



COMMERCIAL REAL ESTATE MARKET REPORT

Q2 2021

FOR IMMEDIATE RELEASE JULY 2021 | For more information, please contact: Tracy Johnson, CARW 414-698-7474 | Chris Allen, Catylist 952-456-1669

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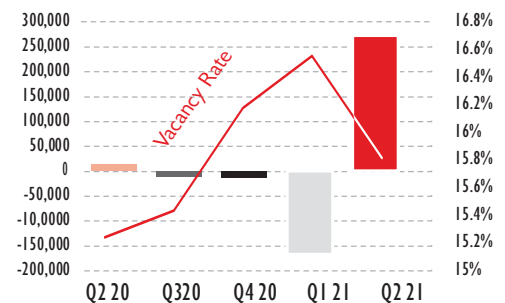
Milwaukee Office Overview

MILWAUKEE OFFICE: SUMMARY

- Milwaukee office market posted positive absorption of 273,000 sf during Q2 after 3 quarters of negative absorption. Multi-tenant properties increased 294,000 sf positive absorption. Year to date was 118,000 sf positive absorption for all properties while multi-tenant properties was 294,000 sf positive absorption.
- Second quarter overall vacancy rate decreased to 15.8% while the multi-tenant vacancy rate also decreased to 19.1%.
- Milwaukee CBD 131,000 sf positive absorption equalled the suburbs with 141,000 sf positive absorption.
- Milwaukee Downtown West had the largest gain of 313,000 sf positive absorption driven by Milwaukee Tool purchasing a vacant 372,000 sf property. This purchase was the driving force in positive absorption in Milwaukee CBD and for Milwaukee whole market. Without the purchase they would have had negative absorption.
- Milwaukee Central market had the largest loss of 115,000 sf vacancy as Astronautics vacated their building and is for sale.
- Milwaukee office market had 84 lease comps totaling 281,000 sf this quarter. Nineteen office properties with 654,000 sf sold this quarter for \$67.5M
- There is 453,000 sf currently under construction in 6 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022.

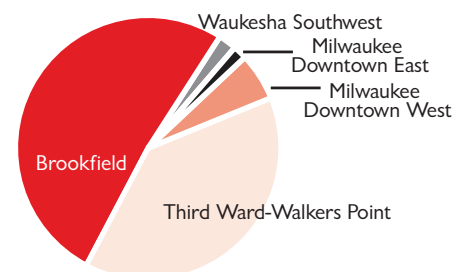
Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	102	16,057,954	4,024,056	2,918,651	(92,775)	(195,346)	18.2%
B	428	26,701,696	4,358,273	3,958,279	459,942	408,070	14.8%
C	51	2,289,931	242,060	247,678	(93,807)	(93,807)	10.8%
Grand Total	581	45,049,581	8,624,389	7,124,608	273,360	118,917	15.8%

ABSORPTION AND VACANCY RATE



UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown East	8,104
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	176,000
Brookfield	233,000
Waukesha Southwest	10,000
Grand Total	453,354



