

Market

Trends

Q1 2023

Milwaukee - Office



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MARKET TRENDS

Q1 2023 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	773,711	
Area Unemployment	2.7	
U.S. Unemployment	3.6	
Office Using Jobs	179,000	

Source: BLS

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

Market Recap

All Properties

Total Inventory <small>(sf)</small>	45,527,831
Total # of Bldgs <small>(tracked)</small>	560
Absorption	78,464
Vacancy	16.3%
Asking Rate <small>(FSG)</small>	\$20.58
New Construction <small>(sf)</small>	102,305

Multi-tenant Properties

Total Inventory <small>(sf)</small>	31,251,344
Total # of Bldgs <small>(tracked)</small>	428
Absorption	(109,344)
Vacancy	22.0%
Asking Rate <small>(FSG)</small>	\$20.58

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. Milwaukee MSA saw an decrease in job growth while office using jobs had no change during the same period.

Market Overview

The Milwaukee office market consisting of 45 msf of space has posted 78,000 sf positive absorption for Q1 2023. The direct market had 59,000 sf positive absorption. Multi-tenant only properties had (109,000) sf negative absorption for the quarter. The vacancy rate came in at 16.3% during Q1 2023 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 22.0%.

Market Highlights

Third Ward - Walkers Point had the largest increase with 159,000 sf positive absorption led by the new delivery of Rite Hite with 158,000 sf. Brookfield topped all markets with (109,000) sf negative absorption led by Metso Minerals vacating 30,500 sf. This quarter Milwaukee CBD posted 148,000 sf positive absorption compared to the suburban markets posting (70,000) sf negative absorption. There are currently 3 properties under construction totaling 102,000 sf and 2 properties delivered YTD totaling 228,000 sf. There were 99 lease transaction with 630,000 sf during Q1 2023. Thirteen office properties with 183,000 sf sold for \$10.6 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	12,056,855	2,161,212	1,804,116	175,269	175,269	15.0%
B	460	31,488,304	6,966,911	5,510,732	(96,805)	(96,805)	17.5%
C	46	1,982,672	114,516	91,197	0	0	4.6%
Grand Total	560	45,527,831	9,242,639	7,406,045	78,464	78,464	16.3%

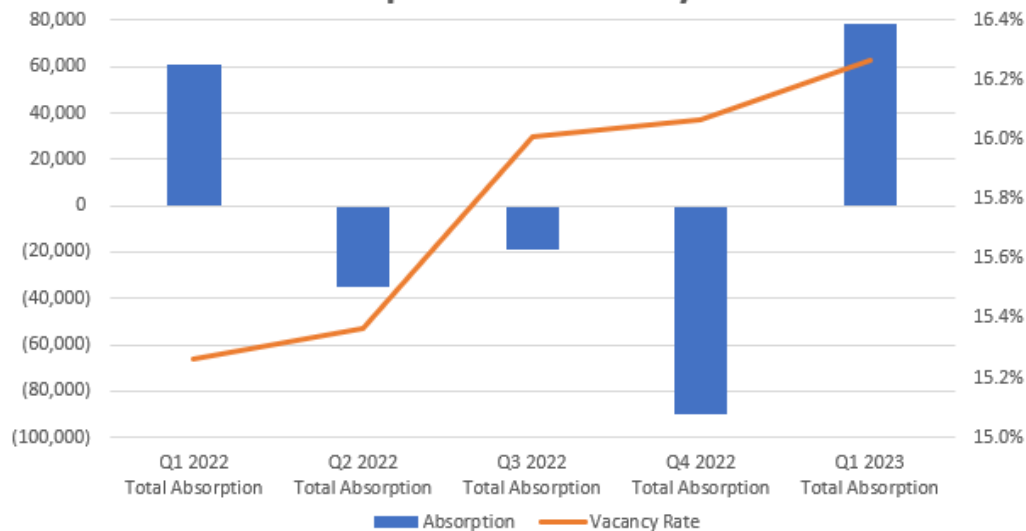
Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	54	12,056,855	1,960,703	1,730,828	171,225	171,225	14.4%
B	460	31,488,304	6,401,168	5,175,933	(111,791)	(111,791)	16.4%
C	46	1,982,672	113,216	91,197	0	0	4.6%
Grand Total	560	45,527,831	8,475,087	6,997,958	59,434	59,434	15.4%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	54	12,056,855	200,509	73,288	4,044	4,044	0.6%
B	460	31,488,304	565,743	334,799	14,986	14,986	1.1%
C	46	1,982,672	1,300	0	0	0	0.0%
Grand Total	560	45,527,831	767,552	408,087	19,030	19,030	0.9%

Absorption and Vacancy Rate

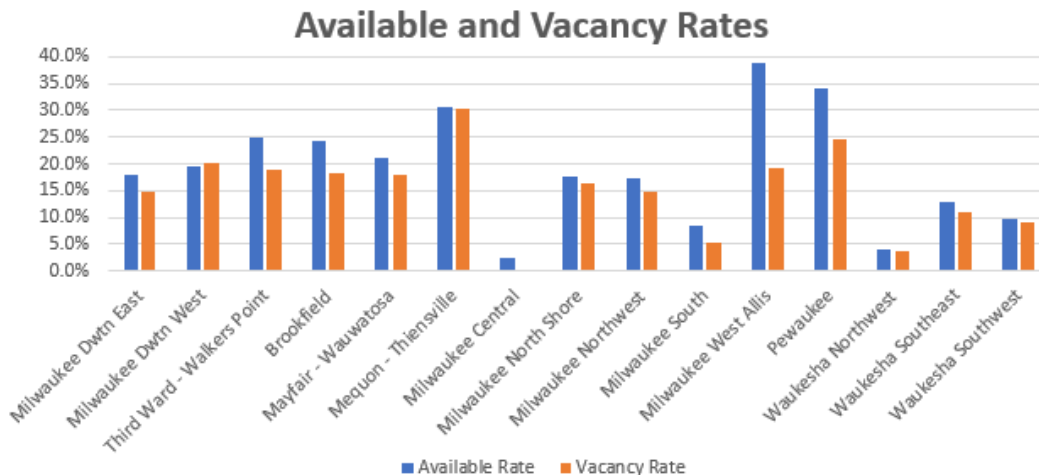


Market Statistics by Market (Multi and Single Tenant)

