

Market

Trends

Q4 2023

Milwaukee - Office



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MARKET TRENDS

Q4 2023 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	798,101	
Area Unemployment	3.1	
U.S. Unemployment	3.7	
Office Using Jobs	178,300	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,185,435
Total # of Bldgs (tracked)	564
Absorption	(341,730)
Vacancy	17.7%
Asking Rate (FSG)	\$20.87
New Construction (sf)	205,428

Multi-tenant Properties

Total Inventory (sf)	30,111,246
Total # of Bldgs (tracked)	424
Absorption	(103,601)
Vacancy	23.3%
Asking Rate (FSG)	\$20.89

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 40 basis points to 3.1% compared to 2.7% in November 2022. The unemployment rate for the US was at 3.7% in December 2023 which increased 20 basis points from last year. State of Wisconsin unemployment was 3.3% for this quarter. The Milwaukee MSA saw an increase in job growth while office using jobs decreased by 5,000 during the same period.

Market Overview

The Milwaukee office market consisting of 45 msf of space has posted (341,700) sf negative absorption for Q4 2023. This brings the YTD to (529,400) sf negative absorption. Multi-tenant only properties had (103,600) sf negative absorption. This brings the YTD to (368,500) sf negative absorption. The vacancy rate came in at 17.7% during Q4 2023 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 23.3%.

Market Highlights

Pewaukee had the largest increase with 35,200 sf positive absorption led by Better CoWork buying a 24,300 sf property. Milwaukee Northwest topped all markets with (188,800) sf negative absorption led by FIS vacating 238,000 sf. This quarter Milwaukee CBD posted (34,800) sf negative absorption compared to the suburban markets posting (306,900) sf negative absorption. There are currently 6 properties under construction totaling 205,000 sf and 2 properties delivered YTD totaling 228,000 sf. There were 86 lease transactions with 366,000 sf during Q4 2023. Thirty four office properties with 983,000 sf sold for \$108.3 million.

Market Overview by Class (Multi and Single Tenant)

Total

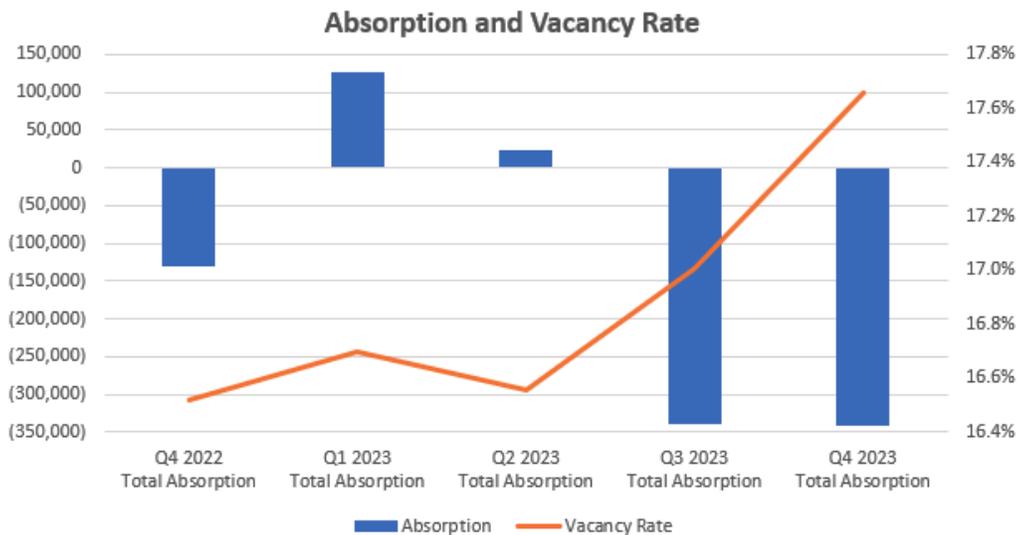
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	54	12,055,275	2,366,323	2,018,767	(90,477)	(4,027)	16.7%
B	462	31,077,542	6,805,510	5,821,193	(249,707)	(523,305)	18.7%
C	48	2,052,618	140,107	138,323	(1,546)	(2,126)	6.7%
Grand Total	564	45,185,435	9,311,940	7,978,283	(341,730)	(529,458)	17.7%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	54	12,055,275	2,125,737	1,940,168	(87,338)	(2,760)	16.1%
B	462	31,077,542	6,364,154	5,609,406	(260,377)	(673,331)	18.0%
C	48	2,052,618	136,543	138,323	(1,546)	(2,126)	6.7%
Grand Total	564	45,185,435	8,626,434	7,687,897	(349,261)	(678,217)	17.0%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	54	12,055,275	240,586	78,599	(3,139)	(1,267)	0.7%
B	462	31,077,542	441,356	211,787	10,670	150,026	0.7%
C	48	2,052,618	3,564		0	0	0.0%
Grand Total	564	45,185,435	685,506	290,386	7,531	148,759	0.6%

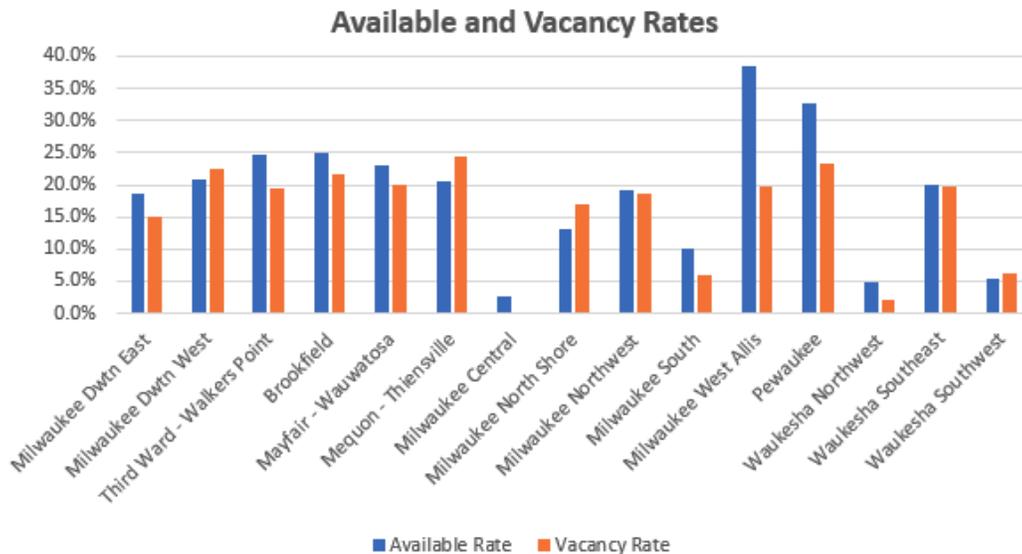


Market Statistics by Market (Multi and Single Tenant)

