



COMMERCIAL REAL ESTATE MARKET REPORT



Q4 2019

FOR IMMEDIATE RELEASE JANUARY 2020 | 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

- Total quarterly absorption of 118,796 sf positive absorption with YTD 571,939 sf positive absorption.
- Total quarterly absorption on multi-tenant properties of 94,863 sf of positive absorption with YTD 318,662 sf of positive absorption.
- Downtown West posted the largest gain of 103,560 sf primarily due to America Family Insurance lease of 93,750 sf and moving in the next few years and Badger Mutual Insurance leasing 20,000 sf. American Family will eventually vacate 76,000 sf in Pewaukee market.
- Northwest market posted the largest loss of 50,494 sf negative

MILWAUKEE OFFICE: SUMMARY

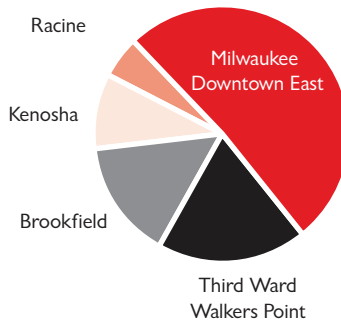
Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	119	16,270,525	3,022,928	2,102,762	(11,054)	294,799	12.9%
B	414	27,553,135	4,093,489	3,691,973	33,000	168,898	13.4%
C	55	2,392,385	136,934	113,560	96,371	107,763	4.7%
Total	588	46,216,045	7,253,351	5,908,295	118,317	571,460	12.8%

absorption losing Schenck, HNTB and Ministry Health Care vacating total of 84,000 sf.

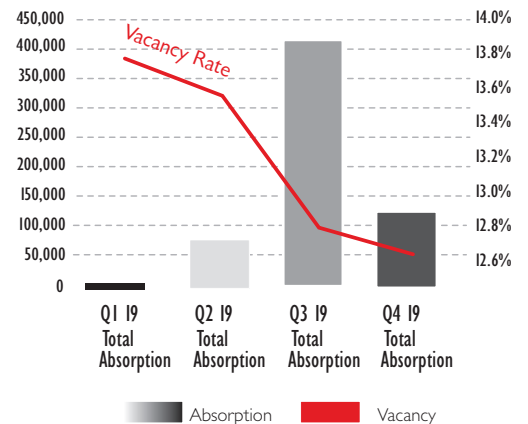
- Overall vacancy rate with 12.8% and multi-tenant vacancy rate of 16.4%.
- There is over 1,000,000 sf currently under construction in 6 properties this quarter and 8 properties were delivered this year with 471,000 sf with the largest this quarter of Zund America's 60,000 sf building.

UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	543,817
Third Ward - Walkers Point	199,465
Brookfield	158,000
Kenosha	100,000
Racine	53,753
Grand Total	1,055,035



