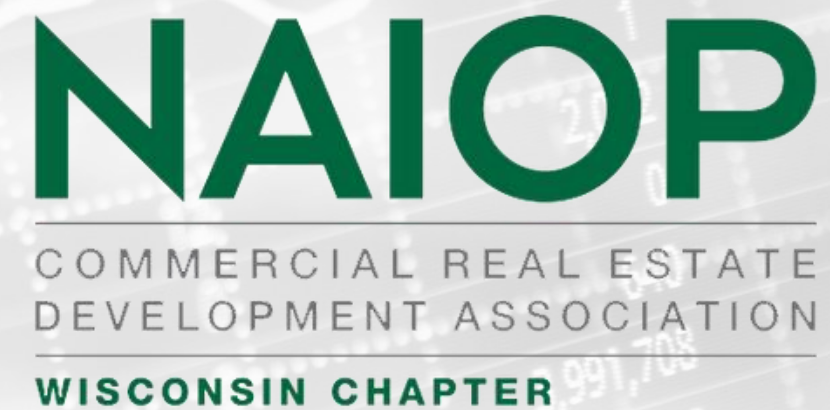


2025 Market Update



Market Update Emcee



Brad Amundsen
Associated Bank

2025 Market Update



Presenting Sponsor



M I D L O C H

INVESTMENT
PARTNERS

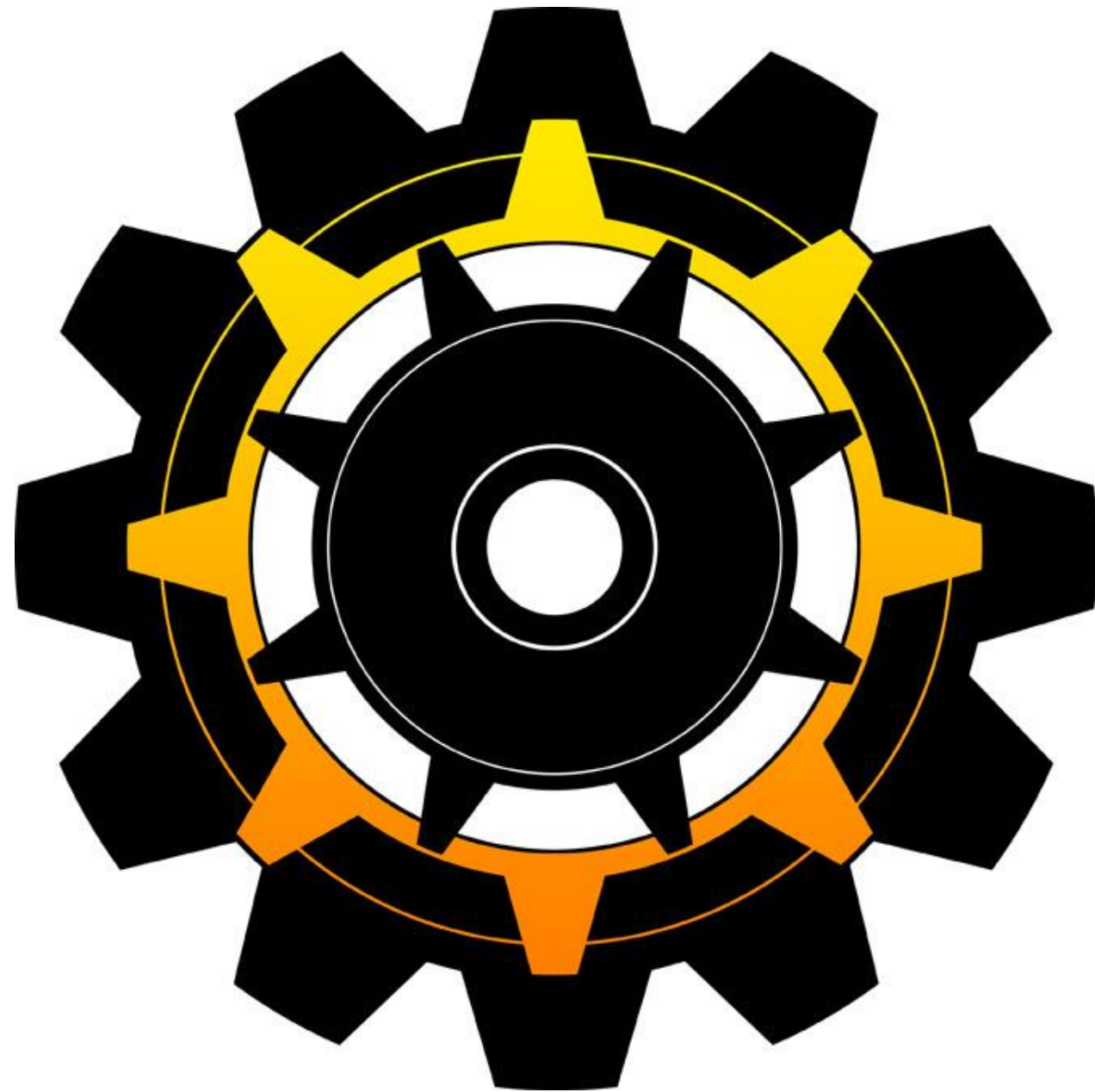
2025 Market Update



2025 Market Update



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FIRE
FIRST-RING INDUSTRIAL REDEVELOPMENT ENTERPRISE
MILWAUKEE • RACINE • KENOSHA

2025 Market Update



Data Sponsor

MOODY'S

2025 Market Update



2025 Market Update



Networking Sponsor

Reinhart

2025 Market Update



2025 Market Update



Sign Sponsor



2025 Market Update



2025 Market Update



Table Sponsors



2025 Market Update



2025 Market Update



Thank you!



Nathan Winkel
Colliers

2025 Market Update

Presented by:



2025 Market Update



Heather Dorfler
Cushman &
Wakefield | Boerke



Matt Hunter
Hunter Real Estate, LLC



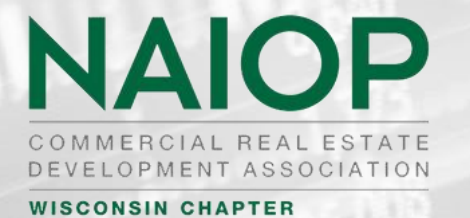
Fred Stallé
Mid-America Real
Estate



Kyle Fink, CCIM, SIOR
Colliers



INVESTMENT | OFFICE | RETAIL | INDUSTRIAL



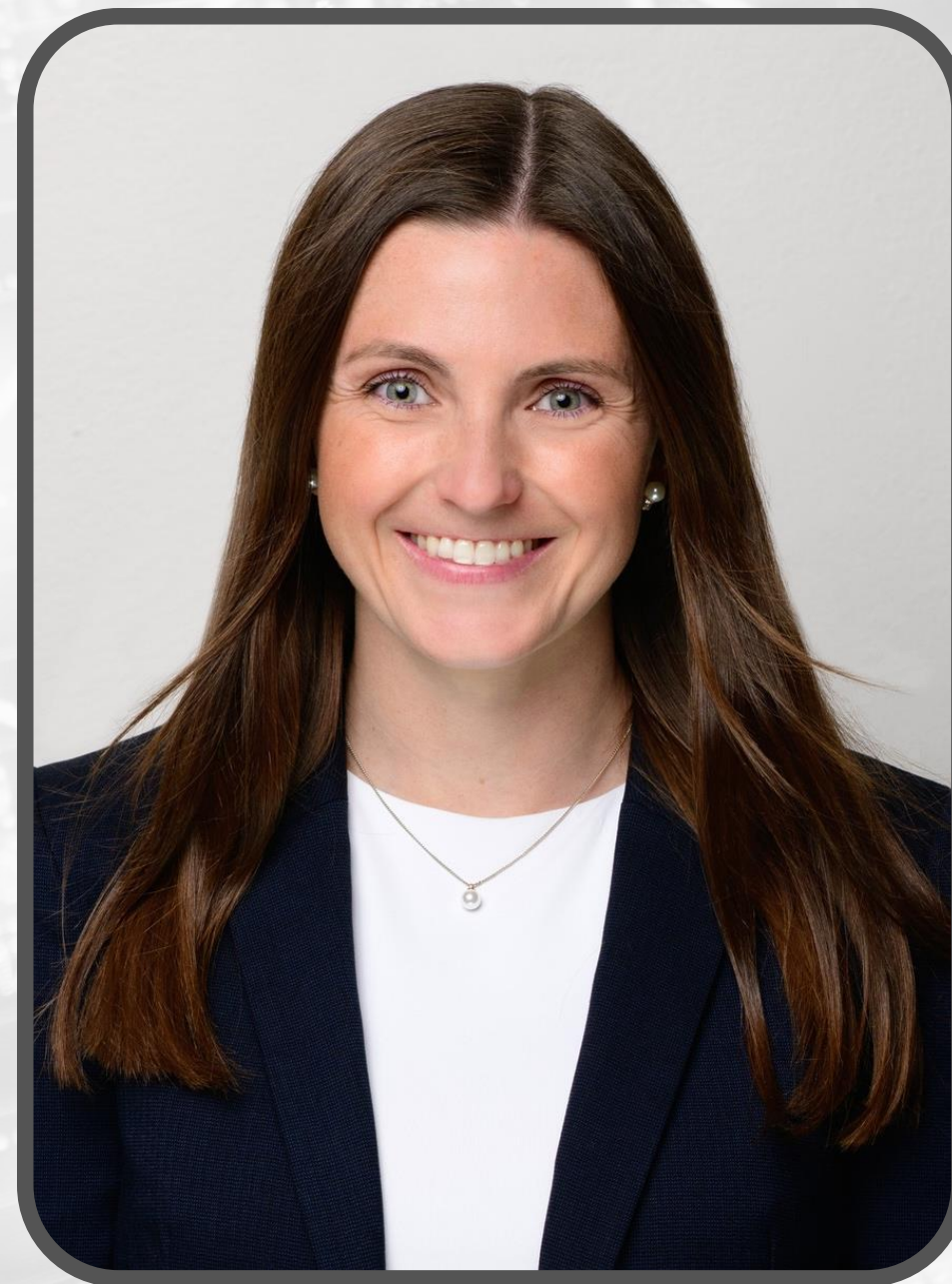
2025 Market Update

Presented by:



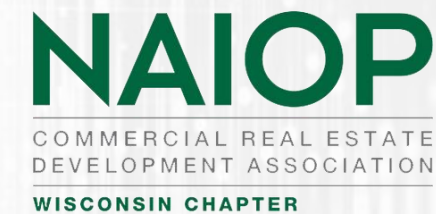
Investment Market

**Presented By:
Heather Dorfler
Cushman & Wakefield | Boerke**





2025 Market Update



ECONOMIC OVERVIEW



4.3%

Unemployment Rate

3.7%

Wage Growth YOY

0.9%

Employment Growth YOY

62.3%

Labor Force
Participation Rate
(0.4% Decline YOY)



3.1%

Unemployment Rate

2.2%

Wage Growth YOY

0.7%

Employment Growth YOY

64.8%

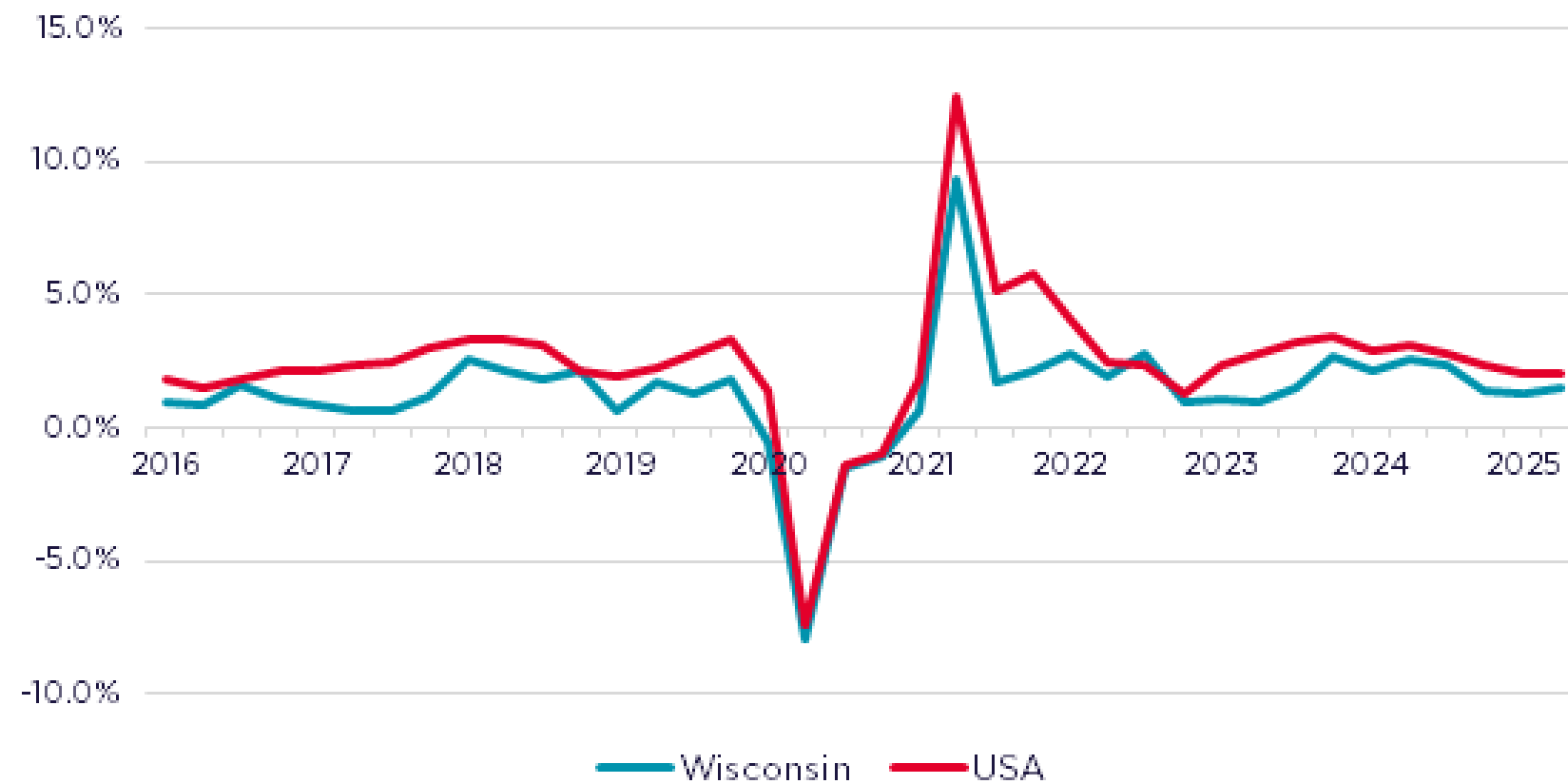
Labor Force
Participation Rate
(1.2% Decline YOY)

