

MARKET TRENDS

Q4 2020 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	780,470	▼
Area Unemployment	5.4	▲
U.S. Unemployment	6.7	▲
Office Using Jobs	179,600	▼

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,780,191
Absorption	(80,338)
Vacancy	16.0%
Asking Rate (FSG)	\$20.01
New Construction (sf)	640,250

Multi-tenant Properties

Total Inventory (sf)	32,192,167
Absorption	(47,534)
Vacancy	20.3%
Asking Rate (FSG)	\$20.11

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 210 basis points to 5.4% compared to 3.3 in November 2019. The unemployment rate for the US was at 6.7% in November 2020, up from 3.5% last year. State of Wisconsin unemployment was 5.0% for this quarter. The Milwaukee MSA saw a decrease in job growth with office using jobs decreasing by 9,200 during the same period.

Market Overview

The Milwaukee office market consisting of 45.7 msf of space posted 80,000 sf negative absorption for Q4 2020 and finished the year with 39,000 sf positive absorption. Multi-tenant properties had 47,000 sf negative absorption for the quarter and finished the year with 60,089 sf positive absorption. The vacancy rate came in at 16.0% during Q4 2020 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 20.3%. The average asking lease rate for all property types came in at \$20.01 psf FSG.

Market Highlights

Milwaukee Northwest provided most of the positive absorption led by Mindful Staffing leasing 32,000 sf. Milwaukee Downtown East posted the largest negative absorption with 37,000 sf led by Northwestern Mutual vacating 65,000 sf. Milwaukee CBD totaled 69,000 sf negative absorption while suburban markets totaled 10,000 sf negative absorption. There are currently 7 properties under construction with 640,000. Four properties were delivered 2020 with 755,000 sf. There were 58 lease transaction with 254,000 sf during Q4 2020. Twenty two office properties with 1.07 msf sold for \$109 million.

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	101	16,051,669	3,204,301	2,750,532	6,907	178,935	17.1%
B	429	27,437,886	4,771,981	4,441,129	(87,695)	(106,343)	16.2%
C	52	2,290,636	156,505	147,131	450	(33,571)	6.4%
Grand Total	582	45,780,191	8,132,787	7,338,792	(80,338)	39,021	16.0%

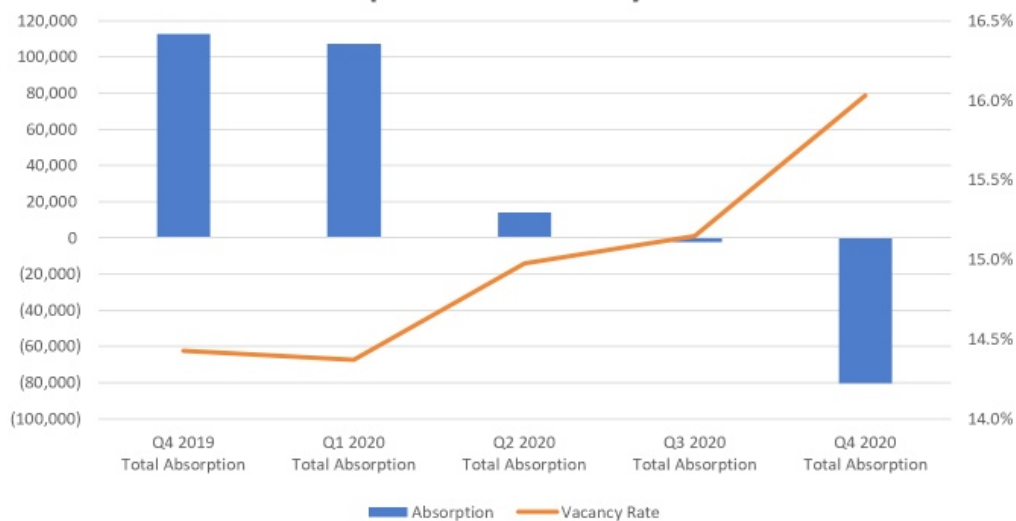
Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	101	16,051,669	2,871,581	2,726,600	10,860	136,478	17.0%
B	429	27,437,886	4,552,481	4,338,971	(86,229)	(125,959)	15.8%
C	52	2,290,636	156,505	147,131	450	(33,571)	6.4%
Grand Total	582	45,780,191	7,580,567	7,212,702	(74,919)	(23,052)	15.8%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	101	16,051,669	332,720	23,932	(3,953)	42,457	0.1%
B	429	27,437,886	219,500	102,158	(1,466)	19,616	0.4%
C	52	2,290,636			0	0	0.0%
Grand Total	582	45,780,191	552,220	126,090	(5,419)	62,073	0.3%

Absorption and Vacancy Rate

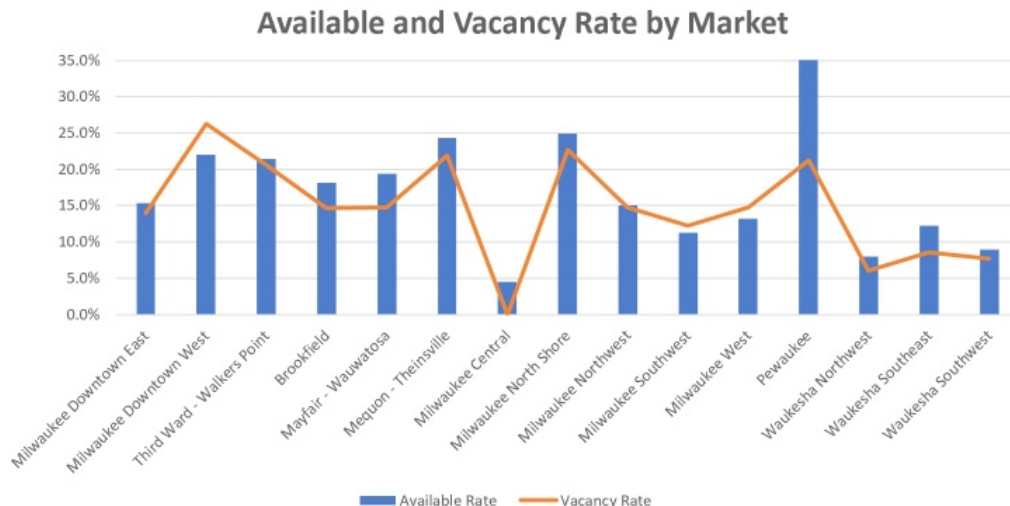


Market Statistics by Market (Multi and Single Tenant)

