

Market

Trends

Q4 2021

Milwaukee - Office



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MARKET TRENDS

Q4 2021 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	793,512	▲
Area Unemployment	2.2	▼
U.S. Unemployment	4.2	▼
Office Using Jobs	183,500	▲

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,630,242
Total # of Bldgs (tracked)	576
Absorption	148,877
Vacancy	15.3%
Asking Rate (FSG)	\$20.41
New Construction (sf)	385,906

Multi-tenant Properties

Total Inventory (sf)	31,119,680
Total # of Bldgs (tracked)	435
Absorption	(2,792)
Vacancy	19.9%
Asking Rate (FSG)	\$20.45

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 office using jobs increased by 6,100 during the same period.

Market Overview

The Milwaukee office market consisting of 45 msf of space posted 148,800 sf positive absorption for Q4 2021 with year to date 216,000 sf positive absorption. Multi-tenant properties had (2,800) sf negative absorption for the quarter bringing the year to date to 184,000 sf positive absorption. The vacancy rate came in at 15.3% during Q4 2021 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 19.9%. The average asking lease rate for all property types dropped to \$20.41 psf FSG this quarter.

Market Highlights

Third Ward had the largest increase with 170,000 sf positive absorption driven by the new delivery of Komatsu with 176,000 sf. Subleases accounted for (60,000) sf of negative absorption resulting in direct spaces posting 209,000 sf positive absorption. Milwaukee CBD 214,000 sf positive absorption bested the suburban markets with (65,000) sf negative absorption this quarter. There are currently 6 properties under construction with 386,000 sf while four properties have been delivered 2021 with 366,500 sf. There were 104 lease transaction with 373,700 sf during Q4 2021. Nineteen office properties with 641,000 sf sold for \$49.4 million.

Market Overview by Class (Multi and Single Tenant)

Total

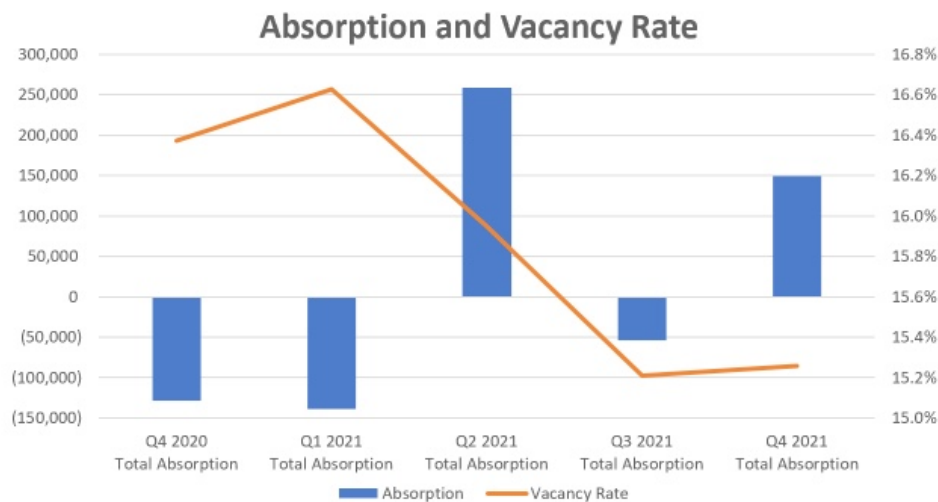
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	105	17,017,554	3,991,885	3,133,386	103,311	(94,205)	18.4%
B	420	26,344,795	4,590,796	3,622,992	44,866	403,309	13.8%
C	51	2,267,893	232,527	205,941	700	(93,107)	9.1%
Grand Total	576	45,630,242	8,815,208	6,962,319	148,877	215,997	15.3%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	105	17,017,554	3,642,776	2,981,527	167,614	33,722	17.5%
B	420	26,344,795	4,230,836	3,482,138	40,603	450,008	13.2%
C	51	2,267,893	232,527	205,941	700	(93,107)	9.1%
Grand Total	576	45,630,242	8,106,139	6,669,606	208,917	390,623	14.6%

Sublease

Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	105	17,017,554	349,109	151,859	(64,303)	(127,927)	0.9%
B	420	26,344,795	359,960	140,854	4,263	(46,699)	0.5%
C	51	2,267,893			0	0	0.0%
Grand Total	576	45,630,242	709,069	292,713	(60,040)	(174,626)	0.6%



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	1,390,368	1,027,909	11,512	(89,026)	15.3%
	B	39	4,218,971	547,101	436,173	17,877	(11,346)	10.3%
	C	4	146,389	23,250	17,100	700	700	11.7%
	Subtotal	59	11,077,977	1,960,719	1,481,182	30,089	(99,672)	13.4%
Milwaukee Downtown West	A	3	902,938	473,868	470,695	0	(89,911)	52.1%
	B	30	4,122,344	780,335	623,230	12,990	348,354	15.1%
	C	2	189,311			0	0	0.0%
	Subtotal	35	5,214,593	1,254,203	1,093,925	12,990	258,443	21.0%
Third Ward - Walkers Point	A	6	746,416	277,807	242,126	166,837	248,434	32.4%
	B	36	2,022,523	360,569	281,570	4,005	(3,365)	13.9%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	46	2,889,652	681,339	566,659	170,842	245,069	19.6%
Milwaukee CBD	A	25	8,361,971	2,142,043	1,740,730	178,349	69,497	20.8%
	B	105	10,363,838	1,688,005	1,340,973	34,872	333,643	12.9%
	C	10	456,413	66,213	60,063	700	700	13.2%
	Subtotal	140	19,182,222	3,896,261	3,141,766	213,921	403,840	16.4%
Brookfield	A	24	2,029,412	582,560	350,344	(26,344)	(64,194)	17.3%
	B	77	3,990,559	785,394	623,709	(8,697)	108,023	15.6%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	106	6,167,725	1,372,954	974,053	(35,041)	43,829	15.8%
Mayfair - Wauwatosa	A	15	2,095,692	275,373	194,963	(12,012)	(31,340)	9.3%
	B	30	1,453,493	353,729	337,912	8,843	10,930	23.2%
	C	8	343,553	26,054	12,785	0	(547)	3.7%
	Subtotal	53	3,892,738	655,156	545,660	(3,169)	(20,957)	14.0%
Mequon - Theinsville	A	6	204,804	107,222	101,314	(39,331)	(38,855)	49.5%
	B	12	328,283	60,059	62,599	1,121	(8,297)	19.1%
	Subtotal	18	533,087	167,281	163,913	(38,210)	(47,152)	30.7%
Milwaukee Central	A	1	70,555			0	0	0.0%
	B	8	615,077	65,329		0	0	0.0%
	C	11	675,498	115,000	115,000	0	(115,000)	17.0%
	Subtotal	20	1,361,130	180,329	115,000	0	(115,000)	8.4%
Milwaukee North Shore	A	3	233,538	147,279	146,335	0	(9,925)	62.7%
	B	33	1,954,403	242,742	190,617	11,376	(11,278)	9.8%
	C	8	371,978	20,260	18,093	0	21,740	4.9%
	Subtotal	44	2,559,919	410,281	355,045	11,376	537	13.9%

