

Office

Industrial

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

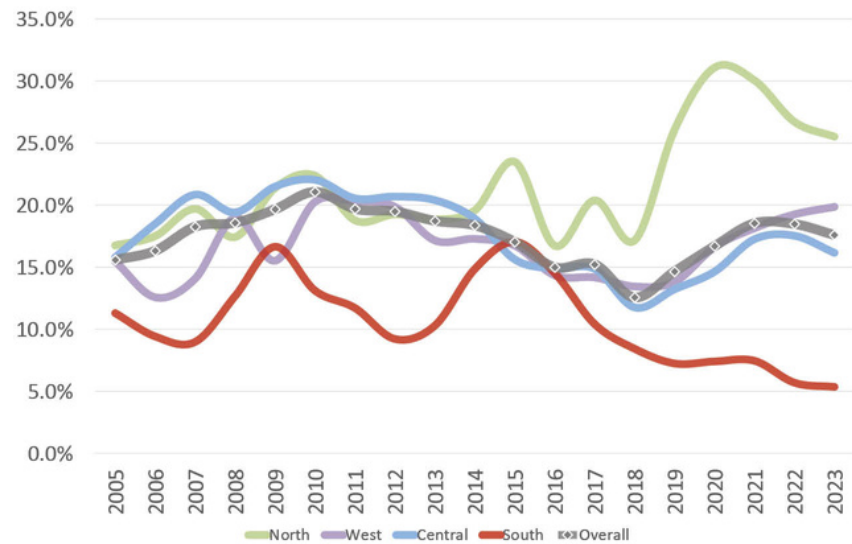


Lead times for build-outs and permitting continues to grow



Construction and Labor costs continue to grow

Overall Office Market



BY THE NUMBERS

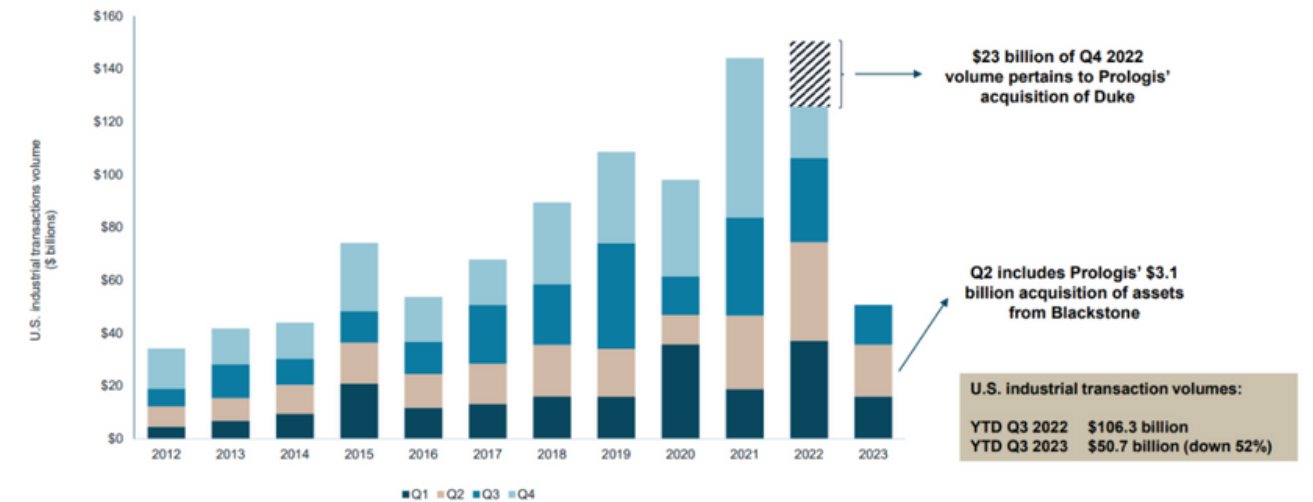
35.3M
+311K YOY
SQUARE FEET INVENTORY

8.5M
(381K) YOY
SQUARE FEET AVAILABLE

6.2M
(254K) YOY
SQUARE FEET VACANT

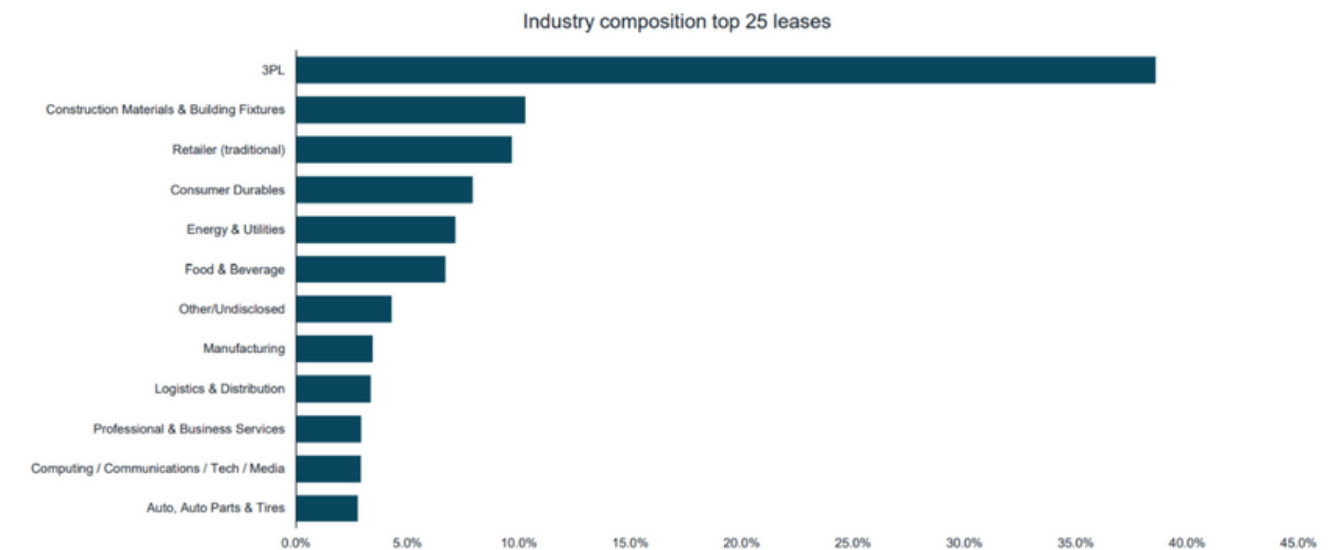
17.6%
(0.9%) YOY
VACANCY RATE

Volume of industrial transactions continues to be below 2020-2022 levels



Source: JLL Research, Real Capital Analytics (transactions \$5 million and above). Note: Q3 2023 transaction volume total is preliminary

