

Market

Trends

Q4 2023

Milwaukee - Industrial



REDI

MOODY'S
ANALYTICS

Catylist



MARKET TRENDS

Q4 2023 | Milwaukee | Industrial

Employment

| | <u>Current</u> | <u>Y-o-Y</u> |
|-------------------|----------------|--|
| Employment | 798,101 |  |
| Area Unemployment | 3.1 |  |
| U.S. Unemployment | 3.7 |  |
| Industrial Jobs | 115,500 |  |

Source: BLS

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

Market Recap

All Properties

| | |
|---------------------------------------|-------------|
| Total Inventory ^(sf) | 383,330,138 |
| Total # of Bldgs ^(tracked) | 5,397 |
| Absorption | (233,942) |
| Vacancy | 5.4% |
| Asking Rate ^(NNN) | \$6.24 |
| New Construction ^(sf) | 4,172,401 |

Multi-tenant Properties

| | |
|---------------------------------------|------------|
| Total Inventory ^(sf) | 98,594,523 |
| Total # of Bldgs ^(tracked) | 1,226 |
| Absorption | (556,480) |
| Vacancy | 14.7% |
| Asking Rate ^(NNN) | \$6.16 |

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 40 basis points to 3.1% compared to 2.7% in November 2022. The unemployment rate for the US was at 3.7% in December 2023 which increased 20 basis points from last year. State of Wisconsin unemployment was 3.3% for this quarter. The Milwaukee MSA saw an increase in job growth while manufacturing jobs also increased by 200 jobs during the same period.

Market Overview

The Milwaukee Industrial market consists of 383.3 msf of space in eight counties across Southeastern Wisconsin. Southeastern Wisconsin posted (233,900) sf negative absorption in Q4 2023 for all properties, bringing the YTD to 1.3 msf positive absorption. Multi-tenant properties had (556,400) sf negative absorption bringing the YTD to 40,000 sf positive absorption. The fourth quarter ended with a vacancy rate of 5.4% for all properties and 14.7% for multi-tenant properties. The average asking lease rates for SE Wisconsin has increased from \$6.17 last year to \$6.24 psf NNN for Q4 2023. To date, there are 27 properties totaling 4.1 msf of new construction projects throughout the market. Forty nine properties with 10.8 msf were delivered year to date which is main reason for increased vacancy.

Market Highlights

Kenosha County led the way in positive absorption with 886,000 sf resulting from the new delivery of Uline with 1.0 msf. Milwaukee County experienced (1.18) msf negative absorption due to Regal Rexnord vacating 753,000 sf and WB Warehousing vacating 607,000 sf. At the close of Q4 2023 the market had 74 lease transactions totaling 1.9 msf of leasing activity. Fifty nine properties sold topping \$204 million with 2.17 msf during Q4 2023.

Market Overview (Multi and Single Tenant)