2025 Market Update

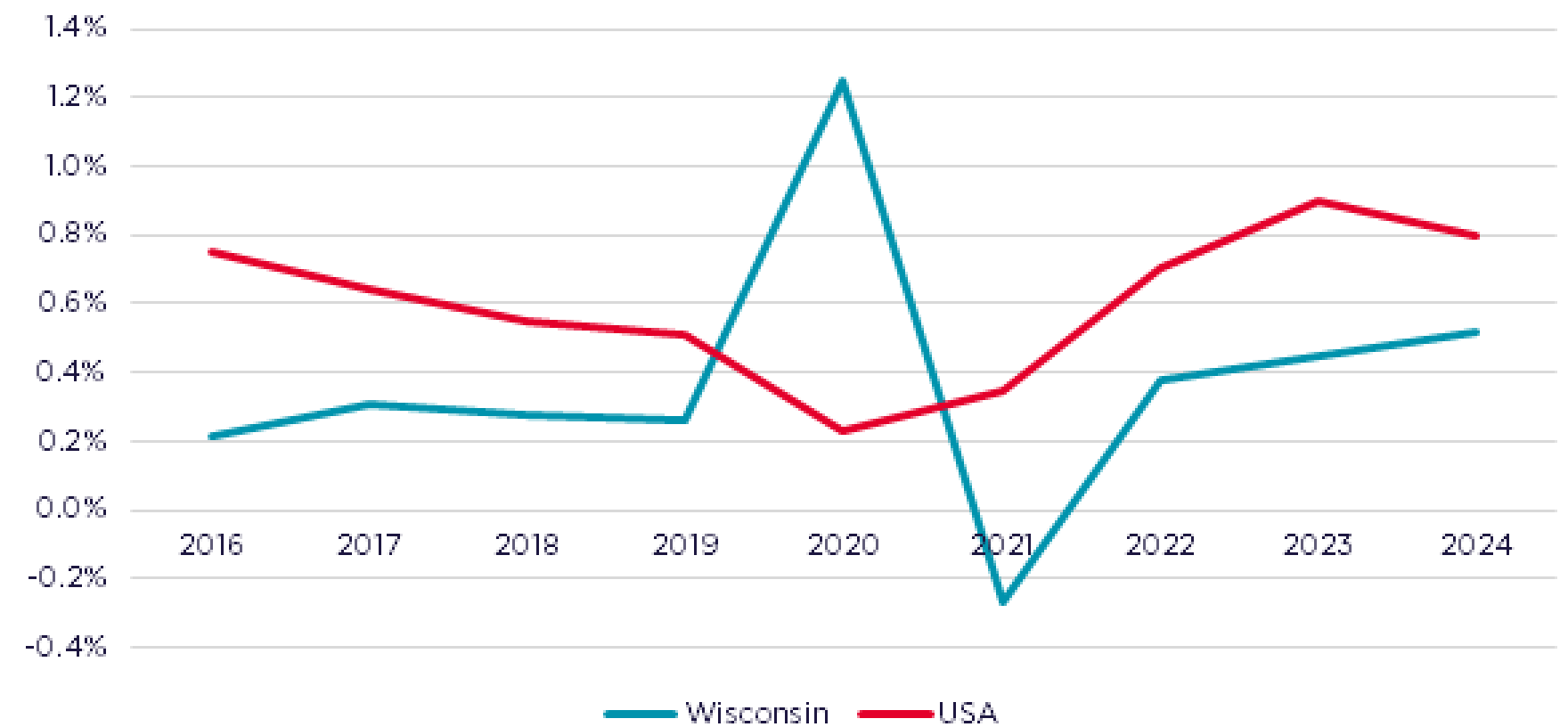


DRIVERS OF MARKET GROWTH

GDP Quarterly YOY Growth Rate



Population Annual Growth Rate

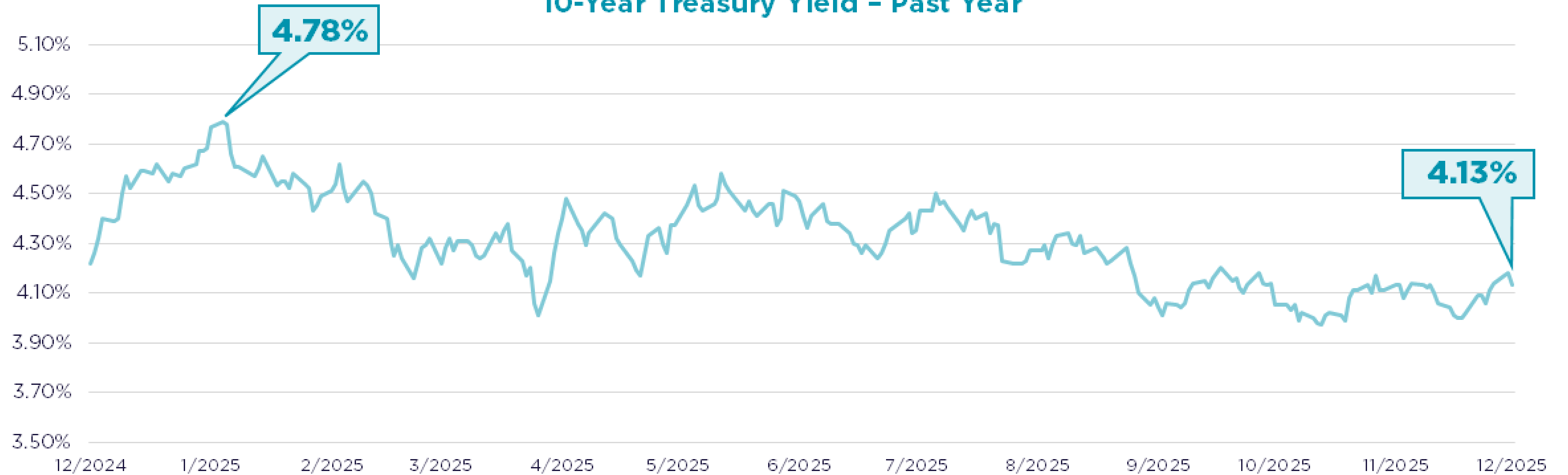


2025 Market Update



KEY METRICS

10-Year Treasury Yield - Past Year

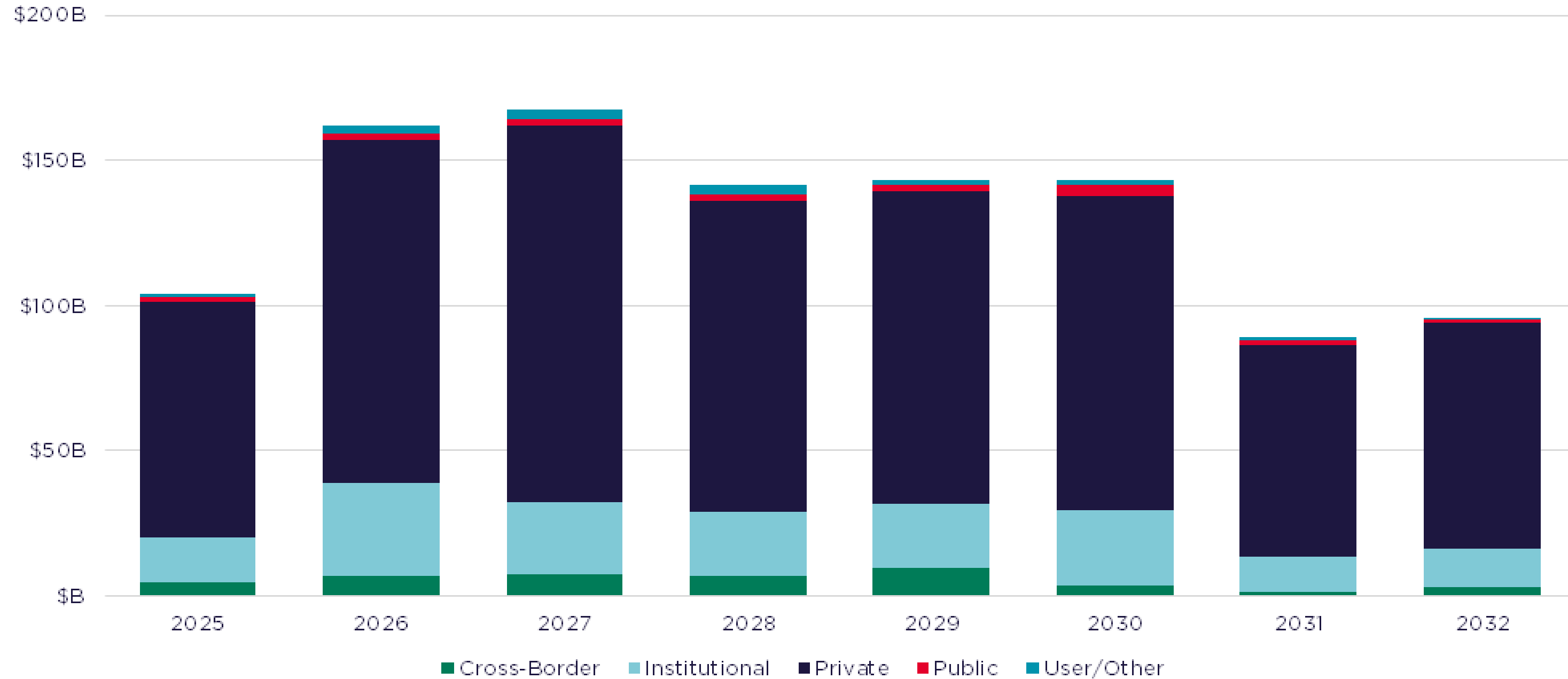


2025 Market Update



2026 DEBT MATURITY

Upcoming Maturities by Borrower Type

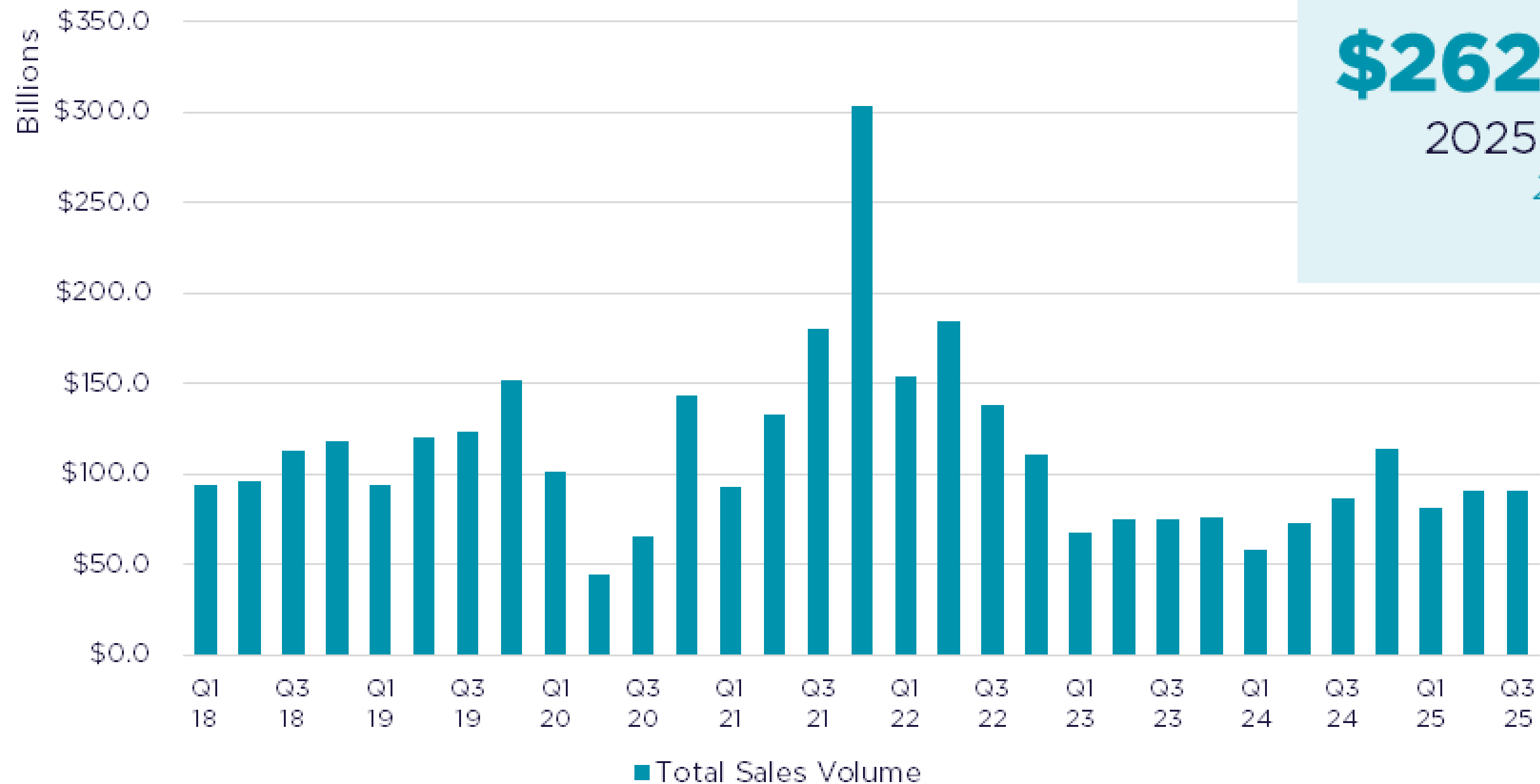


2025 Market Update



HISTORICAL US SALES VOLUME - QUARTERLY

Total Quarterly US Sales Volume



\$262,740,395,731