3PL users account for 38.6% of the 25 largest leases in Q3



Source: JLL Research Q3 2023

JLL SEE A BRIGHTER WAY

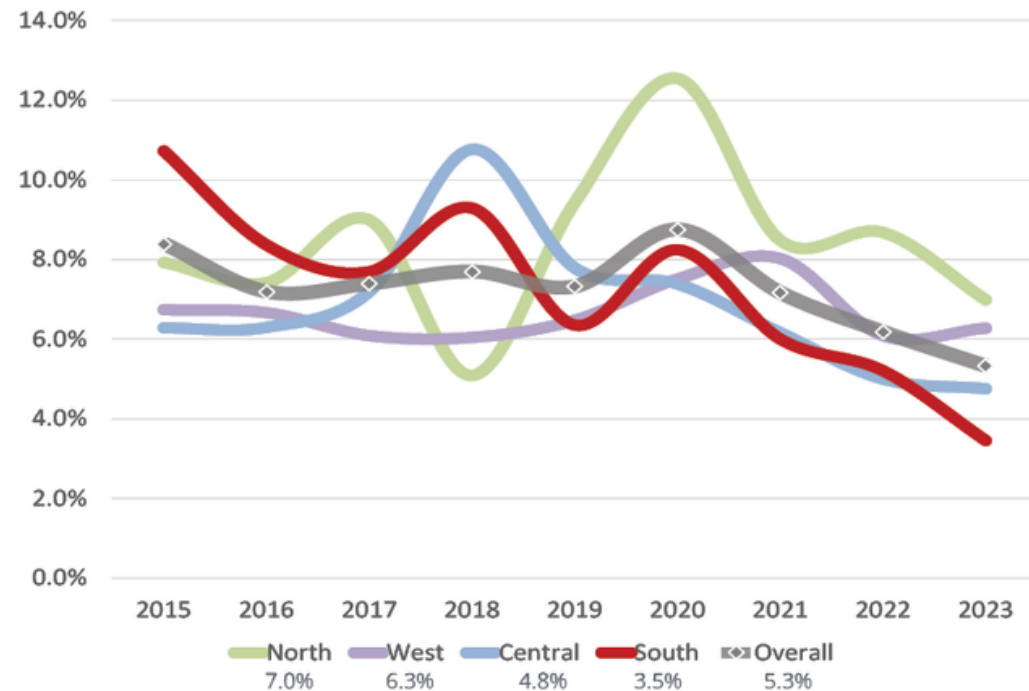
Presented by Matt Hock, NAI Greywolf

Presented by Joe Carollo, JLL

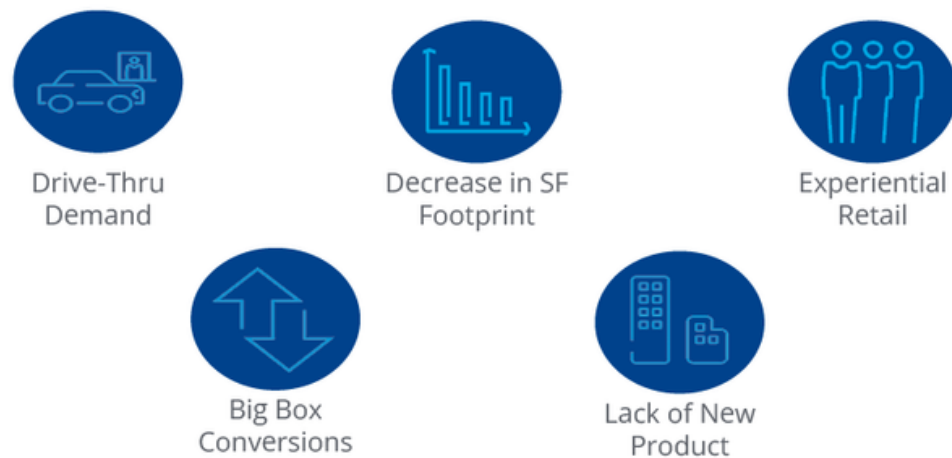
Retail

Investment

Milwaukee Retail Market - Vacancy Rate



Retail 2023 Trends

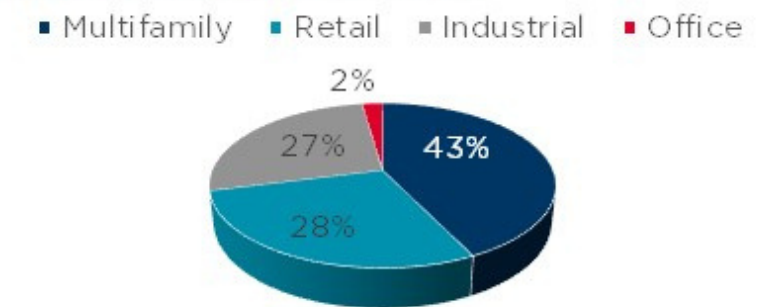


Presented by Isaac Berg, Coliers

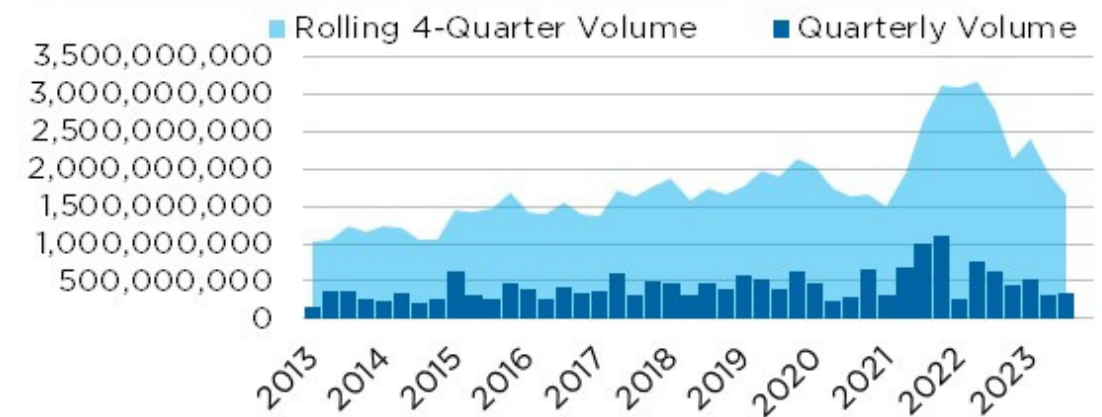
2023 RECAP

2023 was a choppy year in investment real estate. Nationally, transaction volume was down 53% year-over-year, with Wisconsin down 37%. While volume has seen a decline in recent years, sale transaction volume in Wisconsin represents a 1% increase from pre-pandemic levels in 2019. Sales in 2023 were largely driven by private capital representing 73.7% of buyers year-to-date. Multifamily, net leased retail assets, and core industrial were the top in demand assets, with office sales seeing a sharp decline this year. Instability in the debt markets played a large contributor to the slowdown in activity, with willing lenders become more difficult to find as the year progressed. Anticipate CRE fundamentals to remain soft, as the cost of debt may limit transaction volume. We will wait to see how the financial institutions respond dependent on where the economy goes. Pricing discovery will begin to happen in 2024, as the bid-ask gap narrows.

% DOLLAR VOLUME BY PROPERTY TYPE



SALES VOLUME (\$) RETURNS TO PRE-PANDEMIC LEVELS



Presented by Katie Gremban, Cushman Wakefield | Boerke