

Market

Trends

Q3 2023

Milwaukee - Industrial



REDI

MOODY'S
ANALYTICS

Catylist



MARKET TRENDS

Q3 2023 | Milwaukee | Industrial

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	800,123	
Area Unemployment	4.1	
U.S. Unemployment	3.8	
Industrial Jobs	116,400	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	379,236,700
Total # of Bldgs (tracked)	5,384
Absorption	359,149
Vacancy	4.4%
Asking Rate (NNN)	\$6.35
New Construction (sf)	7,953,664

Multi-tenant Properties

Total Inventory (sf)	96,409,126
Total # of Bldgs (tracked)	1,219
Absorption	(192,256)
Vacancy	12.6%
Asking Rate (NNN)	\$6.43

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 50 basis points to 4.1% compared to 3.6% in August 2022. The unemployment rate for the US was at 3.8% in August 2023 which increased 10 basis points from last year. State of Wisconsin unemployment was 2.9% for this quarter. The Milwaukee MSA saw an increase in job growth while manufacturing jobs also increased by 600 jobs during the same period.

Market Overview

The Milwaukee Industrial market consists of 379.2 msf of space in eight counties across Southeastern Wisconsin. Southeastern Wisconsin posted 359,000 sf positive absorption in Q3 2023 for all properties, bringing the YTD to 1.6 msf positive absorption. Multi-tenant properties had (192,200) sf negative absorption bringing the YTD to 552,700 sf positive absorption. The third quarter ended with a vacancy rate of 4.4% for all properties and 12.6% for multi-tenant properties. The average asking lease rates for SE Wisconsin has increased from \$6.08 last year to \$6.35 psf NNN for Q3 2023. To date, there are 37 properties totaling 7.9 msf of new construction projects throughout the market. Twenty eight properties with 6.9 msf were delivered year to date.

Market Highlights

Racine County led the way in positive absorption with 555,000 sf resulting from Kenco leasing 443,000 sf. Kenosha County lead two counties with (444,000) sf negative absorption due to Uline vacating 300,000 sf. At the close of Q3 2023 the market had 75 lease transactions totaling 2.3 msf of leasing activity. Sixty two properties sold topping \$153 million with 1.57 msf during Q3 2023.

Market Overview (Multi and Single Tenant)

Total

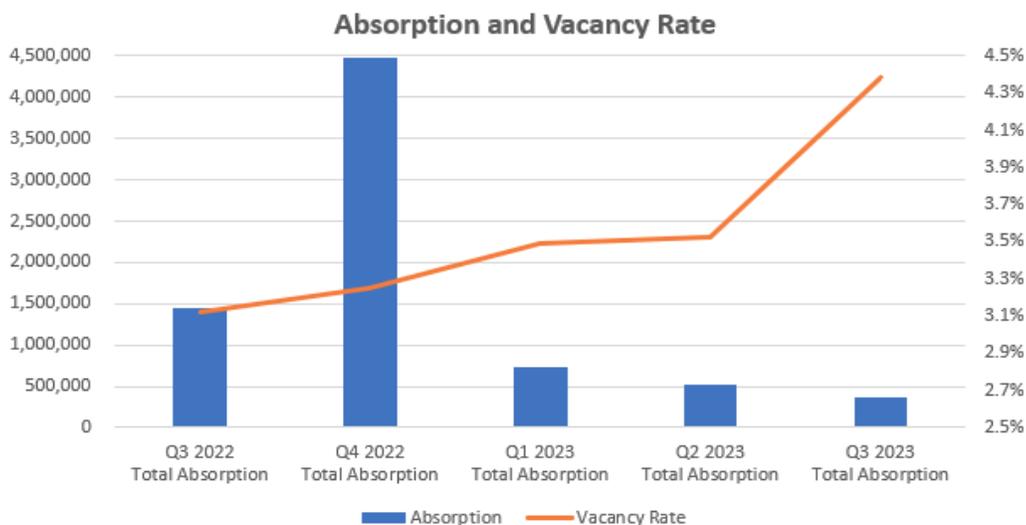
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	296	13,193,200	1,075,643	876,905	54,401	56,440	6.6%
Manufacturing	2,171	176,451,822	6,356,264	3,744,641	(254,120)	(73,238)	2.1%
Warehouse Distribution	785	125,552,800	11,480,494	9,964,807	408,021	1,335,131	7.9%
Warehouse Office	2,132	64,038,878	3,631,666	2,045,183	150,847	291,515	3.2%
Grand Total	5,384	379,236,700	22,544,067	16,631,536	359,149	1,609,848	4.4%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	296	13,193,200	1,012,532	868,353	54,401	56,828	6.6%
Manufacturing	2,171	176,451,822	6,183,500	3,609,377	(254,120)	(13,268)	2.0%
Warehouse Distribution	785	125,552,800	11,159,867	9,859,007	380,133	1,359,243	7.9%
Warehouse Office	2,132	64,038,878	3,483,730	1,913,580	191,462	332,130	3.0%
Grand Total	5,384	379,236,700	21,839,629	16,250,317	371,876	1,734,933	4.3%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	296	13,193,200	63,111	8,552	0	(388)	0.1%
Manufacturing	2,171	176,451,822	172,764	135,264	0	(59,970)	0.1%
Warehouse Distribution	785	125,552,800	320,627	105,800	27,888	(24,112)	0.1%
Warehouse Office	2,132	64,038,878	147,936	131,603	(40,615)	(40,615)	0.2%
Grand Total	5,384	379,236,700	704,438	381,219	(12,727)	(125,085)	0.1%