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	1,346,001	965,966	(64,493)	(63,650)	14.4%
	B	44	4,522,819	586,292	772,194	(110,527)	(59,152)	17.1%
	C	4	146,389	17,800	17,800	0	0	12.2%
	Subtotal	64	11,381,825	1,950,093	1,755,960	(175,020)	(122,802)	15.4%
Milwaukee Downtown West	A	3	902,938	491,441	488,268	(27,484)	(107,484)	54.1%
	B	33	4,187,080	803,102	673,858	341,466	327,551	16.1%
	C	2	189,311			0	0	0.0%
	Subtotal	38	5,279,329	1,294,543	1,162,126	313,982	220,067	22.0%
Third Ward-Walkers Point	A	4	465,416	181,026	148,963	0	81,597	32.0%
	B	37	2,007,523	287,171	242,939	(7,140)	(15,134)	12.1%
	C	4	161,750	84,000	84,000	0	0	51.9%
	Subtotal	45	2,634,689	552,197	475,902	(7,140)	66,463	18.1%
Milwaukee CBD	A	23	8,080,971	2,018,468	1,603,197	(91,977)	(89,537)	19.8%
	B	114	10,717,422	1,676,565	1,688,991	223,799	253,265	15.8%
	C	10	497,450	101,800	101,800	0	0	20.5%
	Subtotal	147	19,295,843	3,796,833	3,393,988	131,822	163,728	17.6%
Brookfield	A	24	2,029,412	574,920	331,262	(8,296)	(45,112)	16.3%
	B	76	3,961,918	755,480	607,954	165,848	130,978	15.3%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	105	6,139,084	1,335,400	939,216	157,552	85,866	15.3%
Mayfair - Wauwatosa	A	14	1,658,528	373,607	177,007	(9,373)	(13,384)	10.7%
	B	30	1,453,493	352,911	330,591	14,711	12,859	22.7%
	C	8	343,553		12,785	(547)	(547)	3.7%
	Subtotal	52	3,455,574	726,518	520,383	4,791	(1,072)	15.1%
Mequon - Theinsville	A	6	204,804	107,222	61,983	476	476	30.3%
	B	12	328,283	49,756	52,296	6,476	2,006	15.9%
	Subtotal	18	533,087	156,978	114,279	6,952	2,482	21.4%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	615,077	65,329		0	0	0.0%
	C	11	672,599	115,000	115,000	(115,000)	(115,000)	17.1%
	Subtotal	20	1,358,231	180,329	115,000	(115,000)	(115,000)	8.5%

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	149,535	94,410	94,410	0	0	63.1%
	B	34	1,977,380	272,537	234,617	56,555	(2,178)	11.9%
	C	8	402,978	20,260	18,093	21,740	21,740	4.5%
	Subtotal	45	2,529,893	387,207	347,120	78,295	19,562	13.7%
Milwaukee Northwest	A	12	1,915,769	282,785	213,280	0	17,777	11.1%
	B	44	2,563,681	405,828	388,779	44,165	41,475	15.2%
	Subtotal	56	4,479,450	688,613	602,059	44,165	59,252	13.4%
Milwaukee Southwest	A	2	111,067	16,936	19,782	0	2,160	17.8%
	B	10	390,140	48,606	51,494	(882)	(777)	13.2%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	65,542	71,276	(882)	1,383	12.0%
Milwaukee West	B	19	1,751,034	354,676	275,717	10,225	918	15.7%
	C	1	27,516			0	0	0.0%
	Subtotal	20	1,778,550	354,676	275,717	10,225	918	15.5%
Pewaukee	A	16	1,157,047	555,708	417,730	16,395	(67,726)	36.1%
	B	20	717,184	79,794	68,507	(3,764)	(14,668)	9.6%
	Subtotal	36	1,874,231	635,502	486,237	12,631	(82,394)	25.9%
Waukesha Northwest - Lake Country	B	18	593,108	63,028	36,498	(5,293)	(831)	6.2%
	Subtotal	18	593,108	63,028	36,498	(5,293)	(831)	6.2%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	24	913,789	163,040	165,297	(52,186)	(22,524)	18.1%
	Subtotal	25	1,594,055	163,040	165,297	(52,186)	(22,524)	10.4%
Waukesha Southwest	B	19	719,187	70,723	57,538	288	7,547	8.0%
	C	6	106,423			0	0	0.0%
	Subtotal	25	825,610	70,723	57,538	288	7,547	7.0%
Suburban	A	79	7,976,983	2,005,588	1,315,454	(798)	(105,809)	16.5%
	B	314	15,984,274	2,681,708	2,269,288	236,143	154,805	14.2%
	C	41	1,792,481	140,260	145,878	(93,807)	(93,807)	8.1%
	Subtotal	434	25,753,738	4,827,556	3,730,620	141,538	(44,811)	14.5%
Grand Total		581	45,049,581	8,624,389	7,124,608	273,360	118,917	15.8%



