

2023 Market Update



Presented By:



**Brookfield Conference Center
December 14th, 2023
8:00 AM Networking & Breakfast
9:00 AM Program**

2023 Market Update

Emcee

Derek Taylor - Three Leaf Partners

Presenting Sponsor First American Bank

Alan Clark

Investment Market Speaker

Katie Gremban - Cushman & Wakefield | Boerke

Office Market Speaker

Matt Hock - NAI Greywolf

Retail Market Speaker

Isaac Berg - Colliers

Industrial Market Speaker

Joe Carollo - JLL

Special thanks to Nathan Winkel of Newmark for coordinating the research.

For More Information:

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NAIOP | www.naiop-wi.com



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Emcee and Moderator - Derek Taylor, Three Leaf Partners



Derek Taylor is the COO of Three Leaf Partners and a former Equity Partner at the national law firm, Husch Blackwell LLP. He leads Three Leaf Partners in their real estate development and acquisition opportunities nationally and supports the private equity investments of Three Leaf Partners and their partners, including many faith-based, non-profit churches, schools, and institutions focused on growing their mission through monetization of owned real estate assets.

Derek is the 2024 President of NAIOP Wisconsin, former Membership Committee Chair, and a former Associate Member of the Year for the Chapter. Derek is also the majority owner of Omnia Wood Products LLC, a manufacturing company in Crivitz, Wisconsin producing wood products for the BBQ and cooking industry, including under their own brand “Smokey Woods™” sold nationally at Ace Hardware. Outside of the office, Derek is a husband and father of two active children, and Board Trustee for the Village of Oconomowoc Lake. Derek is a licensed attorney in Texas and Wisconsin, and holds BBA, BA, and JD degrees from SMU in Dallas, Texas.

Investment Market - Katie Gremban, Cushman & Wakefield | Boerke



Katie Gremban is a member of the Investment Sales/Capital Markets Team at Cushman & Wakefield | Boerke. Katie and her team advise institutional and private clients on the disposition and acquisition of commercial real estate properties, specifically focusing on industrial, office, retail and self storage assets. Katie’s diverse background has translated into a wealth of knowledge across all aspects of the commercial real estate business and Cushman & Wakefield | Boerke platform, amassing value

expertise in market research, commercial real estate technology platforms, as well as advanced underwriting modeling. Prior to her role as a capital markets advisor, Katie spent 13 years as the Director of Research for Boerke, where she was responsible for leading a team of analysts in the Wisconsin commercial real estate markets. The team provides market intelligence to Cushman & Wakefield | Boerke clients, identifying and forecasting trends in the economy and real estate and producing formal research papers. The department provides unparalleled in-house research, market data, property tracking, and pricing and comparable property analysis. Prior to joining Cushman & Wakefield | Boerke, Katie was employed with a Chicago-based commercial real estate mortgage brokerage firm, where she underwrote more than \$5 billion of commercial mortgage loan requests in 900 transactions covering all property asset types. She successfully closed over 285 transactions with values in excess of \$2 billion.

Office Market - Matt Hock, NAI Greywolf



Matt Hock has been an advisor with NAI Greywolf since March of 2021. He joined the brokerage team upon graduating from Marquette University's nationally ranked Commercial Real Estate program in 2020. While he has worked on various transaction types, Matt's focus lies in office properties, where he assists landlords and tenants in both leasing and sales throughout Southeastern Wisconsin. He brings deep knowledge and understanding of the office market in the greater Milwaukee area and puts clear communication with his clients as a priority.

Matt's career highlights to date include large-scale, long-term office leases with Mayville Engineering Company, Arizona College of Nursing, Progressive and IWG.

He is a member of the Commercial Association of Realtors-Wisconsin (CARW) and the Wisconsin Association of Realtors.

Retail Market - Isaac Berg, Colliers



Isaac joined Colliers in 2019 as an Associate Real Estate Advisor with our retail team. Isaac focuses on both landlord and tenant representation in the areas of leasing and sales. He represents clients such as Taco John's, Cousins Subs, Papa John's and Take 5 Oil Change. Isaac has quickly become active in the Milwaukee real estate community and recognizes the importance of building long-term relationships with clients and colleagues. Isaac is dedicated to expanding his industry knowledge and

business network in order to best serve his clients. Isaac takes pride in providing best in class representation for both landlords and tenants in the market.



