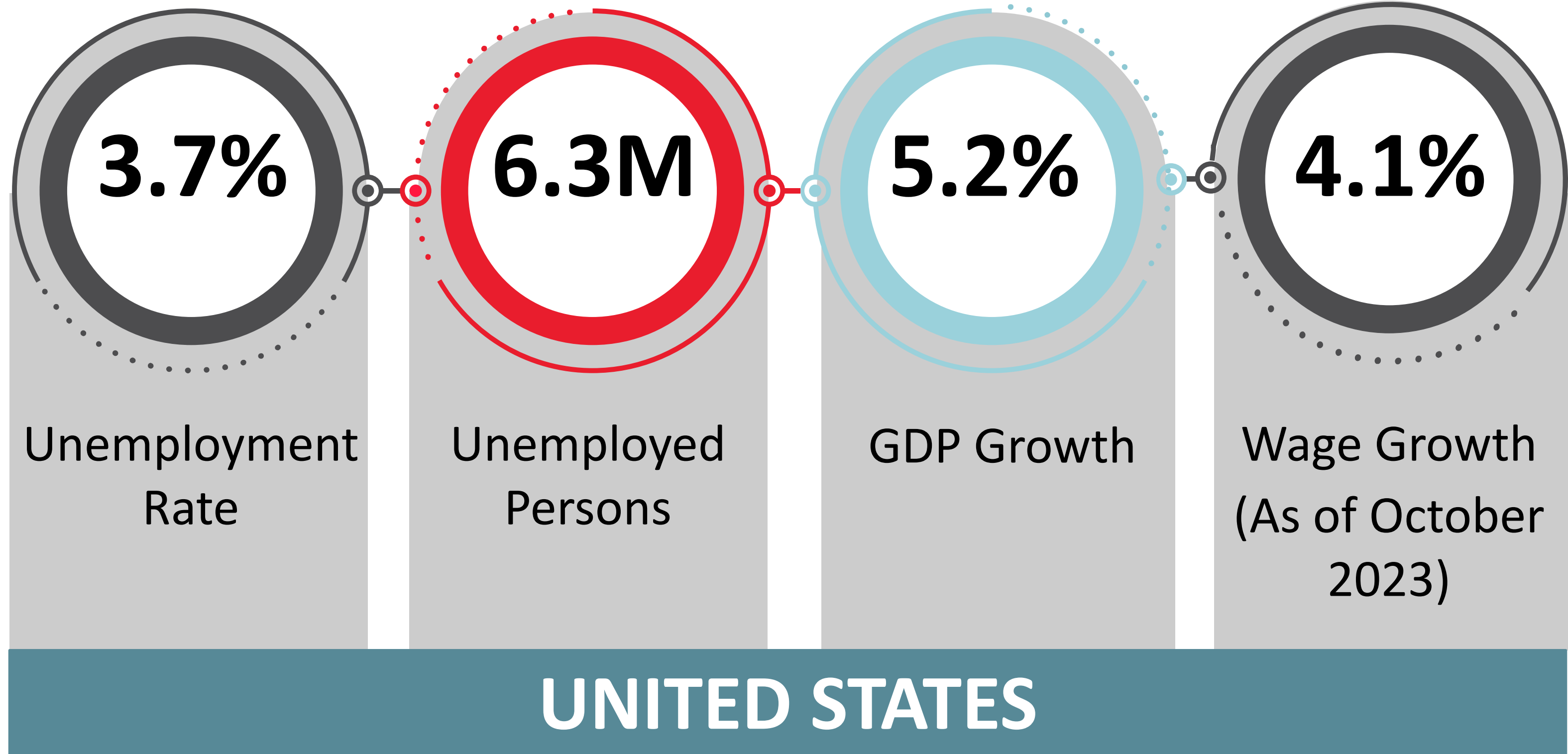


2023 Market Update





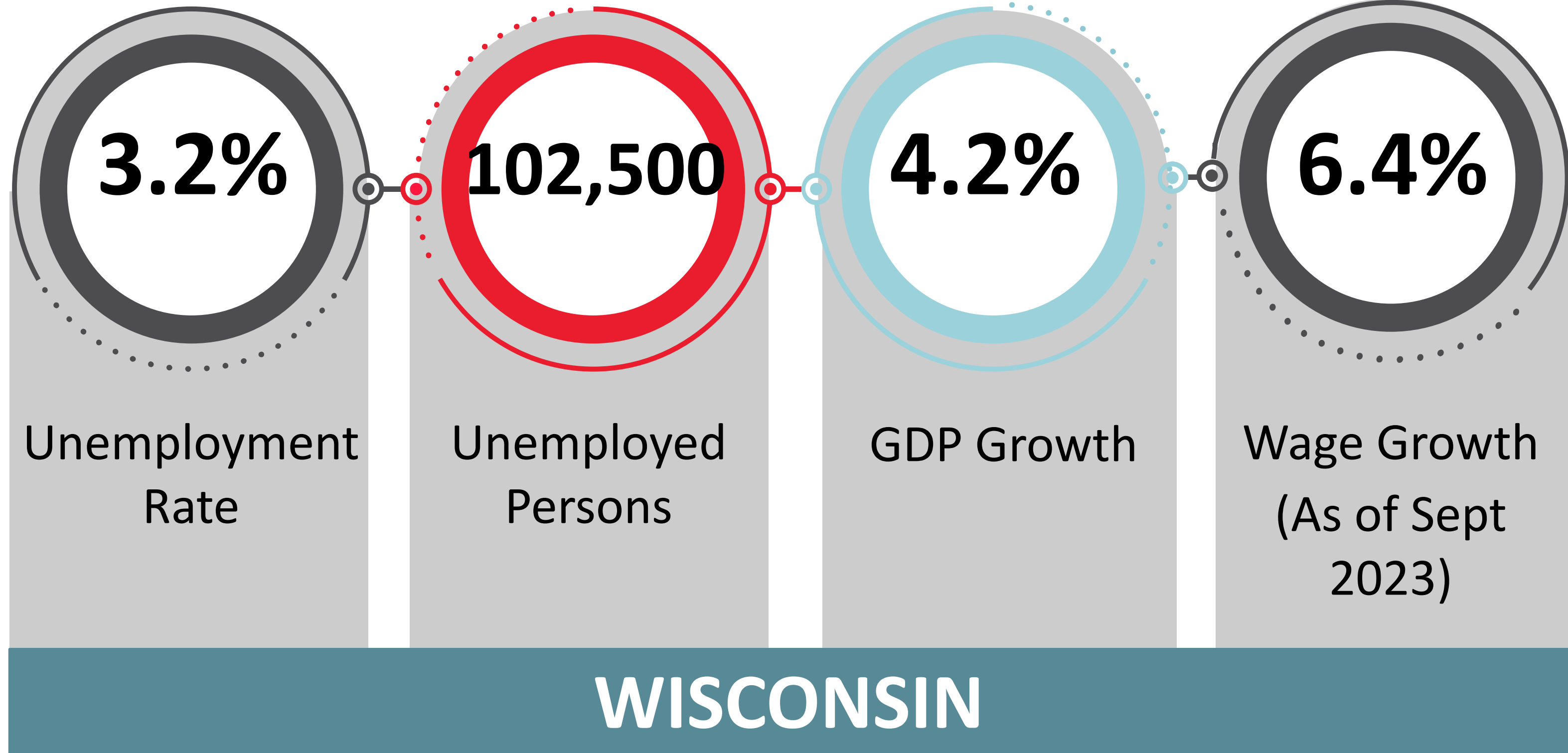
# OVERVIEW OF THE ECONOMY



## 2023 Market Update



OVERVIEW OF  
THE ECONOMY

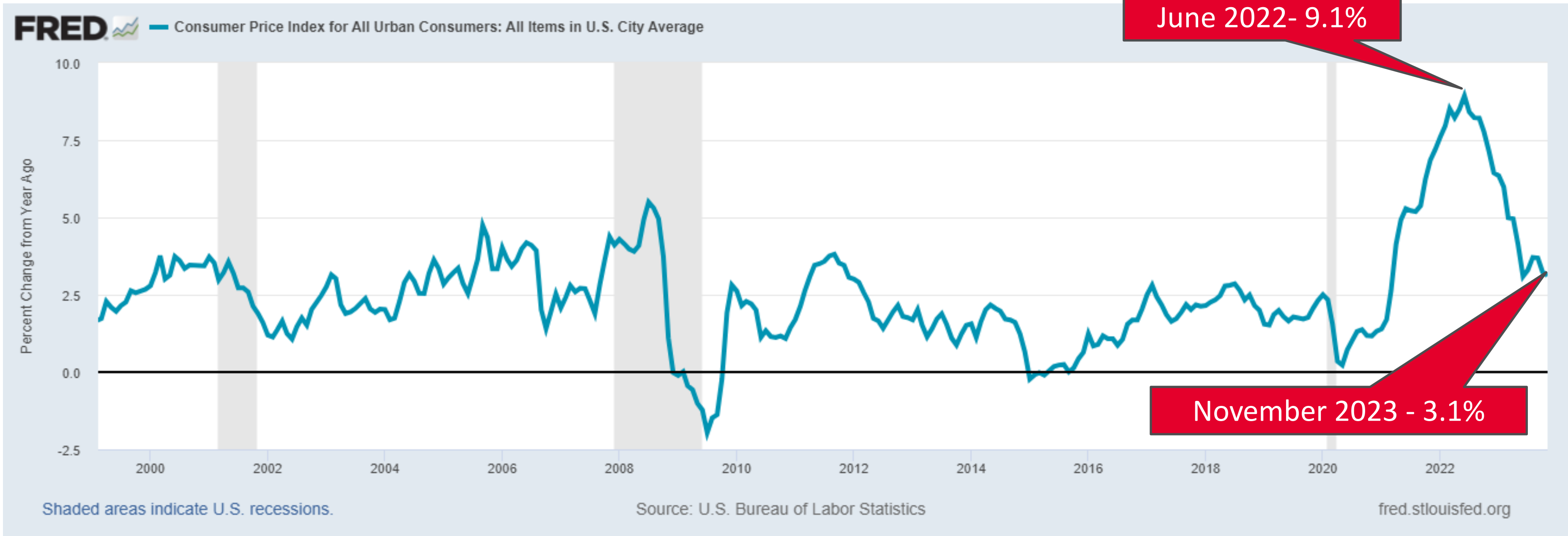


2023 Market Update

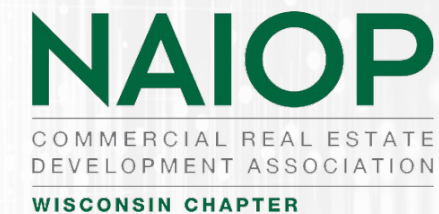


# OVERVIEW OF THE ECONOMY

## CPI

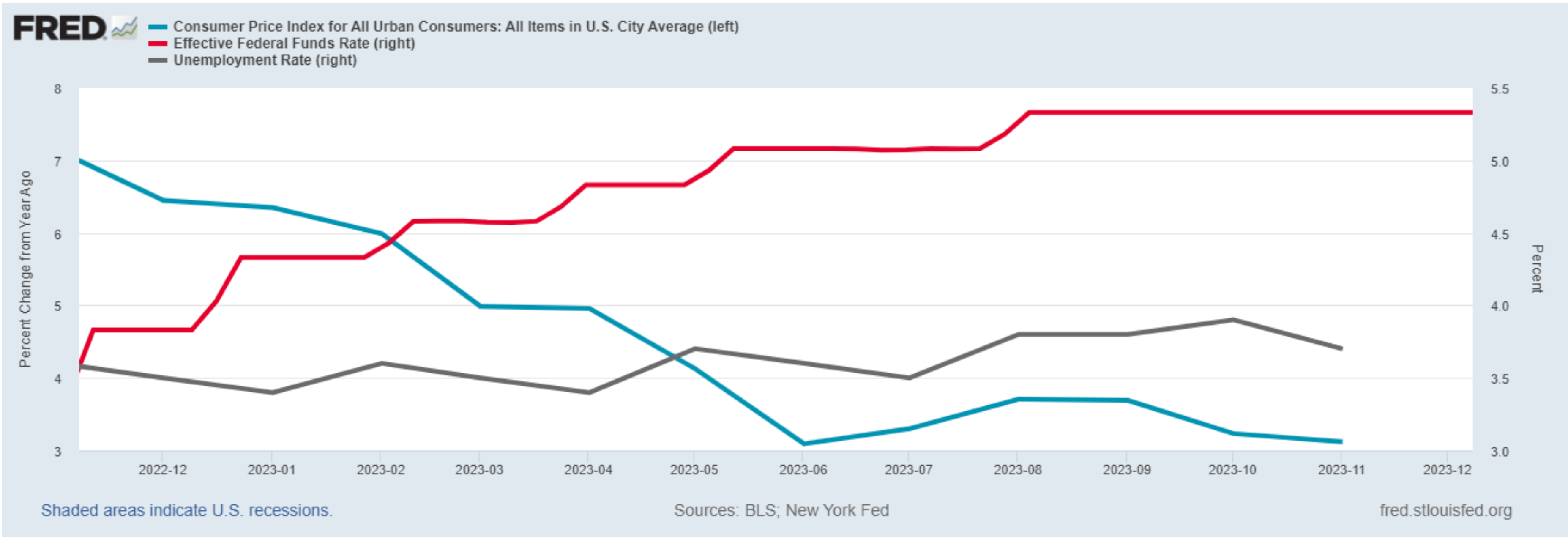


# 2023 Market Update

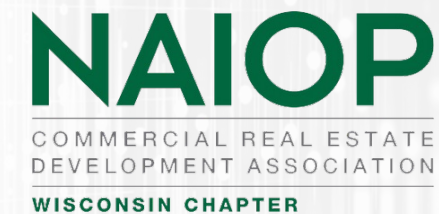


# OVERVIEW OF THE ECONOMY

## CPI, Fed Funds Rate, and Unemployment Rate

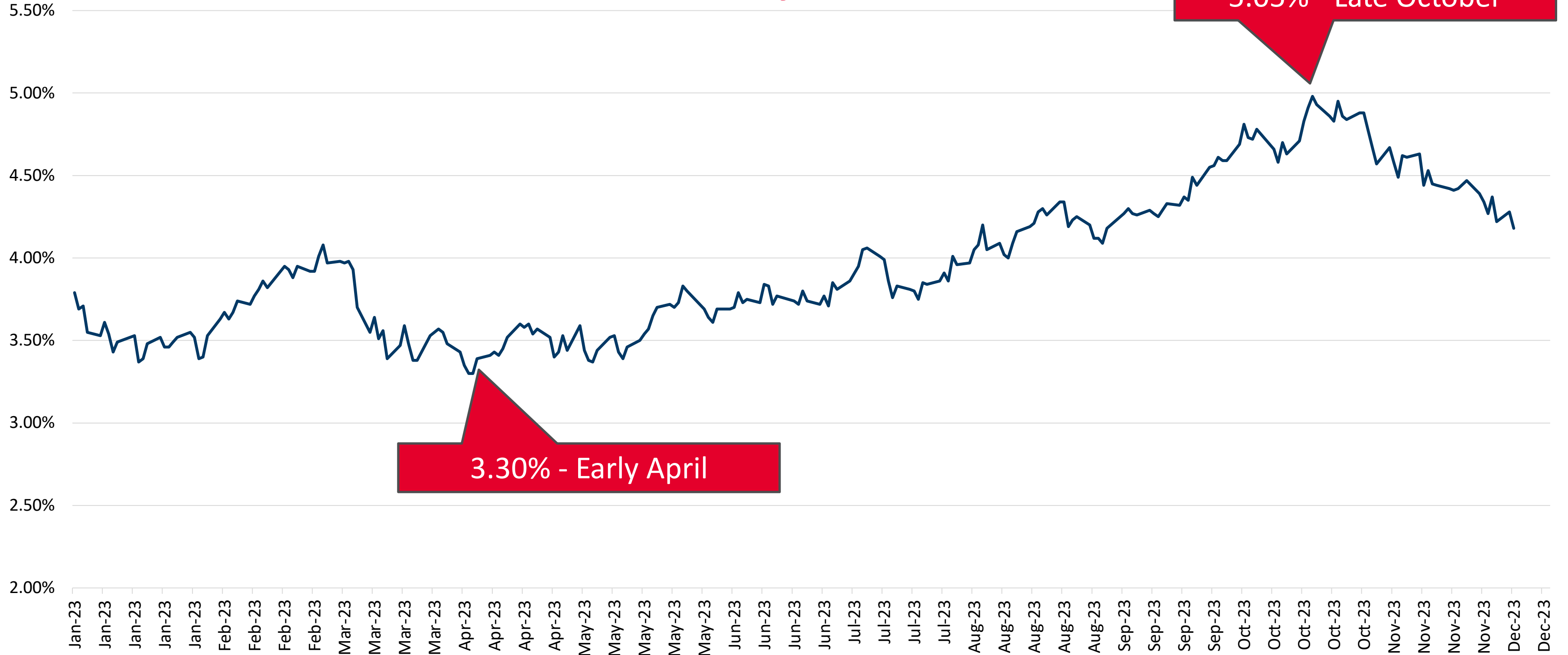


# 2023 Market Update



# OVERVIEW OF THE ECONOMY

## 10 Year Treasury – 1 Year Look



# 2023 Market Update



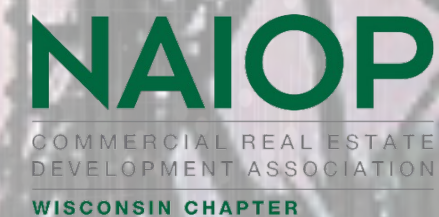
# 02

## TRENDS & TRANSACTIONS

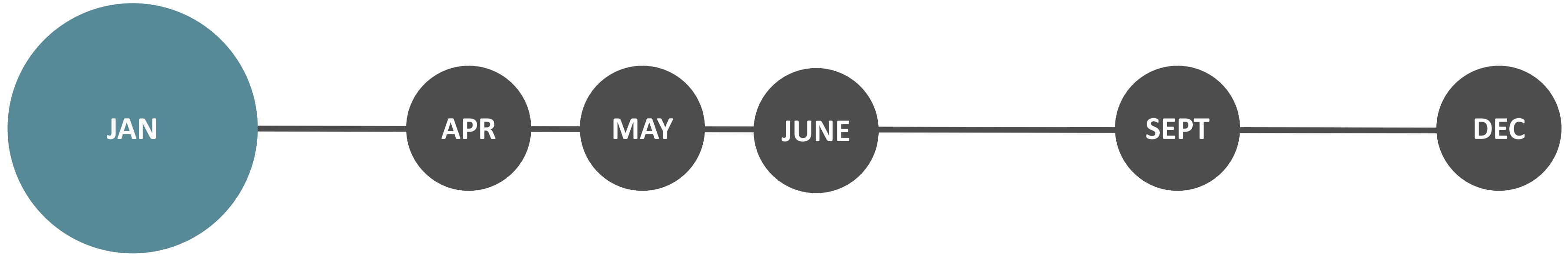


**SUMMARY OF 2023**

**2023 Market Update**



# TRENDS & TRANSACTIONS



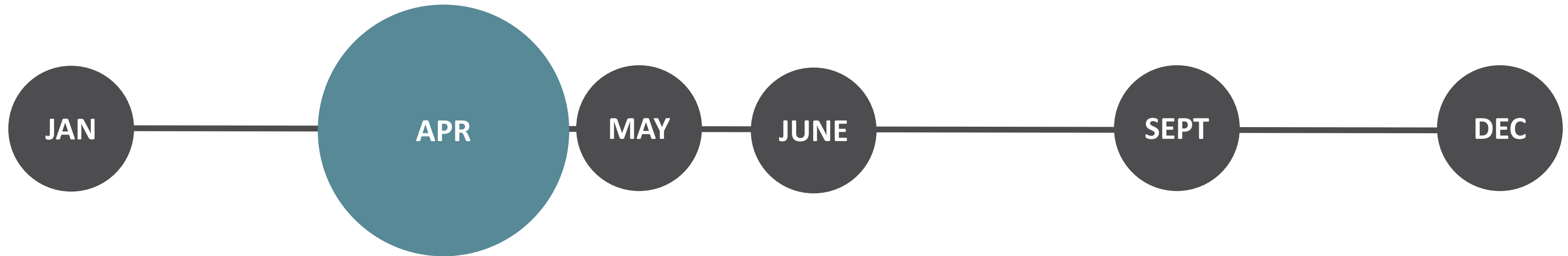
- Rates were in the mid 5% range

## 2023 Market Update





# TRENDS & TRANSACTIONS

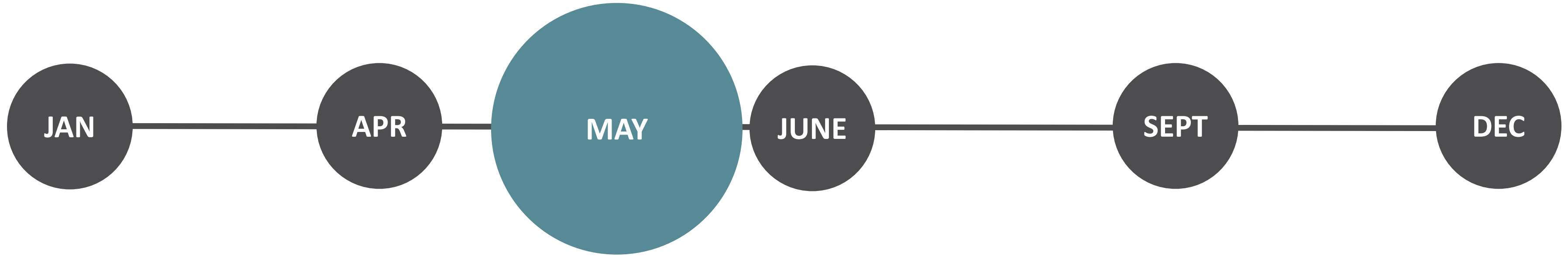


- Start of the interest rate climb
- Markets Paused
- Deals Falling out of Contract
