

Market

# Trends

# Q1 2023

## Milwaukee - Industrial



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# MARKET TRENDS

Q1 2023 | Milwaukee | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	773,711	
Area Unemployment	2.7	
U.S. Unemployment	3.6	
Industrial Jobs	115,000	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	375,856,646
Total # of Bldgs (tracked)	5,368
Absorption	711,905
Vacancy	3.6%
Asking Rate (NNN)	\$6.24
New Construction (sf)	8,535,098

### Multi-tenant Properties

Total Inventory (sf)	92,097,725
Total # of Bldgs (tracked)	1,200
Absorption	516,533
Vacancy	10.2%
Asking Rate (NNN)	\$6.29

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) decreased 100 basis points to 2.7% compared to 3.7% in February 2022. The unemployment rate for the US was at 3.6% in February 2023, down from 3.8% last year. State of Wisconsin unemployment was 2.7% for this quarter. The Milwaukee MSA saw an decrease in job growth while manufacturing jobs increased by 1,900 jobs during the same period.

## Market Overview

The Milwaukee Industrial market consists of 375.8 msf of space in eight counties across Southeastern Wisconsin. For all properties, Southeastern Wisconsin posted 712,000 sf positive absorption in Q1 2023. Multi-tenant properties had 516,500 sf positive absorption. The first quarter ended with a vacancy rate of 3.6% for all inventory and 10.2% for multi-tenant properties. The average asking lease rates for Southeastern Wisconsin has increased from \$5.69 last year to \$6.24 psf NNN for Q1 2023. To date, there are 39 properties totaling 8.5 msf of new construction projects throughout the market. Seven properties with 2.0 msf were delivered during Q1 2023.

## Market Highlights

Milwaukee County topped all counties in positive absorption with 302,000 sf resulting from ownership of a 250,000 sf property. Kenosha County had the single largest positive absorption gain with Eagle Foods leasing 284,000 sf but was offset by Focus Products Group vacating 150,000 sf. At the close of Q1 2023 the market had 47 lease transactions totaling 1.8 msf of leasing activity. Fifty three properties sold topping \$125 million and just short of 2.0 msf during Q1 2023.

# 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	295	13,133,620	1,047,111	877,352	3,720	3,720	6.7%
Manufacturing	2,172	176,343,083	3,612,604	2,937,294	184,075	184,075	1.7%
Warehouse Distribution	800	122,438,341	8,634,162	6,704,414	578,399	578,399	5.5%
Warehouse Office	2,101	63,941,602	4,076,594	2,901,837	(54,289)	(54,289)	4.5%
<b>Grand Total</b>	<b>5,368</b>	<b>375,856,646</b>	<b>17,370,471</b>	<b>13,420,897</b>	<b>711,905</b>	<b>711,905</b>	<b>3.6%</b>

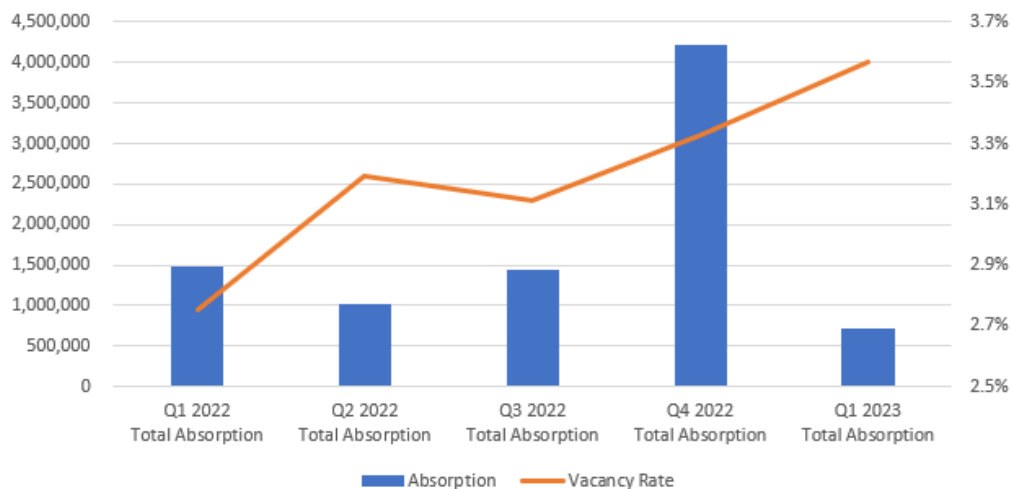
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	295	13,133,620	1,021,765	868,800	4,108	4,108	6.6%
Manufacturing	2,172	176,343,083	3,499,810	2,862,000	184,075	184,075	1.6%
Warehouse Distribution	800	122,438,341	7,836,243	6,622,726	578,399	578,399	5.4%
Warehouse Office	2,101	63,941,602	3,905,112	2,810,849	(54,289)	(54,289)	4.4%
<b>Grand Total</b>	<b>5,368</b>	<b>375,856,646</b>	<b>16,262,930</b>	<b>13,164,375</b>	<b>712,293</b>	<b>712,293</b>	<b>3.5%</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	295	13,133,620	25,346	8,552	(388)	(388)	0.1%
Manufacturing	2,172	176,343,083	112,794	75,294	0	0	0.0%
Warehouse Distribution	800	122,438,341	797,919	81,688	0	0	0.1%
Warehouse Office	2,101	63,941,602	171,482	90,988	0	0	0.1%
<b>Grand Total</b>	<b>5,368</b>	<b>375,856,646</b>	<b>1,107,541</b>	<b>256,522</b>	<b>(388)</b>	<b>(388)</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	8	682,599			0	0	0.0%
	Manufacturing	103	7,967,151	135,074	135,074	0	0	1.7%
	Warehouse Distribution	104	36,928,449	3,543,463	3,340,044	221,841	221,841	9.0%
	Warehouse Office	70	2,944,634	319,893		0	0	0.0%
	<b>Subtotal</b>	<b>285</b>	<b>48,522,833</b>	<b>3,998,430</b>	<b>3,475,118</b>	<b>221,841</b>	<b>221,841</b>	<b>7.2%</b>
Milwaukee	Flex/R&D	61	3,195,614	626,364	559,957	1,269	1,269	17.5%
	Manufacturing	668	60,689,568	2,683,287	2,362,710	37,267	37,267	3.9%
	Warehouse Distribution	295	34,071,770	1,957,191	1,263,263	277,947	277,947	3.7%
	Warehouse Office	672	23,268,485	2,398,609	1,476,716	(14,039)	(14,039)	6.3%
	<b>Subtotal</b>	<b>1,696</b>	<b>121,225,437</b>	<b>7,665,451</b>	<b>5,662,646</b>	<b>302,444</b>	<b>302,444</b>	<b>4.7%</b>
Ozaukee	Flex/R&D	22	670,913	53,042	42,993	(11,100)	(11,100)	6.4%
	Manufacturing	118	9,041,752	175,906	217,706	0	0	2.4%
	Warehouse Distribution	16	2,149,211	6,001	6,001	0	0	0.3%
	Warehouse Office	65	2,352,488	130,063	73,263	(10,773)	(10,773)	3.1%
	<b>Subtotal</b>	<b>221</b>	<b>14,214,364</b>	<b>365,012</b>	<b>339,963</b>	<b>(21,873)</b>	<b>(21,873)</b>	<b>2.4%</b>
Racine	Flex/R&D	12	668,128	35,290	35,290	0	0	5.3%
	Manufacturing	189	17,425,319	17,934	17,934	0	0	0.1%
	Warehouse Distribution	78	12,922,557	1,616,079	1,616,079	0	0	12.5%
	Warehouse Office	140	5,041,752	459,568	886,167	0	0	17.6%
	<b>Subtotal</b>	<b>419</b>	<b>36,057,756</b>	<b>2,128,871</b>	<b>2,555,470</b>	<b>0</b>	<b>0</b>	<b>7.1%</b>
Sheboygan	Flex/R&D	1	30,720		5,000	0	0	16.3%
	Manufacturing	150	19,503,301	185,296	23,687	(23,687)	(23,687)	0.1%
	Warehouse Distribution	35	5,145,042	221,029		0	0	0.0%
	Warehouse Office	90	2,347,672	97,845		0	0	0.0%
	<b>Subtotal</b>	<b>276</b>	<b>27,026,735</b>	<b>504,170</b>	<b>28,687</b>	<b>(23,687)</b>	<b>(23,687)</b>	<b>0.1%</b>
Walworth	Flex/R&D	4	94,396			0	0	0.0%
	Manufacturing	124	9,541,727	98,630	19,336	0	0	0.2%
	Warehouse Distribution	30	2,964,510	110,900		0	0	0.0%
	Warehouse Office	73	1,959,352	95,890	40,000	0	0	2.0%
	<b>Subtotal</b>	<b>231</b>	<b>14,559,985</b>	<b>305,420</b>	<b>59,336</b>	<b>0</b>	<b>0</b>	<b>0.4%</b>
Washington	Flex/R&D	15	528,613	39,011	36,168	0	0	6.8%
	Manufacturing	232	14,791,150	117,500	61,640	0	0	0.4%
	Warehouse Distribution	77	10,007,532	719,875	217,471	102,361	102,361	2.2%
	Warehouse Office	174	4,475,641	199,799	83,114	2,750	2,750	1.9%
	<b>Subtotal</b>	<b>498</b>	<b>29,802,936</b>	<b>1,076,185</b>	<b>398,393</b>	<b>105,111</b>	<b>105,111</b>	<b>1.3%</b>
Waukesha	Flex/R&D	172	7,262,637	293,404	197,944	13,551	13,551	2.7%
	Manufacturing	588	37,383,115	198,977	99,207	170,495	170,495	0.3%
	Warehouse Distribution	165	18,249,270	459,624	261,556	(23,750)	(23,750)	1.4%
	Warehouse Office	817	21,551,578	374,927	342,577	(32,227)	(32,227)	1.6%
	<b>Subtotal</b>	<b>1,742</b>	<b>84,446,600</b>	<b>1,326,932</b>	<b>901,284</b>	<b>128,069</b>	<b>128,069</b>	<b>1.1%</b>
<b>Grand Total</b>		<b>5,368</b>	<b>375,856,646</b>	<b>17,370,471</b>	<b>13,420,897</b>	<b>711,905</b>	<b>711,905</b>	<b>3.6%</b>