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	1,108,773	860,369	5,733	5,733	14.4%
	B	40	4,903,656	854,100	756,677	(20,728)	(20,728)	15.4%
	C	4	146,389	27,550	22,500	0	0	15.4%
	Subtotal	58	11,011,967	1,990,423	1,639,546	(14,995)	(14,995)	14.9%
Milwaukee Downtown West	A	2	348,371	75,427	62,427	0	0	17.9%
	B	32	4,684,378	951,645	988,331	4,369	4,369	21.1%
	C	2	189,311			0	0	0.0%
	Subtotal	36	5,222,060	1,027,072	1,050,758	4,369	4,369	20.1%
Third Ward - Walkers Point	A	5	739,907	168,622	174,671	162,703	162,703	23.6%
	B	39	2,291,664	575,733	376,256	(3,490)	(3,490)	16.4%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	48	3,152,284	787,318	593,890	159,213	159,213	18.8%
Milwaukee CBD	A	21	7,050,200	1,352,822	1,097,467	168,436	168,436	15.6%
	B	111	11,879,698	2,381,478	2,121,264	(19,849)	(19,849)	17.9%
	C	10	456,413	70,513	65,463	0	0	14.3%
	Subtotal	142	19,386,311	3,804,813	3,284,194	148,587	148,587	16.9%
Brookfield	A	6	548,824	36,102	41,056	165	165	7.5%
	B	93	5,623,095	1,486,193	1,099,740	(109,268)	(109,268)	19.6%
	C	4	118,873	5,000		0	0	0.0%
	Subtotal	103	6,290,792	1,527,295	1,140,796	(109,103)	(109,103)	18.1%
Mayfair - Wauwatosa	A	15	2,098,871	438,244	362,475	14,337	14,337	17.3%
	B	29	1,445,029	343,789	316,231	(13,399)	(13,399)	21.9%
	C	7	303,574	26,054	12,785	0	0	4.2%
	Subtotal	51	3,847,474	808,087	691,491	938	938	18.0%
Mequon - Thiensville	A	1	37,670	6,104	16,250	0	0	43.1%
	B	15	425,823	136,119	124,393	(13,531)	(13,531)	29.2%
	Subtotal	16	463,493	142,223	140,643	(13,531)	(13,531)	30.3%
Milwaukee Central	B	9	691,988	32,000		0	0	0.0%
	C	10	571,968			0	0	0.0%
	Subtotal	19	1,263,956	32,000		0	0	0.0%
Milwaukee North Shore	A	2	175,962	134,828	116,513	910	910	66.2%
	B	33	1,974,754	282,671	269,652	(5,985)	(5,985)	13.7%
	C	7	271,978	12,949	12,949	0	0	4.8%
	Subtotal	42	2,422,694	430,448	399,114	(5,075)	(5,075)	16.5%

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	3,386,132	722,827	613,637	(2,471)	(2,471)	18.1%
	Subtotal	55	4,476,610	769,726	660,536	(2,471)	(2,471)	14.8%
Milwaukee South	A	1	680,266			0	0	0.0%
	B	21	886,376	142,149	87,668	8,298	8,298	9.9%
	C	2	91,658			0	0	0.0%
	Subtotal	24	1,658,300	142,149	87,668	8,298	8,298	5.3%
Milwaukee West Allis	B	19	1,846,834	744,173	365,625	5,582	5,582	19.8%
	C	2	61,785			0	0	0.0%
	Subtotal	21	1,908,619	744,173	365,625	5,582	5,582	19.2%
Pewaukee	A	4	374,584	146,213	123,456	(8,579)	(8,579)	33.0%
	B	30	1,607,085	532,681	366,333	(1,506)	(1,506)	22.8%
	Subtotal	34	1,981,669	678,894	489,789	(10,085)	(10,085)	24.7%
Waukesha Northwest - Lake Country	B	17	558,398	21,699	19,666	0	0	3.5%
	Subtotal	17	558,398	21,699	19,666	0	0	3.5%
Waukesha Southeast - New Berlin	B	15	519,691	67,574	57,505	53,445	53,445	11.1%
	Subtotal	15	519,691	67,574	57,505	53,445	53,445	11.1%
Waukesha Southwest	B	17	643,401	73,558	69,018	1,879	1,879	10.7%
	C	4	106,423			0	0	0.0%
	Subtotal	21	749,824	73,558	69,018	1,879	1,879	9.2%
Suburban	A	33	5,006,655	808,390	706,649	6,833	6,833	14.1%
	B	349	19,608,606	4,585,433	3,389,468	(76,956)	(76,956)	17.3%
	C	36	1,526,259	44,003	25,734	0	0	1.7%
	Subtotal	418	26,141,520	5,437,826	4,121,851	(70,123)	(70,123)	15.8%
Grand Total		560	45,527,831	9,242,639	7,406,045	78,464	78,464	16.3%

