

MARKET TRENDS

Q2 2020 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	725,041	
Area Unemployment	12.6	
U.S. Unemployment	13.3	
Office Using Jobs	174,100	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,917,114
Absorption	4,494
Vacancy	14.6%
Asking Rate (FSG)	\$19.83
New Construction (sf)	578,797

Multi-tenant Properties

Total Inventory (sf)	32,149,011
Absorption	104,494
Vacancy	18.9%
Asking Rate (FSG)	\$19.85

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 930 basis points to 12.6% compared to 3.3 in May 2019. The unemployment rate for the US was at 13.3% in May 2020, up from 3.6% last year. State of Wisconsin unemployment was 12.1% for this quarter. The Milwaukee MSA saw a decrease in job growth with office using jobs decreasing by 14,000 during the same period.

Market Overview

The Milwaukee office market consisting of 45.9 msf of space posted a vacancy rate of 14.6% during Q2 2020 for multi and single tenant properties. The multi-tenant tracked properties in the same geography make up 32.1 msf, with a vacancy rate of 18.9%. The average asking lease rate for all property types came in at \$19.83 psf FSG.

Market Highlights

The Milwaukee office market posted positive absorption of 4,494 sf for Q2 2020. Milwaukee Downtown East had a lot of movement with BMO leasing 113,000 and Michael Best leasing 62,00 sf in the new delivery of BMO tower. BMO did vacated 100,000 sf and Michael Best vacated 93,000 sf in their previous buildings. North Shore lost the most with 27,000 sf negative absorption with Regus leading the pack vacating 16,000 sf. Milwaukee CBD totaled 47,000 sf positive absorption while suburban markets totaled 42,000 sf negative absorption. There are currently 5 properties under construction with 578,000. BMO tower with 380,000 sf was the only new delivery year to date. There were 46 lease transaction with just under 182,000 sf during Q2 2020.

Market Overview by Class (Multi and Single Tenant)

Total

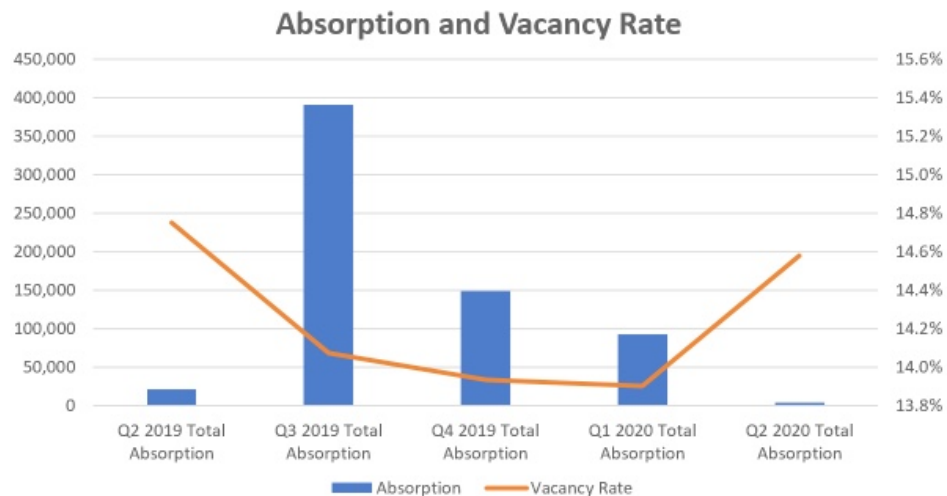
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	98	15,658,952	2,938,407	2,156,133	121,627	210,424	13.8%
B	436	27,894,923	4,381,933	4,423,772	-117,133	-112,341	15.9%
C	54	2,363,239	227,235	114,331	0	-771	4.8%
Grand Total	588	45,917,114	7,547,575	6,694,236	4,494	97,312	14.6%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	98	15,658,952	2,752,176	2,128,754	108,706	171,414	13.6%
B	436	27,894,923	4,250,474	4,380,157	-194,525	-190,500	15.7%
C	54	2,363,239	227,235	114,331	0	-771	4.8%
Grand Total	588	45,917,114	7,229,885	6,623,242	-85,819	-19,857	14.4%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	98	15,658,952	186,231	27,379	12,921	39,010	0.2%
B	436	27,894,923	131,459	43,615	77,392	78,159	0.2%
C	54	2,363,239			0	0	0.0%
Grand Total	588	45,917,114	317,690	70,994	90,313	117,169	0.2%

