

COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE APRIL 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 market started the year posting a third straight quarter decline in absorption with 200,000 sf negative absorption during Q1. Multi-tenant properties declined with 45,000 sf negative absorption.

MILWAUKEE OFFICE: SUMMARY

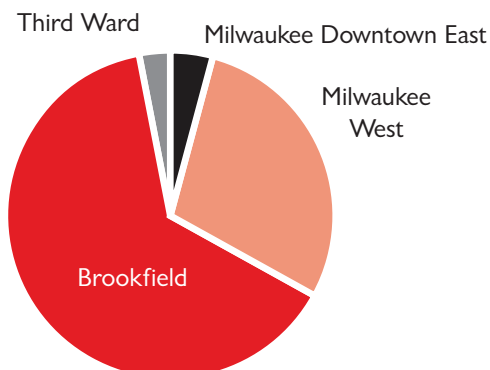
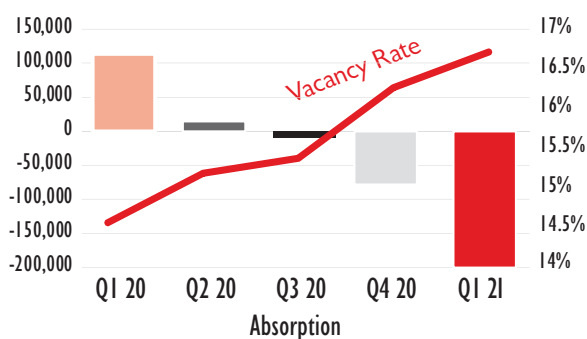
Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	101	16,057,954	3,871,586	2,889,846	(128,975)	(128,975)	18.0%
B	429	27,052,305	4,617,833	4,541,953	(71,230)	(71,230)	16.8%
C	51	2,289,931	168,245	153,871	0	0	6.7%
Grand Total	581	45,400,190	8,657,664	7,585,670	(200,205)	(200,205)	16.7%

- First quarter overall vacancy rate increased to 16.7% increasing for the last 5 consecutive quarters. The multi-tenant vacancy rate also increased to 20.8%.
- Third Ward had the largest gain of 73,000 sf positive absorption primarily due to new delivery for Michels 81,000 sf space. Downtown West market had the largest drop of 94,000 sf negative absorption resulting from Manpower vacating 80,000 sf on a sublease.
- Milwaukee CBD with no overall absorption change survived better than the suburbs which experienced 200,000 sf negative absorption.
- The pandemic is continuing to have an effect as American Family vacated 75,000 sf to work from home in Pewaukee as the largest change.
- There is 610,000 sf currently under construction in 6 properties. Golf Parkway Corp Center is the largest with 188,000 sf due to be delivered summer 2022.

UNDER CONSTRUCTION

MARKET	BLDG SIZE (SF)
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	176,000
Brookfield	391,000
Milwaukee West	17,500
Grand Total	610,750

