

Market

Trends

Q3 2022

Milwaukee - Office



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MARKET TRENDS

Q3 2022 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	793,833	
Area Unemployment	3.9	
U.S. Unemployment	3.6	
Office Using Jobs	186,000	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,529,075
Total # of Bldgs (tracked)	565
Absorption	(46,341)
Vacancy	16.0%
Asking Rate (FSG)	\$20.60
New Construction (sf)	400,594

Multi-tenant Properties

Total Inventory (sf)	31,322,667
Total # of Bldgs (tracked)	433
Absorption	(104,327)
Vacancy	21.4%
Asking Rate (FSG)	\$20.60

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) decreased 60 basis points to 3.9% compared to 4.5% in August 2021. The unemployment rate for the US was at 3.6% in August 2022, down from 5.2% last year. State of Wisconsin unemployment was 3.1% for this quarter. The Milwaukee MSA saw an decrease in job growth but office using jobs increased by 2,900 jobs during the same period.

Market Overview

The Milwaukee office market consisting of 45 msf of space has posted (46,000) sf negative absorption for Q3 2022 dropping YTD to (11,500) sf negative absorption. The direct market had 29,000 sf positive absorption while the sublease market had (79,000) sf negative absorption. Multi-tenant only properties had (104,000) sf negative absorption for the quarter bringing YTD to (142,000) sf negative absorption. The vacancy rate came in at 16.0% during Q3 2022 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 21.4%.

Market Highlights

Brookfield had the largest increase with 100,000 sf positive absorption led by the new delivery and Milliman leasing 121,000 sf while vacating 92,000 sf. Milwaukee CBD posted (20,000) sf negative absorption and the suburban markets saw (26,000) sf negative absorption this quarter. Milwaukee Downtown East top all markets with (96,000) sf negative absorption led by Associated Bank vacating 89,000 sf. There are currently 7 properties under construction totaling 400,000 sf and four properties delivered YTD totaling 351,000 sf. There were 70 lease transaction with 262,000 sf during Q3 2022. Twenty three office properties with 907,000 sf sold for \$87 million.

Market Overview by Class (Multi and Single Tenant)

Total

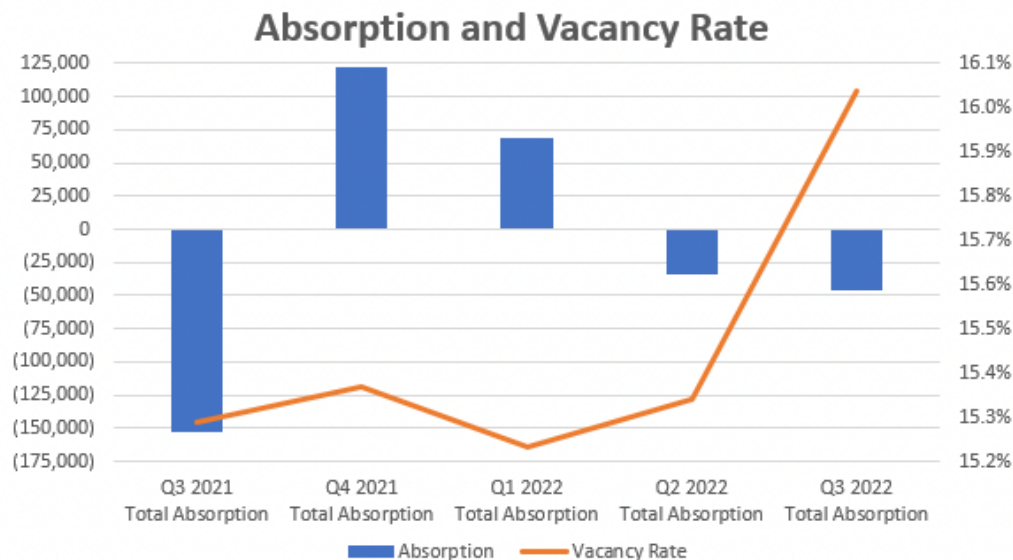
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	105	17,200,928	4,200,095	3,443,112	90,275	93,765	20.0%
B	412	26,201,255	4,807,195	3,664,617	(132,793)	(108,027)	14.0%
C	48	2,126,892	116,138	193,778	(3,823)	2,721	9.1%
Grand Total	565	45,529,075	9,123,428	7,301,507	(46,341)	(11,541)	16.0%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	105	17,200,928	3,876,002	3,297,374	86,322	87,644	19.2%
B	412	26,201,255	4,380,421	3,425,848	(52,833)	(10,112)	13.1%
C	48	2,126,892	116,138	193,778	(3,823)	2,721	9.1%
Grand Total	565	45,529,075	8,372,561	6,917,000	29,666	80,253	15.2%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	105	17,200,928	324,093	145,738	3,953	6,121	0.8%
B	412	26,201,255	426,774	238,769	(79,960)	(97,915)	0.9%
C	48	2,126,892			0	0	0.0%
Grand Total	565	45,529,075	750,867	384,507	(76,007)	(91,794)	0.8%



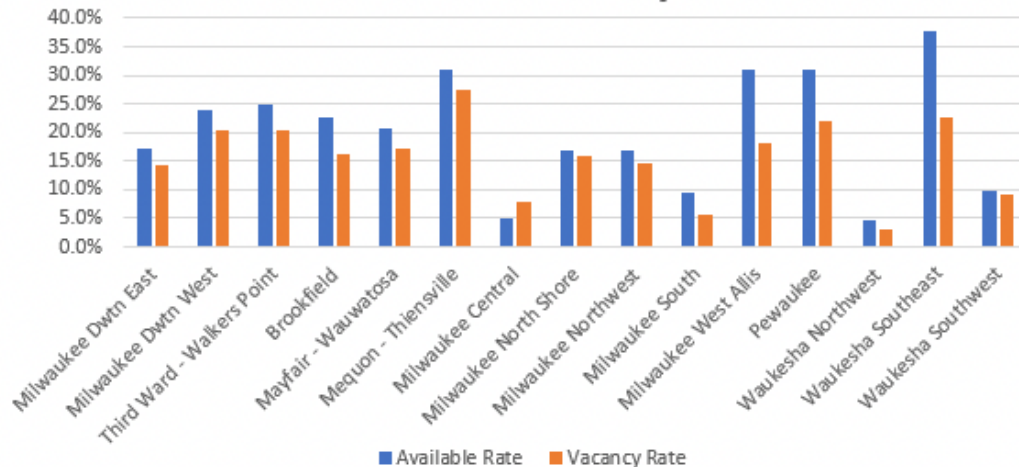
Market Statistics by Market (Multi and Single Tenant)

