

MARKET TRENDS

Q3 2021 | Milwaukee | Industrial

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	792,059	
Area Unemployment	4.9	
U.S. Unemployment	5.2	
Industrial Jobs	118,600	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	366,128,433
Total # of Bldgs (tracked)	5,361
Absorption	3,045,682
Vacancy	3.5%
Asking Rate (FSG)	\$5.58
New Construction (sf)	6,044,970

Multi-tenant Properties

Total Inventory (sf)	85,084,385
Total # of Bldgs (tracked)	1,162
Absorption	377,533
Vacancy	9.6%
Asking Rate (FSG)	\$5.68

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) decreased 230 basis points to 4.9% compared to 7.2 in August 2020. The unemployment rate for the US was at 5.2% in August 2021, down from 8.4% last year. State of Wisconsin unemployment was 3.9% for this quarter. The Milwaukee MSA saw an increase in job growth while manufacturing jobs also increased by 8,000 jobs during the same period.

Market Overview

The Milwaukee Industrial market, consisting of 366 msf of space in eight counties across Southeastern Wisconsin. For all properties Southeastern Wisconsin posted over 3.04 msf positive while multi-tenant properties had 377,000 sf positive absorption. The third quarter finished with a vacancy rate of 3.5% for all inventory and 9.6% for multi-tenant properties. The average asking lease rate for Southeastern Wisconsin came in at \$5.58 psf NNN. To date, there are 24 properties totaling 6.04 msf of new construction projects throughout the market.

Market Highlights

Kenosha County topped all counties in positive absorption with 1.8 msf resulting from new deliveries of 1.69 msf for Uline. Waukesha was second highest with 727,000 sf positive absorption led by Milwaukee Tool leasing 388,000 sf. No counties had negative absorption but the largest vacancy was US Corrugated vacating 329,000 sf in Milwaukee County. At the close of Q3 2021 the market had 69 lease transaction with just under 1.7 msf of leasing activity. Thirteen properties were delivered year to date with 2.4 msf. Fifty one properties sold topping \$93 million and over 1.9 msf during Q3 2021.

Market Overview (Multi and Single Tenant)

Total

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	241	10,110,052	1,180,754	778,119	28,333	81,619	7.7%
Manufacturing	2,134	173,656,023	6,140,348	3,891,972	(18,153)	523,152	2.2%
Warehouse Distribution	736	103,776,355	6,895,253	4,406,832	2,539,330	4,372,040	4.2%
Warehouse Office	2,250	78,586,003	6,289,734	3,596,288	496,172	1,267,197	4.6%
Grand Total	5,361	366,128,433	20,506,089	12,673,211	3,045,682	6,244,008	3.5%

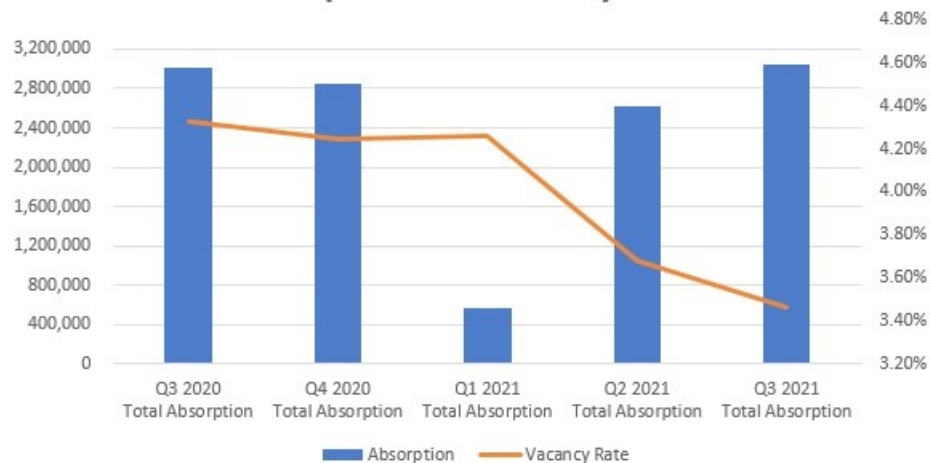
Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	241	10,110,052	1,081,765	726,274	34,485	59,783	7.2%
Manufacturing	2,134	173,656,023	5,972,048	3,731,672	(18,153)	523,152	2.1%
Warehouse Distribution	736	103,776,355	5,839,995	4,258,955	2,539,330	4,372,040	4.1%
Warehouse Office	2,250	78,586,003	5,970,079	3,517,200	499,217	1,270,242	4.5%
Grand Total	5,361	366,128,433	18,863,887	12,234,101	3,054,879	6,225,217	3.3%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	241	10,110,052	98,989	51,845	(6,152)	21,836	0.5%
Manufacturing	2,134	173,656,023	168,300	160,300	0	0	0.1%
Warehouse Distribution	736	103,776,355	1,055,258	147,877	0	0	0.1%
Warehouse Office	2,250	78,586,003	319,655	79,088	(3,045)	(3,045)	0.1%
Grand Total	5,361	366,128,433	1,642,202	439,110	(9,197)	18,791	0.1%

Absorption and Vacancy Rate



Market Statistics by County (Multi and Single Tenant)

