

Market

Trends

Q3 2023

Milwaukee - Office



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MARKET TRENDS

Q3 2023 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	800,123	
Area Unemployment	4.1	
U.S. Unemployment	3.8	
Office Using Jobs	184,300	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	44,906,309
Total # of Bldgs (tracked)	563
Absorption	(290,809)
Vacancy	16.8%
Asking Rate (FSG)	\$20.78
New Construction (sf)	102,305

Multi-tenant Properties

Total Inventory (sf)	30,111.661
Total # of Bldgs (tracked)	424
Absorption	(253,809)
Vacancy	22.7%
Asking Rate (FSG)	\$20.81

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 office using jobs decreased by 4,000 during the same period.

Market Overview

The Milwaukee office market consisting of 45 msf of space has posted (290,800) sf negative absorption for Q3 2023. This brings the YTD to (137,900) sf negative absorption. Multi-tenant only properties had (253,800) sf negative absorption. This brings the YTD to (215,200) sf negative absorption. The vacancy rate came in at 16.8% during Q3 2023 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 22.7%.

Market Highlights

Third Ward-Walkers Point had the largest increase with 23,900 sf positive absorption led by WSP leasing 9,600 sf. Milwaukee Dwtm East topped all markets with (128,000) sf negative absorption led by Department of Forestry Services downsizing 69,000 sf. This quarter Milwaukee CBD posted (114,000) sf negative absorption compared to the suburban markets posting (176,600) 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 101 lease transactions with 873,400 sf during Q3 2023. Thirty office properties with 327,700 sf sold for \$31.1 million.

Market Overview by Class (Multi and Single Tenant)

Total

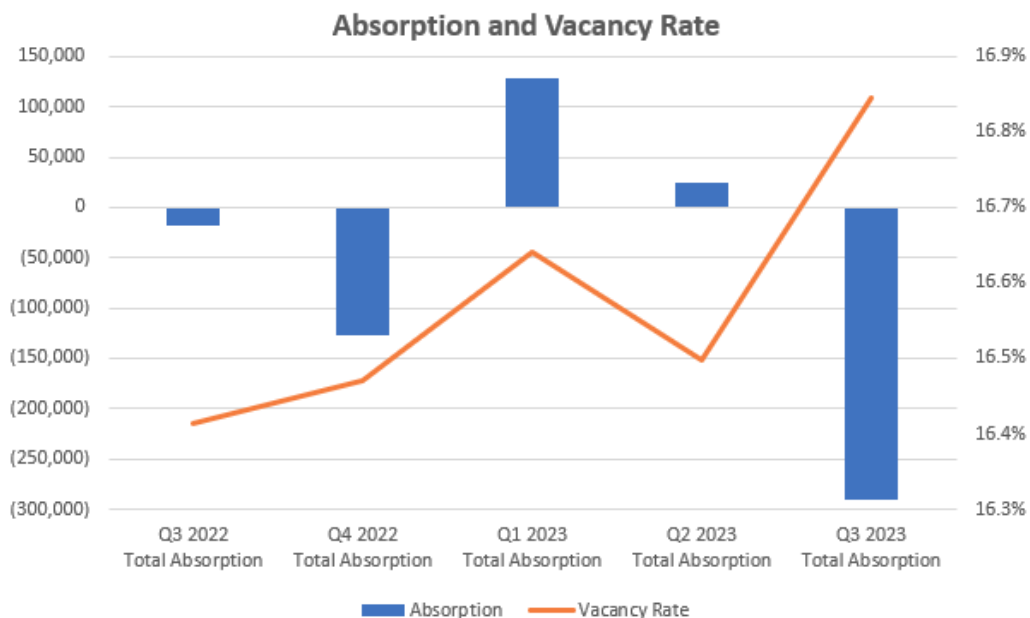
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	54	12,055,275	2,261,550	1,883,402	(140,775)	111,483	15.6%
B	461	30,780,943	6,572,395	5,544,030	(148,505)	(248,867)	18.0%
C	48	2,070,091	164,978	136,777	(1,529)	(580)	6.6%
Grand Total	563	44,906,309	8,998,923	7,564,209	(290,809)	(137,964)	16.8%

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	2,019,021	1,807,942	(140,775)	109,611	15.0%
B	461	30,780,943	6,184,194	5,331,761	(273,063)	(398,411)	17.3%
C	48	2,070,091	161,414	136,777	(1,529)	(580)	6.6%
Grand Total	563	44,906,309	8,364,629	7,276,480	(415,367)	(289,380)	16.2%

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	242,529	75,460	0	1,872	0.6%
B	461	30,780,943	388,201	212,269	124,558	149,544	0.7%
C	48	2,070,091	3,564		0	0	0.0%
Grand Total	563	44,906,309	634,294	287,729	124,558	151,416	0.6%



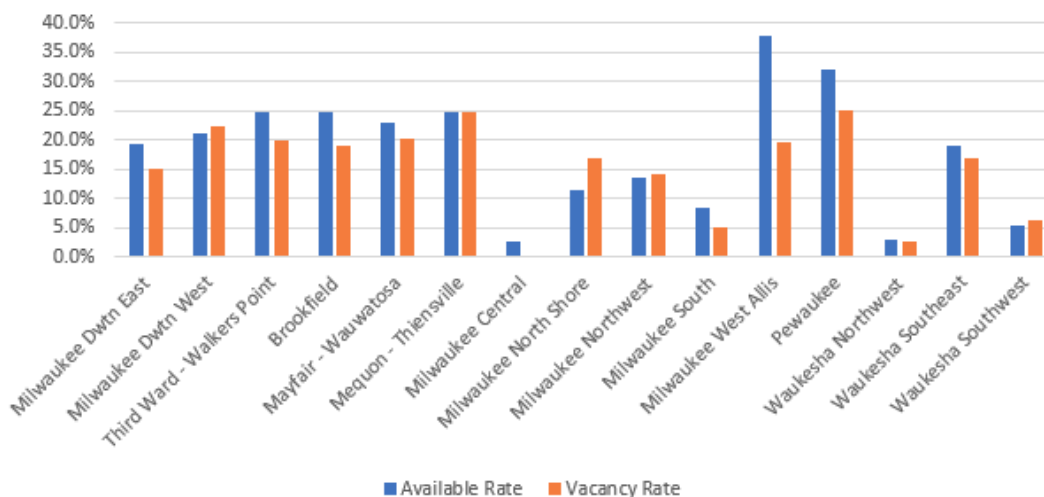
Market Statistics by Market (Multi and Single Tenant)