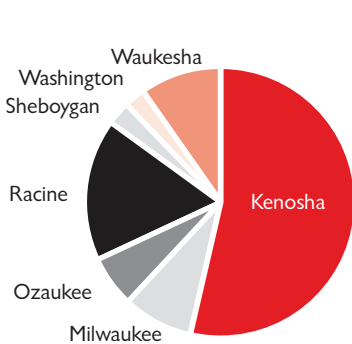
Milwaukee Industrial Overview

- Milwaukee industrial market continues the trend with 2,600,000 sf positive absorption for Q2 2021 bringing the year to date total 3,180,000 sf positive absorption. Multi-tenant properties also posted 2,000,000 sf positive absorption this quarter with year to date 2,699,000 sf positive absorption. For multi and single tenant properties there was positive absorption each quarter over the last 2 years. For just multi-tenant properties the last time there was negative absorption was Q3 2019.
- Second quarter overall vacancy rate dropped down to 3.6% with multi-tenant vacancy rate dropping this quarter to 10.0%.
- Milwaukee County held the top with 1,900,000 sf positive absorption led by Amazon leasing over 1,000,000 sf and held the top two absorption gains with Quality Packaging leasing 225,000 sf.
- Walworth County was the only county with negative absorption of 132,000 sf due to Life Fitness vacating 142,000 sf.
- Milwaukee industrial market had 73 lease comps totaling 2,900,000 sf. Fifty one properties with 2,027,000 sf sold this quarter for over \$112.6M.
- There is over 5,900,000 sf currently under construction resulting from 21 properties. Uline is the largest project under construction with over 1,000,000 sf.
- Eight properties have been delivered year to date with 406,000 sf.

SUMMARY

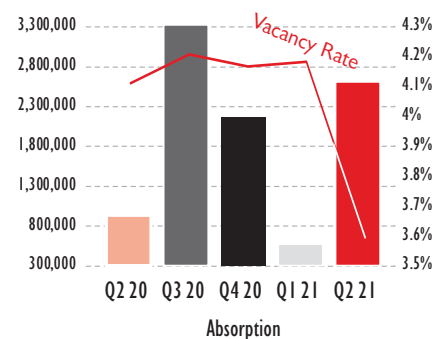
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	218	9,585,366	1,179,463	772,804	33,104	40,414	8.1%
Manufacturing	2,244	180,234,198	5,586,988	3,381,821	353,466	541,305	1.9%
Warehouse Distribution	1,115	106,968,302	7,615,025	5,144,667	1,543,306	1,834,622	4.8%
Warehouse Office	1,944	71,941,719	6,645,163	3,981,368	676,188	764,940	5.5%
Grand Total	5,521	368,729,585	21,026,639	13,280,660	2,606,064	3,181,281	3.6%

UNDER CONSTRUCTION (SF)



COUNTY	BLDG SIZE (SF)
Kenosha	3,207,918
Milwaukee	505,000
Ozaukee	375,000
Racine	1,001,860
Sheboygan	175,200
Washington	139,037
Waukesha	578,820
Grand Total	5,982,835

