

Market

# Trends

**Q4** 2021

Milwaukee - Industrial



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# MARKET TRENDS

Q4 2021 | Milwaukee | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	793,512	
Area Unemployment	2.2	
U.S. Unemployment	4.2	
Industrial Jobs	119,000	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	366,115,497
Total # of Bldgs (tracked)	5,356
Absorption	1,369,627
Vacancy	3.0%
Asking Rate (NNN)	\$5.61
New Construction (sf)	7,819,359

### Multi-tenant Properties

Total Inventory (sf)	85,402,869
Total # of Bldgs (tracked)	1,166
Absorption	652,367
Vacancy	8.9%
Asking Rate (NNN)	\$5.74

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) decreased 280 basis points to 2.2% compared to 5.0% in November 2020. The unemployment rate for the US was at 4.2% in November 2021, down from 6.7% last year. State of Wisconsin unemployment was 3.0% for this quarter. The Milwaukee MSA saw an increase in job growth while manufacturing jobs also increased by 7,500 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 1.36 msf positive absorption while multi-tenant properties had 652,000 sf positive absorption. The fourth quarter finished with a vacancy rate of 3.0% for all inventory and 8.9% for multi-tenant properties. The average asking lease rate for Southeastern Wisconsin came in at \$5.61 psf NNN. To date, there are 32 properties totaling 7.8 msf of new construction projects throughout the market.

## Market Highlights

Racine County topped all counties in positive absorption with 685,000 sf resulting from SC Johnson & Son leased 396,000 sf. Kenosha was second highest with 369,000 sf positive absorption led by Apak leasing 160,000 sf and Harigo leasing 157,000 sf. No counties had negative absorption but the largest vacancy was Eaton vacating 171,000 sf in Waukesha County. At the close of Q4 2021 the market had 74 lease transaction with just over 2.2 msf of leasing activity. Sixteen properties were delivered in 2021 with 2.9 msf. Fifty one properties sold topping \$119 million and over 2.8 msf during Q4 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	242	10,128,113	1,123,218	744,474	33,645	115,264	7.4%
Manufacturing	2,132	173,676,275	4,782,505	3,375,048	245,226	840,018	1.9%
Warehouse Distribution	732	103,616,048	5,900,574	3,614,556	754,554	4,737,297	3.5%
Warehouse Office	2,250	78,695,061	5,753,007	3,229,421	336,202	1,479,505	4.1%
<b>Grand Total</b>	<b>5,356</b>	<b>366,115,497</b>	<b>17,559,304</b>	<b>10,963,499</b>	<b>1,369,627</b>	<b>7,172,084</b>	<b>3.0%</b>

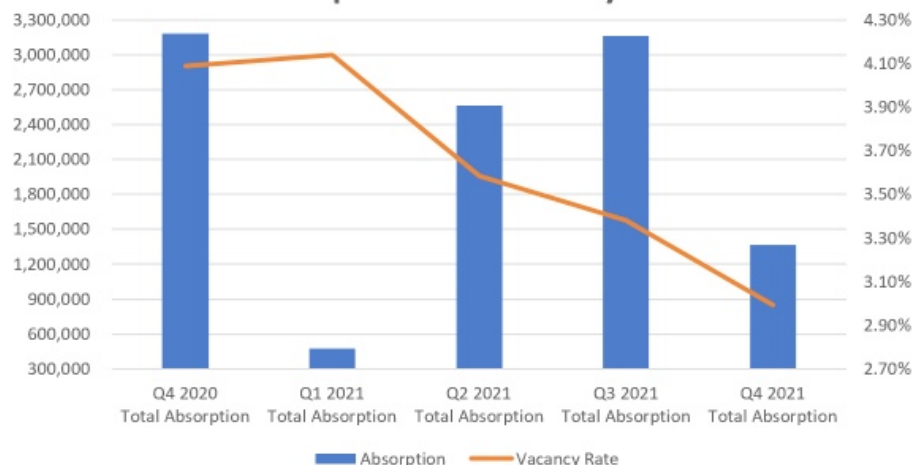
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	242	10,128,113	1,072,678	695,629	30,645	90,428	6.9%
Manufacturing	2,132	173,676,275	4,774,505	3,375,048	84,926	679,718	1.9%
Warehouse Distribution	732	103,616,048	4,876,653	3,466,679	754,554	4,737,297	3.3%
Warehouse Office	2,250	78,695,061	5,601,824	3,216,623	336,202	1,482,550	4.1%
<b>Grand Total</b>	<b>5,356</b>	<b>366,115,497</b>	<b>16,325,660</b>	<b>10,753,979</b>	<b>1,206,327</b>	<b>6,989,993</b>	<b>2.9%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	242	10,128,113	50,540	48,845	3,000	24,836	0.5%
Manufacturing	2,132	173,676,275	8,000		160,300	160,300	0.0%
Warehouse Distribution	732	103,616,048	1,023,921	147,877	0	0	0.1%
Warehouse Office	2,250	78,695,061	151,183	12,798	0	(3,045)	0.0%
<b>Grand Total</b>	<b>5,356</b>	<b>366,115,497</b>	<b>1,233,644</b>	<b>209,520</b>	<b>163,300</b>	<b>182,091</b>	<b>0.1%</b>