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	277,271	207,766	2,471	23,291	10.8%
	B	44	2,521,535	468,714	387,325	0	42,929	15.4%
	Subtotal	55	4,437,304	745,985	595,091	2,471	66,220	13.4%
Milwaukee Southwest	A	2	111,067	23,575	15,390	0	6,552	13.9%
	B	10	390,140	29,065	31,953	17,050	18,764	8.2%
	C	2	91,658			0	0	0.0%
	Subtotal	14	592,865	52,640	47,343	17,050	25,316	8.0%
Milwaukee West	B	18	1,733,534	418,800	282,116	1,408	(22,981)	16.3%
	C	2	61,785			0	0	0.0%
	Subtotal	20	1,795,319	418,800	282,116	1,408	(22,981)	15.7%
Pewaukee	A	17	1,314,480	436,562	376,544	178	(49,231)	28.6%
	B	20	730,608	158,188	68,688	(13,273)	(14,849)	9.4%
	Subtotal	37	2,045,088	594,750	445,232	(13,095)	(64,080)	21.8%
Waukesha Northwest - Lake Country	B	19	614,895	60,852	52,657	1,690	(16,990)	8.6%
	Subtotal	19	614,895	60,852	52,657	1,690	(16,990)	8.6%
Waukesha Southeast - New Berlin	A	1	680,266			0	0	0.0%
	B	25	929,243	179,672	173,981	0	(31,208)	18.7%
	Subtotal	26	1,609,509	179,672	173,981	0	(31,208)	10.8%
Waukesha Southwest	B	19	719,187	80,247	70,462	(9,524)	(5,377)	9.8%
	C	5	119,254			0	0	0.0%
	Subtotal	24	838,441	80,247	70,462	(9,524)	(5,377)	8.4%
Suburban	A	80	8,655,583	1,849,842	1,392,656	(75,038)	(163,702)	16.1%
	B	315	15,980,957	2,902,791	2,282,019	9,994	69,666	14.3%
	C	41	1,811,480	166,314	145,878	0	(93,807)	8.1%
	Subtotal	436	26,448,020	4,918,947	3,820,553	(65,044)	(187,843)	14.4%
Grand Total		576	45,630,242	8,815,208	6,962,319	148,877	215,997	15.3%



Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate
Milwaukee Downtown East	A	14.0%	14.0%	15.0%	15.5%	15.3%
	B	15.3%	14.0%	16.8%	10.8%	10.3%
	C	12.2%	12.2%	12.2%	12.2%	11.7%
	Subtotal	14.5%	13.9%	15.7%	13.6%	13.4%
Milwaukee Downtown West	A	42.2%	49.1%	52.1%	52.1%	52.1%
	B	23.9%	24.2%	16.1%	15.4%	15.1%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	26.2%	27.6%	21.7%	21.2%	21.0%
Third Ward - Walkers Point	A	57.3%	42.4%	42.4%	40.8%	32.4%
	B	13.1%	13.5%	13.9%	13.5%	13.9%
	C	0.0%	0.0%	0.0%	0.0%	35.6%
	Subtotal	21.9%	19.1%	19.4%	19.0%	19.6%
Milwaukee CBD	A	20.0%	19.8%	21.0%	21.3%	20.8%
	B	18.2%	17.8%	16.0%	13.1%	12.9%
	C	4.3%	4.3%	4.3%	4.3%	13.2%
	Subtotal	18.7%	18.4%	17.8%	16.5%	16.4%
Brookfield	A	14.1%	15.9%	16.2%	16.0%	17.3%
	B	15.1%	15.4%	15.2%	15.4%	15.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.4%	15.2%	15.1%	15.2%	15.8%
Mayfair - Wauwatosa	A	9.9%	10.1%	10.2%	8.7%	9.3%
	B	24.4%	24.0%	23.0%	23.9%	23.2%
	C	3.6%	3.6%	3.7%	3.7%	3.7%
	Subtotal	15.3%	15.3%	14.9%	13.9%	14.0%
Mequon - Theinsville	A	30.5%	30.5%	30.3%	30.3%	49.5%
	B	16.5%	17.9%	15.9%	19.4%	19.1%
	Subtotal	21.9%	22.7%	21.4%	23.6%	30.7%
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%	17.1%	18.0%	17.0%
	Subtotal	0.0%	0.0%	8.5%	8.7%	8.4%
Milwaukee North Shore	A	91.2%	91.2%	91.2%	62.7%	62.7%
	B	22.1%	25.4%	11.9%	12.1%	9.8%
	C	9.9%	9.9%	4.5%	4.9%	4.9%
	Subtotal	24.1%	26.7%	15.4%	15.6%	13.9%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate
Milwaukee Northwest	A	12.1%	11.1%	11.1%	11.0%	10.8%
	B	16.8%	16.9%	15.2%	15.0%	15.4%
	Subtotal	14.8%	14.4%	13.4%	13.3%	13.4%
Milwaukee Southwest	A	19.8%	17.8%	17.8%	13.9%	13.9%
	B	13.0%	13.0%	13.2%	12.6%	8.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	12.3%	11.9%	12.0%	10.9%	8.0%
Milwaukee West	B	14.9%	15.5%	15.1%	16.4%	16.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.7%	15.2%	14.9%	15.8%	15.7%
Pewaukee	A	28.3%	35.6%	35.6%	28.7%	28.6%
	B	7.1%	9.0%	9.6%	7.6%	9.4%
	Subtotal	19.9%	25.4%	25.6%	21.1%	21.8%
Waukesha Northwest - Lake Country	B	6.0%	5.3%	6.2%	8.8%	8.6%
	Subtotal	6.0%	5.3%	6.2%	8.8%	8.6%
Waukesha Southeast - New Berlin	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	15.6%	12.4%	18.1%	18.5%	18.7%
	Subtotal	9.0%	7.1%	10.4%	10.7%	10.8%
Waukesha Southwest	B	9.0%	8.0%	8.5%	8.5%	9.8%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	7.7%	7.0%	7.4%	7.1%	8.4%
Suburban	A	15.4%	16.7%	16.8%	15.2%	16.1%
	B	15.6%	16.0%	14.1%	14.5%	14.3%
	C	2.9%	2.9%	8.1%	8.1%	8.1%
	Subtotal	14.6%	15.3%	14.5%	14.3%	14.4%
Grand Total		16.4%	16.6%	15.9%	15.2%	15.3%