- Capital Stack Coming Together

## 2023 Market Update



# TRENDS & TRANSACTIONS

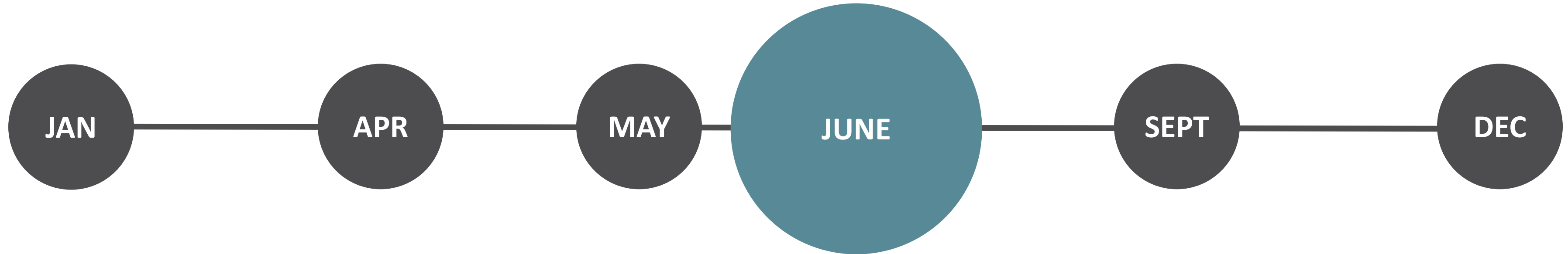


- Rates up to 6.75%

## 2023 Market Update

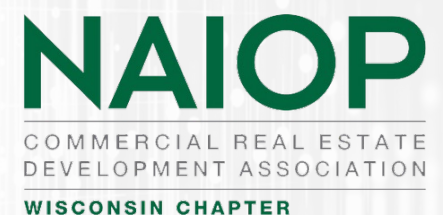


# TRENDS & TRANSACTIONS

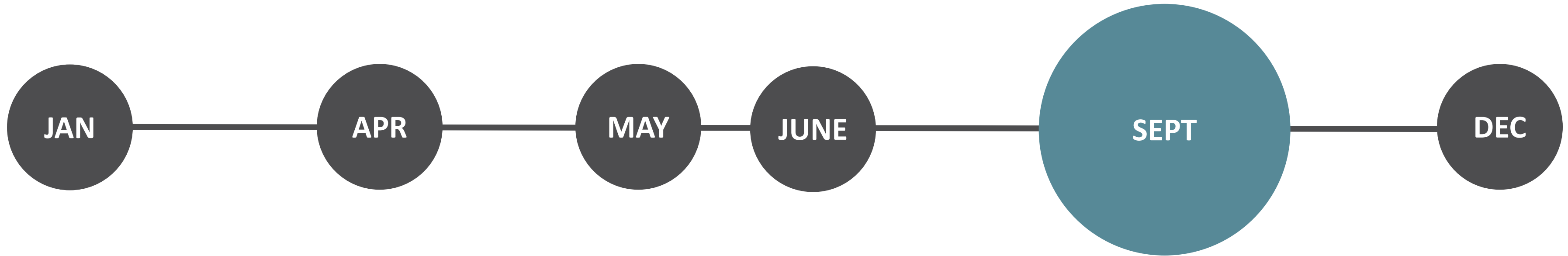


- Rate Quotes had large spread - Low 7s to High 8s
- 67% of Banks Tightened CRE Lending Standards
- CRE Debt Origination Dropped 52% YOY

## 2023 Market Update



# TRENDS & TRANSACTIONS

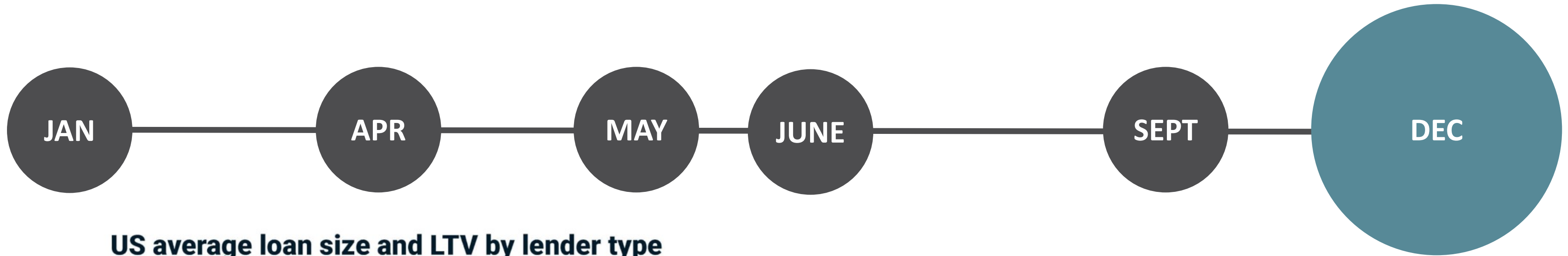


- Banks sidelined
  - National and Regional Banks Out
  - Community and Credit Unions still in Play
- Active Lenders dropped by 1/3

## 2023 Market Update



# TRENDS & TRANSACTIONS



## US average loan size and LTV by lender type

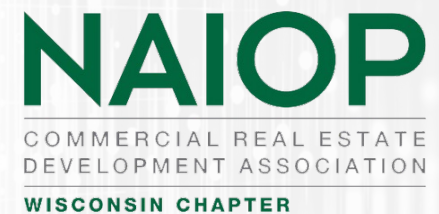


- Lack of product
- LTVs have reduced
- Bid ask spread is high
- Rates are elevated
- Cap rates are rising
- Estimate of \$1.5 trillion in US Commercial debt coming due before the end of 2025

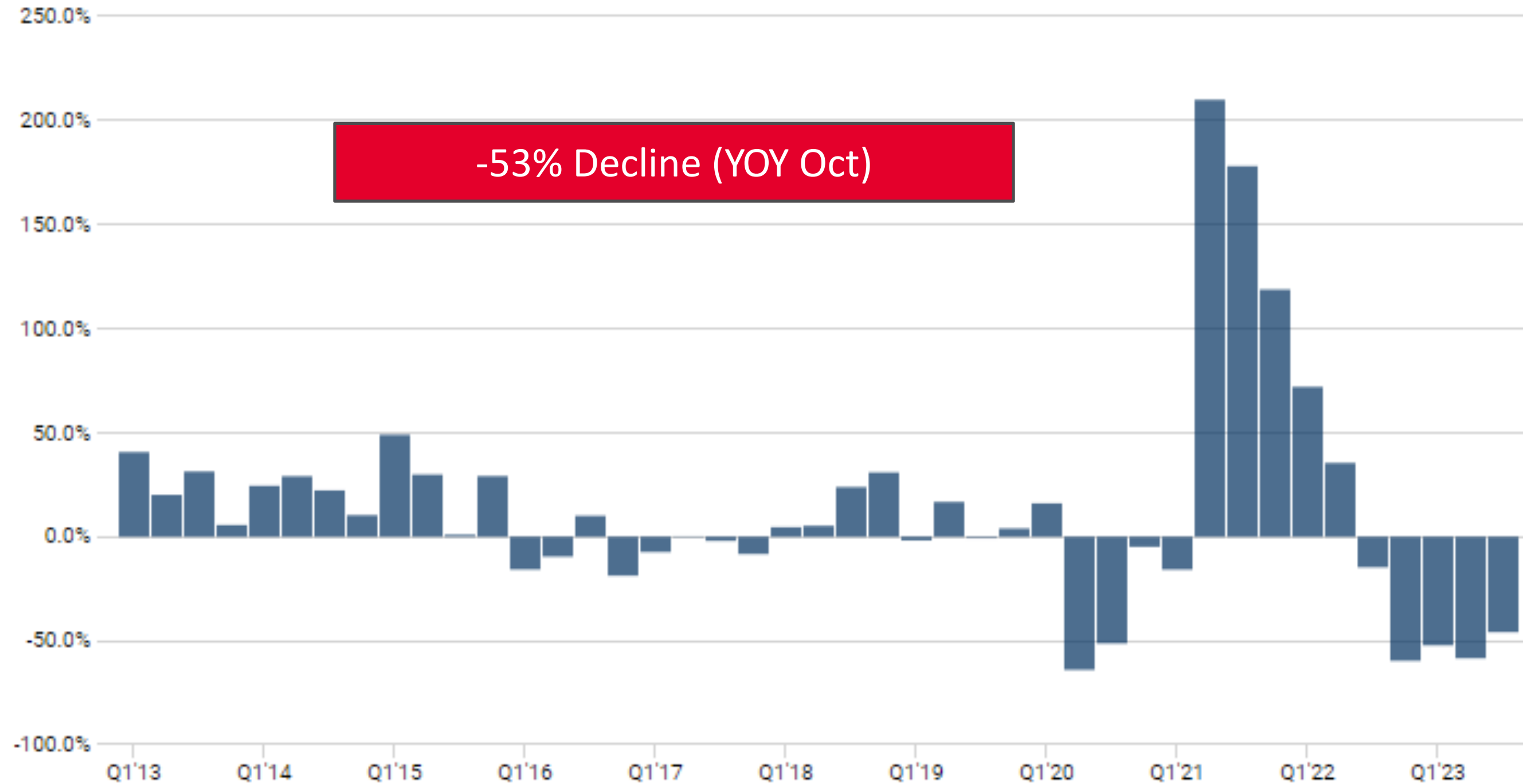
©2023 MSCI Inc. All rights reserved

Data at Sept. 26, 2023.