Total

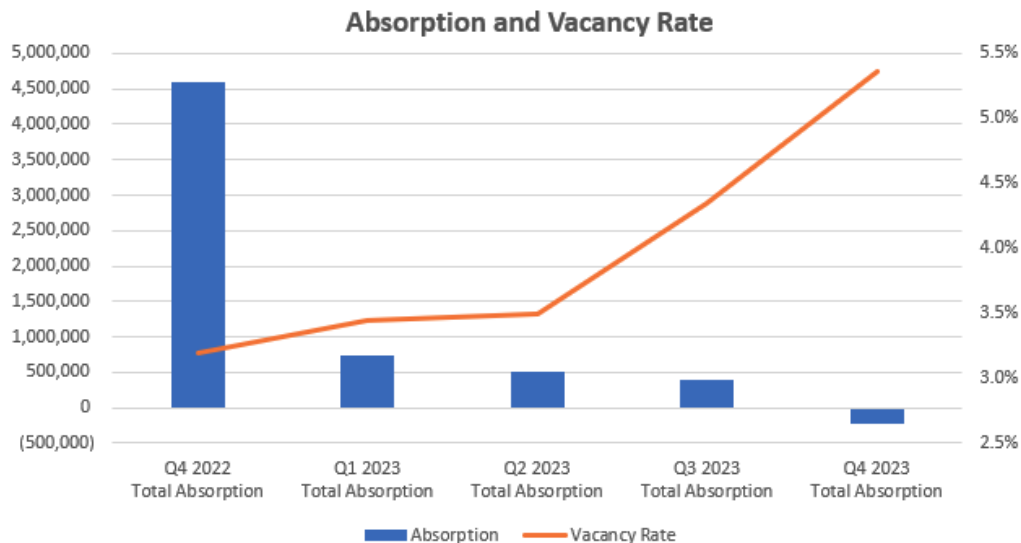
| Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|------------------------|--------------|--------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Flex/R&D | 296 | 13,188,989 | 1,300,165 | 855,414 | 21,491 | 77,931 | 6.5% |
| Manufacturing | 2,174 | 176,468,829 | 7,260,133 | 5,039,310 | (1,270,669) | (1,317,907) | 2.9% |
| Warehouse Distribution | 792 | 129,463,159 | 13,523,000 | 12,573,475 | 1,092,897 | 2,384,333 | 9.7% |
| Warehouse Office | 2,135 | 64,209,161 | 3,522,498 | 2,070,465 | (77,661) | 190,632 | 3.2% |
| Grand Total | 5,397 | 383,330,138 | 25,605,796 | 20,538,664 | (233,942) | 1,334,989 | 5.4% |

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 | 13,188,989 | 1,014,354 | 844,162 | 24,191 | 81,019 | 6.4% |
| Manufacturing | 2,174 | 176,468,829 | 7,162,663 | 4,979,340 | (1,345,963) | (1,333,231) | 2.8% |
| Warehouse Distribution | 792 | 129,463,159 | 13,125,573 | 12,390,875 | 1,169,697 | 2,485,245 | 9.6% |
| Warehouse Office | 2,135 | 64,209,161 | 3,356,845 | 1,923,845 | (63,804) | 246,264 | 3.0% |
| Grand Total | 5,397 | 383,330,138 | 24,659,435 | 20,138,222 | (215,879) | 1,479,297 | 5.3% |