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	107	37,510,679	5,046,983	5,095,258	(444,069)	(120,304)	13.6%
	Warehouse Office	70	2,944,634	261,585		0	0	0.0%
	Subtotal	288	49,105,063	5,443,642	5,230,332	(444,069)	(120,304)	10.7%
Milwaukee	Flex/R&D	62	3,255,194	679,601	589,856	28,599	27,663	18.1%
	Manufacturing	665	60,421,398	4,673,430	3,019,572	(507,208)	(467,611)	5.0%
	Warehouse Distribution	285	34,726,853	3,089,879	1,747,741	165,510	559,908	5.0%
	Warehouse Office	685	23,299,233	1,950,026	1,180,498	185,183	49,179	5.1%
	Subtotal	1,697	121,702,678	10,392,936	6,537,667	(127,916)	169,139	5.4%
Ozaukee	Flex/R&D	22	670,913	59,431	36,218	2,577	(8,345)	5.4%
	Manufacturing	118	9,041,752	150,801	115,222	40,651	102,484	1.3%
	Warehouse Distribution	16	2,149,211	6,001	6,001	0	0	0.3%
	Warehouse Office	65	2,352,488	119,290	62,490	0	0	2.7%
	Subtotal	221	14,214,364	335,523	219,931	43,228	94,139	1.5%
Racine	Flex/R&D	12	668,128	35,290	35,290	0	0	5.3%
	Manufacturing	189	17,425,319	127,415	27,820	(500)	(9,886)	0.2%
	Warehouse Distribution	82	14,776,808	2,430,127	2,634,232	555,584	636,264	17.8%
	Warehouse Office	141	4,625,079	460,700	443,180	0	0	9.6%
	Subtotal	424	37,495,334	3,053,532	3,140,522	555,084	626,378	8.4%
Sheboygan	Flex/R&D	1	30,720		5,000	0	0	16.3%
	Manufacturing	151	19,759,101	386,374	100,800	23,687	0	0.5%
	Warehouse Distribution	34	5,132,236	214,029		0	0	0.0%
	Warehouse Office	90	2,347,672	136,296	4,625	(4,625)	(4,625)	0.2%
	Subtotal	276	27,269,729	736,699	110,425	19,062	(4,625)	0.4%
Walworth	Flex/R&D	4	94,396			0	0	0.0%
	Manufacturing	125	9,600,977	235,390	58,336	59,250	20,250	0.6%
	Warehouse Distribution	30	3,135,417	110,900		0	183,200	0.0%
	Warehouse Office	76	2,165,145	70,550	40,000	0	0	1.8%
	Subtotal	235	14,995,935	416,840	98,336	59,250	203,450	0.7%
Washington	Flex/R&D	15	528,613	32,715	23,644	0	12,524	4.5%
	Manufacturing	232	14,790,839	117,500	120,140	0	59,500	0.8%
	Warehouse Distribution	75	9,981,922	193,471	182,471	30,967	137,361	1.8%
	Warehouse Office	177	4,621,323	161,427	96,337	(7,676)	(3,863)	2.1%
	Subtotal	499	29,922,697	505,113	422,592	23,291	205,522	1.4%
Waukesha	Flex/R&D	172	7,262,637	268,606	186,897	23,225	24,598	2.6%
	Manufacturing	588	37,445,285	530,280	167,677	130,000	222,025	0.4%
	Warehouse Distribution	156	18,139,674	389,104	299,104	100,029	(61,298)	1.6%
	Warehouse Office	828	21,683,304	471,792	218,053	(22,035)	250,824	1.0%
	Subtotal	1,744	84,530,900	1,659,782	871,731	231,219	436,149	1.0%
Grand Total		5,384	379,236,700	22,544,067	16,631,536	359,149	1,609,848	4.4%

Vacancy Rates by County (Multi and Single Tenant)

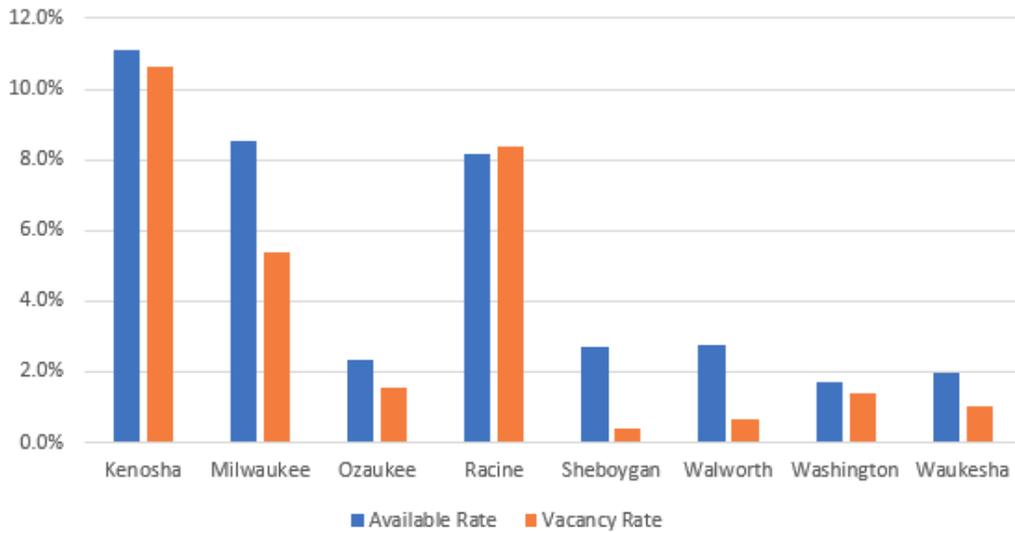
County	Property Type	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
		Vacancy Rate				
Kenosha	Flex/R&D	1.2%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	1.7%	1.7%	1.7%	1.7%
	Warehouse Distribution	6.1%	5.7%	8.3%	8.0%	13.6%
	Warehouse Office	0.5%	0.0%	0.0%	0.0%	0.0%
	Subtotal	4.5%	4.5%	6.6%	6.3%	10.7%
Milwaukee	Flex/R&D	20.6%	19.0%	18.9%	19.0%	18.1%
	Manufacturing	4.6%	4.2%	4.2%	4.2%	5.0%
	Warehouse Distribution	3.0%	4.5%	3.7%	3.6%	5.0%
	Warehouse Office	6.0%	5.2%	5.3%	5.8%	5.1%
	Subtotal	4.9%	4.9%	4.6%	4.7%	5.4%
Ozaukee	Flex/R&D	5.5%	4.3%	5.8%	5.8%	5.4%
	Manufacturing	1.9%	2.4%	2.2%	1.7%	1.3%
	Warehouse Distribution	0.3%	0.3%	0.3%	0.3%	0.3%
	Warehouse Office	2.4%	2.7%	3.1%	2.7%	2.7%
	Subtotal	1.9%	2.2%	2.2%	1.9%	1.5%
Racine	Flex/R&D	6.0%	5.3%	5.3%	5.3%	5.3%
	Manufacturing	1.0%	0.1%	0.1%	0.2%	0.2%
	Warehouse Distribution	5.0%	14.1%	15.4%	16.1%	17.8%
	Warehouse Office	9.6%	9.6%	9.6%	9.6%	9.6%
	Subtotal	3.6%	6.6%	7.1%	7.4%	8.4%
Sheboygan	Flex/R&D	32.8%	16.3%	16.3%	16.3%	16.3%
	Manufacturing	0.2%	0.2%	0.1%	0.1%	0.5%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	0.0%	0.0%	0.0%	0.0%	0.2%
	Subtotal	0.2%	0.2%	0.1%	0.1%	0.4%
Walworth	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.2%	0.2%	0.2%	0.6%	0.6%
	Warehouse Distribution	2.4%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	2.0%	2.0%	2.0%	1.8%	1.8%
	Subtotal	0.9%	0.4%	0.4%	0.7%	0.7%
Washington	Flex/R&D	6.8%	6.8%	6.8%	4.5%	4.5%
	Manufacturing	0.4%	0.4%	0.4%	0.8%	0.8%
	Warehouse Distribution	6.0%	3.2%	2.2%	2.1%	1.8%
	Warehouse Office	2.2%	2.1%	2.0%	2.0%	2.1%
	Subtotal	2.6%	1.7%	1.4%	1.5%	1.4%
Waukesha	Flex/R&D	2.9%	2.9%	2.7%	2.9%	2.6%
	Manufacturing	1.1%	0.3%	0.3%	0.5%	0.4%
	Warehouse Distribution	0.5%	0.5%	1.4%	2.2%	1.6%
	Warehouse Office	2.1%	1.6%	1.8%	0.7%	1.0%
	Subtotal	1.4%	0.9%	1.1%	1.1%	1.0%
Grand Total		3.1%	3.2%	3.5%	3.5%	4.4%