# 2023 Market Update

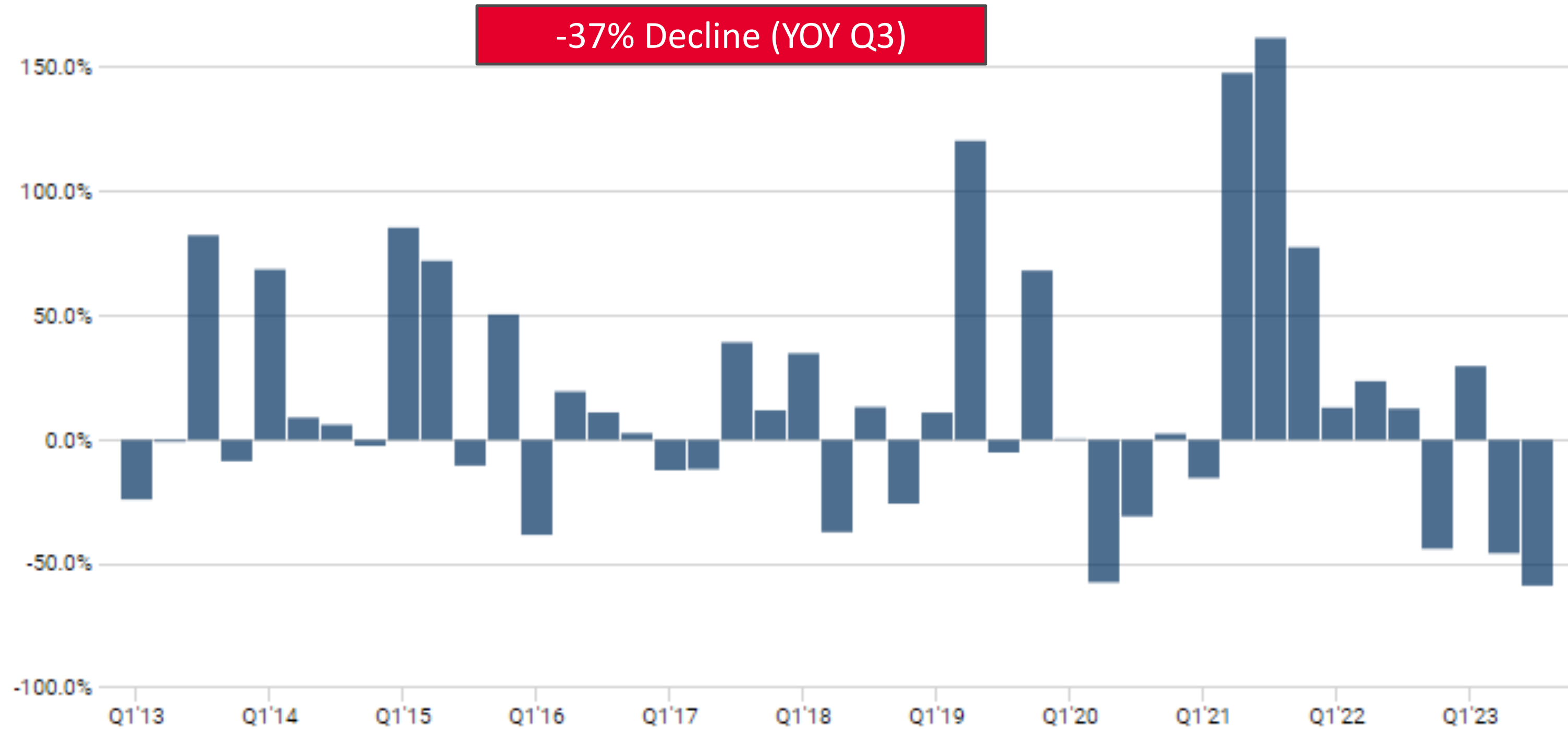


## US Sales Volume – YOY Change in Quarterly Volume



# TRENDS & TRANSACTIONS

## Wisconsin Sales Volume – YOY Change in Quarterly Volume

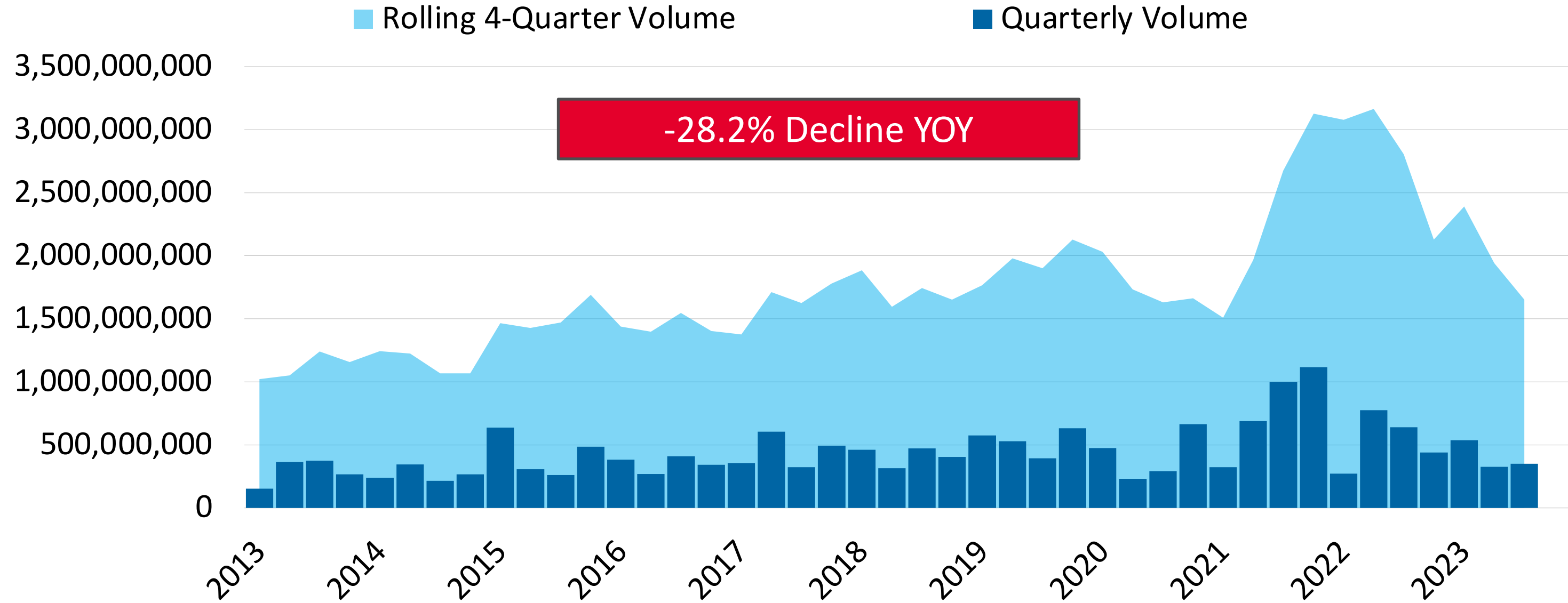


# 2023 Market Update

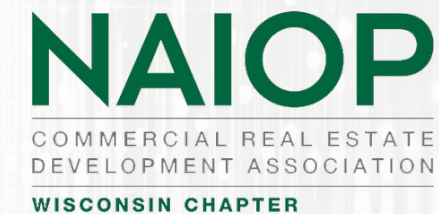


# TRENDS & TRANSACTIONS

## Metro Milwaukee Sales Volume – YOY Change in Quarterly Volume



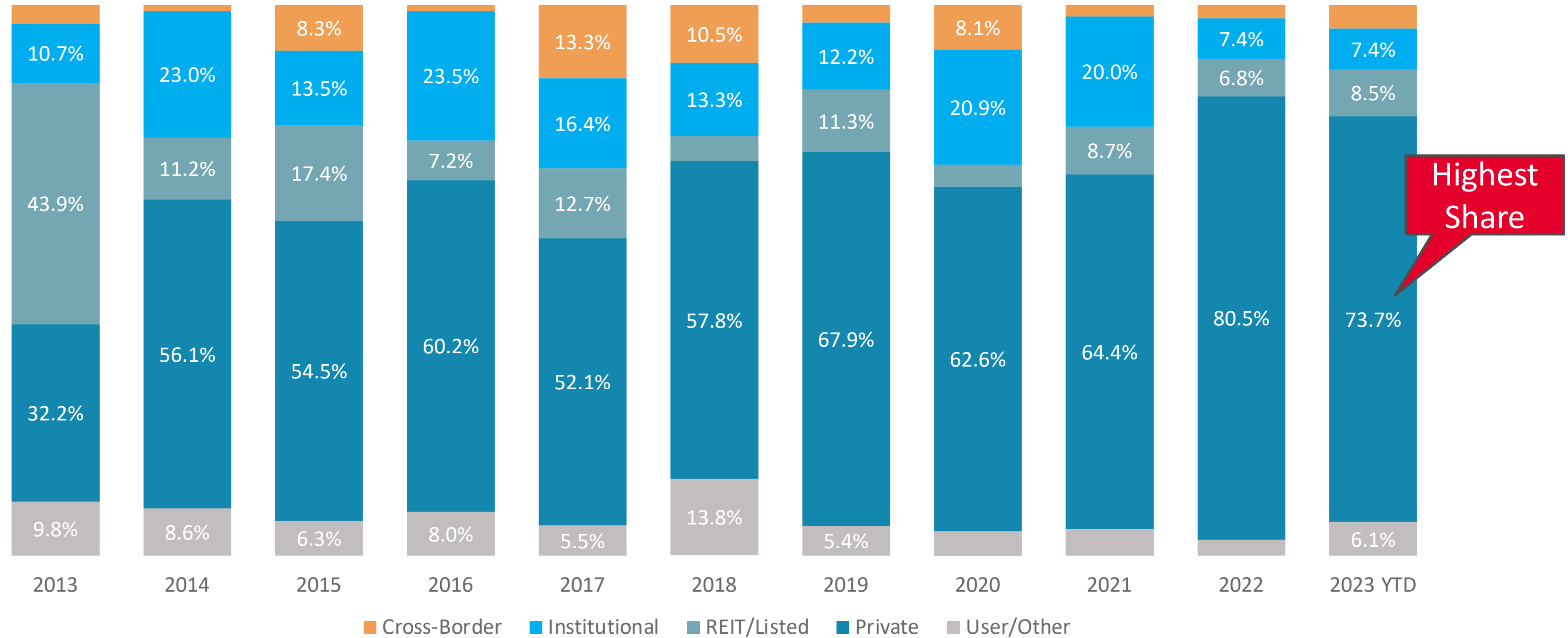
# 2023 Market Update



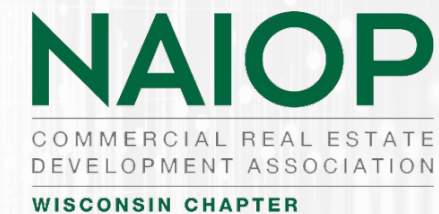


# TRENDS & TRANSACTIONS

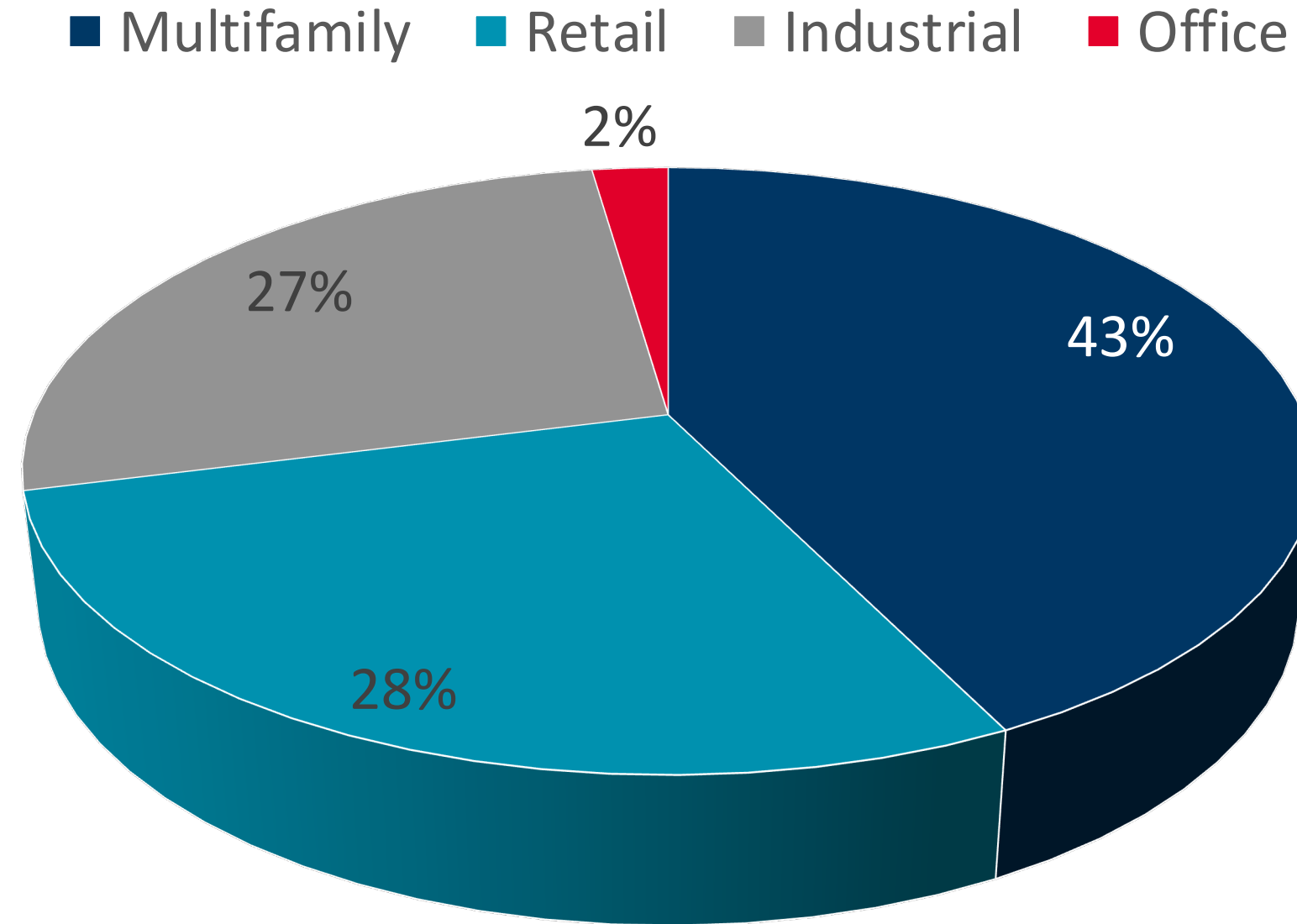
## Metro Milwaukee Buyer Trends



# 2023 Market Update



## YTD Overall WI Sales Transaction Volume by Asset Type



# TRENDS & TRANSACTIONS

## Multi-Family Investment Sales



### HARMONY PORTFOLIO

- \$169,229,911 (\$88,000/Unit)
- Seller: Harmony Housing
- Buyer: Michaels Organization
- 23 Wisconsin Properties
- 6.25% - 6.5% Cap Rate
- 1,932 WI Units
- April 2023



### BLANKSTEIN PORTFOLIO

- \$82,310,000 (\$105,000/Unit)
- Seller: Blankstein Enterprises
- Buyer: Katz Properties
- 11 Properties
- 6.05% Cap Rate
- 784 Units
- February 2023



### MARKET SQUARE - SOMERS

- \$71,900,000 (\$218,000/Unit)
- Seller: Bear Real Estate Group
- Buyer: MLG
- 5.75% Cap Rate
- 330 Units
- July 2023

# 2023 Market Update



**Retail Investment Sales**



**HY-VEE GROCERY**

301 Bay Park Square, Ashwaubenon

- 
- \$29,532,235 (\$235/PSF)
  - Seller: Hy-Vee, Inc.
  - Buyer: Agree Realty Corporation
  - 125,622 SF
  - March 2023



**CIM PORTFOLIO**

4 Wisconsin Assets – Waukesha, Sheboygan, South Milwaukee,

- 
- \$34,253,698 (\$137/PSF)
  - Seller: CIM Group
  - Buyer: Realty Income
  - 249,902 Combined SF
  - April 2023

# TRENDS & TRANSACTIONS

## Industrial Investment Sales



**WALGREENS DC**  
**4400 STATE HIGHWAY 19, WINDSOR**

- \$69,772,389 (\$89 PSF)
- Seller: Walgreens
- Buyer: Realty Income
- 782,880 SF
- May 2023



**EXETER**  
**10375 140<sup>TH</sup> AVENUE, BRISTOL**

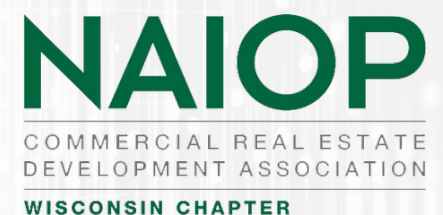
- \$47,000,000 (\$118.53 PSF)
- Seller: Janko Group
- Buyer: EQT Exeter
- 6.82% Cap Rate
- 396,508 SF
- March 2023



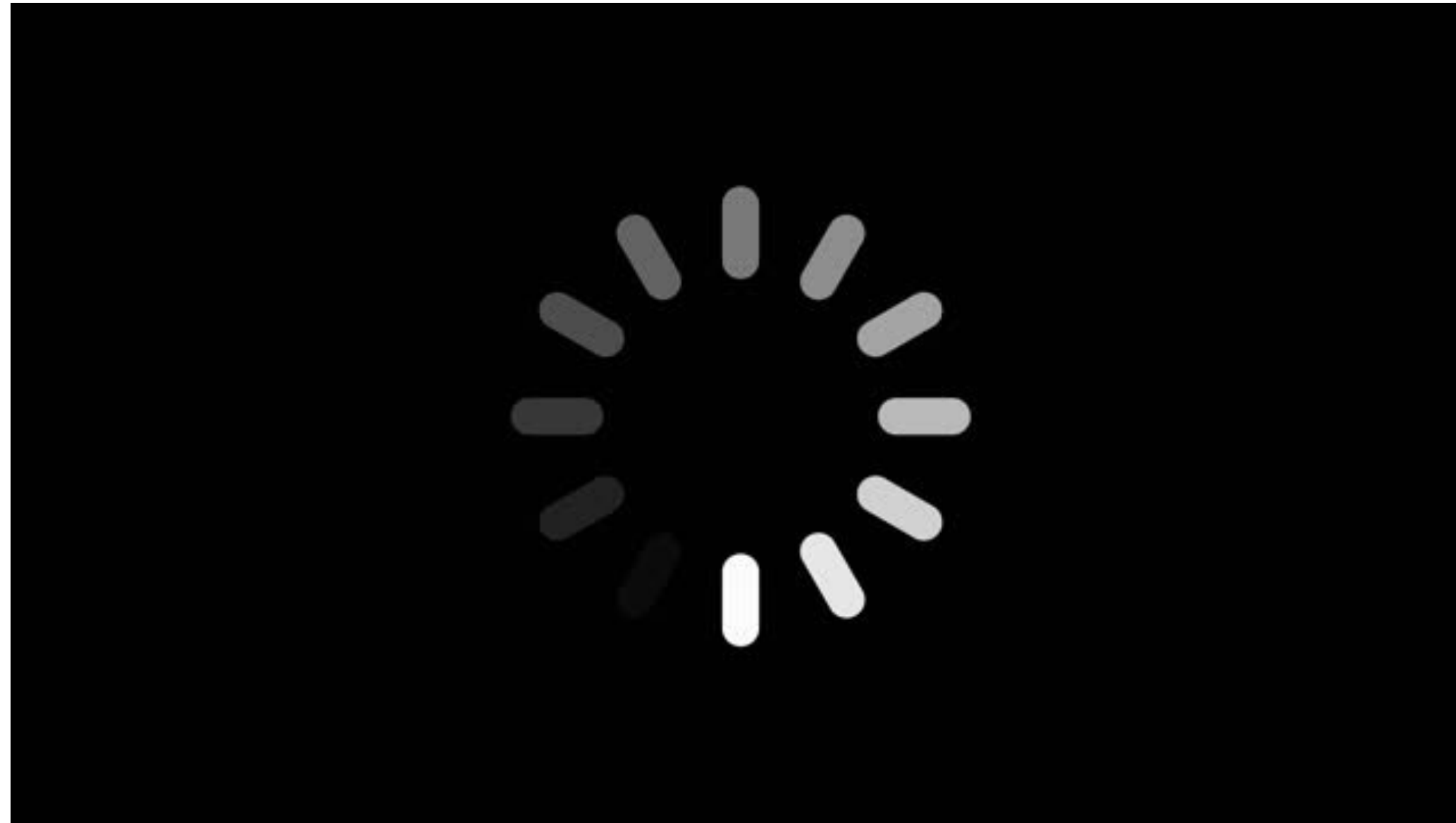
**FORMER AMERICAN GIRL CAMPUS,**  
**MIDDLETON**

- \$43,500,000 (\$83 PSF)
- Seller: SARA Investment Real Estate
- Buyer: General Capital Group
- 8.33% Cap Rate
- 524,000 SF
- July 2023

# 2023 Market Update



## Office Investment Sales



## Office Investment Sales



### ONE & TWO RIVERWOOD PLACE PEWAUKEE

- 
- \$11,250,000 (\$54.70 PSF)
  - Seller: The Broe Group
  - Buyer: Woodside Capital Partners
  - Cap Rate: ~14.5%
  - 205,650 Combined SF
  - November 2023

## Office Investment Sales

# Commercial real estate expert calls vacant office space ‘staggering,’ warns ‘we’ve never gone through something as tumultuous as this’

BY MICHAEL P. REGAN AND BLOOMBERG

July 22, 2023 at 5:02 PM CDT



FINANCE · REAL ESTATE

The office apocalypse has reached a new level of bad with the amount of space shrinking for the first time on record

REAL ESTATE | PROPERTY REPORT

## American Cities Are Starting to Thrive Again. Just Not Near Office Buildings.

Neighborhoods are benefiting from remote work

## Charge-Offs of Bank CRE Office Loans Surge

Delinquency and default rates have returned to the heights of 2020 Q4.

## Sorting Out the Office Doomsaying

Things are more complicated and uncertain than they seem.

FINANCE · REAL ESTATE

## Prize-winning real-estate economist says the office market won't improve for years: 'This is a trainwreck in slow motion'

## Latest Office Stats Offer Little Reason for Hope

Even the Class A advantage appears to be eroding on the margins.



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DISCOURSE | REAL ESTATE

## Don't worry — offices aren't doomed

Except the mediocre ones

# The Next Crisis Will Start With Empty Office Buildings

Commercial real estate is losing value fast.