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	16	6,712,617	1,315,128	929,538	33,270	205,397	13.8%
	B	45	5,102,747	498,198	720,769	(71,138)	(209,796)	14.1%
	C	5	146,389	17,800	17,800	450	(17,800)	12.2%
	Subtotal	66	11,961,753	1,831,126	1,668,107	(37,418)	(22,199)	13.9%
Milwaukee Downtown West	A	3	902,938	12,481	380,784	0	(571)	42.2%
	B	33	4,187,080	1,148,522	1,004,049	(16,828)	167,669	24.0%
	C	3	189,311			0	0	0.0%
	Subtotal	39	5,279,329	1,161,003	1,384,833	(16,828)	167,098	26.2%
Third Ward - Walkers Point	A	4	465,416	174,209	230,560	(14,985)	(14,985)	49.5%
	B	37	2,007,523	299,898	227,805	(535)	(5,710)	11.3%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	45	2,634,689	565,314	542,365	(15,520)	(20,695)	20.6%
Milwaukee CBD	A	23	8,080,971	1,501,818	1,540,882	18,285	189,841	19.1%
	B	115	11,297,350	1,946,618	1,952,623	(88,501)	(47,837)	17.3%
	C	12	497,450	109,007	101,800	450	(17,800)	20.5%
	Subtotal	150	19,875,771	3,557,443	3,595,305	(69,766)	124,204	18.1%
Brookfield	A	24	2,023,127	398,498	286,150	(7,547)	19,833	14.1%
	B	75	3,803,918	680,526	588,032	(9,779)	(87,182)	15.5%
	C	4	123,740			0	0	0.0%
	Subtotal	103	5,950,785	1,079,024	874,182	(17,326)	(67,349)	14.7%
Mayfair - Wauwatosa	A	14	1,658,528	324,964	163,623	(11,234)	(11,541)	9.9%
	B	29	1,422,800	327,517	328,206	(3,680)	(40,096)	23.1%
	C	8	343,553	12,238	12,238	0	(771)	3.6%
	Subtotal	51	3,424,881	664,719	504,067	(14,914)	(52,408)	14.7%
Mequon - Theinsville	A	6	204,804	62,459	62,459	0	14,753	30.5%
	B	12	328,283	67,357	54,302	2,681	245	16.5%
	Subtotal	18	533,087	129,816	116,761	2,681	14,998	21.9%
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 North Shore	A	3	149,535	94,410	94,410	(15,928)	(30,558)	63.1%
	B	34	2,118,158	534,337	478,313	4,538	(10,607)	22.6%
	C	8	402,978	35,260	33,093	0	(15,000)	8.2%
	Subtotal	45	2,670,671	664,007	605,816	(11,390)	(56,165)	22.7%

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	234,630	231,057	15,387	(6,792)	12.1%
	B	44	2,563,681	438,977	430,254	29,499	25,747	16.8%
	Subtotal	55	4,479,450	673,607	661,311	44,886	18,955	14.8%
Milwaukee Southwest	A	2	111,067	19,096	21,942	9,944	4,834	19.8%
	B	10	390,140	47,829	50,717	(9,843)	(8,012)	13.0%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	66,925	72,659	101	(3,178)	12.3%
Milwaukee West	B	19	1,733,534	232,920	259,411	(8,800)	102,485	15.0%
	C	1	27,516			0	0	0.0%
	Subtotal	20	1,761,050	232,920	259,411	(8,800)	102,485	14.7%
Pewaukee	A	16	1,157,047	568,426	350,009	(2,000)	(1,435)	30.3%
	B	20	756,882	102,638	55,746	(2,977)	(11,557)	7.4%
	Subtotal	36	1,913,929	671,064	405,755	(4,977)	(12,992)	21.2%
Waukesha Northwest – Lake Country	B	18	593,108	47,007	35,667	(1,633)	(8,632)	6.0%
	Subtotal	18	593,108	47,007	35,667	(1,633)	(8,632)	6.0%
Waukesha Southeast – New Berlin	A	1	680,266			0	0	0.0%
	B	26	993,789	204,568	142,773	800	(226)	14.4%
	Subtotal	27	1,674,055	204,568	142,773	800	(226)	8.5%
Waukesha Southwest	B	19	719,187	76,358	65,085	0	(20,671)	9.0%
	C	6	131,142			0	0	0.0%
	Subtotal	25	850,329	76,358	65,085	0	(20,671)	7.7%
Suburban	A	78	7,970,698	1,702,483	1,209,650	(11,378)	(10,906)	15.2%
	B	314	16,140,536	2,825,363	2,488,506	806	(58,506)	15.4%
	C	40	1,793,186	47,498	45,331	0	(15,771)	2.5%
	Subtotal	432	25,904,420	4,575,344	3,743,487	(10,572)	(85,183)	14.5%
Grand Total		582	45,780,191	8,132,787	7,338,792	(80,338)	39,021	16.0%