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	1,207,620	895,275	(52,597)	(29,173)	15.0%
	B	38	4,388,855	794,829	653,030	(75,554)	(100,655)	14.9%
	C	4	146,389	27,550	22,500	0	0	15.4%
	Subtotal	56	10,497,166	2,029,999	1,570,805	(128,151)	(129,828)	15.0%
Milwaukee Downtown West	A	2	348,371	75,427	62,427	0	0	17.9%
	B	32	4,463,856	943,678	1,023,124	(9,921)	(7,247)	22.9%
	C	3	234,311	45,000	45,000	0	0	19.2%
	Subtotal	37	5,046,538	1,064,105	1,130,551	(9,921)	(7,247)	22.4%
Third Ward - Walkers Point	A	5	739,907	161,024	161,024	6,049	176,350	21.8%
	B	37	2,157,237	543,169	400,743	17,848	(30,137)	18.6%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	46	3,017,857	747,156	604,730	23,897	146,213	20.0%
Milwaukee CBD	A	21	7,050,200	1,444,071	1,118,726	(46,548)	147,177	15.9%
	B	107	11,009,948	2,281,676	2,076,897	(67,627)	(138,039)	18.9%
	C	11	501,413	115,513	110,463	0	0	22.0%
	Subtotal	139	18,561,561	3,841,260	3,306,086	(114,175)	9,138	17.8%
Brookfield	A	6	547,244	105,378	45,124	(8,474)	(3,903)	8.2%
	B	95	5,696,261	1,465,148	1,163,592	(23,769)	(103,163)	20.4%
	C	4	118,873	5,000		0	0	0.0%
	Subtotal	105	6,362,378	1,575,526	1,208,716	(32,243)	(107,066)	19.0%
Mayfair - Wauwatosa	A	15	2,098,871	502,228	428,412	(81,191)	(36,100)	20.4%
	B	29	1,445,029	357,679	332,525	(12,900)	(30,420)	23.0%
	C	7	303,574	26,054	12,785	0	0	4.2%
	Subtotal	51	3,847,474	885,961	773,722	(94,091)	(66,520)	20.1%
Mequon - Thiensville	A	1	37,670		6,237	0	10,013	16.6%
	B	15	425,823	115,217	108,368	(3,490)	2,494	25.4%
	Subtotal	16	463,493	115,217	114,605	(3,490)	12,507	24.7%
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		110,733	0	6,690	62.9%
	B	34	2,047,838	263,310	295,301	(758)	(8,178)	14.4%
	C	7	271,978	18,411	13,529	(1,529)	(580)	5.0%
	Subtotal	43	2,495,778	281,721	419,563	(2,287)	(2,068)	16.8%

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	50	3,327,827	556,739	582,426	(5,852)	(27,553)	17.5%
	Subtotal	54	4,418,305	603,638	629,325	(5,852)	(27,553)	14.2%
Milwaukee South	A	1	680,266			0	0	0.0%
	B	22	915,898	139,071	85,870	(551)	10,096	9.4%
	C	2	91,658			0	0	0.0%
	Subtotal	25	1,687,822	139,071	85,870	(551)	10,096	5.1%
Milwaukee West Allis	B	19	1,846,834	725,234	373,029	1,237	(1,822)	20.2%
	C	2	61,785			0	0	0.0%
	Subtotal	21	1,908,619	725,234	373,029	1,237	(1,822)	19.5%
Pewaukee	A	4	374,584	162,974	127,271	(4,562)	(12,394)	34.0%
	B	30	1,607,085	472,210	367,976	(668)	4,251	22.9%
	Subtotal	34	1,981,669	635,184	495,247	(5,230)	(8,143)	25.0%
Waukesha Northwest - Lake Country	B	17	558,398	17,219	15,625	1,628	4,041	2.8%
	C	1	51,462			0	0	0.0%
	Subtotal	18	609,860	17,219	15,625	1,628	4,041	2.6%
Waukesha Southeast - New Berlin	B	17	564,613	107,062	94,505	(37,000)	16,445	16.7%
	Subtotal	17	564,613	107,062	94,505	(37,000)	16,445	16.7%
Waukesha Southwest	B	17	643,401	39,830	47,916	1,245	22,981	7.4%
	C	4	106,423			0	0	0.0%
	Subtotal	21	749,824	39,830	47,916	1,245	22,981	6.4%
Suburban	A	33	5,005,075	817,479	764,676	(94,227)	(35,694)	15.3%
	B	354	19,770,995	4,290,719	3,467,133	(80,878)	(110,828)	17.5%
	C	37	1,568,678	49,465	26,314	(1,529)	(580)	1.7%
	Subtotal	424	26,344,748	5,157,663	4,258,123	(176,634)	(147,102)	16.2%
Grand Total		563	44,906,309	8,998,923	7,564,209	(290,809)	(137,964)	16.8%