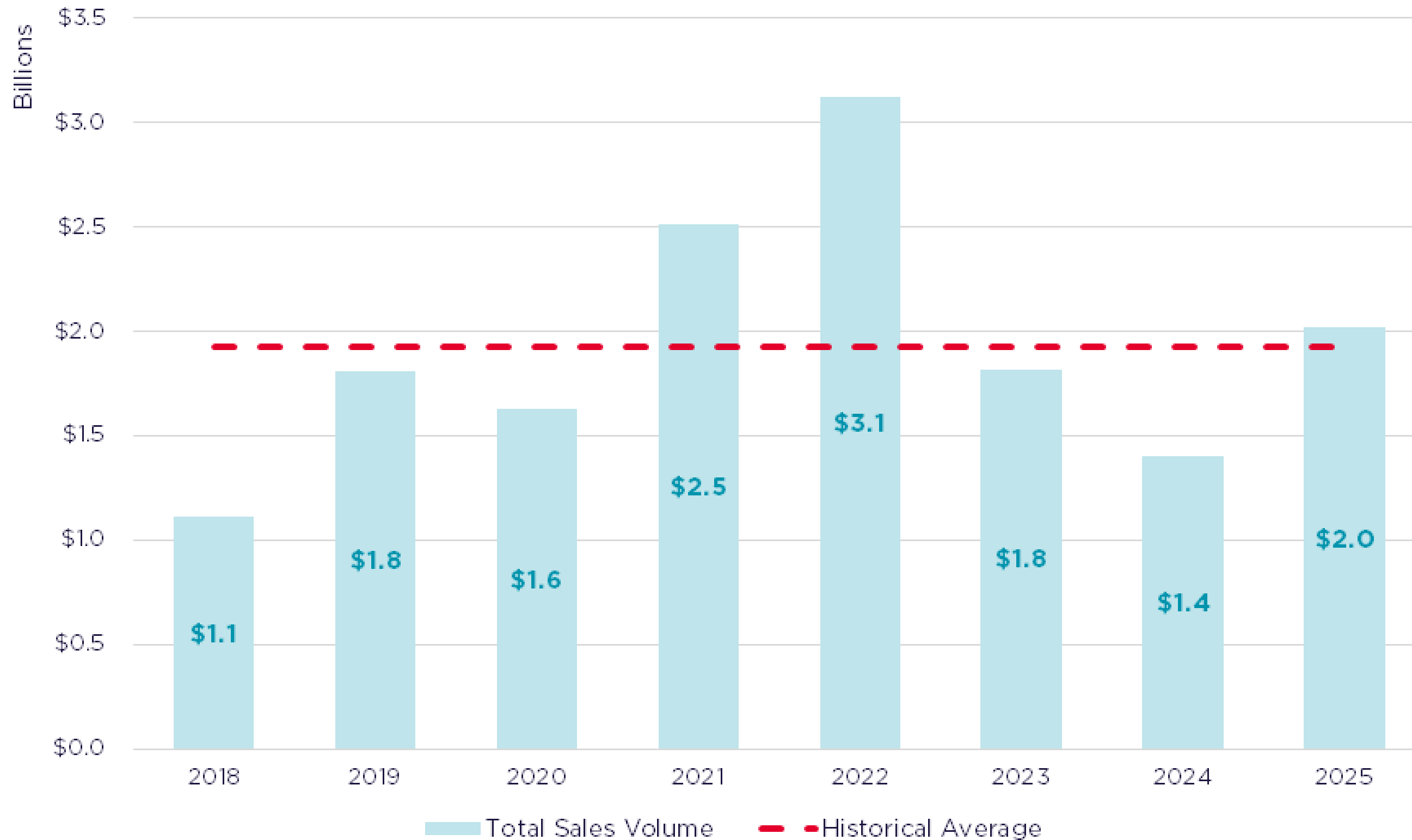
2025 YTD Sales Volume

20% Increase YOY

2025 Market Update



Year-To-Date Total WI Sales Volume - Through Q3



\$2,018,351,678

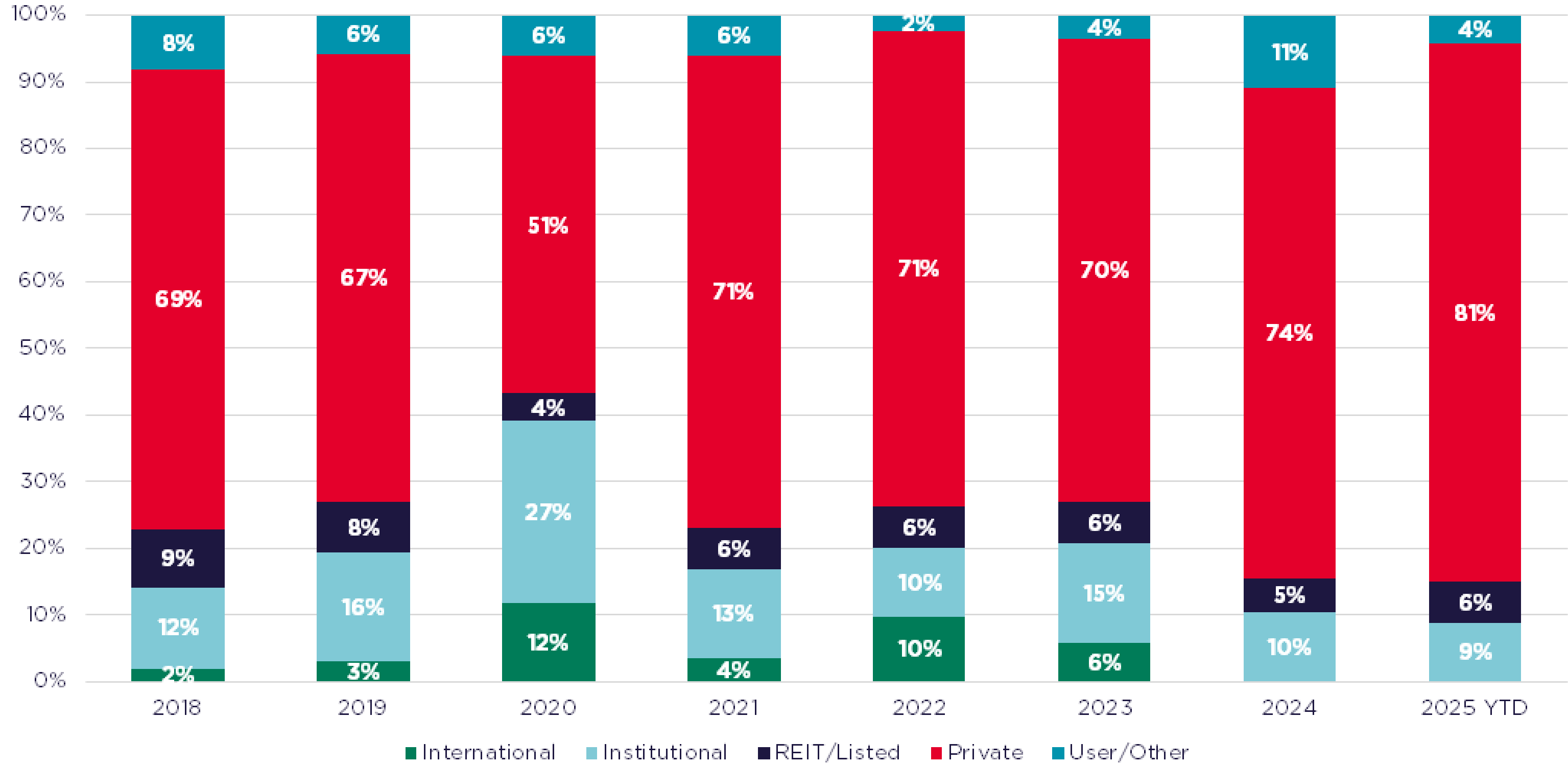
2025 YTD Sales Volume

44% Increase YOY

2025 Market Update



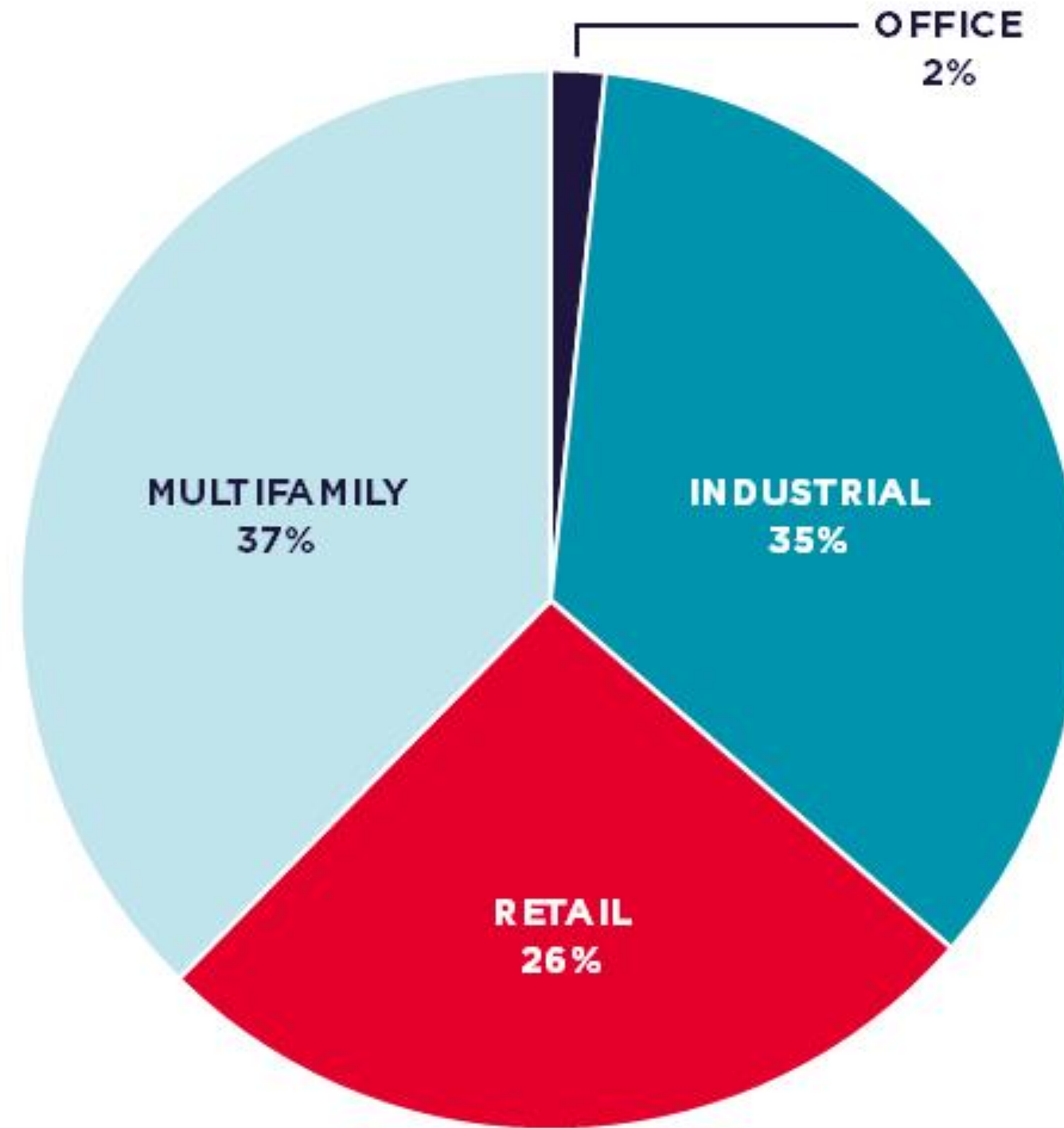
Wisconsin Buyer Composition



2025 Market Update



YTD SALES VOLUME BY PROPERTY TYPE

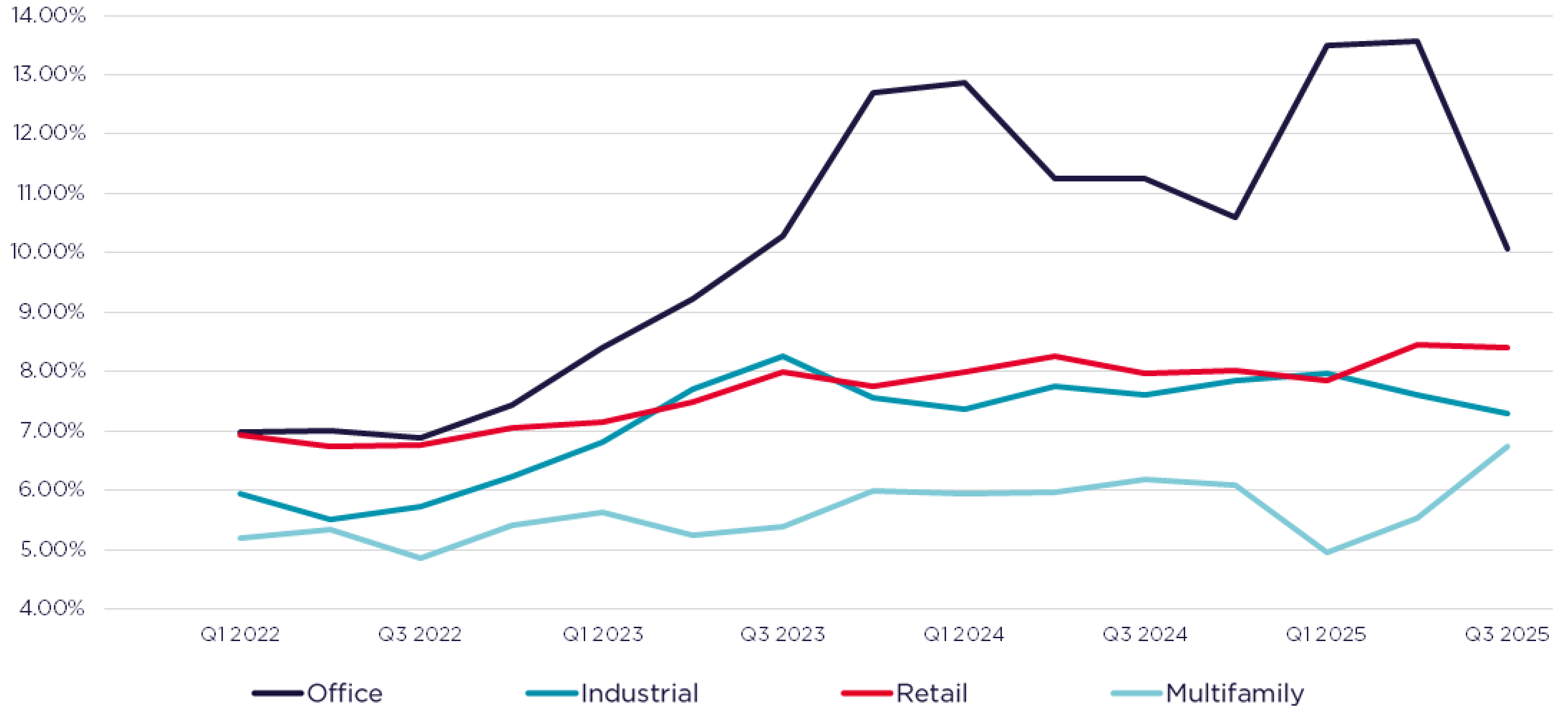


2025 Market Update



Cap Rates by Asset Type

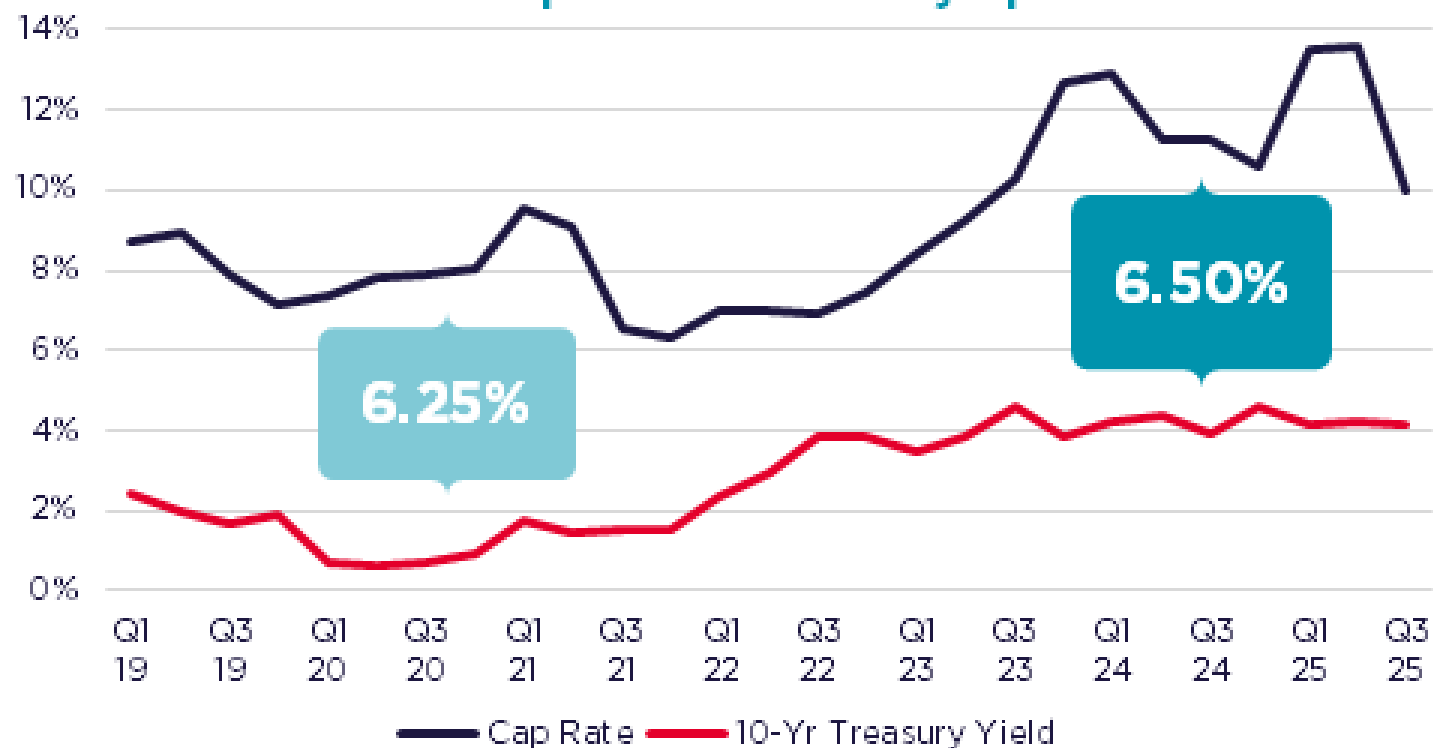
(6 Month Moving Average)



