

# MARKET TRENDS

Q4 2019 | Milwaukee | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	796,827	▼
Area Unemployment	3.2	▲
U.S. Unemployment	3.5	▼
Manufacturing Jobs	116,100	▼

Source: BLS

\*Employment figures and area unemployment are based on Milwaukee MSA data.

## Market Recap

### All Properties

Total Inventory (sf)	361,784,096
Absorption	1,356,841
Vacancy	4.0%
Asking Rate (NNN)	\$5.55
Under Construction (sf)	7,100,675

### Multi-tenant Properties

Total Inventory (sf)	83,888,388
Absorption	1,515,260
Vacancy	14.3%

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 30 basis points to 3.2% compared to November 2018. The unemployment rate for the US was at 3.5% in November 2019, down from 3.7% last year. State of Wisconsin unemployment was 3.3% for this quarter. The Milwaukee MSA saw an decrease in job growth while manufacturing jobs decreased by 2,400 jobs during the same period.

## Market Overview

The Milwaukee Industrial market, consisting of 361 msf of space in eight counties across Southeastern Wisconsin. The fourth quarter posted a vacancy rate for the market of 4.0% for all inventory and 14.3% for multi-tenant properties. The average asking lease rate for Southeastern Wisconsin came in at \$5.55 psf NNN. To date, there are 26 properties totaling 7 msf of new construction projects throughout the market and 26 properties with over 5 msf has been delivered year to date.

## Market Highlights

Three of the top 5 positive absorption changes were in Racine County with ND Paper purchasing 343,000 sf bldg, Hillwood Seda leasing 307,000 sf and new delivery of 224,000 sf for Smart Warehouse posting 628,000 sf positive absorption. Milwaukee County experience a lot of movement with Phoenix Investors leasing 463,000 to three tenants in their property but C&D Technologies closing 318,000 sf facility and Tramont Manufacturing vacating 172,000 sf. Overall market activity remain strong as the vacancy rate remains at or below 4.0%. At the close of Q4 2019 the market had 63 lease transaction with over 1.3 msf of leasing activity while 262 lease transactions with over 6.9 msf year to date.

# Market Overview (Multi and Single Tenant)

## Total

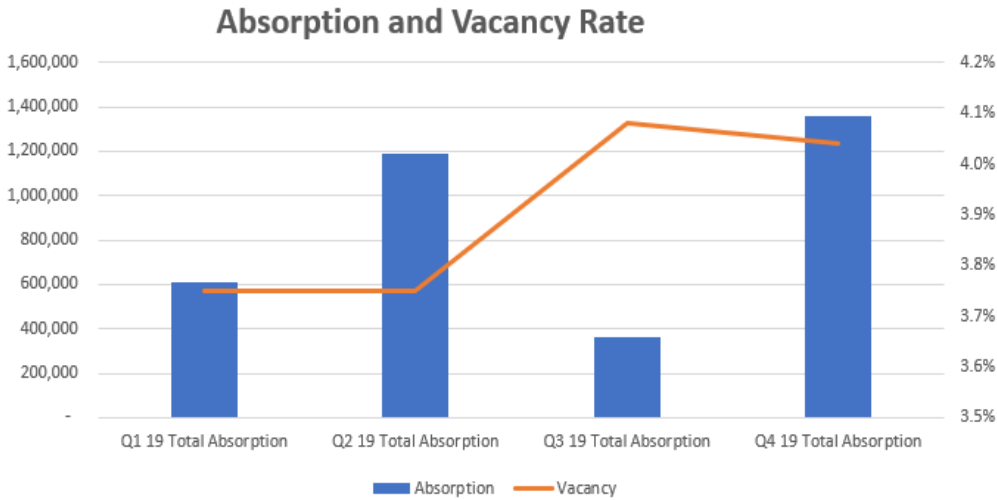
Property Type	# of Bldgs	Inventory	Total Avail SF	Total Vacant SF	Total Absorption sf	Total YTD Absorption sf	Vacancy Rate
Flex/R&D	206	8,690,822	1,051,241	619,174	49,869	204,800	7.1%
Manufacturing	2,251	180,226,070	3,239,011	2,538,400	(176,821)	(75,817)	1.4%
Warehouse Distribution	1,109	100,919,988	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%

## Direct

Property Type	# of Bldgs	Inventory	Direct Avail SF	Direct Vacant SF	Direct Absorption sf	Direct YTD Absorption sf	Vacancy Rate
Flex/R&D	206	8,690,822	987,953	574,243	22,269	177,200	6.6%
Manufacturing	2,251	180,226,070	3,231,011	2,538,400	464,879	(75,817)	1.4%
Warehouse Distribution	1,109	100,919,988	6,963,424	6,409,822	1,424,669	3,047,107	6.4%
Warehouse Office	1,935	71,947,216	6,914,898	5,033,114	39,948	147,477	7.0%
Grand Total	5,501	361,784,096	18,097,286	14,555,579	1,951,765	3,295,967	4.0%

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Avail SF	Sublease Vacant SF	Sublease Absorption sf	Sublease YTD Absorption sf	Vacancy Rate
Flex/R&D	206	8,690,822	63,288	44,931	27,600	27,600	0.5%
Manufacturing	2,251	180,226,070	8,000		0	0	0.0%
Warehouse Distribution	1,109	100,919,988	310,249		19,176	183,704	0.0%
Warehouse Office	1,935	71,947,216	135,286	19,700	0	9,410	0.0%
Grand Total	5,501	361,784,096	516,823	64,631	46,776	220,714	0.0%