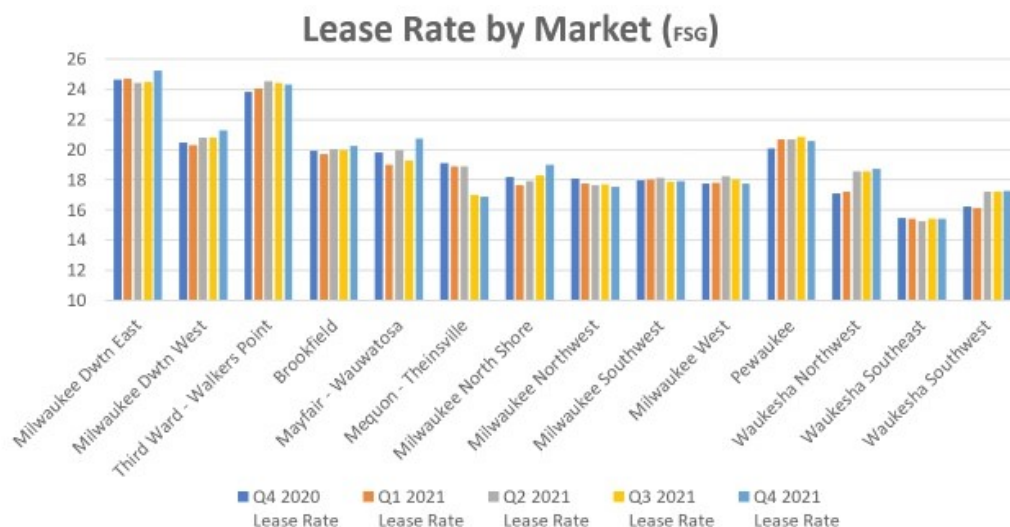


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Milwaukee Downtown East	A	\$31.15	\$31.19	\$31.54	\$32.17	\$33.16
	B	\$20.95	\$20.57	\$20.86	\$20.16	\$20.46
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.62	\$24.72	\$24.44	\$24.50	\$25.25
Milwaukee Downtown West	A		\$18.50	\$22.49	\$22.49	\$22.49
	B	\$20.44	\$20.45	\$20.38	\$20.38	\$20.95
	C					
	Subtotal	\$20.44	\$20.29	\$20.76	\$20.76	\$21.26
Third Ward - Walkers Point	A	\$26.14	\$26.14	\$26.52	\$26.87	\$26.89
	B	\$23.10	\$23.36	\$23.73	\$23.39	\$23.47
	C	\$22.00	\$22.00			\$22.00
	Subtotal	\$23.85	\$24.02	\$24.55	\$24.41	\$24.29
Milwaukee CBD	A					
	B					
	C					
	Subtotal					
Brookfield	A	\$22.37	\$22.51	\$22.53	\$22.74	\$22.70
	B	\$18.41	\$18.29	\$18.49	\$18.44	\$18.79
	C		\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$19.91	\$19.72	\$20.01	\$19.98	\$20.25
Mayfair - Wauwatosa	A	\$26.61	\$26.41	\$26.76	\$26.25	\$26.72
	B	\$16.92	\$16.85	\$17.26	\$17.31	\$18.00
	C	\$14.00	\$14.00		\$14.00	
	Subtotal	\$19.83	\$18.99	\$19.98	\$19.28	\$20.75
Mequon - Theinsville	A					
	B	\$19.12	\$18.88	\$18.88	\$16.98	\$16.89
	Subtotal	\$19.12	\$18.88	\$18.88	\$16.98	\$16.89
Milwaukee Central	A	\$29.48	\$28.82	\$28.84	\$29.62	\$30.06
	B	\$21.51	\$21.49	\$21.67	\$21.21	\$21.65
	C	\$20.00	\$20.00	\$18.00	\$18.00	\$20.00
	Subtotal	\$23.56	\$23.53	\$23.73	\$23.76	\$24.19
Milwaukee North Shore	A	\$23.33	\$23.33	\$23.33	\$23.33	\$24.00
	B	\$17.76	\$16.76	\$17.18	\$17.81	\$19.26
	C	\$16.20	\$16.20	\$16.00	\$16.00	\$16.00
	Subtotal	\$18.20	\$17.65	\$17.94	\$18.28	\$19.02