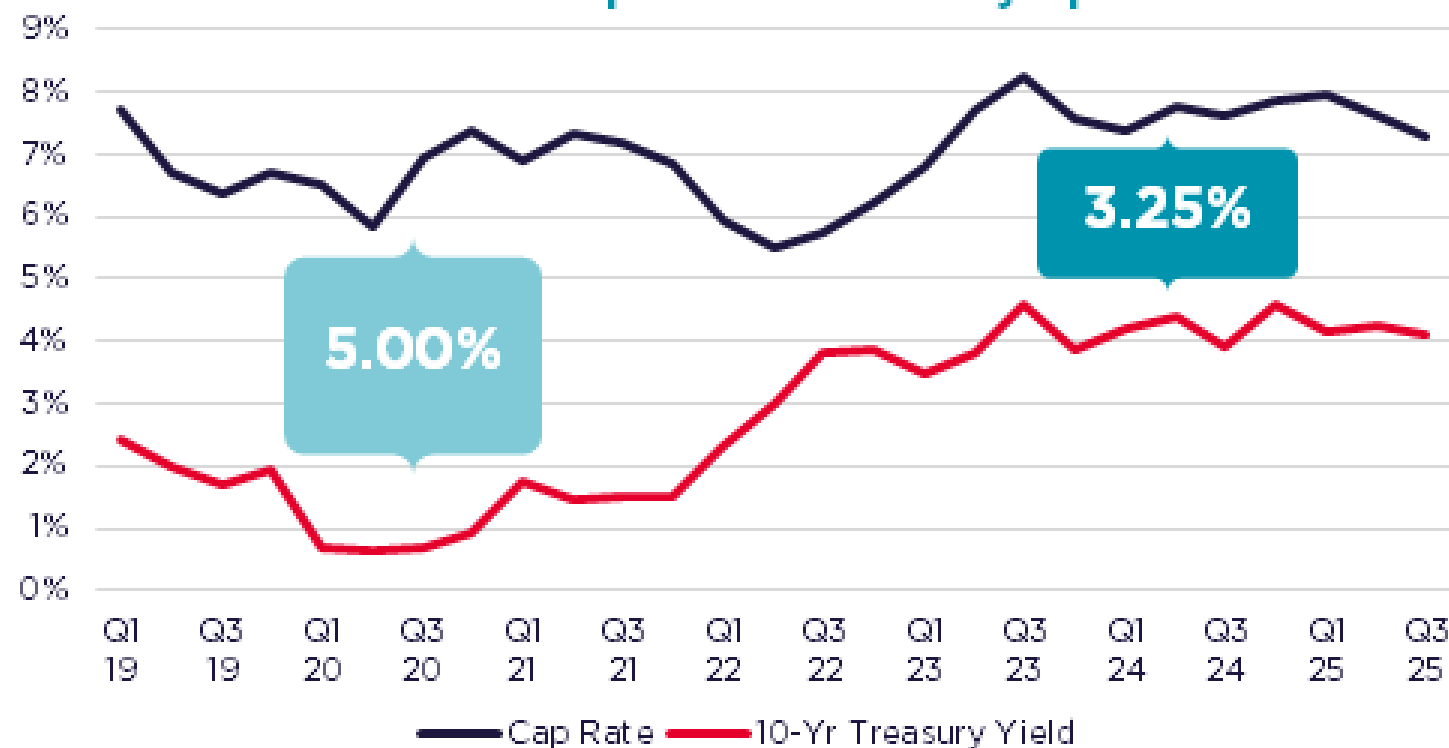
2025 Market Update



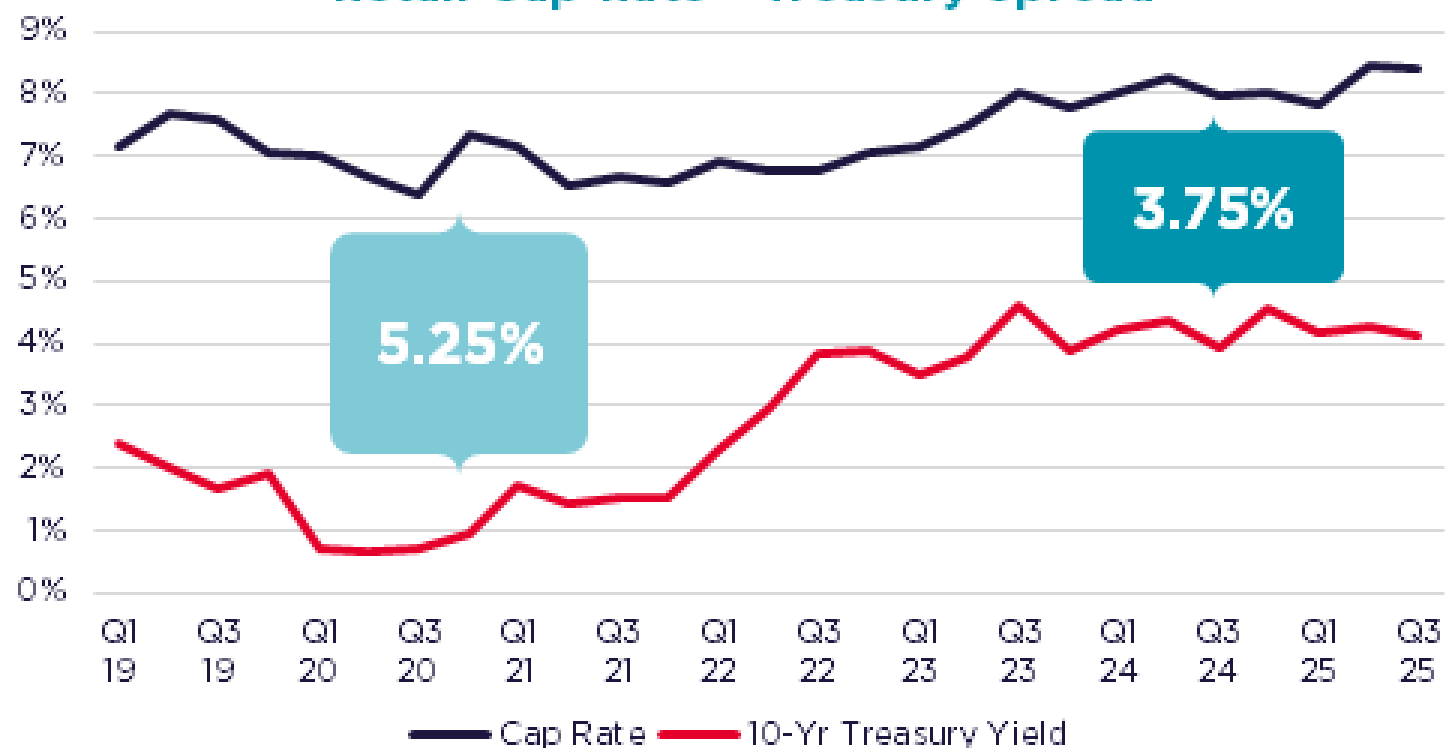
Office Cap Rate - Treasury Spread



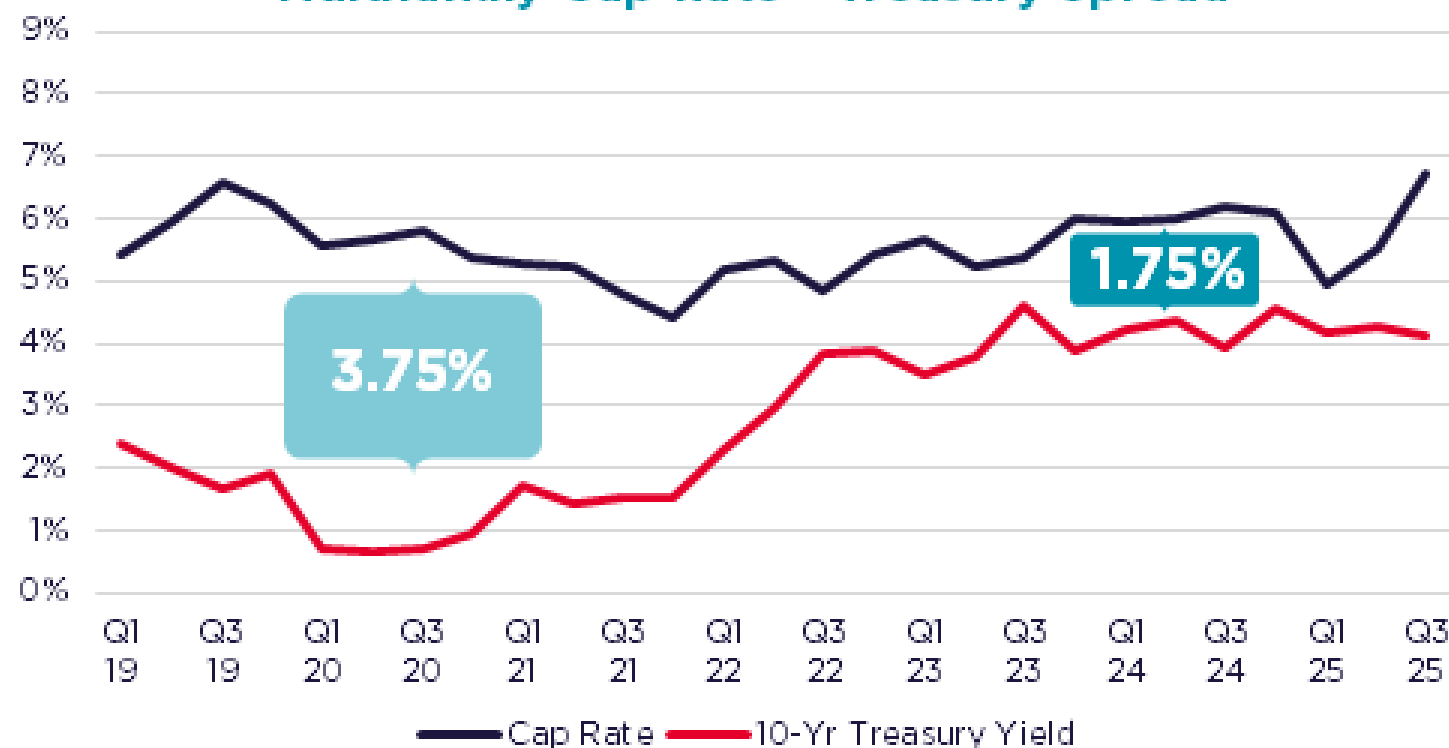
Industrial Cap Rate - Treasury Spread



Retail Cap Rate - Treasury Spread



Multifamily Cap Rate - Treasury Spread



2025 Market Update



OFFICE INVESTMENT SALES

\$33,250,000

YTD Sales Volume
34% Decrease YOY

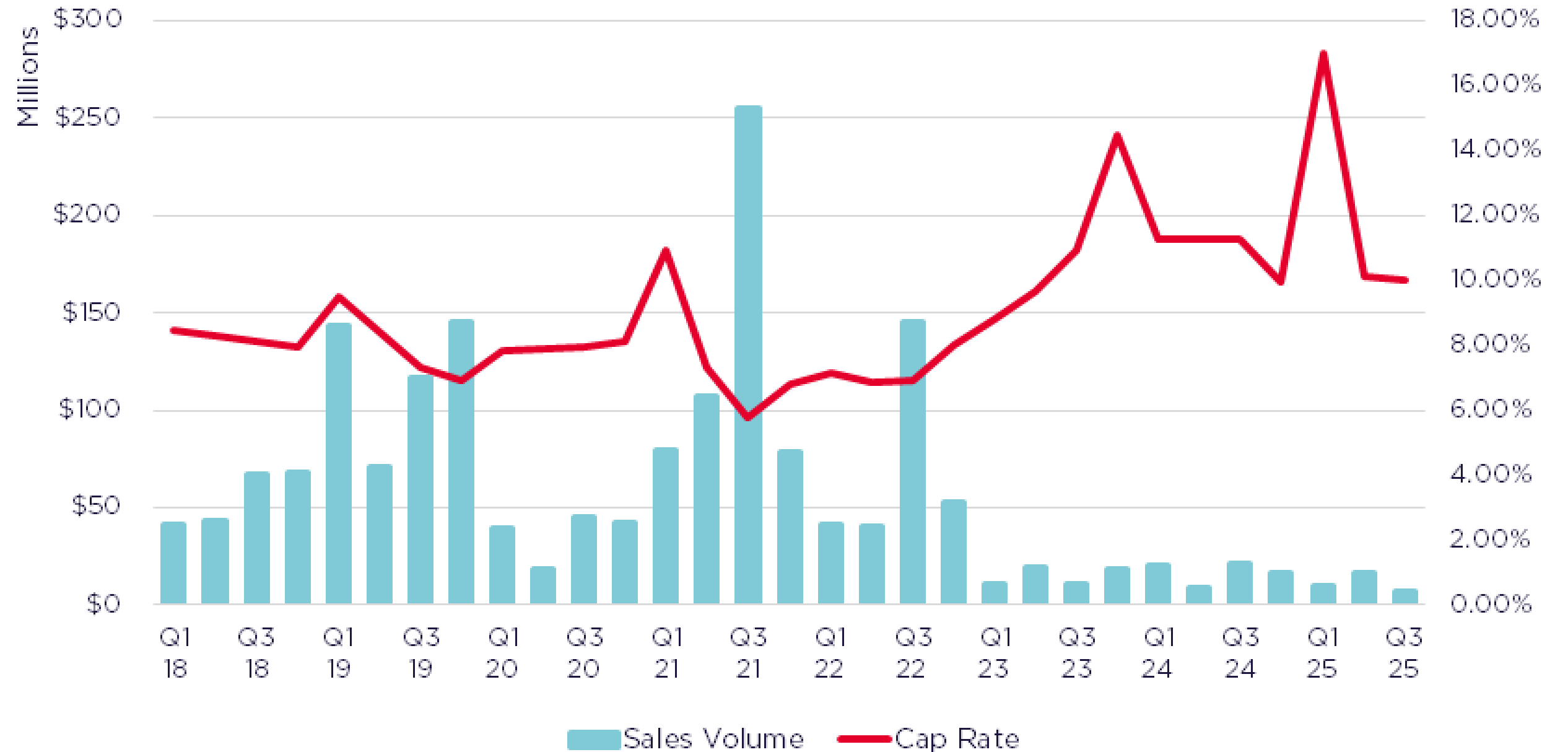
\$77

Avg. Price per SF
27% Increase YOY

12.57%

Avg. Cap Rate
133 Bps Increase YOY

Quarterly Office Sales Volume & Cap Rate



2025 Market Update



NOTABLE OFFICE TRANSACTIONS



Monterrey Park Corporate Center Portfolio (5 Buildings)

- Milwaukee, WI
- \$6,500,000 (\$72 PSF)
- 90,480 SF
- Buyer: Distinctive Ventures, LLC
- Seller: SCI Real Estate Inc.



500 Midland Court – UW Health / Baker Tilly

- Janesville, WI
- \$5,450,000 (\$224 PSF)
- 24,296 SF
- Buyer: Badger Property Investments
- Seller: Kreamer Development



N19 W24075 Riverwood Drive

- Pewaukee, WI
- \$2,800,000 (\$52 PSF)
- 54,066 SF
- Buyer: Woodside Capital Partners
- Seller: SARA Investment Real Estate

INDUSTRIAL INVESTMENT SALES

\$701,023,153

YTD Sales Volume
89% Increase YOY

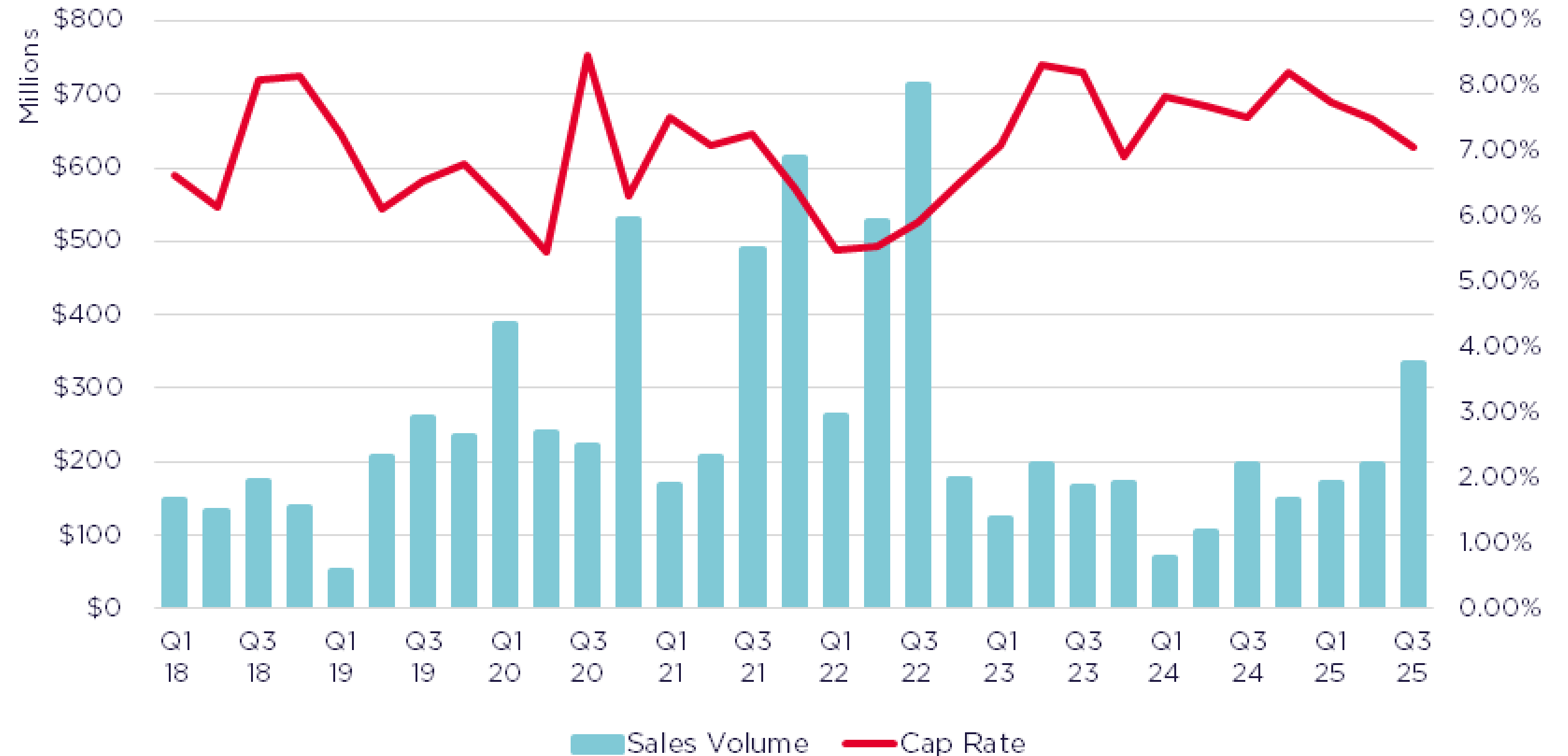
\$87

Avg. Price per SF
28% Increase YOY

7.43%

Avg. Cap Rate