ABSORPTION AND VACANCY RATE

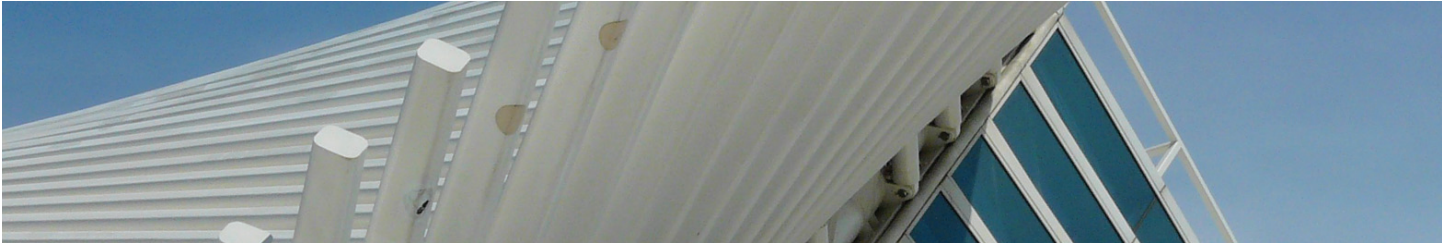


MILWAUKEE OFFICE

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	1,320,932	965,443	(25,561)	(25,561)	14.4%
	B	44	4,670,617	418,017	668,017	45,025	45,025	14.3%
	C	4	146,389	17,800	17,800	0	0	12.2%
	Subtotal	64	11,529,623	1,756,749	1,651,260	19,464	19,464	14.3%
Milwaukee Downtown West	A	3	902,938	460,784	460,784	(80,000)	(80,000)	51.0%
	B	33	4,187,080	1,172,012	1,015,324	(13,915)	(13,915)	24.2%
	C	2	189,311			0	0	0.0%
	Subtotal	38	5,279,329	1,632,796	1,476,108	(93,915)	(93,915)	28.0%
Third Ward-Walkers Point	A	4	465,416	174,209	148,963	81,597	81,597	32.0%
	B	37	2,007,523	303,868	235,799	(7,994)	(7,994)	11.7%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	45	2,634,689	569,284	468,762	73,603	73,603	17.8%
Milwaukee CBD	A	23	8,080,971	1,955,925	1,575,190	(23,964)	(23,964)	19.5%
	B	114	10,865,220	1,893,897	1,919,140	23,116	23,116	17.7%
	C	10	497,450	109,007	101,800	0	0	20.5%
	Subtotal	147	19,443,641	3,958,829	3,596,130	(848)	(848)	18.5%
Brookfield	A	24	2,029,412	564,766	322,966	(36,816)	(36,816)	15.9%
	B	75	3,803,918	804,398	615,802	(34,870)	(34,870)	16.2%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	104	5,981,084	1,374,164	938,768	(71,686)	(71,686)	15.7%
Mayfair - Wauwatosa	A	14	1,658,528	321,060	167,634	(4,011)	(4,011)	10.1%
	B	30	1,442,991	357,656	344,366	(916)	(916)	23.9%
	C	8	343,553	12,238	12,238	0	0	3.6%
	Subtotal	52	3,445,072	690,954	524,238	(4,927)	(4,927)	15.2%
Mequon - Theinsville	A	6	204,804	101,790	62,459	0	0	30.5%
	B	12	328,283	56,232	58,772	(4,470)	(4,470)	17.9%
	Subtotal	18	533,087	158,022	121,231	(4,470)	(4,470)	22.7%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	717,056	65,329		0	0	0.0%
	C	11	672,599			0	0	0.0%
	Subtotal	20	1,460,210	65,329		0	0	0.0%

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	2,184,214	347,744	584,746	(72,433)	(72,433)	26.8%
	C	8	402,978	42,000	39,833	0	0	9.9%
	Subtotal	45	2,736,727	484,154	718,989	(72,433)	(72,433)	26.3%
Milwaukee Northwest	A	11	1,915,769	282,785	213,280	17,777	17,777	11.1%
	B	44	2,563,681	441,667	432,944	(2,690)	(2,690)	16.9%
	Subtotal	55	4,479,450	724,452	646,224	15,087	15,087	14.4%
Milwaukee Southwest	A	2	111,067	16,936	19,782	2,160	2,160	17.8%
	B	10	390,140	47,724	50,612	105	105	13.0%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	64,660	70,394	2,265	2,265	11.9%
Milwaukee West	B	19	1,733,534	249,970	268,442	(9,307)	(9,307)	15.5%
	C	1	27,516			0	0	0.0%
	Subtotal	20	1,761,050	249,970	268,442	(9,307)	(9,307)	15.2%
Pewaukee	A	16	1,157,047	533,914	434,125	(84,121)	(84,121)	37.5%
	B	20	717,184	71,017	62,325	(8,486)	(8,486)	8.7%
	Subtotal	36	1,874,231	604,931	496,450	(92,607)	(92,607)	26.5%
Waukesha Northwest - Lake Country	B	18	593,108	37,291	34,767	900	900	5.9%
	Subtotal	18	593,108	37,291	34,767	900	900	5.9%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	26	993,789	174,006	112,211	30,562	30,562	11.3%
	Subtotal	27	1,674,055	174,006	112,211	30,562	30,562	6.7%
Waukesha Southwest	B	19	719,187	70,902	57,826	7,259	7,259	8.0%
	C	6	106,423			0	0	0.0%
	Subtotal	25	825,610	70,902	57,826	7,259	7,259	7.0%
Suburban	A	78	7,976,983	1,915,661	1,314,656	(105,011)	(105,011)	16.5%
	B	315	16,187,085	2,723,936	2,622,813	(94,346)	(94,346)	16.2%
	C	41	1,792,481	59,238	52,071	0	0	2.9%
	Subtotal	434	25,956,549	4,698,835	3,989,540	(199,357)	(199,357)	15.4%
Grand Total		581	45,400,190	8,657,664	7,585,670	(200,205)	(200,205)	16.7%