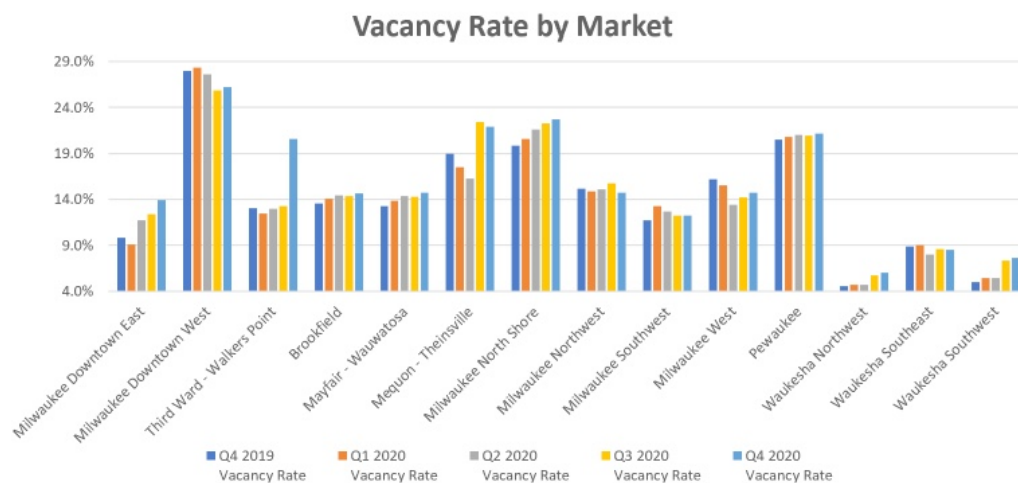


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate
Milwaukee Downtown East	A	10.0%	8.8%	12.2%	12.3%	13.8%
	B	9.9%	9.7%	11.6%	12.5%	14.1%
	C	0.0%	0.0%	0.0%	12.5%	12.2%
	Subtotal	9.8%	9.1%	11.8%	12.4%	13.9%
Milwaukee Downtown West	A	42.1%	42.3%	42.3%	42.2%	42.2%
	B	26.3%	26.7%	25.8%	23.5%	24.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	27.9%	28.3%	27.6%	25.8%	26.2%
Third Ward - Walkers Point	A	5.1%	5.1%	5.1%	5.1%	49.5%
	B	11.0%	10.3%	10.9%	11.3%	11.3%
	C	51.9%	51.9%	51.9%	51.9%	51.9%
	Subtotal	13.0%	12.4%	13.0%	13.3%	20.6%
Milwaukee CBD	A	13.8%	12.8%	15.5%	15.6%	19.1%
	B	16.3%	16.3%	16.9%	16.3%	17.3%
	C	16.9%	16.9%	16.9%	20.6%	20.5%
	Subtotal	15.4%	15.0%	16.3%	16.1%	18.1%
Brookfield	A	15.1%	14.5%	14.0%	13.8%	14.1%
	B	13.2%	14.3%	15.1%	15.2%	15.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	13.6%	14.1%	14.4%	14.4%	14.7%
Mayfair - Wauwatosa	A	9.2%	9.8%	9.8%	9.2%	9.9%
	B	20.6%	21.1%	22.2%	22.8%	23.1%
	C	3.3%	3.6%	3.6%	3.6%	3.6%
	Subtotal	13.3%	13.8%	14.3%	14.3%	14.7%
Mequon - Theinsville	A	23.7%	18.5%	14.8%	30.5%	30.5%
	B	16.6%	17.1%	17.1%	17.4%	16.5%
	Subtotal	19.0%	17.5%	16.3%	22.4%	21.9%
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	42.7%	40.8%	51.5%	52.5%	63.1%
	B	21.1%	22.2%	22.7%	22.8%	22.6%
	C	4.5%	4.5%	4.5%	8.2%	8.2%
	Subtotal	19.8%	20.6%	21.6%	22.3%	22.7%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate
Milwaukee Northwest	A	11.7%	11.4%	11.3%	12.9%	12.1%
	B	17.8%	17.5%	18.0%	17.9%	16.8%
	Subtotal	15.2%	14.9%	15.1%	15.8%	14.8%
Milwaukee Southwest	A	24.1%	24.1%	24.1%	28.7%	19.8%
	B	10.9%	13.3%	12.5%	10.5%	13.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	11.7%	13.3%	12.7%	12.3%	12.3%
Milwaukee West	B	16.4%	15.8%	13.6%	14.5%	15.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.2%	15.5%	13.4%	14.2%	14.7%
Pewaukee	A	30.1%	30.3%	30.3%	30.1%	30.3%
	B	5.8%	6.4%	7.0%	7.0%	7.4%
	Subtotal	20.5%	20.8%	21.1%	20.9%	21.2%
Waukesha Northwest – Lake Country	B	4.6%	4.7%	4.7%	5.7%	6.0%
	Subtotal	4.6%	4.7%	4.7%	5.7%	6.0%
Waukesha Southeast – New Berlin	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	15.5%	15.9%	13.6%	14.4%	14.4%
	Subtotal	8.9%	9.1%	8.0%	8.6%	8.5%
Waukesha Southwest	B	6.2%	6.7%	6.7%	9.0%	9.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	5.0%	5.4%	5.4%	7.4%	7.7%
Suburban	A	14.6%	14.4%	14.4%	15.0%	15.2%
	B	14.6%	15.0%	15.1%	15.4%	15.4%
	C	1.6%	1.7%	1.7%	2.5%	2.5%
	Subtotal	13.7%	13.9%	13.9%	14.4%	14.5%
Grand Total		14.4%	14.4%	15.0%	15.1%	16.0%