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 | 13,188,989 | 285,811 | 11,252 | (2,700) | (3,088) | 0.1% |
| Manufacturing | 2,174 | 176,468,829 | 97,470 | 59,970 | 75,294 | 15,324 | 0.0% |
| Warehouse Distribution | 792 | 129,463,159 | 397,427 | 182,600 | (76,800) | (100,912) | 0.1% |
| Warehouse Office | 2,135 | 64,209,161 | 165,653 | 146,620 | (13,857) | (55,632) | 0.2% |
| Grand Total | 5,397 | 383,330,138 | 946,361 | 400,442 | (18,063) | (144,308) | 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 | 220,000 | | 0 | 0 | 0.0% |
| | Manufacturing | 104 | 8,027,609 | 248,235 | 248,235 | (113,161) | (113,161) | 3.1% |
| | Warehouse Distribution | 111 | 40,682,743 | 7,219,047 | 7,243,963 | 1,000,000 | 879,696 | 17.8% |
| | Warehouse Office | 70 | 2,944,634 | 261,585 | | 0 | 0 | 0.0% |
| | Subtotal | 293 | 52,337,585 | 7,948,867 | 7,492,198 | 886,839 | 766,535 | 14.3% |
| Milwaukee | Flex/R&D | 61 | 3,222,550 | 668,317 | 596,782 | (6,926) | 20,737 | 18.5% |
| | Manufacturing | 665 | 60,308,461 | 5,209,132 | 3,790,983 | (745,411) | (1,213,022) | 6.3% |
| | Warehouse Distribution | 286 | 35,041,166 | 3,136,737 | 2,309,246 | (330,300) | 229,608 | 6.6% |
| | Warehouse Office | 686 | 23,373,871 | 1,957,605 | 1,248,234 | (97,291) | (44,272) | 5.3% |
| | Subtotal | 1,698 | 121,946,048 | 10,971,791 | 7,945,245 | (1,179,928) | (1,006,949) | 6.5% |
| Ozaukee | Flex/R&D | 22 | 670,913 | 58,004 | 30,138 | 6,080 | (2,265) | 4.5% |
| | Manufacturing | 118 | 9,041,752 | 187,016 | 99,977 | 15,245 | 117,729 | 1.1% |
| | Warehouse Distribution | 16 | 2,149,211 | 6,001 | 6,001 | 0 | 0 | 0.3% |
| | Warehouse Office | 66 | 2,372,640 | 115,220 | 58,420 | 9,070 | 9,070 | 2.5% |
| | Subtotal | 222 | 14,234,516 | 366,241 | 194,536 | 30,395 | 124,534 | 1.4% |
| Racine | Flex/R&D | 13 | 698,354 | 25,124 | 32,442 | 2,848 | 2,848 | 4.6% |
| | Manufacturing | 189 | 17,425,319 | 132,193 | 27,820 | 0 | (9,886) | 0.2% |
| | Warehouse Distribution | 82 | 14,776,808 | 2,272,087 | 2,509,160 | 125,072 | 761,336 | 17.0% |
| | Warehouse Office | 142 | 4,688,876 | 472,532 | 443,180 | 0 | 0 | 9.5% |
| | Subtotal | 426 | 37,589,357 | 2,901,936 | 3,012,602 | 127,920 | 754,298 | 8.0% |
| Sheboygan | Flex/R&D | 1 | 30,720 | | 5,000 | 0 | 0 | 16.3% |
| | Manufacturing | 151 | 19,759,101 | 386,374 | 336,374 | (235,574) | (235,574) | 1.7% |
| | Warehouse Distribution | 34 | 5,132,236 | 214,029 | | 0 | 0 | 0.0% |
| | Warehouse Office | 90 | 2,347,672 | 109,855 | 4,625 | 0 | (4,625) | 0.2% |
| | Subtotal | 276 | 27,269,729 | 710,258 | 345,999 | (235,574) | (240,199) | 1.3% |
| Walworth | Flex/R&D | 4 | 94,396 | | | 0 | 0 | 0.0% |
| | Manufacturing | 126 | 9,643,259 | 196,390 | 19,336 | 19,000 | 59,250 | 0.2% |
| | Warehouse Distribution | 30 | 3,135,417 | 110,900 | | 0 | 183,200 | 0.0% |
| | Warehouse Office | 76 | 2,165,145 | 40,000 | 40,000 | 0 | 0 | 1.8% |
| | Subtotal | 236 | 15,038,217 | 347,290 | 59,336 | 19,000 | 242,450 | 0.4% |
| Washington | Flex/R&D | 15 | 528,613 | 34,200 | 27,450 | (3,806) | 8,718 | 5.2% |
| | Manufacturing | 232 | 14,790,839 | 130,300 | 132,940 | (12,800) | 46,700 | 0.9% |
| | Warehouse Distribution | 76 | 10,127,944 | 182,471 | 182,471 | 43,695 | 137,361 | 1.8% |
| | Warehouse Office | 177 | 4,621,323 | 83,044 | 95,040 | (13,703) | (2,566) | 2.1% |
| | Subtotal | 500 | 30,068,719 | 430,015 | 437,901 | 13,386 | 190,213 | 1.5% |
| Waukesha | Flex/R&D | 172 | 7,260,844 | 294,520 | 163,602 | 23,295 | 47,893 | 2.3% |
| | Manufacturing | 589 | 37,472,489 | 770,493 | 383,645 | (197,968) | 30,057 | 1.0% |
| | Warehouse Distribution | 157 | 18,417,634 | 381,728 | 322,634 | 254,430 | 193,132 | 1.8% |
| | Warehouse Office | 828 | 21,695,000 | 482,657 | 180,966 | 24,263 | 233,025 | 0.8% |
| | Subtotal | 1,746 | 84,845,967 | 1,929,398 | 1,050,847 | 104,020 | 504,107 | 1.2% |
| Grand Total | | 5,397 | 383,330,138 | 25,605,796 | 20,538,664 | (233,942) | 1,334,989 | 5.4% |

Vacancy Rates by County (Multi and Single Tenant)