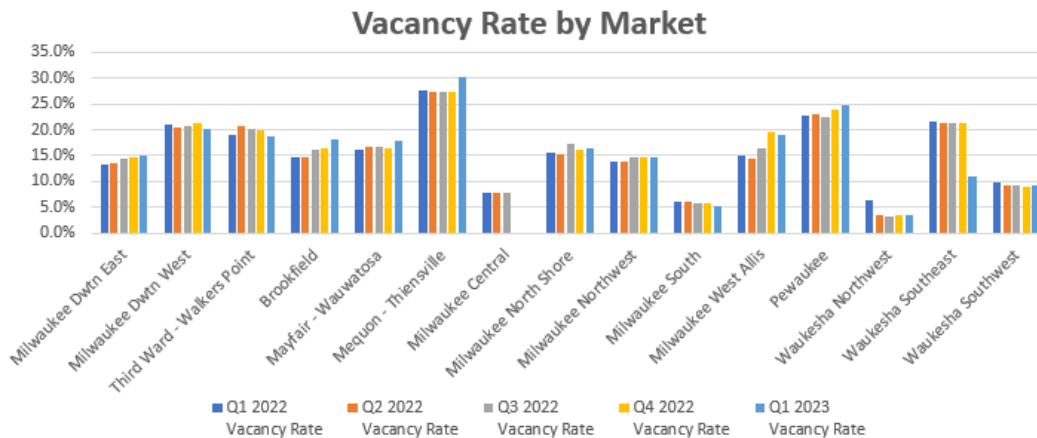


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Milwaukee Downtown East	A	11.8%	12.5%	14.0%	14.5%	14.4%
	B	14.9%	14.8%	14.8%	14.9%	15.4%
	C	11.7%	11.7%	15.4%	15.4%	15.4%
	Subtotal	13.1%	13.5%	14.4%	14.7%	14.9%
Milwaukee Downtown West	A	17.9%	17.9%	17.9%	17.9%	17.9%
	B	22.1%	21.5%	22.0%	22.4%	21.1%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	21.0%	20.5%	20.9%	21.2%	20.1%
Third Ward - Walkers Point	A	40.7%	38.8%	31.5%	30.8%	23.6%
	B	13.5%	16.1%	16.6%	16.3%	16.4%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	18.9%	20.6%	20.3%	19.9%	18.8%
Milwaukee CBD	A	14.1%	14.6%	15.7%	16.1%	15.6%
	B	17.4%	17.7%	17.9%	18.0%	17.9%
	C	13.2%	13.2%	14.3%	14.3%	14.3%
	Subtotal	16.1%	16.5%	17.0%	17.2%	16.9%
Brookfield	A	6.3%	6.3%	7.8%	7.5%	7.5%
	B	15.7%	15.5%	17.3%	17.6%	19.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.8%	14.6%	16.1%	16.4%	18.1%
Mayfair - Wauwatosa	A	13.1%	15.0%	14.9%	15.1%	17.3%
	B	22.9%	21.7%	21.9%	21.0%	21.9%
	C	4.2%	4.2%	4.2%	4.2%	4.2%
	Subtotal	16.2%	16.7%	16.7%	16.5%	18.0%
Mequon - Thiensville	A	30.7%	21.8%	43.1%	43.1%	43.1%
	B	27.2%	28.2%	26.0%	26.0%	29.2%
	Subtotal	27.8%	27.3%	27.4%	27.4%	30.3%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	15.3%	15.3%	15.3%	0.0%	0.0%
	Subtotal	7.7%	7.7%	7.7%	0.0%	0.0%
Milwaukee North Shore	A	77.4%	77.4%	77.4%	66.7%	66.2%
	B	11.8%	11.1%	13.5%	13.2%	13.7%
	C	5.4%	5.0%	4.4%	4.8%	4.8%
	Subtotal	15.5%	15.3%	17.2%	16.1%	16.5%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Milwaukee Northwest	A	5.0%	5.0%	5.0%	4.3%	4.3%
	B	16.8%	16.8%	17.7%	18.0%	18.1%
	Subtotal	13.9%	13.9%	14.6%	14.7%	14.8%
Milwaukee South	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	11.5%	11.3%	10.8%	11.0%	9.9%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	6.2%	6.1%	5.8%	5.8%	5.3%
Milwaukee West Allis	B	15.4%	14.8%	17.1%	20.1%	19.8%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.9%	14.3%	16.5%	19.4%	19.2%
Pewaukee	A	32.9%	33.5%	30.7%	30.7%	33.0%
	B	20.4%	20.7%	20.6%	22.3%	22.8%
	Subtotal	22.7%	23.1%	22.5%	23.9%	24.7%
Waukesha Northwest - Lake Country	B	6.4%	3.6%	3.2%	3.5%	3.5%
	Subtotal	6.4%	3.6%	3.2%	3.5%	3.5%
Waukesha Southeast - New Berlin	B	21.7%	21.3%	21.3%	21.3%	11.1%
	Subtotal	21.7%	21.3%	21.3%	21.3%	11.1%
Waukesha Southwest	B	11.2%	10.7%	10.7%	10.3%	10.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	9.7%	9.3%	9.3%	8.9%	9.2%
Suburban	A	13.0%	13.8%	13.5%	13.0%	14.1%
	B	15.7%	15.3%	16.4%	16.8%	17.3%
	C	7.8%	7.8%	7.7%	1.7%	1.7%
	Subtotal	14.7%	14.6%	15.3%	15.2%	15.8%
Grand Total		15.3%	15.4%	16.0%	16.1%	16.3%