County	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Kenosha	Flex/R&D	3	470,393	143,468		0	0	0.0%
	Manufacturing	101	7,737,340	309,600	211,359	21,867	21,867	2.7%
	Warehouse Distribution	84	28,214,504	1,500,997	1,397,297	1,694,000	2,286,577	5.0%
	Warehouse Office	77	3,203,021	312,280	22,134	100,000	100,000	0.7%
	Subtotal	265	39,625,258	2,266,345	1,630,790	1,815,867	2,408,444	4.1%
Milwaukee	Flex/R&D	52	2,611,310	562,783	515,341	4,132	35,869	19.7%
	Manufacturing	661	60,847,874	3,721,098	2,826,295	(224,720)	78,055	4.6%
	Warehouse Distribution	288	30,356,804	2,078,140	1,013,769	378,659	2,155,689	3.3%
	Warehouse Office	725	29,466,752	3,535,009	2,001,657	210,860	474,896	6.8%
	Subtotal	1,726	123,282,740	9,897,030	6,357,062	368,931	2,744,509	5.2%
Ozaukee	Flex/R&D	17	515,185	101,540	43,797	(20,683)	(2,412)	8.5%
	Manufacturing	117	8,785,912	546,540	250,865	0	38,045	2.9%
	Warehouse Distribution	16	2,138,693			0	0	0.0%
	Warehouse Office	69	2,699,286	533,846	401,087	47,479	66,022	14.9%
	Subtotal	219	14,139,076	1,181,926	695,749	26,796	101,655	4.9%
Racine	Flex/R&D	11	580,697	14,450	14,450	11,984	3,024	2.5%
	Manufacturing	185	16,726,774	362,604	157,994	0	19,400	0.9%
	Warehouse Distribution	71	11,589,821	929,367	787,556	0	(108,533)	6.8%
	Warehouse Office	147	5,855,584	522,634	559,443	41,073	85,311	9.6%
	Subtotal	414	34,752,876	1,829,055	1,519,443	53,057	(798)	4.4%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	(80)	32.8%
	Manufacturing	150	19,452,863	191,514	43,525	0	0	0.2%
	Warehouse Distribution	31	4,805,661	249,029	28,000	0	0	0.6%
	Warehouse Office	98	2,800,356	61,248		0	4,625	0.0%
	Subtotal	280	27,089,600	506,871	81,605	0	4,545	0.3%
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	121	9,401,734			0	0	0.0%
	Warehouse Distribution	25	2,302,609	142,260	142,260	0	(42,260)	6.2%
	Warehouse Office	82	2,762,553	75,294	35,000	19,805	78,765	1.3%
	Subtotal	231	14,521,923	217,554	177,260	19,805	36,505	1.2%
Washington	Flex/R&D	15	528,613	74,608		0	0	0.0%
	Manufacturing	227	14,337,394	181,244	61,640	44,337	37,638	0.4%
	Warehouse Distribution	67	8,221,916	1,156,242	439,198	(1,550)	74,338	5.3%
	Warehouse Office	186	6,006,178	262,186	141,333	(9,252)	56,240	2.4%
	Subtotal	495	29,094,101	1,674,280	642,171	33,535	168,216	2.2%
Waukesha	Flex/R&D	139	5,318,107	278,825	194,451	32,900	45,218	3.7%
	Manufacturing	572	36,366,132	827,748	340,294	140,363	328,147	0.9%
	Warehouse Distribution	154	16,146,347	839,218	598,752	468,221	6,229	3.7%
	Warehouse Office	866	25,792,273	987,237	435,634	86,207	401,338	1.7%
	Subtotal	1,731	83,622,859	2,933,028	1,569,131	727,691	780,932	1.9%
Grand Total		5,361	366,128,433	20,506,089	12,673,211	3,045,682	6,244,008	3.5%

Vacancy Rates by County (Multi and Single Tenant)

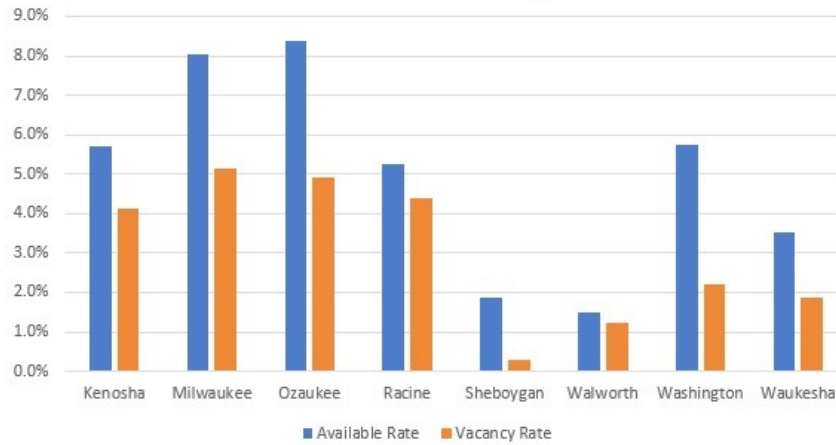
County	Property Type	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	1.1%	3.0%	5.4%	3.0%	2.7%
	Warehouse Distribution	6.4%	7.3%	5.7%	5.3%	5.0%
	Warehouse Office	0.6%	0.7%	0.7%	0.7%	0.7%
	Subtotal	4.7%	5.8%	5.2%	4.4%	4.1%
Milwaukee	Flex/R&D	14.5%	13.2%	12.3%	19.4%	19.7%
	Manufacturing	4.3%	4.5%	4.1%	4.0%	4.6%
	Warehouse Distribution	10.7%	10.1%	9.0%	4.5%	3.3%
	Warehouse Office	8.4%	8.1%	8.8%	7.3%	6.8%
	Subtotal	7.0%	6.9%	6.6%	5.3%	5.2%
Ozaukee	Flex/R&D	8.0%	8.0%	5.5%	4.5%	8.5%
	Manufacturing	2.2%	3.3%	3.4%	2.9%	2.9%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	17.2%	17.2%	16.5%	16.5%	14.9%
	Subtotal	5.0%	5.6%	5.5%	5.1%	4.9%
Racine	Flex/R&D	3.8%	3.0%	4.6%	4.6%	2.5%
	Manufacturing	1.1%	1.1%	0.9%	0.9%	0.9%
	Warehouse Distribution	5.6%	1.4%	6.3%	6.2%	6.8%
	Warehouse Office	10.3%	10.3%	10.4%	10.1%	9.6%
	Subtotal	4.4%	2.9%	4.4%	4.4%	4.4%
Sheboygan	Flex/R&D	0.0%	32.6%	32.6%	32.8%	32.8%
	Manufacturing	0.2%	0.2%	0.2%	0.2%	0.2%
	Warehouse Distribution	0.6%	0.6%	0.6%	0.6%	0.6%
	Warehouse Office	0.5%	0.2%	0.2%	0.0%	0.0%
	Subtotal	0.3%	0.3%	0.3%	0.3%	0.3%
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%	6.2%	6.2%
	Warehouse Office	2.3%	2.4%	1.5%	1.2%	1.3%
	Subtotal	0.5%	0.5%	0.3%	1.2%	1.2%
Washington	Flex/R&D	0.7%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.4%	0.4%	0.5%	0.4%	0.4%
	Warehouse Distribution	5.8%	6.3%	5.4%	5.4%	5.3%
	Warehouse Office	4.9%	3.3%	3.3%	2.2%	2.4%
	Subtotal	2.8%	2.6%	2.4%	2.2%	2.2%
Waukesha	Flex/R&D	4.0%	3.9%	3.9%	3.6%	3.7%
	Manufacturing	1.3%	1.4%	1.3%	1.3%	0.9%
	Warehouse Distribution	2.7%	2.5%	5.6%	5.6%	3.7%
	Warehouse Office	3.3%	3.2%	2.4%	2.0%	1.7%
	Subtotal	2.4%	2.3%	2.7%	2.5%	1.9%
Grand Total		4.3%	4.2%	4.3%	3.7%	3.5%