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	14	5,961,922	1,159,538	934,335	(35,060)	(68,233)	15.7%
	B	39	4,661,855	831,899	666,621	(13,591)	(114,246)	14.3%
	C	4	146,389	1,300	22,500	0	0	15.4%
	Subtotal	57	10,770,166	1,992,737	1,623,456	(48,651)	(182,479)	15.1%
Milwaukee Downtown West	A	2	348,371	75,427	62,427	0	0	17.9%
	B	32	4,494,981	942,716	1,039,150	(12,067)	(23,273)	23.1%
	C	3	234,311	45,000	45,000	0	0	19.2%
	Subtotal	37	5,077,663	1,063,143	1,146,577	(12,067)	(23,273)	22.6%
Third Ward - Walkers Point	A	5	739,907	161,024	161,024	0	176,350	21.8%
	B	37	2,157,237	538,395	385,014	25,917	(14,408)	17.8%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	46	3,017,857	742,382	589,001	25,917	161,942	19.5%
Milwaukee CBD	A	21	7,050,200	1,395,989	1,157,786	(35,060)	108,117	16.4%
	B	108	11,314,073	2,313,010	2,090,785	259	(151,927)	18.5%
	C	11	501,413	89,263	110,463	0	0	22.0%
	Subtotal	140	18,865,686	3,798,262	3,359,034	(34,801)	(43,810)	17.8%
Brookfield	A	6	547,244	106,992	103,194	(58,070)	(61,973)	18.9%
	B	95	5,696,261	1,474,541	1,266,058	(92,490)	(195,653)	22.2%
	C	3	94,859			0	0	0.0%
	Subtotal	104	6,338,364	1,581,533	1,369,252	(150,560)	(257,626)	21.6%
Mayfair - Wauwatosa	A	15	2,098,871	506,186	431,903	5,937	(27,286)	20.6%
	B	28	1,420,703	350,539	323,370	935	(31,316)	22.8%
	C	7	303,574	26,054	12,785	0	0	4.2%
	Subtotal	50	3,823,148	882,779	768,058	6,872	(58,602)	20.1%
Mequon - Thiensville	A	1	37,670		6,237	0	10,013	16.6%
	B	15	425,823	95,255	107,099	1,269	3,763	25.2%
	Subtotal	16	463,493	95,255	113,336	1,269	13,776	24.5%
Milwaukee Central	B	9	691,988	32,000		0	0	0.0%
	C	10	562,925			0	0	0.0%
	Subtotal	19	1,254,913	32,000		0	0	0.0%
Milwaukee North Shore	A	2	175,962	143,093	143,093	(900)	(18,120)	81.3%
	B	34	2,047,838	162,609	268,285	27,016	18,838	13.1%
	C	7	271,978	24,790	15,075	(1,546)	(2,126)	5.5%
	Subtotal	43	2,495,778	330,492	426,453	24,570	(1,408)	17.1%

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	4	1,090,478	46,899	46,899	0	0	4.3%
	B	51	3,344,627	805,842	781,119	(188,818)	(223,446)	23.4%
	Subtotal	55	4,435,105	852,741	828,018	(188,818)	(223,446)	18.7%
Milwaukee South	A	1	680,266			0	0	0.0%
	B	22	915,898	171,787	102,268	(16,398)	(6,302)	11.2%
	C	2	91,658			0	0	0.0%
	Subtotal	25	1,687,822	171,787	102,268	(16,398)	(6,302)	6.1%
Milwaukee West Allis	B	19	1,846,834	734,983	378,330	(5,301)	(7,123)	20.5%
	C	2	61,785			0	0	0.0%
	Subtotal	21	1,908,619	734,983	378,330	(5,301)	(7,123)	19.8%
Pewaukee	A	4	374,584	167,164	129,655	(2,384)	(14,778)	34.6%
	B	30	1,607,085	482,425	332,054	37,600	40,173	20.7%
	Subtotal	34	1,981,669	649,589	461,709	35,216	25,395	23.3%
Waukesha Northwest - Lake Country	B	17	558,398	29,609	13,114	2,511	6,552	2.3%
	C	1	51,462			0	0	0.0%
	Subtotal	18	609,860	29,609	13,114	2,511	6,552	2.2%
Waukesha Southeast - New Berlin	B	17	564,613	113,080	110,795	(16,290)	155	19.6%
	Subtotal	17	564,613	113,080	110,795	(16,290)	155	19.6%
Waukesha Southwest	B	17	643,401	39,830	47,916	0	22,981	7.4%
	C	5	112,964			0	0	0.0%
	Subtotal	22	756,365	39,830	47,916	0	22,981	6.3%
Suburban	A	33	5,005,075	970,334	860,981	(55,417)	(112,144)	17.2%
	B	354	19,763,469	4,492,500	3,730,408	(249,966)	(371,378)	18.9%
	C	37	1,551,205	50,844	27,860	(1,546)	(2,126)	1.8%
	Subtotal	424	26,319,749	5,513,678	4,619,249	(306,929)	(485,648)	17.6%
Grand Total		564	45,185,435	9,311,940	7,978,283	(341,730)	(529,458)	17.7%