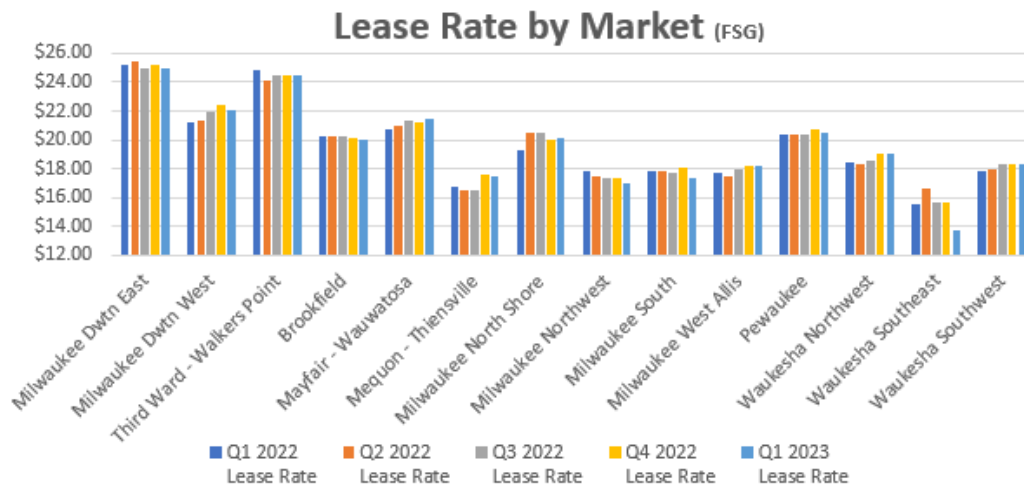


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Milwaukee Downtown East	A	\$33.68	\$33.55	\$33.10	\$33.23	\$32.20
	B	\$21.64	\$21.57	\$21.55	\$21.85	\$21.55
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$25.21	\$25.43	\$24.91	\$25.15	\$24.96
Milwaukee Downtown West	A	\$26.48	\$26.48		\$28.10	
	B	\$20.63	\$20.87	\$21.88	\$22.01	\$22.01
	C					
	Subtotal	\$21.21	\$21.34	\$21.88	\$22.41	\$22.01
Third Ward - Walkers Point	A	\$28.95	\$30.13	\$30.13	\$30.13	\$29.45
	B	\$24.54	\$23.63	\$24.18	\$24.25	\$24.23
	C	\$22.00	\$20.50	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.87	\$24.10	\$24.45	\$24.50	\$24.44
Milwaukee CBD	A	\$32.17	\$32.39	\$32.44	\$32.10	\$31.65
	B	\$22.53	\$22.21	\$22.69	\$22.85	\$22.68
	C	\$20.00	\$19.25	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.36	\$24.15	\$24.09	\$24.23	\$24.07
Brookfield	A	\$23.94	\$23.94	\$24.01	\$24.15	\$24.15
	B	\$20.12	\$20.17	\$20.18	\$20.14	\$19.99
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$20.22	\$20.26	\$20.20	\$20.10	\$19.96
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39
	B	\$18.07	\$18.55	\$18.76	\$18.72	\$18.83
	C					
	Subtotal	\$20.70	\$21.03	\$21.30	\$21.28	\$21.50
Mequon - Thiensville	A					
	B	\$16.73	\$16.51	\$16.51	\$17.55	\$17.51
	Subtotal	\$16.73	\$16.51	\$16.51	\$17.55	\$17.51
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.06	\$24.06	\$24.06	\$24.04	\$24.45
	B	\$19.78	\$20.94	\$20.50	\$19.88	\$19.88
	C	\$16.00	\$16.50	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.34	\$20.44	\$20.47	\$20.05	\$20.12

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

Market	Bldg Class	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.63	\$17.28	\$17.23	\$17.18	\$16.82
	Subtotal	\$17.78	\$17.45	\$17.40	\$17.33	\$17.00
Milwaukee South	A					
	B	\$17.84	\$17.86	\$17.68	\$18.03	\$17.39
	C					
	Subtotal	\$17.84	\$17.86	\$17.68	\$18.03	\$17.39
Milwaukee West Allis	B	\$17.70	\$17.41	\$17.91	\$18.20	\$18.21
	C					
	Subtotal	\$17.70	\$17.41	\$17.91	\$18.20	\$18.21
Pewaukee	A	\$23.63	\$23.63	\$23.64	\$23.64	\$23.76
	B	\$19.46	\$19.53	\$19.53	\$20.04	\$19.63
	Subtotal	\$20.34	\$20.35	\$20.35	\$20.76	\$20.46
Waukesha Northwest - Lake Country	B	\$18.48	\$18.27	\$18.60	\$19.08	\$19.08
	Subtotal	\$18.48	\$18.27	\$18.60	\$19.08	\$19.08
Waukesha Southeast - New Berlin	B	\$15.50	\$16.60	\$15.60	\$15.60	\$13.75
	Subtotal	\$15.50	\$16.60	\$15.60	\$15.60	\$13.75
Waukesha Southwest	B	\$17.84	\$17.99	\$18.30	\$18.27	\$18.30
	C					
	Subtotal	\$17.84	\$17.99	\$18.30	\$18.27	\$18.30
Suburban	A	\$24.53	\$24.53	\$24.58	\$24.63	\$24.72
	B	\$18.72	\$18.85	\$18.85	\$18.93	\$18.76
	C	\$14.80	\$14.88	\$14.50	\$14.50	\$14.50
	Subtotal	\$19.20	\$19.34	\$19.35	\$19.40	\$19.26
Grand Total		\$20.48	\$20.63	\$20.60	\$20.74	\$20.58



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	7,875,635	2,098,785	1,741,689	16,961	16,961	22.1%
B	351	21,829,670	6,371,284	5,050,529	(126,305)	(126,305)	23.1%
C	35	1,546,039	114,516	91,197	0	0	5.9%
Grand Total	428	31,251,344	8,584,585	6,883,415	(109,344)	(109,344)	22.0%

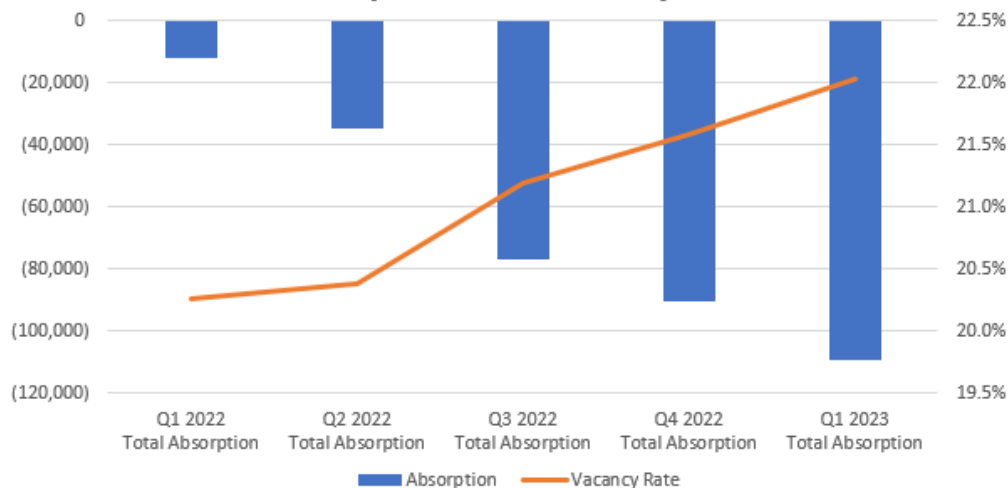
Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	42	7,875,635	1,960,703	1,730,828	12,917	12,917	22.0%
B	351	21,829,670	5,881,872	4,792,061	(141,291)	(141,291)	22.0%
C	35	1,546,039	113,216	91,197	0	0	5.9%
Grand Total	428	31,251,344	7,955,791	6,614,086	(128,374)	(128,374)	21.2%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	42	7,875,635	138,082	10,861	4,044	4,044	0.1%
B	351	21,829,670	489,412	258,468	14,986	14,986	1.2%
C	35	1,546,039	1,300	0	0	0	0.0%
Grand Total	428	31,251,344	628,794	269,329	19,030	19,030	0.9%