Lease Rates by County (Multi and Single Tenant)

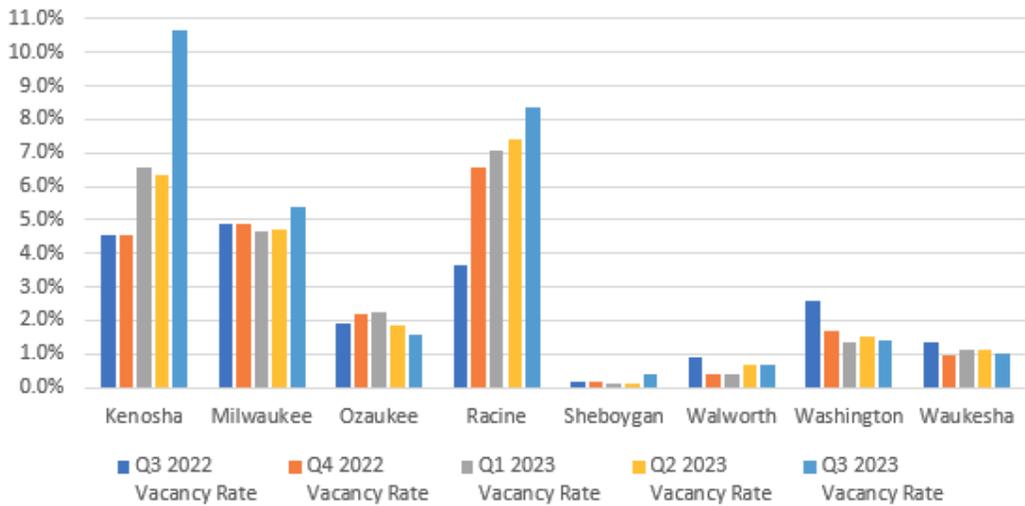
County	Property Type	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Kenosha	Flex/R&D	\$7.38				
	Manufacturing					
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$6.25	\$6.25
	Warehouse Office					
	Subtotal	\$6.13	\$5.50	\$5.50	\$6.25	\$6.25
Milwaukee	Flex/R&D	\$6.57	\$6.72	\$7.04	\$7.12	\$7.12
	Manufacturing	\$4.41	\$4.87	\$4.98	\$4.92	\$5.01
	Warehouse Distribution	\$5.47	\$5.47	\$5.32	\$5.37	\$5.31
	Warehouse Office	\$5.13	\$5.10	\$5.09	\$5.45	\$5.66
	Subtotal	\$5.16	\$5.30	\$5.36	\$5.55	\$5.65
Ozaukee	Flex/R&D	\$9.15	\$9.15	\$8.88	\$8.92	\$9.13
	Manufacturing	\$3.50	\$4.43	\$3.50	\$3.50	\$3.50
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	Warehouse Office	\$9.75	\$9.35	\$9.81	\$9.75	\$9.75
	Subtotal	\$8.32	\$8.14	\$8.25	\$8.13	\$8.31
Racine	Flex/R&D	\$11.25	\$11.25	\$11.25		
	Manufacturing	\$6.00	\$4.98	\$4.98	\$5.23	\$4.98
	Warehouse Distribution	\$4.70	\$4.70	\$4.70	\$4.15	\$5.25
	Warehouse Office					\$6.95
	Subtotal	\$6.66	\$6.12	\$6.12	\$4.87	\$5.43
Sheboygan	Flex/R&D	\$4.85				
	Manufacturing			\$5.85	\$5.74	\$5.74
	Warehouse Distribution					
	Warehouse Office			\$5.83	\$5.83	\$5.70
	Subtotal	\$4.85		\$5.84	\$5.78	\$5.73
Walworth	Flex/R&D					
	Manufacturing	\$4.25	\$4.82	\$4.82	\$4.75	\$4.75
	Warehouse Distribution	\$5.25		\$5.50	\$5.50	\$5.50
	Warehouse Office	\$8.50	\$8.50	\$7.50	\$7.23	\$7.23
	Subtotal	\$5.56	\$5.74	\$5.83	\$5.70	\$5.70
Washington	Flex/R&D	\$6.58	\$5.38	\$5.38	\$5.67	\$5.67
	Manufacturing	\$4.25	\$3.63	\$3.63	\$3.92	\$3.92
	Warehouse Distribution	\$5.88	\$5.88	\$5.88	\$5.00	
	Warehouse Office	\$6.19	\$6.03	\$6.15	\$6.52	\$6.26
	Subtotal	\$5.82	\$5.32	\$5.55	\$5.60	\$5.28
Waukesha	Flex/R&D	\$7.79	\$8.08	\$8.17	\$8.13	\$8.07
	Manufacturing	\$6.31	\$6.40	\$5.95	\$5.47	\$5.36
	Warehouse Distribution	\$7.65	\$7.65	\$6.99	\$8.24	\$8.24
	Warehouse Office	\$6.82	\$6.97	\$6.84	\$7.11	\$7.09
	Subtotal	\$7.21	\$7.37	\$7.48	\$7.60	\$7.59
Grand Total		\$6.08	\$6.19	\$6.26	\$6.38	\$6.35