## 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			211,359	233,226	0.0%
	Warehouse Distribution	84	28,214,504	1,343,341	1,239,641	157,656	2,444,233	4.4%
	Warehouse Office	77	3,203,021	312,280	22,134	0	100,000	0.7%
	<b>Subtotal</b>	<b>265</b>	<b>39,625,258</b>	<b>1,799,089</b>	<b>1,261,775</b>	<b>369,015</b>	<b>2,777,459</b>	<b>3.2%</b>
Milwaukee	Flex/R&D	52	2,611,310	550,183	502,741	12,600	48,469	19.3%
	Manufacturing	657	60,513,179	3,156,661	2,264,377	5,000	83,055	3.7%
	Warehouse Distribution	285	30,303,128	2,004,160	1,143,662	9,857	2,160,493	3.8%
	Warehouse Office	725	29,493,758	3,262,961	1,845,452	104,541	515,075	6.3%
	<b>Subtotal</b>	<b>1,719</b>	<b>122,921,375</b>	<b>8,973,965</b>	<b>5,756,232</b>	<b>131,998</b>	<b>2,807,092</b>	<b>4.7%</b>
Ozaukee	Flex/R&D	17	515,185	97,912	41,711	2,086	(326)	8.1%
	Manufacturing	117	8,791,752	522,150	259,054	31,215	29,856	2.9%
	Warehouse Distribution	16	2,138,693			0	0	0.0%
	Warehouse Office	69	2,734,588	523,086	489,059	0	(32,710)	17.9%
	<b>Subtotal</b>	<b>219</b>	<b>14,180,218</b>	<b>1,143,148</b>	<b>789,824</b>	<b>33,301</b>	<b>(3,180)</b>	<b>5.6%</b>
Racine	Flex/R&D	11	580,697	14,450	14,450	0	3,024	2.5%
	Manufacturing	186	16,950,403	22,468	157,994	0	243,029	0.9%
	Warehouse Distribution	71	11,589,821	283,899	156,697	630,859	125,610	1.4%
	Warehouse Office	147	5,855,584	489,662	473,274	54,969	171,480	8.1%
	<b>Subtotal</b>	<b>415</b>	<b>34,976,505</b>	<b>810,479</b>	<b>802,415</b>	<b>685,828</b>	<b>543,143</b>	<b>2.3%</b>
Sheboygan	Flex/R&D	1	30,720	5,080	10,080	0	(80)	32.8%
	Manufacturing	150	19,452,863	142,014	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			0	4,625	0.0%
	<b>Subtotal</b>	<b>280</b>	<b>27,089,600</b>	<b>396,123</b>	<b>81,605</b>	<b>0</b>	<b>4,545</b>	<b>0.3%</b>
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	121	9,432,512			0	0	0.0%
	Warehouse Distribution	25	2,309,893	146,900	146,900	0	(46,900)	6.4%
	Warehouse Office	82	2,762,553	75,294	35,000	0	78,765	1.3%
	<b>Subtotal</b>	<b>231</b>	<b>14,559,985</b>	<b>222,194</b>	<b>181,900</b>	<b>0</b>	<b>31,865</b>	<b>1.2%</b>
Washington	Flex/R&D	15	528,613	67,301		0	0	0.0%
	Manufacturing	228	14,432,094	132,354	121,424	34,916	72,554	0.8%
	Warehouse Distribution	66	8,108,001	1,115,242	398,198	23,888	115,338	4.9%
	Warehouse Office	186	6,010,275	318,951	147,853	(14,520)	49,720	2.5%
	<b>Subtotal</b>	<b>495</b>	<b>29,078,983</b>	<b>1,633,848</b>	<b>667,475</b>	<b>44,284</b>	<b>237,612</b>	<b>2.3%</b>
Waukesha	Flex/R&D	140	5,336,168	244,824	175,492	18,959	64,177	3.3%
	Manufacturing	572	36,366,132	806,858	528,674	(37,264)	178,298	1.5%
	Warehouse Distribution	154	16,146,347	758,003	501,458	(67,706)	(61,477)	3.1%
	Warehouse Office	866	25,834,926	770,773	216,649	191,212	592,550	0.8%
	<b>Subtotal</b>	<b>1,732</b>	<b>83,683,573</b>	<b>2,580,458</b>	<b>1,422,273</b>	<b>105,201</b>	<b>773,548</b>	<b>1.7%</b>
<b>Grand Total</b>		<b>5,356</b>	<b>366,115,497</b>	<b>17,559,304</b>	<b>10,963,499</b>	<b>1,369,627</b>	<b>7,172,084</b>	<b>3.0%</b>