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

Market	Bldg Class	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Milwaukee Northwest	A	\$21.56	\$21.54	\$21.54	\$21.54	\$21.47
	B	\$17.01	\$16.67	\$16.47	\$16.49	\$16.34
	Subtotal	\$18.08	\$17.75	\$17.66	\$17.68	\$17.54
Milwaukee Southwest	A	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
	B	\$16.24	\$16.30	\$16.41	\$16.46	\$16.13
	C					
Milwaukee West	Subtotal	\$17.99	\$18.04	\$18.13	\$17.88	\$17.90
	B	\$17.76	\$17.80	\$18.23	\$18.00	\$17.76
	C					
Pewaukee	Subtotal	\$17.76	\$17.80	\$18.23	\$18.00	\$17.76
	A	\$22.54	\$22.54	\$22.54	\$22.44	\$22.38
	B	\$16.77	\$17.75	\$17.81	\$18.13	\$17.95
Waukesha Northwest - Lake Country	Subtotal	\$20.11	\$20.68	\$20.70	\$20.82	\$20.56
	B	\$17.08	\$17.23	\$18.54	\$18.54	\$18.75
	Subtotal	\$17.08	\$17.23	\$18.54	\$18.54	\$18.75
Waukesha Southeast - New Berlin	A					
	B	\$15.50	\$15.41	\$15.28	\$15.41	\$15.41
	Subtotal	\$15.50	\$15.41	\$15.28	\$15.41	\$15.41
Waukesha Southwest	B	\$16.24	\$16.11	\$17.24	\$17.24	\$17.29
	C					
	Subtotal	\$16.24	\$16.11	\$17.24	\$17.24	\$17.29
Suburban	A	\$23.03	\$22.98	\$23.09	\$23.05	\$23.16
	B	\$17.40	\$17.25	\$17.52	\$17.54	\$17.78
	C	\$15.83	\$15.00	\$14.80	\$14.67	\$14.80
	Subtotal	\$18.88	\$18.70	\$19.03	\$18.88	\$19.16
Grand Total		\$20.08	\$19.91	\$20.20	\$20.10	\$20.41



Market Overview by Class (Multi-Tenant Properties)

Total

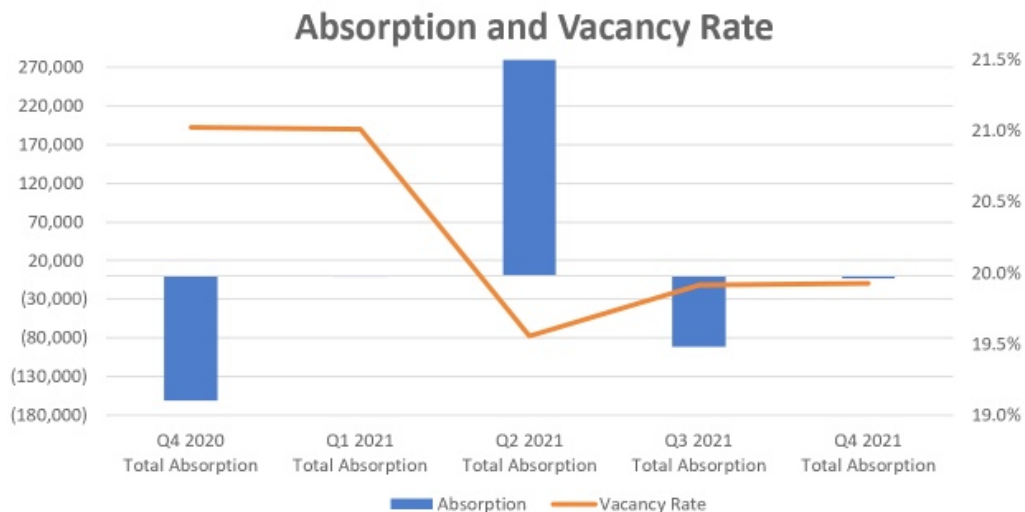
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	85	11,847,224	3,675,973	2,817,474	(33,358)	(168,923)	23.8%
B	313	17,657,557	4,199,359	3,291,919	29,866	331,621	18.6%
C	37	1,614,899	117,527	90,941	700	21,893	5.6%
Grand Total	435	31,119,680	7,992,859	6,200,334	(2,792)	184,591	19.9%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	85	11,847,224	3,428,622	2,767,373	(8,386)	(142,754)	23.4%
B	313	17,657,557	3,876,399	3,188,065	25,603	341,320	18.1%
C	37	1,614,899	117,527	90,941	700	21,893	5.6%
Grand Total	435	31,119,680	7,422,548	6,046,379	17,917	220,459	19.4%

Sublease

Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	85	11,847,224	247,351	50,101	(24,972)	(26,169)	0.4%
B	313	17,657,557	322,960	103,854	4,263	(9,699)	0.6%
C	37	1,614,899			0	0	0.0%
Grand Total	435	31,119,680	570,311	153,955	(20,709)	(35,868)	0.5%