Available and Vacancy Rates

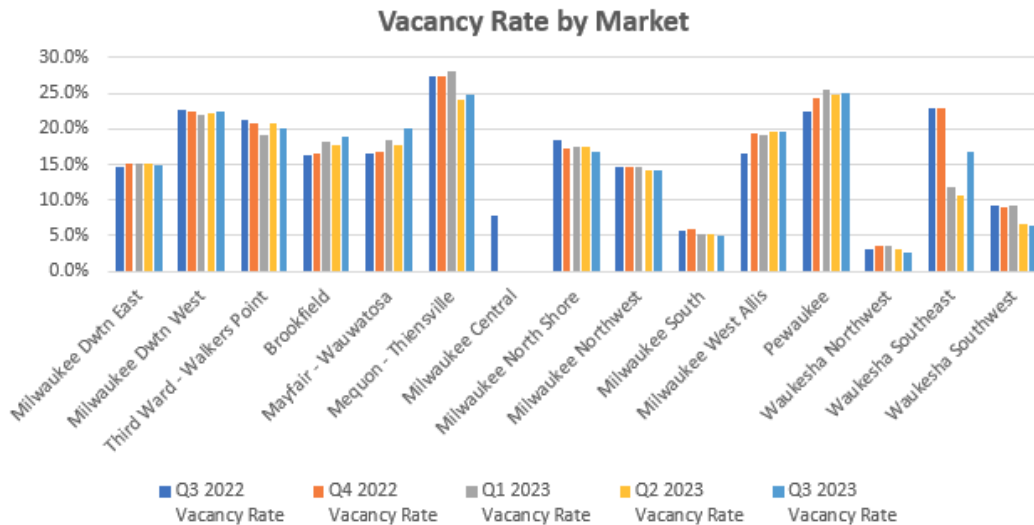


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate
Milwaukee Downtown East	A	14.0%	14.5%	14.4%	14.1%	15.0%
	B	15.5%	15.7%	15.9%	16.5%	14.9%
	C	15.4%	15.4%	15.4%	15.4%	15.4%
	Subtotal	14.7%	15.1%	15.1%	15.2%	15.0%
Milwaukee Downtown West	A	17.9%	17.9%	17.9%	17.9%	17.9%
	B	23.4%	22.9%	22.4%	22.7%	22.9%
	C	19.2%	19.2%	19.2%	19.2%	19.2%
	Subtotal	22.8%	22.4%	22.0%	22.2%	22.4%
Third Ward - Walkers Point	A	31.5%	30.8%	23.6%	22.6%	21.8%
	B	17.6%	17.2%	16.6%	19.4%	18.6%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	21.2%	20.7%	19.1%	20.8%	20.0%
Milwaukee CBD	A	15.7%	16.1%	15.6%	15.2%	15.9%
	B	18.9%	18.7%	18.6%	19.5%	18.9%
	C	22.0%	22.0%	22.0%	22.0%	22.0%
	Subtotal	17.8%	17.9%	17.5%	18.0%	17.8%
Brookfield	A	7.8%	7.5%	7.5%	6.7%	8.2%
	B	17.5%	17.8%	19.7%	19.2%	20.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.2%	16.5%	18.3%	17.8%	19.0%
Mayfair - Wauwatosa	A	14.8%	15.9%	18.0%	16.5%	20.4%
	B	21.8%	20.9%	21.8%	22.1%	23.0%
	C	4.2%	4.2%	4.2%	4.2%	4.2%
	Subtotal	16.7%	16.9%	18.4%	17.7%	20.1%
Mequon - Thiensville	A	43.1%	43.1%	43.1%	16.6%	16.6%
	B	26.0%	26.0%	26.8%	24.6%	25.4%
	Subtotal	27.4%	27.4%	28.2%	24.0%	24.7%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	0.0%
	C	15.3%	0.0%	0.0%	0.0%	0.0%
	Subtotal	7.7%	0.0%	0.0%	0.0%	0.0%
Milwaukee North Shore	A	77.4%	66.7%	62.9%	62.9%	62.9%
	B	14.9%	14.6%	15.0%	15.1%	14.4%
	C	4.4%	4.8%	4.8%	4.4%	5.0%
	Subtotal	18.4%	17.3%	17.4%	17.4%	16.8%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate
Milwaukee Northwest	A	5.0%	4.3%	4.3%	4.3%	4.3%
	B	17.7%	18.0%	18.1%	17.3%	17.5%
	Subtotal	14.6%	14.7%	14.8%	14.1%	14.2%
Milwaukee South	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	10.8%	11.0%	9.9%	9.6%	9.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	5.8%	5.8%	5.3%	5.1%	5.1%
Milwaukee West Allis	B	17.1%	20.1%	19.8%	20.3%	20.2%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.5%	19.4%	19.2%	19.6%	19.5%
Pewaukee	A	30.7%	30.7%	33.0%	32.8%	34.0%
	B	20.6%	22.8%	23.6%	22.9%	22.9%
	Subtotal	22.5%	24.2%	25.4%	24.7%	25.0%
Waukesha Northwest - Lake Country	B	3.2%	3.5%	3.5%	3.1%	2.8%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	3.2%	3.5%	3.5%	3.1%	2.6%
Waukesha Southeast - New Berlin	B	22.8%	22.8%	11.8%	10.7%	16.7%
	Subtotal	22.8%	22.8%	11.8%	10.7%	16.7%
Waukesha Southwest	B	10.7%	10.3%	10.7%	7.6%	7.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	9.3%	8.9%	9.2%	6.6%	6.4%
Suburban	A	13.5%	13.3%	14.3%	13.4%	15.3%
	B	16.6%	17.1%	17.5%	17.0%	17.5%
	C	7.7%	1.7%	1.7%	1.6%	1.7%
	Subtotal	15.4%	15.5%	16.0%	15.4%	16.2%
Grand Total		16.4%	16.5%	16.6%	16.5%	16.8%

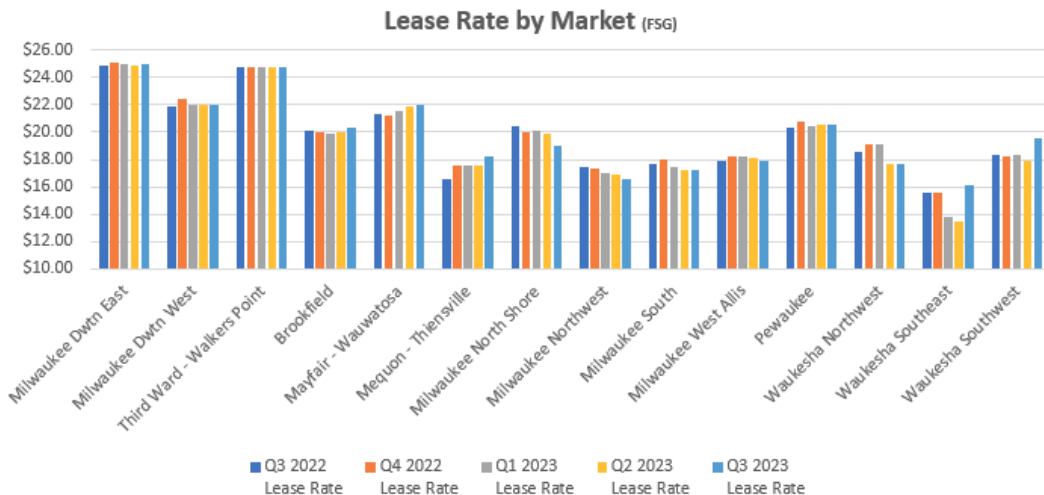


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Milwaukee Downtown East	A	\$33.10	\$33.23	\$32.20	\$32.21	\$32.21
	B	\$21.55	\$21.85	\$21.55	\$21.66	\$21.58
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.91	\$25.15	\$24.96	\$24.89	\$24.97
Milwaukee Downtown West	A		\$28.10			
	B	\$21.88	\$22.01	\$22.01	\$22.04	\$22.01
	C					
	Subtotal	\$21.88	\$22.41	\$22.01	\$22.04	\$22.01
Third Ward - Walkers Point	A	\$30.13	\$30.13	\$29.45	\$29.32	\$29.32
	B	\$24.54	\$24.58	\$24.60	\$24.67	\$24.68
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.78	\$24.81	\$24.77	\$24.81	\$24.82
Milwaukee CBD	A	\$32.44	\$32.10	\$31.65	\$31.63	\$31.63
	B	\$22.80	\$22.91	\$22.74	\$22.77	\$22.80
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.20	\$24.32	\$24.16	\$24.13	\$24.15
Brookfield	A	\$24.01	\$24.15	\$24.15	\$24.44	\$24.96
	B	\$20.11	\$20.07	\$19.93	\$19.99	\$20.12
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$20.14	\$20.03	\$19.90	\$20.05	\$20.29
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.39	\$26.92	\$26.89
	B	\$18.76	\$18.72	\$18.83	\$18.64	\$18.84
	C					
	Subtotal	\$21.30	\$21.28	\$21.50	\$21.86	\$21.98
Mequon - Thiensville	A					
	B	\$16.51	\$17.55	\$17.51	\$17.51	\$18.18
	Subtotal	\$16.51	\$17.55	\$17.51	\$17.51	\$18.18
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.06	\$24.04	\$24.48	\$24.48	
	B	\$20.50	\$19.88	\$19.88	\$19.56	\$19.56
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.47	\$20.05	\$20.12	\$19.91	\$19.00