## WeWork's Bankruptcy Complicates Office Outlook

The combination of impact on landlords and structural changes in office makes understanding the risk much harder.

## W.P. Carey Bails Out of Office

It's a major market development for a company known for holding significant office investments.

# 2023 Market Update





The background features a complex, three-dimensional geometric pattern of white and black faceted shapes, resembling a crystalline or architectural structure. A solid red diagonal bar cuts across the upper left portion of the image.

03

PREDICTIONS

# 2023 PREDICTIONS

Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023

# 2023 PREDICTIONS

Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**

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Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



Heightened investor focus on value-add deals

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Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



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Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



Heightened investor focus on value-add deals - **TRUE**



Cap Rates will increase across all major asset classes by 50 to 75 basis points

# 2023 PREDICTIONS

Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



Heightened investor focus on value-add deals - **TRUE**



Cap Rates will increase across all major asset classes by 50 to 75 basis points - **TRUE**

# 2023 PREDICTIONS

Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



Heightened investor focus on value-add deals - **TRUE**



Cap Rates will increase across all major asset classes by 50 to 75 basis points - **TRUE**



Interest rates will peak in Q3 around 8%



# 2023 PREDICTIONS

Dave Tighe, Cushman & Wakefield | Boerke



Transaction volume will be down 15% or more in 2023 - **TRUE**



Heightened investor focus on value-add deals - **TRUE**



Cap Rates will increase across all major asset classes by 50 to 75 basis points - **TRUE**



Interest rates will peak in Q3 around 8% - **TRUE**



# 2024 PREDICTIONS

Katie Gremban, Cushman & Wakefield | Boerke



Interest rates will remain elevated, although will trend downward



Pricing discovery will happen in 2024 as the bid ask gap narrows



Anticipate office to remain a trouble asset class, with Class B / C assets feeling the most pain



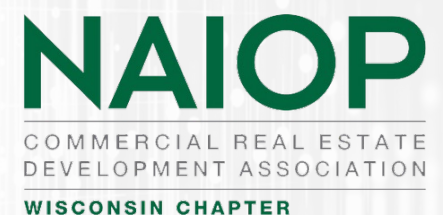
Cap rates will not return to their low – anticipate slight movement

## KEY THEMES

### KEY THEMES AS WE ENTER 2024

- Investment Real Estate will continue to be choppy and fickle
- Pricing discovery bound to happen as more debt comes due in 2024 / 2025

**2023 Market Update**



# 2023 Market Update

Presented by:



# **Office Market**

**Presented By:  
Matt Hock  
NAI Greywolf**



# Rundown

1. Major Market Shifts and Trends
2. Market Statistics
3. Deals of Note
4. Revisiting Joe's 2023 Predictions
5. My 2024 Predictions

**2023 Market Update**



# Major Office Market Shifts & Trends



Growing Office Space to  
“Rightsizing” Office Space



Flight to Quality  
Flight to CBD



Individual Focused Space  
to Flexible Focused Space



Office as a necessity to  
Office as an amenity

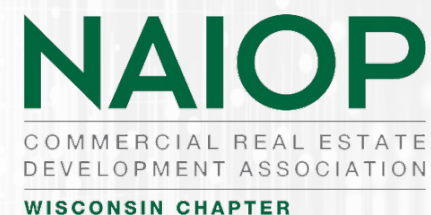


Lead times for build-outs  
and permitting continues  
to grow



Construction and Labor  
costs continue to grow

## 2023 Market Update



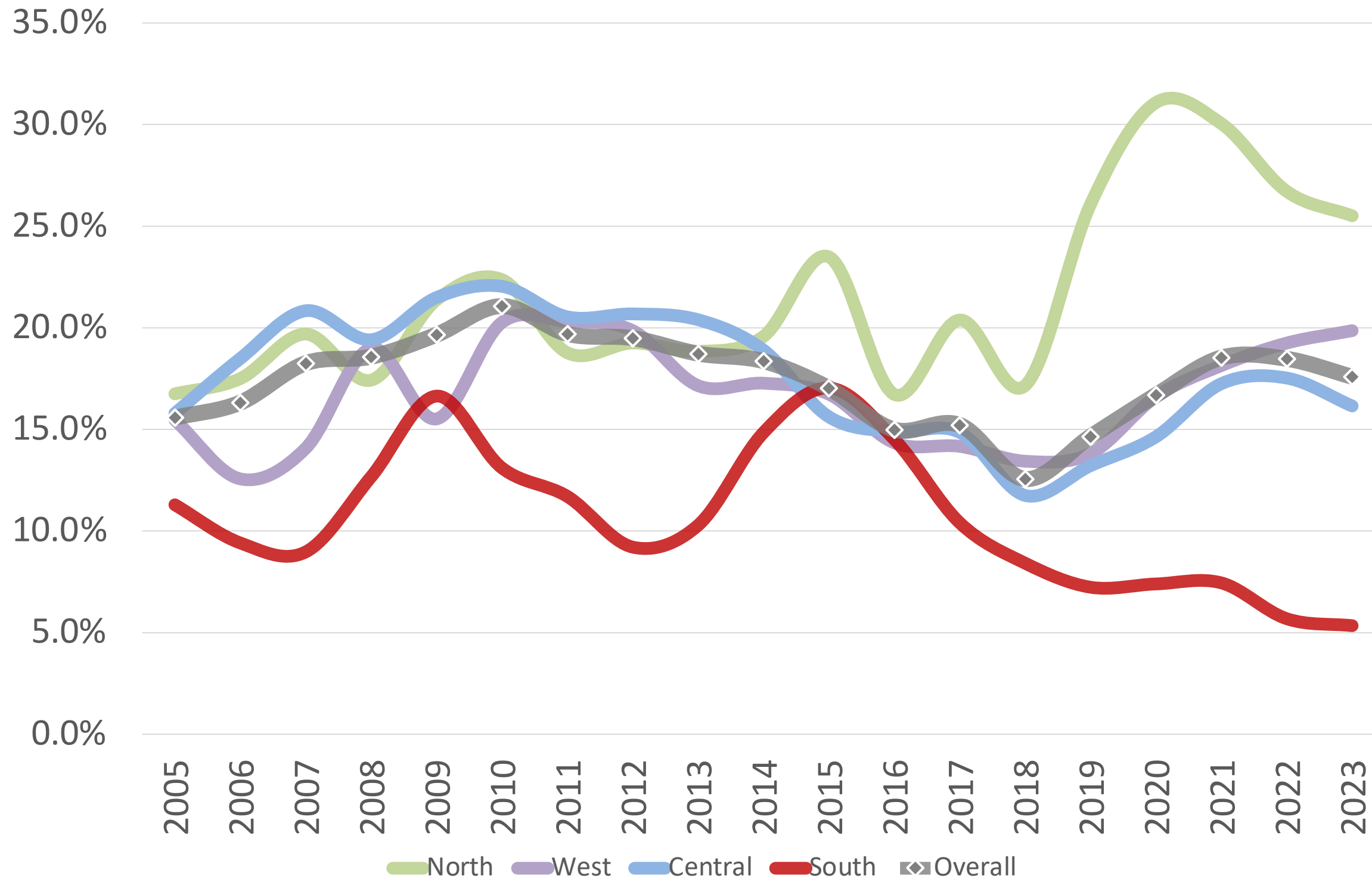
# Numbers Never Lie

**2023 Market Update**





# Overall Office Market



**BY THE NUMBERS**

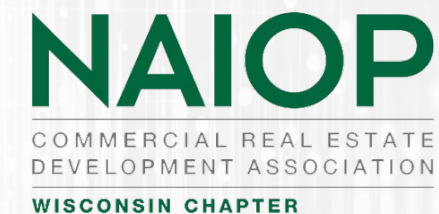
**35.3M**  
+311K YOY  
SQUARE FEET INVENTORY

**8.5M**  
(381K) YOY  
SQUARE FEET AVAILABLE

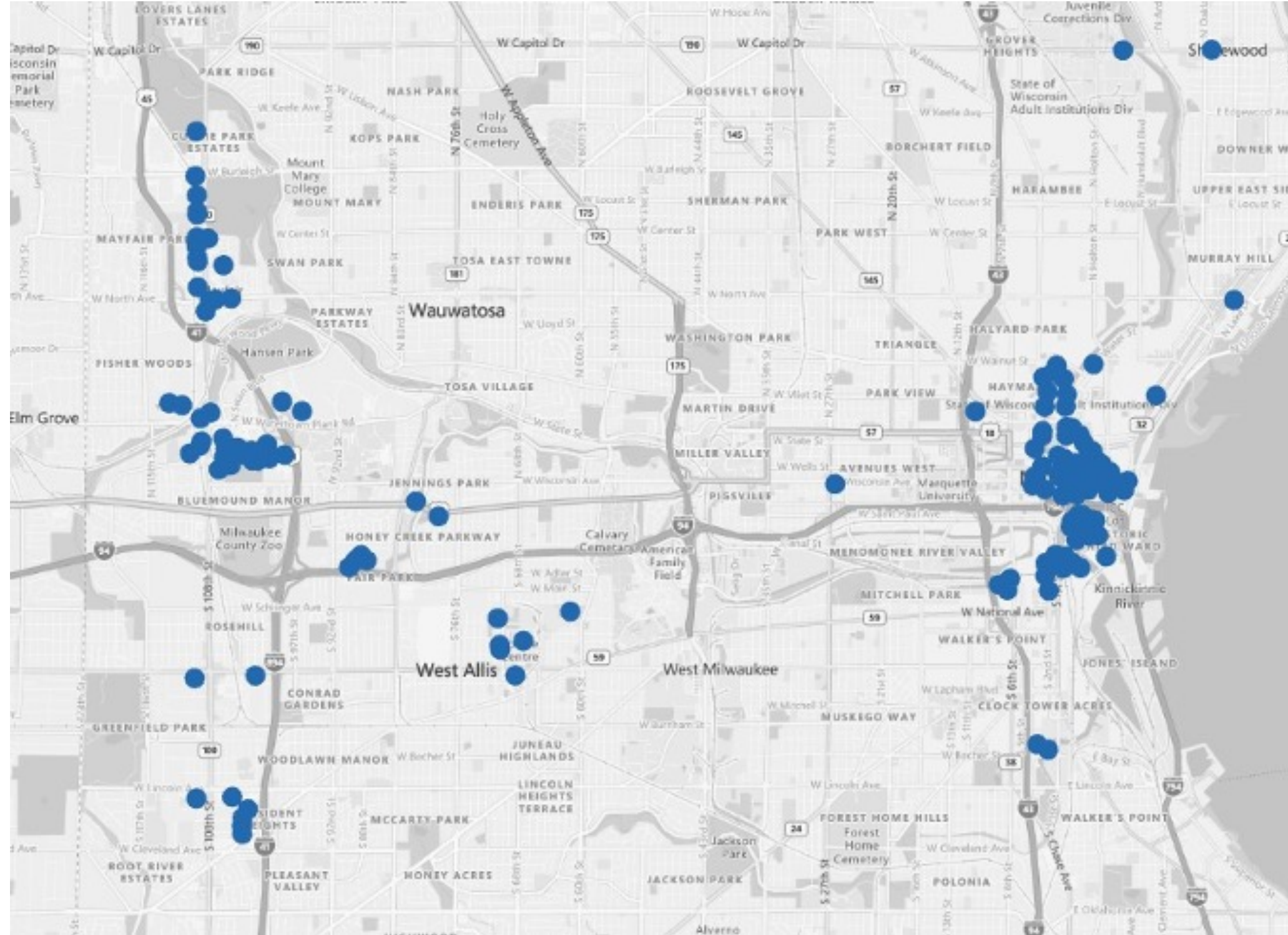
**6.2M**  
(254K) YOY  
SQUARE FEET VACANT