# Vacancy Rates by County (Multi and Single Tenant)

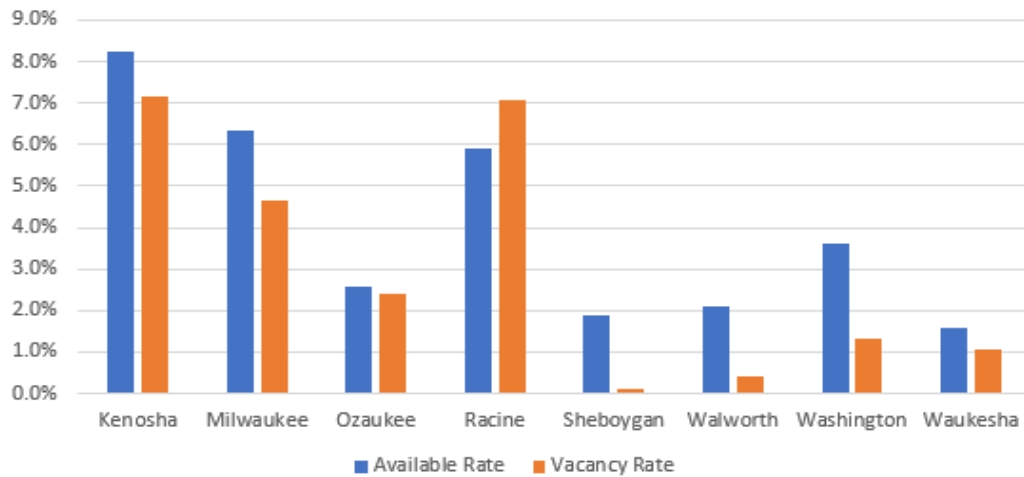
County	Property Type	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Kenosha	Flex/R&D	1.2%	1.2%	1.2%	0.0%	0.0%
	Manufacturing	0.0%	0.0%	0.0%	1.7%	1.7%
	Warehouse Distribution	3.5%	5.5%	6.4%	6.5%	9.0%
	Warehouse Office	0.5%	0.5%	0.5%	0.0%	0.0%
	<b>Subtotal</b>	<b>2.6%</b>	<b>4.1%</b>	<b>4.7%</b>	<b>5.2%</b>	<b>7.2%</b>
Milwaukee	Flex/R&D	14.5%	19.5%	19.2%	17.6%	17.5%
	Manufacturing	3.1%	3.7%	4.4%	4.0%	3.9%
	Warehouse Distribution	3.5%	4.4%	3.0%	4.5%	3.7%
	Warehouse Office	6.2%	6.1%	6.1%	6.2%	6.3%
	<b>Subtotal</b>	<b>4.1%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>4.7%</b>
Ozaukee	Flex/R&D	8.3%	9.5%	6.1%	4.9%	6.4%
	Manufacturing	4.4%	4.1%	1.9%	2.4%	2.4%
	Warehouse Distribution	0.3%	0.3%	0.3%	0.3%	0.3%
	Warehouse Office	15.8%	2.6%	2.4%	2.7%	3.1%
	<b>Subtotal</b>	<b>5.8%</b>	<b>3.5%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.4%</b>
Racine	Flex/R&D	2.2%	6.0%	6.0%	5.3%	5.3%
	Manufacturing	0.9%	0.9%	1.0%	0.1%	0.1%
	Warehouse Distribution	1.9%	5.4%	5.0%	11.1%	12.5%
	Warehouse Office	10.2%	10.2%	9.6%	17.6%	17.6%
	<b>Subtotal</b>	<b>2.5%</b>	<b>3.8%</b>	<b>3.6%</b>	<b>6.6%</b>	<b>7.1%</b>
Sheboygan	Flex/R&D	32.8%	32.8%	32.8%	16.3%	16.3%
	Manufacturing	0.2%	0.2%	0.2%	0.2%	0.1%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>
Walworth	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	0.3%	0.2%	0.2%	0.2%
	Warehouse Distribution	5.0%	5.0%	2.4%	0.0%	0.0%
	Warehouse Office	2.0%	2.0%	2.0%	2.0%	2.0%
	<b>Subtotal</b>	<b>1.3%</b>	<b>1.5%</b>	<b>0.9%</b>	<b>0.4%</b>	<b>0.4%</b>
Washington	Flex/R&D	0.0%	0.0%	6.8%	6.8%	6.8%
	Manufacturing	0.8%	0.6%	0.4%	0.4%	0.4%
	Warehouse Distribution	4.2%	6.2%	6.0%	3.2%	2.2%
	Warehouse Office	2.5%	2.3%	2.1%	1.9%	1.9%
	<b>Subtotal</b>	<b>2.2%</b>	<b>2.7%</b>	<b>2.6%</b>	<b>1.7%</b>	<b>1.3%</b>
Waukesha	Flex/R&D	2.4%	2.6%	2.9%	2.9%	2.7%
	Manufacturing	1.6%	1.4%	1.1%	0.3%	0.3%
	Warehouse Distribution	0.8%	0.7%	0.5%	0.5%	1.4%
	Warehouse Office	2.4%	2.1%	2.1%	1.5%	1.6%
	<b>Subtotal</b>	<b>1.7%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>1.1%</b>
<b>Grand Total</b>		<b>2.8%</b>	<b>3.2%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>3.6%</b>