# Market Statistics by County (Multi and Single Tenant)

County	Property Type	# of Bldgs	Inventory	Total Avail SF	Total Vacant SF	Total Absorption sf	Total YTD Absorption sf	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%
	<b>Subtotal</b>	<b>259</b>	<b>35,820,589</b>	<b>1,772,511</b>	<b>2,507,514</b>	<b>(406)</b>	<b>576,676</b>	<b>7.0%</b>
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%
	<b>Subtotal</b>	<b>1,821</b>	<b>125,349,512</b>	<b>10,483,376</b>	<b>7,675,870</b>	<b>235,654</b>	<b>(16,028)</b>	<b>6.1%</b>
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%
	<b>Subtotal</b>	<b>227</b>	<b>14,237,155</b>	<b>951,846</b>	<b>692,265</b>	<b>4,717</b>	<b>35,991</b>	<b>4.9%</b>
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%
	<b>Subtotal</b>	<b>430</b>	<b>33,751,611</b>	<b>1,599,800</b>	<b>1,277,096</b>	<b>872,595</b>	<b>1,049,721</b>	<b>3.8%</b>
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%
	<b>Subtotal</b>	<b>289</b>	<b>27,167,094</b>	<b>66,973</b>	<b>25,984</b>	<b>(13,875)</b>	<b>7,104</b>	<b>0.1%</b>
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%
	<b>Subtotal</b>	<b>230</b>	<b>14,523,068</b>	<b>99,630</b>	<b>198,652</b>	<b>0</b>	<b>222,442</b>	<b>1.4%</b>
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%
	<b>Subtotal</b>	<b>500</b>	<b>28,169,164</b>	<b>662,420</b>	<b>644,980</b>	<b>252,059</b>	<b>1,047,491</b>	<b>2.3%</b>
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%
	<b>Subtotal</b>	<b>1,745</b>	<b>82,765,903</b>	<b>2,977,553</b>	<b>1,597,849</b>	<b>6,097</b>	<b>593,287</b>	<b>1.9%</b>
<b>Grand Total</b>		<b>5,501</b>	<b>361,784,096</b>	<b>18,614,109</b>	<b>14,620,210</b>	<b>1,356,841</b>	<b>3,516,684</b>	<b>4.0%</b>

# Vacancy Rates by County (Multi and Single Tenant)

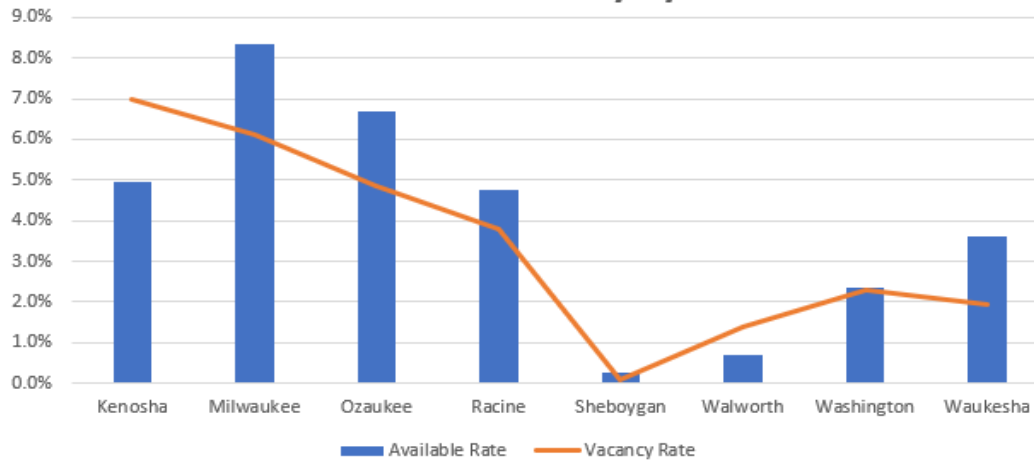
County	Property Type	Q4 2018 Vacancy Rate	Q1 2019 Vacancy Rate	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.6%	0.6%	0.6%	0.6%	0.6%
	Warehouse Distribution	5.0%	6.5%	7.1%	9.4%	10.6%
	Warehouse Office	0.5%	0.3%	0.3%	0.3%	0.3%
	<b>Subtotal</b>	<b>3.3%</b>	<b>4.2%</b>	<b>4.6%</b>	<b>6.2%</b>	<b>7.0%</b>
Milwaukee	Flex/R&D	16.1%	15.6%	15.7%	10.7%	12.7%
	Manufacturing	2.0%	1.7%	2.0%	2.3%	3.0%
	Warehouse Distribution	8.8%	8.6%	8.6%	9.6%	9.0%
	Warehouse Office	7.9%	8.6%	8.5%	8.9%	9.1%
	<b>Subtotal</b>	<b>5.4%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>6.1%</b>
Ozaukee	Flex/R&D	4.4%	2.9%	2.9%	2.9%	5.6%
	Manufacturing	2.3%	2.0%	2.1%	2.1%	1.9%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	18.4%	18.6%	18.6%	18.4%	18.3%
	<b>Subtotal</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>4.9%</b>
Racine	Flex/R&D	11.1%	11.1%	11.1%	9.2%	8.2%
	Manufacturing	2.1%	2.2%	2.2%	2.2%	1.0%
	Warehouse Distribution	8.4%	8.0%	8.0%	8.8%	1.9%
	Warehouse Office	14.1%	13.8%	13.8%	14.0%	14.2%
	<b>Subtotal</b>	<b>6.2%</b>	<b>6.1%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>3.8%</b>
Sheboygan	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.1%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	0.7%	0.7%	0.7%	0.6%	1.2%
	<b>Subtotal</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.1%</b>
Walworth	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	2.3%	2.3%	0.2%	0.2%	0.2%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	7.9%	7.1%	7.1%	7.1%	7.1%
	<b>Subtotal</b>	<b>2.9%</b>	<b>2.8%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>
Washington	Flex/R&D	7.7%	8.6%	8.6%	6.4%	6.8%
	Manufacturing	0.8%	0.7%	1.0%	0.7%	0.5%
	Warehouse Distribution	3.6%	2.9%	2.6%	2.5%	2.5%
	Warehouse Office	2.9%	2.7%	2.7%	2.5%	5.9%
	<b>Subtotal</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.7%</b>	<b>2.3%</b>
Waukesha	Flex/R&D	5.9%	6.3%	5.7%	5.6%	5.0%
	Manufacturing	0.7%	0.6%	0.4%	0.5%	0.5%
	Warehouse Distribution	3.0%	2.9%	2.9%	2.3%	2.2%
	Warehouse Office	3.6%	3.1%	2.8%	3.4%	3.6%
	<b>Subtotal</b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>1.9%</b>
<b>Grand Total</b>		<b>3.8%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>4.1%</b>	<b>4.0%</b>