Multi and Single Tenant

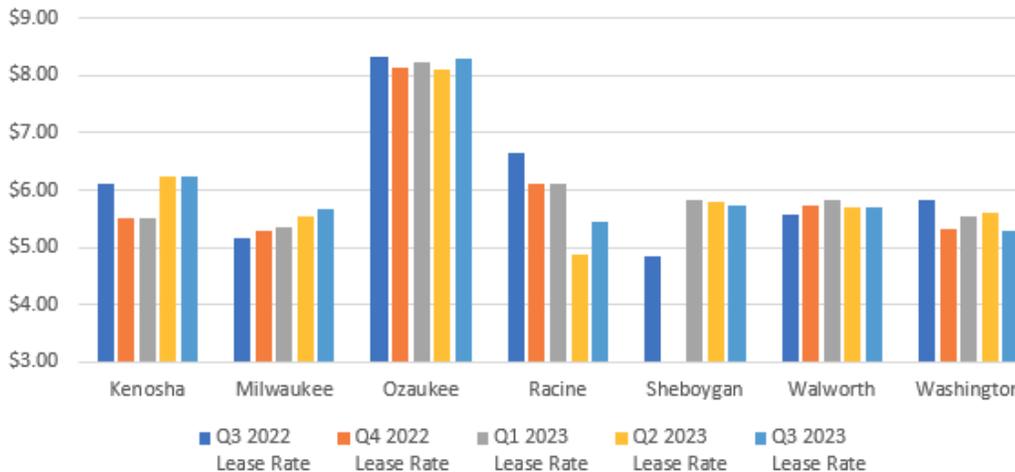
Available and Vacancy Rates



Vacancy Rate by County



Lease Rates by County (NNN)



Market Overview (Multi-Tenant)

Total

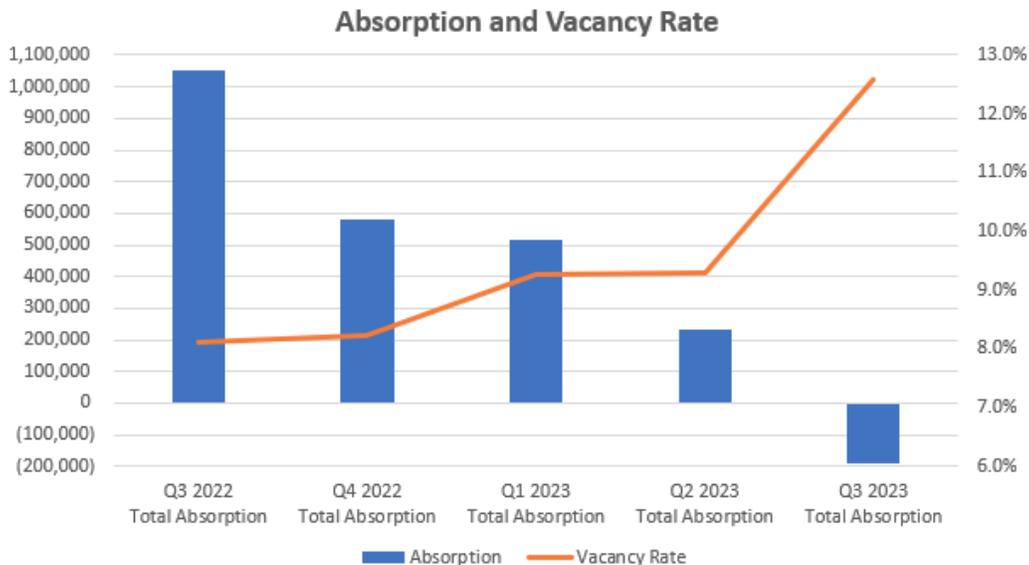
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	232	9,992,397	910,843	712,105	54,401	56,440	7.1%
Manufacturing	165	19,675,946	2,845,140	1,603,383	(312,109)	(224,828)	8.1%
Warehouse Distribution	243	43,783,804	9,608,655	8,235,641	(43,920)	387,344	18.8%
Warehouse Office	579	22,956,979	2,599,969	1,575,521	109,372	333,749	6.9%
Grand Total	1,219	96,409,126	15,964,607	12,126,650	(192,256)	552,705	12.6%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	232	9,992,397	847,732	703,553	54,401	56,828	7.0%
Manufacturing	165	19,675,946	2,769,846	1,528,089	(312,109)	(224,828)	7.8%
Warehouse Distribution	243	43,783,804	9,482,028	8,173,841	(43,920)	439,344	18.7%
Warehouse Office	579	22,956,979	2,492,648	1,484,533	109,372	333,749	6.5%
Grand Total	1,219	96,409,126	15,592,254	11,890,016	(192,256)	605,093	12.3%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	232	9,992,397	63,111	8,552	0	(388)	0.1%
Manufacturing	165	19,675,946	75,294	75,294	0	0	0.4%
Warehouse Distribution	243	43,783,804	126,627	61,800	0	(52,000)	0.1%
Warehouse Office	579	22,956,979	107,321	90,988	0	0	0.4%
Grand Total	1,219	96,409,126	372,353	236,634	0	(52,388)	0.2%