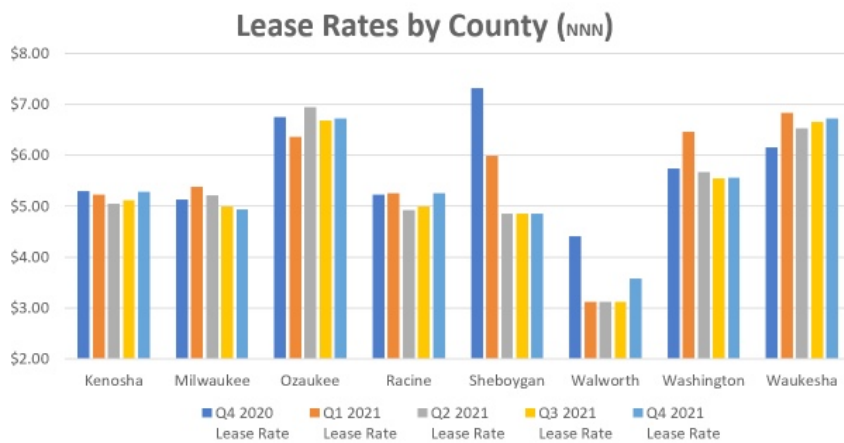
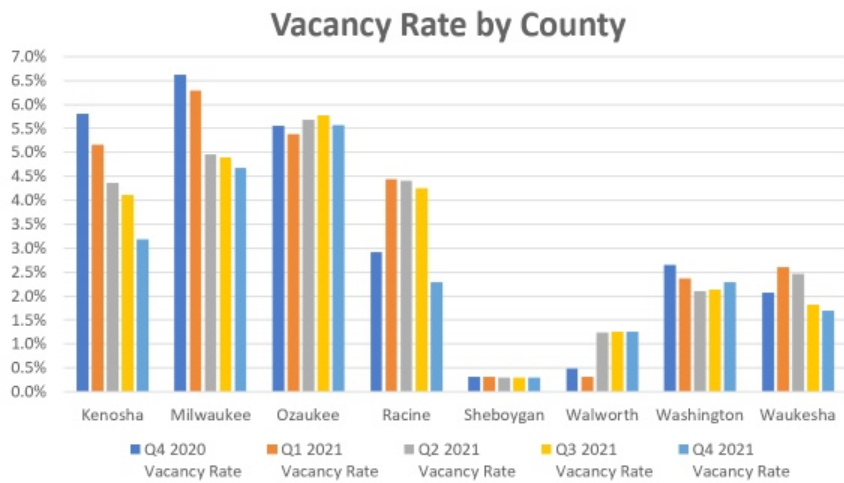
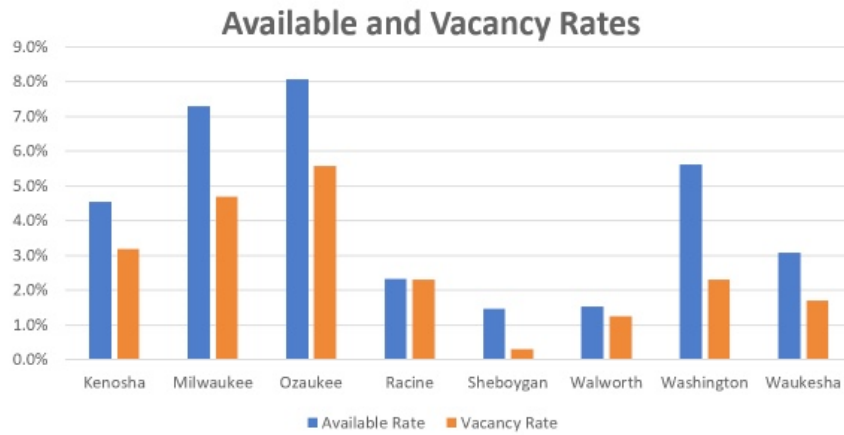
# Vacancy Rates by County (Multi and Single Tenant)

County	Property Type	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	3.0%	5.4%	3.0%	2.7%	0.0%
	Warehouse Distribution	7.3%	5.7%	5.3%	5.0%	4.4%
	Warehouse Office	0.7%	0.7%	0.7%	0.7%	0.7%
	<b>Subtotal</b>	<b>5.8%</b>	<b>5.2%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>3.2%</b>
Milwaukee	Flex/R&D	13.2%	12.3%	19.4%	19.7%	19.3%
	Manufacturing	4.0%	3.6%	3.5%	4.1%	3.7%
	Warehouse Distribution	10.1%	9.0%	4.5%	3.3%	3.8%
	Warehouse Office	7.9%	8.6%	7.1%	6.8%	6.3%
	<b>Subtotal</b>	<b>6.6%</b>	<b>6.3%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.7%</b>
Ozaukee	Flex/R&D	8.0%	5.5%	4.5%	8.5%	8.1%
	Manufacturing	3.3%	3.4%	2.8%	3.3%	2.9%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	16.8%	16.1%	19.1%	17.5%	17.9%
	<b>Subtotal</b>	<b>5.5%</b>	<b>5.4%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>5.6%</b>
Racine	Flex/R&D	3.0%	4.6%	4.6%	2.5%	2.5%
	Manufacturing	1.1%	0.9%	0.9%	0.9%	0.9%
	Warehouse Distribution	1.4%	6.3%	6.5%	6.8%	1.4%
	Warehouse Office	10.3%	10.4%	9.6%	9.0%	8.1%
	<b>Subtotal</b>	<b>2.9%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.3%</b>	<b>2.3%</b>
Sheboygan	Flex/R&D	32.6%	32.6%	32.8%	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	0.2%	0.2%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</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%	6.4%	6.4%	6.4%
	Warehouse Office	2.4%	1.5%	1.2%	1.3%	1.3%
	<b>Subtotal</b>	<b>0.5%</b>	<b>0.3%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>
Washington	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.4%	0.5%	0.4%	0.4%	0.8%
	Warehouse Distribution	6.3%	5.2%	5.2%	5.2%	4.9%
	Warehouse Office	3.3%	3.3%	2.1%	2.2%	2.5%
	<b>Subtotal</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.3%</b>
Waukesha	Flex/R&D	3.8%	3.9%	3.6%	3.7%	3.3%
	Manufacturing	1.4%	1.7%	1.7%	1.4%	1.5%
	Warehouse Distribution	1.4%	4.6%	4.6%	2.7%	3.1%
	Warehouse Office	3.1%	2.3%	1.9%	1.6%	0.8%
	<b>Subtotal</b>	<b>2.1%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>1.8%</b>	<b>1.7%</b>
<b>Grand Total</b>		<b>4.1%</b>	<b>4.1%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.0%</b>