# Lease Rates by County (Multi and Single Tenant)

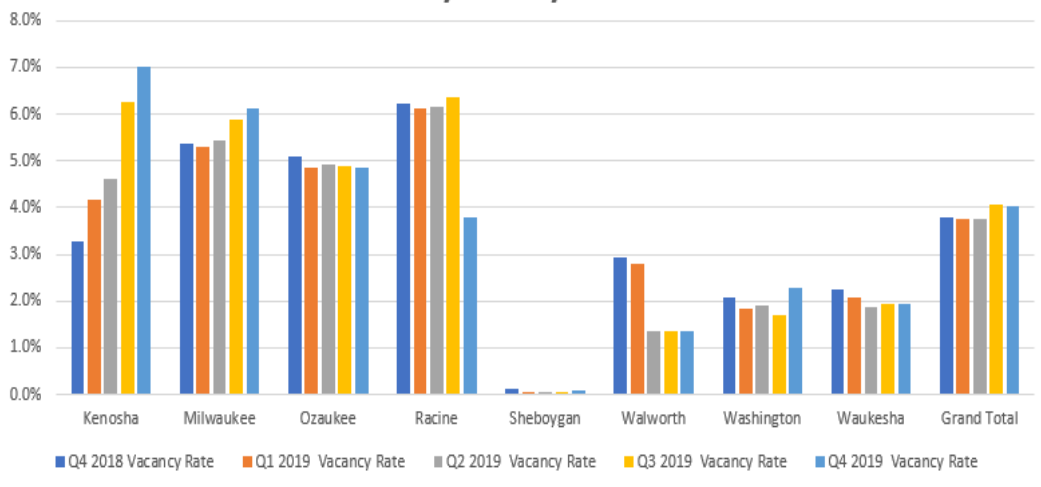
County	Property Type	Q4 2018 Lease Rate	Q1 2019 Lease Rate	Q2 2019 Lease Rate	Q3 2019 Lease Rate	Q4 2019 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing	\$3.25	\$3.25	\$3.25		
	Warehouse Distribution	\$4.67	\$4.41	\$4.41	\$4.41	\$4.28
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	<b>Subtotal</b>	<b>\$4.75</b>	<b>\$4.57</b>	<b>\$4.57</b>	<b>\$4.75</b>	<b>\$4.72</b>
Milwaukee	Flex/R&D	\$6.53	\$6.51	\$6.82	\$6.66	\$6.63
	Manufacturing	\$4.85	\$4.84	\$4.80	\$4.83	\$4.87
	Warehouse Distribution	\$4.66	\$4.74	\$4.75	\$4.85	\$4.73
	Warehouse Office	\$4.72	\$4.46	\$4.71	\$4.88	\$5.08
	<b>Subtotal</b>	<b>\$4.90</b>	<b>\$4.83</b>	<b>\$4.97</b>	<b>\$5.05</b>	<b>\$5.11</b>
Ozaukee	Flex/R&D	\$9.67	\$8.50	\$8.50	\$8.50	\$8.58
	Manufacturing	\$3.38	\$4.48	\$5.20	\$4.25	\$4.25
	Warehouse Distribution					
	Warehouse Office	\$6.28	\$6.17	\$5.60	\$5.94	\$5.67
	<b>Subtotal</b>	<b>\$6.61</b>	<b>\$6.28</b>	<b>\$6.09</b>	<b>\$6.29</b>	<b>\$6.34</b>
Racine	Flex/R&D	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70
	Manufacturing	\$4.25	\$5.75	\$6.08	\$7.00	\$6.00
	Warehouse Distribution	\$4.35	\$4.35	\$4.35	\$4.45	\$5.87
	Warehouse Office	\$3.67	\$3.67	\$4.50	\$4.50	\$3.67
	<b>Subtotal</b>	<b>\$3.95</b>	<b>\$4.52</b>	<b>\$4.87</b>	<b>\$4.91</b>	<b>\$4.92</b>
Sheboygan	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$7.23	\$7.23	\$7.23	\$7.23	\$8.61
	<b>Subtotal</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$8.61</b>
Walworth	Flex/R&D					
	Manufacturing			\$3.00	\$3.00	\$3.00
	Warehouse Distribution					
	Warehouse Office	\$4.48	\$4.66	\$4.66	\$4.71	\$4.71
	<b>Subtotal</b>	<b>\$4.48</b>	<b>\$4.66</b>	<b>\$4.33</b>	<b>\$4.28</b>	<b>\$4.28</b>
Washington	Flex/R&D	\$6.58	\$6.50	\$6.50	\$6.50	\$6.50
	Manufacturing	\$5.18	\$5.10	\$4.55	\$4.58	\$4.58
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.05	\$4.60
	Warehouse Office	\$5.90	\$5.94	\$5.61	\$5.91	\$5.96
	<b>Subtotal</b>	<b>\$5.68</b>	<b>\$5.72</b>	<b>\$5.37</b>	<b>\$5.59</b>	<b>\$5.64</b>
Waukesha	Flex/R&D	\$7.16	\$6.56	\$6.69	\$7.41	\$7.35
	Manufacturing	\$5.54	\$5.52	\$5.86	\$5.36	\$5.22
	Warehouse Distribution	\$5.64	\$5.90	\$5.85	\$5.20	\$5.56
	Warehouse Office	\$5.85	\$5.80	\$5.75	\$5.70	\$5.89
	<b>Subtotal</b>	<b>\$6.06</b>	<b>\$5.95</b>	<b>\$5.96</b>	<b>\$6.03</b>	<b>\$6.12</b>
<b>Grand Total</b>		<b>\$5.45</b>	<b>\$5.36</b>	<b>\$5.37</b>	<b>\$5.45</b>	<b>\$5.55</b>