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	39	12,770,868	4,802,482	4,827,398	(299,788)	36,331	37.8%
	Warehouse Office	11	657,354	261,585		0	0	0.0%
	Subtotal	63	15,413,967	5,199,141	4,962,472	(299,788)	36,331	32.2%
Milwaukee	Flex/R&D	49	2,435,508	514,801	425,056	28,599	27,663	17.5%
	Manufacturing	64	11,157,706	2,412,097	1,223,787	(367,765)	(267,765)	11.0%
	Warehouse Distribution	102	14,426,227	2,749,362	1,668,461	93,622	163,020	11.6%
	Warehouse Office	200	9,870,025	1,396,428	823,440	176,770	170,352	8.3%
	Subtotal	415	37,889,466	7,072,688	4,140,744	(68,774)	93,270	10.9%
Ozaukee	Flex/R&D	19	614,555	59,431	36,218	2,577	(8,345)	5.9%
	Manufacturing	9	1,021,129	42,800	42,800	56,156	56,156	4.2%
	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%
	Subtotal	50	3,076,522	181,262	138,049	58,733	47,811	4.5%
Racine	Flex/R&D	7	349,966	35,290	35,290	0	0	10.1%
	Manufacturing	11	1,291,078	15,500	15,500	(500)	(9,886)	1.2%
	Warehouse Distribution	28	6,089,077	1,295,206	1,252,206	31,250	111,930	20.6%
	Warehouse Office	26	1,477,202	460,700	443,180	0	0	30.0%
	Subtotal	72	9,207,323	1,806,696	1,746,176	30,750	102,044	19.0%
Sheboygan	Flex/R&D	1	30,720		5,000	0	0	16.3%
	Manufacturing	9	840,674	100,800	100,800	0	0	12.0%
	Warehouse Distribution	3	725,595	184,029		0	0	0.0%
	Warehouse Office	12	434,146	4,625	4,625	(4,625)	(4,625)	1.1%
	Subtotal	25	2,031,135	289,454	110,425	(4,625)	(4,625)	5.4%
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%
	Subtotal	20	1,069,302	65,294	25,000	0	0	2.3%
Washington	Flex/R&D	10	429,042	32,715	23,644	0	12,524	5.5%
	Manufacturing	18	717,380	59,000	39,000	0	0	5.4%
	Warehouse Distribution	16	3,458,566	182,471	182,471	30,967	137,361	5.3%
	Warehouse Office	54	1,504,853	131,167	81,337	4,024	(2,163)	5.4%
	Subtotal	98	6,109,841	405,353	326,452	34,991	147,722	5.3%
Waukesha	Flex/R&D	136	5,425,268	268,606	186,897	23,225	24,598	3.4%
	Manufacturing	45	3,232,544	39,575	46,422	0	(3,333)	1.4%
	Warehouse Distribution	48	5,314,764	389,104	299,104	100,029	(61,298)	5.6%
	Warehouse Office	247	7,638,994	247,434	144,909	(66,797)	170,185	1.9%
	Subtotal	476	21,611,570	944,719	677,332	56,457	130,152	3.1%
Grand Total		1,219	96,409,126	15,964,607	12,126,650	(192,256)	552,705	12.6%

Vacancy Rates by County (Multi-Tenant)

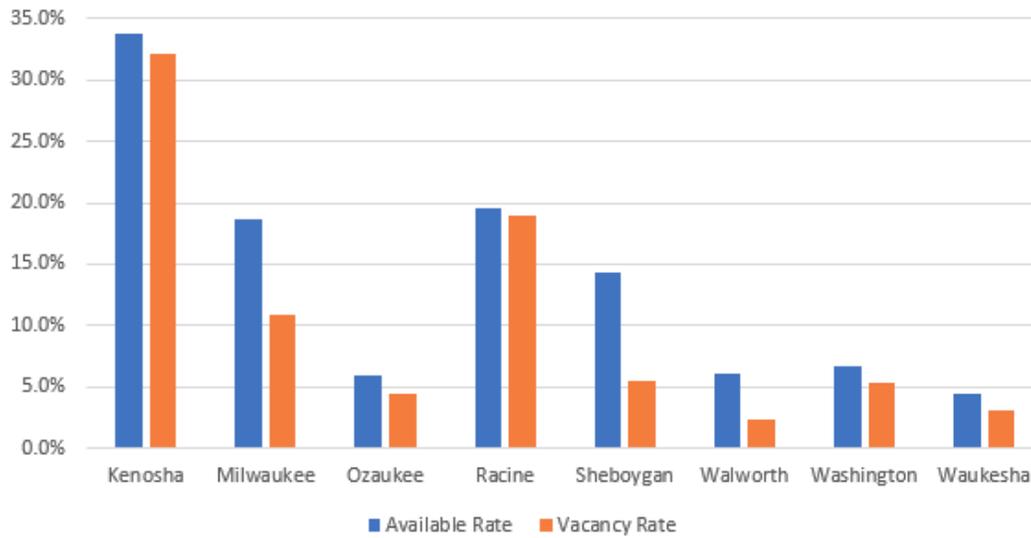
County	Property Type	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate
Kenosha	Flex/R&D	1.2%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	10.1%	10.1%	10.1%	10.1%
	Warehouse Distribution	19.4%	19.9%	26.5%	26.0%	37.8%
	Warehouse Office	2.2%	0.0%	0.0%	0.0%	0.0%
	Subtotal	15.4%	16.7%	22.3%	21.9%	32.2%
Milwaukee	Flex/R&D	19.5%	18.6%	18.5%	18.6%	17.5%
	Manufacturing	7.2%	8.6%	7.7%	7.7%	11.0%
	Warehouse Distribution	4.9%	8.3%	8.1%	7.8%	11.6%
	Warehouse Office	11.4%	9.8%	9.7%	9.9%	8.3%
	Subtotal	8.3%	9.5%	9.1%	9.0%	10.9%
Ozaukee	Flex/R&D	5.8%	4.5%	6.3%	6.3%	5.9%
	Manufacturing	9.7%	9.7%	9.7%	9.7%	4.2%
	Warehouse Distribution	1.3%	1.3%	1.3%	1.3%	1.3%
	Warehouse Office	4.8%	5.5%	5.5%	5.5%	5.5%
	Subtotal	6.1%	6.0%	6.4%	6.4%	4.5%
Racine	Flex/R&D	11.1%	10.1%	10.1%	10.1%	10.1%
	Manufacturing	0.4%	0.4%	0.6%	1.2%	1.2%
	Warehouse Distribution	3.8%	3.8%	7.4%	9.5%	20.6%
	Warehouse Office	30.0%	30.0%	30.0%	30.0%	30.0%
	Subtotal	8.3%	8.2%	10.5%	11.8%	19.0%
Sheboygan	Flex/R&D	32.8%	16.3%	16.3%	16.3%	16.3%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	12.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	0.0%	0.0%	0.0%	0.0%	1.1%
	Subtotal	0.5%	0.3%	0.3%	0.3%	5.4%
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	13.5%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	6.1%	6.1%	6.1%	6.1%	6.1%
	Subtotal	8.9%	2.3%	2.3%	2.3%	2.3%
Washington	Flex/R&D	8.4%	8.4%	8.4%	5.5%	5.5%
	Manufacturing	5.4%	5.4%	5.4%	5.4%	5.4%
	Warehouse Distribution	17.6%	9.2%	6.3%	6.2%	5.3%
	Warehouse Office	5.6%	5.3%	5.7%	5.7%	5.4%
	Subtotal	12.4%	7.8%	6.2%	5.9%	5.3%
Waukesha	Flex/R&D	3.9%	3.9%	3.6%	3.9%	3.4%
	Manufacturing	1.0%	1.3%	1.4%	1.4%	1.4%
	Warehouse Distribution	1.7%	1.7%	4.9%	7.5%	5.6%
	Warehouse Office	4.9%	3.1%	3.0%	1.0%	1.9%
	Subtotal	3.3%	2.7%	3.4%	3.4%	3.1%
Grand Total		8.1%	8.2%	9.3%	9.3%	12.6%