ABSORPTION AND VACANCY RATE

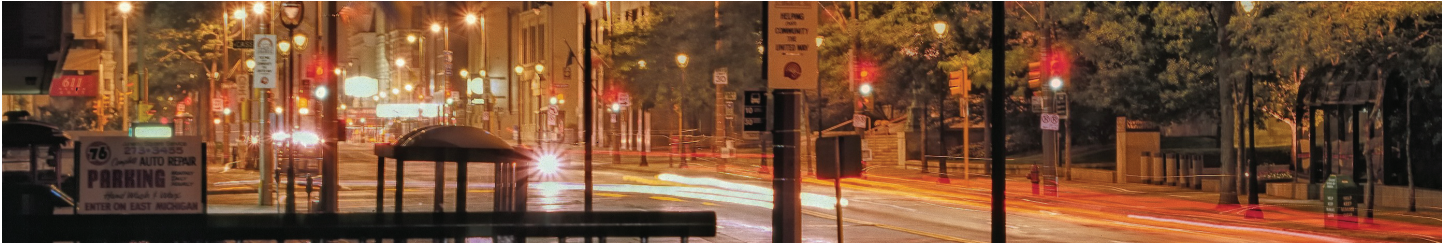


MILWAUKEE OFFICE

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
Milwaukee Downtown East	A	14	6,193,407	921,327	561,557	1,702	58,370	9.1%
	B	45	5,215,872	388,267	281,117	1,281	47,155	5.4%
	C	5	146,389	0	0	0.0%		
	Subtotal	64	11,555,668	1,309,594	842,674	2,983	105,525	7.3%
Milwaukee Downtown West	A	4	1,002,617	386,818	379,097	17,453	3,352	37.8%
	B	32	4,315,767	994,427	855,171	(7,643)	109,817	19.8%
	C	3	204,311	14,000	93,750	93,750	0.0%	
	Subtotal	39	5,522,695	1,395,245	1,234,268	103,560	206,919	22.3%
Third Ward - Walkers Point	A	3	263,369	22,755	15,775	0	19,409	6.0%
	B	38	2,025,642	301,829	234,497	5,054	25,472	11.6%
	C	5	175,896	91,207	84,000	0	0	47.8%
	Subtotal	46	2,464,907	415,791	334,272	5,054	44,881	13.6%
Milwaukee CBD	A	21	7,459,393	1,330,900	956,429	19,155	25,983	12.8%
	B	115	11,557,281	1,684,523	1,370,785	(1,308)	22,931	11.9%
	C	13	526,596	105,207	84,000	93,750	0	16.0%
	Subtotal	149	19,543,270	3,120,630	2,411,214	111,597	48,914	12.3%
Brookfield	A	29	2,290,021	399,521	328,263	52,049	51,495	14.3%
	B	74	3,648,397	567,775	491,137	(52,727)	(99,786)	13.5%
	C	6	163,390	400	400	0.0%		
	Subtotal	109	6,101,808	967,296	819,400	(278)	(47,891)	13.4%
Mayfair - Wauwatosa	A	17	1,813,349	440,039	165,079	7,807	84,735	9.1%
	B	28	1,341,659	274,365	265,345	2,316	(30,730)	19.8%
	C	8	343,553	11,467	11,467	0	0	3.3%
	Subtotal	53	3,498,561	725,871	441,891	10,123	54,005	12.6%
Mequon - Theinville	A	10	283,966	44,566	39,542	0	0	13.9%
	B	7	211,451	56,477	54,547	1,100	(3,222)	25.8%
	Subtotal	17	495,417	101,043	94,089	1,100	(3,222)	19.0%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	717,056			0	0	0.0%
	C	11	672,599			0	0	0.0%
	Subtotal	20	1,460,210			0	0	0.0%