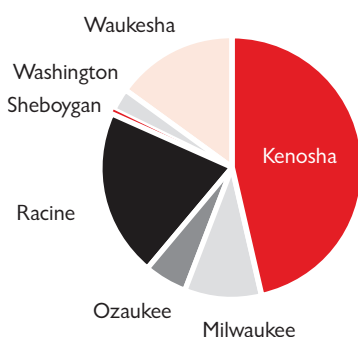
Milwaukee Industrial Overview

- Milwaukee industrial market started the year with 451,397 sf positive absorption for Q1 2021. Multi-tenant properties also posted 567,786 sf positive absorption this quarter. 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.
- First quarter overall vacancy rate was 4.3% with multi-tenant vacancy rate started the year at 12.3%
- Milwaukee County held the top with 360,000 sf positive absorption led by Steeles Solutions leasing 210,000 sf and had the top 4 of 6 positive gains. Kenosha posted largest single gain with Visual Pak leasing 472,000 sf.
- Waukesha County lost the most with 276,000 sf negative absorption due to Quad Graphics vacating and consolidating out of 388,000 sf.
- There is over 4,827,000 sf currently under construction resulting from 19 properties. Uline is the largest project under construction with over 1,000,000 sf.
- Four properties have been delivered this quarter with 254,000 sf.

SUMMARY

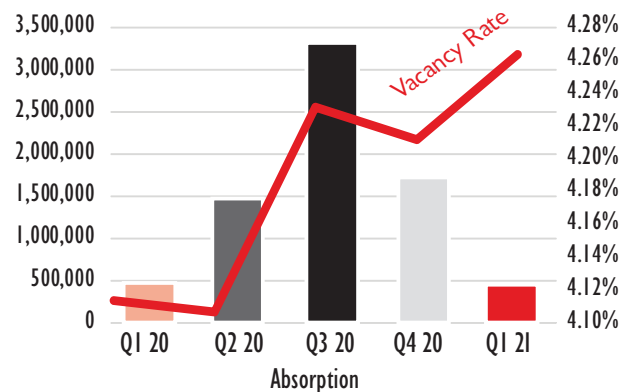
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	216	9,264,991	1,000,994	566,920	7,310	7,310	6.1%
Manufacturing	2,243	180,204,566	5,067,974	3,659,133	139,839	139,839	2.0%
Warehouse Distribution	1,116	107,569,593	9,604,434	6,583,673	291,316	291,316	6.1%
Warehouse Office	1,941	71,780,615	7,038,753	4,913,878	12,932	12,932	6.8%
Grand Total	5,516	368,819,765	22,712,155	15,723,604	451,397	451,397	4.3%

UNDER CONSTRUCTION (SF)



COUNTY	BLDG SIZE (SF)
Kenosha	2,244,500
Milwaukee	464,000
Ozaukee	250,000
Racine	993,460
Sheboygan	20,200
Washington	139,037
Waukesha	716,755
Grand Total	4,827,952