Lease Rates by County (Multi-Tenant)

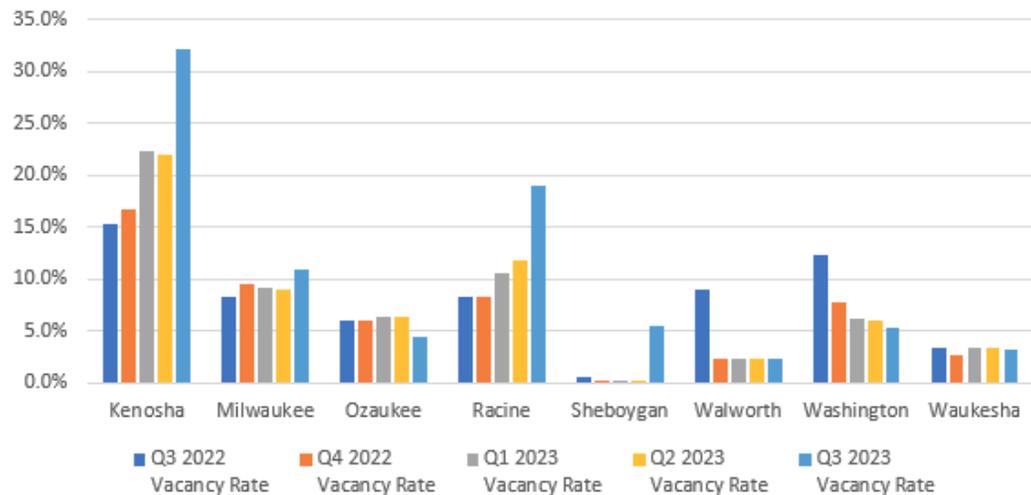
County	Property Type	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Kenosha	Flex/R&D	\$7.38				
	Manufacturing					
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$6.25	\$6.25
	Warehouse Office					
	Subtotal	\$6.13	\$5.50	\$5.50	\$6.25	\$6.25
Milwaukee	Flex/R&D	\$6.61	\$6.72	\$7.04	\$7.12	\$7.12
	Manufacturing	\$3.83	\$4.01	\$3.94	\$3.83	\$3.63
	Warehouse Distribution	\$5.37	\$5.32	\$5.32	\$5.37	\$5.31
	Warehouse Office	\$4.85	\$4.97	\$4.94	\$5.04	\$5.26
	Subtotal	\$5.03	\$5.18	\$5.21	\$5.28	\$5.38
Ozaukee	Flex/R&D	\$9.15	\$9.15	\$8.88	\$8.92	\$9.13
	Manufacturing					
	Warehouse Distribution	\$5.50	\$5.50	\$5.50	\$5.50	\$5.50
	Warehouse Office	\$11.25	\$10.00	\$11.25	\$11.25	\$11.25
	Subtotal	\$9.23	\$9.01	\$9.15	\$9.13	\$9.21
Racine	Flex/R&D	\$11.25	\$11.25	\$11.25		
	Manufacturing	\$6.00	\$6.00	\$6.00	\$6.50	\$6.50
	Warehouse Distribution	\$4.70	\$4.70	\$4.70	\$4.15	
	Warehouse Office					\$6.95
	Subtotal	\$6.66	\$6.66	\$6.66	\$5.33	\$6.73
Sheboygan	Flex/R&D	\$4.85				
	Manufacturing					\$5.75
	Warehouse Distribution					
	Warehouse Office			\$5.83	\$5.83	\$5.70
	Subtotal	\$4.85		\$5.83	\$5.83	\$5.73
Walworth	Flex/R&D					
	Manufacturing	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
	Warehouse Distribution	\$5.25				
	Warehouse Office					
	Subtotal	\$4.00	\$2.75	\$2.75	\$2.75	\$2.75
Washington	Flex/R&D	\$6.58	\$5.38	\$5.38	\$5.67	\$5.67
	Manufacturing	\$3.63	\$3.63	\$3.63	\$3.63	\$3.63
	Warehouse Distribution	\$5.88	\$5.88	\$5.88	\$5.00	
	Warehouse Office	\$6.52	\$7.00	\$6.84	\$6.95	\$6.92
	Subtotal	\$5.89	\$5.25	\$5.71	\$5.57	\$5.44
Waukesha	Flex/R&D	\$7.79	\$8.08	\$8.17	\$8.13	\$8.07
	Manufacturing	\$6.08	\$5.95	\$5.95	\$5.95	\$5.36
	Warehouse Distribution	\$7.65	\$7.65	\$6.99	\$8.24	\$8.24
	Warehouse Office	\$6.83	\$6.80	\$6.89	\$7.16	\$7.17
	Subtotal	\$7.32	\$7.45	\$7.56	\$7.73	\$7.68
Grand Total		\$6.15	\$6.19	\$6.31	\$6.46	\$6.43