# Multi and Single Tenant

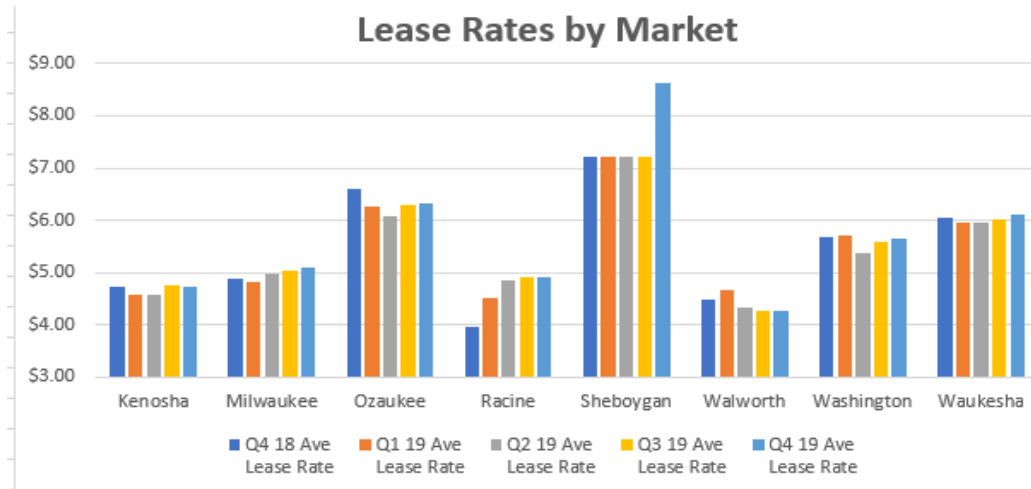
## Available and Vacancy by Market



## Vacancy Rate by Market



## Lease Rates by Market



# Market Overview (Multi-Tenant)

## Total

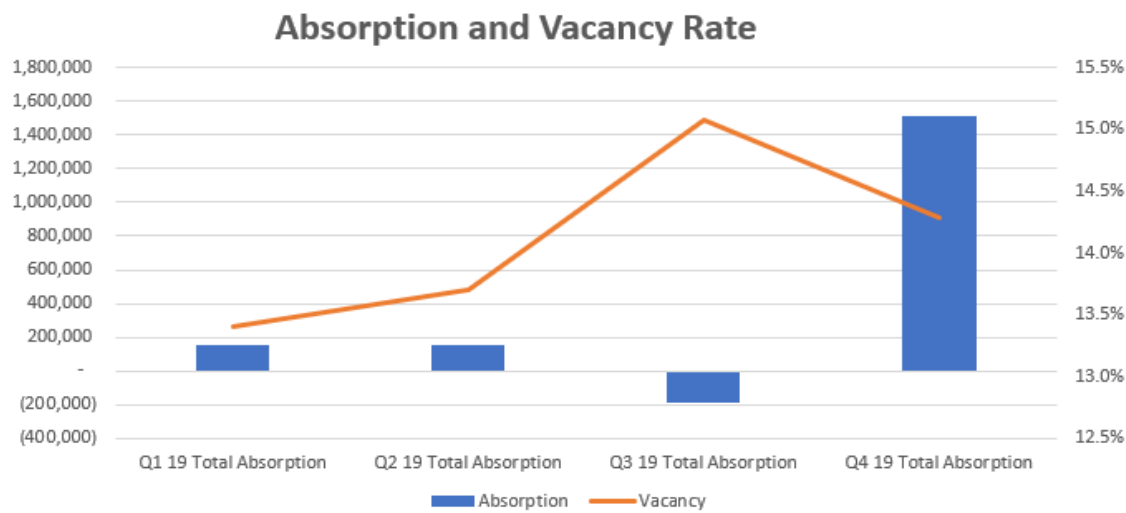
Property Type	# of Bldgs	Inventory	Total Avail SF	Total Vacant SF	Total Absorption sf	Total YTD Absorption sf	Vacancy Rate
Flex/R&D	155	6,307,943	872,911	586,840	37,869	83,167	9.3%
Manufacturing	123	13,547,188	1,810,336	1,395,386	204,512	25,560	10.3%
Warehouse Distribution	280	34,518,879	5,810,127	5,960,343	1,229,703	1,478,212	17.3%
Warehouse Office	576	29,514,378	5,368,866	4,038,043	43,176	48,918	13.7%
Grand Total	1,134	83,888,388	13,862,240	11,980,612	1,515,260	1,635,857	14.3%

## Direct

Property Type	# of Bldgs	Inventory	Direct Avail SF	Direct Vacant SF	Direct Absorption sf	Direct YTD Absorption sf	Vacancy Rate
Flex/R&D	155	6,307,943	809,623	541,909	10,269	55,567	8.6%
Manufacturing	123	13,547,188	1,802,336	1,395,386	204,512	25,560	10.3%
Warehouse Distribution	280	34,518,879	5,649,878	5,960,343	1,210,527	1,444,636	17.3%
Warehouse Office	576	29,514,378	5,303,580	4,018,343	43,176	39,505	13.6%
Grand Total	1,134	83,888,388	13,565,417	11,915,981	1,468,484	1,565,268	14.2%

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Avail SF	Sublease Vacant SF	Sublease Absorption sf	Sublease YTD Absorption sf	Vacancy Rate
Flex/R&D	155	6,307,943	63,288	44,931	27,600	27,600	0.7%
Manufacturing	123	13,547,188	8,000		0	0	0.0%
Warehouse Distribution	280	34,518,879	160,249		19,176	33,576	0.0%
Warehouse Office	576	29,514,378	65,286	19,700	0	9,410	0.1%
Grand Total	1,134	83,888,388	296,823	64,631	46,776	70,586	0.1%