MILWAUKEE OFFICE, continued

Market	Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
Milwaukee North Shore	A	4	207,307	96,727	78,706	1,864	1,864	38.0%
	B	35	2,264,021	557,298	552,158	(1,720)	(28,044)	24.4%
	C	8	402,978	20,260	18,093	2,221	13,613	4.5%
	Subtotal	47	2,874,306	674,285	648,957	2,365	(12,567)	22.6%
Milwaukee Northwest	A	13	2,009,168	285,988a	282,415	(80,336)	(82,926)	14.1%
	B	42	2,470,282	400,435	393,503	29,842	39,381	15.9%
	Subtotal	55	4,479,450	686,423	675,918	(50,494)	(43,545)	15.1%
Milwaukee Southwest	A	4	179,554	51,424	51,424	0	(12,172)	28.6%
	B	8	321,653	22,507	18,057	(4,766)	2,078	5.6%
	C	2	91,658	0	0	0.0%		
	Subtotal	14	592,865	73,931	69,481	(4,766)	(10,094)	11.7%
Milwaukee West	B	18	2,149,097	181,163	329,813	(3,712)	29,330	15.3%
	C	1	27,516	0	0	0.0%		
	Subtotal	19	2,176,613	181,163	329,813	(3,712)	29,330	15.2%
Pewaukee	A	18	1,232,396	344,748	171,889	(11,593)	170,035	13.9%
	B	19	681,868	115,980	31,647	(2,415)	32,120	4.6%
	Subtotal	37	1,914,264	460,728	203,536	(14,008)	202,155	10.6%
Waukesha Northwest - Lake Country	B	18	593,108	30,750	27,035	1,390	(18,134)	4.6%
	Subtotal	18	593,108	30,750	27,035	1,390	(18,134)	4.6%
Waukesha Southeast - New Berlin	A	2	724,816	29,015	29,015	0	637	4.0%
	B	23	878,075	113,532	113,532	65,000	55,075	12.9%
	Subtotal	25	1,602,891	142,547	142,547	65,000	55,712	8.9%
Waukesha Southwest	B	19	719,187	88,684	44,414	0	8,386	6.2%
	C	6	164,095	0	0	0.0%		
	Subtotal	25	883,282	88,684	44,414	0	8,386	5.0%
Suburban	A	98	8,811,132	1,692,028	1,146,333	(30,209)	(17,185)	13.0%
	B	299	15,995,854	2,408,966	2,321,188	34,308	124,071	14.5%
	C	42	1,865,789	31,727	29,560	2,621	0	1.6%
	Subtotal	439	26,672,775	4,132,721	3,497,081	6,720	106,886	13.1%
Grand Total		588	46,216,045	7,253,351	5,908,295	118,317	571,460	12.8%



Milwaukee Industrial Overview

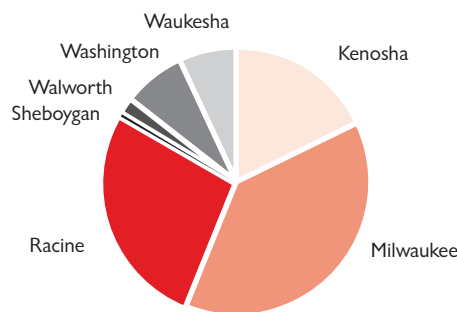
- Total quarterly absorption of 1,356,000 sf positive absorption with YTD 3,516,684 sf positive absorption.
- Total quarterly absorption on multi-tenant properties of 1,515,000 sf positive absorption with YTD 1,635,857 sf positive absorption.
- Racine posted the largest gain of 872,000 sf resulted from two larger deals of ND Paper leasing 343,000 sf and Hillwood Seda leasing 307,000 sf.
- Sheboygan County posted the largest loss of 13,000 sf negative absorption.
- There was a lot of movement in Milwaukee County with a 463,000 sf leased by three confidential tenants by Phoenix Investors, Safer Mile leasing 69,000 sf and Used Carboard Boxes leasing 58,000 sf while CD Technologies vacating 318,000 sf and Tramont Manufacturing vacating 172,000 sf.
- Overall vacancy rate with 4% and multi-tenant vacancy rate of 14.3%.
- There is over 7,000,000 sf currently under construction in 26 properties this quarter and 26 properties have been delivered YTD with over 5,000,000 sf.

INDUSTRIAL – MULTI AND SINGLE TENANT

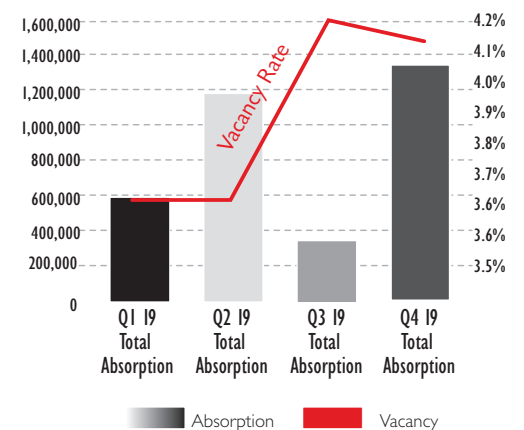
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	206	8,690,822	1,051,241	619,174	49,869	204,800	7.1%
Manufacturing	2,251	180,226,070	3,239,011	2,538,400	(176,821)	(75,817)	1.4%
Warehouse Distribution	1,109	100,919,988	7,273,673	6,409,822	1,443,845	3,230,811	6.4%
Warehouse Office	1,935	71,947,216	7,050,184	5,052,814	39,948	156,890	7.0%
Grand Total	5,501	361,784,096	18,614,109	14,620,210	1,356,841	3,516,684	4.0%