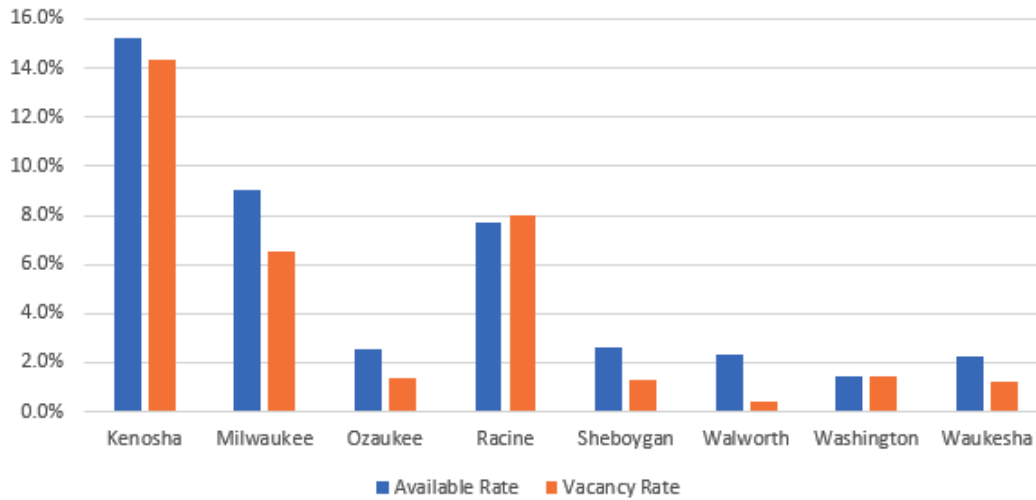
| County | Property Type | Q4 2022 Vacancy Rate | Q1 2023 Vacancy Rate | Q2 2023 Vacancy Rate | Q3 2023 Vacancy Rate | Q4 2023 Vacancy Rate |
|--------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Kenosha | Flex/R&D | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Manufacturing | 1.7% | 1.7% | 1.7% | 1.7% | 3.1% |
| | Warehouse Distribution | 5.6% | 8.2% | 7.9% | 13.5% | 17.8% |
| | Warehouse Office | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Subtotal | 4.5% | 6.5% | 6.3% | 10.6% | 14.3% |
| Milwaukee | Flex/R&D | 19.0% | 18.9% | 19.0% | 18.1% | 18.5% |
| | Manufacturing | 4.2% | 4.2% | 4.2% | 5.0% | 6.3% |
| | Warehouse Distribution | 4.3% | 3.5% | 3.4% | 4.8% | 6.6% |
| | Warehouse Office | 5.1% | 5.2% | 5.7% | 4.9% | 5.3% |
| | Subtotal | 4.8% | 4.6% | 4.6% | 5.3% | 6.5% |
| Ozaukee | Flex/R&D | 4.3% | 5.8% | 5.8% | 5.4% | 4.5% |
| | Manufacturing | 2.4% | 2.2% | 1.7% | 1.3% | 1.1% |
| | Warehouse Distribution | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% |
| | Warehouse Office | 2.9% | 3.3% | 2.9% | 2.9% | 2.5% |
| | Subtotal | 2.2% | 2.3% | 1.9% | 1.6% | 1.4% |
| Racine | Flex/R&D | 5.3% | 5.3% | 5.3% | 5.3% | 4.6% |
| | Manufacturing | 0.1% | 0.1% | 0.2% | 0.2% | 0.2% |
| | Warehouse Distribution | 14.1% | 15.4% | 16.1% | 17.8% | 17.0% |
| | Warehouse Office | 9.6% | 9.6% | 9.6% | 9.6% | 9.5% |
| | Subtotal | 6.6% | 7.1% | 7.4% | 8.4% | 8.0% |
| Sheboygan | Flex/R&D | 16.3% | 16.3% | 16.3% | 16.3% | 16.3% |
| | Manufacturing | 0.2% | 0.1% | 0.1% | 0.5% | 1.7% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 0.0% | 0.0% | 0.0% | 0.2% | 0.2% |
| | Subtotal | 0.2% | 0.1% | 0.1% | 0.4% | 1.3% |
| Walworth | Flex/R&D | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Manufacturing | 0.2% | 0.2% | 0.4% | 0.4% | 0.2% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 2.0% | 2.0% | 1.8% | 1.8% | 1.8% |
| | Subtotal | 0.4% | 0.4% | 0.5% | 0.5% | 0.4% |
| Washington | Flex/R&D | 6.8% | 6.8% | 4.5% | 4.5% | 5.2% |
| | Manufacturing | 0.4% | 0.4% | 0.8% | 0.8% | 0.9% |
| | Warehouse Distribution | 3.1% | 2.2% | 2.5% | 2.2% | 1.8% |
| | Warehouse Office | 2.1% | 2.0% | 2.0% | 1.8% | 2.1% |
| | Subtotal | 1.7% | 1.4% | 1.6% | 1.5% | 1.5% |
| Waukesha | Flex/R&D | 2.9% | 2.7% | 2.9% | 2.6% | 2.3% |
| | Manufacturing | 0.3% | 0.3% | 0.5% | 0.4% | 1.0% |
| | Warehouse Distribution | 0.5% | 1.4% | 2.2% | 1.6% | 1.8% |
| | Warehouse Office | 1.4% | 1.5% | 0.7% | 0.9% | 0.8% |
| | Subtotal | 0.9% | 1.1% | 1.1% | 1.0% | 1.2% |
| Grand Total | | 3.2% | 3.4% | 3.5% | 4.3% | 5.4% |