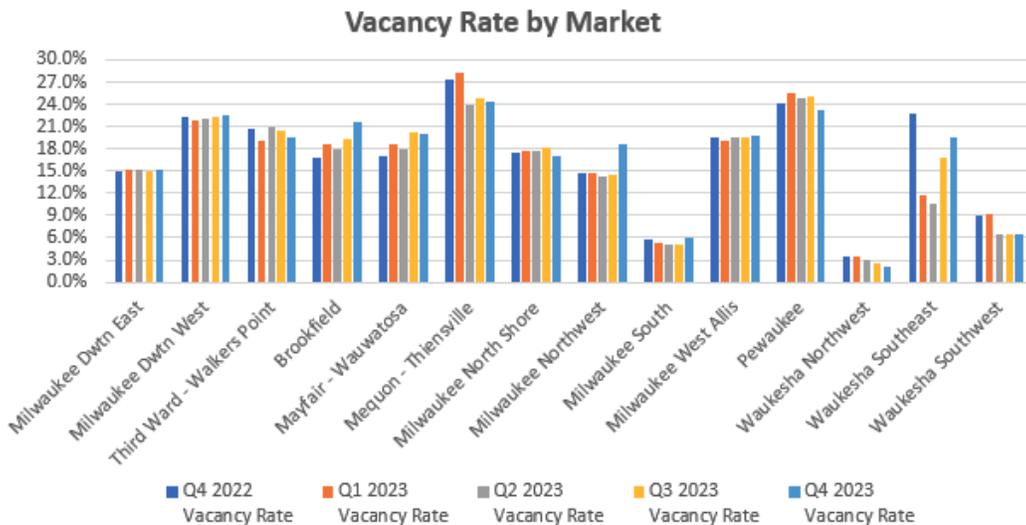


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate
Milwaukee Downtown East	A	14.5%	14.4%	14.1%	15.1%	15.7%
	B	15.7%	15.9%	16.5%	14.9%	14.3%
	C	15.4%	15.4%	15.4%	15.4%	15.4%
	Subtotal	15.1%	15.1%	15.2%	15.0%	15.1%
Milwaukee Downtown West	A	17.9%	17.9%	17.9%	17.9%	17.9%
	B	22.7%	22.3%	22.5%	22.8%	23.1%
	C	19.2%	19.2%	19.2%	19.2%	19.2%
	Subtotal	22.3%	21.8%	22.1%	22.3%	22.6%
Third Ward - Walkers Point	A	30.8%	23.6%	22.6%	21.8%	21.8%
	B	17.2%	16.6%	19.4%	19.0%	17.8%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	20.7%	19.1%	20.8%	20.4%	19.5%
Milwaukee CBD	A	16.1%	15.6%	15.2%	15.9%	16.4%
	B	18.7%	18.5%	19.4%	18.9%	18.5%
	C	22.0%	22.0%	22.0%	22.0%	22.0%
	Subtotal	17.8%	17.5%	17.9%	17.9%	17.8%
Brookfield	A	7.5%	7.5%	6.7%	8.2%	18.9%
	B	17.9%	19.9%	19.4%	20.6%	22.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.8%	18.5%	18.0%	19.2%	21.6%
Mayfair - Wauwatosa	A	16.5%	18.6%	17.1%	20.9%	20.6%
	B	20.6%	21.5%	21.8%	22.8%	22.8%
	C	4.2%	4.2%	4.2%	4.2%	4.2%
	Subtotal	17.0%	18.5%	17.8%	20.3%	20.1%
Mequon - Thiensville	A	43.1%	43.1%	16.6%	16.6%	16.6%
	B	26.0%	26.8%	24.6%	25.4%	25.2%
	Subtotal	27.4%	28.2%	24.0%	24.7%	24.5%
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	71.0%	67.2%	67.2%	80.8%	81.3%
	B	14.6%	15.0%	15.1%	14.4%	13.1%
	C	4.8%	4.8%	4.4%	5.0%	5.5%
	Subtotal	17.6%	17.7%	17.7%	18.1%	17.1%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate
Milwaukee Northwest	A	4.3%	4.3%	4.3%	4.3%	4.3%
	B	18.0%	18.2%	17.4%	17.7%	23.4%
	Subtotal	14.7%	14.8%	14.2%	14.4%	18.7%
Milwaukee South	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	11.0%	9.9%	9.6%	9.4%	11.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	5.8%	5.3%	5.1%	5.1%	6.1%
Milwaukee West Allis	B	20.1%	19.8%	20.3%	20.2%	20.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	19.4%	19.2%	19.6%	19.5%	19.8%
Pewaukee	A	30.7%	33.0%	32.8%	34.0%	34.6%
	B	22.8%	23.6%	22.9%	23.0%	20.7%
	Subtotal	24.2%	25.4%	24.7%	25.1%	23.3%
Waukesha Northwest - Lake Country	B	3.5%	3.5%	3.1%	2.8%	2.3%
	C	#DIV/0!	#DIV/0!	#DIV/0!	0.0%	0.0%
	Subtotal	3.5%	3.5%	3.1%	2.6%	2.2%
Waukesha Southeast - New Berlin	B	22.8%	11.8%	10.7%	16.7%	19.6%
	Subtotal	22.8%	11.8%	10.7%	16.7%	19.6%
Waukesha Southwest	B	10.3%	10.7%	7.6%	7.4%	7.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	8.9%	9.2%	6.6%	6.4%	6.3%
Suburban	A	13.7%	14.7%	13.8%	16.1%	17.2%
	B	17.1%	17.6%	17.1%	17.6%	18.9%
	C	1.7%	1.7%	1.7%	1.7%	1.8%
	Subtotal	15.6%	16.1%	15.6%	16.4%	17.6%
Grand Total		16.5%	16.7%	16.6%	17.0%	17.7%

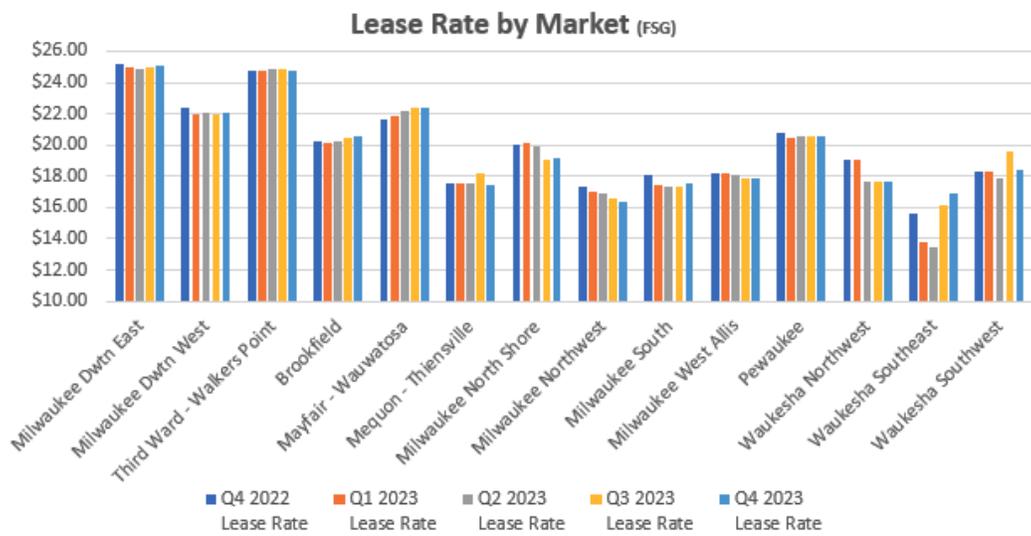


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate
Milwaukee Downtown East	A	\$33.23	\$32.20	\$32.21	\$32.21	\$32.45
	B	\$21.85	\$21.55	\$21.66	\$21.58	\$21.42
	C	\$18.00	\$18.00	\$18.00	\$18.00	
	Subtotal	\$25.15	\$24.96	\$24.89	\$24.97	\$25.10
Milwaukee Downtown West	A	\$28.10				
	B	\$22.01	\$22.01	\$22.04	\$22.01	\$22.07
	C					
	Subtotal	\$22.41	\$22.01	\$22.04	\$22.01	\$22.07
Third Ward - Walkers Point	A	\$30.13	\$29.45	\$29.32	\$29.32	\$29.18
	B	\$24.58	\$24.60	\$24.67	\$24.68	\$24.58
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.81	\$24.77	\$24.81	\$24.82	\$24.71
Milwaukee CBD	A	\$32.10	\$31.65	\$31.63	\$31.63	\$31.79
	B	\$22.91	\$22.74	\$22.77	\$22.80	\$22.70
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.32	\$24.16	\$24.13	\$24.15	\$24.19
Brookfield	A	\$24.15	\$24.15	\$24.44	\$24.96	\$25.19
	B	\$20.07	\$19.93	\$19.99	\$20.12	\$20.28
	C					
	Subtotal	\$20.24	\$20.10	\$20.26	\$20.50	\$20.59
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.92	\$26.89	\$26.89
	B	\$19.02	\$19.07	\$18.92	\$19.14	\$19.24
	C					
	Subtotal	\$21.62	\$21.81	\$22.21	\$22.34	\$22.39
Mequon - Thiensville	A					
	B	\$17.55	\$17.51	\$17.51	\$18.18	\$17.44
	Subtotal	\$17.55	\$17.51	\$17.51	\$18.18	\$17.44
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.04	\$24.48	\$24.48		\$24.00
	B	\$19.88	\$19.88	\$19.56	\$19.56	\$18.42
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.05	\$20.12	\$19.91	\$19.00	\$19.20