YTD DELIVERIES (SF)

COUNTY	BLDG SIZE (SF)
Kenosha	1,274,106
Milwaukee	2,728,800
Racine	1,925,764
Sheboygan	20,200
Walworth	141,500
Washington	525,900
Waukesha	484,405
Grand Total	7,100,675



ABSORPTION AND VACANCY RATE



MILWAUKEE INDUSTRIAL

	Property Type	# of Bldgs	Inventory	Q3 19 Available (sf)	Q3 19 Vacant (sf)	Q3 19 Absorption (sf)	Q3 19 YTD Absorption (sf)	Q3 19 Vacancy Rate
Kenosha	Flex/R&D	1	363,467	143,468	0	0	0.0%	
	Manufacturing	109	8,421,700	62,936	51,059	0	0	0.6%
	Warehouse Distribution	83	23,115,116	1,491,941	2,443,455	(406)	571,676	10.6%
	Warehouse Office	66	3,920,306	74,166	13,000	0	5,000	0.3%
	Subtotal	259	35,820,589	1,772,511	2,507,514	(406)	576,676	7.0%
Milwaukee	Flex/R&D	41	2,202,742	377,604	280,434	41,018	155,492	12.7%
	Manufacturing	681	61,601,750	1,953,593	1,855,683	(420,919)	(624,572)	3.0%
	Warehouse Distribution	495	35,744,969	4,185,209	3,200,226	525,268	437,644	9.0%
	Warehouse Office	604	25,800,051	3,966,970	2,339,527	90,287	15,408	9.1%
	Subtotal	1,821	125,349,512	10,483,376	7,675,870	235,654	(16,028)	6.1%
Ozaukee	Flex/R&D	15	475,322	37,664	26,664	(13,103)	(5,603)	5.6%
	Manufacturing	133	9,407,199	370,041	181,716	15,446	38,946	1.9%
	Warehouse Distribution	18	1,716,267	0	0	0.0%		
	Warehouse Office	61	2,638,367	544,141	483,885	2,374	2,648	18.3%
	Subtotal	227	14,237,155	951,846	692,265	4,717	35,991	4.9%
Racine	Flex/R&D	13	811,918	112,200	66,400	0	14,186	8.2%
	Manufacturing	189	17,041,799	124,124	177,394	193,166	173,766	1.0%
	Warehouse Distribution	98	9,978,025	595,841	193,650	679,429	765,140	1.9%
	Warehouse Office	130	5,919,869	767,635	839,652	0	96,629	14.2%
	Subtotal	430	33,751,611	1,599,800	1,277,096	872,595	1,049,721	3.8%
Sheboygan	Flex/R&D	1	31,069	0	0	0.0%		
	Manufacturing	169	21,955,999	0	17,588	0.0%		
	Warehouse Distribution	42	3,047,041	0	0	0.0%		
	Warehouse Office	77	2,132,985	66,973	25,984	(13,875)	(10,484)	1.2%
	Subtotal	289	27,167,094	66,973	25,984	(13,875)	7,104	0.1%
Walworth	Flex/R&D	2	72,646	0	0	0.0%		
	Manufacturing	132	9,707,863	19,336	19,336	0	200,664	0.2%
	Warehouse Distribution	36	2,204,273	0	0	0.0%		
	Warehouse Office	60	2,538,286	80,294	179,316	0	21,778	7.1%
	Subtotal	230	14,523,068	99,630	198,652	0	222,442	1.4%
Washington	Flex/R&D	15	453,795	41,103	30,953	(1,880)	3,856	6.8%
	Manufacturing	234	13,994,232	187,061	63,141	38,271	51,823	0.5%
	Warehouse Distribution	81	7,615,085	207,286	192,300	224,868	977,412	2.5%
	Warehouse Office	170	6,106,052	226,970	358,586	(9,200)	14,400	5.9%
	Subtotal	500	28,169,164	662,420	644,980	252,059	1,047,491	2.3%
Waukesha	Flex/R&D	118	4,279,863	339,202	214,723	23,834	36,869	5.0%
	Manufacturing	604	38,095,528	521,920	190,071	(2,785)	65,968	0.5%
	Warehouse Distribution	256	17,499,212	793,396	380,191	14,686	478,939	2.2%
	Warehouse Office	767	22,891,300	1,323,035	812,864	(29,638)	11,511	3.6%
	Subtotal	1,745	82,765,903	2,977,553	1,597,849	6,097	593,287	1.9%
Grand Total		5,501	361,784,096	18,614,109	14,620,210	1,356,841	3,516,684	4.0%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property Size (sf)	Market	Tenant	Market
Grafton Commons 23,490	1050-1070 N Port Washington Rd Ozaukee	TJ Maxx	BMA Grafton Commons LLC
6750 N 43rd St 6,000	Milwaukee Northwest	The Infinite Promise Group	43rd Property LLC
Southport Plaza 14,957	6816 Green Bay Rd Kenosha	Fresenius Kidney Care	SP Southport Plaza Nine LLC
Southport Plaza 12,000	6816 Green Bay Rd Kenosha	Dollar Tree	SP Southport Plaza Nine LLC
Meadowbrook Marketplace 9,394	701 Meadowbrook Rd Waukesha	Burn Bootcamp	Meadowbrook Marketplace LLC
Grafton Commons 8712	1050-1070 N Port Washington Rd Ozaukee	Five Below	BMA Grafton Commons LLC
Whitnall Square 7500	4698 S Whitnall Ave Milwaukee Southeast	Planet Fitness	TCB-Whitnall LLC
Mequon Pavilions Shopping Center 7011	10932-11048 N Port Washington Rd Mequon - Theinsville	Pet Supplies Plus	Centro Bradely SPE 1 LLC
84South 6700	8400-8680 W Sura Ln Milwaukee Southwest	David's Bridal	84 South Mid Box East LLC