Lease Rates by County (Multi and Single Tenant)

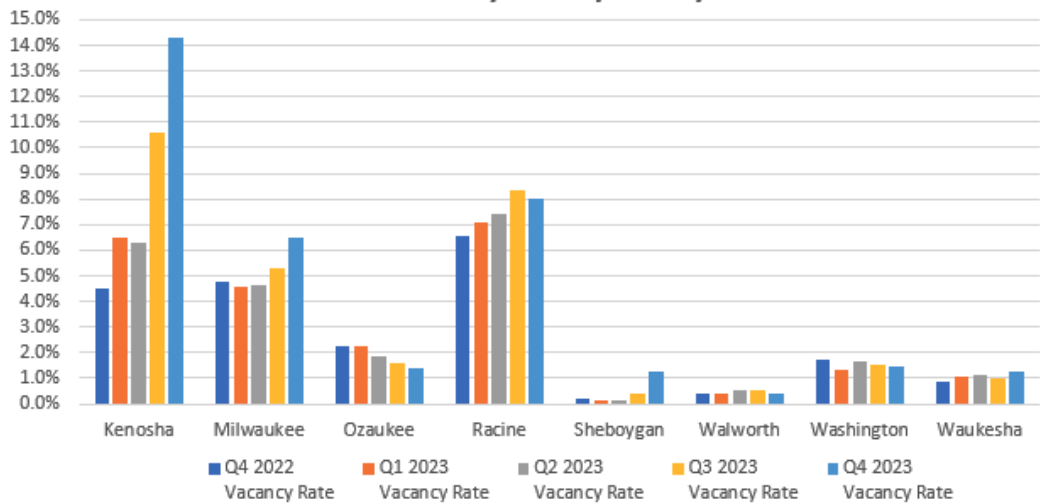
| County | Property Type | Q4 2022 Lease Rate | Q1 2023 Lease Rate | Q2 2023 Lease Rate | Q3 2023 Lease Rate | Q4 2023 Lease Rate |
|--------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Kenosha | Flex/R&D | | | | | |
| | Manufacturing | | | | | |
| | Warehouse Distribution | \$5.50 | \$5.50 | \$6.25 | \$6.25 | \$6.25 |
| | Warehouse Office | | | | | |
| | Subtotal | \$5.50 | \$5.50 | \$6.25 | \$6.25 | \$6.25 |
| Milwaukee | Flex/R&D | \$6.72 | \$7.04 | \$7.12 | \$7.12 | \$7.07 |
| | Manufacturing | \$4.87 | \$4.98 | \$4.92 | \$5.01 | \$4.89 |
| | Warehouse Distribution | \$5.47 | \$5.32 | \$5.37 | \$5.31 | \$5.38 |
| | Warehouse Office | \$5.10 | \$5.09 | \$5.45 | \$5.66 | \$5.73 |
| | Subtotal | \$5.30 | \$5.36 | \$5.55 | \$5.65 | \$5.65 |
| Ozaukee | Flex/R&D | \$9.15 | \$8.88 | \$8.92 | \$9.13 | \$9.17 |
| | Manufacturing | \$4.43 | \$3.50 | \$3.50 | \$3.50 | \$11.54 |
| | Warehouse Distribution | \$5.50 | \$5.50 | \$5.50 | \$5.50 | \$5.50 |
| | Warehouse Office | \$9.35 | \$9.81 | \$9.75 | \$9.75 | \$7.75 |
| | Subtotal | \$8.14 | \$8.25 | \$8.13 | \$8.31 | \$8.58 |
| Racine | Flex/R&D | \$11.25 | \$11.25 | | | |
| | Manufacturing | \$4.98 | \$4.98 | \$5.23 | \$4.98 | \$4.98 |
| | Warehouse Distribution | \$4.70 | \$4.70 | \$4.15 | \$5.25 | \$5.25 |