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

Market	Bldg Class	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.18	\$16.82	\$16.66	\$16.35	\$16.12
	Subtotal	\$17.33	\$17.00	\$16.85	\$16.57	\$16.38
Milwaukee South	A					
	B	\$18.03	\$17.39	\$17.28	\$17.28	\$17.57
	Subtotal	\$18.03	\$17.39	\$17.28	\$17.28	\$17.57
Milwaukee West Allis	B	\$18.20	\$18.21	\$18.13	\$17.88	\$17.83
	C					
	Subtotal	\$18.20	\$18.21	\$18.13	\$17.88	\$17.83
Pewaukee	A	\$23.64	\$23.76	\$23.78	\$23.78	\$23.80
	B	\$20.04	\$19.63	\$19.73	\$19.59	\$19.68
	Subtotal	\$20.76	\$20.46	\$20.58	\$20.52	\$20.59
Waukesha Northwest - Lake Country	B	\$19.08	\$19.08	\$17.63	\$17.63	\$17.63
	C					
	Subtotal	\$19.08	\$19.08	\$17.63	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$15.60	\$13.75	\$13.50	\$16.17	\$16.88
	Subtotal	\$15.60	\$13.75	\$13.50	\$16.17	\$16.88
Waukesha Southwest	B	\$18.27	\$18.30	\$17.91	\$19.58	\$18.41
	C					
	Subtotal	\$18.27	\$18.30	\$17.91	\$19.58	\$18.41
Suburban	A	\$24.63	\$24.73	\$25.06	\$25.22	\$25.13
	B	\$18.95	\$18.77	\$18.75	\$18.90	\$18.81
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.47	\$19.33	\$19.44	\$19.56	\$19.53
Grand Total		\$20.79	\$20.63	\$20.75	\$20.86	\$20.87



Market Overview by Class (Multi-Tenant Properties)

Total

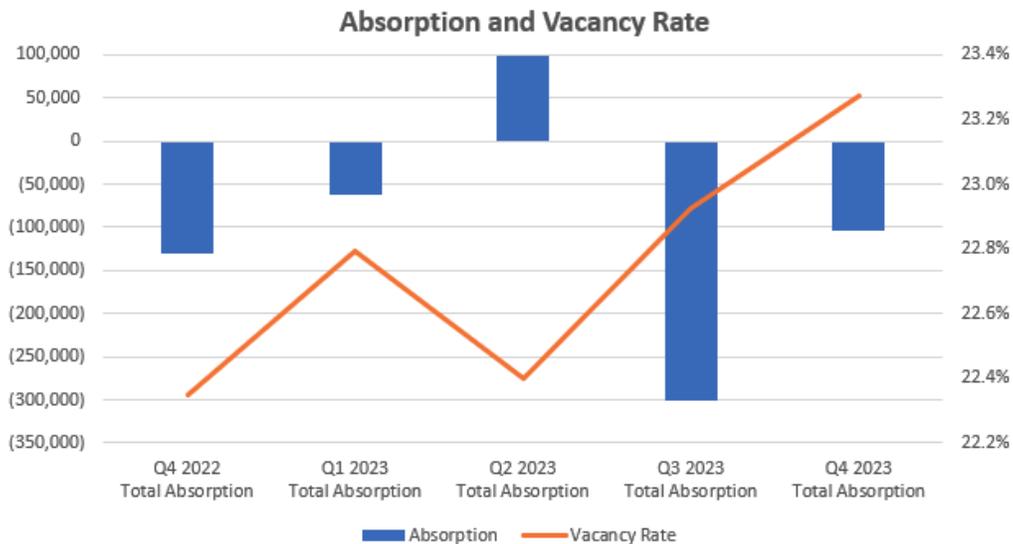
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	42	7,874,055	2,214,135	1,956,340	(90,477)	(162,335)	24.8%
B	347	20,724,209	5,936,832	4,957,595	(11,578)	(204,130)	23.9%
C	34	1,512,982	95,107	93,323	(1,546)	(2,126)	6.2%
Grand Total	423	30,111,246	8,246,074	7,007,258	(103,601)	(368,591)	23.3%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	42	7,874,055	2,035,976	1,940,168	(87,338)	(161,068)	24.6%
B	347	20,724,209	5,534,807	4,785,139	(22,248)	(317,156)	23.1%
C	34	1,512,982	91,543	93,323	(1,546)	(2,126)	6.2%
Grand Total	423	30,111,246	7,662,326	6,818,630	(111,132)	(480,350)	22.6%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	42	7,874,055	178,159	16,172	(3,139)	(1,267)	0.2%
B	347	20,724,209	402,025	172,456	10,670	113,026	0.8%
C	34	1,512,982	3,564		0	0	0.0%
Grand Total	423	30,111,246	583,748	188,628	7,531	111,759	0.6%

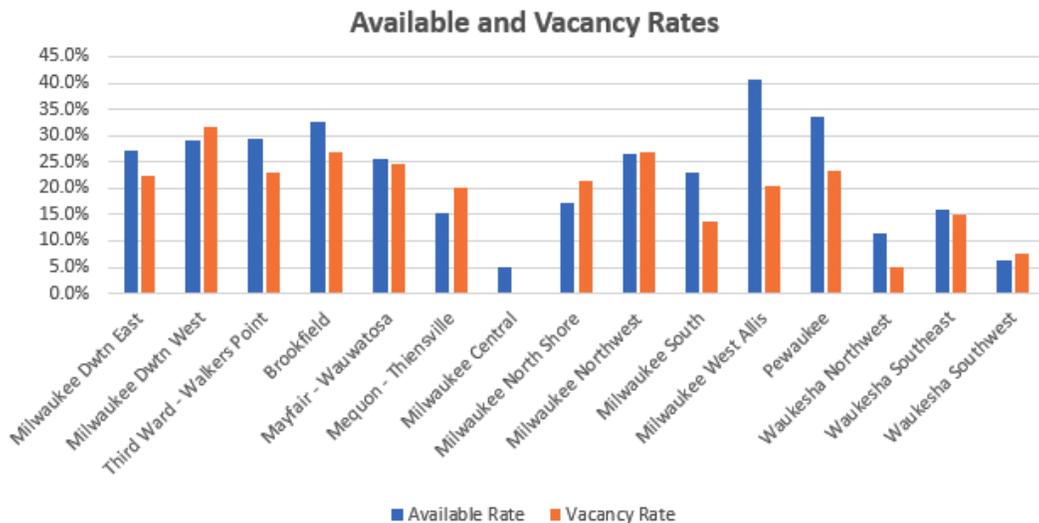


Market Statistics by Market (Multi-Tenant Properties)