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	1,390,368	1,027,909	11,512	(89,026)	18.9%
	B	28	2,167,394	441,810	330,882	17,877	93,945	15.3%
	C	3	115,387	23,250	17,100	700	700	14.8%
	Subtotal	45	7,710,932	1,855,428	1,375,891	30,089	5,619	17.8%
Milwaukee Downtown West	A	2	622,938	411,441	408,268	0	(27,484)	65.5%
	B	24	3,084,959	780,335	623,230	12,990	348,354	20.2%
	C	1	95,561			0	0	0.0%
	Subtotal	27	3,803,458	1,191,776	1,031,498	12,990	320,870	27.1%
Third Ward - Walkers Point	A	5	570,416	277,807	242,126	(9,163)	72,434	42.4%
	B	33	1,912,183	360,569	281,570	(10,995)	(18,365)	14.7%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	42	2,603,312	681,339	566,659	(20,158)	54,069	21.8%
Milwaukee CBD	A	21	6,621,505	2,079,616	1,678,303	2,349	(44,076)	25.3%
	B	85	7,164,536	1,582,714	1,235,682	19,872	423,934	17.2%
	C	8	331,661	66,213	60,063	700	700	18.1%
	Subtotal	114	14,117,702	3,728,543	2,974,048	22,921	380,558	21.1%
Brookfield	A	23	1,605,343	582,560	350,344	(26,344)	(64,194)	21.8%
	B	63	2,921,570	785,394	623,709	(8,697)	(49,977)	21.3%
	C	3	90,792	5,000		0	0	0.0%
	Subtotal	89	4,617,705	1,372,954	974,053	(35,041)	(114,171)	21.1%
Mayfair - Wauwatosa	A	13	1,566,458	275,373	194,963	(12,012)	(31,340)	12.4%
	B	26	1,313,289	353,729	337,912	8,843	10,930	25.7%
	C	7	308,057	26,054	12,785	0	(547)	4.2%
	Subtotal	46	3,187,804	655,156	545,660	(3,169)	(20,957)	17.1%
Mequon - Theinsville	A	4	127,493	30,697	24,789	0	0	19.4%
	B	11	307,535	60,059	62,599	1,121	(8,297)	20.4%
	Subtotal	15	435,028	90,756	87,388	1,121	(8,297)	20.1%
Milwaukee Central	B	4	150,896	65,329		0	0	0.0%
	C	6	415,176			0	0	0.0%
	Subtotal	10	566,072	65,329		0	0	0.0%
Milwaukee North Shore	A	3	233,538	147,279	146,335	0	(9,925)	62.7%
	B	25	906,816	192,176	190,617	11,376	(70,841)	21.0%
	C	7	271,978	20,260	18,093	0	21,740	6.7%
	Subtotal	35	1,412,332	359,715	355,045	11,376	(59,026)	25.1%

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	6	789,885	277,271	207,766	2,471	23,291	26.3%
	B	23	1,141,261	396,155	314,766	0	2,909	27.6%
	Subtotal	29	1,931,146	673,426	522,532	2,471	26,200	27.1%
Milwaukee Southwest	A	2	111,067	23,575	15,390	0	6,552	13.9%
	B	7	260,489	29,065	31,953	17,050	18,764	12.3%
	C	2	91,658			0	0	0.0%
	Subtotal	11	463,214	52,640	47,343	17,050	25,316	10.2%
Milwaukee West	B	15	1,609,495	418,800	230,824	1,408	(22,981)	14.3%
	C	1	27,516			0	0	0.0%
	Subtotal	16	1,637,011	418,800	230,824	1,408	(22,981)	14.1%
Pewaukee	A	13	791,935	259,602	199,584	178	(49,231)	25.2%
	B	14	506,627	97,098	68,688	(13,273)	(14,849)	13.6%
	Subtotal	27	1,298,562	356,700	268,272	(13,095)	(64,080)	20.7%
Waukesha Northwest - Lake Country	B	12	313,026	60,852	52,657	1,690	(16,990)	16.8%
	Subtotal	12	313,026	60,852	52,657	1,690	(16,990)	16.8%
Waukesha Southeast - New Berlin	B	14	496,111	86,568	80,877	0	61,896	16.3%
	Subtotal	14	496,111	86,568	80,877	0	61,896	16.3%
Waukesha Southwest	B	14	565,906	71,420	61,635	(9,524)	(2,877)	10.9%
	C	3	78,061			0	0	0.0%
	Subtotal	17	643,967	71,420	61,635	(9,524)	(2,877)	9.6%
Suburban	A	64	5,225,719	1,596,357	1,139,171	(35,707)	(124,847)	21.8%
	B	228	10,493,021	2,616,645	2,056,237	9,994	(92,313)	19.6%
	C	29	1,283,238	51,314	30,878	0	21,193	2.4%
	Subtotal	321	17,001,978	4,264,316	3,226,286	(25,713)	(195,967)	19.0%
Grand Total		435	31,119,680	7,992,859	6,200,334	(2,792)	184,591	19.9%