# Market Statistics by County (Multi-Tenant)

County	Property Type	# of Bldgs	Inventory	Total Avail SF	Total Vacant SF	Total Absorption sf	Total YTD Absorption sf	Vacancy Rate
Kenosha	Flex/R&D	1	363,467	143,468		0	0	0.0%
	Manufacturing	5	793,348	51,059	51,059	0	0	6.4%
	Warehouse Distribution	22	6,257,177	1,370,889	2,322,403	0	(102,385)	37.1%
	Warehouse Office	19	1,562,607	74,166	13,000	0	5,000	0.8%
	<b>Subtotal</b>	<b>47</b>	<b>8,976,599</b>	<b>1,639,582</b>	<b>2,386,462</b>	<b>0</b>	<b>(97,385)</b>	<b>26.6%</b>
Milwaukee	Flex/R&D	30	1,472,539	301,733	250,500	41,018	48,509	17.0%
	Manufacturing	52	8,734,202	1,298,695	1,115,240	(4,100)	(201,334)	12.8%
	Warehouse Distribution	153	15,759,352	3,601,872	3,056,885	525,268	515,088	19.4%
	Warehouse Office	197	12,491,237	3,070,731	1,944,253	20,241	(52,954)	15.6%
	<b>Subtotal</b>	<b>432</b>	<b>38,457,330</b>	<b>8,273,031</b>	<b>6,366,878</b>	<b>582,427</b>	<b>309,309</b>	<b>16.6%</b>
Ozaukee	Flex/R&D	13	436,964	37,664	26,664	(13,103)	(5,603)	6.1%
	Manufacturing	7	713,766	227,331	127,956	15,446	23,446	17.9%
	Warehouse Distribution	5	673,069			0	0	0.0%
	Warehouse Office	23	1,351,236	512,156	458,500	2,374	2,648	33.9%
	<b>Subtotal</b>	<b>48</b>	<b>3,175,035</b>	<b>777,151</b>	<b>613,120</b>	<b>4,717</b>	<b>20,491</b>	<b>19.3%</b>
Racine	Flex/R&D	8	375,939	27,000	66,400	0	14,186	17.7%
	Manufacturing	7	667,798			193,166	193,166	0.0%
	Warehouse Distribution	23	4,248,150	259,773	183,330	689,749	775,460	4.3%
	Warehouse Office	31	2,437,136	732,385	749,433	0	0	30.8%
	<b>Subtotal</b>	<b>69</b>	<b>7,729,023</b>	<b>1,019,158</b>	<b>999,163</b>	<b>882,915</b>	<b>982,812</b>	<b>12.9%</b>
Sheboygan	Flex/R&D	1	31,069			0	0	0.0%
	Manufacturing	3	315,153			0	0	0.0%
	Warehouse Distribution	3	195,580			0	0	0.0%
	Warehouse Office	12	486,174	13,875	13,875	(13,875)	1,625	2.9%
	<b>Subtotal</b>	<b>19</b>	<b>1,027,976</b>	<b>13,875</b>	<b>13,875</b>	<b>(13,875)</b>	<b>1,625</b>	<b>1.3%</b>
Walworth	Flex/R&D	1	33,822			0	0	0.0%
	Manufacturing	3	55,984			0	0	0.0%
	Warehouse Distribution	5	306,178			0	0	0.0%
	Warehouse Office	11	619,734	80,294	32,500	0	21,778	5.2%
	<b>Subtotal</b>	<b>20</b>	<b>1,015,718</b>	<b>80,294</b>	<b>32,500</b>	<b>0</b>	<b>21,778</b>	<b>3.2%</b>
Washington	Flex/R&D	8	295,872	41,103	30,953	(1,880)	3,856	10.5%
	Manufacturing	20	790,273	164,421	40,501	0	(25,200)	5.1%
	Warehouse Distribution	12	2,016,325	131,688	192,300	0	46,500	9.5%
	Warehouse Office	47	1,740,652	144,410	302,636	(9,200)	14,400	17.4%
	<b>Subtotal</b>	<b>87</b>	<b>4,843,122</b>	<b>481,622</b>	<b>566,390</b>	<b>(11,080)</b>	<b>39,556</b>	<b>11.7%</b>
Waukesha	Flex/R&D	93	3,298,271	321,943	212,323	11,834	22,219	6.4%
	Manufacturing	26	1,476,664	68,830	60,630	0	35,482	4.1%
	Warehouse Distribution	57	5,063,048	445,905	205,425	14,686	243,549	4.1%
	Warehouse Office	236	8,825,602	740,849	523,846	43,636	56,421	5.9%
	<b>Subtotal</b>	<b>412</b>	<b>18,663,585</b>	<b>1,577,527</b>	<b>1,002,224</b>	<b>70,156</b>	<b>357,671</b>	<b>5.4%</b>
<b>Grand Total</b>		<b>1,134</b>	<b>83,888,388</b>	<b>13,862,240</b>	<b>11,980,612</b>	<b>1,515,260</b>	<b>1,635,857</b>	<b>14.3%</b>