**17.6%**  
(0.9%) YOY  
VACANCY RATE

## 2023 Market Update



# Office Central Submarket



## BY THE NUMBERS

**21.8M**

**+257K**

**SQUARE FEET INVENTORY**

**5.0M**

**+26K**

**SQUARE FEET AVAILABLE**

**3.5M**

**(255K)**

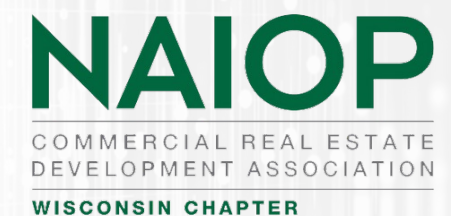
**SQUARE FEET VACANT**

**16.2%**

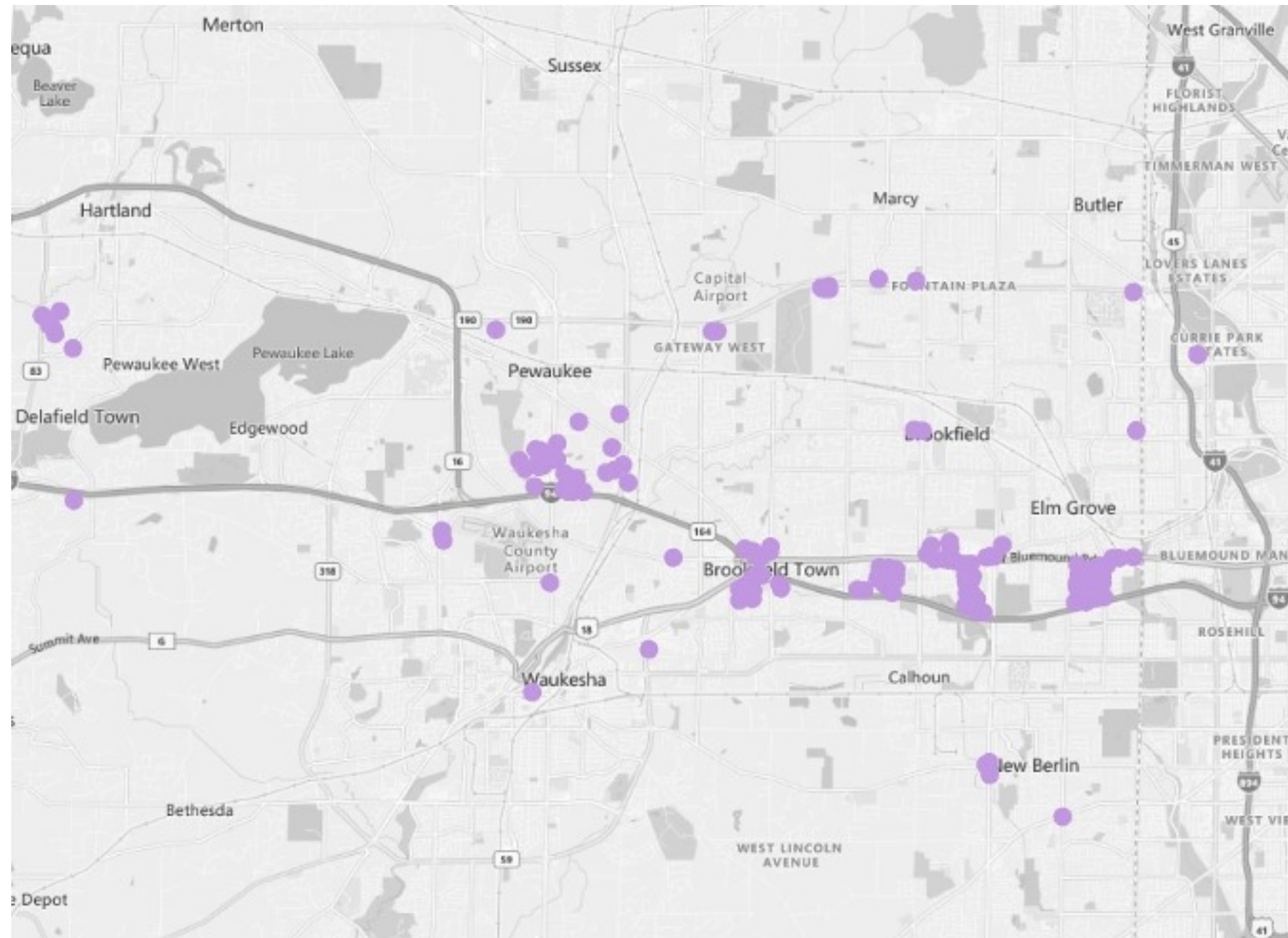
**(1.4%)**

**VACANCY RATE**

**2023 Market Update**



# Office West Submarket



## BY THE NUMBERS

**7.6M**

**+39K**

**SQUARE FEET INVENTORY**

**2.2M**

**(191K)**

**SQUARE FEET AVAILABLE**

**1.5M**

**+53K**

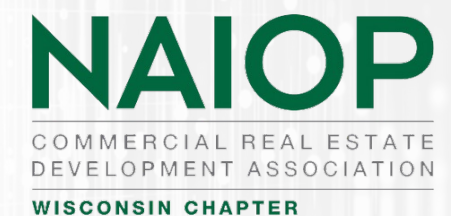
**SQUARE FEET VACANT**

**19.9%**

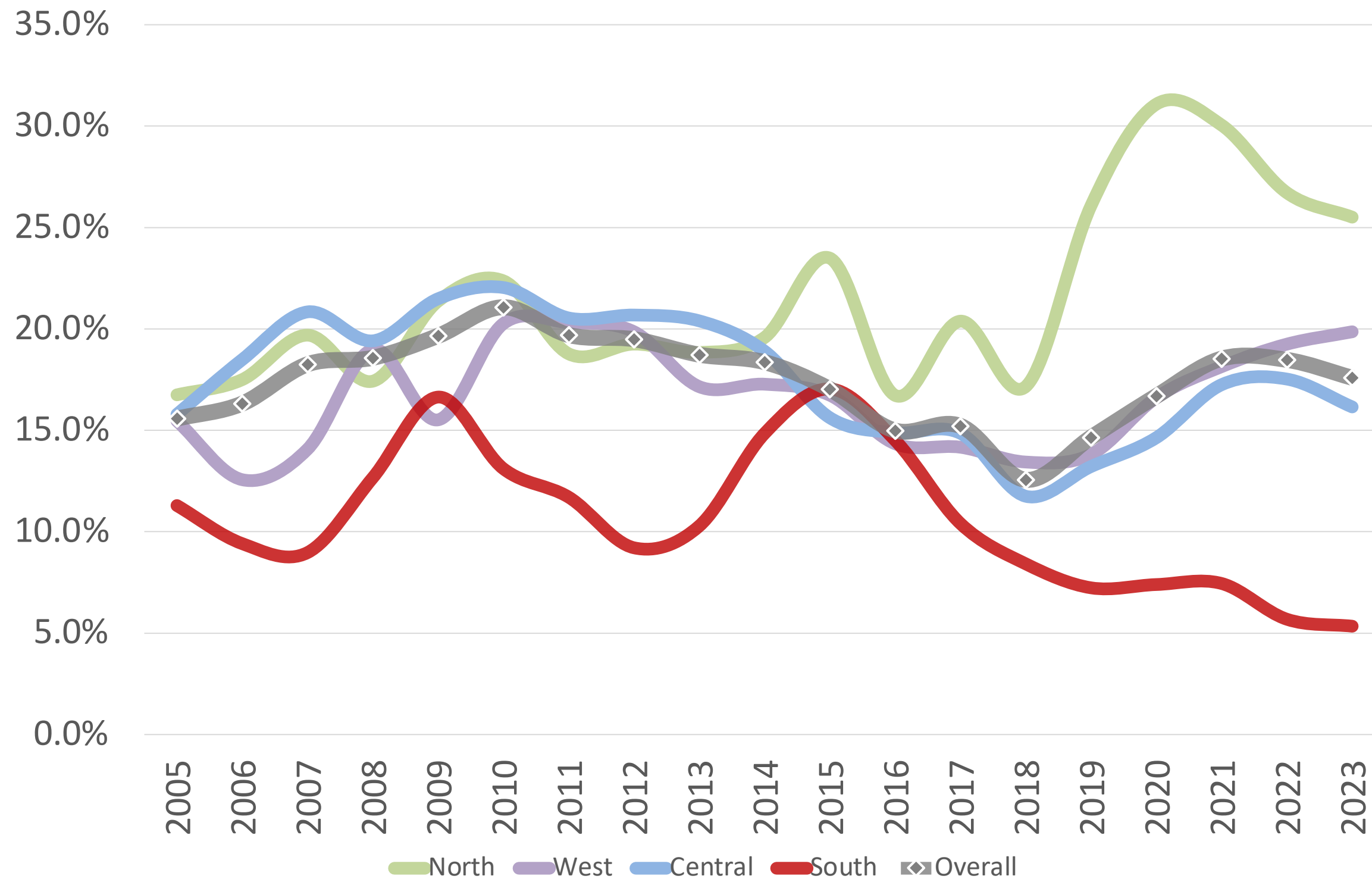
**+0.6%**

**VACANCY RATE**

**2023 Market Update**



# Overall Office Market



**BY THE NUMBERS**

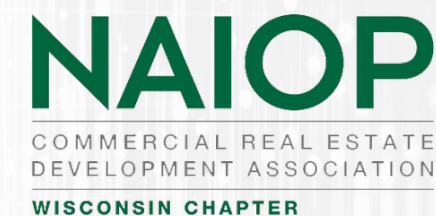
**35.3M**  
+311K YOY  
SQUARE FEET INVENTORY

**8.5M**  
(381K) YOY  
SQUARE FEET AVAILABLE

**6.2M**  
(254K) YOY  
SQUARE FEET VACANT

**17.6%**  
(0.9%) YOY  
VACANCY RATE

## 2023 Market Update



# Deals of Note



FISERV AT HUB 640



BAIRD AT U.S. BANK CENTER



NORTHWESTERN MUTUAL

## 2023 Market Update

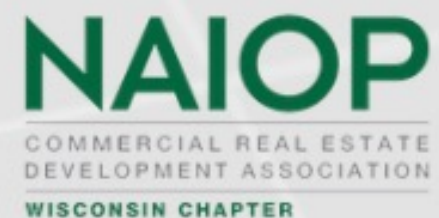


# Joe's 2023 Predictions



- Rightsizing and flight to functionality continues
- Hybrid and WFH begin to decline
- A prominent downtown office tower announces residential conversion
- A Chicago-based company opens large downtown Milwaukee office
- Two current downtown-based brokerage firms relocate their offices
- ~~• The Browns will NOT make the playoffs~~
- Xavier will beat Marquette twice this season

2022 Market Update

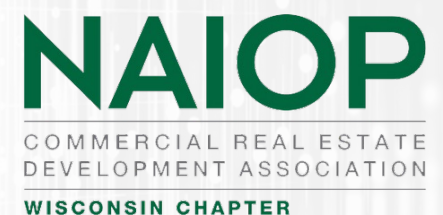


# Matt's 2024 Predictions



- WFH and Hybrid work continues to decline
- Availability in the market stabilizes
- Flight to Quality continues
- One large out of state tenant will open a Milwaukee Office
- Another large office building will announce a residential conversion
- Marquette will go to the Final Four!

**2023 Market Update**



**Thank You!**

**2023 Market Update**





# 2023 Market Update

Presented by:



# Retail Market

**Presented By:  
Isaac Berg  
Colliers**



# The Retail Market in 2023

**2023 Market Update**

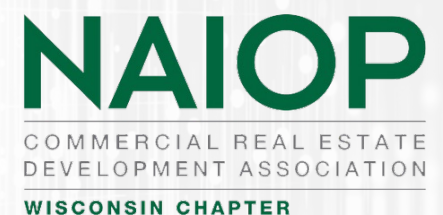


# Today's Agenda

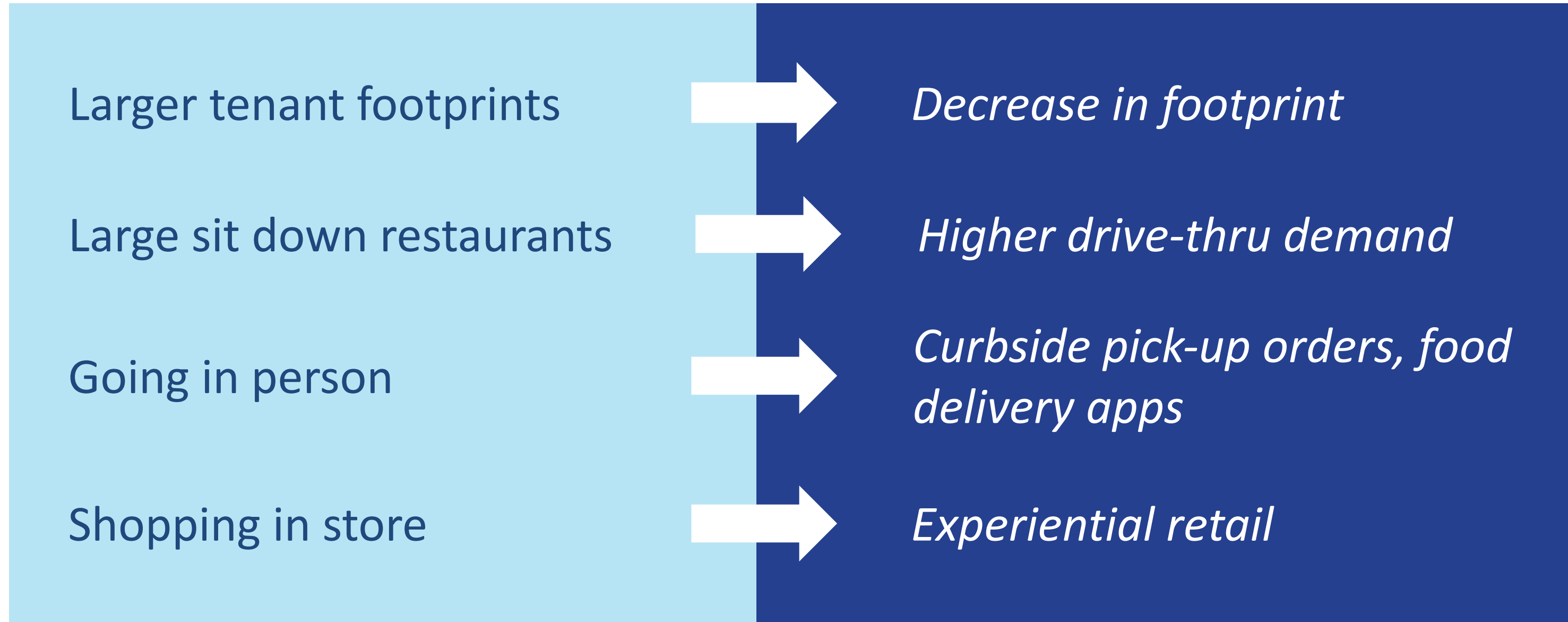
- The Evolution of Retail
- Market Trends
- Active Retailers & Categories
- Challenges & Opportunities
- Predictions!!!



## 2023 Market Update

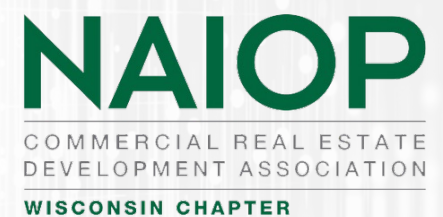


# The Evolution of Retail

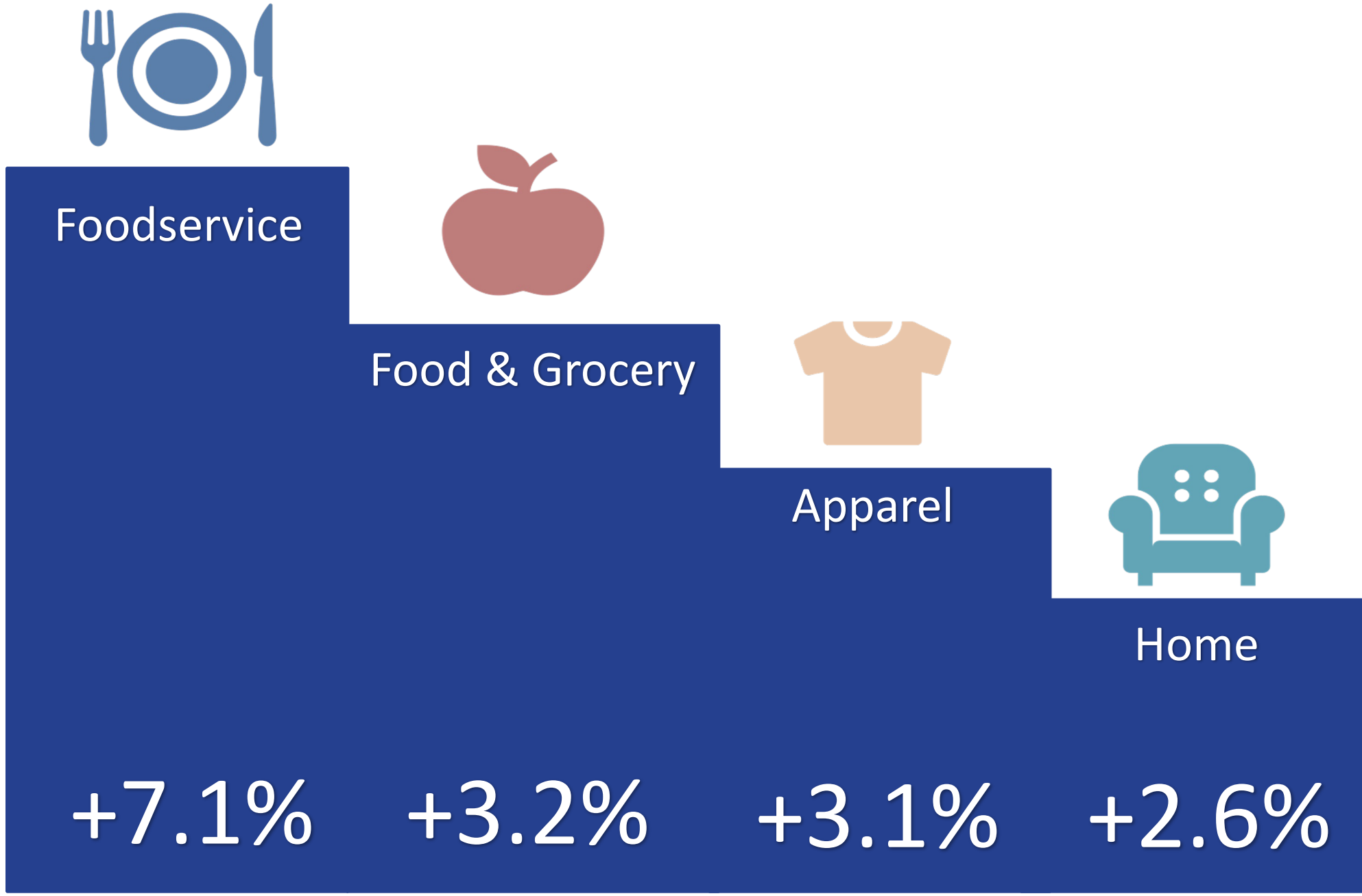


Let's dive into the numbers...

# 2023 Market Update



# Consumer Expectations in 2024



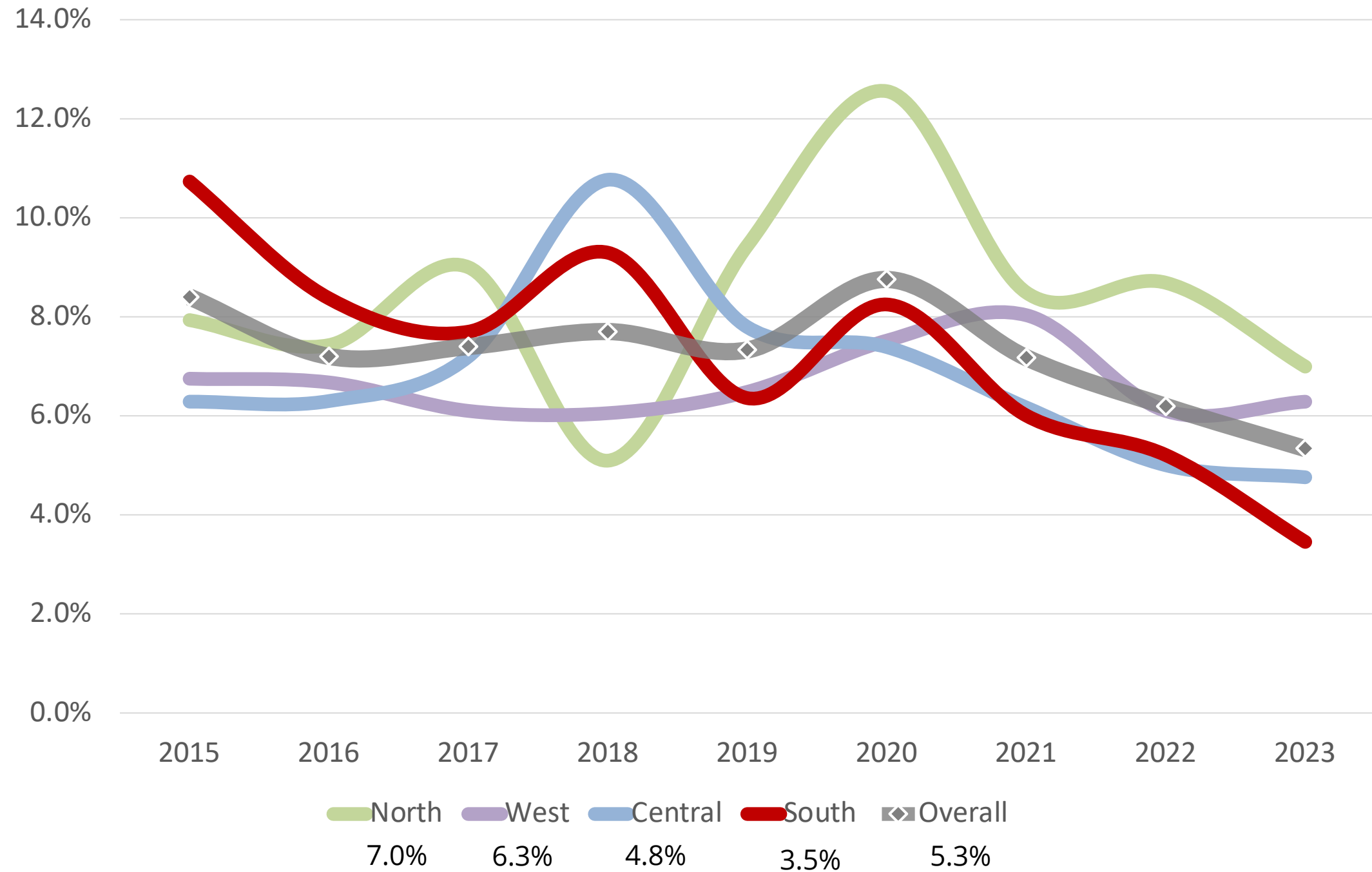
Total retail spending growth for each year  
Year-over-year, %