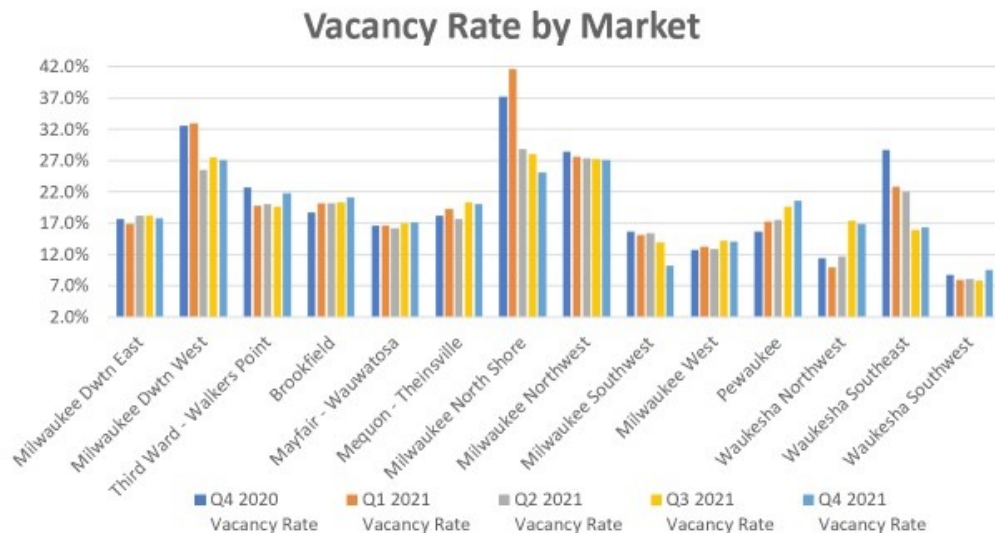


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate
Milwaukee Downtown East	A	17.3%	17.3%	18.6%	19.1%	18.9%
	B	18.8%	16.1%	17.3%	16.1%	15.3%
	C	15.4%	15.4%	15.4%	15.4%	14.8%
	Subtotal	17.7%	16.9%	18.2%	18.2%	17.8%
Milwaukee Downtown West	A	61.1%	61.1%	65.5%	65.5%	65.5%
	B	28.4%	28.8%	19.1%	20.6%	20.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	32.6%	32.9%	25.5%	27.5%	27.1%
Third Ward - Walkers Point	A	57.3%	42.4%	42.4%	40.8%	42.4%
	B	13.8%	14.2%	14.6%	14.2%	14.7%
	C	0.0%	0.0%	0.0%	0.0%	35.6%
	Subtotal	22.8%	19.9%	20.1%	19.7%	21.8%
Milwaukee CBD	A	24.8%	23.5%	25.0%	25.4%	25.3%
	B	21.9%	21.4%	17.4%	17.5%	17.2%
	C	6.2%	6.2%	6.2%	6.2%	18.1%
	Subtotal	22.9%	22.1%	20.7%	21.0%	21.1%
Brookfield	A	17.8%	20.1%	20.4%	20.2%	21.8%
	B	19.8%	21.0%	20.7%	21.1%	21.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	18.8%	20.3%	20.2%	20.3%	21.1%
Mayfair - Wauwatosa	A	10.4%	10.7%	10.8%	11.7%	12.4%
	B	27.0%	26.6%	25.5%	26.4%	25.7%
	C	4.0%	4.0%	4.2%	4.2%	4.2%
	Subtotal	16.6%	16.6%	16.2%	17.0%	17.1%
Mequon - Theinsville	A	19.4%	19.4%	19.4%	19.4%	19.4%
	B	17.7%	19.1%	17.0%	20.7%	20.4%
	Subtotal	18.2%	19.2%	17.7%	20.3%	20.1%
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	91.2%	91.2%	91.2%	62.7%	62.7%
	B	35.6%	41.6%	25.2%	25.6%	21.0%
	C	14.6%	14.6%	6.7%	6.7%	6.7%
	Subtotal	37.2%	41.7%	28.8%	28.0%	25.1%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate
Milwaukee Northwest	A	29.3%	27.0%	27.0%	26.6%	26.3%
	B	27.8%	28.1%	27.7%	27.6%	27.6%
	Subtotal	28.4%	27.6%	27.4%	27.2%	27.1%
Milwaukee Southwest	A	19.8%	17.8%	17.8%	13.9%	13.9%
	B	19.5%	19.4%	19.8%	18.8%	12.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.7%	15.2%	15.4%	13.9%	10.2%
Milwaukee West	B	12.9%	13.5%	13.1%	14.4%	14.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	12.7%	13.3%	12.9%	14.2%	14.1%
Pewaukee	A	19.0%	20.1%	20.2%	25.2%	25.2%
	B	10.6%	12.8%	13.5%	10.9%	13.6%
	Subtotal	15.7%	17.3%	17.6%	19.7%	20.7%
Waukesha Northwest - Lake Country	B	11.4%	10.0%	11.7%	17.4%	16.8%
	Subtotal	11.4%	10.0%	11.7%	17.4%	16.8%
Waukesha Southeast - New Berlin	B	28.8%	22.8%	22.0%	16.0%	16.3%
	Subtotal	28.8%	22.8%	22.0%	16.0%	16.3%
Waukesha Southwest	B	10.4%	9.1%	9.2%	9.2%	10.9%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	8.8%	8.0%	8.1%	7.9%	9.6%
Suburban	A	19.7%	20.3%	20.4%	21.1%	21.8%
	B	21.1%	21.9%	19.7%	20.0%	19.6%
	C	4.1%	4.1%	2.4%	2.4%	2.4%
	Subtotal	19.4%	20.1%	18.6%	19.0%	19.0%
Grand Total		21.0%	21.0%	19.6%	19.9%	19.9%

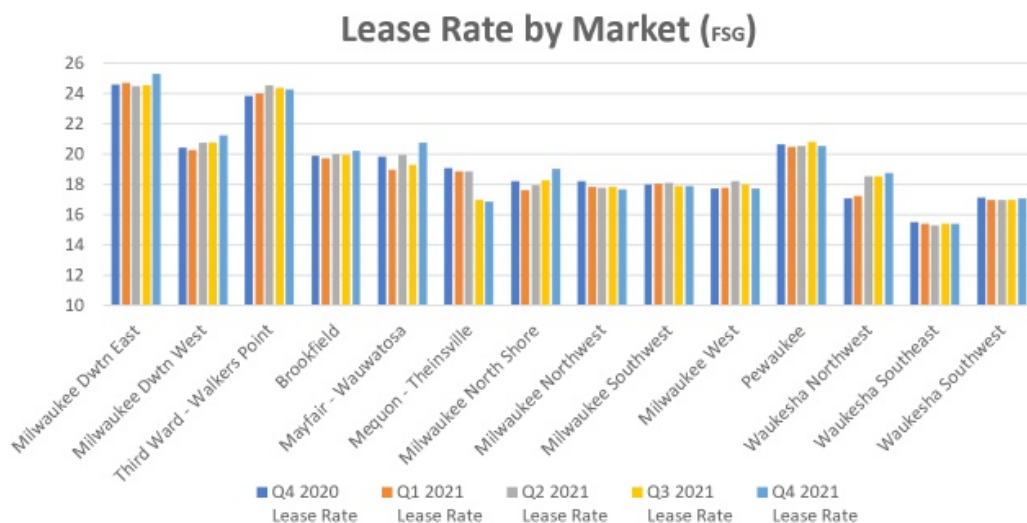


Lease Rates by Market (Multi-Tenant)