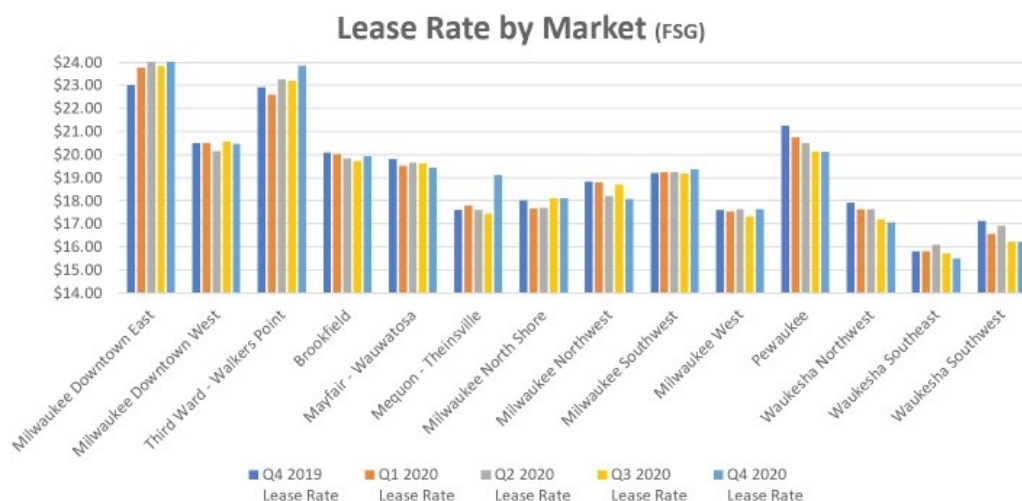


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate
Milwaukee Downtown East	A	\$29.94	\$30.14	\$30.36	\$30.24	\$31.15
	B	\$19.99	\$20.59	\$20.26	\$20.21	\$20.40
	C					\$18.00
	Subtotal	\$23.02	\$23.77	\$24.05	\$23.82	\$24.03
Milwaukee Downtown West	A	\$20.25	\$20.73	\$20.73	\$20.73	\$20.73
	B	\$20.50	\$20.47	\$20.12	\$20.55	\$20.44
	C					
	Subtotal	\$20.48	\$20.49	\$20.16	\$20.56	\$20.47
Third Ward - Walkers Point	A	\$24.25	\$26.82	\$26.82	\$26.82	\$26.55
	B	\$22.62	\$21.79	\$22.62	\$22.57	\$23.10
	C	\$23.25	\$23.25	\$23.25	\$23.25	\$23.25
	Subtotal	\$22.91	\$22.60	\$23.26	\$23.19	\$23.85
Milwaukee CBD	A	\$27.83	\$28.68	\$28.96	\$29.66	\$29.23
	B	\$20.95	\$20.91	\$20.88	\$21.02	\$21.23
	C	\$23.25	\$23.25	\$23.25	\$23.25	\$21.50
	Subtotal	\$22.39	\$22.61	\$22.80	\$23.02	\$23.28
Brookfield	A	\$22.47	\$22.52	\$22.43	\$22.37	\$22.37
	B	\$18.11	\$18.19	\$18.11	\$18.01	\$18.50
	C					
	Subtotal	\$20.10	\$20.01	\$19.82	\$19.72	\$19.94
Mayfair - Wauwatosa	A	\$26.29	\$26.50	\$26.61	\$26.61	\$26.61
	B	\$16.76	\$15.90	\$16.65	\$16.81	\$16.54
	C	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
	Subtotal	\$19.81	\$19.53	\$19.66	\$19.61	\$19.44
Mequon - Theinsville	A					
	B	\$17.62	\$17.80	\$17.62	\$17.45	\$19.12
	Subtotal	\$17.62	\$17.80	\$17.62	\$17.45	\$19.12
Milwaukee Central	A					
	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.00	\$24.00	\$24.00	\$23.33	\$23.33
	B	\$17.72	\$17.29	\$17.24	\$17.62	\$17.62
	C	\$16.00	\$16.00	\$16.00	\$16.20	\$16.20
	Subtotal	\$18.01	\$17.68	\$17.69	\$18.10	\$18.10

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

Market	Bldg Class	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate
Milwaukee Northwest	A	\$22.29	\$20.87	\$19.96	\$21.63	\$21.56
	B	\$18.03	\$18.27	\$17.82	\$17.85	\$17.01
	Subtotal	\$18.83	\$18.79	\$18.20	\$18.69	\$18.08
Milwaukee Southwest	A	\$26.13	\$26.13	\$26.13	\$26.13	\$26.75
	B	\$16.43	\$16.48	\$16.48	\$16.39	\$16.39
	C					
	Subtotal	\$19.20	\$19.24	\$19.24	\$19.17	\$19.35
Milwaukee West	B	\$17.61	\$17.54	\$17.65	\$17.33	\$17.62
	C					
	Subtotal	\$17.61	\$17.54	\$17.65	\$17.33	\$17.62
Pewaukee	A	\$22.73	\$22.54	\$22.54	\$22.54	\$22.54
	B	\$18.49	\$17.90	\$17.66	\$16.77	\$16.77
	Subtotal	\$21.23	\$20.73	\$20.49	\$20.11	\$20.11
Waukesha Northwest – Lake Country	B	\$17.93	\$17.64	\$17.64	\$17.21	\$17.08
	Subtotal	\$17.93	\$17.64	\$17.64	\$17.21	\$17.08
Waukesha Southeast – New Berlin	A					
	B	\$15.82	\$15.82	\$16.10	\$15.72	\$15.50
	Subtotal	\$15.82	\$15.82	\$16.10	\$15.72	\$15.50
Waukesha Southwest	B	\$17.13	\$16.57	\$16.90	\$16.24	\$16.24
	C					
	Subtotal	\$17.13	\$16.57	\$16.90	\$16.24	\$16.24
Suburban	A	\$23.33	\$23.17	\$23.08	\$23.13	\$23.09
	B	\$17.53	\$17.42	\$17.46	\$17.41	\$17.50
	C	\$15.60	\$15.60	\$15.60	\$15.83	\$15.83
	Subtotal	\$19.20	\$19.03	\$18.98	\$18.94	\$18.97
Grand Total		\$19.98	\$19.92	\$19.89	\$19.80	\$20.01