# Lease Rates by County (Multi and Single Tenant)

County	Property Type	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing	\$4.75	\$5.00	\$4.50	\$4.00	
	Warehouse Distribution	\$5.40	\$5.25	\$5.15	\$5.15	\$5.15
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	<b>Subtotal</b>	<b>\$5.30</b>	<b>\$5.23</b>	<b>\$5.05</b>	<b>\$5.12</b>	<b>\$5.28</b>
Milwaukee	Flex/R&D	\$6.68	\$7.09	\$6.75	\$6.78	\$6.78
	Manufacturing	\$4.43	\$4.12	\$4.57	\$4.39	\$4.49
	Warehouse Distribution	\$5.11	\$5.26	\$5.28	\$5.22	\$5.32
	Warehouse Office	\$5.19	\$5.63	\$5.25	\$4.97	\$4.67
	<b>Subtotal</b>	<b>\$5.13</b>	<b>\$5.37</b>	<b>\$5.21</b>	<b>\$4.99</b>	<b>\$4.94</b>
Ozaukee	Flex/R&D	\$8.31	\$8.10	\$9.21	\$9.00	\$8.17
	Manufacturing	\$4.25	\$3.88	\$4.00	\$4.00	\$4.00
	Warehouse Distribution					
	Warehouse Office	\$5.82	\$5.96	\$6.18	\$5.97	\$5.97
	<b>Subtotal</b>	<b>\$6.75</b>	<b>\$6.37</b>	<b>\$6.95</b>	<b>\$6.68</b>	<b>\$6.72</b>
Racine	Flex/R&D		\$4.45			
	Manufacturing	\$5.25	\$4.00	\$3.95	\$3.93	\$4.35
	Warehouse Distribution	\$5.33	\$4.89	\$4.89	\$4.89	\$5.29
	Warehouse Office	\$5.00	\$6.50	\$6.50	\$6.50	\$6.00
	<b>Subtotal</b>	<b>\$5.23</b>	<b>\$5.25</b>	<b>\$4.92</b>	<b>\$5.00</b>	<b>\$5.25</b>
Sheboygan	Flex/R&D	\$4.75	\$4.75	\$4.85	\$4.85	\$4.85
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$8.61	\$7.23			
	<b>Subtotal</b>	<b>\$7.33</b>	<b>\$5.99</b>	<b>\$4.85</b>	<b>\$4.85</b>	<b>\$4.85</b>
Walworth	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					\$4.50
	Warehouse Office	\$4.41	\$3.13	\$3.13	\$3.13	\$3.13
	<b>Subtotal</b>	<b>\$4.41</b>	<b>\$3.13</b>	<b>\$3.13</b>	<b>\$3.13</b>	<b>\$3.58</b>
Washington	Flex/R&D	\$3.75	\$5.75	\$5.75	\$5.75	\$5.75
	Manufacturing	\$4.95	\$4.38	\$3.63	\$4.55	\$4.44
	Warehouse Distribution		\$7.58	\$5.50	\$5.50	\$5.36
	Warehouse Office	\$6.40	\$7.18	\$6.11	\$5.99	\$5.99
	<b>Subtotal</b>	<b>\$5.74</b>	<b>\$6.47</b>	<b>\$5.67</b>	<b>\$5.55</b>	<b>\$5.56</b>
Waukesha	Flex/R&D	\$7.54	\$7.67	\$7.34	\$7.65	\$8.07
	Manufacturing	\$5.38	\$7.65	\$6.03	\$5.88	\$5.84
	Warehouse Distribution	\$5.36	\$5.51	\$5.26	\$5.27	\$5.59
	Warehouse Office	\$5.93	\$6.35	\$6.50	\$6.47	\$6.48
	<b>Subtotal</b>	<b>\$6.15</b>	<b>\$6.84</b>	<b>\$6.53</b>	<b>\$6.65</b>	<b>\$6.72</b>
<b>Grand Total</b>		<b>\$5.55</b>	<b>\$5.91</b>	<b>\$5.64</b>	<b>\$5.57</b>	<b>\$5.61</b>

# Multi and Single Tenant



# Market Overview (Multi-Tenant)

## Total

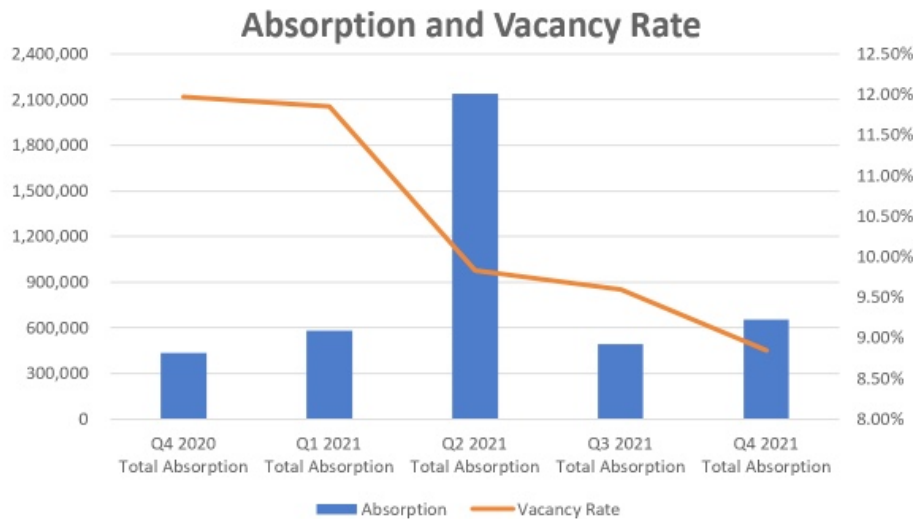
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	189	7,665,749	1,078,317	714,540	33,645	115,264	9.3%
Manufacturing	150	17,187,447	1,656,199	1,511,824	(115,821)	(244,569)	8.8%
Warehouse Distribution	207	31,376,997	3,665,242	2,724,327	513,422	2,728,007	8.7%
Warehouse Office	620	29,172,676	4,175,314	2,609,247	221,121	871,023	8.9%
<b>Grand Total</b>	<b>1,166</b>	<b>85,402,869</b>	<b>10,575,072</b>	<b>7,559,938</b>	<b>652,367</b>	<b>3,469,725</b>	<b>8.9%</b>

## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	189	7,665,749	1,027,777	665,695	30,645	90,428	8.7%
Manufacturing	150	17,187,447	1,648,199	1,511,824	(115,821)	(244,569)	8.8%
Warehouse Distribution	207	31,376,997	3,497,365	2,576,450	513,422	2,728,007	8.2%
Warehouse Office	620	29,172,676	4,044,381	2,596,449	221,121	874,068	8.9%
<b>Grand Total</b>	<b>1,166</b>	<b>85,402,869</b>	<b>10,217,722</b>	<b>7,350,418</b>	<b>649,367</b>	<b>3,447,934</b>	<b>8.6%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	189	7,665,749	50,540	48,845	3,000	24,836	0.6%
Manufacturing	150	17,187,447	8,000		0	0	0.0%
Warehouse Distribution	207	31,376,997	167,877	147,877	0	0	0.5%
Warehouse Office	620	29,172,676	130,933	12,798	0	(3,045)	0.0%
<b>Grand Total</b>	<b>1,166</b>	<b>85,402,869</b>	<b>357,350</b>	<b>209,520</b>	<b>3,000</b>	<b>21,791</b>	<b>0.2%</b>



# 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			51,059	51,059	0.0%
	Warehouse Distribution	26	7,479,335	1,200,165	1,096,465	157,656	770,050	14.7%
	Warehouse Office	15	839,573	312,280	22,134	0	0	2.6%
	<b>Subtotal</b>	<b>49</b>	<b>9,910,246</b>	<b>1,655,913</b>	<b>1,118,599</b>	<b>208,715</b>	<b>821,109</b>	<b>11.3%</b>
Milwaukee	Flex/R&D	41	1,979,448	520,249	472,807	12,600	48,469	23.9%
	Manufacturing	60	9,642,280	1,270,380	1,163,013	5,000	(151,704)	12.1%
	Warehouse Distribution	98	11,627,967	1,557,047	960,479	(51,543)	1,634,207	8.3%
	Warehouse Office	215	13,026,084	2,252,687	1,401,675	49,909	271,123	10.8%
	<b>Subtotal</b>	<b>414</b>	<b>36,275,779</b>	<b>5,600,363</b>	<b>3,997,974</b>	<b>15,966</b>	<b>1,802,095</b>	<b>11.0%</b>
Ozaukee	Flex/R&D	15	476,827	97,912	41,711	2,086	(326)	8.7%
	Manufacturing	9	1,021,129	102,756	115,756	0	(3,800)	11.3%
	Warehouse Distribution	3	570,235			0	0	0.0%
	Warehouse Office	20	1,162,938	493,927	374,267	0	62,772	32.2%
	<b>Subtotal</b>	<b>47</b>	<b>3,231,129</b>	<b>694,595</b>	<b>531,734</b>	<b>2,086</b>	<b>58,646</b>	<b>16.5%</b>
Racine	Flex/R&D	6	262,535	14,450	14,450	0	3,024	5.5%
	Manufacturing	8	911,777			0	0	0.0%
	Warehouse Distribution	22	4,581,233	283,899	156,697	475,015	115,290	3.4%
	Warehouse Office	31	2,116,917	489,662	473,274	0	116,511	22.4%
	<b>Subtotal</b>	<b>67</b>	<b>7,872,462</b>	<b>788,011</b>	<b>644,421</b>	<b>475,015</b>	<b>234,825</b>	<b>8.2%</b>
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%
	<b>Subtotal</b>	<b>23</b>	<b>1,650,492</b>	<b>5,080</b>	<b>10,080</b>	<b>0</b>	<b>4,545</b>	<b>0.6%</b>
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%
	<b>Subtotal</b>	<b>19</b>	<b>921,685</b>	<b>65,294</b>	<b>25,000</b>	<b>0</b>	<b>100,000</b>	<b>2.7%</b>
Washington	Flex/R&D	10	429,042	67,301		0	0	0.0%
	Manufacturing	17	674,002	81,120	39,000	0	(6,699)	5.8%
	Warehouse Distribution	12	2,123,437	144,550	144,550	0	91,450	6.8%
	Warehouse Office	55	1,814,620	203,628	107,673	0	79,900	5.9%
	<b>Subtotal</b>	<b>94</b>	<b>5,041,101</b>	<b>496,599</b>	<b>291,223</b>	<b>0</b>	<b>164,651</b>	<b>5.8%</b>
Waukesha	Flex/R&D	110	3,961,757	229,857	175,492	18,959	64,177	4.4%
	Manufacturing	41	3,035,733	201,943	194,055	(171,880)	(133,425)	6.4%
	Warehouse Distribution	41	4,293,902	479,581	366,136	(67,706)	17,010	8.5%
	Warehouse Office	261	9,208,583	357,836	205,224	171,212	336,092	2.2%
	<b>Subtotal</b>	<b>453</b>	<b>20,499,975</b>	<b>1,269,217</b>	<b>940,907</b>	<b>(49,415)</b>	<b>283,854</b>	<b>4.6%</b>
<b>Grand Total</b>		<b>1,166</b>	<b>85,402,869</b>	<b>10,575,072</b>	<b>7,559,938</b>	<b>652,367</b>	<b>3,469,725</b>	<b>8.9%</b>