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	12	4,677,456	1,159,538	934,335	(35,060)	(68,233)	20.0%
	B	29	2,525,343	831,899	666,621	(13,591)	(114,246)	26.4%
	C	3	115,387	1,300	22,500	0	0	19.5%
	Subtotal	44	7,318,186	1,992,737	1,623,456	(48,651)	(182,479)	22.2%
Milwaukee Downtown West	A	1	68,371	13,000		0	0	0.0%
	B	25	3,130,258	942,716	1,039,150	(12,067)	(23,273)	33.2%
	C	1	95,561			0	0	0.0%
	Subtotal	27	3,294,190	955,716	1,039,150	(12,067)	(23,273)	31.5%
Third Ward - Walkers Point	A	2	297,047	161,024	161,024	0	18,042	54.2%
	B	32	1,969,145	496,395	343,014	25,917	27,592	17.4%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	38	2,386,905	700,382	547,001	25,917	45,634	22.9%
Milwaukee CBD	A	15	5,042,874	1,333,562	1,095,359	(35,060)	(50,191)	21.7%
	B	86	7,624,746	2,271,010	2,048,785	259	(109,927)	26.9%
	C	8	331,661	44,263	65,463	0	0	19.7%
	Subtotal	109	12,999,281	3,648,835	3,209,607	(34,801)	(160,118)	24.7%
Brookfield	A	5	502,244	106,992	103,194	(58,070)	(61,973)	20.5%
	B	80	4,222,065	1,444,041	1,180,838	(92,490)	(165,153)	28.0%
	C	1	37,897			0	0	0.0%
	Subtotal	86	4,762,206	1,551,033	1,284,032	(150,560)	(227,126)	27.0%
Mayfair - Wauwatosa	A	13	1,569,637	416,425	431,903	5,937	(27,286)	27.5%
	B	24	1,280,499	350,539	323,370	935	(31,316)	25.3%
	C	6	268,078	26,054	12,785	0	0	4.8%
	Subtotal	43	3,118,214	793,018	768,058	6,872	(58,602)	24.6%
Mequon - Thiensville	A	1	37,670		6,237	0	10,013	16.6%
	B	12	329,246	55,924	67,768	1,269	3,763	20.6%
	Subtotal	13	366,916	55,924	74,005	1,269	13,776	20.2%
Milwaukee Central	B	5	216,780	32,000		0	0	0.0%
	C	6	406,133			0	0	0.0%
	Subtotal	11	622,913	32,000		0	0	0.0%
Milwaukee North Shore	A	2	175,962	143,093	143,093	(900)	(18,120)	81.3%
	B	26	1,000,251	80,043	152,095	27,016	18,838	15.2%
	C	7	271,978	24,790	15,075	(1,546)	(2,126)	5.5%
	Subtotal	35	1,448,191	247,926	310,263	24,570	(1,408)	21.4%

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	2	171,084	46,899	46,899	0	0	27.4%
	B	29	1,765,995	467,311	474,922	49,311	46,229	26.9%
	Subtotal	31	1,937,079	514,210	521,821	49,311	46,229	26.9%
Milwaukee South	B	16	653,459	171,787	102,268	(16,398)	(6,302)	15.7%
	C	2	91,658			0	0	0.0%
	Subtotal	18	745,117	171,787	102,268	(16,398)	(6,302)	13.7%
Milwaukee West Allis	B	16	1,722,795	711,283	354,630	(5,301)	(7,123)	20.6%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,750,311	711,283	354,630	(5,301)	(7,123)	20.3%
Pewaukee	A	4	374,584	167,164	129,655	(2,384)	(14,778)	34.6%
	B	20	849,517	244,375	155,094	37,600	40,173	18.3%
	Subtotal	24	1,224,101	411,539	284,749	35,216	25,395	23.3%
Waukesha Northwest - Lake Country	B	10	256,529	29,609	13,114	2,511	6,552	5.1%
	Subtotal	10	256,529	29,609	13,114	2,511	6,552	5.1%
Waukesha Southeast - New Berlin	B	9	247,541	39,080	36,795	(16,290)	(22,845)	14.9%
	Subtotal	9	247,541	39,080	36,795	(16,290)	(22,845)	14.9%
Waukesha Southwest	B	14	554,786	39,830	47,916	0	22,981	8.6%
	C	3	78,061			0	0	0.0%
	Subtotal	17	632,847	39,830	47,916	0	22,981	7.6%
Suburban	A	27	2,831,181	880,573	860,981	(55,417)	(112,144)	30.4%
	B	261	13,099,463	3,665,822	2,908,810	(11,837)	(94,203)	22.2%
	C	26	1,181,321	50,844	27,860	(1,546)	(2,126)	2.4%
	Subtotal	314	17,111,965	4,597,239	3,797,651	(68,800)	(208,473)	22.2%
Grand Total		423	30,111,246	8,246,074	7,007,258	(103,601)	(368,591)	23.3%