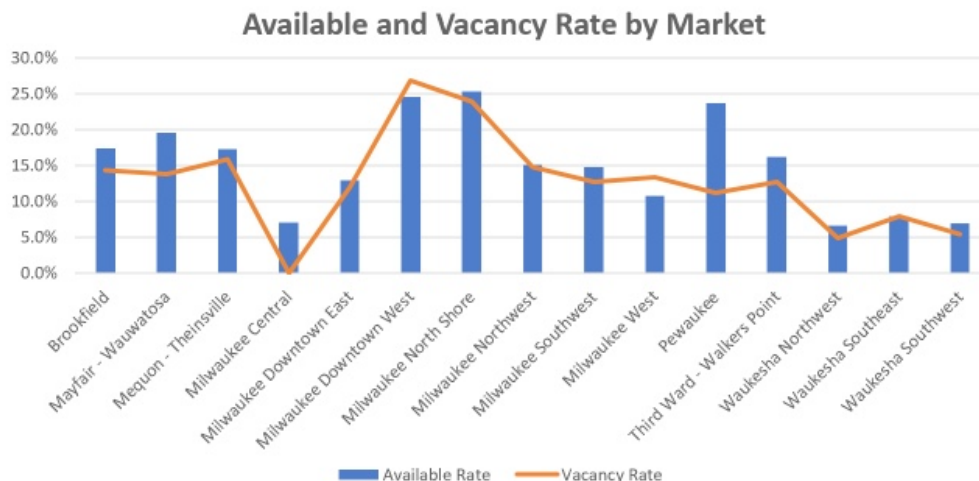


Market Statistics by Market (Multi and Single Tenant)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Downtown East	A	15	6,559,617	1,129,727	826,699	109,442	184,063	12.6%
	B	45	5,183,272	412,970	600,011	(94,998)	(89,038)	11.6%
	C	5	146,389			0	0	0.0%
	Subtotal	65	11,889,278	1,542,697	1,426,710	14,444	95,025	12.0%
Milwaukee Downtown West	A	3	902,938	381,914	381,914	0	(1,701)	42.3%
	B	33	4,461,509	982,002	1,106,051	40,505	15,327	24.8%
	C	3	189,311			0	0	0.0%
	Subtotal	39	5,553,758	1,363,916	1,487,965	40,505	13,626	26.8%
Third Ward - Walkers Point	A	3	263,369	20,707	8,897	0	0	3.4%
	B	39	2,044,734	287,650	222,049	(7,801)	2,496	10.9%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	46	2,469,853	399,564	314,946	(7,801)	2,496	12.8%
Milwaukee CBD	A	21	7,725,924	1,532,348	1,217,510	109,442	182,362	15.8%
	B	117	11,689,515	1,682,622	1,928,111	(62,294)	(71,215)	16.5%
	C	12	497,450	91,207	84,000	0	0	16.9%
	Subtotal	150	19,912,889	3,306,177	3,229,621	47,148	111,147	16.2%
Brookfield	A	24	2,023,127	373,206	282,808	11,467	23,175	14.0%
	B	79	3,899,697	687,019	589,804	(30,771)	(75,301)	15.1%
	C	6	163,390			0	0	0.0%
	Subtotal	109	6,086,214	1,060,225	872,612	(19,304)	(52,126)	14.3%
Mayfair - Wauwatosa	A	14	1,658,528	341,307	150,154	0	(11,150)	9.1%
	B	29	1,422,800	315,985	311,595	(13,775)	(21,470)	21.9%
	C	8	343,553	12,238	12,238	0	(771)	3.6%
	Subtotal	51	3,424,881	669,530	473,987	(13,775)	(33,391)	13.8%
Mequon - Theinsville	A	5	167,134	27,707	22,683	8,191	16,859	13.6%
	B	12	328,283	57,941	56,011	0	(1,464)	17.1%
	Subtotal	17	495,417	85,648	78,694	8,191	15,395	15.9%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	717,056			0	0	0.0%
	C	11	672,599	103,530		0	0	0.0%
	Subtotal	20	1,460,210	103,530		0	0	0.0%
Milwaukee North Shore	A	3	149,535	84,407	84,407	(16,021)	(13,147)	56.4%
	B	36	2,157,951	582,304	544,550	(11,599)	(17,844)	25.2%
	C	8	402,978	20,260	18,093	0	0	4.5%
	Subtotal	47	2,710,464	686,971	647,050	(27,620)	(30,991)	23.9%

Market Statistics by Market (Multi and Single Tenant—Cont)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Northwest	A	11	1,915,769	208,305	204,732	8,548	14,026	10.7%
	B	44	2,563,681	468,774	459,762	(10,671)	(2,602)	17.9%
	Subtotal	55	4,479,450	677,079	664,494	(2,123)	11,424	14.8%
Milwaukee Southwest	A	2	111,067	28,936	26,776	0	0	24.1%
	B	10	390,140	58,642	48,630	3,233	(5,925)	12.5%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	87,578	75,406	3,233	(5,925)	12.7%
Milwaukee West	B	18	1,682,242	184,170	227,906	3,446	82,698	13.5%
	C	1	27,516			0	0	0.0%
	Subtotal	19	1,709,758	184,170	227,906	3,446	82,698	13.3%
Pewaukee	A	16	1,157,047	342,191	167,063	0	(1,701)	14.4%
	B	21	756,882	111,065	48,289	(4,100)	(4,100)	6.4%
	Subtotal	37	1,913,929	453,256	215,352	(4,100)	(5,801)	11.3%
Waukesha Northwest - Lake Country	B	18	593,108	39,446	28,906	(930)	(1,871)	4.9%
	Subtotal	18	593,108	39,446	28,906	(930)	(1,871)	4.9%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	25	974,381	132,219	132,219	10,328	10,328	13.6%
	Subtotal	26	1,654,647	132,219	132,219	10,328	10,328	8.0%
Waukesha Southwest	B	19	719,187	61,746	47,989	0	(3,575)	6.7%
	C	6	164,095			0	0	0.0%
	Subtotal	25	883,282	61,746	47,989	0	(3,575)	5.4%
Suburban	A	77	7,933,028	1,406,059	938,623	12,185	28,062	11.8%
	B	319	16,205,408	2,699,311	2,495,661	(54,839)	(41,126)	15.4%
	C	42	1,865,789	136,028	30,331	0	(771)	1.6%
	Subtotal	438	26,004,225	4,241,398	3,464,615	(42,654)	(13,835)	13.3%
Grand Total		588	45,917,114	7,547,575	6,694,236	4,494	97,312	14.6%