| | Warehouse Office | | | | \$6.95 | |
| | Subtotal | \$6.12 | \$6.12 | \$4.87 | \$5.43 | \$5.05 |
| Sheboygan | Flex/R&D | | | | | |
| | Manufacturing | | \$5.85 | \$5.74 | \$5.74 | \$5.64 |
| | Warehouse Distribution | | | | | |
| | Warehouse Office | | \$5.83 | \$5.83 | \$5.70 | \$5.70 |
| | Subtotal | | \$5.84 | \$5.78 | \$5.73 | \$5.66 |
| Walworth | Flex/R&D | | | | | |
| | Manufacturing | \$4.82 | \$4.82 | \$4.75 | \$4.75 | \$4.25 |
| | Warehouse Distribution | | \$5.50 | \$5.50 | \$5.50 | \$5.50 |
| | Warehouse Office | \$8.50 | \$7.50 | \$7.23 | \$7.23 | \$8.50 |
| | Subtotal | \$5.74 | \$5.83 | \$5.70 | \$5.70 | \$5.63 |
| Washington | Flex/R&D | \$5.38 | \$5.38 | \$5.67 | \$5.67 | \$5.13 |
| | Manufacturing | \$3.63 | \$3.63 | \$3.92 | \$3.92 | \$4.56 |
| | Warehouse Distribution | \$5.88 | \$5.88 | \$5.00 | | |
| | Warehouse Office | \$6.03 | \$6.15 | \$6.52 | \$6.26 | \$6.26 |
| | Subtotal | \$5.32 | \$5.55 | \$5.60 | \$5.28 | \$5.25 |
| Waukesha | Flex/R&D | \$8.08 | \$8.17 | \$8.13 | \$8.07 | \$7.71 |
| | Manufacturing | \$6.40 | \$5.95 | \$5.47 | \$5.36 | \$5.36 |
| | Warehouse Distribution | \$7.65 | \$6.99 | \$8.24 | \$8.24 | \$8.04 |
| | Warehouse Office | \$6.84 | \$6.84 | \$7.11 | \$7.09 | \$6.71 |
| | Subtotal | \$7.33 | \$7.48 | \$7.60 | \$7.59 | \$7.31 |
| Grand Total | | \$6.17 | \$6.26 | \$6.38 | \$6.35 | \$6.24 |