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	1,426,986	1,144,535	(89,329)	(116,626)	17.1%
	B	40	4,254,966	449,620	429,945	(1,601)	(16,936)	10.1%
	C	4	146,389	26,250	22,500	(5,400)	(5,400)	15.4%
	Subtotal	60	11,113,972	1,902,856	1,596,980	(96,330)	(138,962)	14.4%
Milwaukee Downtown West	A	3	902,938	470,090	470,090	0	605	52.1%
	B	30	4,122,344	774,777	591,581	(19,569)	(3,334)	14.4%
	C	2	189,311			0	0	0.0%
	Subtotal	35	5,214,593	1,244,867	1,061,671	(19,569)	(2,729)	20.4%
Third Ward - Walkers Point	A	7	841,968	255,277	228,694	102,073	112,255	27.2%
	B	36	2,028,295	443,342	336,201	(6,468)	(65,585)	16.6%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	47	2,990,976	741,582	607,858	95,605	46,670	20.3%
Milwaukee CBD	A	26	8,457,523	2,152,353	1,843,319	12,744	(3,766)	21.8%
	B	106	10,405,605	1,667,739	1,357,727	(27,638)	(85,855)	13.0%
	C	10	456,413	69,213	65,463	(5,400)	(5,400)	14.3%
	Subtotal	142	19,319,541	3,889,305	3,266,509	(20,294)	(95,021)	16.9%
Brookfield	A	26	2,262,412	643,781	466,329	78,052	117,015	20.6%
	B	75	3,957,547	801,959	562,980	22,919	46,937	14.2%
	C	5	147,754	5,000		0	0	0.0%
	Subtotal	106	6,367,713	1,450,740	1,029,309	100,971	163,952	16.2%
Mayfair - Wauwatosa	A	15	2,095,692	401,434	315,375	788	(9,207)	15.0%
	B	27	1,371,253	356,967	327,860	(11,136)	4,552	23.9%
	C	7	315,383	26,054	12,785	0	0	4.1%
	Subtotal	49	3,782,328	784,455	656,020	(10,348)	(4,655)	17.3%
Mequon - Thiensville	A	4	130,181	63,361	57,453	0	6,667	44.1%
	B	12	333,312	80,631	69,659	9,384	3,455	20.9%
	Subtotal	16	463,493	143,992	127,112	9,384	10,122	27.4%
Milwaukee Central	B	9	663,753	65,329		0	0	0.0%
	C	11	675,498		103,530	0	0	15.3%
	Subtotal	20	1,339,251	65,329	103,530	0	0	7.7%
Milwaukee North Shore	A	3	233,538	147,216	147,216	2,283	(3,224)	63.0%
	B	32	1,894,614	239,339	225,525	(48,949)	(36,353)	11.9%
	C	7	271,978	15,871	12,000	1,577	8,121	4.4%
	Subtotal	42	2,400,130	402,426	384,741	(45,089)	(31,456)	16.0%

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	273,958	208,026	(14,215)	(260)	10.9%
	B	43	2,548,195	478,575	445,778	(18,340)	(54,859)	17.5%
	Subtotal	54	4,463,964	752,533	653,804	(32,555)	(55,119)	14.6%
Milwaukee South	A	3	791,333	23,575	23,575	0	(8,185)	3.0%
	B	19	775,309	131,268	72,306	5,243	10,201	9.3%
	C	2	91,658			0	0	0.0%
	Subtotal	24	1,658,300	154,843	95,881	5,243	2,016	5.8%
Milwaukee West Allis	B	18	1,733,534	555,617	328,687	(72,090)	(46,571)	19.0%
	C	2	61,785			0	0	0.0%
	Subtotal	20	1,795,319	555,617	328,687	(72,090)	(46,571)	18.3%
Pewaukee	A	17	1,314,480	494,417	381,819	10,623	(5,275)	29.0%
	B	20	730,608	138,823	70,144	1,770	1,929	9.6%
	Subtotal	37	2,045,088	633,240	451,963	12,393	(3,346)	22.1%
Waukesha Northwest - Lake Country	B	19	614,895	28,524	19,666	2,411	32,991	3.2%
	Subtotal	19	614,895	28,524	19,666	2,411	32,991	3.2%
Waukesha Southeast - New Berlin	B	14	486,643	183,588	110,950	0	2,000	22.8%
	Subtotal	14	486,643	183,588	110,950	0	2,000	22.8%
Waukesha Southwest	B	18	685,987	78,836	73,335	3,633	13,546	10.7%
	C	4	106,423			0	0	0.0%
	Subtotal	22	792,410	78,836	73,335	3,633	13,546	9.3%
Suburban	A	79	8,743,405	2,047,742	1,599,793	77,531	97,531	18.3%
	B	306	15,795,650	3,139,456	2,306,890	(105,155)	(22,172)	14.6%
	C	38	1,670,479	46,925	128,315	1,577	8,121	7.7%
	Subtotal	423	26,209,534	5,234,123	4,034,998	(26,047)	83,480	15.4%
Grand Total		565	45,529,075	9,123,428	7,301,507	(46,341)	(11,541)	16.0%