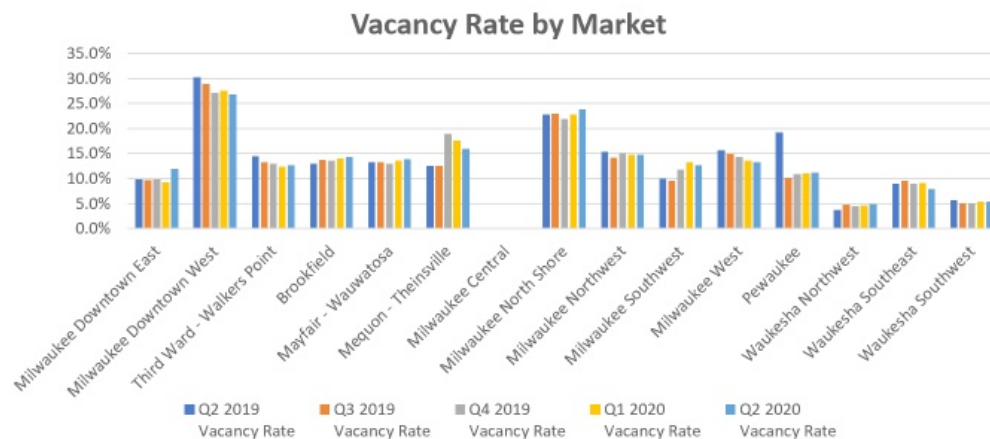


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate
Milwaukee Downtown East	A	10.2%	10.0%	10.2%	9.0%	12.6%
	B	9.7%	9.8%	9.9%	9.7%	11.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	9.8%	9.8%	9.9%	9.2%	12.0%
Milwaukee Downtown West	A	44.0%	44.0%	42.1%	42.3%	42.3%
	B	26.7%	25.0%	25.1%	25.7%	24.8%
	C	49.5%	49.5%	0.0%	0.0%	0.0%
	Subtotal	30.3%	28.9%	27.0%	27.5%	26.8%
Third Ward - Walkers Point	A	12.4%	3.4%	3.4%	3.4%	3.4%
	B	11.6%	11.4%	11.2%	10.5%	10.9%
	C	59.2%	51.9%	51.9%	51.9%	51.9%
	Subtotal	14.5%	13.3%	13.0%	12.4%	12.8%
Milwaukee CBD	A	14.4%	13.9%	13.8%	12.8%	15.8%
	B	16.5%	15.9%	15.9%	16.0%	16.5%
	C	35.3%	34.0%	16.9%	16.9%	16.9%
	Subtotal	16.2%	15.6%	15.2%	14.8%	16.2%
Brookfield	A	17.8%	17.7%	15.1%	14.5%	14.0%
	B	11.0%	12.2%	13.2%	14.4%	15.1%
	C	1.2%	0.2%	0.0%	0.0%	0.0%
	Subtotal	13.0%	13.7%	13.5%	14.1%	14.3%
Mayfair - Wauwatosa	A	8.6%	8.9%	8.4%	9.1%	9.1%
	B	20.8%	21.0%	20.7%	21.3%	21.9%
	C	3.3%	3.3%	3.3%	3.6%	3.6%
	Subtotal	13.2%	13.3%	12.9%	13.5%	13.8%
Mequon - Theinsville	A	1.4%	1.4%	23.7%	18.5%	13.6%
	B	16.9%	17.0%	16.6%	17.1%	17.1%
	Subtotal	12.5%	12.6%	19.0%	17.5%	15.9%
Milwaukee Central	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	0.0%	0.0%	0.0%	0.0%	0.0%
Milwaukee North Shore	A	48.9%	48.9%	47.7%	45.7%	56.4%
	B	22.9%	23.0%	23.3%	24.7%	25.2%
	C	8.0%	7.5%	4.5%	4.5%	4.5%
	Subtotal	22.9%	22.9%	21.9%	22.9%	23.9%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate
Milwaukee Northwest	A	9.1%	9.1%	11.4%	11.1%	10.7%
	B	20.2%	17.9%	17.8%	17.5%	17.9%
	Subtotal	15.4%	14.1%	15.1%	14.8%	14.8%
Milwaukee Southwest	A	22.6%	21.4%	24.1%	24.1%	24.1%
	B	10.3%	9.7%	10.9%	13.3%	12.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	10.0%	9.5%	11.7%	13.3%	12.7%
Milwaukee West	B	15.9%	15.2%	14.4%	13.8%	13.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.7%	15.0%	14.3%	13.5%	13.3%
Pewaukee	A	28.7%	13.3%	14.3%	14.4%	14.4%
	B	4.7%	5.5%	5.8%	5.8%	6.4%
	Subtotal	19.2%	10.2%	10.9%	11.0%	11.3%
Waukesha Northwest - Lake Country	B	3.7%	4.8%	4.6%	4.7%	4.9%
	Subtotal	3.7%	4.8%	4.6%	4.7%	4.9%
Waukesha Southeast - New Berlin	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	16.1%	17.1%	15.5%	15.9%	13.6%
	Subtotal	9.0%	9.6%	8.9%	9.1%	8.0%
Waukesha Southwest	B	7.0%	6.2%	6.2%	6.7%	6.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	5.7%	5.0%	5.0%	5.4%	5.4%
Suburban	A	14.1%	11.7%	12.2%	12.0%	11.8%
	B	14.7%	14.6%	14.7%	15.2%	15.4%
	C	2.0%	1.9%	1.6%	1.6%	1.6%
	Subtotal	13.6%	12.9%	13.0%	13.2%	13.3%
Grand Total		14.7%	14.1%	13.9%	13.9%	14.6%



Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q2 2019 Lease Rate	Q3 2019 Lease Rate	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate
Milwaukee Downtown East	A	\$30.22	\$31.67	\$29.94	\$30.14	\$30.36
	B	\$20.08	\$20.04	\$19.99	\$20.59	\$20.26
	C					
	Subtotal	\$23.46	\$23.21	\$23.02	\$23.77	\$24.05
Milwaukee Downtown West	A	\$22.66	\$22.66	\$20.25	\$20.73	\$20.73
	B	\$20.71	\$20.82	\$20.50	\$20.47	\$20.12
	C	\$17.50	\$17.50			
	Subtotal	\$20.75	\$20.84	\$20.48	\$20.49	\$20.16
Third Ward - Walkers Point	A	\$22.63	\$20.25	\$24.25	\$26.82	\$26.82
	B	\$22.56	\$22.52	\$22.62	\$22.04	\$22.81
	C	\$24.50	\$24.50	\$23.25	\$23.25	\$23.25
	Subtotal	\$22.69	\$22.50	\$22.91	\$22.74	\$23.37
Milwaukee CBD	A	\$27.46	\$28.40	\$27.83	\$28.68	\$28.96
	B	\$21.09	\$21.01	\$20.95	\$21.01	\$20.98
	C	\$21.00	\$21.00	\$23.25	\$23.25	\$23.25
	Subtotal	\$22.41	\$22.29	\$22.39	\$22.66	\$22.84
Brookfield	A	\$22.52	\$22.46	\$22.47	\$22.52	\$22.43
	B	\$18.09	\$17.81	\$18.10	\$18.17	\$18.01
	C	\$14.00	\$15.00			
	Subtotal	\$19.72	\$19.71	\$20.01	\$19.89	\$19.64
Mayfair - Wauwatosa	A	\$26.21	\$25.99	\$26.29	\$26.50	\$26.61
	B	\$16.79	\$16.79	\$16.76	\$15.90	\$16.65
	C		\$14.00	\$14.00	\$14.00	\$14.00
	Subtotal	\$19.77	\$19.07	\$19.81	\$19.53	\$19.66
Mequon - Theinsville	A					
	B	\$20.26	\$18.45	\$17.62	\$17.80	\$17.62
	Subtotal	\$20.26	\$18.45	\$17.62	\$17.80	\$17.62
Milwaukee Central	A					
	B	\$12.00				
	C					
	Subtotal	\$12.00				
Milwaukee North Shore	A	\$23.15	\$24.00	\$24.00	\$24.00	\$24.00
	B	\$16.85	\$18.30	\$17.14	\$17.29	\$16.63
	C	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
	Subtotal	\$17.71	\$18.91	\$17.58	\$17.68	\$17.24

Lease Rates by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q2 2019 Lease Rate	Q3 2019 Lease Rate	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate
Milwaukee Northwest	A	\$22.93	\$22.96	\$22.29	\$20.87	\$19.96
	B	\$17.72	\$17.53	\$18.03	\$18.27	\$17.82
	Subtotal	\$18.92	\$19.16	\$18.83	\$18.79	\$18.20
Milwaukee Southwest	A	\$25.00	\$25.00	\$26.13	\$26.13	\$26.13
	B	\$17.83	\$16.37	\$16.43	\$16.48	\$16.48
	C					
	Subtotal	\$19.02	\$17.81	\$19.20	\$19.24	\$19.24
Milwaukee West	B	\$17.28	\$17.73	\$17.79	\$17.69	\$17.81
	C					
	Subtotal	\$17.28	\$17.73	\$17.79	\$17.69	\$17.81
Pewaukee	A	\$22.41	\$23.20	\$22.73	\$22.54	\$22.54
	B	\$17.99	\$18.28	\$18.49	\$17.90	\$17.66
	Subtotal	\$20.94	\$21.18	\$21.23	\$20.73	\$20.49
Waukesha Northwest - Lake Country	B	\$17.90	\$17.90	\$17.93	\$17.64	\$17.64
	Subtotal	\$17.90	\$17.90	\$17.93	\$17.64	\$17.64
Waukesha Southeast - New Berlin	A					
	B	\$15.55	\$15.70	\$15.82	\$15.82	\$16.10
	Subtotal	\$15.55	\$15.70	\$15.82	\$15.82	\$16.10
Waukesha Southwest	B	\$16.40	\$16.48	\$17.13	\$16.57	\$16.90
	C					
	Subtotal	\$16.40	\$16.48	\$17.13	\$16.57	\$16.90
Suburban	A	\$23.09	\$23.23	\$23.33	\$23.17	\$23.08
	B	\$17.38	\$17.48	\$17.49	\$17.45	\$17.39
	C	\$15.33	\$15.00	\$15.60	\$15.60	\$15.60
	Subtotal	\$18.98	\$19.10	\$19.13	\$19.01	\$18.86
Grand Total		\$19.84	\$19.95	\$19.92	\$19.94	\$19.83