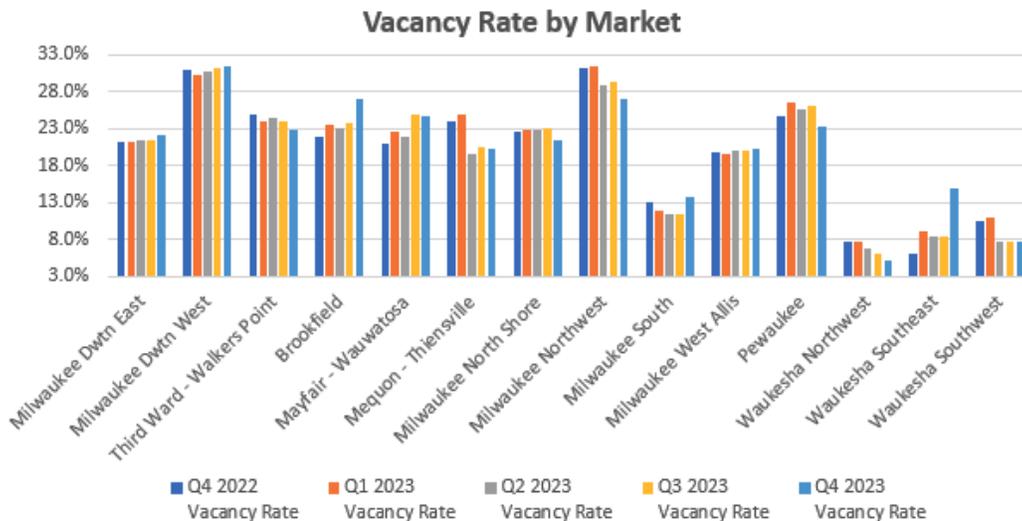


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate
Milwaukee Downtown East	A	18.5%	18.4%	18.0%	19.2%	20.0%
	B	25.2%	25.7%	26.8%	25.9%	26.4%
	C	19.5%	19.5%	19.5%	19.5%	19.5%
	Subtotal	21.1%	21.2%	21.4%	21.5%	22.2%
Milwaukee Downtown West	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	32.8%	32.0%	32.4%	32.8%	33.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	31.1%	30.4%	30.8%	31.2%	31.5%
Third Ward - Walkers Point	A	60.3%	58.8%	56.2%	54.2%	54.2%
	B	18.8%	18.2%	19.1%	18.7%	17.4%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	24.8%	24.1%	24.6%	24.0%	22.9%
Milwaukee CBD	A	20.7%	20.5%	20.0%	21.0%	21.7%
	B	26.5%	26.3%	27.1%	26.9%	26.9%
	C	19.7%	19.7%	19.7%	19.7%	19.7%
	Subtotal	24.2%	24.0%	24.3%	24.4%	24.7%
Brookfield	A	8.2%	8.2%	7.3%	9.0%	20.5%
	B	23.8%	25.7%	25.2%	25.8%	28.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	22.0%	23.7%	23.1%	23.8%	27.0%
Mayfair - Wauwatosa	A	22.3%	24.9%	22.9%	27.9%	27.5%
	B	22.8%	23.9%	24.2%	25.3%	25.3%
	C	4.8%	4.8%	4.8%	4.8%	4.8%
	Subtotal	21.0%	22.7%	21.9%	24.9%	24.6%
Mequon - Thiensville	A	43.1%	43.1%	16.6%	16.6%	16.6%
	B	21.7%	22.8%	19.9%	21.0%	20.6%
	Subtotal	23.9%	24.9%	19.6%	20.5%	20.2%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	0.0%	0.0%	0.0%	0.0%	0.0%
Milwaukee North Shore	A	71.0%	67.2%	67.2%	80.8%	81.3%
	B	18.5%	19.6%	19.8%	17.9%	15.2%
	C	4.8%	4.8%	4.4%	5.0%	5.5%
	Subtotal	22.5%	22.8%	22.9%	23.1%	21.4%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate
Milwaukee Northwest	A	27.4%	27.4%	27.4%	27.4%	27.4%
	B	31.6%	31.9%	29.1%	29.7%	26.9%
	Subtotal	31.3%	31.5%	28.9%	29.5%	26.9%
Milwaukee South	B	15.0%	13.4%	13.1%	13.1%	15.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	13.1%	11.8%	11.5%	11.5%	13.7%
Milwaukee West Allis	B	20.2%	19.8%	20.3%	20.3%	20.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	19.9%	19.5%	20.0%	20.0%	20.3%
Pewaukee	A	30.7%	33.0%	32.8%	34.0%	34.6%
	B	22.2%	23.9%	22.4%	22.7%	18.3%
	Subtotal	24.7%	26.7%	25.6%	26.1%	23.3%
Waukesha Northwest - Lake Country	B	7.7%	7.7%	6.7%	6.1%	5.1%
	Subtotal	7.7%	7.7%	6.7%	6.1%	5.1%
Waukesha Southeast - New Berlin	B	6.1%	9.0%	8.3%	8.3%	14.9%
	Subtotal	6.1%	9.0%	8.3%	8.3%	14.9%
Waukesha Southwest	B	11.9%	12.4%	8.9%	8.6%	8.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	10.5%	10.9%	7.8%	7.6%	7.6%
Suburban	A	24.6%	26.0%	24.4%	28.5%	30.4%
	B	21.8%	22.8%	21.9%	22.1%	22.2%
	C	2.2%	2.2%	2.1%	2.2%	2.4%
	Subtotal	20.9%	21.9%	20.9%	21.8%	22.2%
Grand Total		22.3%	22.8%	22.4%	22.9%	23.3%

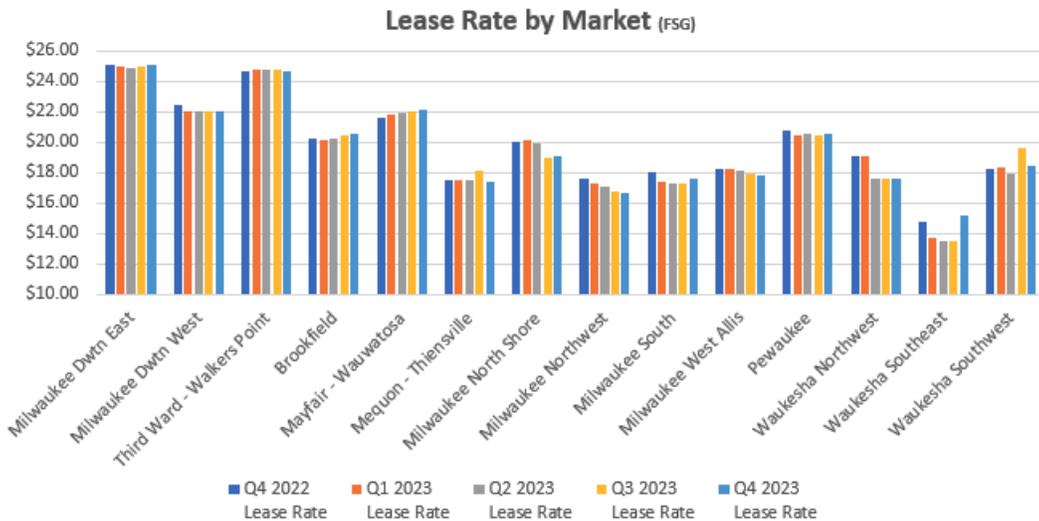


Lease Rates by Market (Multi-Tenant)

Market	Bldg Class	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate
Milwaukee Downtown East	A	\$33.23	\$32.20	\$32.21	\$32.21	\$32.45
	B	\$21.85	\$21.55	\$21.66	\$21.58	\$21.42
	C	\$18.00	\$18.00	\$18.00	\$18.00	
	Subtotal	\$25.15	\$24.96	\$24.89	\$24.97	\$25.10
Milwaukee Downtown West	A	\$28.10				
	B	\$22.01	\$22.01	\$22.04	\$22.01	\$22.07
	C					
	Subtotal	\$22.41	\$22.01	\$22.04	\$22.01	\$22.07
Third Ward - Walkers Point	A	\$30.13	\$29.45	\$29.32	\$29.32	\$29.18
	B	\$24.40	\$24.60	\$24.67	\$24.68	\$24.58
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.66	\$24.77	\$24.81	\$24.82	\$24.71
Milwaukee CBD	A	\$32.10	\$31.65	\$31.63	\$31.63	\$31.79
	B	\$22.81	\$22.74	\$22.77	\$22.80	\$22.70
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.27	\$24.16	\$24.13	\$24.15	\$24.19
Brookfield	A	\$24.15	\$24.15	\$24.44	\$24.96	\$25.19
	B	\$20.07	\$19.93	\$19.99	\$20.12	\$20.28
	C					
	Subtotal	\$20.24	\$20.10	\$20.26	\$20.50	\$20.59
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.99	\$26.96	\$26.96
	B	\$19.02	\$19.07	\$18.92	\$19.14	\$19.24
	C					
	Subtotal	\$21.62	\$21.81	\$21.94	\$22.07	\$22.14
Mequon - Thiensville	A					
	B	\$17.55	\$17.51	\$17.51	\$18.18	\$17.44
	Subtotal	\$17.55	\$17.51	\$17.51	\$18.18	\$17.44
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.04	\$24.48	\$24.48		\$24.00
	B	\$19.88	\$19.88	\$19.56	\$19.56	\$18.00
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.05	\$20.12	\$19.91	\$19.00	\$19.06