Joe Carollo is a Vice President at JLL Wisconsin. Joe specializes in marketing and disposition of industrial assets. Joe is experienced in all facets of the real estate transactions, guiding clients from start to finish. Joe has directed comprehensive services including representing both tenants and landlords in both lease and sale transactions, site selection, strategic planning, marketing, and leasing. Joe is an expert in understanding his client's needs and goals. In addition, Joe is also responsible for helping to grow the JLL Wisconsin Industrial Brokerage team.

Before working at JLL, Joe started his career in 2005 as a market researcher at Cushman & Wakefield of New England and became an associate retail broker. In 2009, Joe was hired as Vice President of the Fara Group, Inc. in Chicago and hired to grow and develop a commercial management and brokerage firm servicing the North Shore of Chicago. In 2012, Joe returned to Milwaukee to join Founders 3 (f.k.a. RFP Commercial Inc.) to focus on servicing the local industrial market enhancing both the landlord and tenant representation side of the business. Since 2012, at JLL, Joe has completed over 200+ transactions with an aggregate value of over \$250 million dollars. Joe is a graduate of the University of Dayton with a degree in Communication Management.



Trends & Forecasts

Detailed reports at the submarket, market, regional, and national levels. With performance analytics, inventory, absorption trends, and transactions.



Ground Rules

Retail Ground Rules:

- The Retail tracked set is made up of retail centers larger than 20,000 SF.
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Office Ground Rules:

- The Office tracked set is made up of Multi-tenant, investment-owned office buildings larger than 20,000 SF. While medical single-tenant owner-occupied and government buildings are excluded.
 - Properties that were designed to be multi-tenant are included in this report even if they have been leased entirely to one tenant. Single-tenant leased properties that were developed on a build-to-suit basis, and that would not function well as multi-tenant properties, are not included in this report. Owner-occupied properties are also not included in this report.
 - Rental rates based on quoted net rates. Actual effective rates will vary.
 - Expenses are quoted as an estimate for the 2022 calendar year.
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Industrial Ground Rules:

- The Industrial tracked set is made up of Multi-tenant Flex and Warehouse buildings larger than 25,000 SF and single-tenant build-to-suit buildings larger than 60,000 SF. While owner-occupied properties are excluded.
- Rental rates are based on quoted net rates exclusive of transaction costs. Actual effective rates will vary.
- Expenses are quoted as estimates for the 2022 calendar year.

Sub-Market Narratives

North – The North submarket includes parts of three separate counties including the eastern portion of Washington County, the entire Ozaukee County, and the northern portion of Milwaukee County ending with Shorewood. The submarket is bordered to the south by Capitol Drive, the north by the Ozaukee County border, and the east by the lake. The west border includes the southeast portion of Washington County including the Menomonee Falls, Germantown, and all the way up to Jackson municipalities.

Central – The Central submarket includes the majority of Milwaukee County and is the urban submarket in that it includes the City of Milwaukee out to Wauwatosa. The submarket is bordered to the east by Lake Michigan, the west by the Waukesha County border (124th Street), south along Highway 894, and north to Capitol Drive and a small portion North of Capitol up to Hampton to the western border. Along with Milwaukee and Wauwatosa, the submarket also includes the municipalities of Cudahy and St. Francis to the south and West Allis and Greenfield to the west.

South - The South market is bordered on the north by I-43 and I-894. It runs from 124th Street on the western edge, to Lake Michigan on the east. The southern border of this market is Hwy 20 in Racine. The South market jogs west to include Wind Lake as well. The municipalities range from Greendale on the northern border, to portions of Racine to the south.

West - The West market is made up of primarily Waukesha County. It includes all municipalities in Waukesha County, except for Lannon, Butler, and Menomonee Falls. The eastern border of this market is 124th Street, and the northern border is Good Hope Road (except for the NE corner). The municipalities in this market range from Brookfield and New Berlin on the eastern edge, to Oconomowoc as a western border. The northern part of this market includes Sussex and Stonebank. The southern municipalities are Muskego and Big Bend.

The **Kenosha Market** - northern border extends from Hwy 20 in Racine, (the southern border of the South Submarket) to the southern border of the Wisconsin State Line. The western border (in Racine County portion) is Hwy 164, and on the eastern border, the Lake Michigan shoreline. The western border of the Kenosha Market (in the Kenosha County portion) runs from Hwy P to the eastern border, which is the Lake Michigan shoreline.



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