Market Overview by Class (Multi-Tenant Properties)

Total

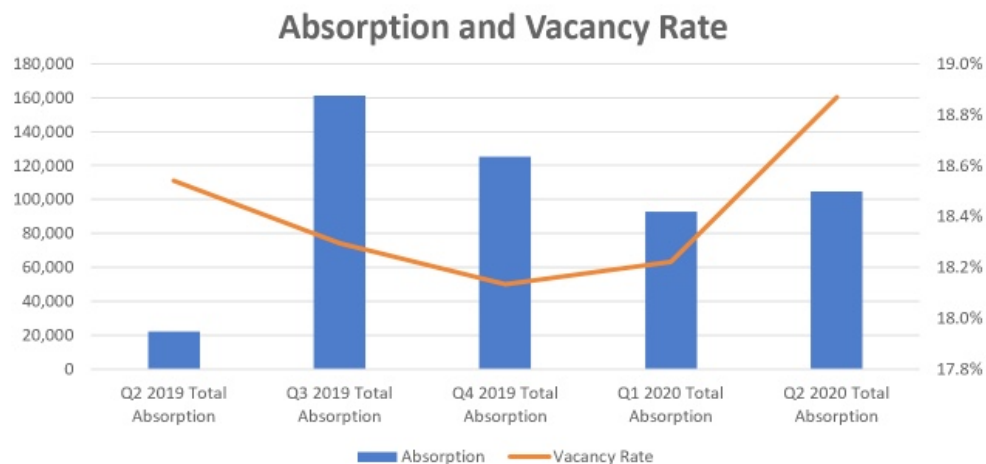
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	81	11,197,703	2,826,407	2,156,133	121,627	210,424	19.3%
B	332	19,224,963	4,177,427	3,795,398	-17,133	-12,341	19.7%
C	42	1,726,345	123,705	114,331	0	-771	6.6%
Grand Total	455	32,149,011	7,127,539	6,065,862	104,494	197,312	18.9%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	81	11,197,703	2,640,176	2,128,754	108,706	171,414	19.0%
B	332	19,224,963	4,045,968	3,751,783	-17,983	-13,958	19.5%
C	42	1,726,345	123,705	114,331	0	-771	6.6%
Grand Total	455	32,149,011	6,809,849	5,994,868	90,723	156,685	18.6%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	81	11,197,703	186,231	27,379	12,921	39,010	0.2%
B	332	19,224,963	131,459	43,615	850	1,617	0.2%
C	42	1,726,345			0	0	0.0%
Grand Total	455	32,149,011	317,690	70,994	13,771	40,627	0.2%