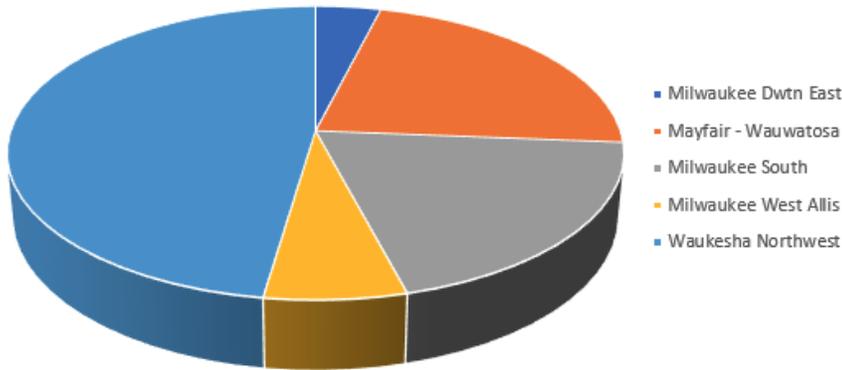
Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.45	\$17.08	\$16.90	\$16.57	\$16.33
	Subtotal	\$17.61	\$17.27	\$17.10	\$16.80	\$16.61
Milwaukee South	B	\$18.03	\$17.39	\$17.28	\$17.28	\$17.57
	C					
	Subtotal	\$18.03	\$17.39	\$17.28	\$17.28	\$17.57
Milwaukee West Allis	B	\$18.20	\$18.21	\$18.13	\$17.88	\$17.83
	C					
	Subtotal	\$18.20	\$18.21	\$18.13	\$17.88	\$17.83
Pewaukee	A	\$23.64	\$23.76	\$23.78	\$23.78	\$23.80
	B	\$20.01	\$19.57	\$19.60	\$19.44	\$19.53
	Subtotal	\$20.77	\$20.45	\$20.53	\$20.46	\$20.54
Waukesha Northwest - Lake Country	B	\$19.08	\$19.08	\$17.63	\$17.63	\$17.63
	Subtotal	\$19.08	\$19.08	\$17.63	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$14.75	\$13.75	\$13.50	\$13.50	\$15.17
	Subtotal	\$14.75	\$13.75	\$13.50	\$13.50	\$15.17
Waukesha Southwest	B	\$18.27	\$18.30	\$17.91	\$19.58	\$18.41
	C					
	Subtotal	\$18.27	\$18.30	\$17.91	\$19.58	\$18.41
Suburban	A	\$24.63	\$24.73	\$24.97	\$25.13	\$25.05
	B	\$19.01	\$18.82	\$18.79	\$18.92	\$18.82
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.54	\$19.38	\$19.44	\$19.55	\$19.51
Grand Total		\$20.84	\$20.69	\$20.78	\$20.88	\$20.89



Under Construction

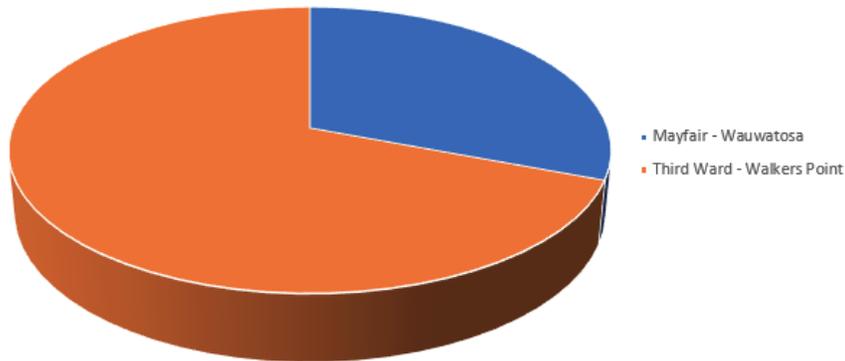
Under Construction (sf)



Market	Bldg (sf)
Milwaukee Dwtm East	8,104
Mayfair - Wauwatosa	45,823
Milwaukee South	40,288
Milwaukee West Allis	13,300
Waukesha Northwest	97,913
Grand Total	205,428

YTD Deliveries

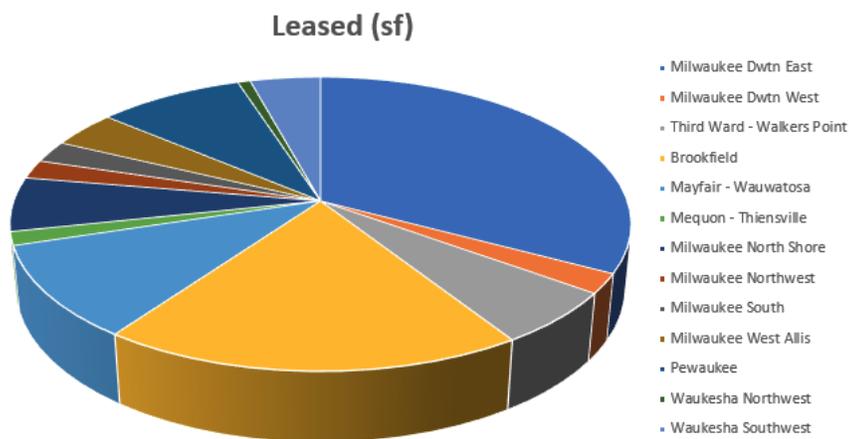
YTD Delivered (sf)



Market	Bldg (sf)
Mayfair - Wauwatosa	70,357
Third Ward - Walkers Point	158,308
Grand Total	228,665

Leasing Activity

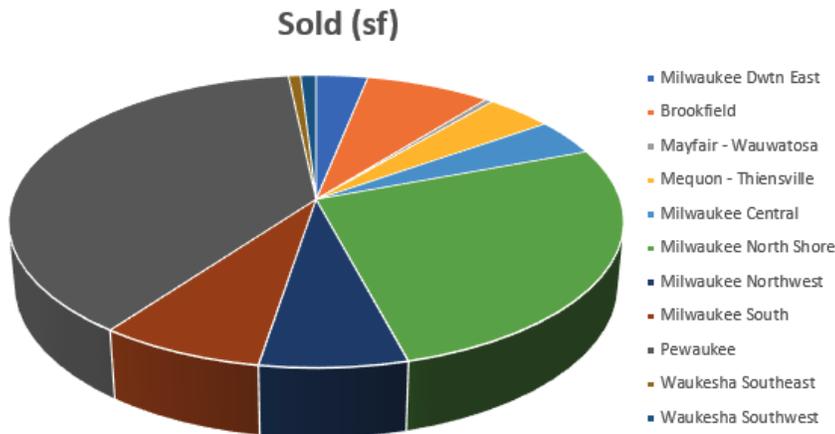
Property	Size (sf)	Market	Tenant	Landlord
Associated Bank River Ctr 107 E Kilbourn Ave	52,616	Milwaukee Dwtm East	Marcus Corp	Milwaukee Center Mgmt LLC
17950 W Corporate Dr	12,234	Brookfield	Waterstone Mortgage	Brookfield Lakes LLP
Bluemound Crossings 16650 W Bluemound Rd	10,756	Brookfield	Highlander Dermatology	Cornicione Development LLC
Brookfield Lakes 17775 W Bluemound Rd	10,719	Brookfield	Kowal Investment Group	Brookfield Lakes WI Realty LP
Mayfair Woods 10700 Research Dr	8,018	Mayfair - Wauwatosa	Midwest Trust	Mayfair Woods LLC