Available and Vacancy Rates

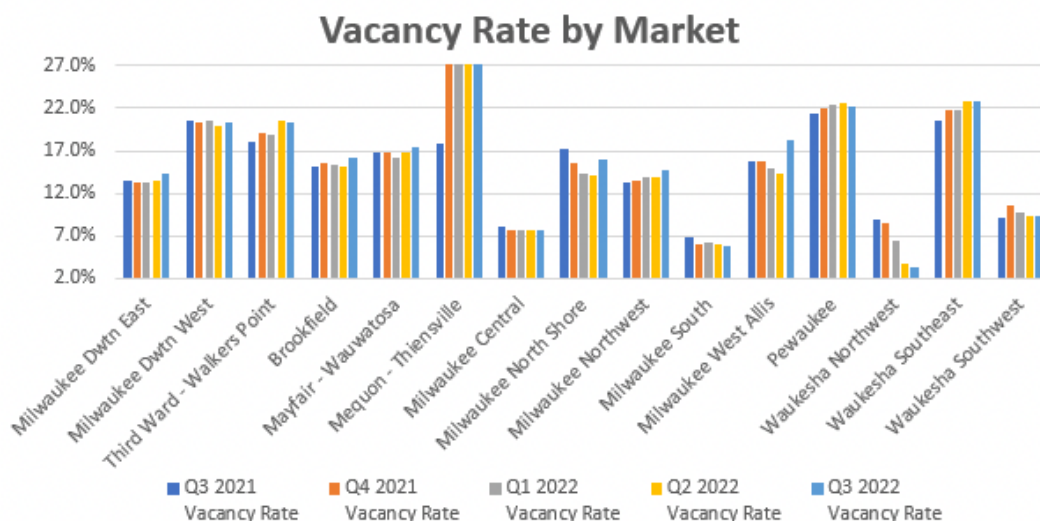


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Milwaukee Downtown East	A	15.5%	15.3%	15.1%	15.7%	17.1%
	B	10.2%	9.8%	10.2%	10.2%	10.1%
	C	12.2%	11.7%	11.7%	11.7%	15.4%
	Subtotal	13.4%	13.2%	13.2%	13.5%	14.4%
Milwaukee Downtown West	A	52.1%	52.1%	52.1%	52.1%	52.1%
	B	14.6%	14.3%	14.5%	13.9%	14.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	20.6%	20.3%	20.4%	20.0%	20.4%
Third Ward - Walkers Point	A	39.6%	31.7%	31.5%	30.3%	27.2%
	B	12.9%	13.5%	13.3%	16.3%	16.6%
	C	0.0%	35.6%	35.6%	35.6%	35.6%
	Subtotal	18.1%	19.1%	18.9%	20.6%	20.3%
Milwaukee CBD	A	21.2%	20.7%	20.5%	20.9%	21.8%
	B	12.5%	12.3%	12.5%	12.8%	13.0%
	C	4.3%	13.2%	13.2%	13.2%	14.3%
	Subtotal	16.0%	16.0%	16.0%	16.4%	16.9%
Brookfield	A	16.0%	17.3%	18.0%	17.2%	20.6%
	B	15.3%	15.3%	14.7%	14.7%	14.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.1%	15.6%	15.4%	15.2%	16.2%
Mayfair - Wauwatosa	A	14.0%	14.6%	13.2%	15.1%	15.0%
	B	23.9%	23.2%	23.4%	22.1%	23.9%
	C	3.7%	3.7%	4.1%	4.1%	4.1%
	Subtotal	16.7%	16.9%	16.2%	16.8%	17.3%
Mequon - Thiensville	A	14.8%	38.4%	38.4%	34.4%	44.1%
	B	19.5%	22.4%	22.3%	23.7%	20.9%
	Subtotal	17.9%	27.8%	27.8%	27.3%	27.4%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	16.2%	15.3%	15.3%	15.3%	15.3%
	Subtotal	7.9%	7.7%	7.7%	7.7%	7.7%
Milwaukee North Shore	A	61.7%	61.7%	64.0%	64.0%	63.0%
	B	14.4%	11.9%	10.0%	9.3%	11.9%
	C	4.9%	5.4%	5.4%	5.0%	4.4%
	Subtotal	17.3%	15.5%	14.4%	14.2%	16.0%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Milwaukee Northwest	A	11.0%	10.8%	10.1%	10.1%	10.9%
	B	15.0%	15.3%	16.7%	16.8%	17.5%
	Subtotal	13.3%	13.4%	13.9%	13.9%	14.6%
Milwaukee South	A	1.9%	1.9%	3.0%	3.0%	3.0%
	B	12.7%	10.5%	10.1%	9.9%	9.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	6.9%	5.9%	6.2%	6.1%	5.8%
Milwaukee West Allis	B	16.4%	16.3%	15.4%	14.8%	19.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.8%	15.7%	14.9%	14.3%	18.3%
Pewaukee	A	28.7%	28.6%	29.7%	29.9%	29.0%
	B	8.0%	9.9%	9.1%	9.8%	9.6%
	Subtotal	21.3%	21.9%	22.3%	22.7%	22.1%
Waukesha Northwest - Lake Country	B	8.8%	8.6%	6.4%	3.6%	3.2%
	Subtotal	8.8%	8.6%	6.4%	3.6%	3.2%
Waukesha Southeast - New Berlin	B	20.6%	21.7%	21.7%	22.8%	22.8%
	Subtotal	20.6%	21.7%	21.7%	22.8%	22.8%
Waukesha Southwest	B	10.8%	12.1%	11.2%	10.7%	10.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	9.2%	10.5%	9.7%	9.3%	9.3%
Suburban	A	16.2%	17.1%	17.1%	17.3%	18.3%
	B	14.7%	14.6%	14.1%	13.8%	14.6%
	C	7.6%	7.6%	7.7%	7.8%	7.7%
	Subtotal	14.7%	14.9%	14.7%	14.6%	15.4%
Grand Total		15.3%	15.4%	15.2%	15.3%	16.0%