Multi-Tenant

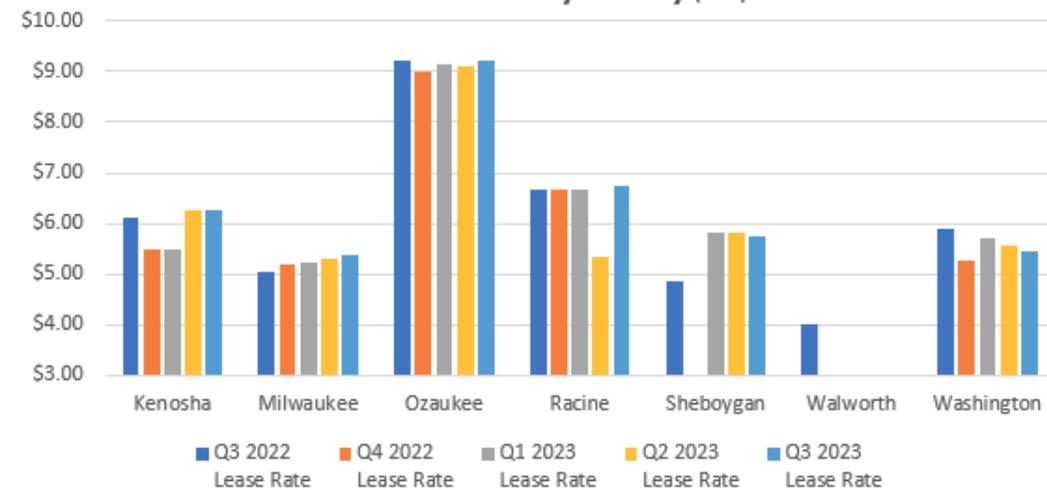
Available and Vacancy Rates



Vacancy Rate by County

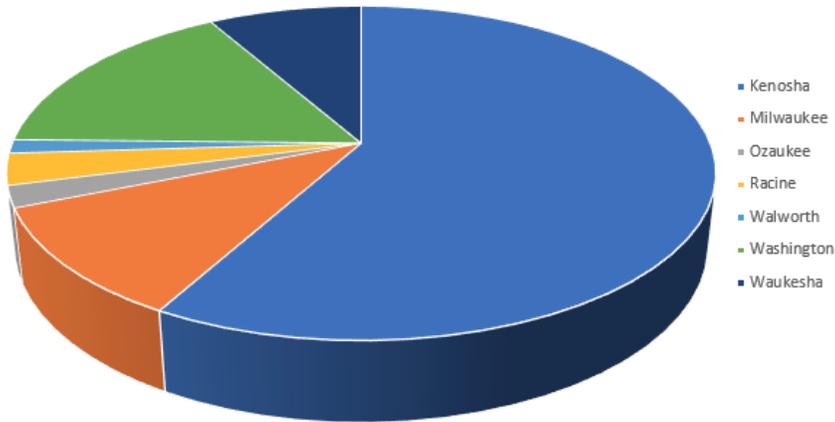


Lease Rates by County (NNN)



New Developments

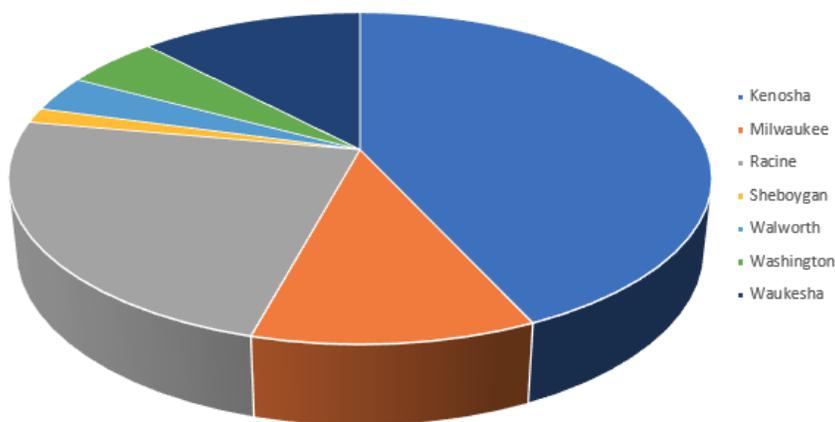
Under Construction (sf)



County	Bldg (sf)
Kenosha	4,621,064
Milwaukee	857,750
Ozaukee	165,868
Racine	242,520
Walworth	105,750
Washington	1,301,134
Waukesha	659,578
Grand Total	7,953,664

Year to Date Deliveries

YTD Delivered (sf)

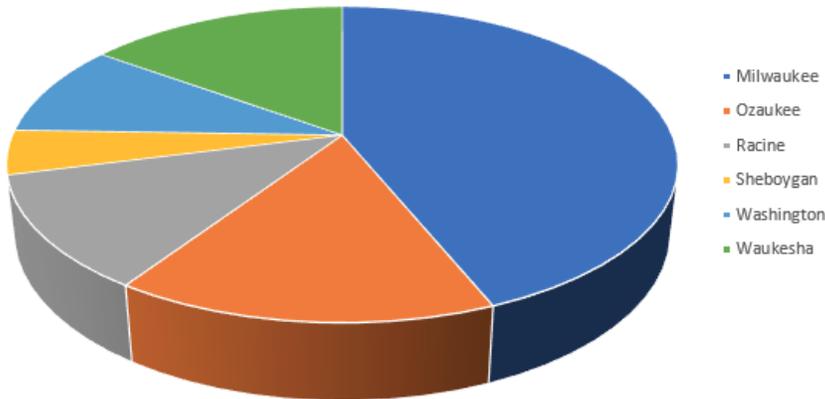


County	Bldg (sf)
Kenosha	2,971,906
Milwaukee	766,439
Racine	1,626,424
Sheboygan	100,800
Walworth	242,450
Washington	351,282
Waukesha	835,361
Grand Total	6,894,662

Leasing Activity

Property	Size (sf)	County	Tenant	Landlord
5555 S Packard Ave	419,065	Milwaukee	Vilter Manufacturing	Phoenix JCR Cudahy Industrial Investors LLC
5401 W Donges Bay Rd	280,395	Ozaukee	Almo Distributing Wisconsin	WMI Milwaukee LLC
Enterprise Business Park 11201 Enterprise Way	125,347	Racine	CNH Industrial America	Enterprise Business Park 4 LLC
Grandview Business Park 14015 Grandview Pkwy	97,073	Racine	Goodwill Retail Services	Grandview HW II LLC
3073 S Chase Ave	75,000	Milwaukee	Global Power	Industrial Properties LLC

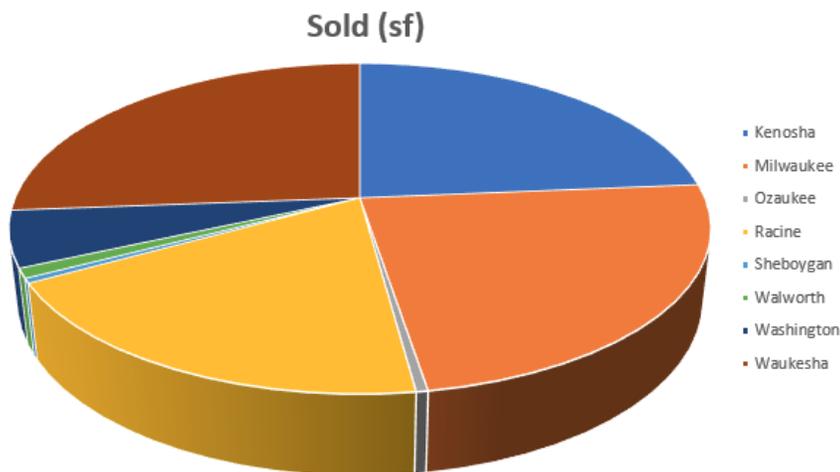
Leased (sf)