# Lease Rates by County (Multi and Single Tenant)

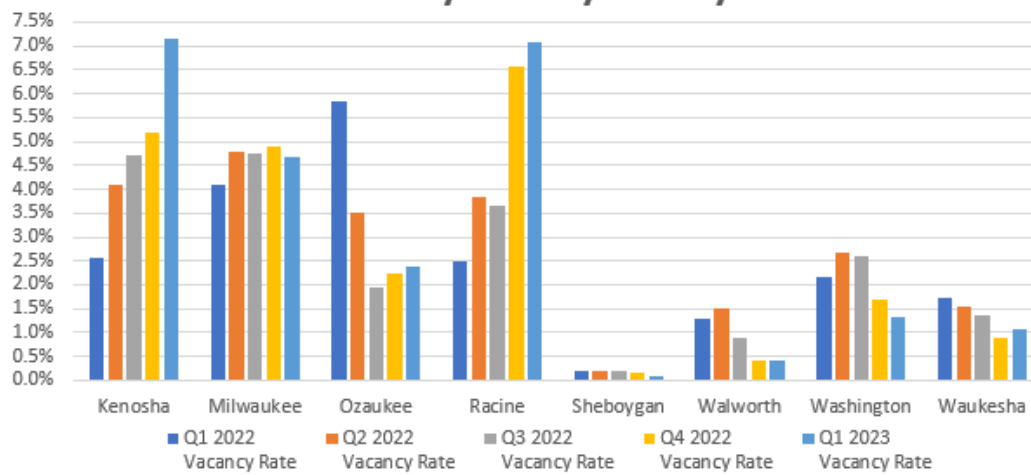
County	Property Type	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Kenosha	Flex/R&D	\$5.61	\$7.38	\$7.38		
	Manufacturing					
	Warehouse Distribution	\$5.25	\$5.25	\$5.25	\$5.25	\$5.25
	Warehouse Office					
	<b>Subtotal</b>	<b>\$5.40</b>	<b>\$5.78</b>	<b>\$5.78</b>	<b>\$5.25</b>	<b>\$5.25</b>
Milwaukee	Flex/R&D	\$7.16	\$6.66	\$6.51	\$6.68	\$7.05
	Manufacturing	\$4.54	\$4.40	\$4.41	\$4.87	\$4.98
	Warehouse Distribution	\$5.38	\$5.33	\$5.47	\$5.47	\$5.32
	Warehouse Office	\$4.91	\$5.32	\$5.13	\$5.10	\$5.09
	<b>Subtotal</b>	<b>\$5.06</b>	<b>\$5.22</b>	<b>\$5.13</b>	<b>\$5.27</b>	<b>\$5.33</b>
Ozaukee	Flex/R&D	\$8.17	\$8.22	\$9.15	\$9.15	\$8.88
	Manufacturing	\$4.63	\$4.63	\$3.50	\$4.43	\$3.50
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	Warehouse Office	\$6.44	\$7.63	\$9.75	\$9.35	\$9.81
	<b>Subtotal</b>	<b>\$6.78</b>	<b>\$7.11</b>	<b>\$8.32</b>	<b>\$8.14</b>	<b>\$8.25</b>
Racine	Flex/R&D		\$11.25	\$11.25	\$11.25	\$11.25
	Manufacturing	\$6.00	\$6.00	\$6.00	\$4.98	\$4.98
	Warehouse Distribution	\$5.12	\$5.46	\$4.70	\$4.70	\$4.70
	Warehouse Office					
	<b>Subtotal</b>	<b>\$5.34</b>	<b>\$6.52</b>	<b>\$6.66</b>	<b>\$6.12</b>	<b>\$6.12</b>
Sheboygan	Flex/R&D	\$4.85	\$4.85	\$4.85		
	Manufacturing					\$5.85
	Warehouse Distribution					
	Warehouse Office					\$5.83
	<b>Subtotal</b>	<b>\$4.85</b>	<b>\$4.85</b>	<b>\$4.85</b>		<b>\$5.84</b>
Walworth	Flex/R&D					
	Manufacturing	\$4.00	\$4.00	\$4.25	\$4.82	\$4.82
	Warehouse Distribution	\$4.50	\$4.50	\$5.25		\$5.50
	Warehouse Office		\$6.75	\$8.50	\$8.50	\$7.50
	<b>Subtotal</b>	<b>\$4.17</b>	<b>\$5.20</b>	<b>\$5.56</b>	<b>\$5.74</b>	<b>\$5.83</b>
Washington	Flex/R&D	\$5.75	\$6.58	\$6.58	\$5.38	\$5.38
	Manufacturing	\$4.44	\$4.44	\$4.25	\$3.63	\$3.63
	Warehouse Distribution	\$5.24	\$5.11	\$5.88	\$5.88	\$5.88
	Warehouse Office	\$6.38	\$6.57	\$6.19	\$6.03	\$6.15
	<b>Subtotal</b>	<b>\$5.61</b>	<b>\$5.90</b>	<b>\$5.82</b>	<b>\$5.32</b>	<b>\$5.55</b>
Waukesha	Flex/R&D	\$7.36	\$7.64	\$7.79	\$8.08	\$8.17
	Manufacturing	\$5.68	\$5.38	\$6.31	\$6.40	\$5.95
	Warehouse Distribution	\$5.99	\$7.05	\$7.65	\$7.65	\$6.99
	Warehouse Office	\$6.41	\$7.10	\$6.82	\$6.97	\$6.84
	<b>Subtotal</b>	<b>\$6.64</b>	<b>\$7.20</b>	<b>\$7.21</b>	<b>\$7.37</b>	<b>\$7.48</b>
<b>Grand Total</b>		<b>\$5.69</b>	<b>\$5.99</b>	<b>\$6.07</b>	<b>\$6.17</b>	<b>\$6.24</b>