# Vacancy Rates by County (Multi-Tenant)

County	Property Type	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	4.4%	4.4%	4.4%	4.6%	0.0%
	Warehouse Distribution	24.4%	18.3%	16.8%	16.8%	14.7%
	Warehouse Office	2.6%	2.6%	2.6%	2.6%	2.6%
	<b>Subtotal</b>	<b>19.1%</b>	<b>14.5%</b>	<b>13.4%</b>	<b>13.4%</b>	<b>11.3%</b>
Milwaukee	Flex/R&D	16.2%	15.0%	23.9%	24.5%	23.9%
	Manufacturing	10.4%	9.5%	8.7%	12.0%	12.1%
	Warehouse Distribution	21.1%	20.9%	11.0%	7.8%	8.3%
	Warehouse Office	12.7%	14.8%	12.4%	11.1%	10.8%
	<b>Subtotal</b>	<b>15.0%</b>	<b>15.5%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>11.0%</b>
Ozaukee	Flex/R&D	8.7%	6.0%	4.8%	9.2%	8.7%
	Manufacturing	11.0%	11.0%	11.0%	11.3%	11.3%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	35.6%	35.2%	35.2%	30.5%	32.2%
	<b>Subtotal</b>	<b>17.9%</b>	<b>17.4%</b>	<b>17.2%</b>	<b>16.2%</b>	<b>16.5%</b>
Racine	Flex/R&D	6.7%	10.1%	10.1%	5.5%	5.5%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	3.4%	11.7%	12.6%	13.8%	3.4%
	Warehouse Office	25.6%	24.6%	22.3%	22.4%	22.4%
	<b>Subtotal</b>	<b>9.4%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>8.2%</b>
Sheboygan	Flex/R&D	32.6%	32.6%	32.8%	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	1.1%	1.1%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>0.9%</b>	<b>0.9%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</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	3.4%	3.4%	3.4%	4.4%	4.4%
	<b>Subtotal</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.7%</b>	<b>2.7%</b>
Washington	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	4.6%	6.3%	5.6%	5.8%	5.8%
	Warehouse Distribution	11.1%	6.7%	6.7%	6.8%	6.8%
	Warehouse Office	10.3%	10.3%	5.5%	5.9%	5.9%
	<b>Subtotal</b>	<b>9.0%</b>	<b>7.4%</b>	<b>5.6%</b>	<b>5.8%</b>	<b>5.8%</b>
Waukesha	Flex/R&D	5.2%	5.3%	4.9%	4.9%	4.4%
	Manufacturing	2.0%	0.7%	0.7%	0.7%	6.4%
	Warehouse Distribution	5.4%	5.3%	5.3%	7.0%	8.5%
	Warehouse Office	5.9%	5.6%	4.8%	4.1%	2.2%
	<b>Subtotal</b>	<b>5.1%</b>	<b>4.7%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.6%</b>
<b>Grand Total</b>		<b>12.0%</b>	<b>11.9%</b>	<b>9.8%</b>	<b>9.6%</b>	<b>8.9%</b>