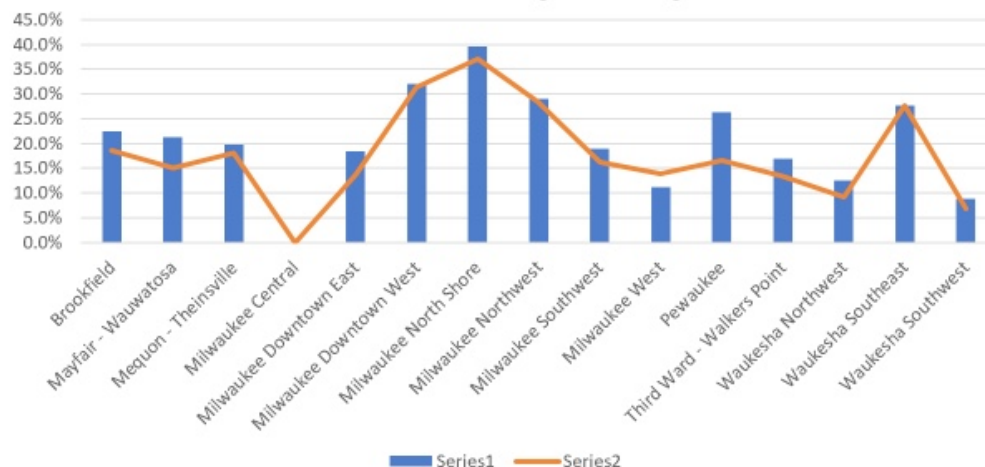
Market Statistics by Market (Multi-Tenant Properties)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Downtown East	A	13	5,275,151	1,129,727	826,699	109,442	184,063	15.7%
	B	34	2,992,248	412,970	327,011	5,002	10,962	10.9%
	C	4	115,387			0	0	0.0%
	Subtotal	51	8,382,786	1,542,697	1,153,710	114,444	195,025	13.8%
Milwaukee Downtown West	A	2	622,938	381,914	381,914	0	(1,701)	61.3%
	B	27	3,539,910	982,002	955,183	40,505	15,327	27.0%
	C	2	95,561			0	0	0.0%
	Subtotal	31	4,258,409	1,363,916	1,337,097	40,505	13,626	31.4%
Third Ward - Walkers Point	A	3	263,369	20,707	8,897	0	0	3.4%
	B	36	1,936,782	287,650	222,049	(7,801)	2,496	11.5%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	43	2,361,901	399,564	314,946	(7,801)	2,496	13.3%
Milwaukee CBD	A	18	6,161,458	1,532,348	1,217,510	109,442	182,362	19.8%
	B	97	8,468,940	1,682,622	1,504,243	37,706	28,785	17.8%
	C	10	372,698	91,207	84,000	0	0	22.5%
	Subtotal	125	15,003,096	3,306,177	2,805,753	147,148	211,147	18.7%
Brookfield	A	23	1,599,058	373,206	282,808	11,467	23,175	17.7%
	B	67	2,999,349	687,019	589,804	(30,771)	(75,301)	19.7%
	C	4	106,428			0	0	0.0%
	Subtotal	94	4,704,835	1,060,225	872,612	(19,304)	(52,126)	18.5%
Mayfair - Wauwatosa	A	13	1,566,458	341,307	150,154	0	(11,150)	9.6%
	B	24	1,260,842	315,985	311,595	(13,775)	(21,470)	24.7%
	C	7	308,057	12,238	12,238	0	(771)	4.0%
	Subtotal	44	3,135,357	669,530	473,987	(13,775)	(33,391)	15.1%
Mequon - Theinsville	A	4	127,493	27,707	22,683	8,191	16,859	17.8%
	B	11	307,535	57,941	56,011	0	(1,464)	18.2%
	Subtotal	15	435,028	85,648	78,694	8,191	15,395	18.1%
Milwaukee Central	B	4	150,896			0	0	0.0%
	C	6	412,277			0	0	0.0%
	Subtotal	10	563,173			0	0	0.0%
Milwaukee North Shore	A	3	149,535	84,407	84,407	(16,021)	(13,147)	56.4%
	B	28	1,163,894	522,741	484,987	(11,599)	(17,844)	41.7%
	C	7	271,978	20,260	18,093	0	0	6.7%
	Subtotal	38	1,585,407	627,408	587,487	(27,620)	(30,991)	37.1%

Market Statistics by Market (Multi-Tenant —Cont)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Northwest	A	5	690,699	208,305	204,732	8,548	14,026	29.6%
	B	23	1,141,261	323,831	314,819	(10,671)	(2,602)	27.6%
	Subtotal	28	1,831,960	532,136	519,551	(2,123)	11,424	28.4%
Milwaukee Southwest	A	2	111,067	28,936	26,776	0	0	24.1%
	B	7	260,489	58,642	48,630	3,233	(5,925)	18.7%
	C	2	91,658			0	0	0.0%
	Subtotal	11	463,214	87,578	75,406	3,233	(5,925)	16.3%
Milwaukee West	B	16	1,609,495	184,170	227,906	3,446	82,698	14.2%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,637,011	184,170	227,906	3,446	82,698	13.9%
Pewaukee	A	13	791,935	230,191	167,063	0	(1,701)	21.1%
	B	15	506,627	111,065	48,289	(4,100)	(4,100)	9.5%
	Subtotal	28	1,298,562	341,256	215,352	(4,100)	(5,801)	16.6%
Waukesha Northwest - Lake Country	B	12	313,026	39,446	28,906	(930)	(1,871)	9.2%
	Subtotal	12	313,026	39,446	28,906	(930)	(1,871)	9.2%
Waukesha Southeast - New Berlin	B	14	476,703	132,219	132,219	10,328	10,328	27.7%
	Subtotal	14	476,703	132,219	132,219	10,328	10,328	27.7%
Waukesha Southwest	B	14	565,906	61,746	47,989	0	(3,575)	8.5%
	C	5	135,733			0	0	0.0%
	Subtotal	19	701,639	61,746	47,989	0	(3,575)	6.8%
Suburban	A	63	5,036,245	1,294,059	938,623	12,185	28,062	18.6%
	B	235	10,756,023	2,494,805	2,291,155	(54,839)	(41,126)	21.3%
	C	32	1,353,647	32,498	30,331	0	(771)	2.2%
	Subtotal	330	17,145,915	3,821,362	3,260,109	(42,654)	(13,835)	19.0%
Grand Total		455	32,149,011	7,127,539	6,065,862	104,494	197,312	18.9%