# Multi and Single Tenant

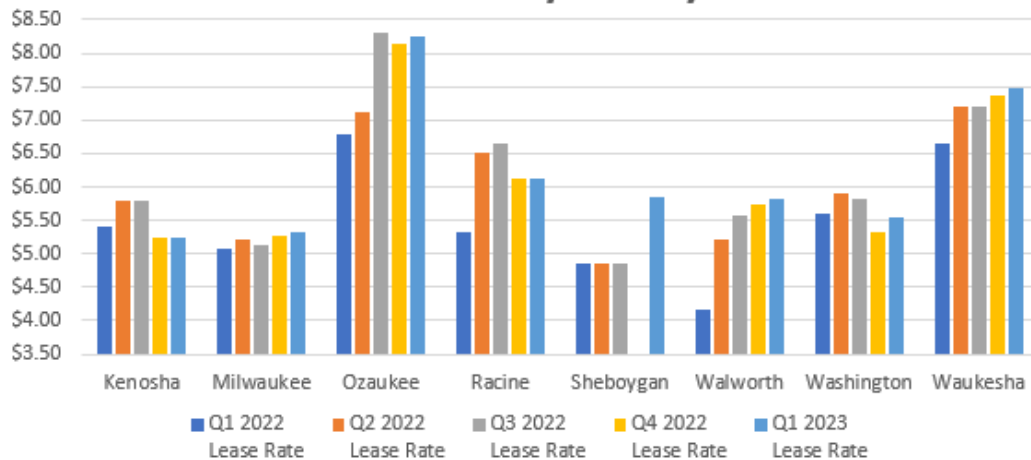
## Available and Vacancy Rates



## Vacancy Rate by County



## Lease Rates by County (NNN)



# Market Overview (Multi-Tenant)

## Total

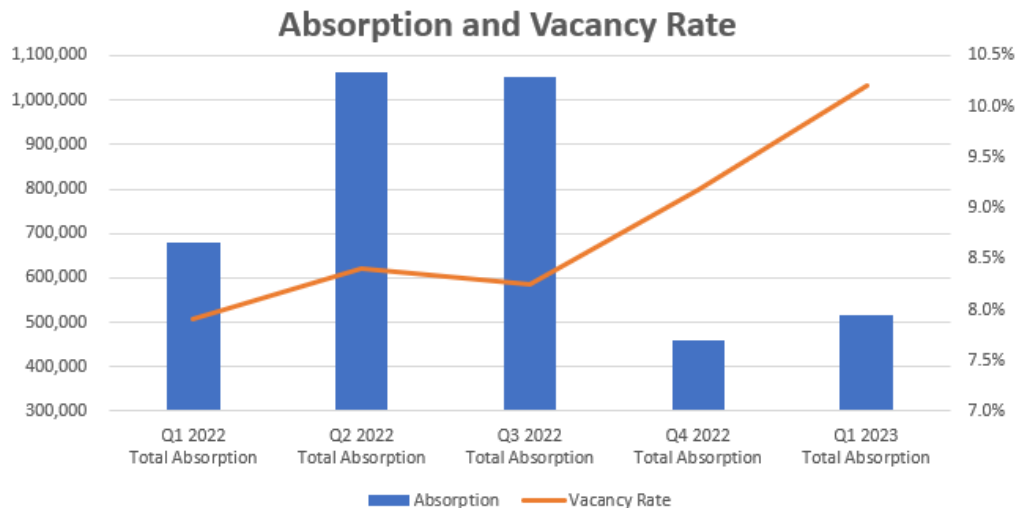
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	231	9,932,817	857,811	712,552	3,720	3,720	7.2%
Manufacturing	164	18,489,071	1,234,298	1,111,088	96,667	96,667	6.0%
Warehouse Distribution	233	40,333,041	6,712,556	5,142,586	390,661	390,661	12.8%
Warehouse Office	572	23,342,796	3,086,413	2,429,635	25,485	25,485	10.4%
<b>Grand Total</b>	<b>1,200</b>	<b>92,097,725</b>	<b>11,891,078</b>	<b>9,395,861</b>	<b>516,533</b>	<b>516,533</b>	<b>10.2%</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	231	9,932,817	832,465	704,000	4,108	4,108	7.1%
Manufacturing	164	18,489,071	1,159,004	1,035,794	96,667	96,667	5.6%
Warehouse Distribution	233	40,333,041	6,136,525	5,132,786	390,661	390,661	12.7%
Warehouse Office	572	23,342,796	2,914,931	2,338,647	25,485	25,485	10.0%
<b>Grand Total</b>	<b>1,200</b>	<b>92,097,725</b>	<b>11,042,925</b>	<b>9,211,227</b>	<b>516,921</b>	<b>516,921</b>	<b>10.0%</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	231	9,932,817	25,346	8,552	(388)	(388)	0.1%
Manufacturing	164	18,489,071	75,294	75,294	0	0	0.4%
Warehouse Distribution	233	40,333,041	576,031	9,800	0	0	0.0%
Warehouse Office	572	23,342,796	171,482	90,988	0	0	0.4%
<b>Grand Total</b>	<b>1,200</b>	<b>92,097,725</b>	<b>848,153</b>	<b>184,634</b>	<b>(388)</b>	<b>(388)</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	7	652,311			0	0	0.0%
	Manufacturing	6	1,333,434	135,074	135,074	0	0	10.1%
	Warehouse Distribution	34	10,993,375	3,393,335	3,166,557	284,103	284,103	28.8%
	Warehouse Office	11	657,354	290,146		0	0	0.0%
	<b>Subtotal</b>	<b>58</b>	<b>13,636,474</b>	<b>3,818,555</b>	<b>3,301,631</b>	<b>284,103</b>	<b>284,103</b>	<b>24.2%</b>
Milwaukee	Flex/R&D	48	2,375,928	461,564	395,157	1,269	1,269	16.6%
	Manufacturing	64	10,071,631	848,938	786,022	100,000	100,000	7.8%
	Warehouse Distribution	101	13,760,383	1,544,786	1,112,095	27,947	27,947	8.1%
	Warehouse Office	197	9,971,951	1,901,017	1,202,965	23,827	23,827	12.1%
	<b>Subtotal</b>	<b>410</b>	<b>36,179,893</b>	<b>4,756,305</b>	<b>3,496,239</b>	<b>153,043</b>	<b>153,043</b>	<b>9.7%</b>
Ozaukee	Flex/R&D	19	614,555	53,042	42,993	(11,100)	(11,100)	7.0%
	Manufacturing	9	1,021,129	98,956	98,956	0	0	9.7%
	Warehouse Distribution	2	474,845	6,001	6,001	0	0	1.3%
	Warehouse Office	20	965,993	73,030	53,030	0	0	5.5%
	<b>Subtotal</b>	<b>50</b>	<b>3,076,522</b>	<b>231,029</b>	<b>200,980</b>	<b>(11,100)</b>	<b>(11,100)</b>	<b>6.5%</b>
Racine	Flex/R&D	7	349,966	35,290	35,290	0	0	10.1%
	Manufacturing	11	1,291,078	5,614	5,614	0	0	0.4%
	Warehouse Distribution	25	5,103,847	378,906	378,906	0	0	7.4%
	Warehouse Office	27	1,920,189	459,568	886,167	0	0	46.1%
	<b>Subtotal</b>	<b>70</b>	<b>8,665,080</b>	<b>879,378</b>	<b>1,305,977</b>	<b>0</b>	<b>0</b>	<b>15.1%</b>
Sheboygan	Flex/R&D	1	30,720		5,000	0	0	16.3%
	Manufacturing	8	739,874			0	0	0.0%
	Warehouse Distribution	3	725,595	221,029		0	0	0.0%
	Warehouse Office	12	434,146	9,625		0	0	0.0%
	<b>Subtotal</b>	<b>24</b>	<b>1,930,335</b>	<b>230,654</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0.3%</b>
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	3	82,001	40,294		0	0	0.0%
	Warehouse Distribution	5	523,862			0	0	0.0%
	Warehouse Office	9	408,412	25,000	25,000	0	0	6.1%
	<b>Subtotal</b>	<b>20</b>	<b>1,069,302</b>	<b>65,294</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>2.3%</b>
Washington	Flex/R&D	10	429,042	39,011	36,168	0	0	8.4%
	Manufacturing	18	717,380	59,000	39,000	0	0	5.4%
	Warehouse Distribution	16	3,458,566	708,875	217,471	102,361	102,361	6.3%
	Warehouse Office	54	1,504,853	139,241	79,814	(7,250)	(7,250)	5.3%
	<b>Subtotal</b>	<b>98</b>	<b>6,109,841</b>	<b>946,127</b>	<b>372,453</b>	<b>95,111</b>	<b>95,111</b>	<b>6.1%</b>
Waukesha	Flex/R&D	136	5,425,268	268,904	197,944	13,551	13,551	3.6%
	Manufacturing	45	3,232,544	46,422	46,422	(3,333)	(3,333)	1.4%
	Warehouse Distribution	47	5,292,568	459,624	261,556	(23,750)	(23,750)	4.9%
	Warehouse Office	242	7,479,898	188,786	182,659	8,908	8,908	2.4%
	<b>Subtotal</b>	<b>470</b>	<b>21,430,278</b>	<b>963,736</b>	<b>688,581</b>	<b>(4,624)</b>	<b>(4,624)</b>	<b>3.2%</b>
<b>Grand Total</b>		<b>1,200</b>	<b>92,097,725</b>	<b>11,891,078</b>	<b>9,395,861</b>	<b>516,533</b>	<b>516,533</b>	<b>10.2%</b>