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

Market	Bldg Class	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.23	\$17.18	\$16.82	\$16.66	\$16.35
	Subtotal	\$17.40	\$17.33	\$17.00	\$16.85	\$16.57
Milwaukee South	A					
	B	\$17.68	\$18.03	\$17.39	\$17.28	\$17.28
	Subtotal	\$17.68	\$18.03	\$17.39	\$17.28	\$17.28
Milwaukee West Allis	B	\$17.91	\$18.20	\$18.21	\$18.13	\$17.88
	C					
	Subtotal	\$17.91	\$18.20	\$18.21	\$18.13	\$17.88
Pewaukee	A	\$23.64	\$23.64	\$23.76	\$23.78	\$23.78
	B	\$19.53	\$20.04	\$19.63	\$19.73	\$19.59
	Subtotal	\$20.35	\$20.76	\$20.46	\$20.58	\$20.52
Waukesha Northwest - Lake Country	B	\$18.60	\$19.08	\$19.08	\$17.63	\$17.63
	C					
	Subtotal	\$18.60	\$19.08	\$19.08	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$15.60	\$15.60	\$13.75	\$13.50	\$16.17
	Subtotal	\$15.60	\$15.60	\$13.75	\$13.50	\$16.17
Waukesha Southwest	B	\$18.30	\$18.27	\$18.30	\$17.91	\$19.58
	C					
	Subtotal	\$18.30	\$18.27	\$18.30	\$17.91	\$19.58
Suburban	A	\$24.58	\$24.63	\$24.73	\$25.06	\$25.22
	B	\$18.83	\$18.92	\$18.75	\$18.73	\$18.88
	C	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50
	Subtotal	\$19.34	\$19.38	\$19.25	\$19.35	\$19.47
Grand Total		\$20.60	\$20.71	\$20.56	\$20.68	\$20.78



Market Overview by Class (Multi-Tenant Properties)

Total

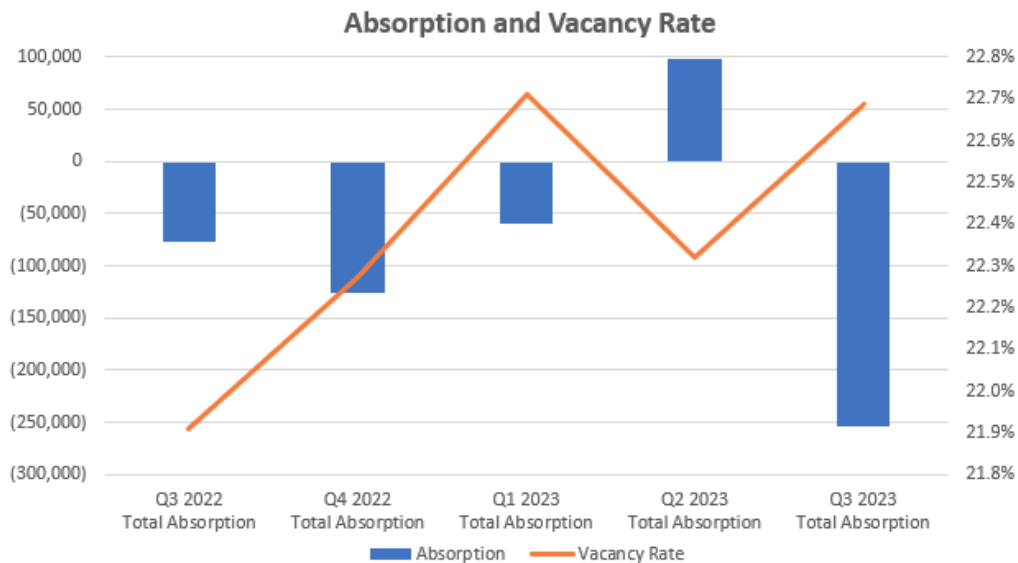
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	42	7,874,055	2,109,362	1,820,975	(140,775)	(46,825)	23.1%
B	347	20,700,610	5,939,768	4,918,561	(111,505)	(167,821)	23.8%
C	35	1,536,996	119,978	91,777	(1,529)	(580)	6.0%
Grand Total	424	30,111,661	8,169,108	6,831,313	(253,809)	(215,226)	22.7%

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	1,929,260	1,807,942	(140,775)	(48,697)	23.0%
B	347	20,700,610	5,590,898	4,745,623	(199,063)	(280,365)	22.9%
C	35	1,536,996	116,414	91,777	(1,529)	(580)	6.0%
Grand Total	424	30,111,661	7,636,572	6,645,342	(341,367)	(329,642)	22.1%

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	180,102	13,033	0	1,872	0.2%
B	347	20,700,610	348,870	172,938	87,558	112,544	0.8%
C	35	1,536,996	3,564	0	0	0	0.0%
Grand Total	424	30,111,661	532,536	185,971	87,558	114,416	0.6%



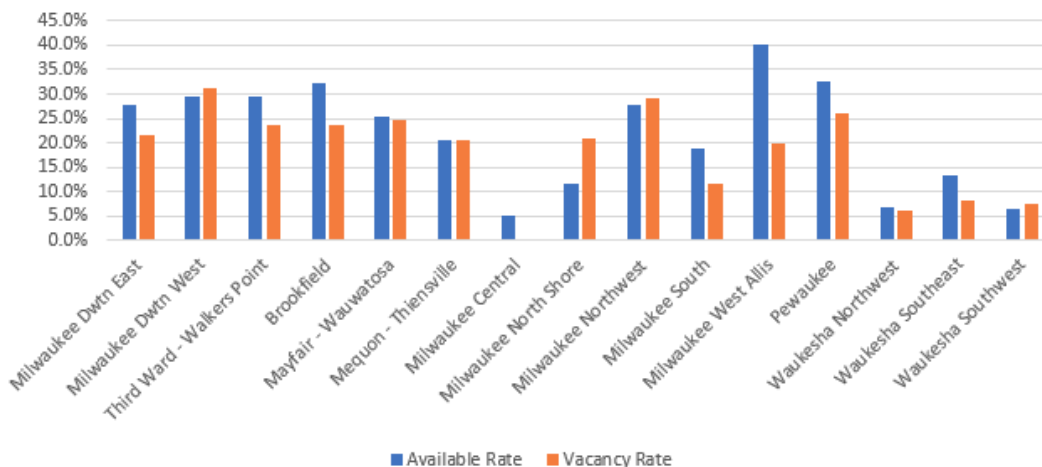
Market Statistics by Market (Multi-Tenant Properties)