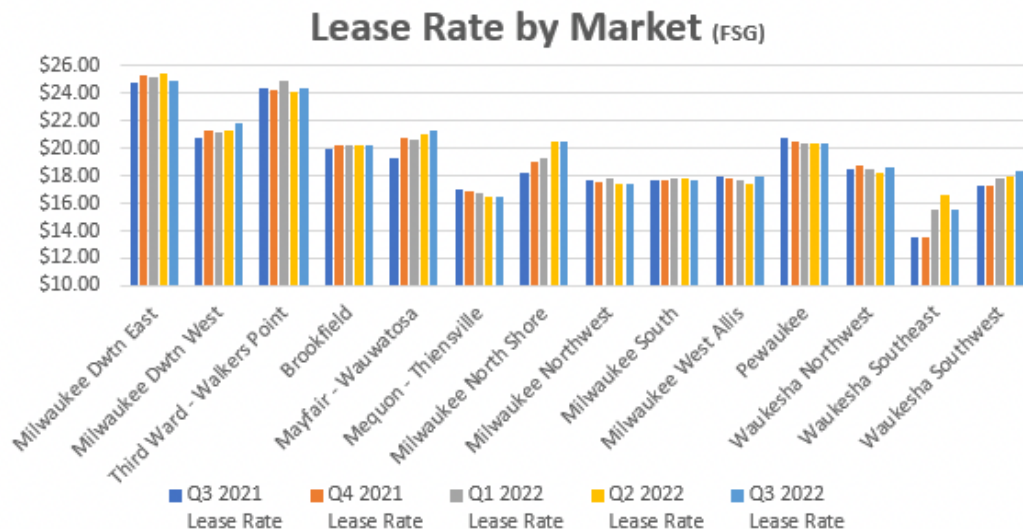


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q3 2021 Lease Rate	Q4 2021 Lease Rate	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate
Milwaukee Downtown East	A	\$32.17	\$33.16	\$33.14	\$33.08	\$32.62
	B	\$20.47	\$20.48	\$20.40	\$20.32	\$20.10
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.82	\$25.26	\$25.21	\$25.43	\$24.91
Milwaukee Downtown West	A	\$22.49	\$22.49	\$22.49	\$22.49	\$18.50
	B	\$20.38	\$20.95	\$20.89	\$21.11	\$22.19
	C					
	Subtotal	\$20.76	\$21.26	\$21.21	\$21.34	\$21.88
Third Ward - Walkers Point	A	\$26.87	\$26.89	\$26.97	\$27.24	\$28.84
	B	\$23.39	\$23.47	\$24.28	\$23.29	\$23.76
	C		\$22.00	\$22.00	\$20.50	\$18.00
	Subtotal	\$24.41	\$24.29	\$24.87	\$24.10	\$24.45
Milwaukee CBD	A	\$29.62	\$30.06	\$30.07	\$30.28	\$30.53
	B	\$21.37	\$21.66	\$21.91	\$21.63	\$22.14
	C	\$18.00	\$20.00	\$20.00	\$19.25	\$18.00
	Subtotal	\$23.92	\$24.20	\$24.36	\$24.15	\$24.09
Brookfield	A	\$22.74	\$22.70	\$22.51	\$22.54	\$22.51
	B	\$18.44	\$18.79	\$18.78	\$18.79	\$18.79
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$19.98	\$20.25	\$20.22	\$20.26	\$20.20
Mayfair - Wauwatosa	A	\$26.25	\$26.72	\$26.39	\$26.32	\$26.32
	B	\$17.31	\$18.00	\$18.07	\$17.94	\$18.11
	C	\$14.00				
	Subtotal	\$19.28	\$20.75	\$20.70	\$21.03	\$21.30
Mequon - Thiensville	A					
	B	\$16.98	\$16.89	\$16.73	\$16.51	\$16.51
	Subtotal	\$16.98	\$16.89	\$16.73	\$16.51	\$16.51
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$23.33	\$24.00	\$23.37	\$23.37	\$23.37
	B	\$17.81	\$19.26	\$19.50	\$20.81	\$20.25
	C	\$16.00	\$16.00	\$16.00	\$16.50	\$16.75
	Subtotal	\$18.28	\$19.02	\$19.34	\$20.44	\$20.47

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

Market	Bldg Class	Q3 2021 Lease Rate	Q4 2021 Lease Rate	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate
Milwaukee Northwest	A	\$21.54	\$21.47	\$22.26	\$22.26	\$22.26
	B	\$16.49	\$16.34	\$16.40	\$16.07	\$16.01
	Subtotal	\$17.68	\$17.54	\$17.78	\$17.45	\$17.40
Milwaukee South	A	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
	B	\$16.84	\$16.72	\$16.95	\$16.97	\$16.63
	C					
	Subtotal	\$17.66	\$17.64	\$17.84	\$17.86	\$17.68
Milwaukee West Allis	B	\$18.00	\$17.76	\$17.70	\$17.41	\$17.91
	C					
	Subtotal	\$18.00	\$17.76	\$17.70	\$17.41	\$17.91
Pewaukee	A	\$22.44	\$22.38	\$22.08	\$22.08	\$22.08
	B	\$18.13	\$17.95	\$17.95	\$18.24	\$18.24
	Subtotal	\$20.82	\$20.56	\$20.34	\$20.35	\$20.35
Waukesha Northwest - Lake Country	B	\$18.54	\$18.75	\$18.48	\$18.27	\$18.60
	Subtotal	\$18.54	\$18.75	\$18.48	\$18.27	\$18.60
Waukesha Southeast - New Berlin	B	\$13.50	\$13.50	\$15.50	\$16.60	\$15.60
	Subtotal	\$13.50	\$13.50	\$15.50	\$16.60	\$15.60
Waukesha Southwest	B	\$17.24	\$17.29	\$17.84	\$17.99	\$18.30
	C					
	Subtotal	\$17.24	\$17.29	\$17.84	\$17.99	\$18.30
Suburban	A	\$23.05	\$23.16	\$22.99	\$23.06	\$23.06
	B	\$17.54	\$17.78	\$17.84	\$17.90	\$17.84
	C	\$14.67	\$14.80	\$14.80	\$14.88	\$14.50
	Subtotal	\$18.88	\$19.16	\$19.20	\$19.34	\$19.35
Grand Total		\$20.13	\$20.42	\$20.48	\$20.63	\$20.60



Market Overview by Class (Multi-Tenant Properties)

Total

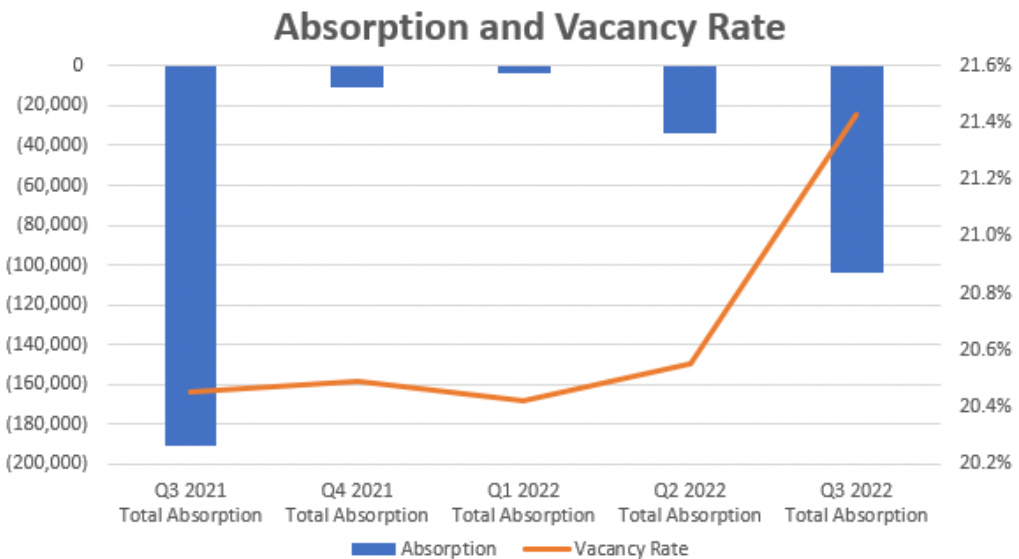
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	85	11,985,271	3,921,377	3,164,394	(18,277)	(59,787)	26.4%
B	312	17,750,666	4,369,191	3,456,829	(82,227)	(85,053)	19.5%
C	36	1,586,729	116,138	90,248	(3,823)	2,721	5.7%
Grand Total	433	31,322,666	8,406,706	6,711,471	(104,327)	(142,119)	21.4%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	85	11,985,271	3,699,042	3,120,414	(22,230)	(65,908)	26.0%
B	312	17,750,666	3,979,417	3,255,060	(2,267)	12,862	18.3%
C	36	1,586,729	116,138	90,248	(3,823)	2,721	5.7%
Grand Total	433	31,322,666	7,794,597	6,465,722	(28,320)	(50,325)	20.6%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	85	11,985,271	222,335	43,980	3,953	6,121	0.4%
B	312	17,750,666	389,774	201,769	(79,960)	(97,915)	1.1%
C	36	1,586,729			0	0	0.0%
Grand Total	433	31,322,666	612,109	245,749	(76,007)	(91,794)	0.8%