# Lease Rates by County (Multi-Tenant)

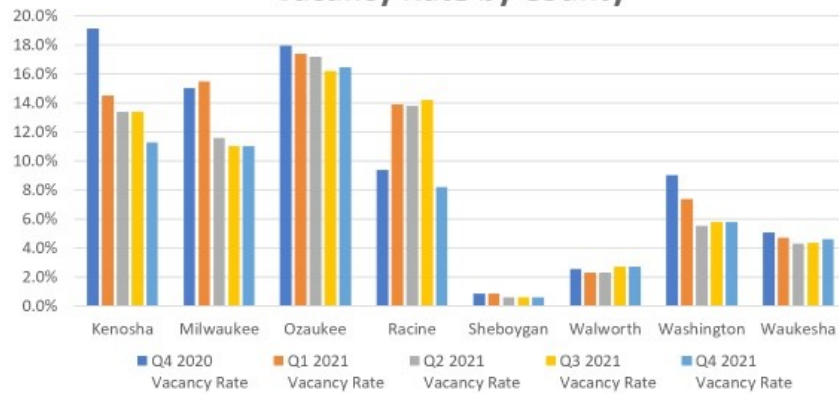
County	Property Type	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Kenosha	Flex/R&D	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
	Manufacturing		\$6.50			
	Warehouse Distribution	\$5.37	\$5.37	\$5.25	\$5.25	\$5.25
	Warehouse Office	\$7.38	\$7.38	\$7.38	\$7.38	\$7.38
	<b>Subtotal</b>	<b>\$5.45</b>	<b>\$5.60</b>	<b>\$5.40</b>	<b>\$5.40</b>	<b>\$5.40</b>
Milwaukee	Flex/R&D	\$6.72	\$7.16	\$6.81	\$6.86	\$6.86
	Manufacturing	\$4.26	\$4.14	\$4.13	\$4.09	\$4.20
	Warehouse Distribution	\$5.48	\$5.39	\$5.10	\$4.95	\$5.06
	Warehouse Office	\$5.35	\$5.83	\$5.27	\$4.87	\$4.76
	<b>Subtotal</b>	<b>\$5.42</b>	<b>\$5.70</b>	<b>\$5.23</b>	<b>\$4.94</b>	<b>\$4.96</b>
Ozaukee	Flex/R&D	\$8.31	\$8.10	\$9.21	\$9.00	\$8.17
	Manufacturing		\$3.50			
	Warehouse Distribution					
	Warehouse Office	\$5.82	\$6.14	\$6.18	\$5.81	\$5.81
	<b>Subtotal</b>	<b>\$7.06</b>	<b>\$6.69</b>	<b>\$7.32</b>	<b>\$7.01</b>	<b>\$6.99</b>
Racine	Flex/R&D		\$4.45			
	Manufacturing					
	Warehouse Distribution	\$5.08	\$4.89	\$4.89	\$4.89	\$5.29
	Warehouse Office	\$4.00	\$6.33	\$6.00	\$6.00	\$6.00
	<b>Subtotal</b>	<b>\$4.65</b>	<b>\$5.28</b>	<b>\$5.05</b>	<b>\$5.05</b>	<b>\$5.43</b>
Sheboygan	Flex/R&D	\$4.75	\$4.75	\$4.85	\$4.85	\$4.85
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$7.23	\$7.23			
	<b>Subtotal</b>	<b>\$5.99</b>	<b>\$5.99</b>	<b>\$4.85</b>	<b>\$4.85</b>	<b>\$4.85</b>
Walworth	Flex/R&D					
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office	\$4.71	\$2.75	\$2.75	\$2.75	\$2.75
	<b>Subtotal</b>	<b>\$4.71</b>	<b>\$2.75</b>	<b>\$2.75</b>	<b>\$2.75</b>	<b>\$2.75</b>
Washington	Flex/R&D	\$3.75	\$5.75	\$5.75	\$5.75	\$5.75
	Manufacturing	\$4.58	\$4.38	\$3.63	\$3.63	\$3.63
	Warehouse Distribution		\$4.38	\$5.50	\$5.50	\$5.50
	Warehouse Office	\$6.64	\$7.59	\$6.50	\$6.30	\$6.30
	<b>Subtotal</b>	<b>\$5.81</b>	<b>\$6.13</b>	<b>\$5.75</b>	<b>\$5.70</b>	<b>\$5.70</b>
Waukesha	Flex/R&D	\$7.25	\$7.51	\$7.08	\$7.43	\$7.83
	Manufacturing	\$4.98	\$6.93	\$5.95	\$5.95	\$5.95
	Warehouse Distribution	\$5.02	\$5.08	\$5.19	\$5.15	\$5.58
	Warehouse Office	\$5.92	\$6.20	\$6.53	\$6.45	\$6.47
	<b>Subtotal</b>	<b>\$6.11</b>	<b>\$6.67</b>	<b>\$6.55</b>	<b>\$6.65</b>	<b>\$6.77</b>
<b>Grand Total</b>		<b>\$5.72</b>	<b>\$6.06</b>	<b>\$5.76</b>	<b>\$5.66</b>	<b>\$5.74</b>