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	1	363,467	143,468		0	0	0.0%
	Manufacturing	110	8,591,420	383,333	233,226	188,960	0	2.7%
	Warehouse Distribution	88	24,818,373	1,500,997	1,397,297	114,596	592,577	5.6%
	Warehouse Office	66	3,971,049	83,300	22,134	0	0	0.6%
	Subtotal	265	37,744,309	2,111,098	1,652,657	303,556	592,577	4.4%
Milwaukee	Flex/R&D	47	2,592,856	569,295	522,301	10,190	18,865	20.1%
	Manufacturing	676	61,169,750	3,208,897	2,197,439	26,945	302,775	3.6%
	Warehouse Distribution	487	37,777,664	2,793,458	1,513,800	1,445,745	1,776,942	4.0%
	Warehouse Office	606	25,524,395	3,916,840	2,196,317	475,006	276,996	8.6%
	Subtotal	1,816	127,064,665	10,488,490	6,429,857	1,957,886	2,375,578	5.1%
Ozaukee	Flex/R&D	16	499,944	77,944	23,114	5,371	18,271	4.6%
	Manufacturing	133	9,407,199	332,740	250,865	44,260	38,045	2.7%
	Warehouse Distribution	18	1,716,267			0	0	0.0%
	Warehouse Office	59	2,618,996	598,476	448,566	107	18,543	17.1%
	Subtotal	226	14,242,406	1,009,160	722,545	49,738	74,859	5.1%
Racine	Flex/R&D	14	1,073,414	34,994	26,434	0	(8,960)	2.5%
	Manufacturing	187	16,770,998	309,334	157,994	0	19,400	0.9%
	Warehouse Distribution	106	11,578,424	888,000	746,189	75,290	(108,533)	6.4%
	Warehouse Office	128	5,574,641	625,429	625,429	19,758	44,238	11.2%
	Subtotal	435	34,997,477	1,857,757	1,556,046	95,048	(53,855)	4.4%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	(80)	(80)	32.8%
	Manufacturing	169	22,034,305	128,255		0	0	0.0%
	Warehouse Distribution	41	2,917,773			0	0	0.0%
	Warehouse Office	78	2,193,384	61,248		4,625	4,625	0.0%
	Subtotal	289	27,176,182	194,583	10,080	4,545	4,545	0.0%
Walworth	Flex/R&D	2	72,646			0	0	0.0%
	Manufacturing	130	9,707,863			0	0	0.0%
	Warehouse Distribution	37	2,304,273	142,260	142,260	(142,260)	(42,260)	6.2%
	Warehouse Office	62	2,579,786	75,294	35,000	10,000	58,960	1.4%
	Subtotal	231	14,664,568	217,554	177,260	(132,260)	16,700	1.2%
Washington	Flex/R&D	15	453,795	74,608		0	0	0.0%
	Manufacturing	234	14,082,426	143,760	61,640	5,301	(6,699)	0.4%
	Warehouse Distribution	83	8,213,635	1,152,692	435,648	0	77,888	5.3%
	Warehouse Office	172	6,118,359	240,684	132,081	65,492	65,492	2.2%
	Subtotal	504	28,868,215	1,611,744	629,369	70,793	136,681	2.2%
Waukesha	Flex/R&D	122	4,498,524	274,074	190,875	17,623	12,318	4.2%
	Manufacturing	605	38,470,237	1,080,669	480,657	88,000	187,784	1.2%
	Warehouse Distribution	255	17,641,893	1,137,618	909,473	49,935	(461,992)	5.2%
	Warehouse Office	773	23,361,109	1,043,892	521,841	101,200	296,086	2.2%
	Subtotal	1,755	83,971,763	3,536,253	2,102,846	256,758	34,196	2.5%
		5,521	368,729,585	21,026,639	13,280,660	2,606,064	3,181,281	3.6%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property	Size (sf)	Market	Tenant	Landlord
Greenfield Place 4850 S 74th St	42,000	Milwaukee Southwest	Flex Pay Furniture Space	Bonnie Management Corp
Loomis Shopping Center 3545 S 27th St	22,000	Milwaukee Southeast	DD's Discounts	Loomis Centre LLC
2400 Milwaukee St	7,300	Waukesha Northwest	Olive Garden	Delafield Realty LLC
8917-8923 W Brown Deer Rd	6,949	Milwaukee Northwest	8917, LLC	Coastland Properties LLC
18525 W Bluemound Rd	6,222	Brookfield	Calico Corners	Dreyer Family Ltd
Greenfield Place 4850 S 74th St	5,942	Milwaukee Southwest	Play It Again Sports	Bonnie Management Corp

NOTABLE RETAIL SALES TRANSACTIONS

Property	Price	Market	Buyer	Seller
The Shoppes at Wyndham Village 7780 S Lovers Lane Rd	\$10,220,700	Milwaukee Southwest	ARG PSFKNW1001, LLC	Franklin-Wyndham, LLC
Brown Deer Center 9070-9080 N Green Bay Rd	\$6,326,192	Milwaukee North Shore	Brown Deer Realty WI, LLC; Brown Deer NAMCO, LLC	BRE DDR Brown Deer Center, LLC
Walgreens 8333 W Greenfield Ave	\$6,102,717	Milwaukee West	OHTA Whispering Pines, LP	Cardinal Green Investments, LLC
Walgreens W156N11261 Pilgrim Rd	\$5,377,358	Washington	R.L. Perlow Corporation	Cardinal Green Investments, LLC
Walgreens 8333 W Greenfield Ave	\$4,925,000	Milwaukee West	Cardinal Green Investments, LLC	AG Leasing Company, LLC
Greenwood Shopping Center 3703-3805 80th St	\$4,780,000	Kenosha	NS Retail Holdings, LLC	Breg Greenwood, LLC

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