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	1,207,620	895,275	(52,597)	(29,173)	19.1%
	B	29	2,525,343	794,829	653,030	(75,554)	(100,655)	25.9%
	C	3	115,387	27,550	22,500	0	0	19.5%
	Subtotal	44	7,318,186	2,029,999	1,570,805	(128,151)	(129,828)	21.5%
Milwaukee Downtown West	A	1	68,371	13,000		0	0	0.0%
	B	25	3,099,133	943,678	1,023,124	(9,921)	(7,247)	33.0%
	C	1	95,561			0	0	0.0%
	Subtotal	27	3,263,065	956,678	1,023,124	(9,921)	(7,247)	31.4%
Third Ward - Walkers Point	A	2	297,047	161,024	161,024	6,049	18,042	54.2%
	B	32	1,969,145	501,169	358,743	17,848	11,863	18.2%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	38	2,386,905	705,156	562,730	23,897	29,905	23.6%
Milwaukee CBD	A	15	5,042,874	1,381,644	1,056,299	(46,548)	(11,131)	20.9%
	B	86	7,593,621	2,239,676	2,034,897	(67,627)	(96,039)	26.8%
	C	8	331,661	70,513	65,463	0	0	19.7%
	Subtotal	109	12,968,156	3,691,833	3,156,659	(114,175)	(107,170)	24.3%
Brookfield	A	5	502,244	105,378	45,124	(8,474)	(3,903)	9.0%
	B	80	4,222,065	1,434,648	1,078,372	(23,769)	(72,663)	25.5%
	C	2	61,911	5,000		0	0	0.0%
	Subtotal	87	4,786,220	1,545,026	1,123,496	(32,243)	(76,566)	23.5%
Mayfair - Wauwatosa	A	13	1,569,637	412,467	428,412	(81,191)	(36,100)	27.3%
	B	25	1,304,825	357,679	332,525	(12,900)	(30,420)	25.5%
	C	6	268,078	26,054	12,785	0	0	4.8%
	Subtotal	44	3,142,540	796,200	773,722	(94,091)	(66,520)	24.6%
Mequon - Thiensville	A	1	37,670		6,237	0	10,013	16.6%
	B	12	329,246	75,886	69,037	(3,490)	2,494	21.0%
	Subtotal	13	366,916	75,886	75,274	(3,490)	12,507	20.5%
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		110,733	0	6,690	62.9%
	B	26	1,000,251	147,120	179,111	(758)	(8,178)	17.9%
	C	7	271,978	18,411	13,529	(1,529)	(580)	5.0%
	Subtotal	35	1,448,191	165,531	303,373	(2,287)	(2,068)	20.9%

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	28	1,749,195	487,883	514,358	(5,852)	3,993	29.4%
	Subtotal	30	1,920,279	534,782	561,257	(5,852)	3,993	29.2%
Milwaukee South	B	16	653,459	139,071	85,870	(551)	10,096	13.1%
	C	2	91,658			0	0	0.0%
	Subtotal	18	745,117	139,071	85,870	(551)	10,096	11.5%
Milwaukee West Allis	B	16	1,722,795	701,534	349,329	1,237	(1,822)	20.3%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,750,311	701,534	349,329	1,237	(1,822)	20.0%
Pewaukee	A	4	374,584	162,974	127,271	(4,562)	(12,394)	34.0%
	B	20	849,517	234,160	191,016	(668)	4,251	22.5%
	Subtotal	24	1,224,101	397,134	318,287	(5,230)	(8,143)	26.0%
Waukesha Northwest - Lake Country	B	10	256,529	17,219	15,625	1,628	4,041	6.1%
	Subtotal	10	256,529	17,219	15,625	1,628	4,041	6.1%
Waukesha Southeast - New Berlin	B	9	247,541	33,062	20,505	0	(6,555)	8.3%
	Subtotal	9	247,541	33,062	20,505	0	(6,555)	8.3%
Waukesha Southwest	B	14	554,786	39,830	47,916	1,245	22,981	8.6%
	C	3	78,061			0	0	0.0%
	Subtotal	17	632,847	39,830	47,916	1,245	22,981	7.6%
Suburban	A	27	2,831,181	727,718	764,676	(94,227)	(35,694)	27.0%
	B	261	13,106,989	3,700,092	2,883,664	(43,878)	(71,782)	22.0%
	C	27	1,205,335	49,465	26,314	(1,529)	(580)	2.2%
	Subtotal	315	17,143,505	4,477,275	3,674,654	(139,634)	(108,056)	21.4%
Grand Total		424	30,111,661	8,169,108	6,831,313	(253,809)	(215,226)	22.7%