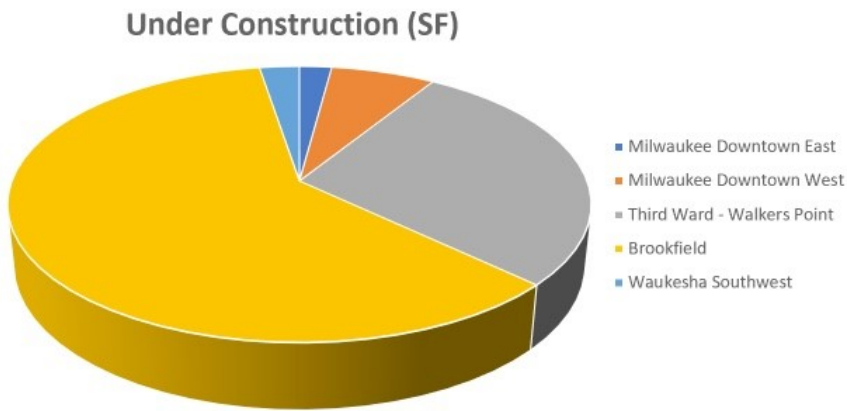
Market	Bldg Class	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Milwaukee Downtown East	A	\$31.15	\$31.19	\$31.54	\$32.17	\$33.16
	B	\$20.95	\$20.57	\$20.70	\$19.99	\$20.26
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.62	\$24.72	\$24.50	\$24.54	\$25.33
Milwaukee Downtown West	A		\$18.50	\$22.49	\$22.49	\$22.49
	B	\$20.44	\$20.45	\$20.38	\$20.38	\$20.95
	C					
	Subtotal	\$20.44	\$20.29	\$20.76	\$20.76	\$21.26
Third Ward - Walkers Point	A	\$26.14	\$26.14	\$26.52	\$26.87	\$26.89
	B	\$23.10	\$23.36	\$23.73	\$23.39	\$23.47
	C	\$22.00	\$22.00			\$22.00
	Subtotal	\$23.85	\$24.02	\$24.55	\$24.41	\$24.29
Milwaukee CBD	A	\$29.48	\$28.82	\$28.84	\$29.62	\$30.06
	B	\$21.51	\$21.49	\$21.63	\$21.16	\$21.61
	C	\$20.00	\$20.00	\$18.00	\$18.00	\$20.00
	Subtotal	\$23.56	\$23.53	\$23.74	\$23.77	\$24.21
Brookfield	A	\$22.37	\$22.51	\$22.53	\$22.74	\$22.70
	B	\$18.41	\$18.29	\$18.49	\$18.44	\$18.79
	C		\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$19.91	\$19.72	\$20.01	\$19.98	\$20.25
Mayfair - Wauwatosa	A	\$26.61	\$26.41	\$26.76	\$26.25	\$26.72
	B	\$16.92	\$16.85	\$17.26	\$17.31	\$18.00
	C	\$14.00	\$14.00		\$14.00	
	Subtotal	\$19.83	\$18.99	\$19.98	\$19.28	\$20.75
Mequon - Theinsville	A					
	B	\$19.12	\$18.88	\$18.88	\$16.98	\$16.89
	Subtotal	\$19.12	\$18.88	\$18.88	\$16.98	\$16.89
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$23.33	\$23.33	\$23.33	\$23.33	\$24.00
	B	\$17.76	\$16.76	\$17.18	\$17.81	\$19.26
	C	\$16.20	\$16.20	\$16.00	\$16.00	\$16.00
	Subtotal	\$18.20	\$17.65	\$17.94	\$18.28	\$19.02

Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q4 2020 Lease Rate	Q1 2021 Lease Rate	Q2 2021 Lease Rate	Q3 2021 Lease Rate	Q4 2021 Lease Rate
Milwaukee Northwest	A	\$21.56	\$21.54	\$21.54	\$21.54	\$21.47
	B	\$16.92	\$16.49	\$16.47	\$16.49	\$16.31
	Subtotal	\$18.24	\$17.84	\$17.82	\$17.83	\$17.68
Milwaukee Southwest	A	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
	B	\$16.24	\$16.30	\$16.41	\$16.46	\$16.13
	C					
	Subtotal	\$17.99	\$18.04	\$18.13	\$17.88	\$17.90
Milwaukee West	B	\$17.76	\$17.80	\$18.23	\$18.00	\$17.76
	C					
	Subtotal	\$17.76	\$17.80	\$18.23	\$18.00	\$17.76
Pewaukee	A	\$22.54	\$22.44	\$22.44	\$22.44	\$22.38
	B	\$17.75	\$17.75	\$17.81	\$18.13	\$17.95
	Subtotal	\$20.68	\$20.51	\$20.53	\$20.82	\$20.56
Waukesha Northwest - Lake Country	B	\$17.08	\$17.23	\$18.54	\$18.54	\$18.75
	Subtotal	\$17.08	\$17.23	\$18.54	\$18.54	\$18.75
Waukesha Southeast - New Berlin	B	\$15.50	\$15.41	\$15.28	\$15.41	\$15.41
	Subtotal	\$15.50	\$15.41	\$15.28	\$15.41	\$15.41
Waukesha Southwest	B	\$17.13	\$16.99	\$16.99	\$16.99	\$17.09
	C					
	Subtotal	\$17.13	\$16.99	\$16.99	\$16.99	\$17.09
Suburban	A	\$23.03	\$22.96	\$23.08	\$23.05	\$23.16
	B	\$17.54	\$17.31	\$17.52	\$17.55	\$17.79
	C	\$15.83	\$15.00	\$14.80	\$14.67	\$14.80
	Subtotal	\$19.02	\$18.75	\$19.04	\$18.90	\$19.19
Grand Total		\$20.21	\$19.98	\$20.21	\$20.13	\$20.45