Multi and Single Tenant

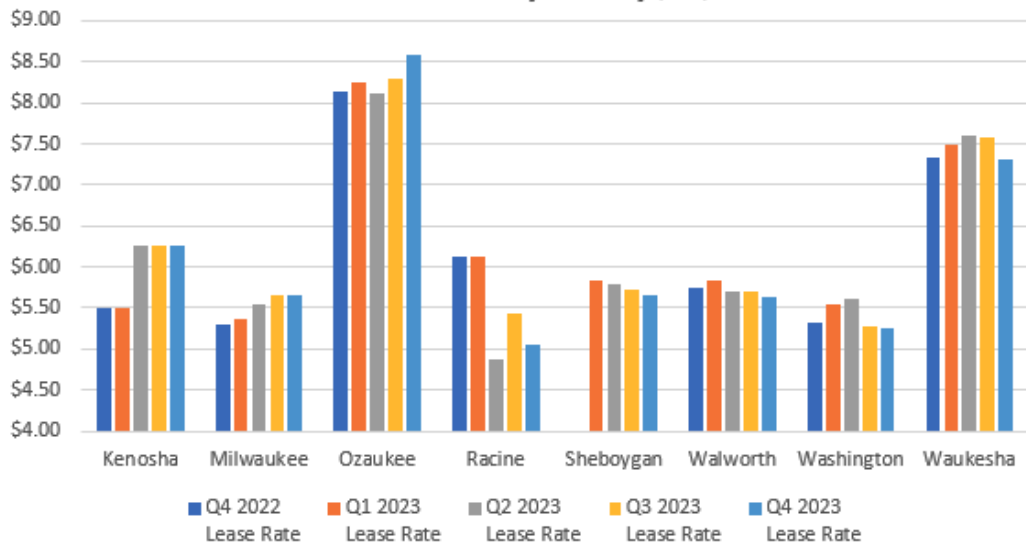
Available and Vacancy Rates



Vacancy Rate by County



Lease Rates by County (NNN)



Market Overview (Multi-Tenant)

Total

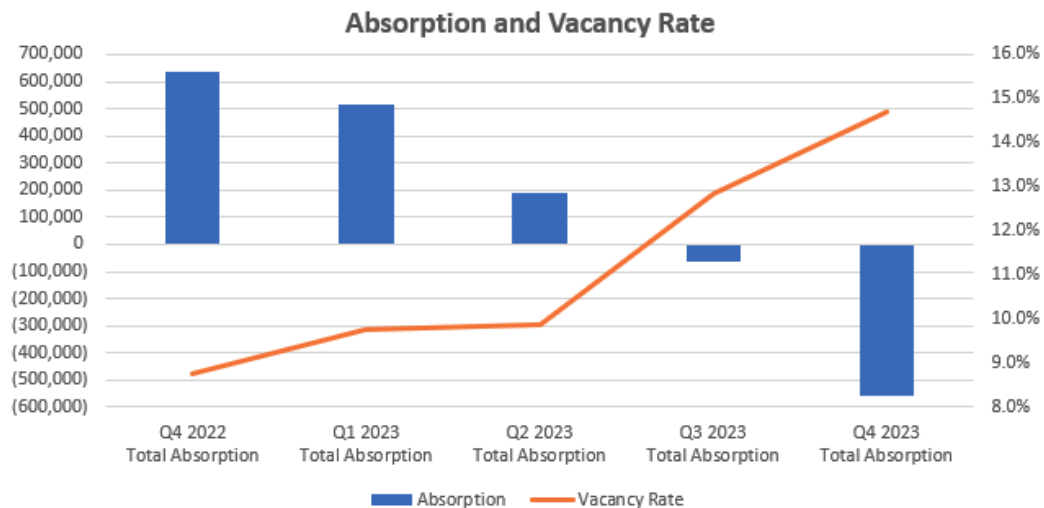
| Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|------------------------|--------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Flex/R&D | 232 | 9,990,604 | 1,132,665 | 687,914 | 24,191 | 80,631 | 6.9% |
| Manufacturing | 166 | 19,766,471 | 2,865,590 | 1,823,671 | (220,288) | (445,116) | 9.2% |
| Warehouse Distribution | 247 | 45,837,406 | 11,005,880 | 10,482,117 | (420,548) | 48,448 | 22.9% |
| Warehouse Office | 581 | 23,000,042 | 2,480,143 | 1,515,356 | 60,165 | 356,852 | 6.6% |
| Grand Total | 1,226 | 98,594,523 | 17,484,278 | 14,509,058 | (556,480) | 40,815 | 14.7% |