Lease Rates by County (Multi and Single Tenant)

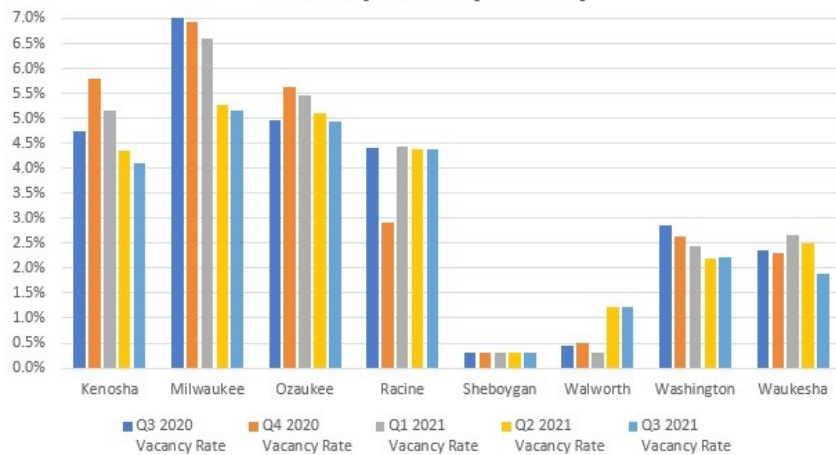
County	Property Type	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing	\$3.50	\$4.75	\$5.00	\$4.50	\$4.00
	Warehouse Distribution	\$5.01	\$5.40	\$5.25	\$5.15	\$5.15
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	Subtotal	\$4.98	\$5.30	\$5.23	\$5.05	\$5.12
Milwaukee	Flex/R&D	\$6.56	\$6.68	\$7.09	\$6.75	\$6.78
	Manufacturing	\$4.28	\$4.43	\$4.12	\$4.57	\$4.39
	Warehouse Distribution	\$5.21	\$5.27	\$5.37	\$5.46	\$5.19
	Warehouse Office	\$4.97	\$5.10	\$5.59	\$5.16	\$4.97
	Subtotal	\$5.01	\$5.13	\$5.37	\$5.21	\$4.99
Ozaukee	Flex/R&D	\$8.05	\$8.31	\$8.10	\$9.21	\$9.00
	Manufacturing	\$4.25	\$4.25	\$3.88	\$4.00	\$4.00
	Warehouse Distribution					
	Warehouse Office	\$5.67	\$5.82	\$5.96	\$6.18	\$5.97
	Subtotal	\$6.54	\$6.75	\$6.37	\$6.95	\$6.68
Racine	Flex/R&D	\$3.70		\$4.45		
	Manufacturing	\$5.00	\$5.25	\$4.00	\$3.95	\$3.93
	Warehouse Distribution	\$5.02	\$5.33	\$4.89	\$4.89	\$4.89
	Warehouse Office	\$5.42	\$5.00	\$6.50	\$6.50	\$6.50
	Subtotal	\$5.04	\$5.23	\$5.25	\$4.92	\$5.00
Sheboygan	Flex/R&D		\$4.75	\$4.75	\$4.85	\$4.85
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$8.61	\$8.61	\$7.23		
	Subtotal	\$8.61	\$7.33	\$5.99	\$4.85	\$4.85
Walworth	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$4.41	\$4.41	\$3.13	\$3.13	\$3.13
	Subtotal	\$4.41	\$4.41	\$3.13	\$3.13	\$3.13
Washington	Flex/R&D	\$4.35	\$3.75	\$5.75	\$5.75	\$5.75
	Manufacturing	\$5.06	\$4.95	\$4.38	\$3.63	\$4.55
	Warehouse Distribution			\$7.58	\$5.50	\$5.50
	Warehouse Office	\$6.24	\$6.40	\$7.18	\$6.11	\$5.99
	Subtotal	\$5.68	\$5.74	\$6.47	\$5.67	\$5.55
Waukesha	Flex/R&D	\$7.10	\$7.54	\$7.67	\$7.34	\$7.65
	Manufacturing	\$5.05	\$5.38	\$7.65	\$6.03	\$5.88
	Warehouse Distribution	\$5.36	\$5.36	\$5.51	\$5.26	\$5.43
	Warehouse Office	\$5.91	\$5.93	\$6.35	\$6.50	\$6.47
	Subtotal	\$5.98	\$6.15	\$6.84	\$6.53	\$6.66
Grand Total		\$5.42	\$5.55	\$5.91	\$5.64	\$5.58