Available and Vacancy Rates

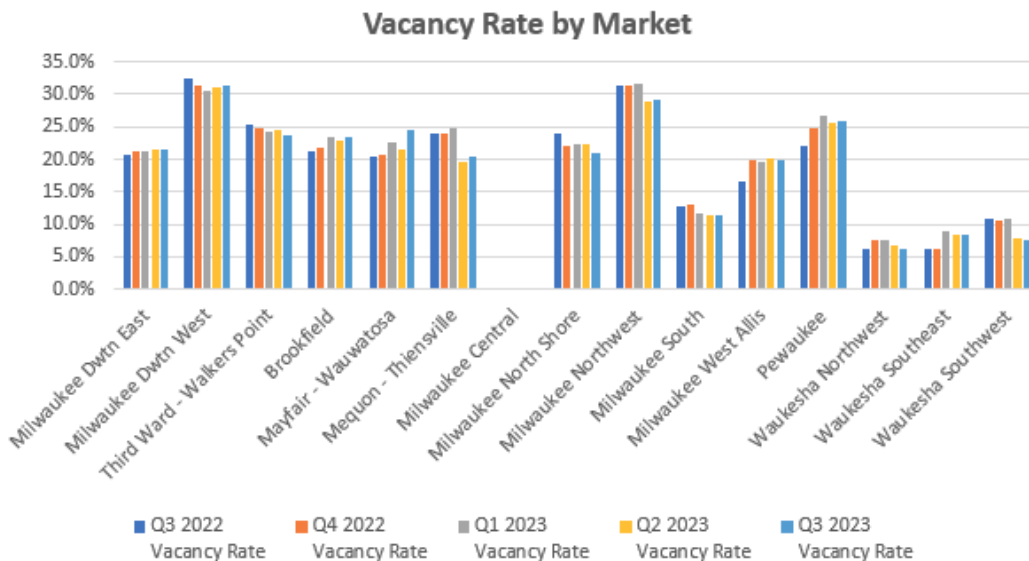


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate
Milwaukee Downtown East	A	17.9%	18.5%	18.4%	18.0%	19.1%
	B	24.8%	25.2%	25.7%	26.8%	25.9%
	C	19.5%	19.5%	19.5%	19.5%	19.5%
	Subtotal	20.6%	21.1%	21.2%	21.4%	21.5%
Milwaukee Downtown West	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	34.1%	33.1%	32.3%	32.7%	33.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	32.3%	31.4%	30.7%	31.1%	31.4%
Third Ward - Walkers Point	A	61.7%	60.3%	58.8%	56.2%	54.2%
	B	19.3%	18.8%	18.2%	19.1%	18.2%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	25.4%	24.8%	24.1%	24.6%	23.6%
Milwaukee CBD	A	20.2%	20.7%	20.5%	20.0%	20.9%
	B	26.8%	26.6%	26.4%	27.2%	26.8%
	C	19.7%	19.7%	19.7%	19.7%	19.7%
	Subtotal	24.2%	24.3%	24.0%	24.3%	24.3%
Brookfield	A	8.5%	8.2%	8.2%	7.3%	9.0%
	B	23.2%	23.6%	25.5%	25.0%	25.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	21.2%	21.7%	23.3%	22.8%	23.5%
Mayfair - Wauwatosa	A	20.1%	21.5%	24.1%	22.1%	27.3%
	B	24.2%	23.2%	24.2%	24.5%	25.5%
	C	4.8%	4.8%	4.8%	4.8%	4.8%
	Subtotal	20.5%	20.7%	22.5%	21.6%	24.6%
Mequon - Thiensville	A	43.1%	43.1%	43.1%	16.6%	16.6%
	B	21.7%	21.7%	22.8%	19.9%	21.0%
	Subtotal	23.9%	23.9%	24.9%	19.6%	20.5%
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	77.4%	66.7%	62.9%	62.9%	62.9%
	B	19.5%	18.5%	19.6%	19.8%	17.9%
	C	4.4%	4.8%	4.8%	4.4%	5.0%
	Subtotal	24.1%	22.0%	22.3%	22.3%	20.9%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate
Milwaukee Northwest	A	31.8%	27.4%	27.4%	27.4%	27.4%
	B	31.2%	31.8%	31.9%	29.1%	29.4%
	Subtotal	31.3%	31.4%	31.5%	28.9%	29.2%
Milwaukee South	B	14.7%	15.0%	13.4%	13.1%	13.1%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	12.9%	13.1%	11.8%	11.5%	11.5%
Milwaukee West Allis	B	17.0%	20.2%	19.8%	20.3%	20.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	16.7%	19.9%	19.5%	20.0%	20.0%
Pewaukee	A	30.7%	30.7%	33.0%	32.8%	34.0%
	B	18.6%	22.2%	23.9%	22.4%	22.5%
	Subtotal	22.2%	24.7%	26.7%	25.6%	26.0%
Waukesha Northwest - Lake Country	B	6.3%	7.7%	7.7%	6.7%	6.1%
	Subtotal	6.3%	7.7%	7.7%	6.7%	6.1%
Waukesha Southeast - New Berlin	B	6.1%	6.1%	9.0%	8.3%	8.3%
	Subtotal	6.1%	6.1%	9.0%	8.3%	8.3%
Waukesha Southwest	B	12.3%	11.9%	12.4%	8.9%	8.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	10.9%	10.5%	10.9%	7.8%	7.6%
Suburban	A	24.1%	23.9%	25.3%	23.7%	27.0%
	B	21.0%	21.8%	22.7%	21.8%	22.0%
	C	2.0%	2.1%	2.1%	2.1%	2.2%
	Subtotal	20.1%	20.7%	21.7%	20.7%	21.4%
Grand Total		21.9%	22.3%	22.7%	22.3%	22.7%

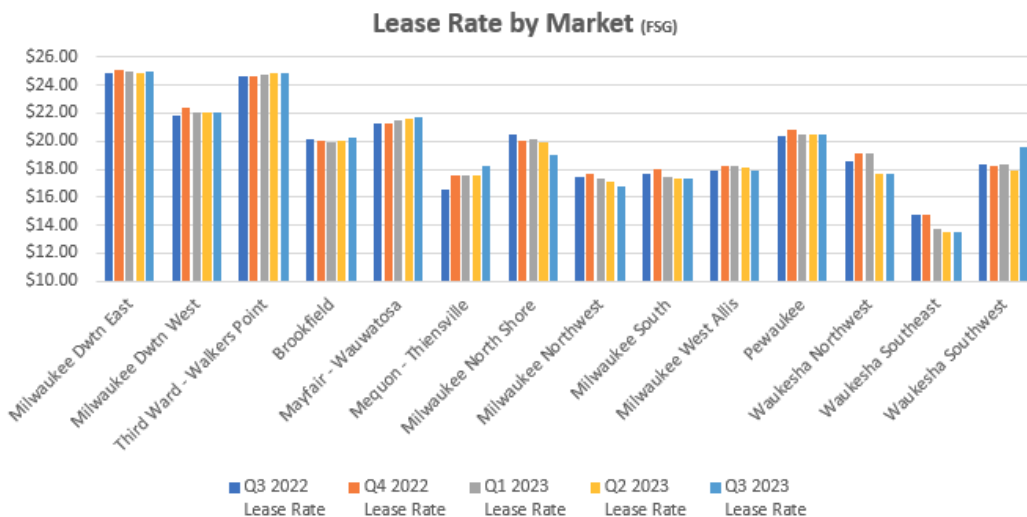


Lease Rates by Market (Multi-Tenant)

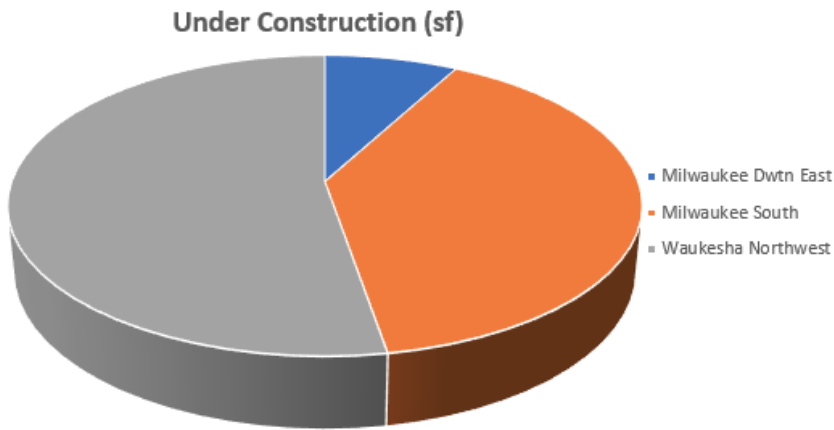
Market	Bldg Class	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Milwaukee Downtown East	A	\$33.10	\$33.23	\$32.20	\$32.21	\$32.21
	B	\$21.55	\$21.85	\$21.55	\$21.66	\$21.58
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.91	\$25.15	\$24.96	\$24.89	\$24.97
Milwaukee Downtown West	A		\$28.10			
	B	\$21.88	\$22.01	\$22.01	\$22.04	\$22.01
	C					
	Subtotal	\$21.88	\$22.41	\$22.01	\$22.04	\$22.01
Third Ward - Walkers Point	A	\$30.13	\$30.13	\$29.45	\$29.32	\$29.32
	B	\$24.36	\$24.40	\$24.60	\$24.67	\$24.68
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.63	\$24.66	\$24.77	\$24.81	\$24.82
Milwaukee CBD	A	\$32.44	\$32.10	\$31.65	\$31.63	\$31.63
	B	\$22.69	\$22.81	\$22.74	\$22.77	\$22.80
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.14	\$24.27	\$24.16	\$24.13	\$24.15
Brookfield	A	\$24.01	\$24.15	\$24.15	\$24.44	\$24.96
	B	\$20.11	\$20.07	\$19.93	\$19.99	\$20.12
	C	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	Subtotal	\$20.14	\$20.03	\$19.90	\$20.05	\$20.29
Mayfair - Wauwatosa	A	\$26.39	\$26.39	\$26.39	\$26.99	\$26.96
	B	\$18.76	\$18.72	\$18.83	\$18.64	\$18.84
	C					
	Subtotal	\$21.30	\$21.28	\$21.50	\$21.59	\$21.71
Mequon - Thiensville	A					
	B	\$16.51	\$17.55	\$17.51	\$17.51	\$18.18
	Subtotal	\$16.51	\$17.55	\$17.51	\$17.51	\$18.18
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.06	\$24.04	\$24.48	\$24.48	
	B	\$20.50	\$19.88	\$19.88	\$19.56	\$19.56
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.47	\$20.05	\$20.12	\$19.91	\$19.00

Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q3 2022 Lease Rate	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.28	\$17.45	\$17.08	\$16.90	\$16.57
	Subtotal	\$17.46	\$17.61	\$17.27	\$17.10	\$16.80
Milwaukee South	B	\$17.68	\$18.03	\$17.39	\$17.28	\$17.28
	C					
	Subtotal	\$17.68	\$18.03	\$17.39	\$17.28	\$17.28
Milwaukee West Allis	B	\$17.91	\$18.20	\$18.21	\$18.13	\$17.88
	C					
	Subtotal	\$17.91	\$18.20	\$18.21	\$18.13	\$17.88
Pewaukee	A	\$23.64	\$23.64	\$23.76	\$23.78	\$23.78
	B	\$19.46	\$20.01	\$19.57	\$19.60	\$19.44
	Subtotal	\$20.34	\$20.77	\$20.45	\$20.53	\$20.46
Waukesha Northwest - Lake Country	B	\$18.60	\$19.08	\$19.08	\$17.63	\$17.63
	Subtotal	\$18.60	\$19.08	\$19.08	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$14.75	\$14.75	\$13.75	\$13.50	\$13.50
	Subtotal	\$14.75	\$14.75	\$13.75	\$13.50	\$13.50
Waukesha Southwest	B	\$18.30	\$18.27	\$18.30	\$17.91	\$19.58
	C					
	Subtotal	\$18.30	\$18.27	\$18.30	\$17.91	\$19.58
Suburban	A	\$24.58	\$24.63	\$24.73	\$24.97	\$25.13
	B	\$18.84	\$18.98	\$18.80	\$18.77	\$18.90
	C	\$14.50	\$14.50	\$14.50	\$14.50	\$14.50
	Subtotal	\$19.35	\$19.45	\$19.30	\$19.35	\$19.46
Grand Total		\$20.59	\$20.76	\$20.62	\$20.71	\$20.81

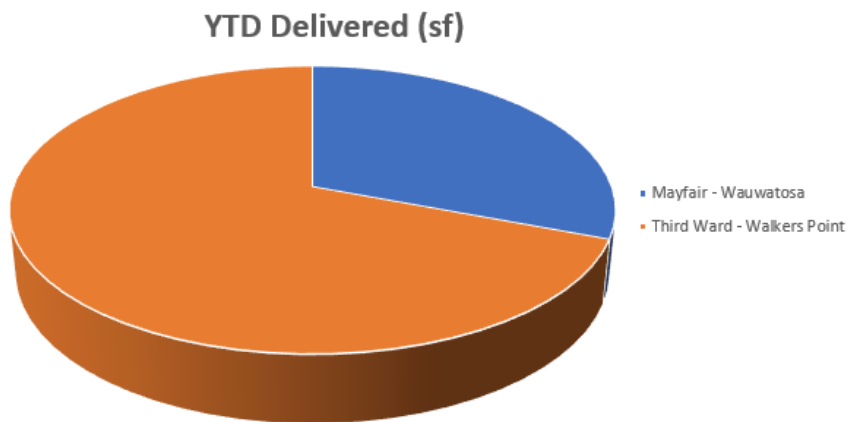


Under Construction



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

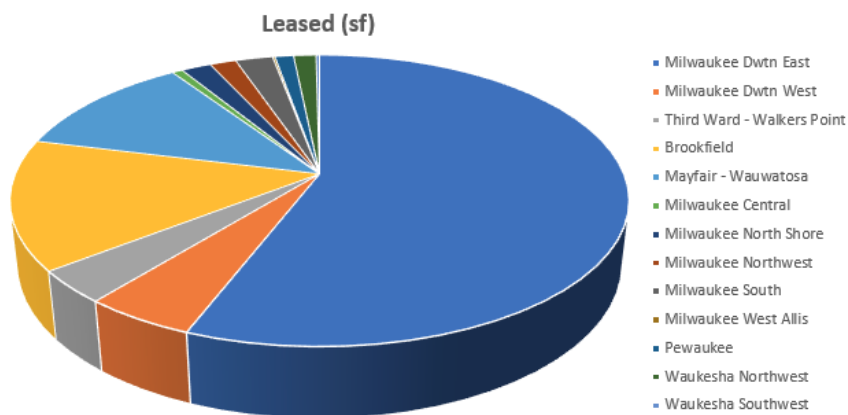
YTD Deliveries



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

Leasing Activity

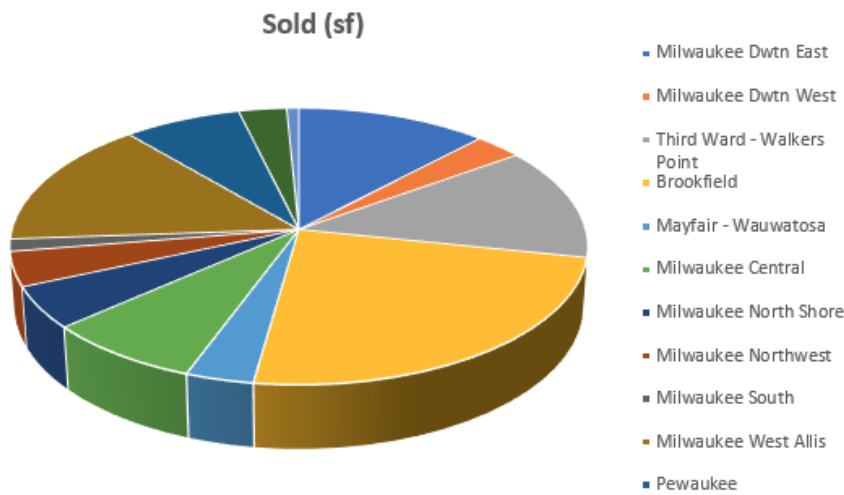
Property	Size (sf)	Market	Tenant	Landlord
US Bank Center 777 E Wisconsin Ave	456,000	Milwaukee Dwtm East	Robert W. Baird & Company	JSWD Wisconsin Venture I LLC
17950 W Corporate Dr	51,567	Brookfield	Annex Wealth Management	Brookfield Lakes LLP
ASQ Center North Tower 648 N Plankinton Ave	32,028	Milwaukee Dwtm West	Veolia Water Milwaukee	HR2 Partners LLC
Crossroads Corporate Center 20225 Water Tower Blvd	21,922	Brookfield	Novus Mortgage	American Realty Investors I LLC
Innovation One 1401 Discovery Pkwy	20,345	Mayfair - Wauwatosa	M3 Insurance	Irgens Partners