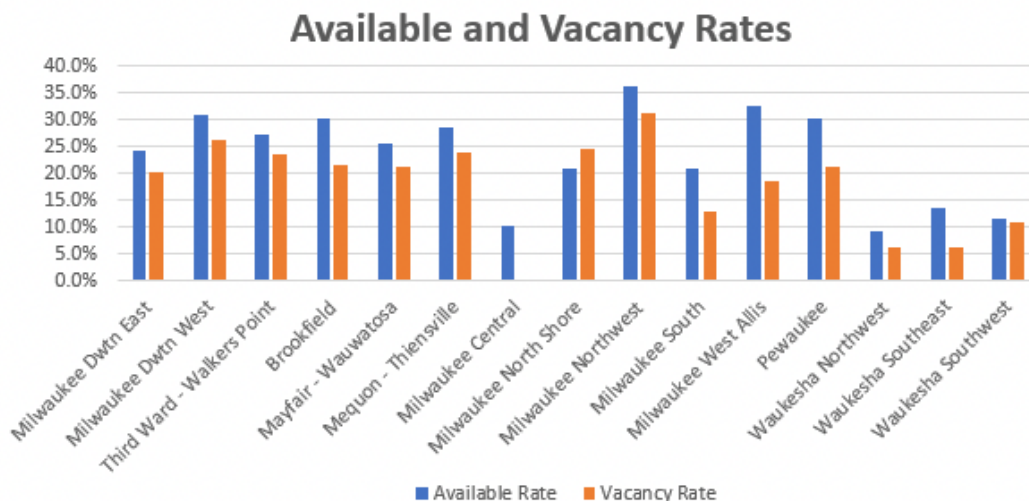


Market Statistics by Market (Multi-Tenant Properties)

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	1,426,986	1,144,535	(89,329)	(116,626)	21.1%
	B	30	2,334,429	449,620	429,945	(1,601)	(16,936)	18.4%
	C	3	115,387	26,250	22,500	(5,400)	(5,400)	19.5%
	Subtotal	47	7,877,967	1,902,856	1,596,980	(96,330)	(138,962)	20.3%
Milwaukee Downtown West	A	2	622,938	407,663	407,663	0	605	65.4%
	B	24	3,084,959	774,777	591,581	(19,569)	(3,334)	19.2%
	C	1	95,561			0	0	0.0%
	Subtotal	27	3,803,458	1,182,440	999,244	(19,569)	(2,729)	26.3%
Third Ward - Walkers Point	A	5	557,416	255,277	228,694	(6,479)	3,703	41.0%
	B	32	1,887,703	401,342	336,201	(6,468)	(65,585)	17.8%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	41	2,565,832	699,582	607,858	(12,947)	(61,882)	23.7%
Milwaukee CBD	A	21	6,608,505	2,089,926	1,780,892	(95,808)	(112,318)	26.9%
	B	86	7,307,091	1,625,739	1,357,727	(27,638)	(85,855)	18.6%
	C	8	331,661	69,213	65,463	(5,400)	(5,400)	19.7%
	Subtotal	115	14,247,257	3,784,878	3,204,082	(128,846)	(203,573)	22.5%
Brookfield	A	24	1,793,343	643,781	466,329	78,052	72,015	26.0%
	B	62	2,898,562	801,959	562,980	22,919	46,937	19.4%
	C	3	90,792	5,000		0	0	0.0%
	Subtotal	89	4,782,697	1,450,740	1,029,309	100,971	118,952	21.5%
Mayfair - Wauwatosa	A	13	1,566,458	401,434	315,375	788	(9,207)	20.1%
	B	23	1,231,049	356,967	327,860	(11,136)	4,552	26.6%
	C	6	279,887	26,054	12,785	0	0	4.6%
	Subtotal	42	3,077,394	784,455	656,020	(10,348)	(4,655)	21.3%
Mequon - Thiensville	A	3	90,540	24,030	18,122	0	6,667	20.0%
	B	10	276,376	80,631	69,659	9,384	3,455	25.2%
	Subtotal	13	366,916	104,661	87,781	9,384	10,122	23.9%
Milwaukee Central	B	5	216,780	65,329		0	0	0.0%
	C	6	415,176			0	0	0.0%
	Subtotal	11	631,956	65,329		0	0	0.0%
Milwaukee North Shore	A	3	233,538	147,216	147,216	2,283	(3,224)	63.0%
	B	24	847,027	117,661	174,959	1,617	14,213	20.7%
	C	7	271,978	15,871	12,000	1,577	8,121	4.4%
	Subtotal	34	1,352,543	280,748	334,175	5,477	19,110	24.7%

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	273,958	208,026	(14,215)	(260)	26.3%
	B	24	1,177,328	442,053	409,256	(18,340)	(54,859)	34.8%
	Subtotal	30	1,967,213	716,011	617,282	(32,555)	(55,119)	31.4%
Milwaukee South	A	2	111,067	23,575	23,575	0	(8,185)	21.2%
	B	14	542,392	131,268	72,306	5,243	10,201	13.3%
	C	2	91,658			0	0	0.0%
	Subtotal	18	745,117	154,843	95,881	5,243	2,016	12.9%
Milwaukee West Allis	B	15	1,609,495	531,917	304,987	(72,090)	(74,163)	18.9%
	C	1	27,516			0	0	0.0%
	Subtotal	16	1,637,011	531,917	304,987	(72,090)	(74,163)	18.6%
Pewaukee	A	13	791,935	317,457	204,859	10,623	(5,275)	25.9%
	B	14	506,627	77,733	70,144	1,770	1,929	13.8%
	Subtotal	27	1,298,562	395,190	275,003	12,393	(3,346)	21.2%
Waukesha Northwest - Lake Country	B	12	313,026	28,524	19,666	2,411	32,991	6.3%
	Subtotal	12	313,026	28,524	19,666	2,411	32,991	6.3%
Waukesha Southeast - New Berlin	B	8	227,541	30,574	13,950	0	2,000	6.1%
	Subtotal	8	227,541	30,574	13,950	0	2,000	6.1%
Waukesha Southwest	B	15	597,372	78,836	73,335	3,633	13,546	12.3%
	C	3	78,061			0	0	0.0%
	Subtotal	18	675,433	78,836	73,335	3,633	13,546	10.9%
Suburban	A	64	5,376,766	1,831,451	1,383,502	77,531	52,531	25.7%
	B	226	10,443,575	2,743,452	2,099,102	(54,589)	802	20.1%
	C	28	1,255,068	46,925	24,785	1,577	8,121	2.0%
	Subtotal	318	17,075,409	4,621,828	3,507,389	24,519	61,454	20.5%
Grand Total		433	31,322,666	8,406,706	6,711,471	(104,327)	(142,119)	21.4%