Multi and Single Tenant

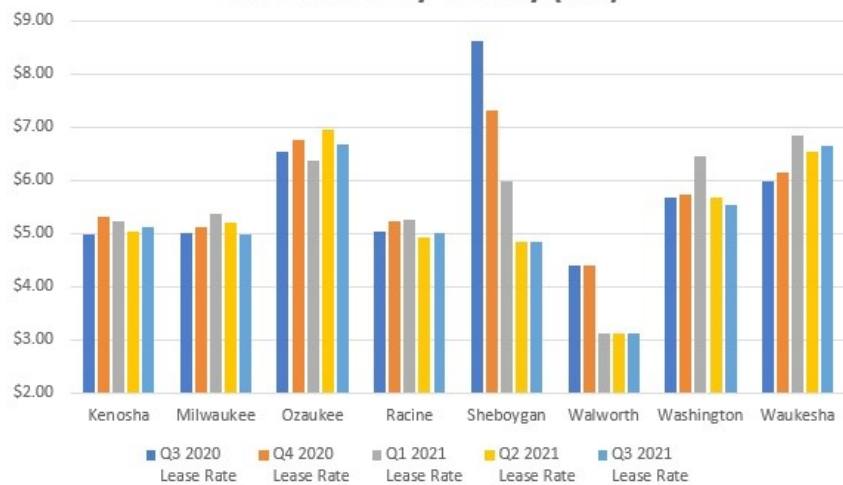
Available and Vacancy Rates



Vacancy Rate by County



Lease Rates by County (NNN)



Market Overview (Multi-Tenant)

Total

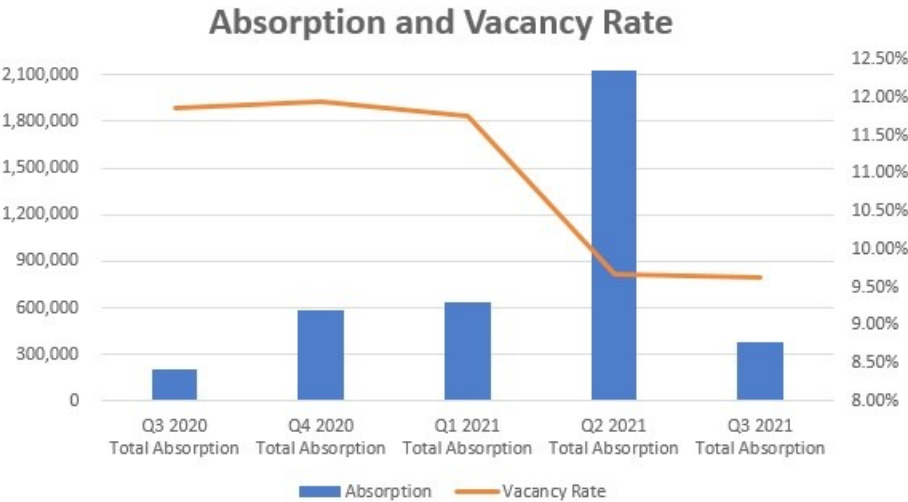
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	186	7,531,583	1,090,853	703,185	28,333	126,619	9.3%
Manufacturing	150	17,144,752	2,152,238	1,380,203	(316,521)	(112,948)	8.1%
Warehouse Distribution	209	31,453,222	4,179,708	3,254,999	456,609	2,616,354	10.3%
Warehouse Office	617	28,954,828	4,481,343	2,849,996	209,112	519,994	9.8%
Grand Total	1,162	85,084,385	11,904,142	8,188,383	377,533	3,150,019	9.6%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	186	7,531,583	991,864	651,340	34,485	104,783	8.6%
Manufacturing	150	17,144,752	2,144,238	1,380,203	(316,521)	(112,948)	8.1%
Warehouse Distribution	209	31,453,222	3,980,494	3,107,122	456,609	2,616,354	9.9%
Warehouse Office	617	28,954,828	4,274,367	2,770,908	212,157	523,039	9.6%
Grand Total	1,162	85,084,385	11,390,963	7,909,573	386,730	3,131,228	9.3%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	186	7,531,583	98,989	51,845	(6,152)	21,836	0.7%
Manufacturing	150	17,144,752	8,000		0	0	0.0%
Warehouse Distribution	209	31,453,222	199,214	147,877	0	0	0.5%
Warehouse Office	617	28,954,828	206,976	79,088	(3,045)	(3,045)	0.3%
Grand Total	1,162	85,084,385	513,179	278,810	(9,197)	18,791	0.3%



Market Statistics by County (Multi-Tenant)