# Vacancy Rates by County (Multi-Tenant)

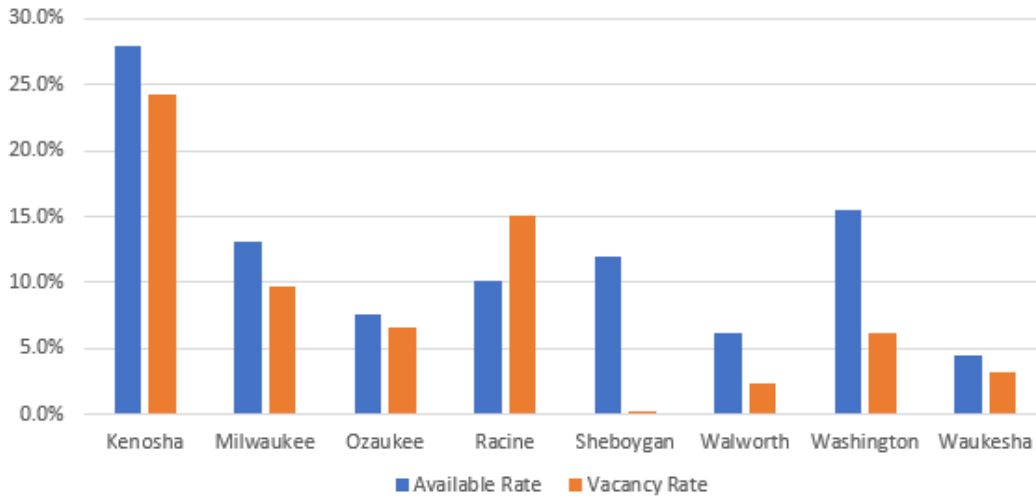
County	Property Type	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Kenosha	Flex/R&D	1.2%	1.2%	1.2%	0.0%	0.0%
	Manufacturing	0.0%	0.0%	0.0%	10.1%	10.1%
	Warehouse Distribution	12.8%	18.0%	20.3%	22.6%	28.8%
	Warehouse Office	2.1%	2.2%	2.2%	0.0%	0.0%
	<b>Subtotal</b>	<b>9.8%</b>	<b>14.1%</b>	<b>16.1%</b>	<b>18.9%</b>	<b>24.2%</b>
Milwaukee	Flex/R&D	18.2%	18.1%	17.6%	16.7%	16.6%
	Manufacturing	8.0%	8.0%	8.0%	8.8%	7.8%
	Warehouse Distribution	6.0%	8.5%	4.9%	8.3%	8.1%
	Warehouse Office	11.0%	11.3%	11.5%	12.2%	12.1%
	<b>Subtotal</b>	<b>8.8%</b>	<b>9.8%</b>	<b>8.5%</b>	<b>10.1%</b>	<b>9.7%</b>
Ozaukee	Flex/R&D	8.8%	10.2%	6.5%	5.2%	7.0%
	Manufacturing	9.7%	9.7%	9.7%	9.7%	9.7%
	Warehouse Distribution	1.3%	1.3%	1.3%	1.3%	1.3%
	Warehouse Office	37.5%	5.4%	4.8%	5.5%	5.5%
	<b>Subtotal</b>	<b>17.1%</b>	<b>7.1%</b>	<b>6.2%</b>	<b>6.2%</b>	<b>6.5%</b>
Racine	Flex/R&D	4.2%	11.1%	11.1%	10.1%	10.1%
	Manufacturing	0.4%	0.4%	0.4%	0.4%	0.4%
	Warehouse Distribution	4.7%	4.7%	3.8%	3.8%	7.4%
	Warehouse Office	31.7%	31.7%	30.0%	46.1%	46.1%
	<b>Subtotal</b>	<b>8.9%</b>	<b>9.2%</b>	<b>8.3%</b>	<b>12.9%</b>	<b>15.1%</b>
Sheboygan	Flex/R&D	32.8%	32.8%	32.8%	16.3%	16.3%
	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	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</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	28.0%	28.0%	13.5%	0.0%	0.0%
	Warehouse Office	6.1%	6.1%	6.1%	6.1%	6.1%
	<b>Subtotal</b>	<b>16.1%</b>	<b>16.1%</b>	<b>8.9%</b>	<b>2.3%</b>	<b>2.3%</b>
Washington	Flex/R&D	0.0%	0.0%	8.4%	8.4%	8.4%
	Manufacturing	5.4%	5.4%	5.4%	5.4%	5.4%
	Warehouse Distribution	7.9%	4.2%	17.6%	9.2%	6.3%
	Warehouse Office	6.5%	5.9%	5.2%	4.8%	5.3%
	<b>Subtotal</b>	<b>6.5%</b>	<b>4.5%</b>	<b>12.3%</b>	<b>7.7%</b>	<b>6.1%</b>
Waukesha	Flex/R&D	3.3%	3.6%	3.9%	3.9%	3.6%
	Manufacturing	5.0%	5.0%	1.0%	1.3%	1.4%
	Warehouse Distribution	2.8%	2.4%	1.7%	1.7%	4.9%
	Warehouse Office	5.9%	5.2%	4.9%	2.6%	2.4%
	<b>Subtotal</b>	<b>4.4%</b>	<b>4.1%</b>	<b>3.3%</b>	<b>2.5%</b>	<b>3.2%</b>
<b>Grand Total</b>		<b>7.9%</b>	<b>8.4%</b>	<b>8.2%</b>	<b>9.2%</b>	<b>10.2%</b>