# Vacancy Rates by County (Multi-Tenant)

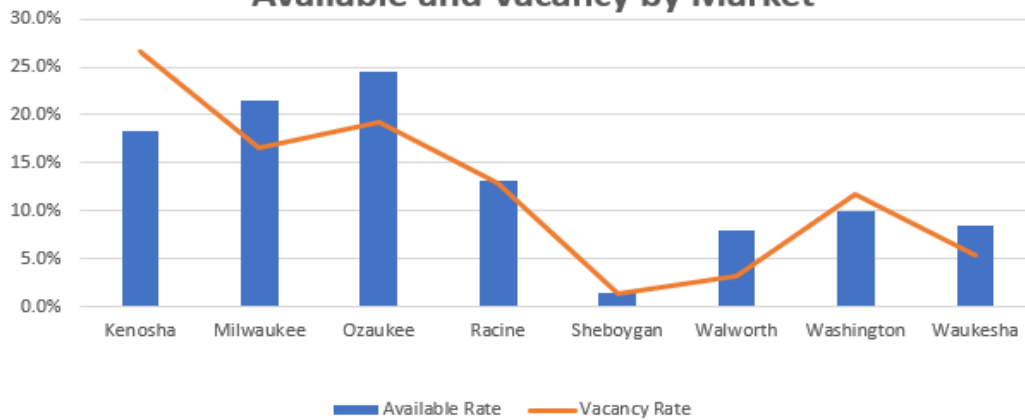
County	Property Type	Q4 2018 Vacancy Rate	Q1 2019 Vacancy Rate	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	6.4%	6.4%	6.4%	6.4%	6.4%
	Warehouse Distribution	15.4%	20.7%	24.0%	34.1%	37.1%
	Warehouse Office	1.2%	0.8%	0.8%	0.8%	0.8%
	<b>Subtotal</b>	<b>10.8%</b>	<b>14.3%</b>	<b>16.5%</b>	<b>24.2%</b>	<b>26.6%</b>
Milwaukee	Flex/R&D	14.8%	14.0%	14.1%	14.2%	17.0%
	Manufacturing	10.5%	8.9%	10.9%	12.7%	12.8%
	Warehouse Distribution	20.0%	19.9%	19.7%	21.4%	19.4%
	Warehouse Office	13.6%	14.4%	14.3%	14.7%	15.6%
	<b>Subtotal</b>	<b>15.5%</b>	<b>15.3%</b>	<b>15.7%</b>	<b>17.0%</b>	<b>16.6%</b>
Ozaukee	Flex/R&D	4.8%	3.1%	3.1%	3.1%	6.1%
	Manufacturing	21.2%	20.1%	20.1%	20.1%	17.9%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	33.8%	34.4%	34.4%	34.1%	33.9%
	<b>Subtotal</b>	<b>19.9%</b>	<b>19.6%</b>	<b>19.6%</b>	<b>19.5%</b>	<b>19.3%</b>
Racine	Flex/R&D	27.9%	27.9%	27.9%	23.0%	17.7%
	Manufacturing	28.9%	28.9%	28.9%	28.9%	0.0%
	Warehouse Distribution	20.1%	19.1%	19.1%	20.6%	4.3%
	Warehouse Office	29.5%	30.0%	29.5%	30.0%	30.8%
	<b>Subtotal</b>	<b>24.3%</b>	<b>23.9%</b>	<b>23.8%</b>	<b>24.4%</b>	<b>12.9%</b>
Sheboygan	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	3.2%	3.2%	3.2%	0.0%	2.9%
	<b>Subtotal</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>1.3%</b>
Walworth	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	8.8%	5.2%	5.2%	5.2%	5.2%
	<b>Subtotal</b>	<b>5.3%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.2%</b>
Washington	Flex/R&D	11.8%	13.3%	13.3%	9.8%	10.5%
	Manufacturing	1.9%	0.7%	5.1%	5.1%	5.1%
	Warehouse Distribution	11.8%	9.5%	9.5%	9.5%	9.5%
	Warehouse Office	7.6%	6.7%	6.7%	6.1%	17.4%
	<b>Subtotal</b>	<b>8.7%</b>	<b>7.3%</b>	<b>8.1%</b>	<b>7.7%</b>	<b>11.7%</b>
Waukesha	Flex/R&D	7.1%	7.7%	6.8%	6.8%	6.4%
	Manufacturing	6.5%	4.1%	4.1%	4.1%	4.1%
	Warehouse Distribution	6.0%	6.8%	6.5%	4.3%	4.1%
	Warehouse Office	6.7%	6.4%	5.7%	6.4%	5.9%
	<b>Subtotal</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>5.7%</b>	<b>5.4%</b>
<b>Grand Total</b>		<b>13.3%</b>	<b>13.4%</b>	<b>13.7%</b>	<b>15.1%</b>	<b>14.3%</b>

# Lease Rates by County (Multi-Tenant)

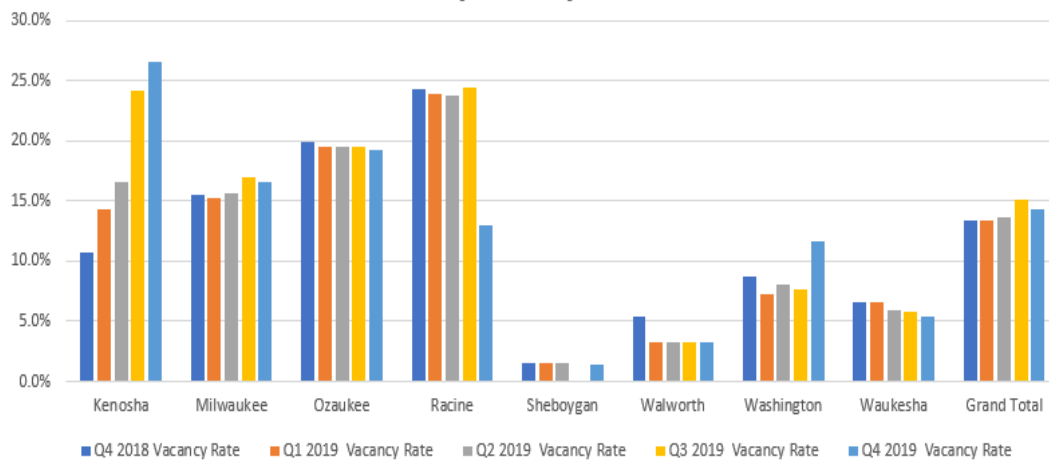