Market Overview by Class (Multi-Tenant Properties)

Total

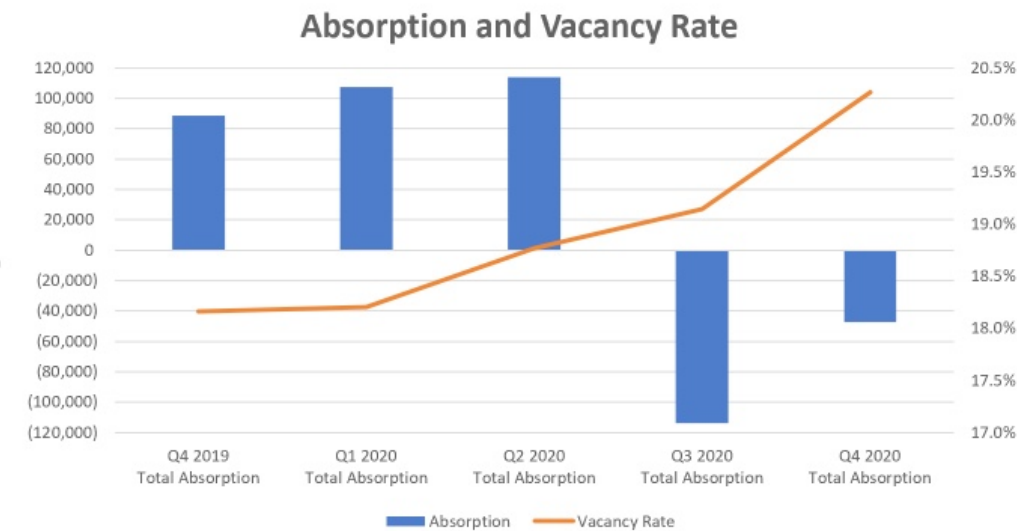
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	83	11,552,750	2,844,866	2,503,097	6,907	211,740	21.7%
B	324	18,985,675	4,442,606	3,873,200	(54,891)	(118,080)	20.4%
C	40	1,653,742	156,505	147,131	450	(33,571)	8.9%
Grand Total	447	32,192,167	7,443,977	6,523,428	(47,534)	60,089	20.3%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	83	11,552,750	2,624,146	2,479,165	10,860	169,283	21.5%
B	324	18,985,675	4,223,106	3,771,042	(53,425)	(61,154)	19.9%
C	40	1,653,742	156,505	147,131	450	(33,571)	8.9%
Grand Total	447	32,192,167	7,003,757	6,397,338	(42,115)	74,558	19.9%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	83	11,552,750	220,720	23,932	(3,953)	42,457	0.2%
B	324	18,985,675	219,500	102,158	(1,466)	(56,926)	0.5%
C	40	1,653,742			0	0	0.0%
Grand Total	447	32,192,167	440,220	126,090	(5,419)	(14,469)	0.4%



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	14	5,428,151	1,315,128	929,538	33,270	205,397	17.1%
	B	34	2,911,723	433,030	382,601	(5,970)	(44,628)	13.1%
	C	4	115,387	17,800	17,800	450	(17,800)	15.4%
	Subtotal	52	8,455,261	1,765,958	1,329,939	27,750	142,969	15.7%
Milwaukee Downtown West	A	2	622,938	12,481	380,784	0	(571)	61.1%
	B	27	3,521,910	1,148,522	1,004,049	(16,828)	16,801	28.5%
	C	2	95,561			0	0	0.0%
	Subtotal	31	4,240,409	1,161,003	1,384,833	(16,828)	16,230	32.7%
Third Ward - Walkers Point	A	4	465,416	174,209	230,560	(14,985)	(14,985)	49.5%
	B	34	1,912,183	299,898	227,805	(535)	(5,710)	11.9%
	C	4	161,750	91,207	84,000	0	0	51.9%
	Subtotal	42	2,539,349	565,314	542,365	(15,520)	(20,695)	21.4%
Milwaukee CBD	A	20	6,516,505	1,501,818	1,540,882	18,285	189,841	23.6%
	B	95	8,345,816	1,881,450	1,614,455	(23,333)	(33,537)	19.3%
	C	10	372,698	109,007	101,800	450	(17,800)	27.3%
	Subtotal	125	15,235,019	3,492,275	3,257,137	(4,598)	138,504	21.4%
Brookfield	A	23	1,599,058	398,498	286,150	(7,547)	19,833	17.9%
	B	63	2,903,570	680,526	588,032	(9,779)	(87,182)	20.3%
	C	2	66,778			0	0	0.0%
	Subtotal	88	4,569,406	1,079,024	874,182	(17,326)	(67,349)	19.1%
Mayfair - Wauwatosa	A	13	1,566,458	324,964	163,623	(11,234)	(11,541)	10.4%
	B	24	1,260,842	327,517	328,206	(3,680)	(40,096)	26.0%
	C	7	308,057	12,238	12,238	0	(771)	4.0%
	Subtotal	44	3,135,357	664,719	504,067	(14,914)	(52,408)	16.1%
Mequon - Theinsville	A	4	127,493	24,789	24,789	0	14,753	19.4%
	B	11	307,535	67,357	54,302	2,681	245	17.7%
	Subtotal	15	435,028	92,146	79,091	2,681	14,998	18.2%
Milwaukee Central	B	4	150,896	65,329		0	0	0.0%
	C	6	412,277			0	0	0.0%
	Subtotal	10	563,173	65,329		0	0	0.0%
Milwaukee North Shore	A	3	149,535	94,410	94,410	(15,928)	(30,558)	63.1%
	B	26	1,124,101	474,774	418,750	4,538	(10,607)	37.3%
	C	7	271,978	35,260	33,093	0	(15,000)	12.2%
	Subtotal	36	1,545,614	604,444	546,253	(11,390)	(56,165)	35.3%