# Lease Rates by County (Multi-Tenant)

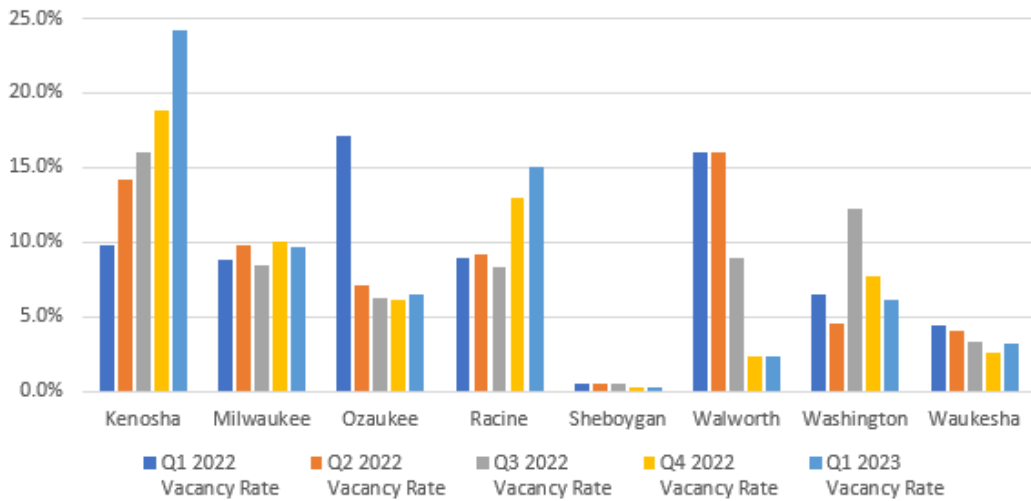
County	Property Type	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Kenosha	Flex/R&D	\$5.61	\$7.38	\$7.38		
	Manufacturing					
	Warehouse Distribution	\$5.25	\$5.25	\$5.25	\$5.25	\$5.25
	Warehouse Office					
	<b>Subtotal</b>	<b>\$5.40</b>	<b>\$5.78</b>	<b>\$5.78</b>	<b>\$5.25</b>	<b>\$5.25</b>
Milwaukee	Flex/R&D	\$7.31	\$6.72	\$6.55	\$6.68	\$7.05
	Manufacturing	\$3.85	\$3.85	\$3.83	\$4.01	\$3.94
	Warehouse Distribution	\$5.24	\$5.24	\$5.37	\$5.32	\$5.32
	Warehouse Office	\$4.73	\$4.76	\$4.85	\$4.97	\$4.94
	<b>Subtotal</b>	<b>\$4.95</b>	<b>\$4.94</b>	<b>\$4.99</b>	<b>\$5.14</b>	<b>\$5.17</b>
Ozaukee	Flex/R&D	\$8.17	\$8.22	\$9.15	\$9.15	\$8.88
	Manufacturing					
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	Warehouse Office	\$6.33	\$8.50	\$11.25	\$10.00	\$11.25
	<b>Subtotal</b>	<b>\$7.26</b>	<b>\$7.87</b>	<b>\$9.23</b>	<b>\$9.01</b>	<b>\$9.15</b>
Racine	Flex/R&D		\$11.25	\$11.25	\$11.25	\$11.25
	Manufacturing	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
	Warehouse Distribution	\$5.12	\$5.46	\$4.70	\$4.70	\$4.70
	Warehouse Office					
	<b>Subtotal</b>	<b>\$5.34</b>	<b>\$6.52</b>	<b>\$6.66</b>	<b>\$6.66</b>	<b>\$6.66</b>
Sheboygan	Flex/R&D	\$4.85	\$4.85	\$4.85		
	Manufacturing					
	Warehouse Distribution					
	Warehouse Office					\$5.83
	<b>Subtotal</b>	<b>\$4.85</b>	<b>\$4.85</b>	<b>\$4.85</b>		<b>\$5.83</b>
Walworth	Flex/R&D					
	Manufacturing	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
	Warehouse Distribution	\$4.50	\$4.50	\$5.25		
	Warehouse Office					
	<b>Subtotal</b>	<b>\$3.63</b>	<b>\$3.63</b>	<b>\$4.00</b>	<b>\$2.75</b>	<b>\$2.75</b>
Washington	Flex/R&D	\$5.75	\$6.58	\$6.58	\$5.38	\$5.38
	Manufacturing	\$3.63	\$3.63	\$3.63	\$3.63	\$3.63
	Warehouse Distribution	\$5.24	\$5.11	\$5.88	\$5.88	\$5.88
	Warehouse Office	\$6.72	\$6.92	\$6.52	\$7.00	\$6.84
	<b>Subtotal</b>	<b>\$5.68</b>	<b>\$6.06</b>	<b>\$5.89</b>	<b>\$5.25</b>	<b>\$5.71</b>
Waukesha	Flex/R&D	\$7.36	\$7.64	\$7.79	\$8.08	\$8.17
	Manufacturing	\$5.95	\$5.95	\$6.08	\$5.95	\$5.95
	Warehouse Distribution	\$6.20	\$7.05	\$7.65	\$7.65	\$6.99
	Warehouse Office	\$6.25	\$7.35	\$6.83	\$6.80	\$6.89
	<b>Subtotal</b>	<b>\$6.78</b>	<b>\$7.38</b>	<b>\$7.32</b>	<b>\$7.45</b>	<b>\$7.56</b>
<b>Grand Total</b>		<b>\$5.75</b>	<b>\$5.98</b>	<b>\$6.13</b>	<b>\$6.17</b>	<b>\$6.29</b>