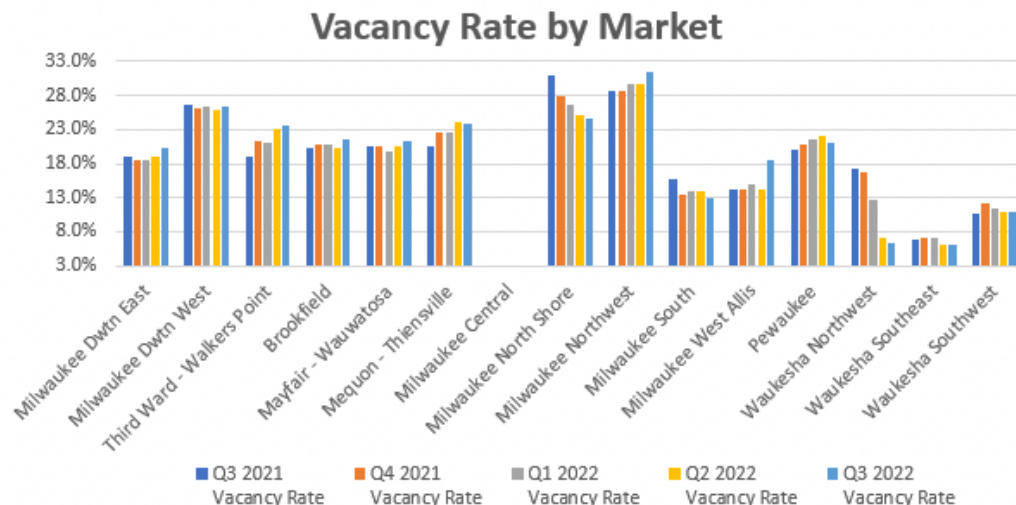


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Milwaukee Downtown East	A	19.1%	18.9%	18.6%	19.4%	21.1%
	B	18.7%	18.0%	18.7%	18.6%	18.4%
	C	15.4%	14.8%	14.8%	14.8%	19.5%
	Subtotal	19.0%	18.6%	18.6%	19.1%	20.3%
Milwaukee Downtown West	A	65.5%	65.5%	65.4%	65.4%	65.4%
	B	19.5%	19.1%	19.3%	18.5%	19.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	26.5%	26.2%	26.4%	25.8%	26.3%
Third Ward - Walkers Point	A	39.6%	41.7%	41.5%	39.9%	41.0%
	B	13.7%	14.3%	14.1%	17.5%	17.8%
	C	0.0%	35.6%	35.6%	35.6%	35.6%
	Subtotal	19.0%	21.3%	21.1%	23.2%	23.7%
Milwaukee CBD	A	25.3%	25.2%	25.0%	25.5%	26.9%
	B	17.7%	17.5%	17.8%	18.3%	18.6%
	C	6.2%	18.1%	18.1%	18.1%	19.7%
	Subtotal	21.0%	21.1%	21.1%	21.6%	22.5%
Brookfield	A	20.2%	21.8%	23.3%	22.2%	26.0%
	B	20.8%	20.9%	20.0%	20.1%	19.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	20.2%	20.8%	20.7%	20.4%	21.5%
Mayfair - Wauwatosa	A	18.7%	19.5%	17.6%	20.2%	20.1%
	B	26.4%	25.7%	25.9%	24.6%	26.6%
	C	4.2%	4.2%	4.6%	4.6%	4.6%
	Subtotal	20.5%	20.6%	19.9%	20.6%	21.3%
Mequon - Thiensville	A	19.4%	19.4%	19.4%	14.2%	20.0%
	B	20.9%	23.9%	23.8%	28.6%	25.2%
	Subtotal	20.4%	22.6%	22.5%	24.1%	23.9%
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	61.7%	61.7%	64.0%	64.0%	63.0%
	B	30.3%	25.5%	22.4%	20.8%	20.7%
	C	6.7%	7.4%	7.4%	5.0%	4.4%
	Subtotal	30.9%	28.0%	26.6%	25.1%	24.7%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Milwaukee Northwest	A	26.6%	26.3%	24.5%	24.5%	26.3%
	B	30.1%	30.1%	33.1%	33.2%	34.8%
	Subtotal	28.7%	28.6%	29.7%	29.7%	31.4%
Milwaukee South	A	13.9%	13.9%	21.2%	21.2%	21.2%
	B	18.8%	15.6%	15.0%	14.7%	13.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.7%	13.4%	14.0%	13.8%	12.9%
Milwaukee West Allis	B	14.4%	14.3%	15.1%	14.5%	18.9%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.2%	14.1%	14.9%	14.2%	18.6%
Pewaukee	A	25.2%	25.2%	27.0%	27.2%	25.9%
	B	11.6%	14.2%	13.1%	14.2%	13.8%
	Subtotal	19.9%	20.9%	21.6%	22.1%	21.2%
Waukesha Northwest - Lake Country	B	17.4%	16.8%	12.6%	7.1%	6.3%
	Subtotal	17.4%	16.8%	12.6%	7.1%	6.3%
Waukesha Southeast - New Berlin	B	6.7%	7.0%	7.0%	6.1%	6.1%
	Subtotal	6.7%	7.0%	7.0%	6.1%	6.1%
Waukesha Southwest	B	12.3%	13.8%	12.7%	12.2%	12.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	10.6%	12.3%	11.3%	10.9%	10.9%
Suburban	A	23.2%	23.9%	24.0%	24.4%	25.7%
	B	20.5%	20.2%	19.8%	19.4%	20.1%
	C	2.4%	2.6%	2.6%	2.1%	2.0%
	Subtotal	20.0%	20.0%	19.8%	19.6%	20.5%
Grand Total		20.5%	20.5%	20.4%	20.5%	21.4%

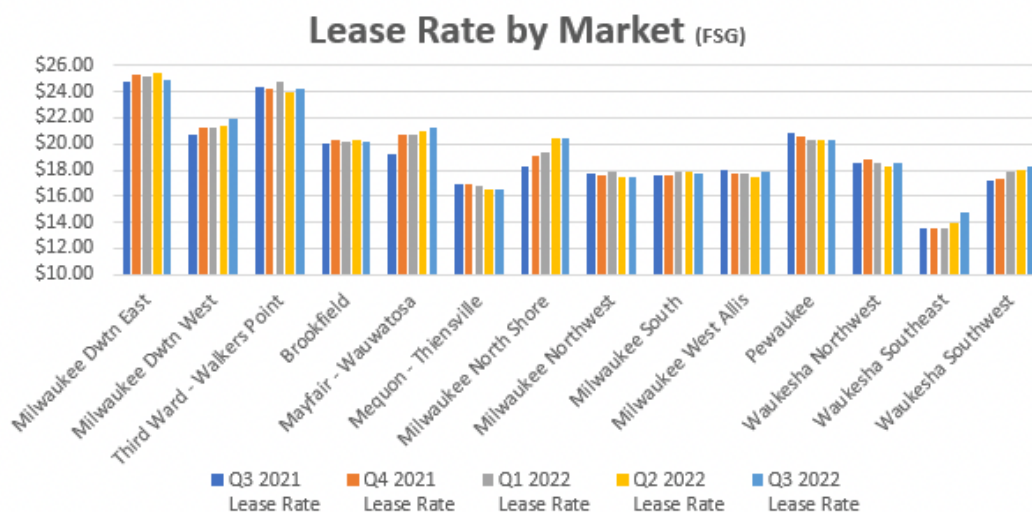


Lease Rates by Market (Multi-Tenant)