ABSORPTION AND VACANCY RATE



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	422,186	(188,960)	(188,960)	4.9%
	Warehouse Distribution	89	24,818,373	1,682,540	1,527,118	477,981	477,981	6.2%
	Warehouse Office	66	3,971,049	83,300	22,134	0	0	0.6%
	Subtotal	266	37,744,309	2,292,641	1,971,438	289,021	289,021	5.2%
Milwaukee	Flex/R&D	45	2,272,481	362,512	285,423	8,675	8,675	12.6%
	Manufacturing	676	61,358,572	2,815,273	2,272,384	227,830	227,830	3.7%
	Warehouse Distribution	489	38,453,164	4,567,124	2,965,245	331,197	331,197	7.7%
	Warehouse Office	604	25,470,664	3,964,599	2,659,437	(207,359)	(207,359)	10.4%
	Subtotal	1,814	127,554,881	11,709,508	8,182,489	360,343	360,343	6.4%
Ozaukee	Flex/R&D	16	499,944	45,366	28,485	12,900	12,900	5.7%
	Manufacturing	133	9,407,199	426,926	258,971	(6,215)	(6,215)	2.8%
	Warehouse Distribution	18	1,716,267			0	0	0.0%
	Warehouse Office	59	2,618,996	593,883	461,383	5,726	5,726	17.6%
	Subtotal	226	14,242,406	1,066,175	748,839	12,411	12,411	5.3%
Racine	Flex/R&D	14	1,073,414	34,994	26,434	(8,960)	(8,960)	2.5%
	Manufacturing	188	16,770,998	286,866	157,994	19,400	19,400	0.9%
	Warehouse Distribution	104	11,423,696	951,845	746,189	(183,823)	(183,823)	6.5%
	Warehouse Office	128	5,574,641	741,018	755,187	24,480	24,480	13.5%
	Subtotal	434	34,842,749	2,014,723	1,685,804	(148,903)	(148,903)	4.8%
Sheboygan	Flex/R&D	1	30,720	10,000	10,000	0	0	32.6%
	Manufacturing	168	21,903,851	35,230		0	0	0.0%
	Warehouse Distribution	42	3,048,227			0	0	0.0%
	Warehouse Office	78	2,193,384	65,873	4,625	0	0	0.2%
	Subtotal	289	27,176,182	111,103	14,625	0	0	0.1%
Walworth	Flex/R&D	2	72,646			0	0	0.0%
	Manufacturing	130	9,707,863	98,400		0	0	0.0%
	Warehouse Distribution	37	2,304,273	142,260		100,000	100,000	0.0%
	Warehouse Office	62	2,579,786	60,294	93,610	48,960	48,960	3.6%
	Subtotal	231	14,664,568	300,954	93,610	148,960	148,960	0.6%
Washington	Flex/R&D	15	453,795	74,608		0	0	0.0%
	Manufacturing	234	14,082,426	202,123	66,941	(12,000)	(12,000)	0.5%
	Warehouse Distribution	83	8,213,635	1,152,692	435,648	77,888	77,888	5.3%
	Warehouse Office	172	6,118,359	309,163	197,573	0	0	3.2%
	Subtotal	504	28,868,215	1,738,586	700,162	65,888	65,888	2.4%
Waukesha	Flex/R&D	122	4,498,524	330,046	216,578	(5,305)	(5,305)	4.8%
	Manufacturing	604	38,382,237	819,823	480,657	99,784	99,784	1.3%
	Warehouse Distribution	254	17,591,958	1,107,973	909,473	(511,927)	(511,927)	5.2%
	Warehouse Office	772	23,253,736	1,220,623	719,929	141,125	141,125	3.1%
	Subtotal	1,752	83,726,455	3,478,465	2,326,637	(276,323)	(276,323)	2.8%
Grand Total		5,516	368,819,765	22,712,155	15,723,604	451,397	451,397	4.3%

Milwaukee Retail Deals

NOTABLE RETAIL LEASE TRANSACTIONS

Property Size (sf)	Market	Tenant	Landlord
Greenfield Place 13,268	4850-5070 S 74th St Milwaukee Southwest	David's Bridal	Bonnie Management Corp
456 Milwaukee Ave 9,800	Racine	Burlington Hobbies & RC Track	Parks Real Estate LLC
Sendik's Village Centre 9,000	15800 Mequon Rd Washington	Pet Supply	G Town Properties
Brookfield Lakes Retail Center 8,000	17915-17925 W Bluemound Rd Brookfield	Jos. A Bank	Brookfield Lakes Wisconsin Realty, LP
Towne Shops of Mequon 6,000	11025-11043 N Port Washington Rd Mequon - Thiensville	X-Golf	East Towne Shops Inc

NOTABLE RETAIL SALES TRANSACTIONS

Property Price	Market	Buyer	Seller
6133 S 27th St \$3,800,000	Milwaukee SE	Zaae Properties, LLC	6133 Real Estate, LLC
3122-3124 & 3126-3136 N Downer Ave \$2,140,000	Milwaukee East Side	Dowth, LLC	Langdon Downer, LLC
5030 S 74th St \$1,750,000	Milwaukee SW	Andreas Bouraxis Irrevocable Trust	Wiza Property Holdings, LLC
812 S Layton Blvd \$1,725,000	Milwaukee South Central	MSA Holding, LLC	Dasada Property Management, LLC
706-708 E Juneau Ave, 1210-1212 N Van Buren St, & 1200 N Van Buren St \$1,700,000	Milwaukee Downtown East	2103 E. Kenwood, LLC	706 Juneau - A, LLC; 1200 Van Buren, LLC; 1210 Van Buren - A, LLC

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