## 2023 Market Update

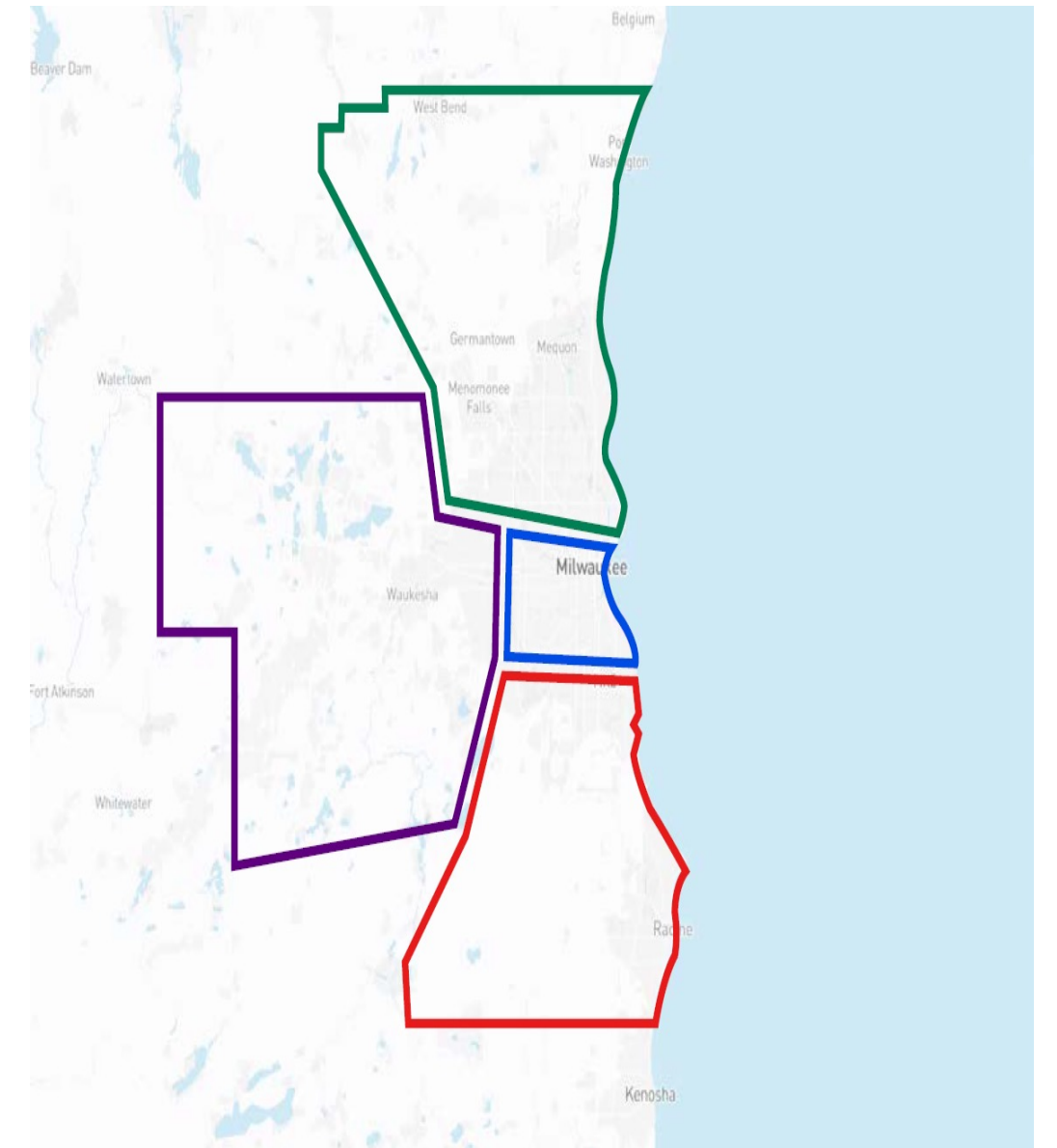


# The Milwaukee Retail Market

## Historical Vacancy



## Submarket Map



# 2023 Market Update





# What Makes Up the Milwaukee Retail Market



Single-Tenant  
Drive-Thru



Grocery Anchored  
Shopping Centers



Multi-Tenant  
Strip Center

## 2023 Market Update



# Most Active Retailers & Categories



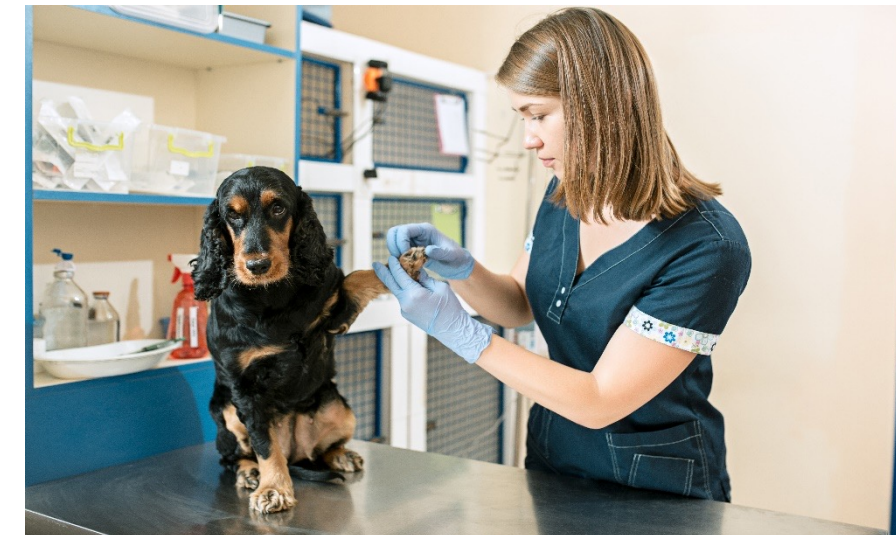
Automotive



Quick Service Restaurant/Coffee



Medical/Retail (Med-tail)



Pet Care/Vet

## 2023 Market Update



# Challenges Facing the Retail Market



- Higher Interest Rates
- Bank Liquidity (Tightening)
- Higher Construction Costs
- Lack of New Product

# Opportunities for the Retail Market

- Emerging Retail Concepts
- Live/Work/Play Model
- Big Box / Mall Conversions

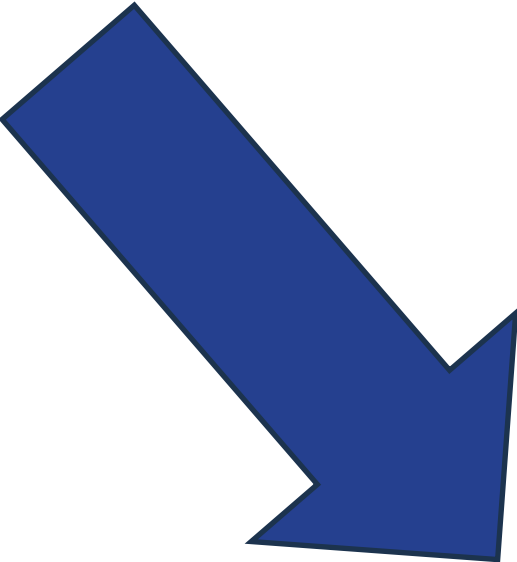
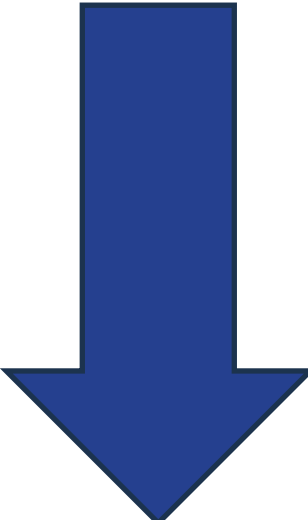
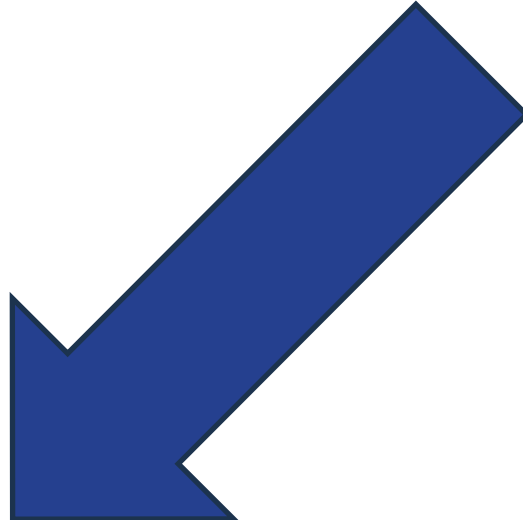


## 2023 Market Update



# Shopko Conversions

# SHOPKO®



Sussex



Wisconsin Rapids

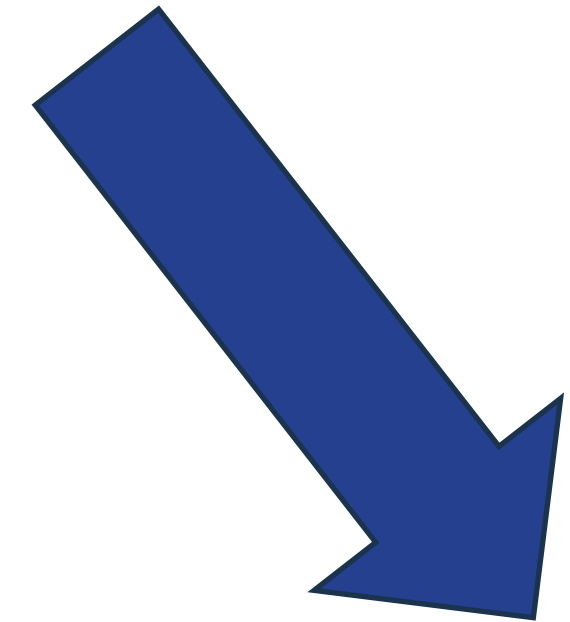
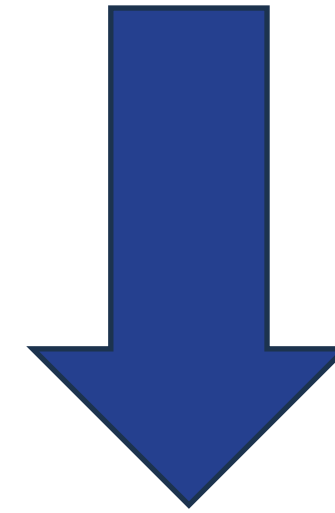
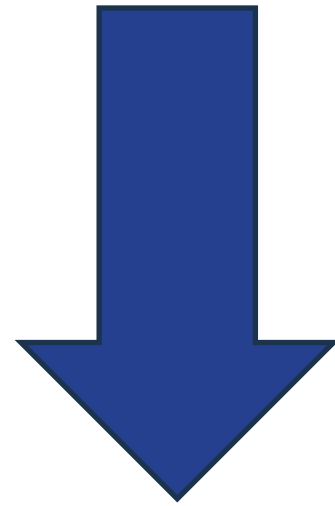
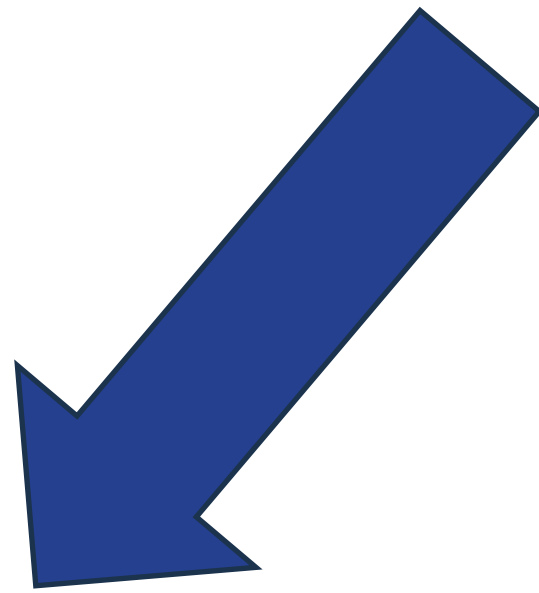


Racine

# 2023 Market Update



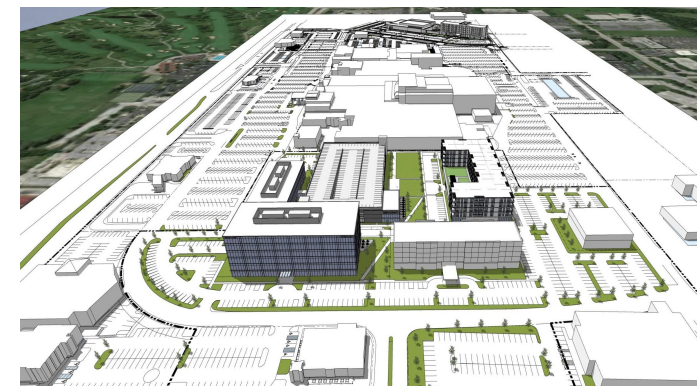
# Boston Store Conversions



Greendale



Wauwatosa



Brookfield







Racine

## 2023 Market Update



# Hakan's Predictions

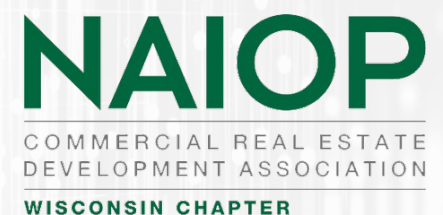
-  • We will see more out-lot wars – with users fighting over the best out-lots for drive-thru convenience
-  • We'll see at least one national financial institution enter the market
-  • The prototype square footage for chain QSRs and coffee shops will decrease
-  • France will win the 2022 World Cup!

# Isaac's Predictions



- As a result of bank mergers, we will see more bank branch closures
- At least one national retailer in our market will file for bankruptcy, or go into receivership
- We will see at least one box conversion to a Regional or National Pickle Ball Group
- Tiger Woods Finishes Top Ten at The Masters

## 2023 Market Update



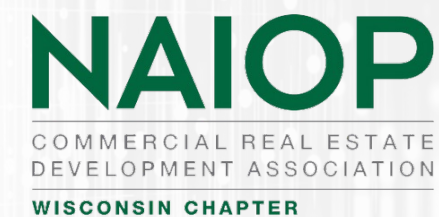


# Top 3 Takeaways

1. Retail is not dead
2. We are in a landlord's market
3. We are seeing momentum in re-adaptive big box uses

Thank you

**2023 Market Update**



# 2023 Market Update

Presented by:



# **Industrial Market**

**Presented By:  
Joe Carollo  
JLL**



# Industrial market ground rules

- **Overall market themes:**
- Low vacancy continues across all markets
- Landlords still hold leverage over tenants, but this is starting to shift as tenant demand softens
- Flight to quality/new construction and increasing annual rent growth will continue to draw new outside investment into the market - fueling strong overall fundamentals

## What is Included

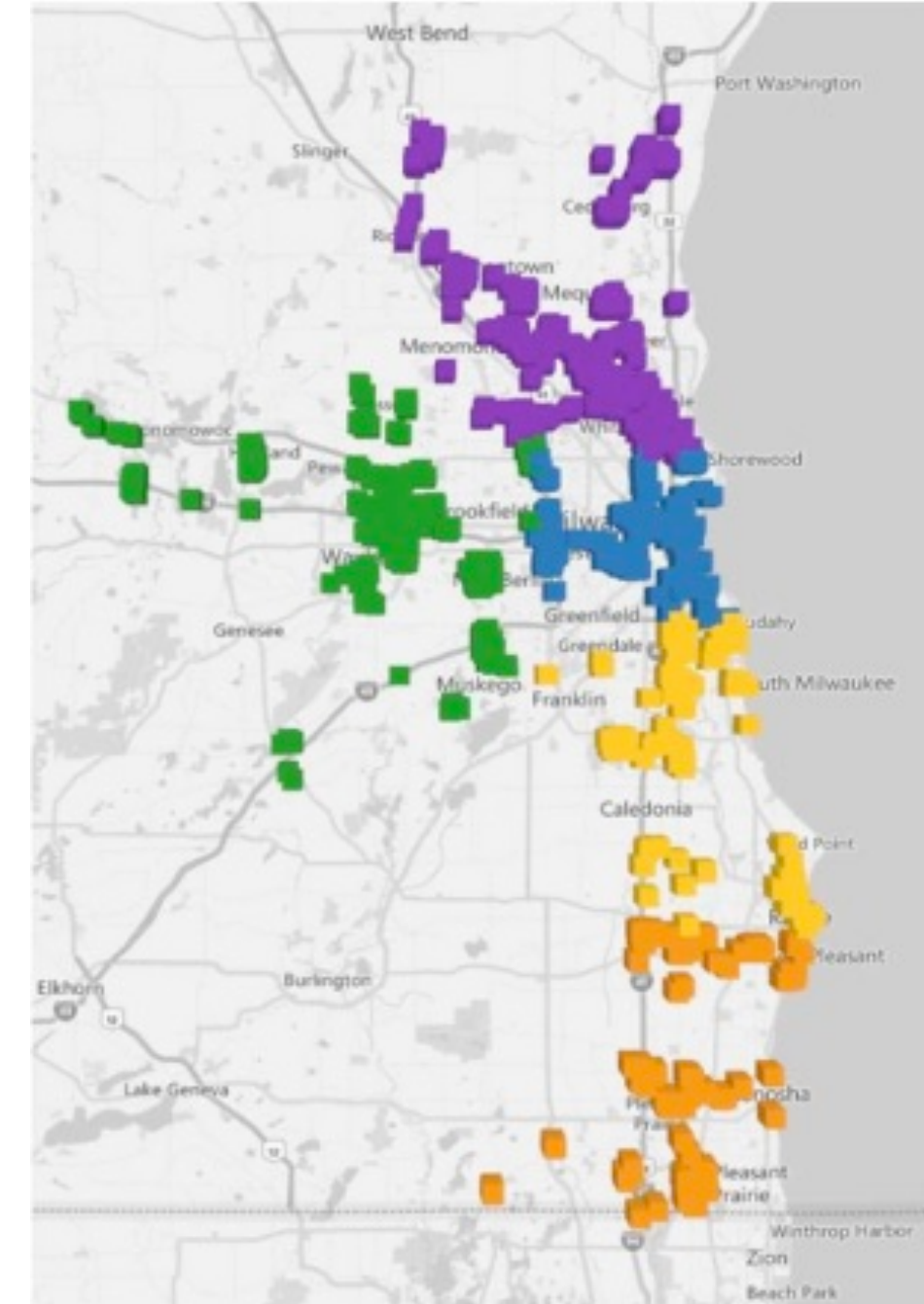
Multi tenant Flex and Warehouse buildings larger than 25,000 s.f. and single tenant build to suite buildings larger than 60,000 s.f.