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	201,825	198,252	15,387	26,013	28.7%
	B	23	1,141,261	326,398	317,675	(2,865)	(6,617)	27.8%
	Subtotal	28	1,831,960	528,223	515,927	12,522	19,396	28.2%
Milwaukee Southwest	A	2	111,067	19,096	21,942	9,944	4,834	19.8%
	B	7	260,489	47,829	50,717	(9,843)	(8,012)	19.5%
	C	2	91,658			0	0	0.0%
	Subtotal	11	463,214	66,925	72,659	101	(3,178)	15.7%
Milwaukee West	B	16	1,609,495	232,920	208,119	(8,800)	102,485	12.9%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,637,011	232,920	208,119	(8,800)	102,485	12.7%
Pewaukee	A	13	791,935	279,466	173,049	(2,000)	(1,435)	21.9%
	B	14	506,627	73,004	55,746	(2,977)	(11,557)	11.0%
	Subtotal	27	1,298,562	352,470	228,795	(4,977)	(12,992)	17.6%
Waukesha Northwest – Lake Country	B	12	313,026	47,007	35,667	(1,633)	(8,632)	11.4%
	Subtotal	12	313,026	47,007	35,667	(1,633)	(8,632)	11.4%
Waukesha Southeast – New Berlin	B	15	496,111	148,464	142,773	800	(226)	28.8%
	Subtotal	15	496,111	148,464	142,773	800	(226)	28.8%
Waukesha Southwest	B	14	565,906	70,031	58,758	0	(14,344)	10.4%
	C	5	102,780			0	0	0.0%
	Subtotal	19	668,686	70,031	58,758	0	(14,344)	8.8%
Suburban	A	63	5,036,245	1,343,048	962,215	(11,378)	21,899	19.1%
	B	229	10,639,859	2,561,156	2,258,745	(31,558)	(84,543)	21.2%
	C	30	1,281,044	47,498	45,331	0	(15,771)	3.5%
	Subtotal	322	16,957,148	3,951,702	3,266,291	(42,936)	(78,415)	19.3%
Grand Total		447	32,192,167	7,443,977	6,523,428	(47,534)	60,089	20.3%