# Multi-Tenant

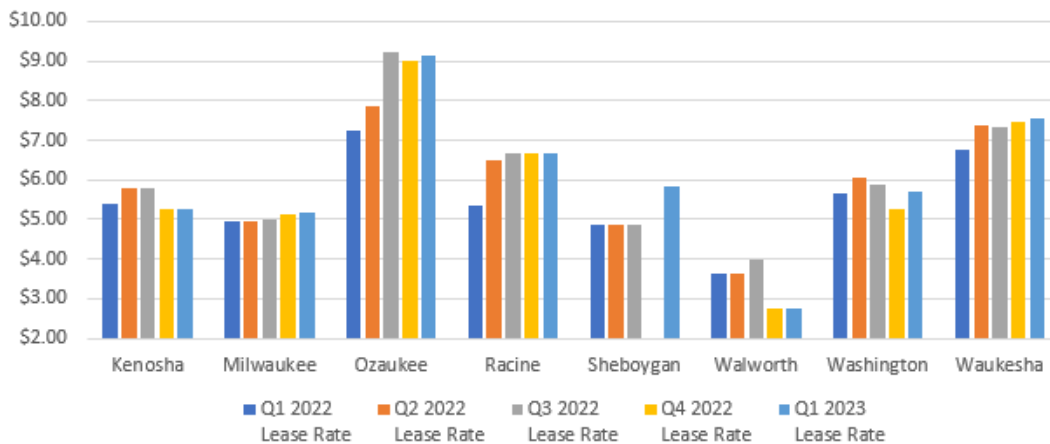
## Available and Vacancy Rates



## Vacancy Rate by County

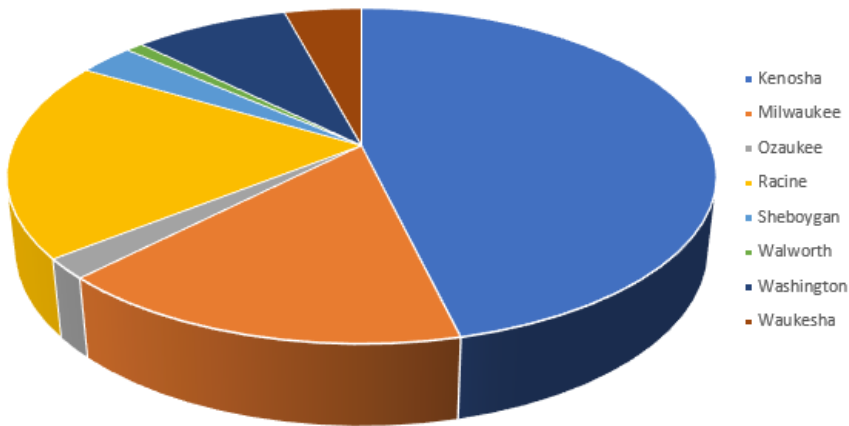


## Lease Rates by County (NNN)



# New Developments

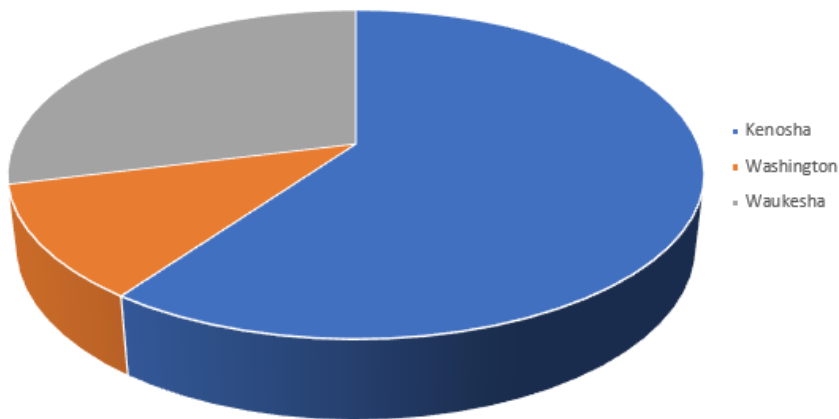
**Under Construction (sf)**



County	Bldg (sf)
Kenosha	3,946,477
Milwaukee	1,377,850
Ozaukee	165,868
Racine	1,634,584
Sheboygan	255,800
Walworth	80,750
Washington	717,134
Waukesha	356,635
<b>Grand Total</b>	<b>8,535,098</b>

# Year to Date Deliveries

**YTD Delivered (sf)**

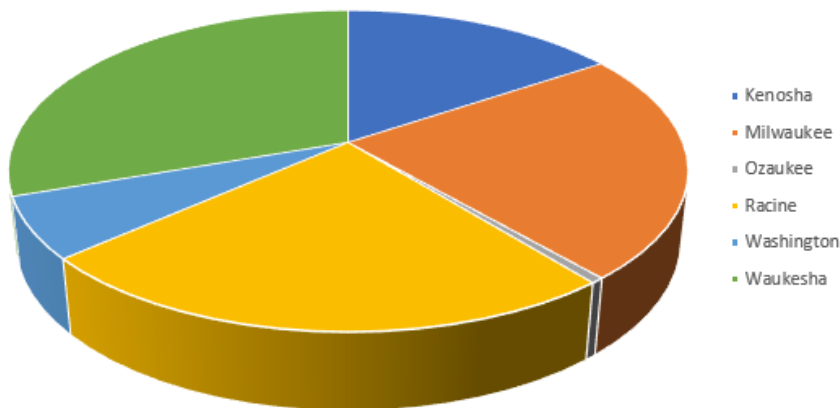


County	Bldg (sf)
Kenosha	1,246,493
Washington	233,282
Waukesha	601,686
<b>Grand Total</b>	<b>2,081,461</b>