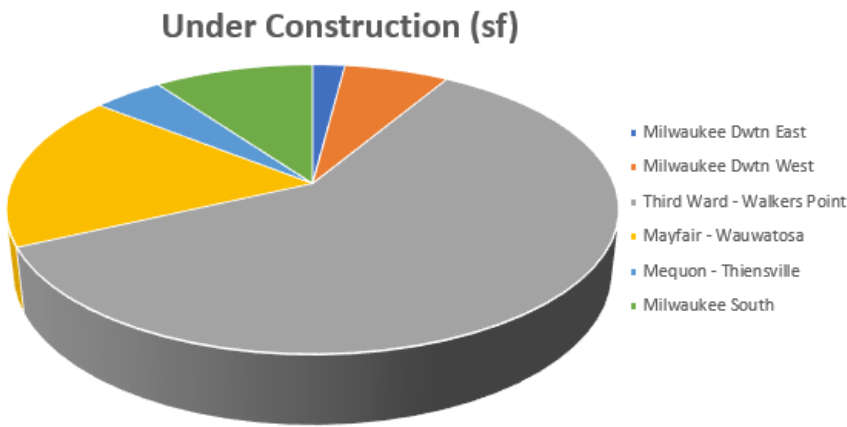
Market	Bldg Class	Q3 2021 Lease Rate	Q4 2021 Lease Rate	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate
Milwaukee Downtown East	A	\$32.17	\$33.16	\$33.14	\$33.08	\$32.62
	B	\$20.47	\$20.48	\$20.40	\$20.32	\$20.10
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.82	\$25.26	\$25.21	\$25.43	\$24.91
Milwaukee Downtown West	A	\$22.49	\$22.49	\$22.49	\$22.49	\$18.50
	B	\$20.38	\$20.95	\$20.89	\$21.11	\$22.19
	C					
	Subtotal	\$20.76	\$21.26	\$21.21	\$21.34	\$21.88
Third Ward - Walkers Point	A	\$26.87	\$26.89	\$26.97	\$27.24	\$28.84
	B	\$23.39	\$23.47	\$24.01	\$22.99	\$23.51
	C		\$22.00	\$22.00	\$20.50	\$18.00
	Subtotal	\$24.41	\$24.29	\$24.72	\$23.93	\$24.30
Milwaukee CBD	A	\$29.62	\$30.06	\$30.07	\$30.28	\$30.53
	B	\$21.37	\$21.66	\$21.75	\$21.48	\$22.00
	C	\$18.00	\$20.00	\$20.00	\$19.25	\$18.00
	Subtotal	\$23.92	\$24.20	\$24.31	\$24.09	\$24.03
Brookfield	A	\$22.74	\$22.70	\$22.51	\$22.54	\$22.51
	B	\$18.44	\$18.79	\$18.78	\$18.79	\$18.79
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$19.98	\$20.25	\$20.22	\$20.26	\$20.20
Mayfair - Wauwatosa	A	\$26.25	\$26.72	\$26.39	\$26.32	\$26.32
	B	\$17.31	\$18.00	\$18.07	\$17.94	\$18.11
	C	\$14.00				
	Subtotal	\$19.28	\$20.75	\$20.70	\$21.03	\$21.30
Mequon - Thiensville	A					
	B	\$16.98	\$16.89	\$16.73	\$16.51	\$16.51
	Subtotal	\$16.98	\$16.89	\$16.73	\$16.51	\$16.51
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$23.33	\$24.00	\$23.37	\$23.37	\$23.37
	B	\$17.81	\$19.26	\$19.50	\$20.81	\$20.25
	C	\$16.00	\$16.00	\$16.00	\$16.50	\$16.75
	Subtotal	\$18.28	\$19.02	\$19.34	\$20.44	\$20.47

Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q3 2021 Lease Rate	Q4 2021 Lease Rate	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate
Milwaukee Northwest	A	\$21.54	\$21.47	\$22.26	\$22.26	\$22.26
	B	\$16.49	\$16.32	\$16.39	\$16.04	\$15.98
	Subtotal	\$17.75	\$17.61	\$17.86	\$17.50	\$17.46
Milwaukee South	A	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
	B	\$16.84	\$16.72	\$16.95	\$16.97	\$16.63
	C					
	Subtotal	\$17.66	\$17.64	\$17.84	\$17.86	\$17.68
Milwaukee West Allis	B	\$18.00	\$17.76	\$17.70	\$17.41	\$17.91
	C					
	Subtotal	\$18.00	\$17.76	\$17.70	\$17.41	\$17.91
Pewaukee	A	\$22.44	\$22.38	\$22.08	\$22.08	\$22.08
	B	\$18.13	\$17.95	\$17.95	\$17.95	\$17.95
	Subtotal	\$20.82	\$20.56	\$20.34	\$20.34	\$20.34
Waukesha Northwest - Lake Country	B	\$18.54	\$18.75	\$18.48	\$18.27	\$18.60
	Subtotal	\$18.54	\$18.75	\$18.48	\$18.27	\$18.60
Waukesha Southeast - New Berlin	B	\$13.50	\$13.50	\$13.50	\$14.00	\$14.75
	Subtotal	\$13.50	\$13.50	\$13.50	\$14.00	\$14.75
Waukesha Southwest	B	\$17.24	\$17.29	\$17.84	\$17.99	\$18.30
	C					
	Subtotal	\$17.24	\$17.29	\$17.84	\$17.99	\$18.30
Suburban	A	\$23.05	\$23.16	\$22.99	\$23.06	\$23.06
	B	\$17.55	\$17.79	\$17.80	\$17.84	\$17.82
	C	\$14.67	\$14.80	\$14.80	\$14.88	\$14.50
	Subtotal	\$18.89	\$19.17	\$19.19	\$19.34	\$19.36
Grand Total		\$20.14	\$20.43	\$20.45	\$20.62	\$20.60

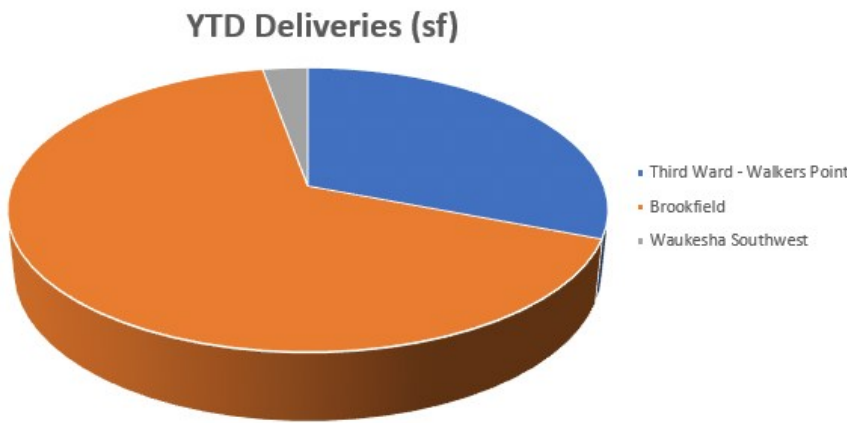


Under Construction



Market	Bldg (sf)
Milwaukee Dwtm East	8,104
Milwaukee Dwtm West	26,250
Third Ward - Walkers Point	238,308
Mayfair - Wauwatosa	70,357
Mequon - Thiensville	17,575
Milwaukee South	40,000
Grand Total	400,594