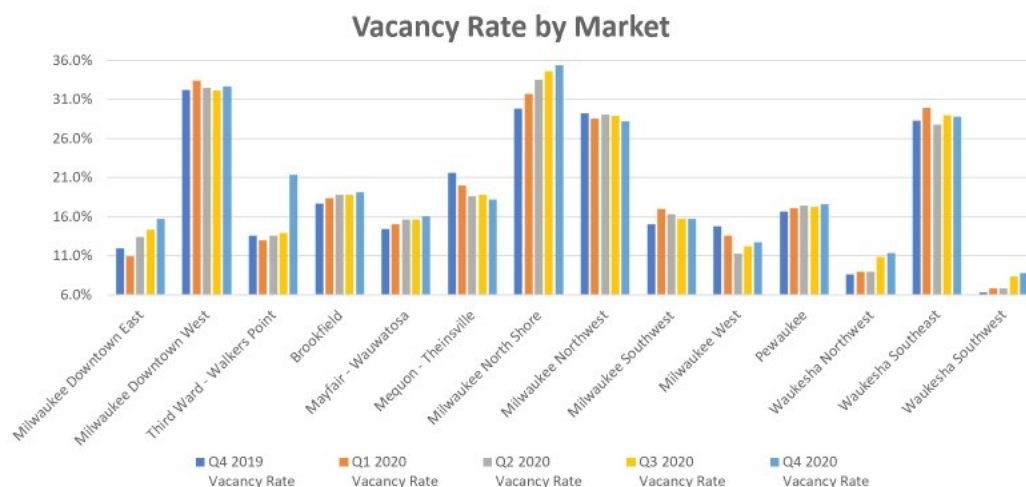


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate
Milwaukee Downtown East	A	12.6%	11.1%	15.2%	15.4%	17.1%
	B	11.3%	11.1%	10.9%	12.6%	13.1%
	C	0.0%	0.0%	0.0%	15.8%	15.4%
	Subtotal	11.9%	10.9%	13.4%	14.4%	15.7%
Milwaukee Downtown West	A	61.0%	61.3%	61.3%	61.1%	61.1%
	B	28.8%	29.4%	28.3%	27.9%	28.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	32.2%	33.4%	32.5%	32.1%	32.7%
Third Ward - Walkers Point	A	5.1%	5.1%	5.1%	5.1%	49.5%
	B	11.5%	10.8%	11.5%	11.9%	11.9%
	C	51.9%	51.9%	51.9%	51.9%	51.9%
	Subtotal	13.6%	13.0%	13.6%	13.9%	21.4%
Milwaukee CBD	A	17.5%	16.2%	19.4%	19.5%	23.6%
	B	18.7%	18.7%	18.3%	18.8%	19.3%
	C	18.0%	22.5%	22.5%	27.4%	27.3%
	Subtotal	18.2%	17.8%	18.9%	19.3%	21.4%
Brookfield	A	19.1%	18.4%	17.7%	17.4%	17.9%
	B	17.3%	18.8%	19.8%	19.9%	20.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	17.7%	18.4%	18.8%	18.8%	19.1%
Mayfair - Wauwatosa	A	9.7%	10.4%	10.4%	9.7%	10.4%
	B	22.9%	23.5%	25.0%	25.7%	26.0%
	C	3.7%	4.0%	4.0%	4.0%	4.0%
	Subtotal	14.4%	15.0%	15.7%	15.6%	16.1%
Mequon - Theinsville	A	31.0%	24.2%	19.4%	19.4%	19.4%
	B	17.7%	18.2%	18.2%	18.5%	17.7%
	Subtotal	21.6%	20.0%	18.6%	18.8%	18.2%
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	42.7%	40.8%	51.5%	52.5%	63.1%
	B	33.4%	36.5%	37.5%	37.7%	37.3%
	C	6.7%	6.7%	6.7%	12.2%	12.2%
	Subtotal	29.8%	31.7%	33.5%	34.6%	35.3%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q4 2019 Vacancy Rate	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate
Milwaukee Northwest	A	32.5%	31.7%	31.2%	30.9%	28.7%
	B	27.3%	26.5%	27.7%	27.6%	27.8%
	Subtotal	29.2%	28.5%	29.0%	28.8%	28.2%
Milwaukee Southwest	A	24.1%	24.1%	24.1%	28.7%	19.8%
	B	16.4%	19.9%	18.7%	15.7%	19.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.0%	17.0%	16.3%	15.7%	15.7%
Milwaukee West	B	14.9%	13.8%	11.5%	12.4%	12.9%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.7%	13.6%	11.3%	12.2%	12.7%
Pewaukee	A	21.7%	21.9%	21.9%	21.6%	21.9%
	B	8.7%	9.6%	10.4%	10.4%	11.0%
	Subtotal	16.6%	17.1%	17.4%	17.2%	17.6%
Waukesha Northwest – Lake Country	B	8.6%	8.9%	9.0%	10.9%	11.4%
	Subtotal	8.6%	8.9%	9.0%	10.9%	11.4%
Waukesha Southeast – New Berlin	B	28.2%	29.9%	27.7%	28.9%	28.8%
	Subtotal	28.2%	29.9%	27.7%	28.9%	28.8%
Waukesha Southwest	B	7.8%	8.5%	8.5%	10.4%	10.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	6.3%	6.8%	6.8%	8.4%	8.8%
Suburban	A	19.5%	19.2%	19.1%	18.9%	19.1%
	B	19.4%	20.3%	20.5%	20.9%	21.2%
	C	2.2%	2.3%	2.3%	3.4%	3.5%
	Subtotal	18.1%	18.6%	18.7%	19.0%	19.3%
Grand Total		18.2%	18.2%	18.8%	19.1%	20.3%



Lease Rates by Market (Multi-Tenant)

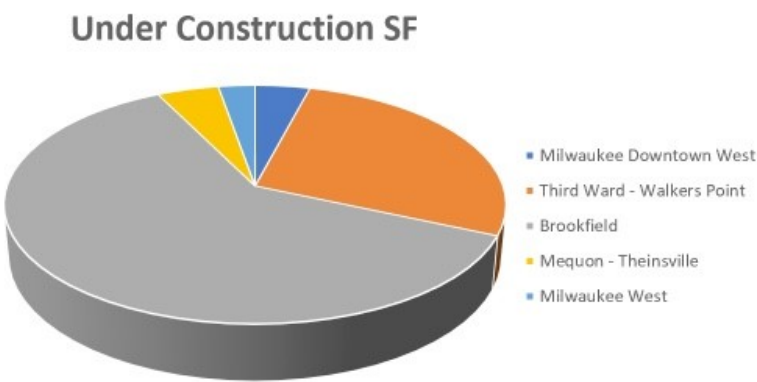
Market	Bldg Class	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate
Milwaukee Downtown East	A	29.94	30.14	30.36	30.24	31.15
	B	19.99	20.59	20.26	20.21	20.32
	C					18.00
	Subtotal	23.02	23.77	24.05	23.82	24.11
Milwaukee Downtown West	A	20.25	20.73	20.73	20.73	20.73
	B	20.50	20.47	20.12	20.55	20.44
	C					
	Subtotal	20.48	20.49	20.16	20.56	20.47
Third Ward - Walkers Point	A	24.25	26.82	26.82	26.82	26.55
	B	22.62	21.79	22.62	22.57	23.10
	C	23.25	23.25	23.25	23.25	23.25
	Subtotal	22.91	22.60	23.26	23.19	23.85
Milwaukee CBD	A	27.83	28.68	28.96	29.66	29.23
	B	20.95	20.91	20.88	21.02	21.25
	C	23.25	23.25	23.25	23.25	21.50
	Subtotal	22.39	22.61	22.80	23.02	23.26
Brookfield	A	22.47	22.52	22.43	22.37	22.37
	B	18.11	18.19	18.11	18.01	18.50
	C					
	Subtotal	20.10	20.01	19.82	19.72	19.94
Mayfair - Wauwatosa	A	26.29	26.50	26.61	26.61	26.61
	B	16.76	15.90	16.65	16.81	16.54
	C	14.00	14.00	14.00	14.00	14.00
	Subtotal	19.81	19.53	19.66	19.61	19.44
Mequon - Theinsville	A					
	B	17.62	17.80	17.62	17.45	19.12
	Subtotal	17.62	17.80	17.62	17.45	19.12
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	24.00	24.00	24.00	23.33	23.33
	B	17.72	17.29	17.24	17.62	17.62
	C	16.00	16.00	16.00	16.20	16.20
	Subtotal	18.01	17.68	17.69	18.10	18.10

Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q4 2019 Lease Rate	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate
Milwaukee Northwest	A	22.29	20.87	19.96	20.18	20.08
	B	17.79	18.19	17.78	17.81	16.92
	Subtotal	18.69	18.76	18.24	18.32	17.65
Milwaukee Southwest	A	26.13	26.13	26.13	26.13	26.75
	B	16.43	16.48	16.48	16.39	16.39
	C					
	Subtotal	19.20	19.24	19.24	19.17	19.35
Milwaukee West	B	17.79	17.69	17.81	17.44	17.76
	C					
	Subtotal	17.79	17.69	17.81	17.44	17.76
Pewaukee	A	22.73	22.54	22.54	22.54	22.54
	B	18.49	17.90	17.66	17.75	17.75
	Subtotal	21.23	20.73	20.49	20.68	20.68
Waukesha Northwest – Lake Country	B	17.93	17.64	17.64	17.21	17.08
	Subtotal	17.93	17.64	17.64	17.21	17.08
Waukesha Southeast – New Berlin	B	15.82	15.82	16.10	15.72	15.50
	Subtotal	15.82	15.82	16.10	15.72	15.50
Waukesha Southwest	B	17.13	16.57	16.90	17.13	17.13
	C					
	Subtotal	17.13	16.57	16.90	17.13	17.13
Suburban	A	23.33	23.17	23.08	23.19	23.15
	B	17.55	17.43	17.46	17.28	17.36
	C	15.60	15.60	15.60	15.83	15.83
	Subtotal	19.19	19.01	18.95	18.84	18.87
Grand Total		19.99	19.94	19.93	19.90	20.11

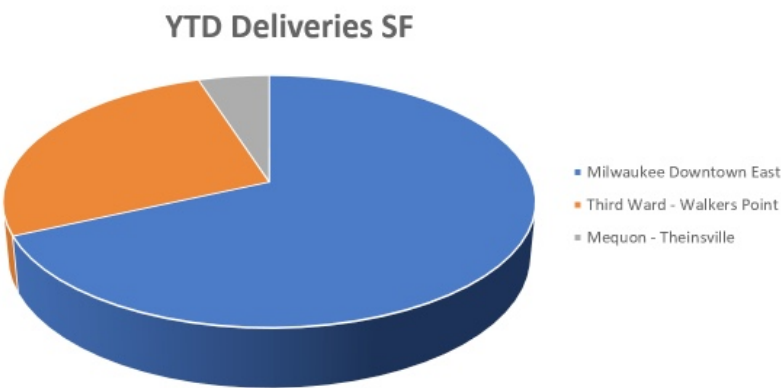


Under Construction



Market	Bldg SF
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	176,000
Brookfield	391,000
Mequon - Theinsville	29,500
Milwaukee West	17,500
Grand Total	640,250

Year to Date Deliveries



Market	Bldg SF
Milwaukee Downtown East	515,203
Third Ward - Walkers Point	202,047
Mequon - Theinsville	37,670
Grand Total	754,920

Leasing Activity

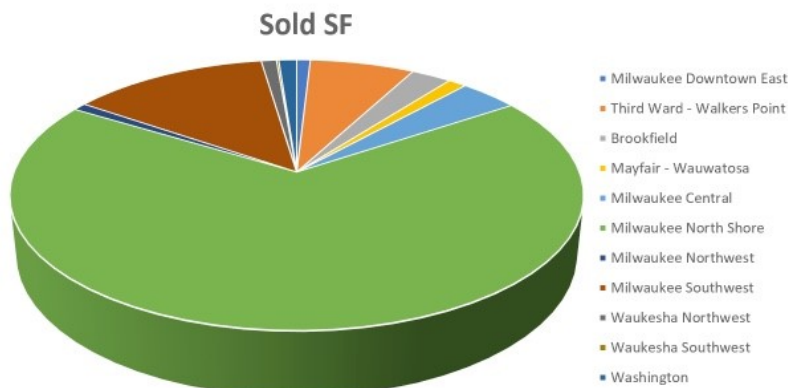
Property	Size (sf)	Market	Tenant	Landlord
Cathedral Place 520 E Wells St	40,500	Milwaukee Downtown East	Johnson Bank	Cathedral Place LLC
11700 W Lake Park Dr	32,334	Milwaukee Northwest	Mindful Staffing	Lake Park Partners LLC
330 E Kilbourn Ave	19,822	Milwaukee Downtown East	Robertson Ryan & Associates	Flanders Westborough Delaware Inc
One Park Place 11200 W Park Pl	17,938	Milwaukee Northwest	Cleaver Brooks	One Park LLC
BMO Tower 790 N Water St	14,745	Milwaukee Downtown East	Kahler Slater	Irgens Partners LLC



Market	Leased SF
Milwaukee Downtown East	83,137
Brookfield	21,930
Mayfair - Wauwatosa	8,897
Milwaukee Central	16,780
Milwaukee North Shore	5,887
Milwaukee Northwest	61,359
Milwaukee Southwest	9,944
Milwaukee West	20,172
Pewaukee	13,448
Waukesha Northwest	6,479
Waukesha Southeast	4,419
Waukesha Southwest	1,657
Grand Total	254,109

Sales Activity

Property	Price	Market	Buyer	Seller
Aurora Medical Bldg 9000 W Sura Ln	\$74,004,000	Milwaukee Southwest	MMAC 150 Greenfield WI LLC	84 South Health LLC
Warehouse No. 1 120-126 N Jefferson St	\$9,450,000	Third Ward - Walkers Point	MKE Warehouse 1 LLC; MKE Warehouse 1 Investors LLC	Warehouse No 1 LLC
2151 N Martin Luther King Dr	\$9,239,250	Milwaukee East Side	VPMLK P1, LLC	Schusters Redevelopment
11711 N River Ln	\$1,325,000	Washington	Sibdon, LLC	WJCO, LLC
1524-1540 N Jefferson St	\$1,275,000	Milwaukee Downtown East	Apachii Capital LLC	1540 N Jefferson LLC



Market	Sold SF
Milwaukee Downtown East	9,696
Third Ward - Walkers Point	74,640
Brookfield	28,614
Mayfair - Wauwatosa	13,162
Milwaukee Central	42,022
Milwaukee North Shore	731,883
Milwaukee Northwest	9,619
Milwaukee Southwest	140,600
Waukesha Northwest	10,837
Waukesha Southwest	1,621
Washington	12,800
Grand Total	1,075,494

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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