# Leasing Activity

Property	Size (sf)	County	Tenant	Landlord
13300 Carol Ct	442,987	Racine	Kenco	Scannell Props 614 LLC
94 Logistic Park 12345 38th St	284,103	Kenosha	Eagle Foods	LPC Kenosha III LLC
N17 W25045 Bluemound Rd	115,345	Waukesha	Kenda Tire	Laurie & Scott Stollenwerk
5400 S Westridge Dr	110,980	Waukesha	Compass	James Campbell Company LLC
Germantown Gateway Corp 12975 Gateway Crossing	102,361	Washington	Motis	ZPG Development LLC

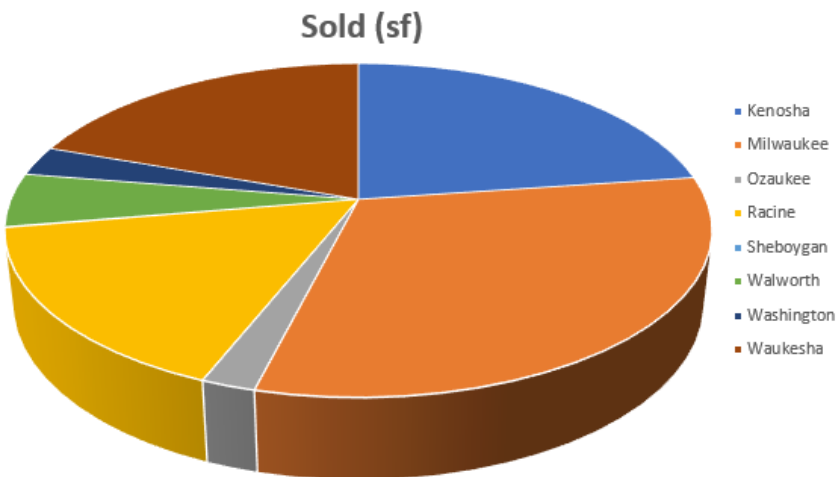
Leased (sf)



County	Leased (sf)
Kenosha	284,103
Milwaukee	418,862
Ozaukee	9,882
Racine	442,987
Washington	112,361
Waukesha	551,821
Grand Total	1,820,016

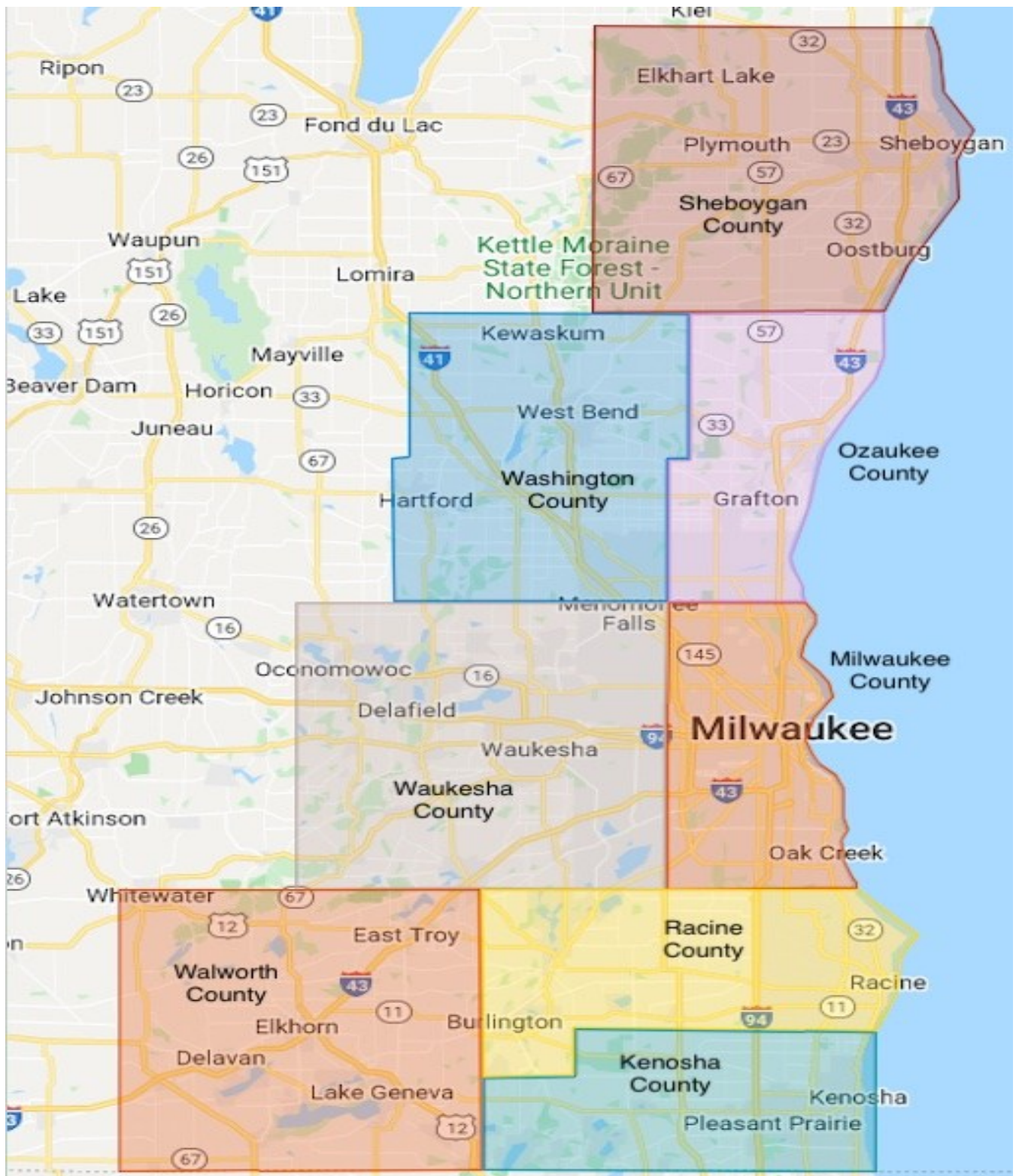
# Sales Activity

Property	Price	County	Buyer	Seller
10375 140th Ave	\$47,000,000	Kenosha	Exeter 10375 140th, L.P.	Bristol L3 LLC
11200 W Heather Ave	\$7,400,000	Milwaukee	Heather Holdings, LLC	11200 West Heather Holdings LLC
120 Watertown Plank Rd	\$4,500,000	Waukesha	SRM Lake Country, LLC	OK Property Investments LLC
2825 Four Mile Road	\$4,303,000	Racine	Four Mile Investments, LLC	2825 Four Mile Road LLC
12001 W Carmen Ave	\$4,000,000	Milwaukee	Agape Real Property LLC	Federated Industries Inc



County	Sold (sf)
Kenosha	444,268
Milwaukee	607,280
Ozaukee	40,954
Racine	316,430
Sheboygan	1,500
Walworth	101,456
Washington	56,238
Waukesha	381,137
<b>Grand Total</b>	<b>1,949,263</b>

# Market County Map





# 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 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 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 tenant occupies their new space or space is vacated from quarter to quarter, expressed in square feet.
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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