County	Property Type	Q4 2018 Lease Rate	Q1 2019 Lease Rate	Q2 2019 Lease Rate	Q3 2019 Lease Rate	Q4 2019 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing	\$3.25	\$3.25	\$3.25		
	Warehouse Distribution	\$4.67	\$4.41	\$4.41	\$4.41	\$4.28
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	<b>Subtotal</b>	<b>\$4.75</b>	<b>\$4.57</b>	<b>\$4.57</b>	<b>\$4.75</b>	<b>\$4.72</b>
Milwaukee	Flex/R&D	\$6.43	\$6.68	\$7.06	\$6.70	\$6.67
	Manufacturing	\$4.27	\$3.78	\$3.88	\$4.23	\$4.23
	Warehouse Distribution	\$4.76	\$4.84	\$4.88	\$4.95	\$4.90
	Warehouse Office	\$4.89	\$4.55	\$4.79	\$4.94	\$5.21
	<b>Subtotal</b>	<b>\$4.92</b>	<b>\$4.84</b>	<b>\$5.03</b>	<b>\$5.08</b>	<b>\$5.17</b>
Ozaukee	Flex/R&D	\$9.67	\$8.50	\$8.50	\$8.50	\$8.58
	Manufacturing				\$4.25	\$4.25
	Warehouse Distribution					
	Warehouse Office	\$6.09	\$5.98	\$5.32	\$5.68	\$5.36
	<b>Subtotal</b>	<b>\$7.17</b>	<b>\$6.54</b>	<b>\$6.03</b>	<b>\$6.15</b>	<b>\$6.22</b>
Racine	Flex/R&D					
	Manufacturing					
	Warehouse Distribution	\$4.35	\$4.35	\$4.35	\$4.45	\$4.80
	Warehouse Office	\$3.67	\$3.67	\$3.67	\$3.67	\$3.67
	<b>Subtotal</b>	<b>\$3.94</b>	<b>\$3.94</b>	<b>\$3.94</b>	<b>\$4.06</b>	<b>\$4.12</b>
Sheboygan	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$7.23	\$7.23	\$7.23	\$7.23	\$7.23
	<b>Subtotal</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$7.23</b>	<b>\$7.23</b>
Walworth	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$4.71	\$4.71	\$4.71	\$4.71	\$4.71
	<b>Subtotal</b>	<b>\$4.71</b>	<b>\$4.71</b>	<b>\$4.71</b>	<b>\$4.71</b>	<b>\$4.71</b>
Washington	Flex/R&D	\$6.58	\$6.50	\$6.50	\$6.50	\$6.50
	Manufacturing	\$5.30	\$5.25	\$4.33	\$4.58	\$4.58
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.50	
	Warehouse Office	\$6.01	\$6.08	\$5.65	\$6.08	\$6.11
	<b>Subtotal</b>	<b>\$5.82</b>	<b>\$5.90</b>	<b>\$5.43</b>	<b>\$5.70</b>	<b>\$5.76</b>
Waukesha	Flex/R&D	\$7.20	\$6.67	\$6.70	\$7.45	\$7.35
	Manufacturing	\$5.36	\$5.36	\$5.21	\$5.21	\$4.98
	Warehouse Distribution	\$5.71	\$6.08	\$5.95	\$5.18	\$5.45
	Warehouse Office	\$5.83	\$5.74	\$5.74	\$5.66	\$5.83
	<b>Subtotal</b>	<b>\$6.11</b>	<b>\$5.99</b>	<b>\$5.98</b>	<b>\$6.12</b>	<b>\$6.17</b>
<b>Grand Total</b>		<b>\$5.58</b>	<b>\$5.41</b>	<b>\$5.42</b>	<b>\$5.50</b>	<b>\$5.59</b>