NOTABLE RETAIL SALES TRANSACTIONS

Property Market	Buyer	Price Seller
Prairie Ridge Commons - Portfolio Kenosha	9780 76th St Prairie Ridge USA, LLC	\$10,800,000 Repak Pridge Partners, LLC
Walgreens Milwaukee Southwest	7130 S 76th St MD-2 IV, LLC and MD-III, LLC	\$6,950,000 1438 I Street, LLC
Advance Auto Parts Milwaukee West	2224 Miller Park Way Agree Central, LLC	\$3,950,000 West Milwaukee AAP, LLC
Hillside Terrace Shopping Center Waukesha Southwest	2726-2736 Hillside Dr NRF IX - Hillside, LLC	\$3,850,000 U S Bank National Association
3470 Gateway Road Brookfield	AEI Accredited Investor Fund VI LP	\$3,575,000 CP Maple Leaf 3 LLC
Smith Brothers Building Ozaukee	100-108 N Franklin St Koeppler Family Partnership	\$3,240,000 Schlecht Port Washington LLC
112 S 68th St Mayfair - Wauwatosa	Aterra 150 112 S 68Th St Milwaukee LLC	\$2,725,000 Fenice 112 S 68Th Street LLC
Creekside Plaza Ozaukee	2225-2297 Wisconsin Ave Westlake Farms, LP; Russell Westlake; and Sheryl Westlake	\$2,690,000 Twelve Pines GV, LLC; Joseph Kaplan; and Cynthia Kaplan
2302 West Saint Paul Avenue Waukesha	Fox Run 3, LLC	\$2,650,000 Winfox, LLC

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