County	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Kenosha	Flex/R&D	3	470,393	143,468		0	0	0.0%
	Manufacturing	5	1,120,945	102,118	51,059	0	0	4.6%
	Warehouse Distribution	26	7,479,335	1,357,821	1,254,121	0	612,394	16.8%
	Warehouse Office	15	839,573	312,280	22,134	0	0	2.6%
	Subtotal	49	9,910,246	1,915,687	1,327,314	0	612,394	13.4%
Milwaukee	Flex/R&D	39	1,863,343	487,849	440,407	4,132	80,869	23.6%
	Manufacturing	62	9,725,431	1,676,301	1,168,013	(316,521)	(156,704)	12.0%
	Warehouse Distribution	100	11,704,192	1,522,627	926,186	378,659	1,690,803	7.9%
	Warehouse Office	212	12,948,100	2,400,128	1,500,624	173,023	216,161	11.6%
	Subtotal	413	36,241,066	6,086,905	4,035,230	239,293	1,831,129	11.1%
Ozaukee	Flex/R&D	15	476,827	101,540	43,797	(20,683)	(2,412)	9.2%
	Manufacturing	9	1,021,129	102,756	111,956	0	0	11.0%
	Warehouse Distribution	3	570,235			0	0	0.0%
	Warehouse Office	21	1,226,368	504,687	385,027	56,939	62,772	31.4%
	Subtotal	48	3,294,559	708,983	540,780	36,256	60,360	16.4%
Racine	Flex/R&D	6	262,535	14,450	14,450	11,984	3,024	5.5%
	Manufacturing	8	911,777			0	0	0.0%
	Warehouse Distribution	22	4,581,233	758,914	631,712	0	36,991	13.8%
	Warehouse Office	31	2,116,917	481,834	473,274	41,073	116,511	22.4%
	Subtotal	67	7,872,462	1,255,198	1,119,436	53,057	156,526	14.2%
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	(80)	32.8%
	Manufacturing	8	739,874			0	0	0.0%
	Warehouse Distribution	2	445,752			0	0	0.0%
	Warehouse Office	12	434,146			0	4,625	0.0%
	Subtotal	23	1,650,492	5,080	10,080	0	4,545	0.6%
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	2	41,707			0	0	0.0%
	Warehouse Distribution	3	255,136			0	100,000	0.0%
	Warehouse Office	11	569,815	65,294	25,000	0	0	4.4%
	Subtotal	19	921,685	65,294	25,000	0	100,000	2.7%
Washington	Flex/R&D	10	429,042	74,608		0	0	0.0%
	Manufacturing	16	631,532	69,120	27,000	0	5,301	4.3%
	Warehouse Distribution	12	2,123,437	144,550	144,550	(1,550)	91,450	6.8%
	Warehouse Office	55	1,812,927	203,628	115,673	(8,100)	71,900	6.4%
	Subtotal	93	4,996,938	491,906	287,223	(9,650)	168,651	5.7%
Waukesha	Flex/R&D	109	3,943,696	263,858	194,451	32,900	45,218	4.9%
	Manufacturing	40	2,952,357	201,943	22,175	0	38,455	0.8%
	Warehouse Distribution	41	4,293,902	395,796	298,430	79,500	84,716	7.0%
	Warehouse Office	260	9,006,982	513,492	328,264	(53,823)	48,025	3.6%
	Subtotal	450	20,196,937	1,375,089	843,320	58,577	216,414	4.2%
Grand Total		1,162	85,084,385	11,904,142	8,188,383	377,533	3,150,019	9.6%

Vacancy Rates by County (Multi-Tenant)

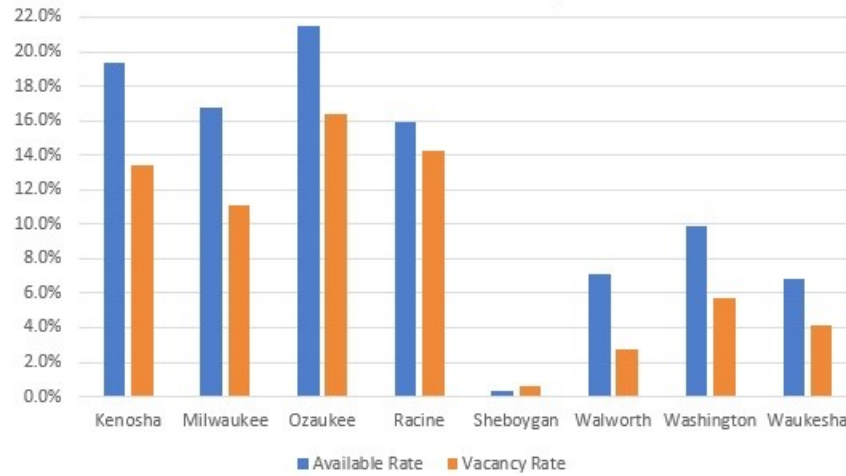
County	Property Type	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	4.4%	4.4%	4.4%	4.4%	4.6%
	Warehouse Distribution	15.3%	24.4%	18.3%	16.8%	16.8%
	Warehouse Office	2.3%	2.6%	2.6%	2.6%	2.6%
	Subtotal	12.0%	19.1%	14.5%	13.4%	13.4%
Milwaukee	Flex/R&D	19.2%	17.4%	13.4%	23.0%	23.6%
	Manufacturing	10.9%	10.4%	9.5%	8.7%	12.0%
	Warehouse Distribution	21.1%	21.1%	21.0%	11.1%	7.9%
	Warehouse Office	14.0%	13.1%	15.3%	12.8%	11.6%
	Subtotal	15.8%	15.3%	15.6%	11.7%	11.1%
Ozaukee	Flex/R&D	8.7%	8.7%	6.0%	4.8%	9.2%
	Manufacturing	11.0%	11.0%	11.0%	11.0%	11.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	36.6%	36.5%	36.0%	36.0%	31.4%
	Subtotal	18.3%	18.2%	17.7%	17.5%	16.4%
Racine	Flex/R&D	9.4%	6.7%	10.1%	10.1%	5.5%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	9.4%	3.4%	11.7%	11.7%	13.8%
	Warehouse Office	25.6%	25.6%	24.6%	22.3%	22.4%
	Subtotal	13.1%	9.4%	13.9%	13.3%	14.2%
Sheboygan	Flex/R&D	0.0%	32.6%	32.6%	32.8%	32.8%
	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%	1.1%	1.1%	0.0%	0.0%
	Subtotal	0.8%	0.9%	0.9%	0.6%	0.6%
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	4.4%	3.4%	3.4%	3.4%	4.4%
	Subtotal	3.2%	2.6%	2.3%	2.3%	2.7%
Washington	Flex/R&D	0.8%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	4.9%	4.9%	4.9%	4.1%	4.3%
	Warehouse Distribution	8.9%	11.1%	6.7%	6.7%	6.8%
	Warehouse Office	12.3%	10.3%	10.3%	5.9%	6.4%
	Subtotal	8.9%	9.1%	7.2%	5.5%	5.7%
Waukesha	Flex/R&D	5.4%	5.2%	5.3%	4.9%	4.9%
	Manufacturing	2.1%	2.1%	0.8%	0.8%	0.8%
	Warehouse Distribution	5.6%	5.4%	5.3%	5.3%	7.0%
	Warehouse Office	5.6%	4.2%	3.8%	3.1%	3.6%
	Subtotal	5.0%	4.3%	4.0%	3.5%	4.2%
Grand Total		11.9%	11.9%	11.8%	9.7%	9.6%