Absorption and Vacancy Rate



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	1,108,773	860,369	5,733	5,733	18.4%
	B	31	3,040,144	854,100	756,677	(20,728)	(20,728)	24.9%
	C	3	115,387	27,550	22,500	0	0	19.5%
	Subtotal	46	7,832,987	1,990,423	1,639,546	(14,995)	(14,995)	20.9%
Milwaukee Downtown West	A	1	68,371	13,000		0	0	0.0%
	B	26	3,646,993	951,645	988,331	4,369	4,369	27.1%
	C	1	95,561			0	0	0.0%
	Subtotal	28	3,810,925	964,645	988,331	4,369	4,369	25.9%
Third Ward - Walkers Point	A	2	297,047	168,622	174,671	4,395	4,395	58.8%
	B	35	2,151,072	533,733	376,256	(3,490)	(3,490)	17.5%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	41	2,568,832	745,318	593,890	905	905	23.1%
Milwaukee CBD	A	15	5,042,874	1,290,395	1,035,040	10,128	10,128	20.5%
	B	92	8,838,209	2,339,478	2,121,264	(19,849)	(19,849)	24.0%
	C	8	331,661	70,513	65,463	0	0	19.7%
	Subtotal	115	14,212,744	3,700,386	3,221,767	(9,721)	(9,721)	22.7%
Brookfield	A	5	503,824	36,102	41,056	165	165	8.1%
	B	79	4,140,041	1,455,693	1,069,240	(78,768)	(78,768)	25.8%
	C	2	61,911	5,000		0	0	0.0%
	Subtotal	86	4,705,776	1,496,795	1,110,296	(78,603)	(78,603)	23.6%
Mayfair - Wauwatosa	A	13	1,569,637	438,244	362,475	14,337	14,337	23.1%
	B	25	1,304,825	343,789	316,231	(13,399)	(13,399)	24.2%
	C	6	268,078	26,054	12,785	0	0	4.8%
	Subtotal	44	3,142,540	808,087	691,491	938	938	22.0%
Mequon - Thiensville	A	1	37,670	6,104	16,250	0	0	43.1%
	B	12	329,246	96,788	85,062	(13,531)	(13,531)	25.8%
	Subtotal	13	366,916	102,892	101,312	(13,531)	(13,531)	27.6%
Milwaukee Central	B	5	216,780	32,000		0	0	0.0%
	C	6	415,176			0	0	0.0%
	Subtotal	11	631,956	32,000		0	0	0.0%
Milwaukee North Shore	A	2	175,962	134,828	116,513	910	910	66.2%
	B	25	927,167	166,481	153,462	(5,985)	(5,985)	16.6%
	C	7	271,978	12,949	12,949	0	0	4.8%
	Subtotal	34	1,375,107	314,258	282,924	(5,075)	(5,075)	20.6%

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	1,808,775	653,971	577,115	(2,471)	(2,471)	31.9%
	Subtotal	31	1,979,859	700,870	624,014	(2,471)	(2,471)	31.5%
Milwaukee South	B	16	653,459	142,149	87,668	8,298	8,298	13.4%
	C	2	91,658			0	0	0.0%
	Subtotal	18	745,117	142,149	87,668	8,298	8,298	11.8%
Milwaukee West Allis	B	16	1,722,795	720,473	341,925	5,582	5,582	19.8%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,750,311	720,473	341,925	5,582	5,582	19.5%
Pewaukee	A	4	374,584	146,213	123,456	(8,579)	(8,579)	33.0%
	B	20	849,517	294,631	189,373	(1,506)	(1,506)	22.3%
	Subtotal	24	1,224,101	440,844	312,829	(10,085)	(10,085)	25.6%
Waukesha Northwest - Lake Country	B	10	256,529	21,699	19,666	0	0	7.7%
	Subtotal	10	256,529	21,699	19,666	0	0	7.7%
Waukesha Southeast - New Berlin	B	8	227,541	30,574	20,505	(6,555)	(6,555)	9.0%
	Subtotal	8	227,541	30,574	20,505	(6,555)	(6,555)	9.0%
Waukesha Southwest	B	14	554,786	73,558	69,018	1,879	1,879	12.4%
	C	3	78,061			0	0	0.0%
	Subtotal	17	632,847	73,558	69,018	1,879	1,879	10.9%
Suburban	A	27	2,832,761	808,390	706,649	6,833	6,833	24.9%
	B	259	12,991,461	4,031,806	2,929,265	(106,456)	(106,456)	22.5%
	C	27	1,214,378	44,003	25,734	0	0	2.1%
	Subtotal	313	17,038,600	4,884,199	3,661,648	(99,623)	(99,623)	21.5%
Grand Total		428	31,251,344	8,584,585	6,883,415	(109,344)	(109,344)	22.0%