20 Bps Decrease YOY

Quarterly Industrial Sales Volume & Cap Rate



2025 Market Update



NOTABLE INDUSTRIAL TRANSACTIONS



9423 Koessl Ct

- Pleasant Prairie, WI
- \$111,100,000 (\$187 PSF)
- 593,564 SF
- Buyer: Eaton Vance
- Seller: Dermody



W206 N12880 Gateway Ct

- Germantown, WI
- \$62,700,000 (\$206 PSF)
- 304,284 SF
- Buyer: Gladstone Commercial
- Seller: Dickman Company
- 6.90% Cap Rate



Torginol Portfolio Sale-Leaseback (3 Buildings)

- Sheboygan, WI
- \$27,587,700 (\$95 PSF)
- 290,992 SF
- Buyer: Fundamental Income
- Seller: Torginol

RETAIL INVESTMENT SALES

\$524,391,885

YTD Sales Volume
1% Increase YOY

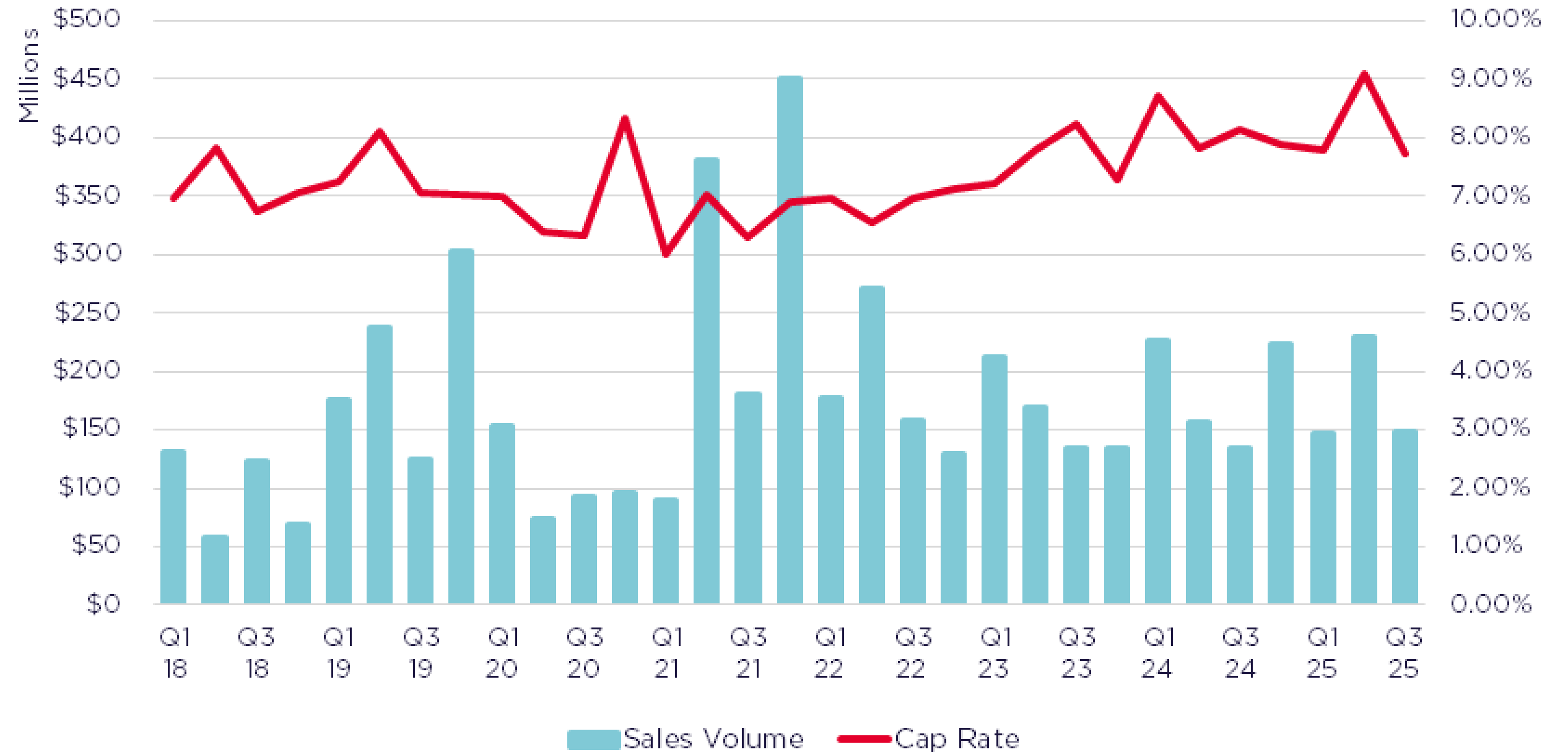
\$153

Avg. Price per SF
5% Decrease YOY

8.35%

Avg. Cap Rate
6 Bps Increase YOY

Quarterly Retail Sales Volume & Cap Rate



2025 Market Update



NOTABLE RETAIL TRANSACTIONS



6900 W Greenfield Ave

- West Allis, WI
- \$30,750,000 (\$94 PSF)
- 327,258 SF
- Buyer: Octave Holdings and Investments
- Seller: KPR Centers
- 9.64% Cap Rate



16130 W Bluemound Rd

- Brookfield, WI
- \$20,742,114 (\$123 PSF)
- 169,300 SF
- Buyer: RCG Ventures
- Seller: American Realty Capital (ARC)



2990 & 3000 Cahill Main

- Fitchburg, WI
- \$16,350,000 (\$190 PSF)
- 86,034 SF
- Buyer: Highway Harry's Investments, LLC
- Seller: Bridge33 Capital
- 8.00% Cap Rate