Market	Leased (sf)
Milwaukee Dwtm East	120,062
Milwaukee Dwtm West	7,931
Third Ward - Walkers Point	21,707
Brookfield	69,752
Mayfair - Wauwatosa	37,531
Mequon - Thiensville	5,435
Milwaukee North Shore	21,816
Milwaukee Northwest	7,567
Milwaukee South	8,818
Milwaukee West Allis	14,736
Pewaukee	32,413
Waukesha Northwest	2,788
Waukesha Southwest	15,585
Grand Total	366,141

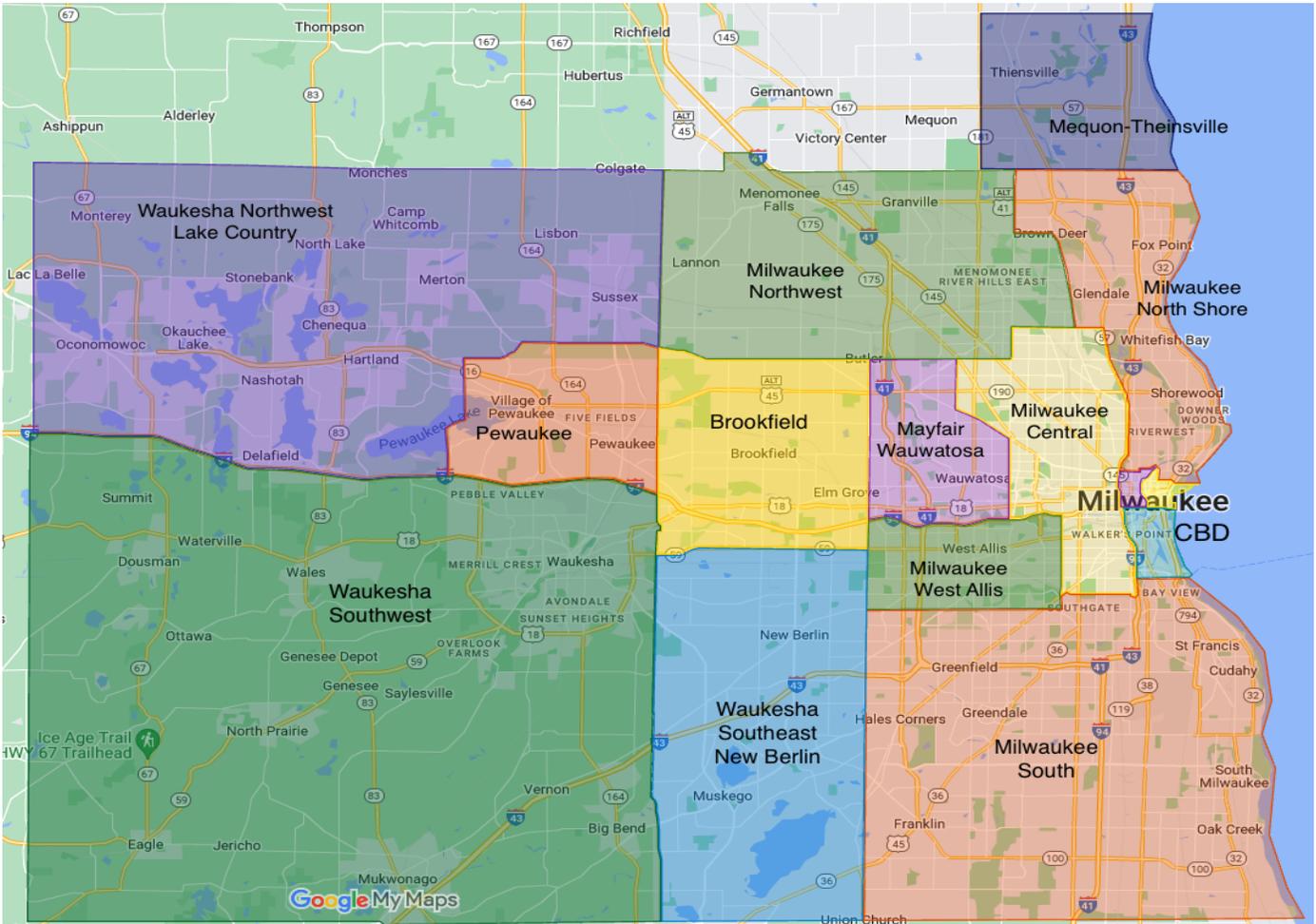
Sales Activity

Property	Price	Market	Buyer	Seller
RidgeView Office Center 2000 Ridgeview Pkwy	\$62,500,000	Pewaukee	American Transmission Company LLC	Mai Holding Co LLC
Two Riverwood Place 24133 Riverwood Dr	\$11,250,000	Pewaukee	Riverwood Pewaukee LLC	Riverwood CW LLC
Wyndham Hills Professional Centre 9120-9130 W Loomis Rd	\$5,200,000	Milwaukee South	Franklin Investment Group, LLC	Wyndham Properties LLC Midwest Detox Brookfield Property LLC
13850 W Capital Dr	\$4,500,000	Brookfield	Brookfield Propco LLC	Wisconsin Robinson Family
350 Bishops Way	\$3,000,000	Brookfield	Flats at Bishops Woods LP	



Market	Sold (sf)
Milwaukee Dwtm East	30,800
Brookfield	74,728
Mayfair - Wauwatosa	4,416
Mequon - Thiensville	40,000
Milwaukee Central	39,700
Milwaukee North Shore	260,972
Milwaukee Northwest	66,346
Milwaukee South	74,207
Pewaukee	375,546
Waukesha Southeast	7,248
Waukesha Southwest	9,245
Grand Total	983,208

Market Map



Milwaukee CBD Markets



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 when a tenant occupies their new space 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) Inventory	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 tenant occupies their new space 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.

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REDIComps Team

Jeremy Bengtson	CEO	jeremy@redicomps.com
Chris Allen	Regional Director of Analytics	chris@redicomps.com 952-456-1669
Kim Platz	Regional Director of Research	kim@redicomps.com 816-651-6686
Molly Bengtson	Director of Client Services	molly@redicomps.com 715-475-9876
Leann Reichertz	Wisconsin Sale Comp Specialist	leann@redicomps.com
Summer Jones	Wisconsin Listing Specialist	summer@redicomps.com 816-726-1133
Michelle Siegert	Wisconsin Listing Specialist	michelle@redicomps.com 816-230-0116
Tracy Johnson	President & CEO - CARW	tracy@carw.com 414-271-2021