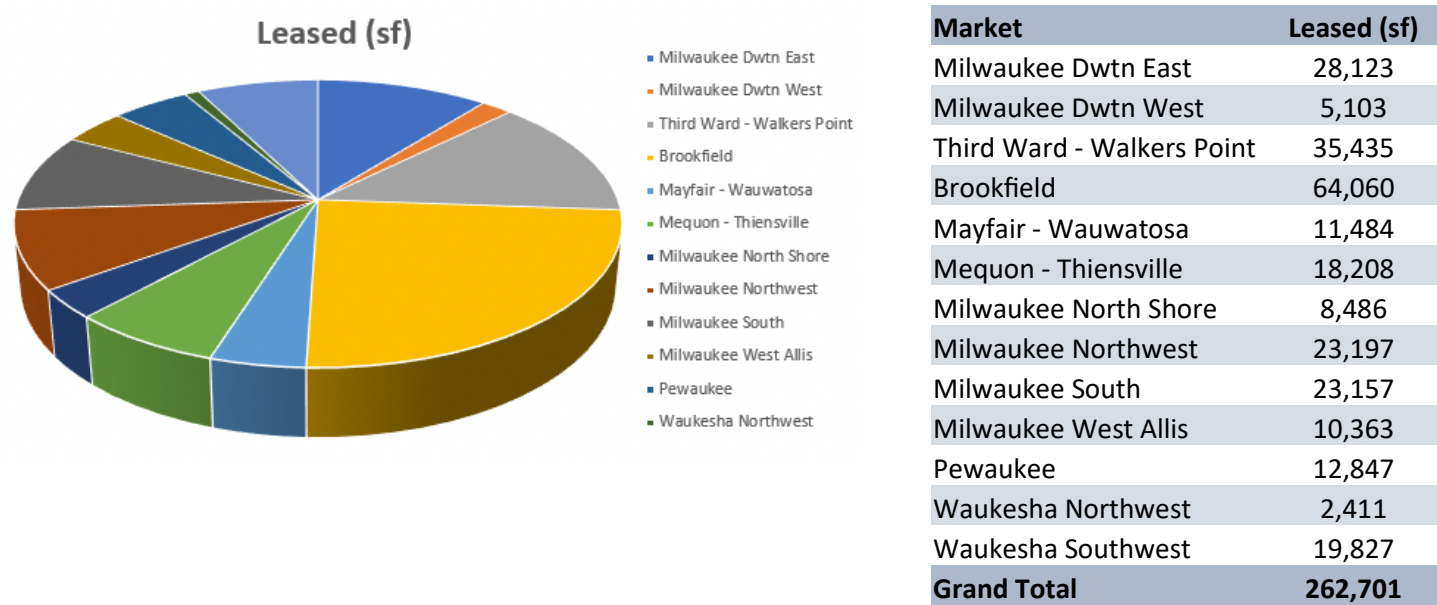
YTD Deliveries



Market	Bldg (sf)
Third Ward - Walkers Point	108,552
Brookfield	233,000
Waukesha Southwest	10,000
Grand Total	351,552

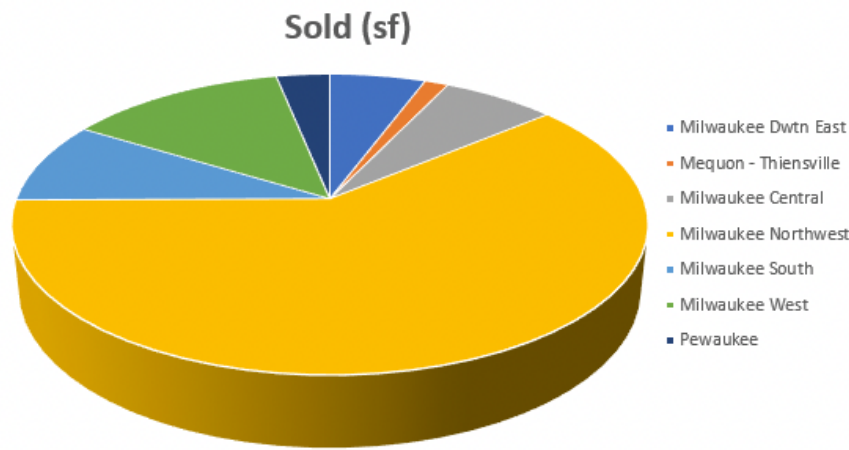
Leasing Activity

Property	Size (sf)	Market	Tenant	Landlord
The Mercantile Building	18,640	Third Ward - Walkers Point	Formlabs	Graceville LLC
1500 W Market St	14,166	Mequon - Thiensville	North Shore Center	Duane & Osbie Reed
13400 Bishops Lane	12,180	Brookfield	O'Neal Law	Flagg Group Brookfield LLC
Riverwood Corp Center I				
24400 Riverwood Dr	10,119	Pewaukee	Ehlers	PMZ Riverwood LLC
214-228 E Erie St	9,163	Third Ward - Walkers Point	Twin Disc	222 Property Owner, LLC



Sales Activity

Property	Price	Market	Buyer	Seller
One Park Place 11270 W Park Pl	\$21,850,000	Milwaukee Northwest	Melrose Milwaukee Holdings, LLC	One Park LLC
Parkland Center 11200 W Parkland Ave	\$20,828,000	Milwaukee Northwest	Galaxy IL WI LP	GC Net Lease Investors LLC
Fair Park Business Center 620 S 76th St	\$14,600,000	Milwaukee West	Beau Pere Real Estate LLC	Fair Park Property Group LLC
4777 Ironwood Dr	\$9,459,800	Milwaukee South	RDC-4777 Ironwood Drive LLC	NTT Global Data Centers Americas Inc
Liberty I 11414 W Park Pl	\$4,400,000	Milwaukee Northwest	Melrose Milwaukee Holdings, LLC	Liberty One, LLC



Market	Sold (sf)
Milwaukee Dwtm East	51,996
Mequon - Thiensville	12,911
Milwaukee Central	61,722
Milwaukee Northwest	552,439
Milwaukee South	79,911
Milwaukee West	119,040
Pewaukee	29,047
Grand Total	907,066

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 full service gross (FSG) terms with Net type leases grossed up.

Advisory Board Members

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Cushman & Wakefield Boerke	Jim Cavanaugh	NAI Greywolf	Wally Sauthoff
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		Newmark	Nate Winkle

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