Market	Leased (sf)
Milwaukee Dwtm East	488,192
Milwaukee Dwtm West	43,470
Third Ward - Walkers Point	31,474
Brookfield	125,930
Mayfair - Wauwatosa	102,291
Milwaukee Central	5,680
Milwaukee North Shore	16,315
Milwaukee Northwest	14,293
Milwaukee South	20,311
Milwaukee West Allis	1,237
Pewaukee	10,143
Waukesha Northwest	12,246
Waukesha Southwest	1,865
Grand Total	873,447

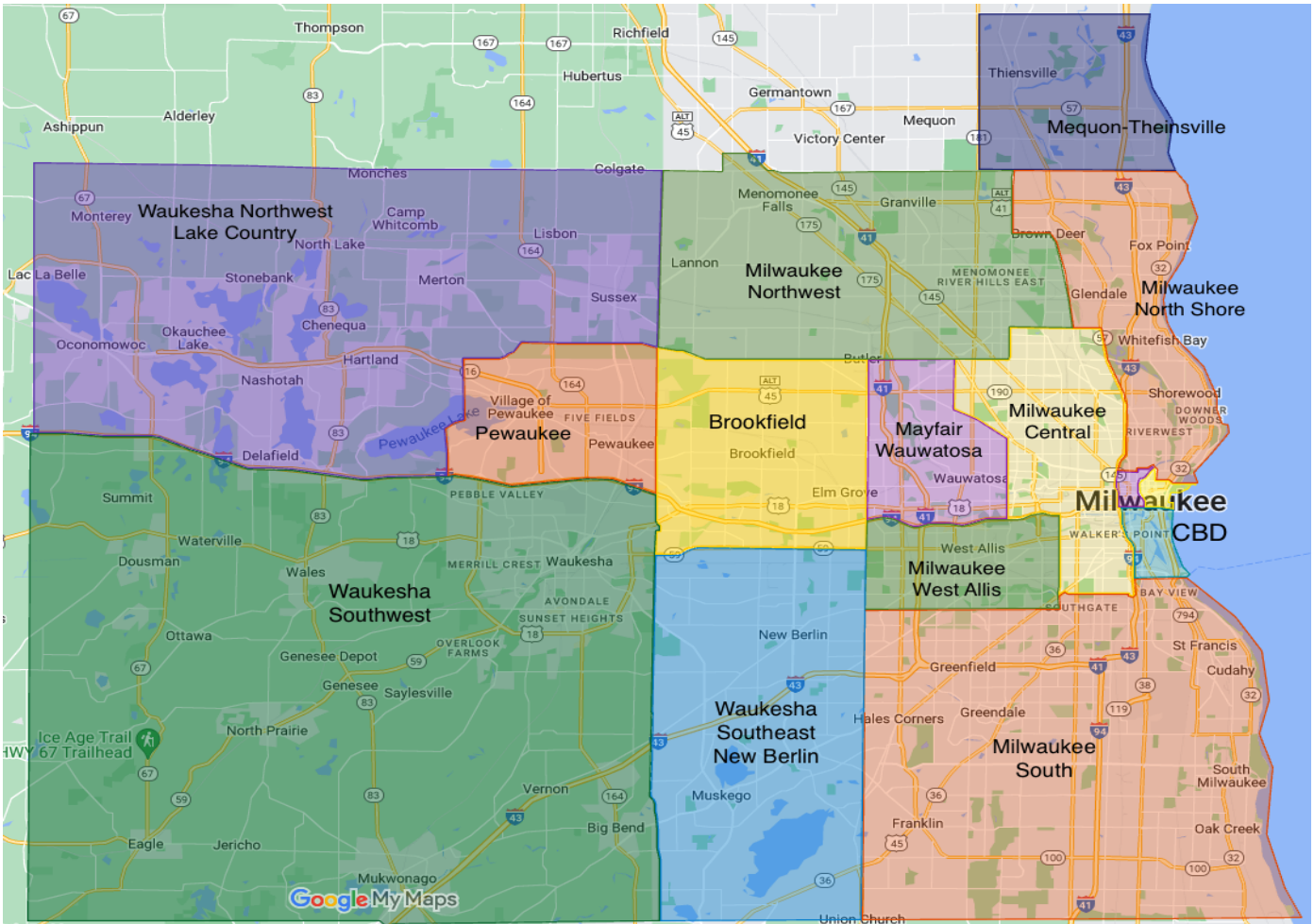
Sales Activity

Property	Price	Market	Buyer	Seller
W239 N3490 Pewaukee Rd	\$3,175,000	Pewaukee	Better CoWork	Capwaukee Properties LLC
161-169 S 1st St	\$3,100,000	Third Ward - Walkers Point	161 Investor Group LLC	161 First LLC
11211 W Lincoln Ave	\$3,100,000	Milwaukee West Allis	MMPF III West Allis WI LLC	West Allis NNN 2 LLC
3330 Gateway Rd	\$2,900,000	Brookfield	3330 Gateway, LLC	JKB Properties LLC
1119-1125 N Water St	\$2,500,000	Milwaukee Dwtm East	OCE Investments LLC	Iconic Water Street LLC

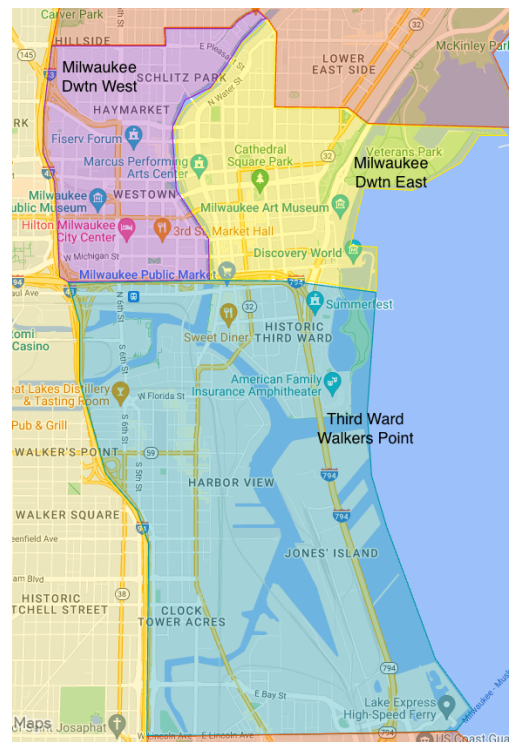


Market	Sold (sf)
Milwaukee Dwtm East	39,449
Milwaukee Dwtm West	9,922
Third Ward - Walkers Point	43,135
Brookfield	78,650
Mayfair - Wauwatosa	11,170
Milwaukee Central	25,881
Milwaukee North Shore	16,056
Milwaukee Northwest	13,209
Milwaukee South	4,715
Milwaukee West Allis	48,850
Pewaukee	24,312
Waukesha Northwest	9,884
Waukesha Southeast	2,496
Grand Total	327,729

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)	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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