Available and Vacancy Rate by Market

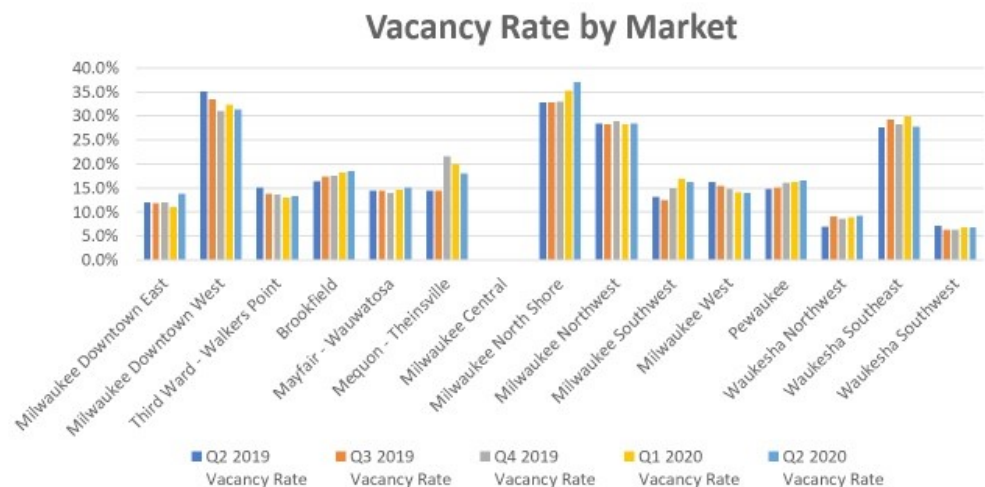


Vacancy Rates by Market (Multi-Tenant)

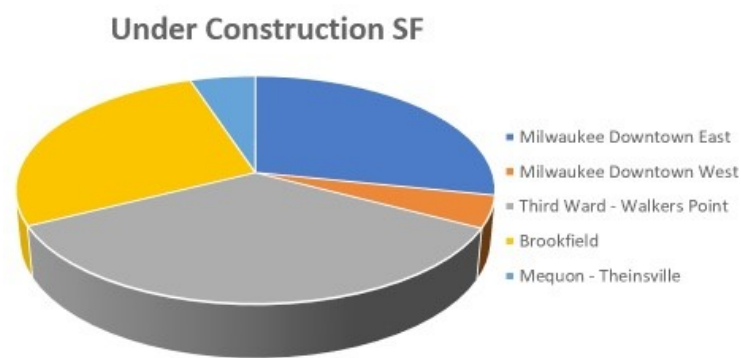
Market	Bldg Class	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate
Milwaukee Downtown East	A	12.9%	12.6%	12.8%	11.3%	15.7%
	B	11.1%	11.2%	11.3%	11.1%	10.9%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	12.0%	11.9%	12.1%	11.1%	13.8%
Milwaukee Downtown West	A	63.8%	63.8%	61.0%	61.3%	61.3%
	B	29.3%	27.2%	27.4%	28.1%	27.0%
	C	49.5%	49.5%	0.0%	0.0%	0.0%
	Subtotal	35.1%	33.4%	31.0%	32.4%	31.4%
Third Ward - Walkers Point	A	12.4%	3.4%	3.4%	3.4%	3.4%
	B	12.2%	12.0%	11.7%	11.1%	11.5%
	C	59.2%	51.9%	51.9%	51.9%	51.9%
	Subtotal	15.1%	13.8%	13.6%	13.0%	13.3%
Milwaukee CBD	A	18.3%	17.7%	17.6%	16.3%	19.8%
	B	19.0%	18.1%	18.2%	18.2%	17.8%
	C	37.6%	36.1%	18.0%	22.5%	22.5%
	Subtotal	19.3%	18.5%	17.9%	17.6%	18.7%
Brookfield	A	22.5%	22.4%	19.1%	18.4%	17.7%
	B	13.9%	15.4%	17.2%	18.7%	19.7%
	C	1.9%	0.4%	0.0%	0.0%	0.0%
	Subtotal	16.5%	17.4%	17.5%	18.2%	18.5%
Mayfair - Wauwatosa	A	9.2%	9.4%	8.9%	9.6%	9.6%
	B	23.1%	23.3%	23.0%	23.6%	24.7%
	C	3.7%	3.7%	3.7%	4.0%	4.0%
	Subtotal	14.4%	14.4%	14.1%	14.7%	15.1%
Mequon - Theinsville	A	2.1%	2.1%	31.0%	24.2%	17.8%
	B	18.1%	18.1%	17.7%	18.2%	18.2%
	Subtotal	14.4%	14.5%	21.6%	20.0%	18.1%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	0.0%	0.0%	0.0%	0.0%	0.0%
Milwaukee North Shore	A	48.9%	48.9%	47.7%	45.7%	56.4%
	B	36.3%	36.5%	37.0%	40.7%	41.7%
	C	8.0%	7.5%	6.7%	6.7%	6.7%
	Subtotal	32.8%	32.9%	33.0%	35.3%	37.1%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q2 2019 Vacancy Rate	Q3 2019 Vacancy Rate	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate
Milwaukee Northwest	A	25.3%	25.3%	31.7%	30.9%	29.6%
	B	30.5%	30.0%	27.4%	26.7%	27.6%
	Subtotal	28.5%	28.2%	29.0%	28.2%	28.4%
Milwaukee Southwest	A	22.6%	21.4%	24.1%	24.1%	24.1%
	B	15.4%	14.6%	16.4%	19.9%	18.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	13.2%	12.4%	15.0%	17.0%	16.3%
Milwaukee West	B	16.4%	15.7%	14.9%	14.4%	14.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.2%	15.5%	14.7%	14.1%	13.9%
Pewaukee	A	19.6%	19.4%	20.9%	21.1%	21.1%
	B	7.1%	8.2%	8.7%	8.7%	9.5%
	Subtotal	14.7%	15.1%	16.1%	16.3%	16.6%
Waukesha Northwest - Lake Country	B	7.0%	9.1%	8.6%	8.9%	9.2%
	Subtotal	7.0%	9.1%	8.6%	8.9%	9.2%
Waukesha Southeast - New Berlin	B	27.6%	29.2%	28.2%	29.9%	27.7%
	Subtotal	27.6%	29.2%	28.2%	29.9%	27.7%
Waukesha Southwest	B	8.9%	7.8%	7.8%	8.5%	8.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	7.2%	6.3%	6.3%	6.8%	6.8%
Suburban	A	18.8%	18.6%	19.2%	18.9%	18.6%
	B	19.3%	19.7%	19.8%	20.8%	21.3%
	C	2.6%	2.4%	2.2%	2.2%	2.2%
	Subtotal	17.9%	18.1%	18.3%	18.8%	19.0%
Grand Total		18.5%	18.3%	18.1%	18.2%	18.9%