County	Leased (sf)
Milwaukee	1,017,345
Ozaukee	360,688
Racine	269,894
Sheboygan	105,259
Washington	219,423
Waukesha	348,807
Grand Total	2,321,416

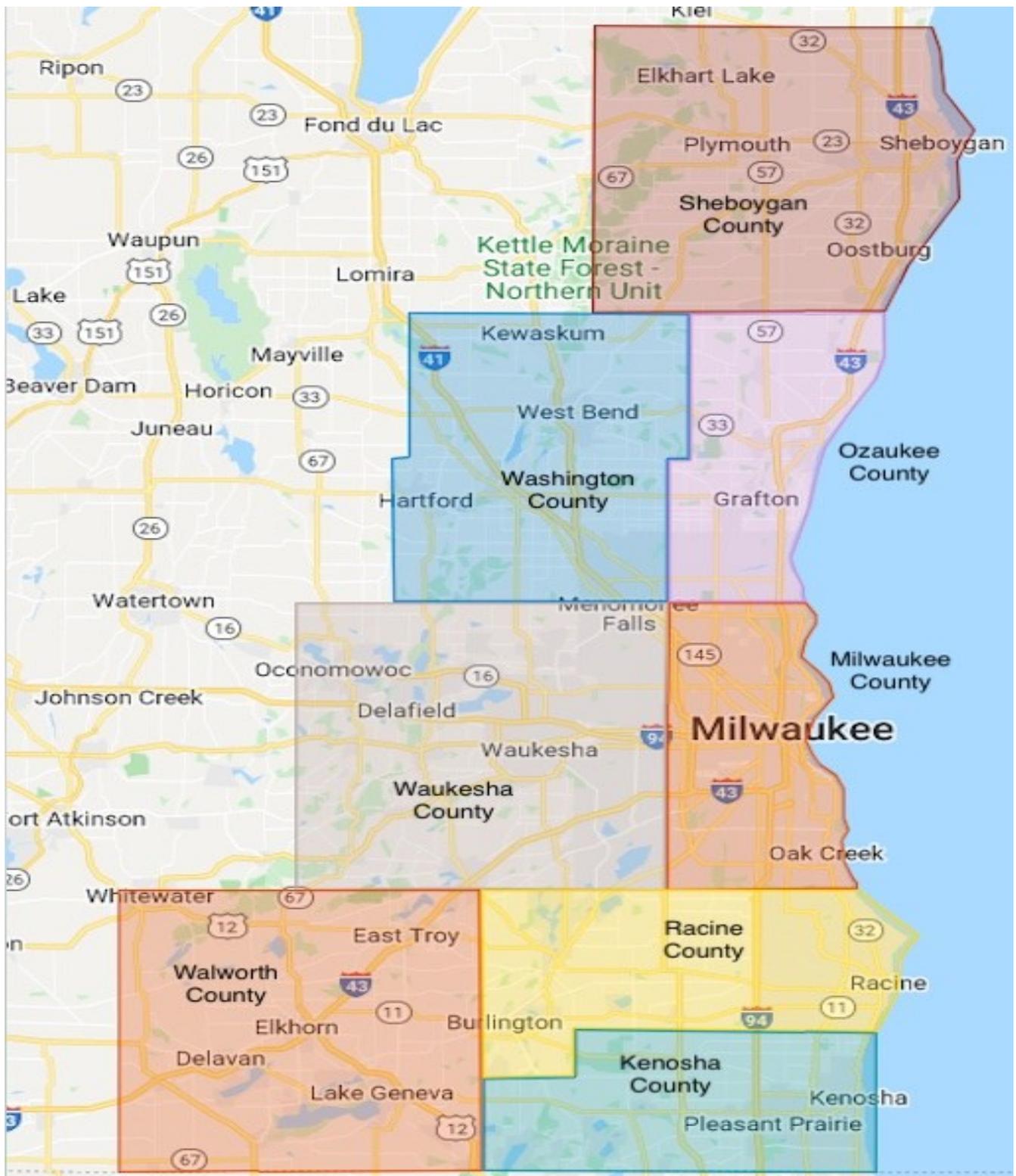
Sales Activity

Property	Price	County	Buyer	Seller
8635 Washington Ave	\$21,850,000	Racine	SC Johnson & Son Inc	FFV WI MP LLC
8200 100th St	\$12,400,000	Kenosha	Exeter 8200 100th LLC	Platinum Owner WI LLC
3100 W Mill Rd	\$10,425,000	Milwaukee	Kumagai Mill Road, LLC	Medina Companies LLC
1101 S Sylvania Ave	\$9,000,000	Racine	Exeter 1101 Sylvania LLC	Platinum Owner WI LLC
16875 W Ryerson Rd	\$8,725,000	Waukesha	Dirty Pup Holdings, LLC	Luterbach Realty LLC



County	Sold (sf)
Kenosha	373,260
Milwaukee	374,850
Ozaukee	7,184
Racine	300,193
Sheboygan	7,200
Walworth	14,935
Washington	86,533
Waukesha	413,514
Grand Total	1,577,669

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

Advisory Board Members

The Barry Company	Kevin Barry, CCIM	JLL	Joe Carollo
CBRE	Scott Furmanski	Judson & Associates	Tony Haning
	Alissa Harwood		Matt Judson
	Trent Poole		Cole Russell
Colliers	Kyle Fink	Newmark	Mitchell Starczynski
	Jim Larkin	Ogden	Luke Fehrenbach
Cushman & Wakefield Boerke	Nick Unger		Bob Gintoft
	Cody Ziegler		Matt Friedman
Founders 3	Brett Deter	Paradigm	Jim Johnson
	Paul McBride		Brian Parrish

Research Advisory Board Members

CBRE	Madeline Strehlow	Cushman & Wakefield Boerke	Katie Gremban
	Maggie Blair		Dan Palec
Colliers	Will Braxton	Founders 3	Elizabeth Pancratz
	Laura Russell	JLL	Alex Westcott
		Newmark	Nate Winkel

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