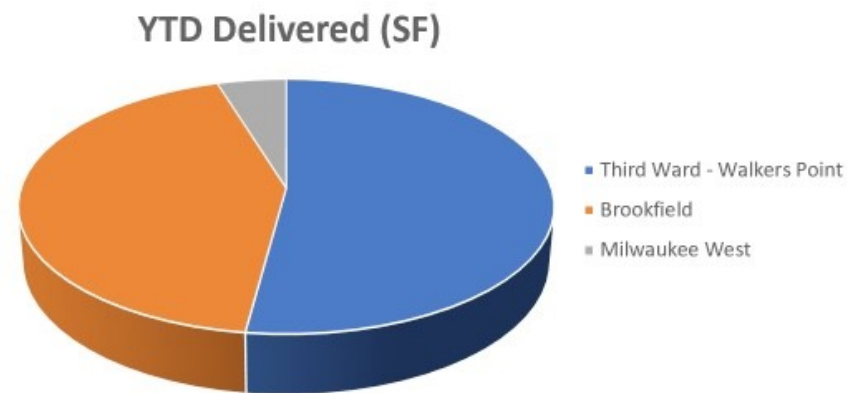


Under Construction



Market	Bldg (SF)
Milwaukee Downtown East	8,104
Milwaukee Downtown West	26,250
Third Ward - Walkers Point	108,552
Brookfield	233,000
Waukesha Southwest	10,000
Grand Total	385,906

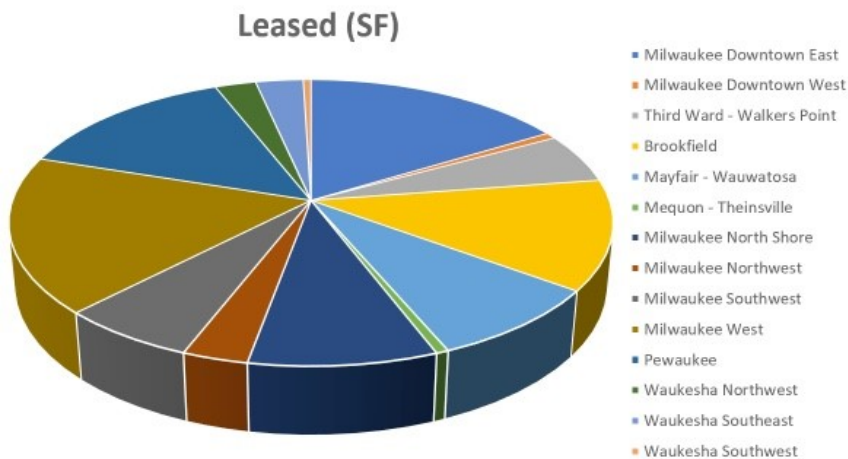
Year to Date Delivered



Market	Bldg (SF)
Third Ward - Walkers Point	191,000
Brookfield	158,000
Milwaukee West	17,500
Grand Total	366,500

Leasing Activity

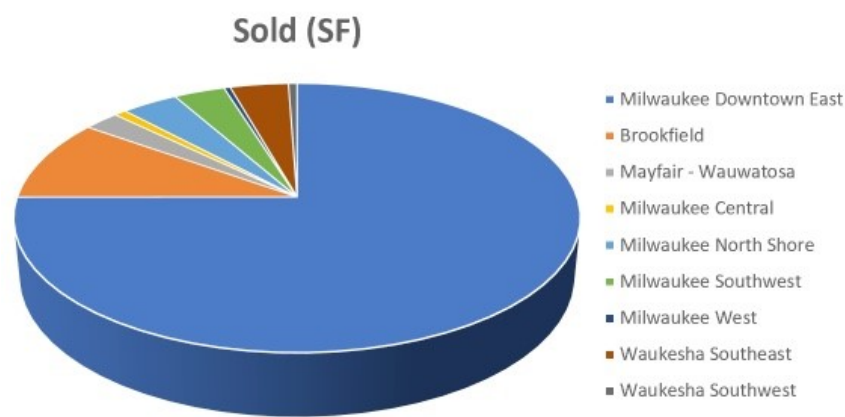
Property	Size (sf)	Market	Tenant	Landlord
Summit Place 6609 W Washington St	35,801	Milwaukee West	Symbiont Science, Engineering & Construction	Whitnall Summit Co LLC
Summit Place 6609 W Washington St	15,151	Milwaukee West	Goodwill Industries	Whitnall Summit Co LLC
Franklin Corporate Center 979 S Franklin Dr	11,861	Milwaukee Southwest	Sientra, Inc.	Airways 9779 LLC
RidgeView Office Center I 23217 Stone Ridge Dr	11,830	Pewaukee	Evoqua	Ridgeview Office I LLC
411 E Wisconsin Center	8,734	Milwaukee Dtnw East	Federal Defenders Services	Middleton Milwaukee



Market	Lease (SF)
Milwaukee Downtown East	61,019
Milwaukee Downtown West	2,580
Third Ward - Walkers Point	21,029
Brookfield	46,322
Mayfair - Wauwatosa	31,918
Mequon - Theinsville	2,163
Milwaukee North Shore	32,664
Milwaukee Northwest	11,402
Milwaukee Southwest	23,827
Milwaukee West	66,211
Pewaukee	52,295
Waukesha Northwest	9,502
Waukesha Southeast	11,034
Waukesha Southwest	1,816
Grand Total	373,782

Sales Activity

Property	Price	Market	Buyer	Seller
111 E Wisconsin Ave & 543 N Water St - Portfolio	\$34,250,000	Milwaukee Dtwn East	Chase Tower Wisconsin Realty, LP	111 E. Wisconsin Property Owner, LLC
1121 E North Ave	\$3,750,000	Milwaukee East Side	Advenir Mob@Milwaukee, LLC	North & Humboldt, LLC
2012–2028 E North Ave	\$2,315,000	Milwaukee East Side	2012 East North Avenue, LLC	North Avenue Redevelopment, LLC
13785 W North Ave	\$2,300,000	Brookfield	Q North, LLC	Marian Mleczko & Urszula Mleczko
Athletico Physical Therapy 6926 39th Ave	\$1,865,000	Kenosha	P & S Leasing, Inc.	R-Win Kenosha Property, LLC



Market	Sold (SF)
Milwaukee Downtown East	480,654
Brookfield	63,190
Mayfair - Wauwatosa	15,152
Milwaukee Central	5,188
Milwaukee North Shore	24,050
Milwaukee Southwest	21,731
Milwaukee West	2,700
Waukesha Southeast	24,766
Waukesha Southwest	3,650
Grand Total	641,081

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. 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 FSG terms

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