MULTIFAMILY INVESTMENT SALES

\$759,686,640

YTD Sales Volume
63% Increase YOY

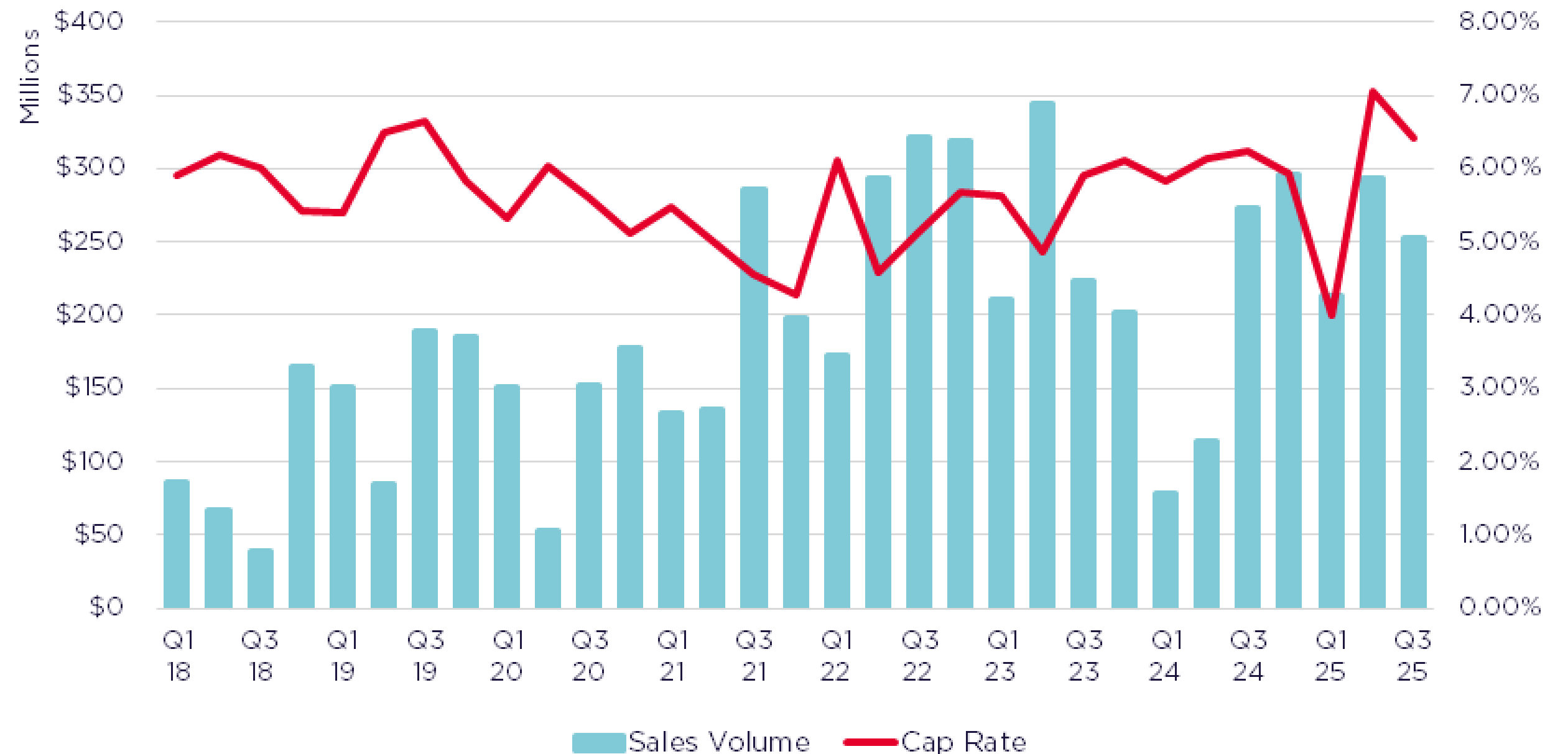
\$107,856

Avg. Price per Unit
6% Decrease YOY

5.43%

Avg. Cap Rate
80 Bps Decrease YOY

Quarterly Multifamily Sales Volume & Cap Rate



2025 Market Update



NOTABLE MULTIFAMILY TRANSACTIONS



Springs at Pleasant View Apartments

- Madison, WI
- \$78,500,000 (\$261,667 Per Unit)
- 300 Units
- Buyer: JVM Realty
- Seller: Continental Properties



Pines Apartments & Fairways Apartments

- Fitchburg, WI
- \$83,000,000 (\$123,145 Per Unit)
- 674 Units
- Buyer: Red Tail Acquisitions
- Seller: EJ Plesko & Associates
- 3.60% Cap Rate



Pabst Malt House Apartments

- Milwaukee, WI
- \$19,200,000 (\$162,712 Per Unit)
- 118 Units
- Buyer: Midloch Investment Partners / Hempel Real Estate
- Seller: Milwaukee Pabst Holdings, LLC
- 7.24% Cap Rate

2025



RESILIENCY

2026



OPTIMISM

2025 Market Update



2025 PREDICTIONS

ADAM CONNOR
COLLIERS



2025 Investment Sales Volume will increase over 2024

Sale-Leasebacks will increase in 2025

Multifamily Development will significantly decrease in 2025 compared to 2024

Institutional Capital will start to migrate to all asset classes in the Midwest

Scottie Scheffler will stay out of jail

2025 Market Update



2026 PREDICTIONS

HEATHER DORFLER
CUSHMAN & WAKEFIELD | BOERKE



Difficulty for value-add investors to find opportunities (except office)

Increased interest & activity in cross-over asset types
(student housing, data centers, self-storage)

Development activity will increase across the board (except office)

Fed to deliver two rate cuts at a quarterly pace in 2026

2025 Market Update



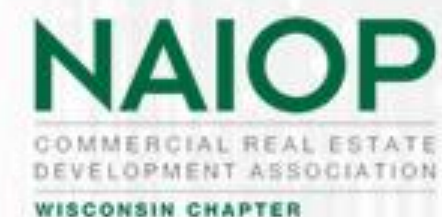
NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
WISCONSIN CHAPTER



THANK YOU



2025 Market Update



2025 Market Update

Presented by:



Office Market

Presented By:
Matt Hunter
Hunter Real Estate, LLC



National Headlines

DOWNTOWN STRUGGLING

Struggling Downtowns Are Looking to Lure New Crowds *(Bloomberg)*

The Landmark U.S. Office Buildings That Are on Life Support *(Wall Street Journal)*

Downtown Chicago's office vacancy rate hits record high, but Bradford Allen finds signs of improvement *(REJournals)*

TENANTS FLEEING TO THE SUBURBS

Downtown Offices Are Toxic. Suburban Ones Are Surviving.

(Wall Street Journal)

As Downtown Offices Sit Empty, Outlying Neighborhoods Thrive *(Bloomberg)*

Louisville's Office Market Is a Tale of Two Sectors:
Suburbs and the CBD
(REBusinessOnline)

RISING VACANCIES

U.S. Commercial Real Estate Crisis Deepens as Office Vacancy Rates Hit Record Highs *(Reuters)*

Office Vacancy Hits 20.6% in US as Leasing Demand Slumps *(CRE Daily)*

US office vacancy rate nears 20% to set fresh record, Moody's says
(Bloomberg)

2025 Market Update



Milwaukee is Defying National Trends



KOMATSU

RITEHITE

REXNORD



2025 Market Update



Return to Office

NATIONAL COMPANIES



JPMorganChase



Goldman Sachs



MILWAUKEE COMPANIES



fiserv.

KOHL'S



Rockwell Automation



2025 Market Update

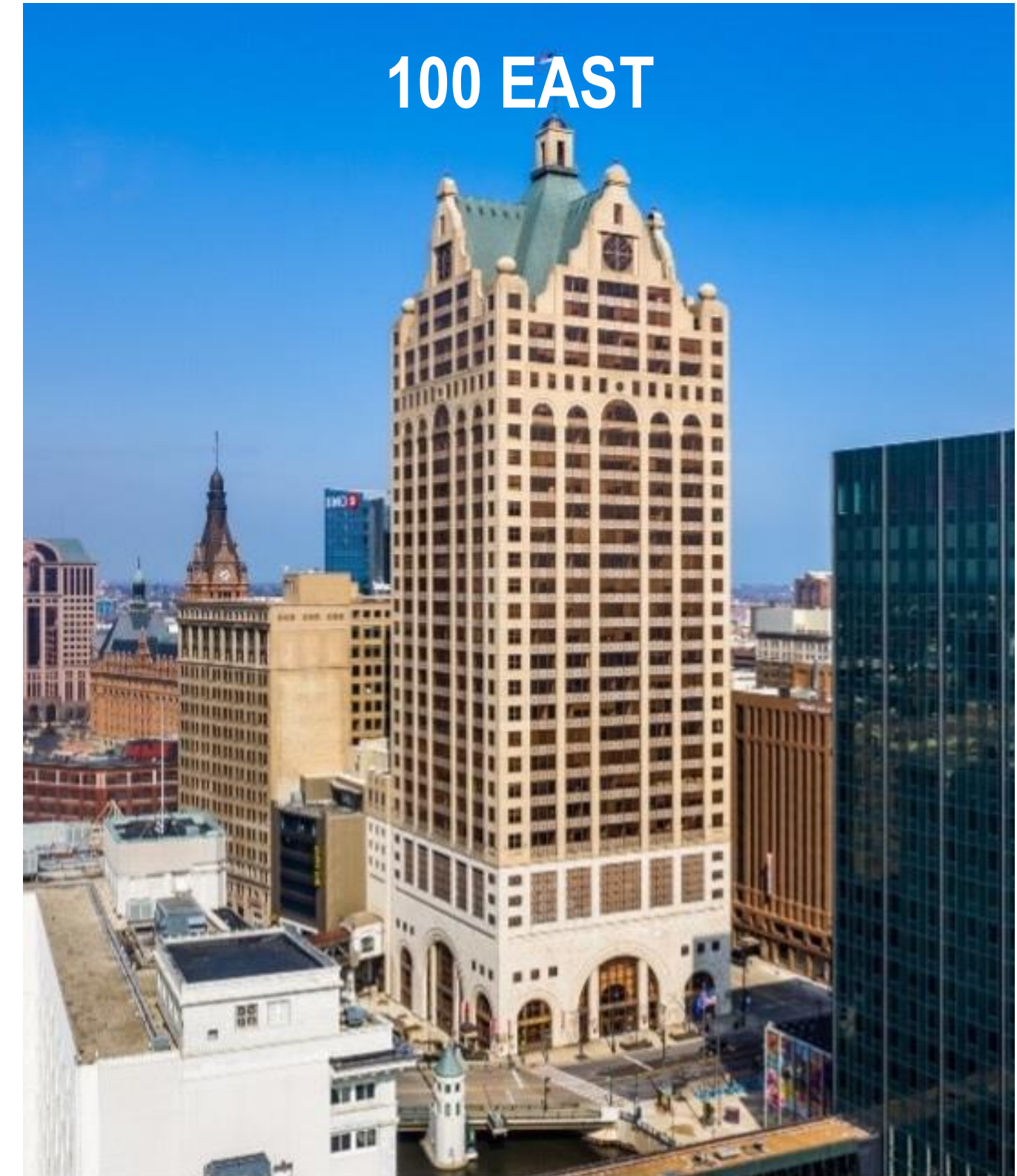


By the Numbers

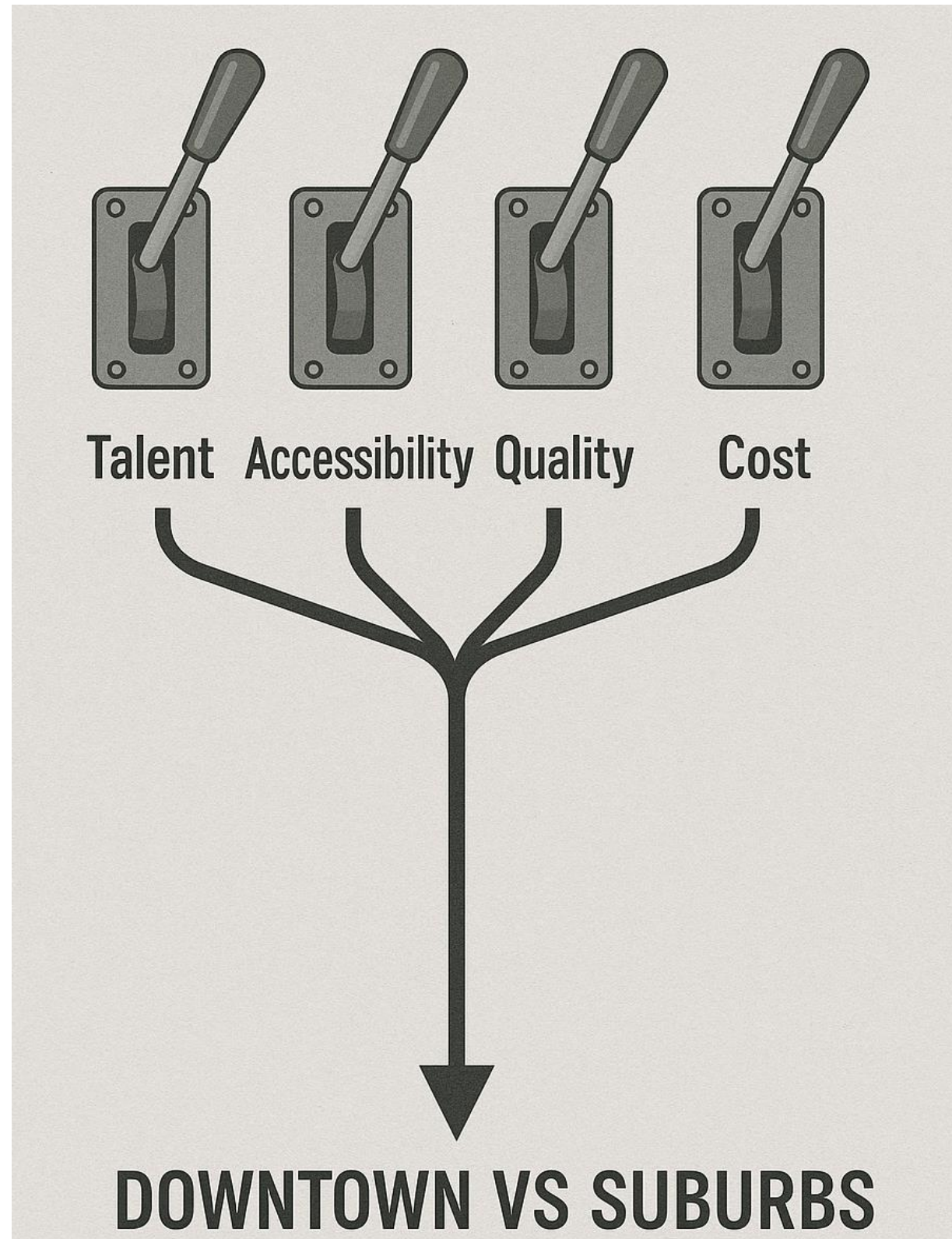
35.5M Total Inventory	9.7M Total Available
6.9M Total Vacant	19.4% Vacancy Rate

KEY TAKEAWAY

~79,000 SF of positive net absorption in Q3 2025



Downtown vs Suburban Locations



TALENT

ACCESSIBILITY

QUALITY

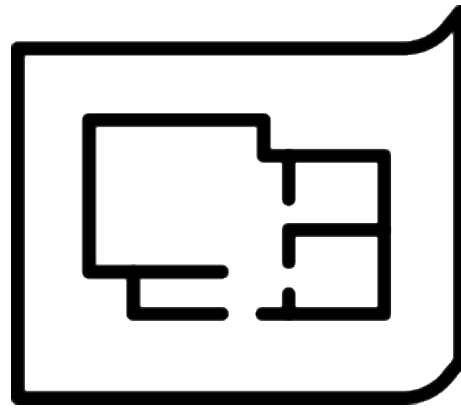
COST

2025 Market Update

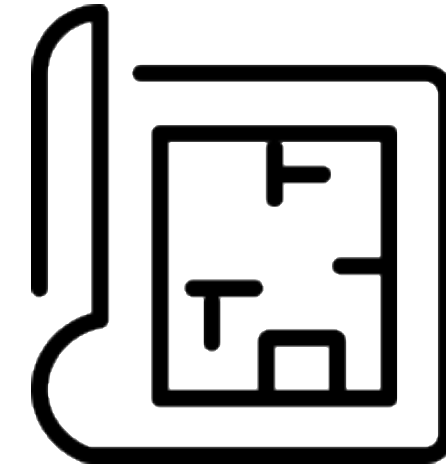
When Will Hunter Real Estate Get Some More Signs?