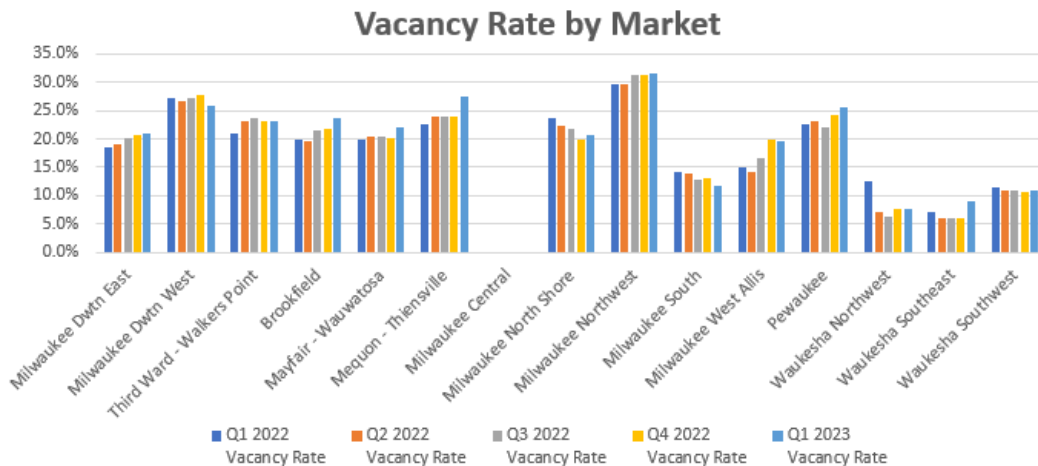


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Milwaukee Downtown East	A	15.0%	15.9%	17.9%	18.5%	18.4%
	B	23.8%	23.7%	23.5%	23.9%	24.9%
	C	14.8%	14.8%	19.5%	19.5%	19.5%
	Subtotal	18.4%	19.0%	20.1%	20.6%	20.9%
Milwaukee Downtown West	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	28.6%	27.9%	28.5%	29.2%	27.1%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	27.3%	26.7%	27.2%	27.9%	25.9%
Third Ward - Walkers Point	A	64.8%	61.7%	61.7%	60.3%	58.8%
	B	14.2%	17.1%	17.7%	17.3%	17.5%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	21.1%	23.2%	23.7%	23.2%	23.1%
Milwaukee CBD	A	17.7%	18.4%	20.2%	20.7%	20.5%
	B	23.4%	23.8%	24.1%	24.4%	24.0%
	C	18.1%	18.1%	19.7%	19.7%	19.7%
	Subtotal	21.2%	21.7%	22.6%	22.9%	22.7%
Brookfield	A	7.2%	7.2%	8.5%	8.2%	8.1%
	B	21.3%	21.0%	23.5%	23.9%	25.8%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	19.9%	19.6%	21.5%	21.9%	23.6%
Mayfair - Wauwatosa	A	17.7%	20.2%	20.2%	20.4%	23.1%
	B	25.3%	24.0%	24.2%	23.2%	24.2%
	C	4.8%	4.8%	4.8%	4.8%	4.8%
	Subtotal	19.9%	20.5%	20.6%	20.2%	22.0%
Mequon - Thiensville	A	30.7%	21.8%	43.1%	43.1%	43.1%
	B	20.8%	24.6%	21.7%	21.7%	25.8%
	Subtotal	22.5%	24.1%	23.9%	23.9%	27.6%
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	77.4%	77.4%	77.4%	66.7%	66.2%
	B	18.3%	16.8%	16.4%	15.6%	16.6%
	C	7.4%	5.0%	4.4%	4.8%	4.8%
	Subtotal	23.8%	22.3%	21.9%	19.9%	20.6%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate
Milwaukee Northwest	A	31.8%	31.8%	31.8%	27.4%	27.4%
	B	29.5%	29.5%	31.2%	31.8%	31.9%
	Subtotal	29.7%	29.7%	31.3%	31.4%	31.5%
Milwaukee South	B	16.1%	15.8%	14.7%	15.0%	13.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.0%	13.8%	12.9%	13.1%	11.8%
Milwaukee West Allis	B	15.1%	14.5%	17.0%	20.2%	19.8%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.9%	14.2%	16.7%	19.9%	19.5%
Pewaukee	A	32.9%	33.5%	30.7%	30.7%	33.0%
	B	18.2%	18.8%	18.6%	21.4%	22.3%
	Subtotal	22.5%	23.1%	22.2%	24.2%	25.6%
Waukesha Northwest - Lake Country	B	12.6%	7.1%	6.3%	7.7%	7.7%
	Subtotal	12.6%	7.1%	6.3%	7.7%	7.7%
Waukesha Southeast - New Berlin	B	7.0%	6.1%	6.1%	6.1%	9.0%
	Subtotal	7.0%	6.1%	6.1%	6.1%	9.0%
Waukesha Southwest	B	12.7%	12.2%	12.3%	11.9%	12.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	11.3%	10.9%	10.9%	10.5%	10.9%
Suburban	A	23.9%	25.2%	24.1%	23.3%	24.9%
	B	20.2%	19.7%	20.9%	21.6%	22.5%
	C	2.6%	2.1%	2.0%	2.1%	2.1%
	Subtotal	19.5%	19.3%	20.0%	20.5%	21.5%
Grand Total		20.3%	20.4%	21.2%	21.6%	22.0%

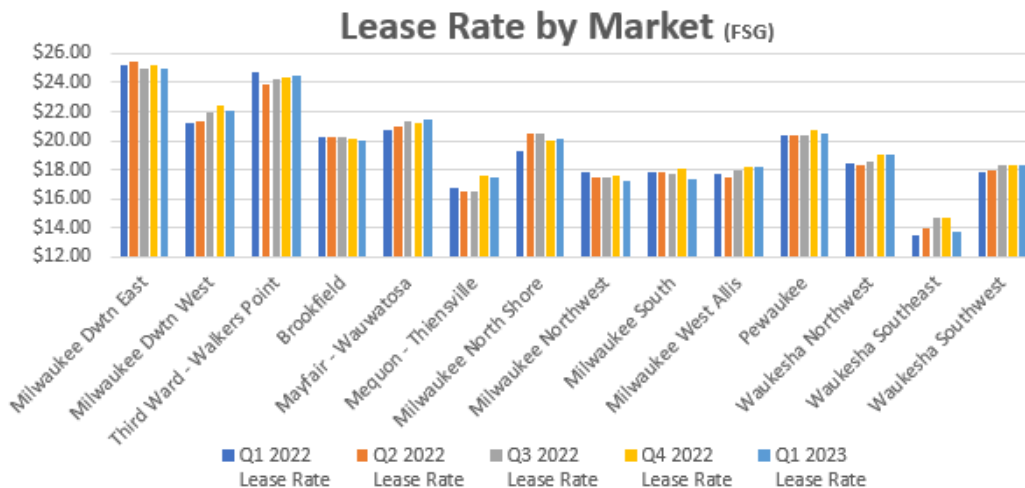


Lease Rates by Market (Multi-Tenant)