## What is Excluded

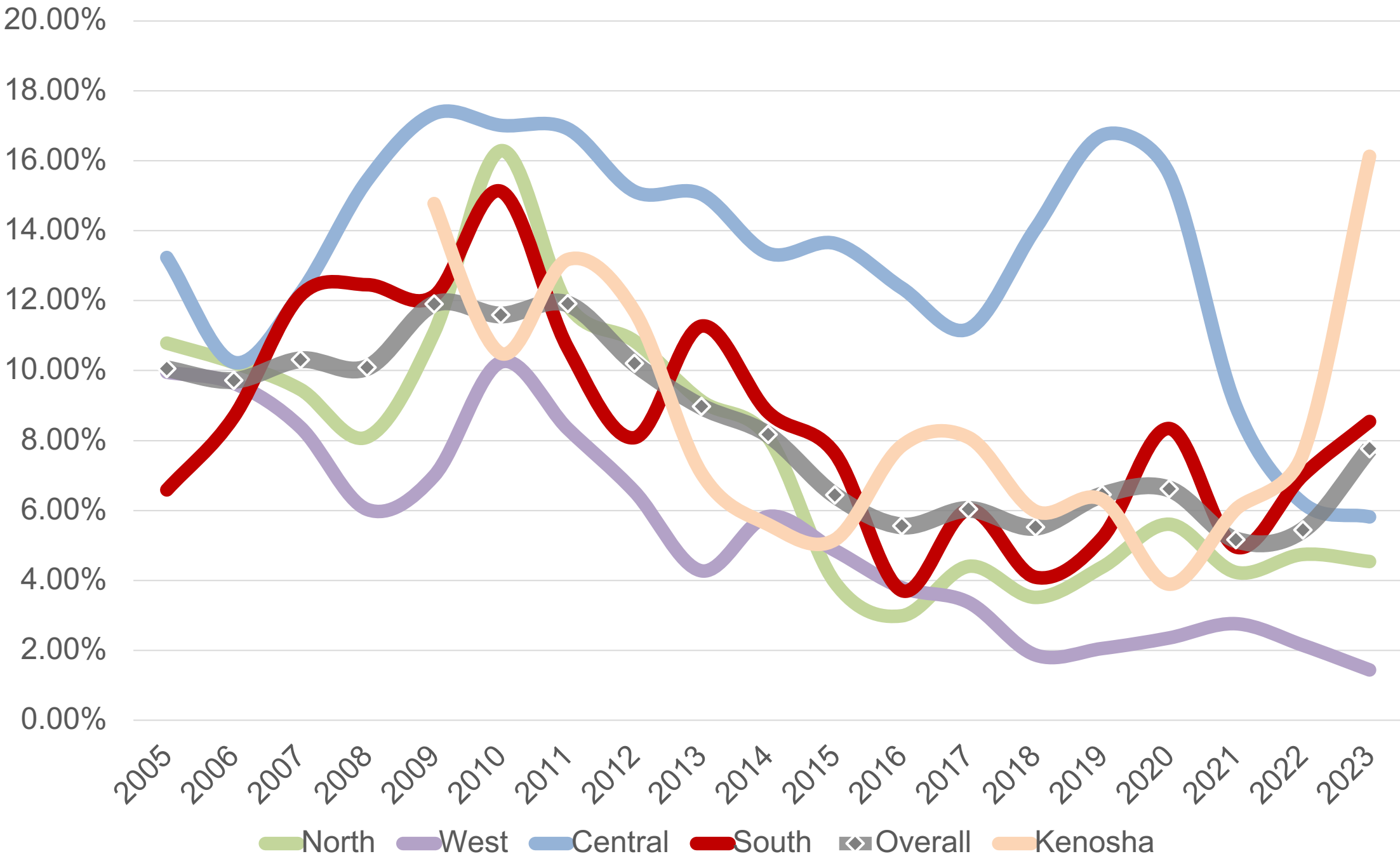
Owner occupied properties

## Notes

Inventory and occupancy are measured annually at the end of the 3rd Quarter. There may be changes from year to year not attributed to actual movement in the market due to remeasurements, change in data sources or buildings being repurposed.



# Industrial market overview



## BY THE NUMBERS

**165M** square feet inventory

+12.1M YOY

**16.1M** square feet available

+2.2M YOY

**12.8M** square feet vacant

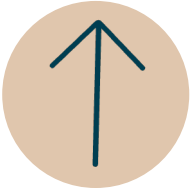
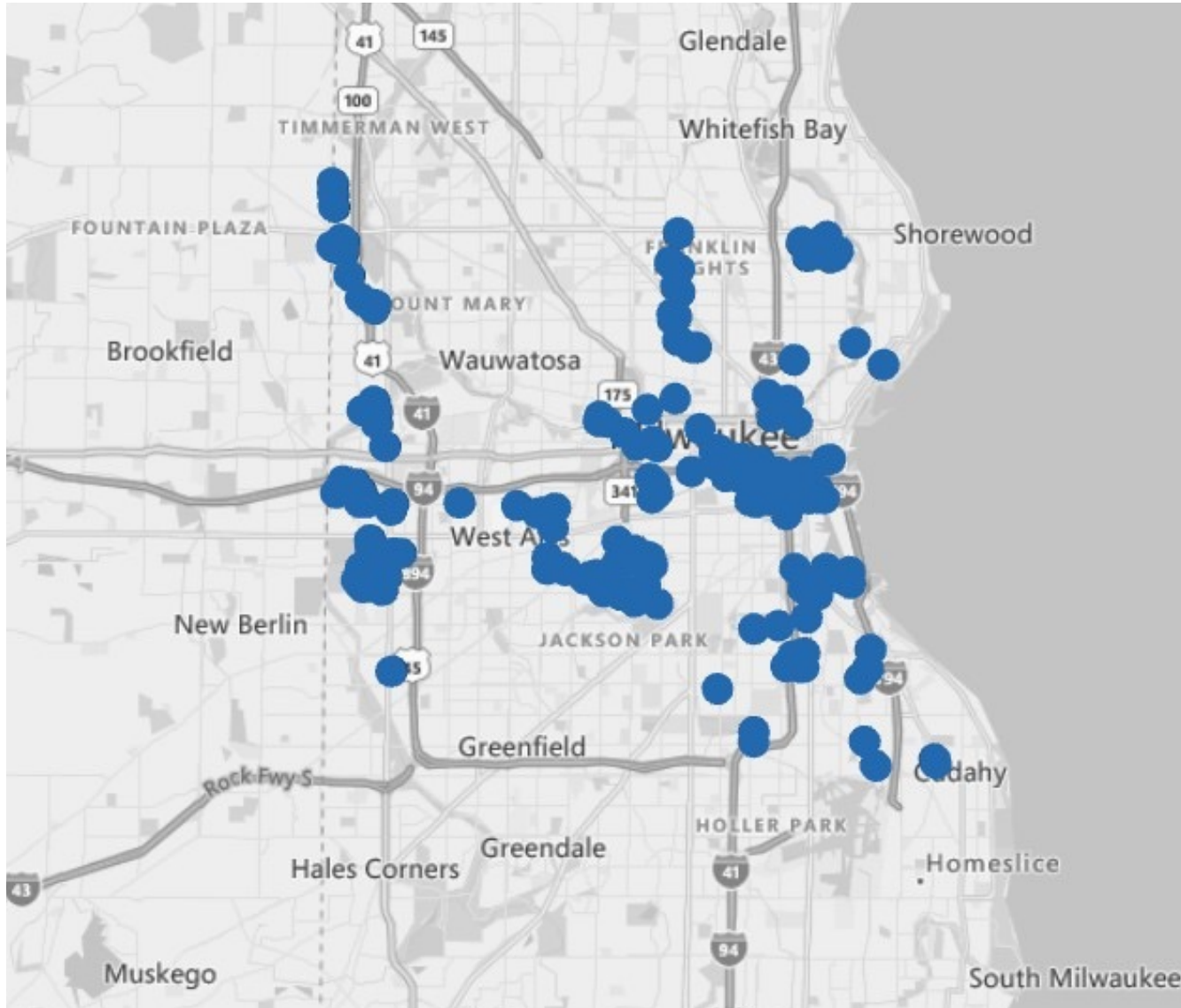
+4.5M YOY

**7.8%** vacancy rate

+2.3% YOY

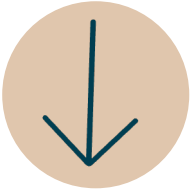


# Central market overview



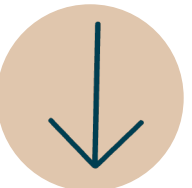
**22.4M**

Square feet inventory  
(+3K)



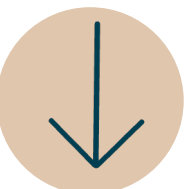
**2.5M**

Square feet available  
(896K)



**1.3M**

Square feet vacant  
(89K)



**5.8%**

Vacancy rate  
(0.4%)

## Key themes

Transition and reposition

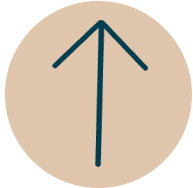
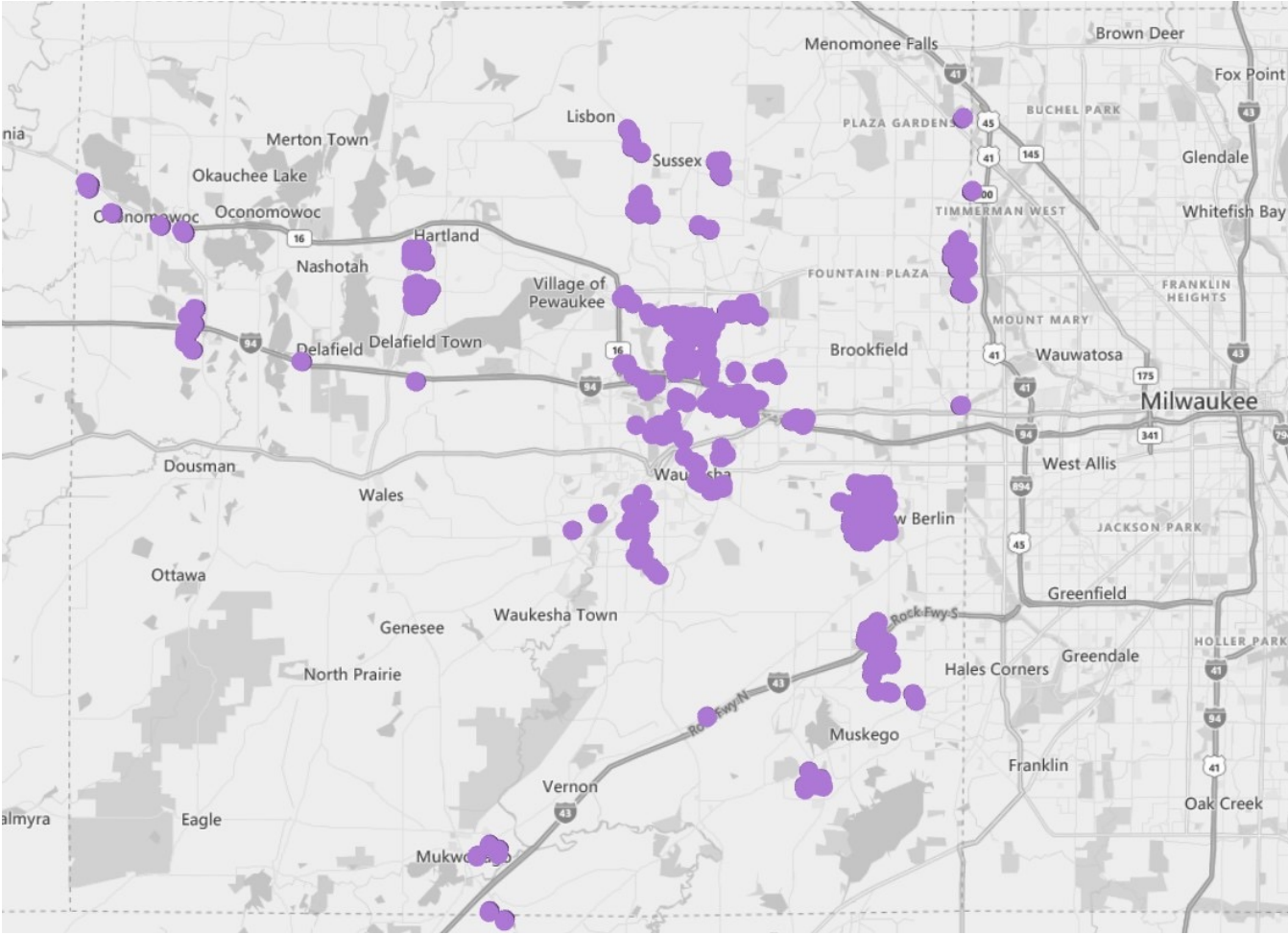
With most of the new industrial development in the suburbs, we have seen a number of large legacy industrial properties announce closings or relocations, creating opportunities to reposition the real estate.



**BT** BizTimes  
<https://biztimes.com> > Industries > Manufacturing > **Illinois company relocating HQ to former Bucyrus campus ...**  
 Jun 5, 2023 — Centerline Design & Fabrication is moving its headquarters from Waukegan to the former Bucyrus International campus in South Milwaukee.

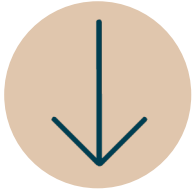


# West market overview



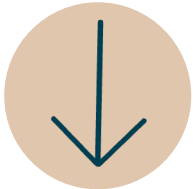
**31.8M**

Square feet inventory  
(+907M)



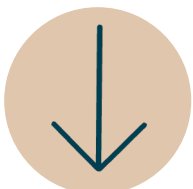
**669K**

Square feet available  
(816K)



**458K**

Square feet vacant  
(206K)



**1.4%**

Vacancy rate  
(0.7%)

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 James Young +1 414 944 2105 james.young@jll.com

## Key themes

Creativity and scarcity

**ABB invests nearly \$100 million in New Berlin greenfield campus**

Press release | New Berlin, Wisconsin | 2023-04-04

Milwaukee Journal Sentinel  
<https://www.jsonline.com/story/west/2023/09/06>

**Pabst Farms in Oconomowoc could add tech businesses ...**

Sep 6, 2023 — Wingspan Development Group presented a plan to Oconomowoc city officials on Sept. 5 that would. But what makes the potential project ...

The Business Journals  
<https://www.bizjournals.com/news/2023/05/02/busi...>

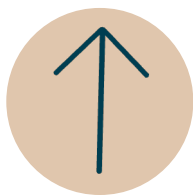
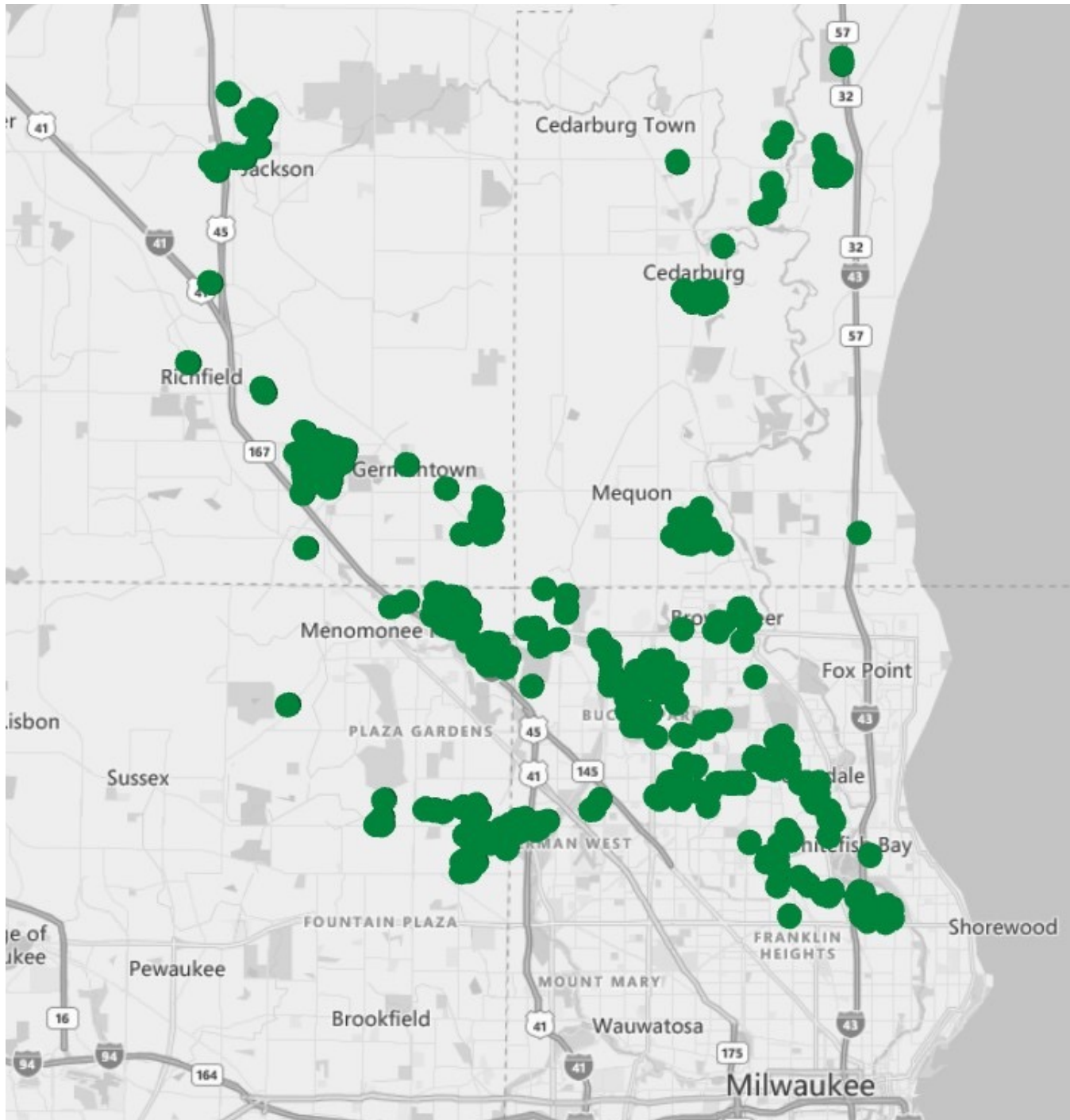
**\$90M business park pitched for 120 acres near Interstate ...**

May 2, 2023 — Mukwonago officials are considering a partnership with Briohn Building Corp. to develop 120 acres near Interstate 43 with about 1.1 million ...