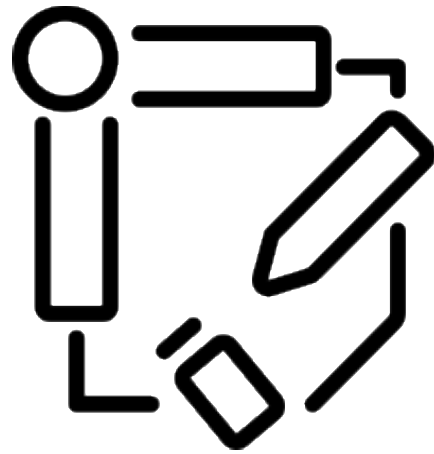
Hybrid Work: How it's Reshaping the Office



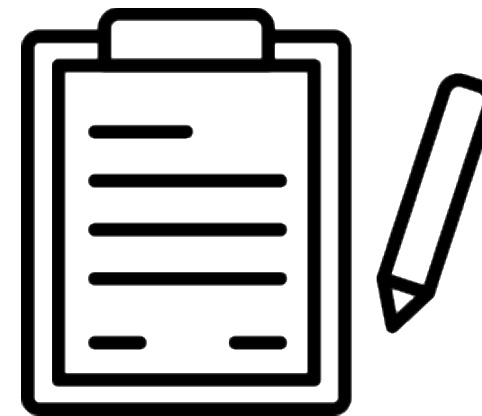
SMALLER FOOTPRINTS



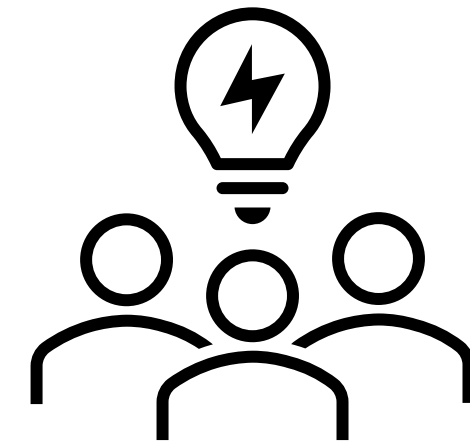
REDESIGN OFFICE/LAYOUTS



EFFICIENCY

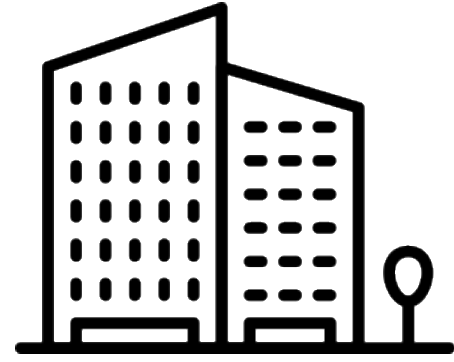


FLEXIBILITY



COLLABORATION

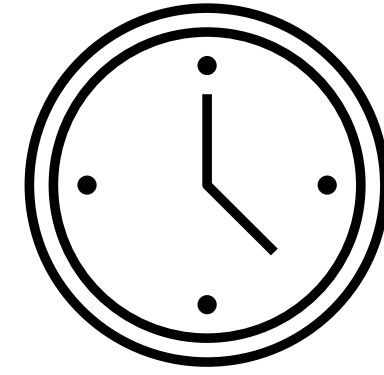
Market Challenges: A Clear-Eyed Look Ahead



CLASS B&C BUILDINGS UNDER PRESSURE



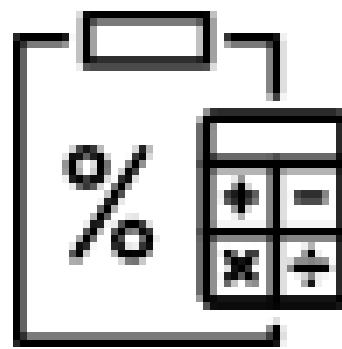
TIMING CHALLENGES



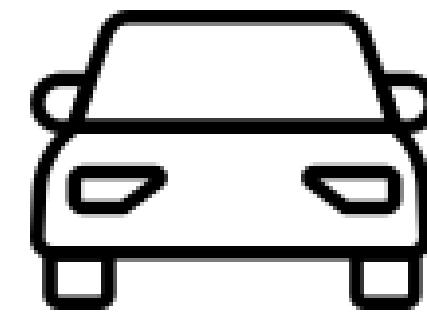
DEALS ARE TAKING LONGER TO COMPLETE



COST OF CONSTRUCTION & FURNITURE INCREASING



PENDING LOAN MATURITIES



ONGOING ROAD CONSTRUCTION

2025 Market Update



Office Conversions

Multi-Family

2024 Year-End Report: Miami's Competitiveness Wanes With Suburban Chicago and Milwaukee Closing In *(RentCafe)*

The Milwaukee area is one of the most competitive rental markets in the nation, Forbes says *(Milwaukee Journal Sentinel)*

REAL ESTATE

This lakefront Midwestern city has one of the most competitive rental markets in the US — and it isn't Chicago *(New York Post)*

Milwaukee Is One of America's Most Cutthroat Rental Markets *(CRE Daily)*

Milwaukee Is One of America's Most Cutthroat Rental Markets *(Wall Street Journal)*

2025 Market Update



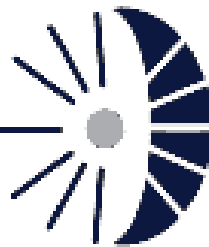
Office Conversions

(Like New) Medical Office



STONE RIDGE MEDICAL COMMONS
N14 W23800 STONE RIDGE DRIVE | WAUKESHA, WISCONSIN

Retina & Vitreous
CONSULTANTS OF WISCONSIN



PROHEALTH CARE

2025 Market Update



Office Conversions (Pending/Active)



100 E Wisconsin Ave
373 Apartments



310 W Wisconsin Ave
200 Apartments



633 W Wisconsin Ave (Top 12 Floors)
224 Apartments



Ridgewood Innovation Center
W165N5830 Ridgewood Dr
300,000 SF Industrial Space



450 N Sunny Slope Rd
210 Apartments

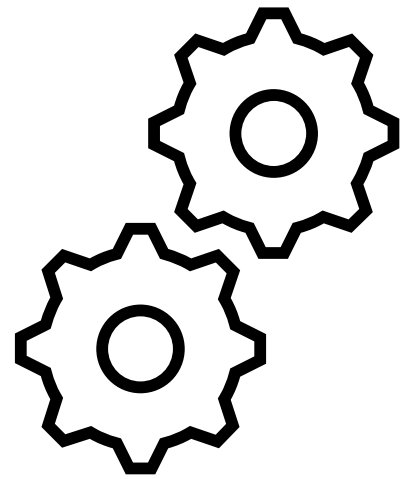


Mitchell Building
60 Apartments

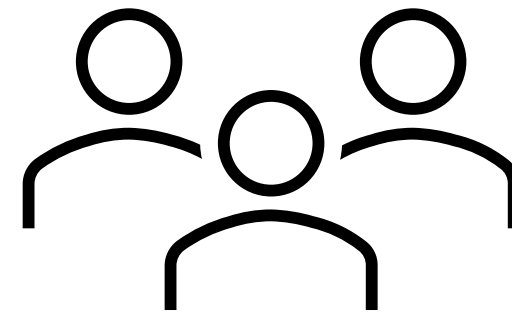
2025 Market Update



How AI is Transforming Commercial Real Estate



**OPERATIONAL
EFFICIENCY**



**TENANT EXPERIENCE
& RETENTION**



**SMARTER INVESTMENT
DECISIONS**

2025 Market Update





**MATT
HUNTER**



**MATT
HUNTER**

Large Lease Transactions Downtown



24,189 SF

411 E. Wisconsin Ave



24,767 SF

600-648 N. Plankinton Ave



ARTISAN PARTNERS

100,000 SF

875 E. Wisconsin Ave
(RENEWAL)



10,335 SF

833 E. Michigan



14,000 SF

The Tannery
(RENEWAL)



9,939 SF

241 N. Broadway



12,500 SF

Mayer Building
(RENEWAL)



10,306 SF

219 N. Milwaukee St



16,123 SF

507 S. 2nd St



13,214 SF

318 E. Chicago St

2025 Market Update



Large Lease Transactions in the Suburbs



22,158 SF
20700
Swenson Dr



16,324 SF
175 N.
Corporate Dr



12,145 SF
12308 N.
Corporate Pkwy



22,507 SF
Bayshore
Towne Center



15,568 SF
10001 W.
Innovation Dr



31,526 SF
Honey Creek
Corporate
Center



25,000 SF
5000 S.
Towne Dr



Kohler Power HQ

22,119 SF
5757 N. Green Bay Ave



14,782 SF
Research One



15,464 SF
Summit Place

2025 Market Update



Last Year's Predictions - Katie Brueske



1. Rightsizing & Flight To Quality Continues ✓
2. More Companies Will Relocate Downtown From The Suburbs ✓
3. Increase In Adaptive Reuse Of Class B&C Office Products (Maybe Even To Industrial) ✓
4. One Downtown Single Tenant Office Building Will Announce A Multi-tenant Conversion ✓
5. Milwaukee Will Win The 2026 WNBA Franchise – The Buckettes ✗

2025 Market Update



This Year's Predictions - Matt Hunter



1. Office Conversions to Multi-Family Stalls Due to Over Supply
2. Hybrid Work Reduces As Return To Office Gains Momentum
3. Flight To Quality Continues in both Downtown and the Suburbs
4. Demand For Suburban Office Space Increases Due to Ongoing Road Construction
5. A New Multi-Tenant Office Tower Gets Approved in 2026!

Thank You

Matt Hunter Founder & CEO

414.931.9931

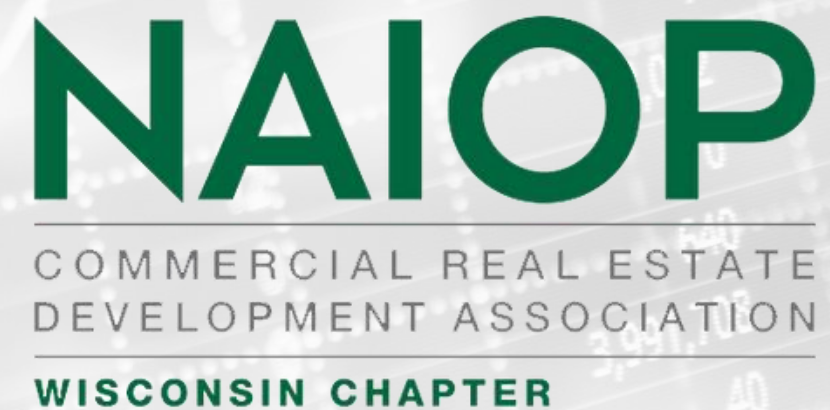
mhunter@hunter-re.com

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2025 Market Update

Presented by:



Retail Market

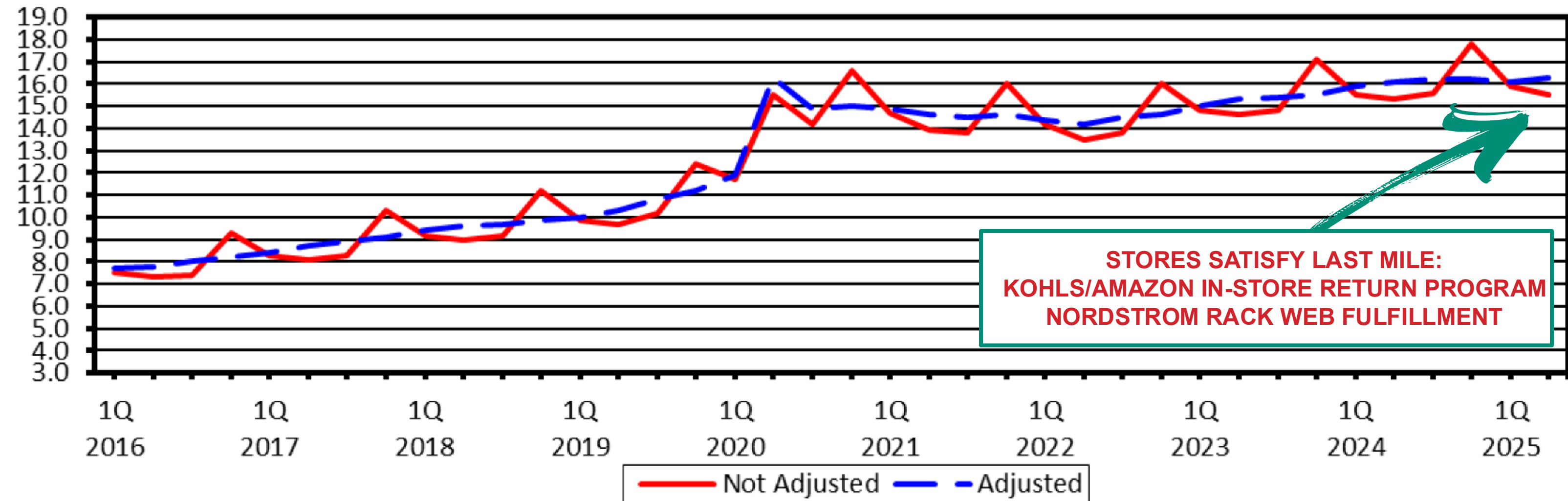
Presented By:
Fred Stallé
Mid-America Real Estate