Lease Rates by County (Multi-Tenant)

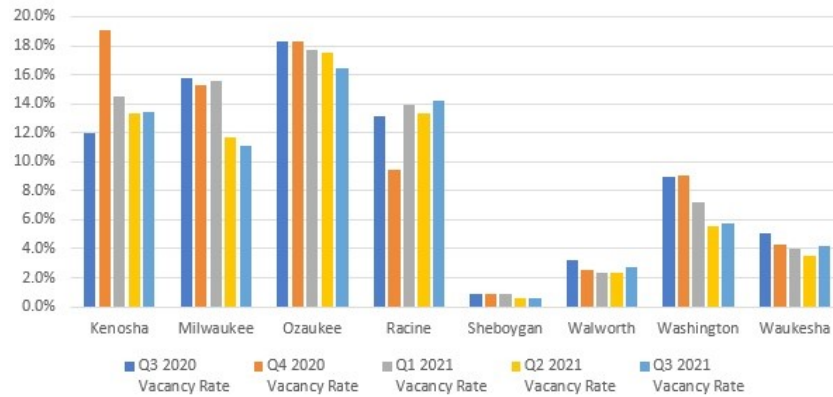
County	Property Type	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing			\$6.50		
	Warehouse Distribution	\$5.37	\$5.37	\$5.37	\$5.25	\$5.25
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	Subtotal	\$5.45	\$5.45	\$5.60	\$5.40	\$5.40
Milwaukee	Flex/R&D	\$6.59	\$6.72	\$7.16	\$6.81	\$6.86
	Manufacturing	\$4.10	\$4.26	\$4.14	\$4.13	\$4.09
	Warehouse Distribution	\$5.77	\$5.65	\$5.53	\$5.33	\$5.01
	Warehouse Office	\$5.11	\$5.25	\$5.79	\$5.16	\$4.83
	Subtotal	\$5.32	\$5.42	\$5.70	\$5.23	\$4.94
Ozaukee	Flex/R&D	\$8.05	\$8.31	\$8.10	\$9.21	\$9.00
	Manufacturing			\$3.50		
	Warehouse Distribution					
	Warehouse Office	\$5.67	\$5.82	\$6.14	\$6.18	\$5.81
	Subtotal	\$6.75	\$7.06	\$6.69	\$7.32	\$7.01
Racine	Flex/R&D			\$4.45		
	Manufacturing					
	Warehouse Distribution	\$4.45	\$5.08	\$4.89	\$4.89	\$4.89
	Warehouse Office	\$4.00	\$4.00	\$6.33	\$6.00	\$6.00
	Subtotal	\$4.27	\$4.65	\$5.28	\$5.05	\$5.05
Sheboygan	Flex/R&D		\$4.75	\$4.75	\$4.85	\$4.85
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$7.23	\$7.23	\$7.23		
	Subtotal	\$7.23	\$5.99	\$5.99	\$4.85	\$4.85
Walworth	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$4.71	\$4.71	\$2.75	\$2.75	\$2.75
	Subtotal	\$4.71	\$4.71	\$2.75	\$2.75	\$2.75
Washington	Flex/R&D	\$4.35	\$3.75	\$5.75	\$5.75	\$5.75
	Manufacturing	\$4.58	\$4.58	\$4.67	\$3.75	\$3.75
	Warehouse Distribution			\$4.38	\$5.50	\$5.50
	Warehouse Office	\$6.76	\$6.64	\$7.59	\$6.50	\$6.30
	Subtotal	\$5.73	\$5.81	\$6.29	\$5.95	\$5.88
Waukesha	Flex/R&D	\$7.10	\$7.25	\$7.51	\$7.08	\$7.43
	Manufacturing	\$4.98	\$4.98	\$6.93	\$5.95	\$5.95
	Warehouse Distribution	\$5.21	\$5.02	\$5.08	\$5.19	\$5.38
	Warehouse Office	\$5.95	\$5.92	\$6.22	\$6.57	\$6.48
	Subtotal	\$6.05	\$6.11	\$6.70	\$6.56	\$6.67
Grand Total		\$5.65	\$5.72	\$6.07	\$5.77	\$5.68