Under Construction



Market	Bldg SF
Milwaukee Downtown East	163,000
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	202,047
Brookfield	158,000
Mequon - Theinsville	29,500
Grand Total	578,797

Leasing Activity

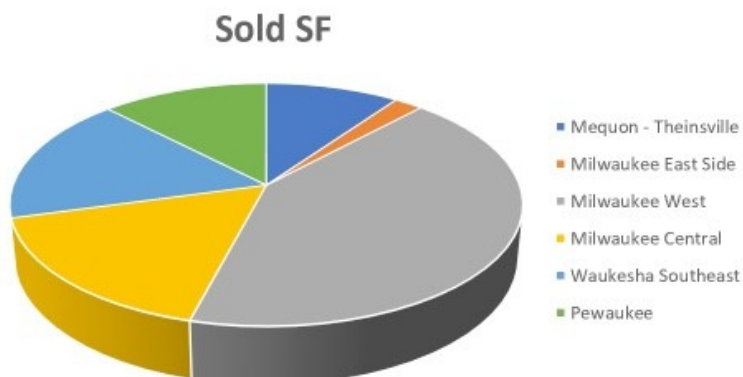
Property	Size (sf)	Market	Tenant	Landlord
HUB640 640 N 4th St	23,639	Milwaukee Downtown West	North Shore Healthcare	NWC 331 Commercial LLC
Summit Place 6609-6775 W Washington St	15,270	Milwaukee West	Secure-24	Whitnall Summit Co LLC
Crossroads Corporate II 20800 Swenson Dr	12,921	Brookfield	American Society of Gene & Cell Therapy	JTM MKE LLC
2000 S 4th St	10,145	Third Ward - Walkers Point	Forward Space	Becher Street LLC
100 E Wisconsin Ave	7,124	Milwaukee Downtown East	Geneva Capital Management	Hertz Milwaukee 100 East Wisconsin



Market	Leased SF
Milwaukee Downtown East	26,532
Milwaukee Downtown West	38,360
Third Ward - Walkers Point	16,437
Brookfield	23,310
Mayfair - Wauwatosa	14,711
Mequon - Theinsville	6,000
Milwaukee North Shore	540
Milwaukee West	27,292
Pewaukee	6,424
Waukesha Northwest	5,517
Waukesha Southeast	10,328
Waukesha Southwest	6,463
Grand Total	181,914

Sales Activity

Property	Price	Market	Buyer	Seller
Lincoln Center II & III Portfolio 2514 S 102nd St			DKS Realty Wisconsin V, LLC and 11 other LLCs	Lincoln Center Office Property Group
10150 W National Ave	\$10,100,000	Milwaukee West		
N19 W24350 Riverwood Dr	\$2,225,000	Pewaukee	MRA Institute of Management	American Cancer Society Inc
16260 W Glendale Dr	\$1,750,000	Waukesha Southeast	Abb Inc	W. Daniel Tate & Patricia L. Tate
East Mequon Corporate Centre II 1115 W Liebau Rd	\$1,700,000	Mequon - Theinsville	Milanco Properties LLC	East Mequon Business Park LTD
1626 W Fond Du Lac Ave	\$705,619	Milwaukee Central	Ragga Holdings LLC	Maar Enterprises LLC



Market	Bldg SF
Mequon - Theinsville	29,219
Milwaukee East Side	6,307
Milwaukee West	125,400
Milwaukee Central	49,360
Waukesha Southeast	50,643
Pewaukee	36,495
Grand Total	297,424

Methodology

The Milwaukee market consists of existing multi and single tenant office buildings 20,000 sf or larger in Southeastern Wisconsin. The geographic area includes Milwaukee and Waukesha, counties, along with Mequon and Thiensville. Property types included in the tracked set consist of general office and corporate facilities. The tracked set does not include medical office or government buildings. 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 Full-Service Gross (FSG) basis.

The Milwaukee tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

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 office buildings 20,000 sf or larger
Net Absorption	The net change in when a lease is signed or space is vacated from quarter to quarter, expressed in square feet
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 FSG terms

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