ROLE OF E-COMMERCE IN CHANGING LANDSCAPE






Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
1st Quarter 2016 – 2nd Quarter 2025

Percent of Total



SOURCE: United States Census

RETAILER PERFORMANCE

RETAILER	NET SALES	GROSS MARGIN	NEW OPENINGS YTD (FY25)	PROJECTED OPENINGS FY26	WI CURRENT STORES
 DOLLAR TREE	\$7.4B (+5.8% YoY)	36.2% (+40 bps)	567	400 net new (WI: Active)	200
 TARGET	\$25.2B (+1.1% YoY)	26.4% (+110 bps)	7	20 net new (WI: 1-2)	38
 COSTCO WHOLESALE	\$62.2B (+7.5% YoY)	12.1% (+10 bps)	7	26 net new (WI: 2-3)	11
 Walmart	\$173.4B (+4.9% YoY)	24.7% (+20 bps)	20	150 net new (WI: 2-3 remodels)	100
 TJX	\$14.1B (+6% YoY)	31.6% (+50 bps)	56 (Q3)	Ongoing expansions (40 net Marmaxx FY26)	31 (TJ Maxx)

2025 Market Update



EXPANDING RETAILERS

SINGLE-TENANT



MULTI-TENANT/SMALL SHOP



Medical Spas

EXCLUSIVE REAL ESTATE

Strip Malls Are the New King of Retail Real Estate

Changing consumer habits are boosting strip malls, with tenants competing for space

JUNIOR BOX



RECENT DEVELOPMENT & EXPANSION

Monterrey Market *Milwaukee, WI*



Sale of former Walmart to regional grocery store

Top Golf Development *Monona, WI*



First location in Wisconsin
Former WPS Health campus demolished for alternative use

7Brew Expansion *Statewide*



6 store openings in 2025
10 in pipeline for 2026

2025 Market Update



RECENT DEVELOPMENT & EXPANSION

Chase Bank *Statewide*



5 Openings in 2025
3 Under Construction

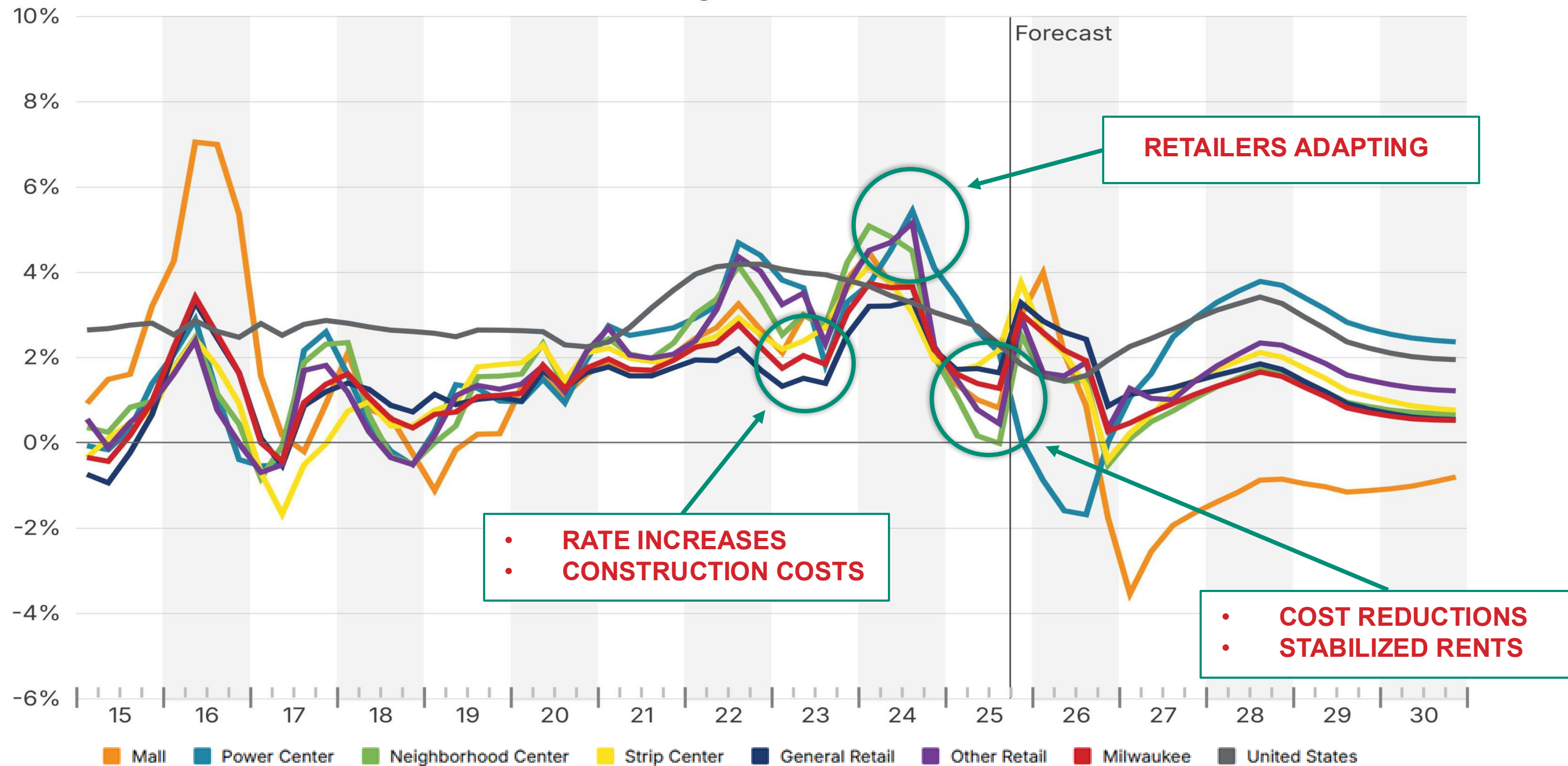
Commons at Forest Plaza *Fond du Lac, WI*



Former Home Depot (20-year vacancy) redeveloped for 6 national retailers

MILWAUKEE MSA RENT GROWTH

Market Asking Rent Growth (YOY)



SOURCE: COSTAR

2025 Market Update



KEY TAKEAWAYS

E-COMMERCE IS JET FUEL FOR RETAIL

MOST ACTIVE CATEGORIES:

Financial Services | Fast-Casual & Quick-Service Restaurants | Automotive | Off-Price Retail | Fitness

EXCITING DEAL FLOW

across Southeastern Wisconsin in 2025

RENT GROWTH STABILIZING

allowing more opportunities for franchisee driven growth

SARAH'S PREDICTIONS

TWO CAR WASH GROUPS WILL MERGE IN OUR MARKET – Tsunami acquires 53 Take 5 locations



ONE GROUND UP POWER CENTER DEVELOPMENT WILL BE ANNOUNCED – Not Yet!



RETAIL VACANCY WILL REMAIN BELOW 5% – Currently hovering 4%



THE BUCKS WILL TRADE GIANNIS IN 2025



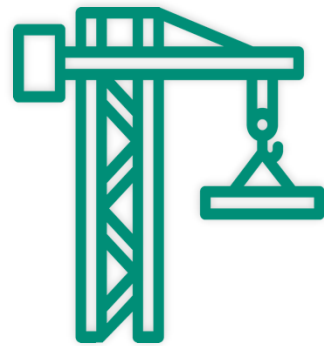
2025 Market Update

2026 PREDICTIONS



A new to market, publicly traded, fast casual chain will enter the market

A long dormant Big-Box in the City of Milwaukee will begin to show signs of life via municipal partnership



Multiple new construction 100,000 SF+ shopping centers will be proposed; one to break ground

Coffee space will heat up, one new national player will enter our market



2025 Market Update





MID-AMERICA[®]
Real Estate-Wisconsin, LLC

THANK YOU!

CONTACT:
Fred Stallé



2025 Market Update

Presented by:



Industrial Market

Presented By:
Kyle Fink, CCIM, SIOR
Colliers



What can I do you for?

Ask away

Help me create the NAIOP CARW 2025 SE Wisconsin Industrial Market Update Presentation



2025 Market Update



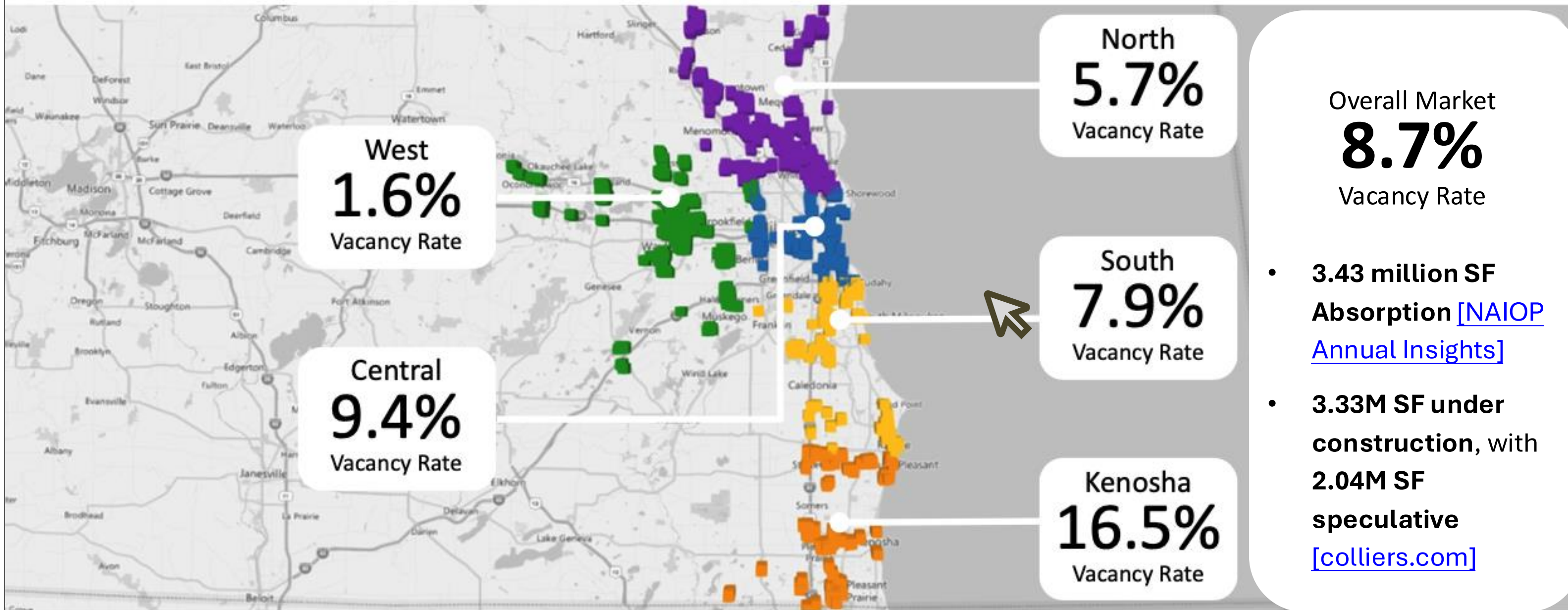
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 - Invesco CRE Outlook ([link](#)) [[invesco.com](https://www.invesco.com)]
 - Real Estate Roundtable "CRE by the Numbers" ([link](#)) [[rer.org](https://www.rer.org)]

Did you get all that?

Information Overload, can we get some pictures in this?



Overall Industrial Market



+ Analyze the submarkets starting with the west, but remember I'm a big picture guy

2025 Market Update



Key Trends

West Submarket—Golden Goose of SE Wisconsin

- Lowest vacancy submarket
- Interstate connectivity / quality of labor force
- Land scarcity
- Creative Conversions

Notable Deals/Developments



Key Trends

North Submarket—The Gambler

- NW Milwaukee’s “development” corridor
- Developers are betting on long-term demand, despite modest vacancies increases
- Healthy competition with current vacancies will help stabilize rates

Notable Deals



Key Trends

Central Submarket—Rust Belt Relics

- Older buildings
- Outdated infrastructure
 - Loading, power, clear heights
- There is a trend of companies moving to upgraded facilities with modern capabilities

Notable Deals



Key Trends

South & Kenosha Submarkets—Sleeping Giants

- Highest vacancy rate
- Reliant on “whales”
 - Big Box developments
- Has the ability to attract large new-to-market users at competitive rates

Notable Deals



What are some other overarching trends in SE Wisconsin's Industrial Market



Other Factors affecting the Industrial Market

Data Centers



Power, headlines, and land size

Expanding Manufacturing



Improved infrastructure, tariffs & supply chain shortening → near shoring & on shoring

Construction Costs



It costs what?! (tenant improvement obstacles)

Would you like me to continue to look for more factors?

We have to go over Patrick Hanrahan

+  

We have to go over Patrick Hanrahan.

Here are some stats about Patrick Hanrahan...



- Industrial broker at Newmark
- 5'7"
- 160lbs
- Loves to run around downtown Milwaukee
- Has a twin brother
- Loves Irish whiskey

Not him personally. I want a summary of his predictions from last year's presentation



Not him personally. I want a summary of his predictions from last year's presentation.

1
Speculative development will be slow throughout 2025

2
Land scarcity will lead to continued announcements of new developments further north and west

3
Lack of power will become a mainstream national discussion

4
Northridge Mall will be acquired by Elon Musk to be the site of a new manufacturing facility for SpaceX





Q Search

FinkGPT ▾

Welcome Back, Finkster123 ...

+ 

2025 Market Update





THANK YOU FOR
YOUR TIME



2025 Market Update



Heather Dorfler
**Cushman &
Wakefield | Boerke**



Matt Hunter
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Fred Stallé
**Mid-America Real
Estate**



Kyle Fink, CCIM, SIOR
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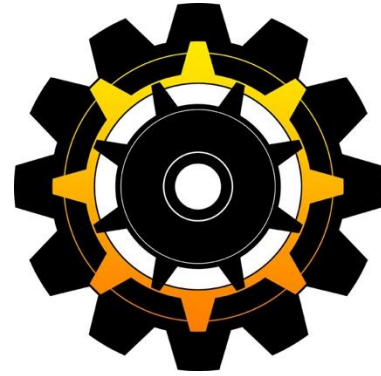
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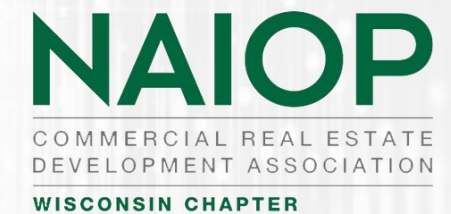
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