# Multi-Tenant

## Available and Vacancy by Market



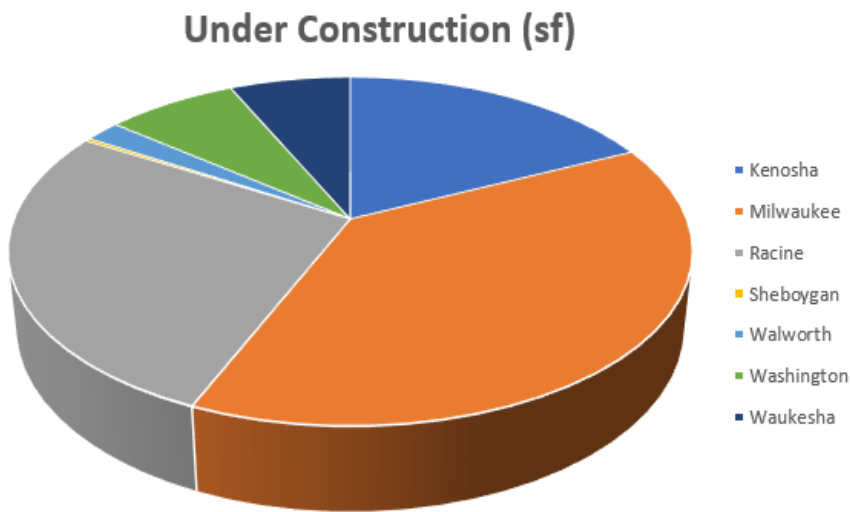
## Vacancy Rate by Market



## Lease Rates by Market

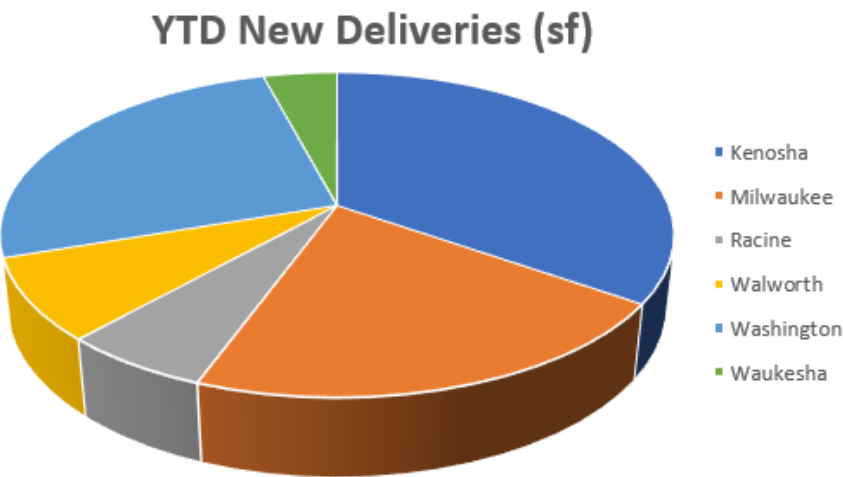


# New Developments



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

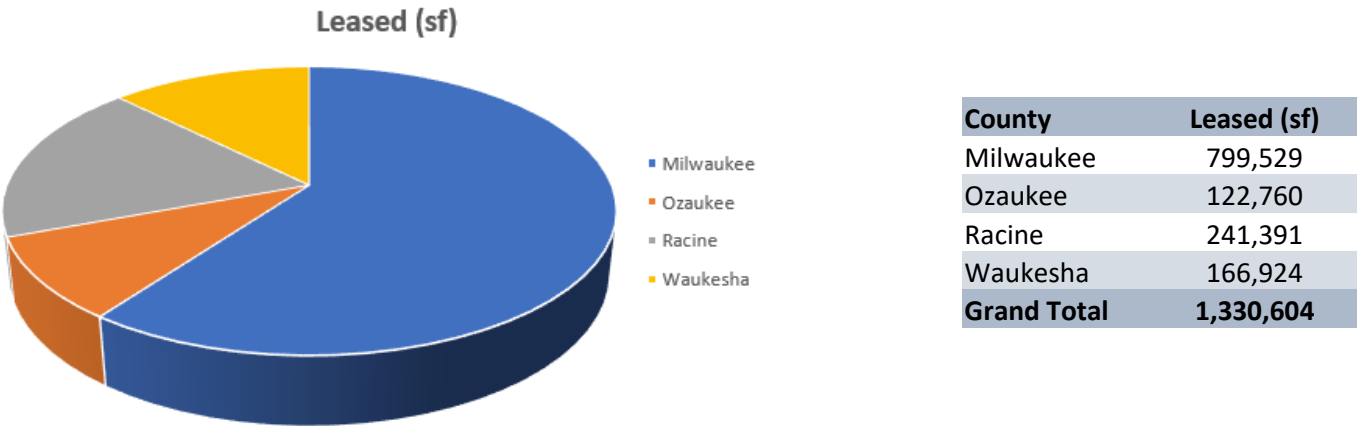
# New Deliveries



County	Bldg (sf)
Kenosha	1,756,880
Milwaukee	1,074,515
Racine	310,189
Walworth	412,000
Washington	1,316,912
Waukesha	214,000
Grand Total	5,084,496

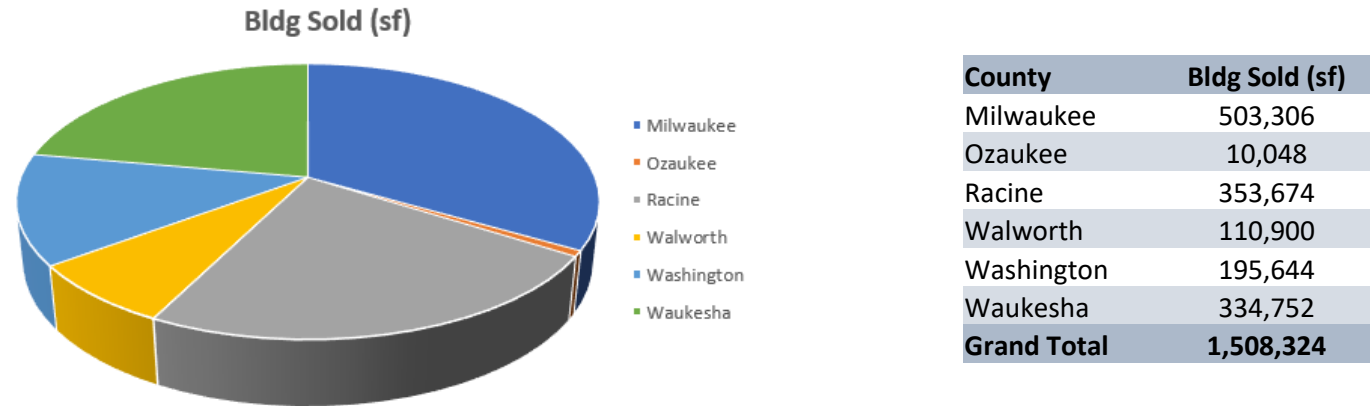
# Leasing Activity

Property	Size (sf)	County	Tenant	Landlord
11905 Meridian Dr	307,850	Racine	Hillwood Seda	Meridian HW
7505 Durand Ave	193,166	Racine	Store Here Self Storage	Phoenix JCR Mt Pleasant Industrial Investments
610 W Rawson Ave	69,560	Milwaukee	Safer Mile	Oak Creek Rawson Industrial
5110 S 6th St	58,500	Milwaukee	Used Cardboard Boxes Inc	Plymouth MWG 5110 South 6th
280 Industrial Dr	30,000	Ozaukee	Keirmar Llc	Poynette



# Sales Activity

Property	Price	County	Buyer	Seller
9400 N 124th St	\$15,500,000	Racine	Badger Solutions	VK 7601 Durand
17000 W Rogers Dr	\$5,100,000	Waukesha	Rogers Self Storage	Aberdeen Holdings
555 Koopman Ln	\$5,050,000	Walworth	Stag Industrial Holdings	LGS Investments
404 S 116th St	\$3,600,000	Milwaukee	Carrier Mfg,	Cleveland Gear Company
5050-5060 S 13th St	\$3,350,000	Milwaukee	Code Properties	Fox Owl Enterprises



# Methodology

The Milwaukee market consists of all industrial existing buildings 10,000 sf or larger in Southeast Wisconsin. The geographic area includes Milwaukee, Waukesha, Ozaukee, Washington, Sheboygan, Walworth, Racine and Kenosha counties. Property types included in the tracked set consist of Flex/R&D, Manufacturing, Warehouse/Office and Warehouse/Distribution. The tracked set does not include self-storage facilities and non-conforming property types such as grain elevators or fuel storage facilities. Statistically, net absorption will be calculated based on when a lease is signed or space is vacated during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

## Terminology

Direct Vacant (sf)	The total vacant square footage in a building marketed by an agent representing the landlord
Inventory	The total square footage (sf) of all tracked single and multi-tenant industrial buildings 10,000 sf or larger
Net Absorption	The net change in when a lease is signed or space is vacated from quarter to quarter, expressed in
Property Type	The classification of a property based on the specific use
Sublease (sf)	Space available for lease by a tenant for part or all of a leased premises, with the original tenant retaining some right or interest under the original lease. Space is only considered vacant if unoccupied
Total Available (sf)	Total of all space within a building marketed for lease, which can be occupied or vacant, direct or sublease
Total Vacant (sf)	Total of all unoccupied space within a building marketed for lease, which can be direct or sublease
Average Asking Rate	The average asking lease rate expressed as a per square foot value in NNN terms

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