Multi-Tenant

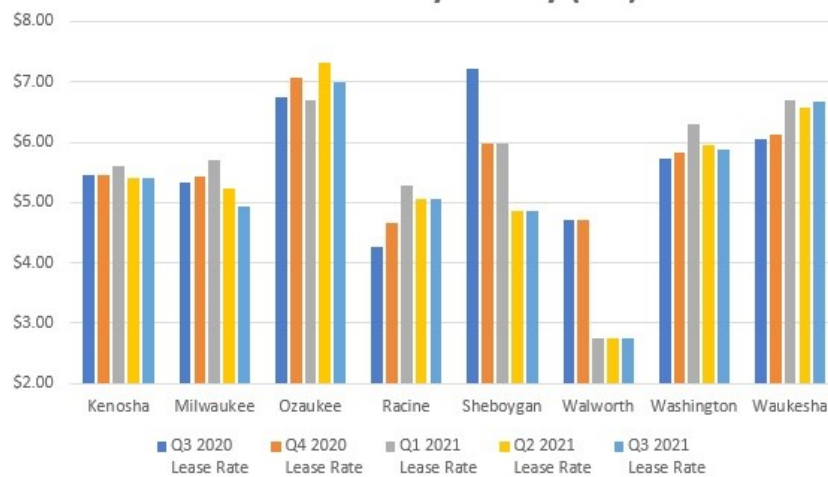
Available and Vacancy Rates



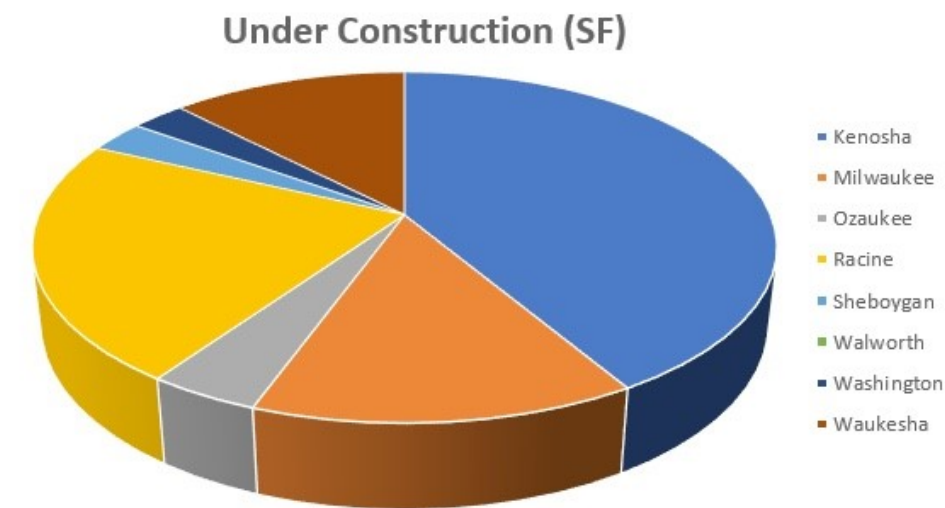
Vacancy Rate by County



Lease Rates by County (NNN)

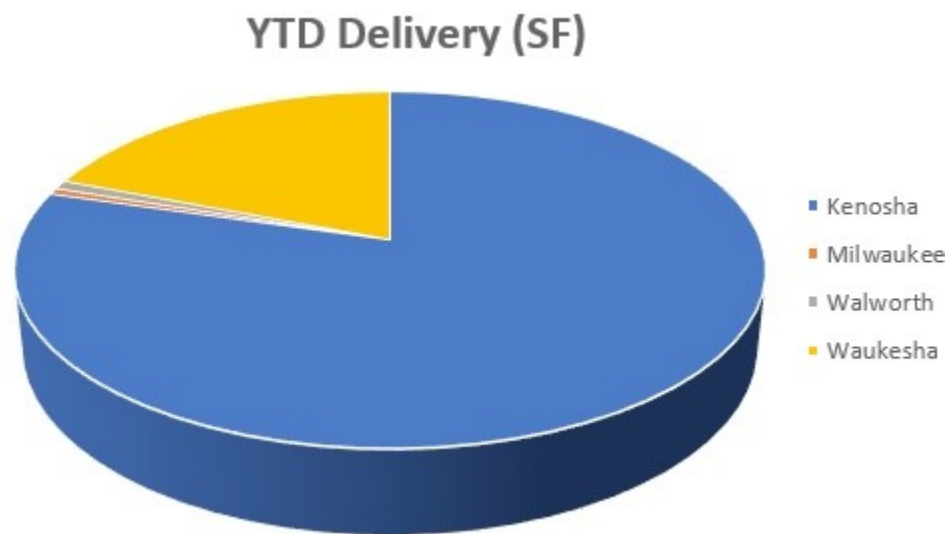


New Developments



County	Bldg (SF)
Kenosha	2,505,134
Milwaukee	853,500
Ozaukee	250,000
Racine	1,347,398
Sheboygan	175,200
Walworth	1,576
Washington	169,700
Waukesha	742,462
Grand Total	6,044,970