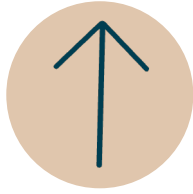


# North market overview



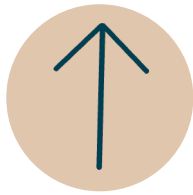
**42.9M**

Square feet inventory  
(+1.4M)



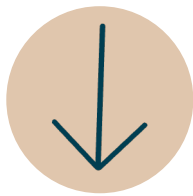
**3.2M**

Square feet available  
(+100K)



**1.9M**

Square feet vacant  
(21K)



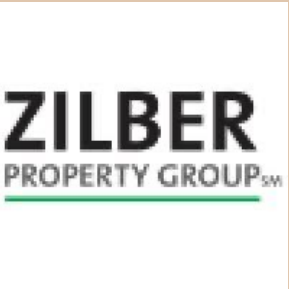
**4.5%**

Vacancy rate  
(0.2%)

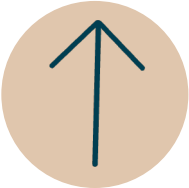
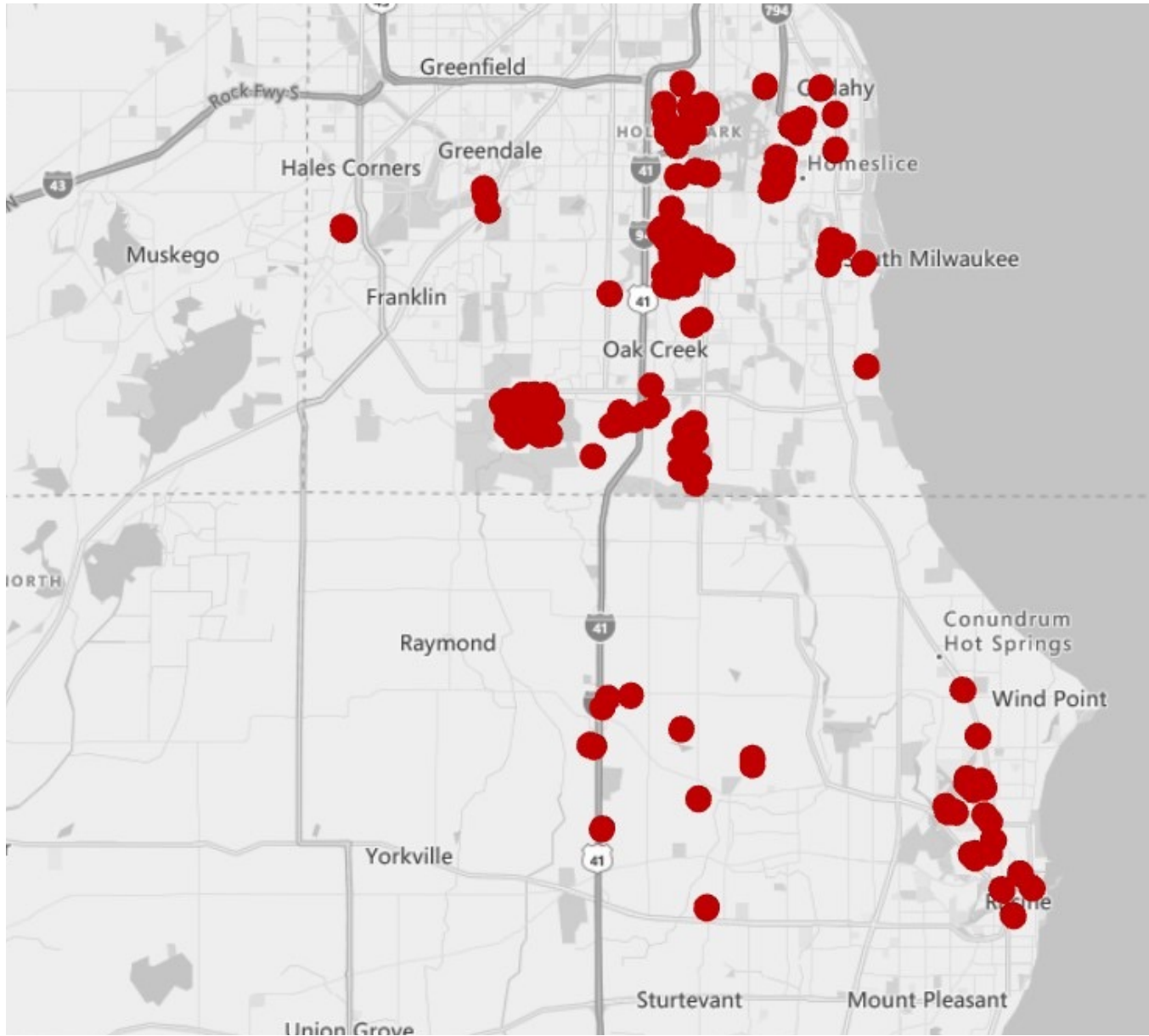
## Key themes

Expansion and new development

With limited available buildings and development-ready land in the West and Central markets, the North has continued to draw new development and leasing activity.

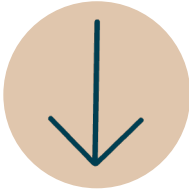


# South market overview



**24.7M**

Square feet inventory  
(+1.7M)



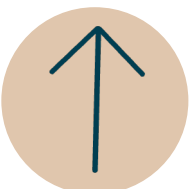
**2.7M**

Square feet available  
(161K)



**2.1M**

Square feet vacant  
(+504K)



**8.5%**

Vacancy rate  
(+1.5%)

## Key themes

Location & opportunity

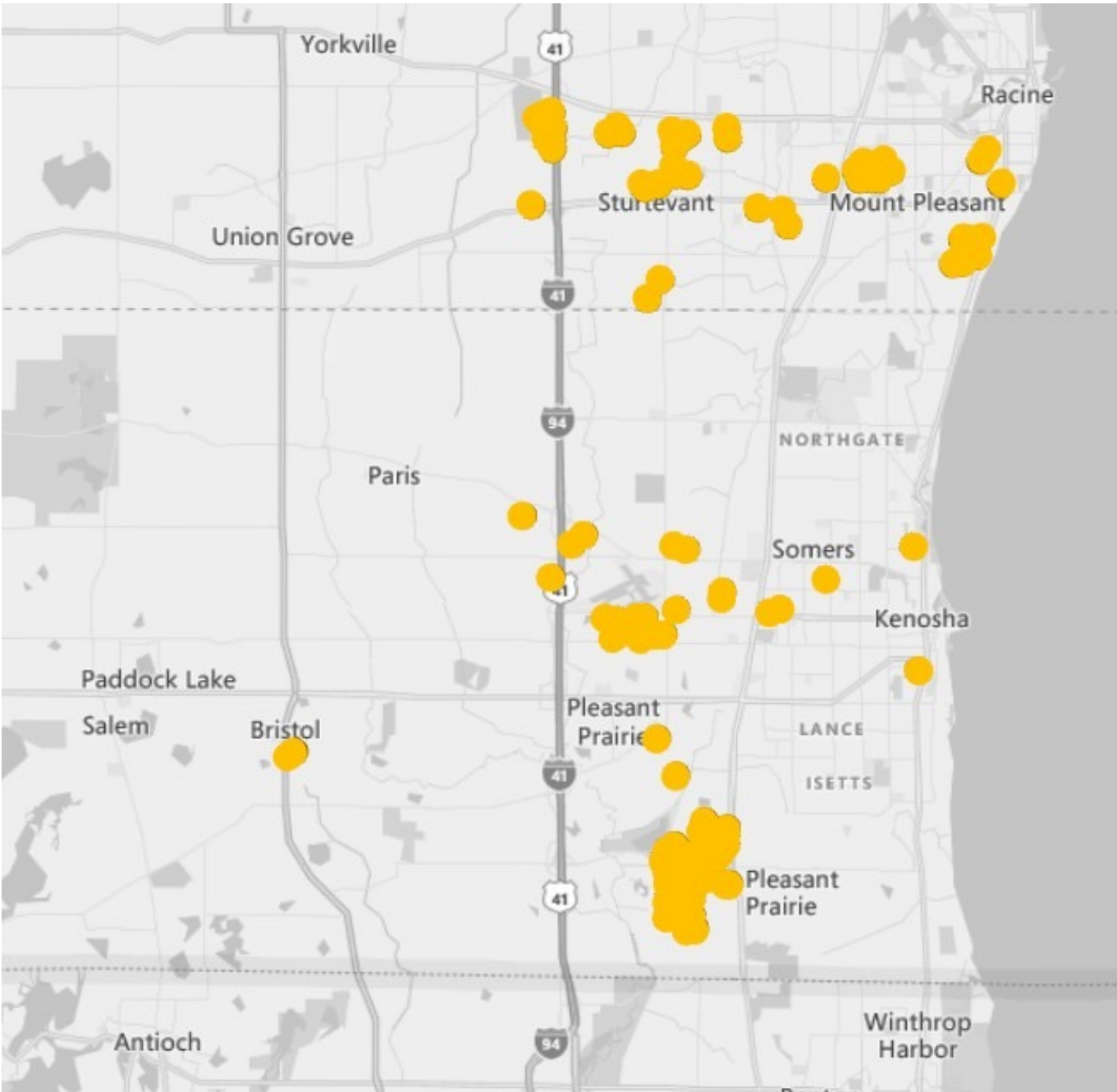
### Saputo planning second facility in Franklin

**BizTimes**  
<https://biztimes.com> > Industries > Real Estate  
**Developer purchases 28 acres along I-94 in Oak Creek**  
 Jul 19, 2023 — An affiliate of Oak Creek-based Frontline Commercial Real Estate purchased **28 acres** of land along the west side of I-94 in Oak Creek.

**BizTimes**  
<https://biztimes.com> > Industries > Real Estate  
**Developer purchases 20 acres in Oak Creek - Milwaukee**  
 Sep 22, 2023 — St. John Properties purchased the property at 517 E. Rawson Ave. in Oak Creek for **\$1.75 million**, according to state real estate records.

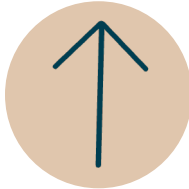


# Kenosha market overview



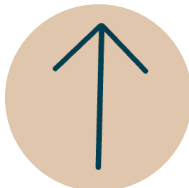
**43.4M**

Square feet inventory  
(+8.1M)



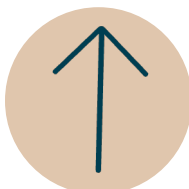
**7.06M**

Square feet available  
(+4.0M)



**7.06M**

Square feet vacant  
(+4.3M)



**16.1%**

Vacancy rate  
(+8.5%)

## Key themes

Changing dynamics and flight to quality  
(Wisconsin)

### Microsoft data center land deal in Mount Pleasant gains final village approval

**KN** Kenosha News  
<https://kenoshanews.com/news/local/uline-plans-for-warehouse-along-i-94/>

#### Uline plans for 5 million square feet of warehouses along I-94

Apr 22, 2023 — The City Council has already approved the first **building** to be constructed, which will be 1.44 million square. City officials said work could ...

**AP** AP News  
<https://apnews.com/article/microsoft-foxconn-wisc-warehouse/>

#### Microsoft agrees to buy \$50m Foxconn parcel in Wisconsin

Apr 19, 2023 — **Microsoft** plans to build a \$1 billion **data center** on the 315-acre (127-hectare) parcel in Mount Pleasant, a village of about 27,000 people in ...



**BT** BizTimes  
<https://biztimes.com/Industries/Real-Estate/rite-hite-buys-mount-pleasant-industrial-building/>

#### Rite-Hite buys Mount Pleasant industrial building for \$17.5 million

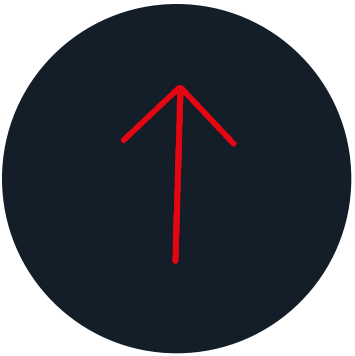
Oct 20, 2023 — **Rite-Hite** is spending \$17.5 million to purchase a new **industrial building** located near the Mount Pleasant Business Center.



# Predictions

# 2023 predictions

## From Nick Keys of The Dickman Company



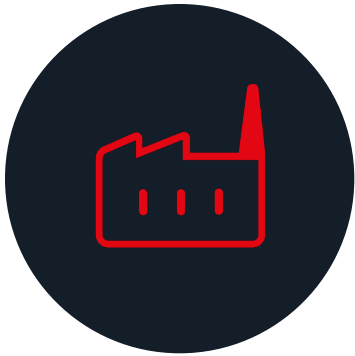
Interest Rates will peak Q1/Q2 2023 and remain elevated into 2024

**False and TBD**



Besides Kenosha sector, the North sector will see the newest development

**True**



New construction will slow over the next 12 months due to cost of materials and higher interest rates

**True**



Overall vacancy will stay approximately stable, only fluctuating ~.2%

**False (up 2.3%)**

# 2024 predictions

## From Joe Carollo of JLL



Rental rates will continue to rise



We do not see a wave of foreclosures hitting the market



Manufacturing and internal warehousing will lead leasing activity



The return of free rent

# Final thoughts

## What's next?

1. The need for manufacturing facilities and e-commerce companies to be geographically closer to customers has the potential to drive demand.
2. Prolonged decision-making times, especially when compared to the COVID era.
3. Local and regional developers and owners will continue to work to meet the demands of tenants and continue to home leverage over tenants in negotiations.



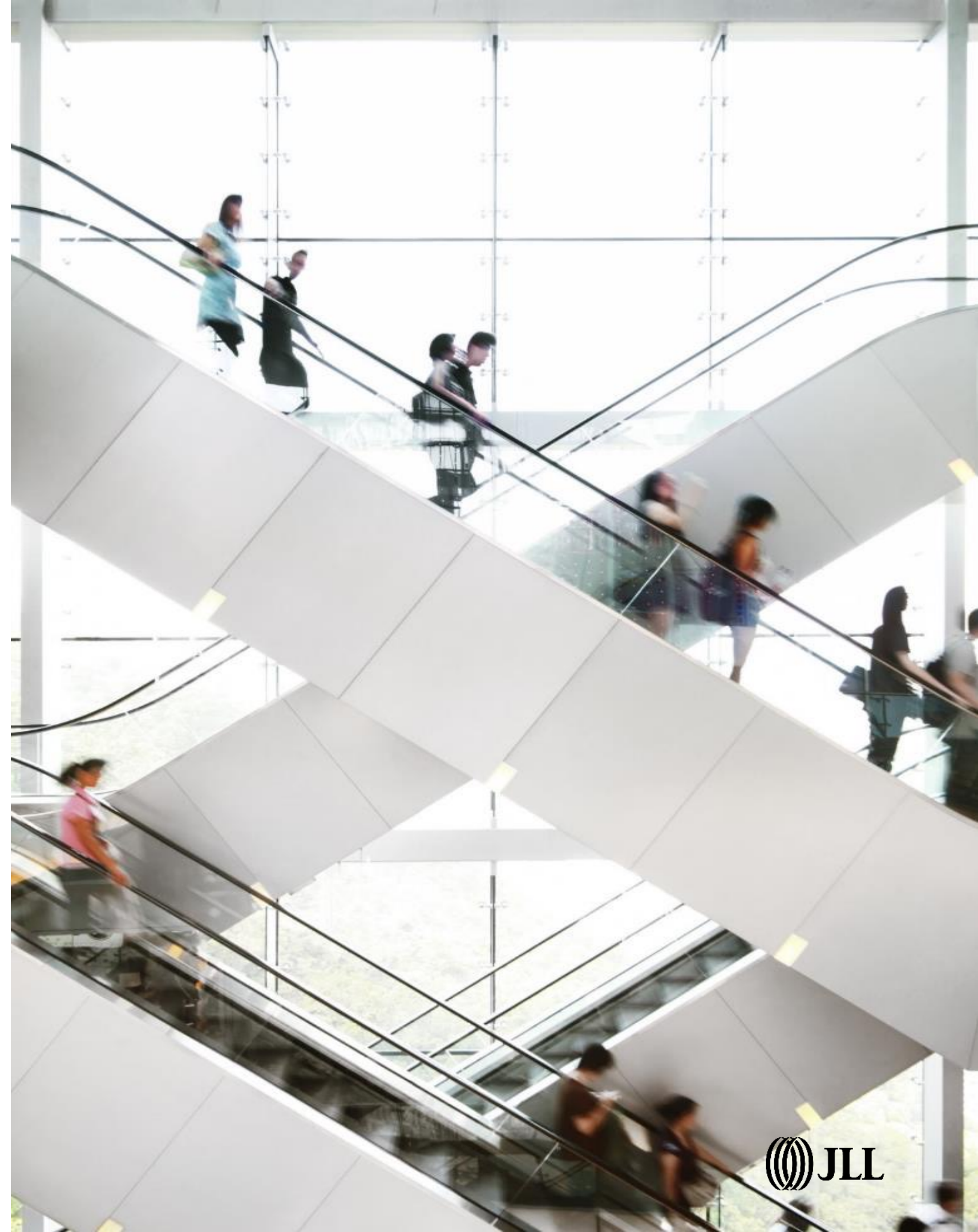


# Thank you

- **Joe Carollo**
- Vice President, JLL
- [Joe.Carollo@jll.com](mailto:Joe.Carollo@jll.com)

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# 2023 Market Update Presenters



**Katie Gremban**  
**Cushman &**  
**Wakefield | Boerke**



**Matt Hock**  
**NAI Greywolf**



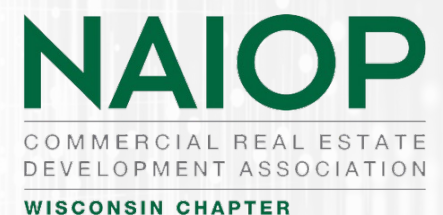
**Isaac Berg**  
**Colliers**



**Joe Carollo**  
**JLL**

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