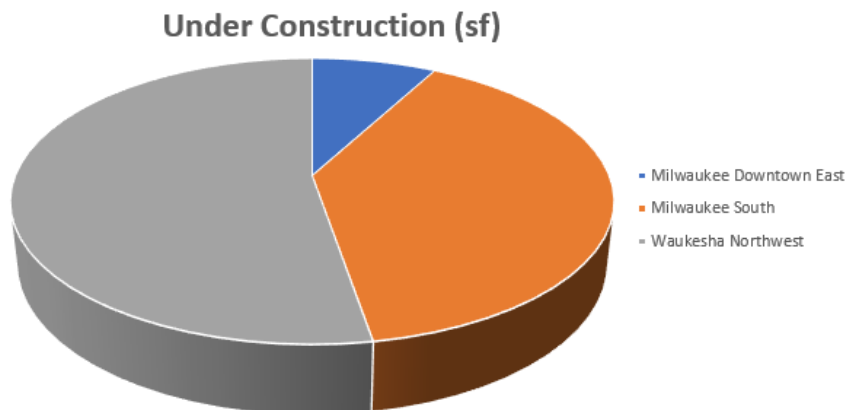
Market	Bldg Class	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Milwaukee Downtown East	A	\$33.68	\$33.55	\$33.10	\$33.23	\$32.20
	B	\$21.64	\$21.57	\$21.55	\$21.85	\$21.55
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$25.21	\$25.43	\$24.91	\$25.15	\$24.96
Milwaukee Downtown West	A	\$26.48	\$26.48		\$28.10	
	B	\$20.63	\$20.87	\$21.88	\$22.01	\$22.01
	C					
	Subtotal	\$21.21	\$21.34	\$21.88	\$22.41	\$22.01
Third Ward - Walkers Point	A	\$28.95	\$30.13	\$30.13	\$30.13	\$29.45
	B	\$24.54	\$23.63	\$24.18	\$24.25	\$24.23
	C	\$22.00	\$20.50	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.87	\$24.10	\$24.45	\$24.50	\$24.44
Milwaukee CBD	A	\$32.17	\$32.39	\$32.44	\$32.10	\$31.65
	B	\$22.41	\$22.09	\$22.58	\$22.75	\$22.68
	C	\$20.00	\$19.25	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.31	\$24.09	\$24.03	\$24.17	\$24.07
Brookfield	A	\$23.94	\$23.94	\$24.01	\$24.15	\$24.15
	B	\$20.12	\$20.17	\$20.18	\$20.14	\$19.99
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$20.22	\$20.26	\$20.20	\$20.10	\$19.96
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39
	B	\$18.07	\$18.55	\$18.76	\$18.72	\$18.83
	C					
	Subtotal	\$20.70	\$21.03	\$21.30	\$21.28	\$21.50
Mequon - Thiensville	A					
	B	\$16.73	\$16.51	\$16.51	\$17.55	\$17.51
	Subtotal	\$16.73	\$16.51	\$16.51	\$17.55	\$17.51
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.06	\$24.06	\$24.06	\$24.04	\$24.45
	B	\$19.78	\$20.94	\$20.50	\$19.88	\$19.88
	C	\$16.00	\$16.50	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.34	\$20.44	\$20.47	\$20.05	\$20.12

Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q1 2022 Lease Rate	Q2 2022 Lease Rate	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.63	\$17.28	\$17.23	\$17.18	\$16.82
	Subtotal	\$17.78	\$17.45	\$17.40	\$17.33	\$17.00
Milwaukee South	A					
	B	\$17.84	\$17.86	\$17.68	\$18.03	\$17.39
	C					
	Subtotal	\$17.84	\$17.86	\$17.68	\$18.03	\$17.39
Milwaukee West Allis	B	\$17.70	\$17.41	\$17.91	\$18.20	\$18.21
	C					
	Subtotal	\$17.70	\$17.41	\$17.91	\$18.20	\$18.21
Pewaukee	A	\$23.63	\$23.63	\$23.64	\$23.64	\$23.76
	B	\$19.46	\$19.53	\$19.53	\$20.04	\$19.63
	Subtotal	\$20.34	\$20.35	\$20.35	\$20.76	\$20.46
Waukesha Northwest - Lake Country	B	\$18.48	\$18.27	\$18.60	\$19.08	\$19.08
	Subtotal	\$18.48	\$18.27	\$18.60	\$19.08	\$19.08
Waukesha Southeast - New Berlin	B	\$15.50	\$16.60	\$15.60	\$15.60	\$13.75
	Subtotal	\$15.50	\$16.60	\$15.60	\$15.60	\$13.75
Waukesha Southwest	B	\$17.84	\$17.99	\$18.30	\$18.27	\$18.30
	C					
	Subtotal	\$17.84	\$17.99	\$18.30	\$18.27	\$18.30
Suburban	A	\$24.53	\$24.53	\$24.58	\$24.63	\$24.72
	B	\$18.71	\$18.83	\$18.85	\$18.99	\$18.81
	C	\$14.80	\$14.88	\$14.50	\$14.50	\$14.50
	Subtotal	\$19.19	\$19.34	\$19.36	\$19.46	\$19.32
Grand Total		\$20.48	\$20.63	\$20.60	\$20.74	\$20.58