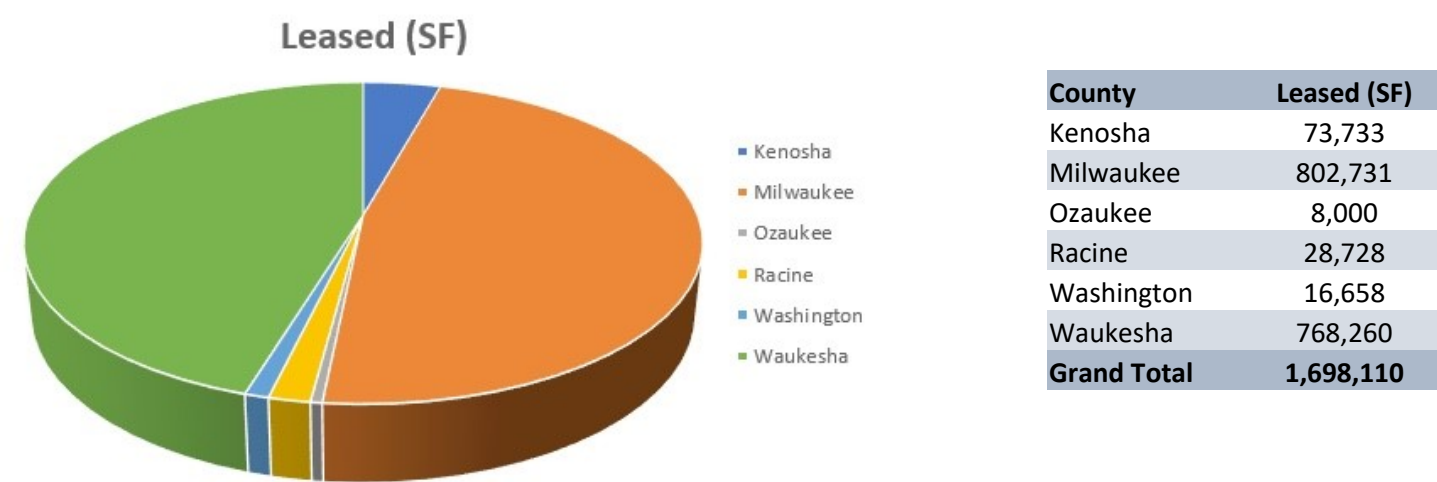
Year to Date Deliveries



County	Bldg (SF)
Kenosha	1,951,656
Milwaukee	14,000
Walworth	19,805
Waukesha	470,398
Grand Total	2,455,859

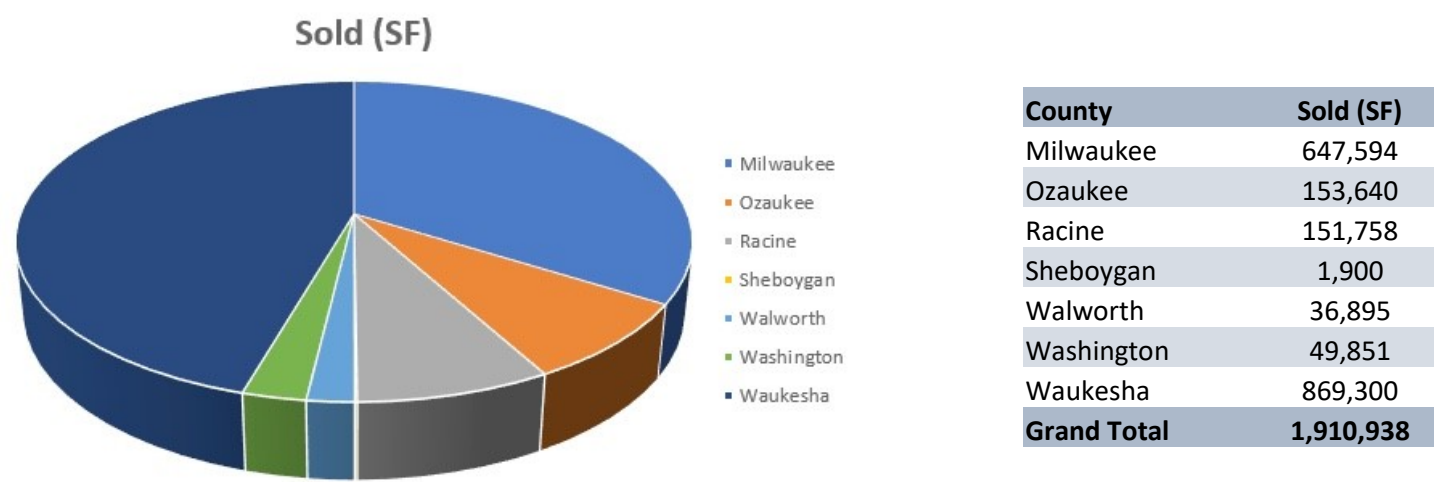
Leasing Activity

Property	Size (sf)	County	Tenant	Landlord
15350 Shawn Cir	388,800	Waukesha	Milwaukee Electric Tool	First Industrial Realty Trust
4041 N Richards St	142,338	Waukesha	Phoenix 3PL	WRP New Berlin II LLC
525 W Marquette Ave	112,144	Milwaukee	Independence Corrugated	Stag Industrial Holdings LLC
610 W Rawson Ave	110,618	Milwaukee	Preferred Carrier Logistics	Oak Creek Rawson Industrial LLC
103 Hill Ct	52,000	Waukesha	Banker Wire	John M Malcolm



Sales Activity

Property	Price	County	Buyer	Seller
1717 & 1718 Pearl St	\$11,650,000	Waukesha	SRRT Pearl Street, LLC	J.T. Jacobus & Associates, Inc
N60 W22700 Silver Spring Dr	\$10,750,000	Waukesha	Arnold Creekside, LLC; Gordon Creekside, LLC	Cessal Enterprises, LLC
5215 W Airways Ave	\$10,500,000	Milwaukee	STAG Industrial Holdings, LLC	Alfa, LLC
4949 & 5059 N 119th St	\$9,837,300	Milwaukee	STORE Master Funding XXII, LLC	Timber Creek Resource, LLC
10400 N Enterprise Dr	\$6,750,000	Mequon - Theinsville	Bukas Real Estates, LLC	JH Mequon, LLC plus 4 other LLC



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.

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 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 square feet. For new construction the new lease will be captured when the construction has been completed.
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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