# Multi-Tenant

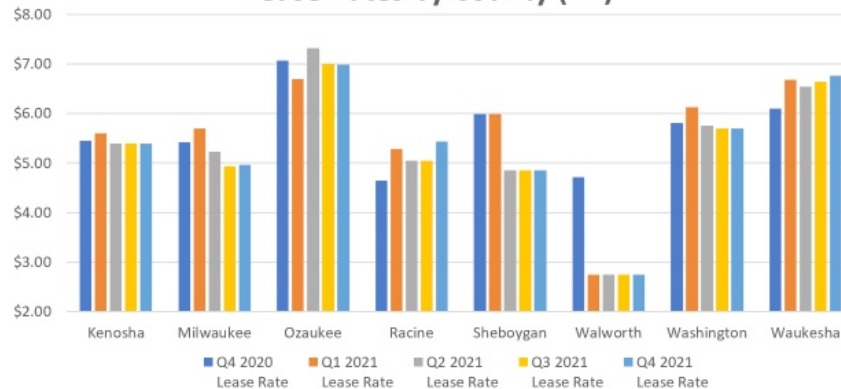
## Available and Vacancy Rates



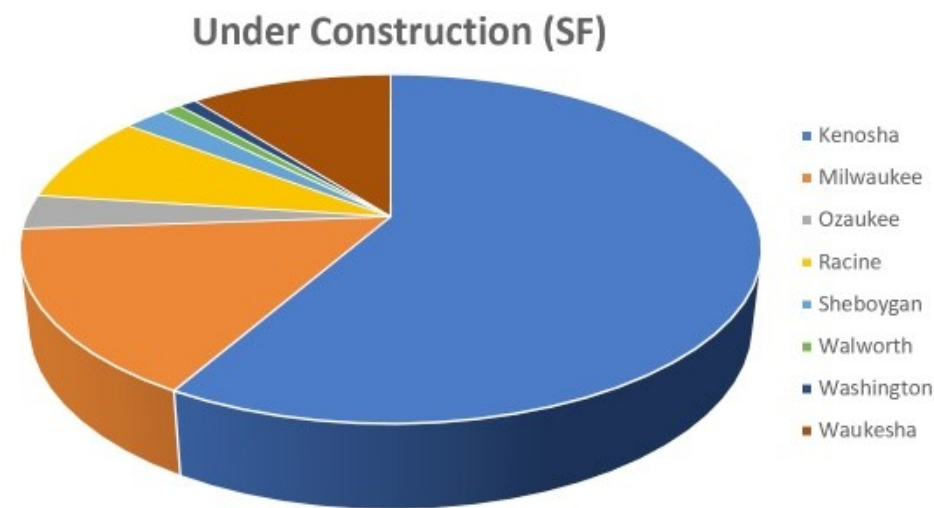
## Vacancy Rate by County



## Lease Rates by County (NNN)

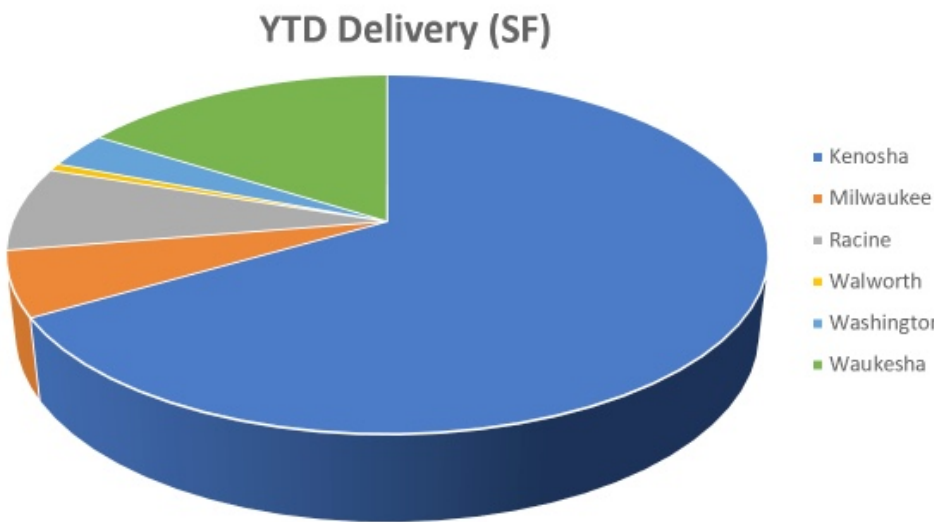


# New Developments



County	Bldg (SF)
Kenosha	4,559,006
Milwaukee	1,215,782
Ozaukee	250,000
Racine	640,123
Sheboygan	175,200
Walworth	79,576
Washington	75,000
Waukesha	824,672
Grand Total	7,819,359

# Year to Date Deliveries



County	Bldg (SF)
Kenosha	1,951,656
Milwaukee	171,000
Racine	223,629
Walworth	19,805
Washington	94,700
Waukesha	470,398
Grand Total	2,931,188

## Leasing Activity

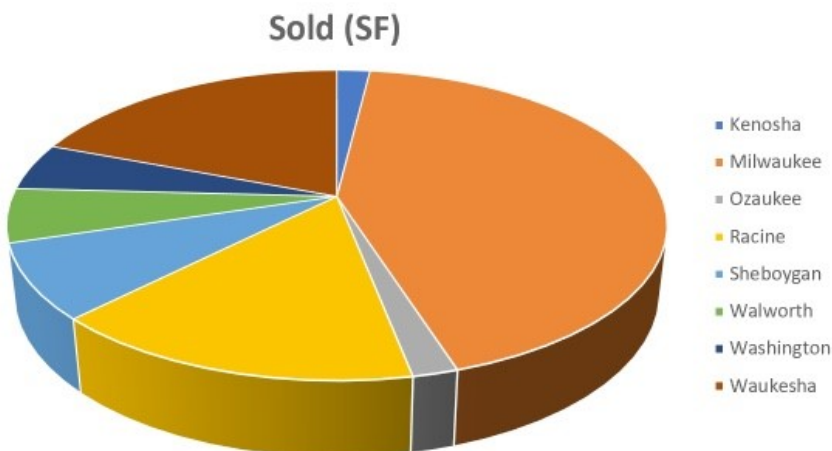
Property	Size (sf)	County	Tenant	Landlord
Enterprise Business Park Bldg III 11101 Enterprise Way	396,716	Racine	SC Johnson & Son	Ashley Capital
7025 W Parkland Ct	230,751	Milwaukee	Lamplight Farms Inc	7025 W Parkland Owner LP
5612 95th Ave	160,300	Kenosha	APAK	GPT Kenosha Owner LLC
Bristol Highlands Commerce Ctr 9655 136th Ave	157,656	Kenosha	Haribo	Bristol Highlands Industrial LLC
13315 Globe Dr	155,844	Racine	Oterra	JCC 13315 Globe Drive LLC



County	Leased (SF)
Kenosha	340,956
Milwaukee	825,879
Ozaukee	10,606
Racine	639,920
Sheboygan	2,120
Washington	37,307
Waukesha	345,410
<b>Grand Total</b>	<b>2,202,198</b>

## Sales Activity

Property	Price	County	Buyer	Seller
Geason Commerce Center 700 W North Shore Dr	\$24,600,000	Waukesha	MRE Propco, LP	Medline Industries, LP
Amazon Distribution 24700 Corporate Cir	\$17,575,000	Waukesha	FFV WI Sussex, LLC	GPT Sussex Owner, LLC
8635 Washington Ave	\$17,210,000	Racine	FFV WI MP, LLC	Bre Alpha Industrial Property Owner, LLC
2650 S Chase Ave	\$12,202,700	Milwaukee	Chase Avenue Property Group LLC	Klement Company
2800–2900 S 160th St & 15910 W Ryerson Rd - Portfolio	\$12,200,000	Waukesha	2900 S 160th Owner, LP	WMI Milwaukee, LLC



County	Sold (SF)
Kenosha	54,290
Milwaukee	1,212,431
Ozaukee	52,730
Racine	435,582
Sheboygan	219,354
Walworth	158,013
Washington	138,916
Waukesha	540,097
<b>Grand Total</b>	<b>2,811,413</b>

# 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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Cushman & Wakefield   Boerke	Nick Unger Cody Ziegler	Ogden	Luke Fehrenbach Bob Gintoft
Dickman	Zach Hansen	Paradigm	Matt Friedman Jim Johnson
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Tracy Johnson	President & CEO - CARW	<a href="mailto:tracy@carw.com">tracy@carw.com</a>	414-271-2021