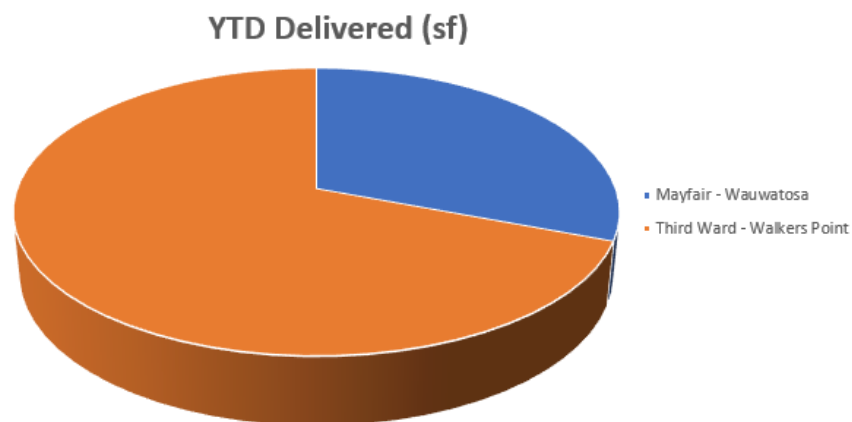


Under Construction



Market	Bldg (sf)
Milwaukee Downtown East	8,104
Milwaukee South	40,288
Waukesha Northwest	53,913
Grand Total	102,305

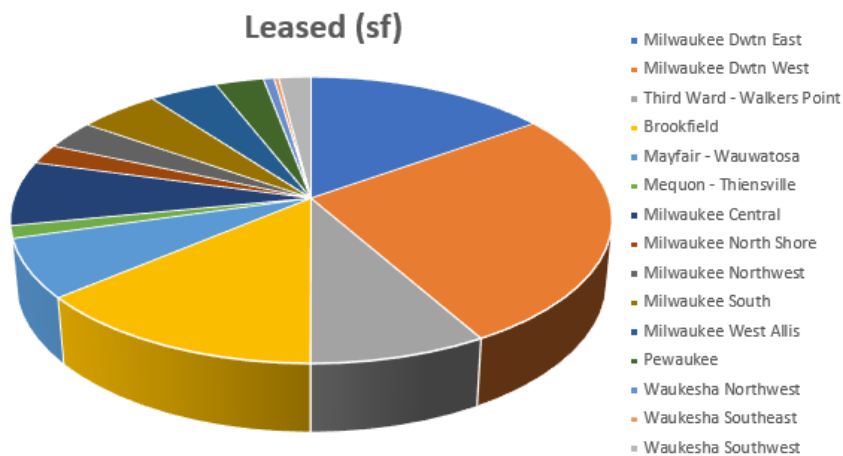
YTD Deliveries



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

Leasing Activity

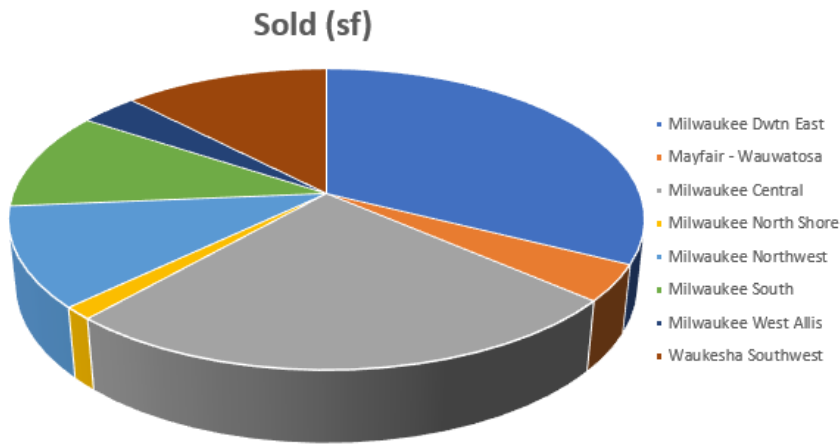
Property	Size (sf)	Market	Tenant	Landlord
HUB640 640 N 4th St	160,000	Milwaukee Dwtn West	Fiserv	NWC 331 Multifamily LLC
BMO Tower 790 N Water St	39,520	Milwaukee Dwtn East	Baker Tilly	Irgens
The Timbers 700 W Virginia St	22,178	Third Ward - Walkers Point	Capital First Trust Company	MKE Atlas Timbers LLC
3808 W North Ave	22,154	Milwaukee Central	Kids At Work Academy	New Covenant Missionary
Liberty I 11414 W Park Pl	17,064	Milwaukee Northwest	Jacobus Energy	US Bank National Assn



Market	Leased (sf)
Milwaukee Dwtn East	95,458
Milwaukee Dwtn West	167,895
Third Ward - Walkers Point	52,119
Brookfield	87,451
Mayfair - Wauwatosa	41,944
Mequon - Thiensville	8,788
Milwaukee Central	46,154
Milwaukee North Shore	13,996
Milwaukee Northwest	20,412
Milwaukee South	31,878
Milwaukee West Allis	26,887
Pewaukee	18,968
Waukesha Northwest	4,225
Waukesha Southeast	1,800
Waukesha Southwest	12,684
Grand Total	630,659

Sales Activity

Property	Price	Market	Buyer	Seller
Park Ridge Center II	\$3,250,000	Waukesha Southwest	21 Ridgeview Parkway, LLC	Park Ridge Centre II LLC
10521 W Layton Ave	\$1,400,000	Milwaukee South	Layton 10521 LLC	Greenfield Realestate LLC
310 E Knapp St	\$1,090,500	Milwaukee Dwtm East	Milwaukee School of Engineering	Sunset Investors Knapp LLC
7909-7911 N 47 St	\$950,000	Milwaukee Northwest	SIPAM LLC	J&O Advantage LLC
10202 W Hayes Ave	\$800,000	Milwaukee West Allis	Hayes Building, LLC	Hayes Medical Bldg LLC



Market	Sold (sf)
Milwaukee Dwtm East	59,429
Mayfair - Wauwatosa	7,170
Milwaukee Central	46,267
Milwaukee North Shore	2,474
Milwaukee Northwest	19,686
Milwaukee South	19,398
Milwaukee West Allis	6,367
Waukesha Southwest	22,528
Grand Total	183,319

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)	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.

Advisory Board Members

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