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 | 9,990,604 | 849,554 | 679,362 | 24,191 | 81,019 | 6.8% |
| Manufacturing | 166 | 19,766,471 | 2,865,590 | 1,823,671 | (295,582) | (520,410) | 9.2% |
| Warehouse Distribution | 247 | 45,837,406 | 10,802,453 | 10,343,517 | (343,748) | 177,248 | 22.6% |
| Warehouse Office | 581 | 23,000,042 | 2,374,122 | 1,428,368 | 56,165 | 352,852 | 6.2% |
| Grand Total | 1,226 | 98,594,523 | 16,891,719 | 14,274,918 | (558,974) | 90,709 | 14.5% |

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 | 9,990,604 | 283,111 | 8,552 | 0 | (388) | 0.1% |
| Manufacturing | 166 | 19,766,471 | | | 75,294 | 75,294 | 0.0% |
| Warehouse Distribution | 247 | 45,837,406 | 203,427 | 138,600 | (76,800) | (128,800) | 0.3% |
| Warehouse Office | 581 | 23,000,042 | 106,021 | 86,988 | 4,000 | 4,000 | 0.4% |
| Grand Total | 1,226 | 98,594,523 | 592,559 | 234,140 | 2,494 | (49,894) | 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 | 220,000 | | 0 | 0 | 0.0% |
| | Manufacturing | 6 | 1,333,434 | 135,074 | 135,074 | 0 | 0 | 10.1% |
| | Warehouse Distribution | 41 | 14,240,139 | 6,271,753 | 6,296,669 | 0 | 36,331 | 44.2% |
| | Warehouse Office | 11 | 657,354 | 261,585 | | 0 | 0 | 0.0% |
| | Subtotal | 65 | 16,883,238 | 6,888,412 | 6,431,743 | 0 | 36,331 | 38.1% |
| Milwaukee | Flex/R&D | 49 | 2,435,508 | 503,517 | 431,982 | (6,926) | 20,737 | 17.7% |
| | Manufacturing | 64 | 11,157,674 | 2,404,097 | 1,450,922 | (227,135) | (494,900) | 13.0% |
| | Warehouse Distribution | 102 | 14,426,227 | 2,551,716 | 2,234,246 | (565,785) | (402,765) | 15.5% |
| | Warehouse Office | 200 | 9,870,025 | 1,350,649 | 795,494 | 22,946 | 198,298 | 8.1% |
| | Subtotal | 415 | 37,889,434 | 6,809,979 | 4,912,644 | (776,900) | (678,630) | 13.0% |
| Ozaukee | Flex/R&D | 19 | 614,555 | 58,004 | 30,138 | 6,080 | (2,265) | 4.9% |
| | Manufacturing | 10 | 1,111,686 | 71,250 | 42,800 | 0 | 56,156 | 3.9% |
| | Warehouse Distribution | 2 | 474,845 | 6,001 | 6,001 | 0 | 0 | 1.3% |
| | Warehouse Office | 20 | 965,993 | 68,960 | 48,960 | 9,070 | 9,070 | 5.1% |
| | Subtotal | 51 | 3,167,079 | 204,215 | 127,899 | 15,150 | 62,961 | 4.0% |
| Racine | Flex/R&D | 7 | 349,966 | 25,124 | 32,442 | 2,848 | 2,848 | 9.3% |
| | Manufacturing | 11 | 1,291,078 | 15,500 | 15,500 | 0 | (9,886) | 1.2% |
| | Warehouse Distribution | 29 | 6,527,386 | 1,450,128 | 1,440,096 | 125,072 | 362,349 | 22.1% |
| | Warehouse Office | 26 | 1,477,202 | 443,180 | 443,180 | 0 | 0 | 30.0% |
| | Subtotal | 73 | 9,645,632 | 1,933,932 | 1,931,218 | 127,920 | 355,311 | 20.0% |
| 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 | 0 | (4,625) | 1.1% |
| | Subtotal | 25 | 2,031,135 | 289,454 | 110,425 | 0 | (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 | 34,200 | 27,450 | (3,806) | 8,718 | 6.4% |
| | Manufacturing | 18 | 717,380 | 59,000 | 39,000 | 0 | 0 | 5.4% |
| | Warehouse Distribution | 17 | 3,604,588 | 182,471 | 182,471 | 43,695 | 137,361 | 5.1% |
| | Warehouse Office | 54 | 1,504,853 | 62,627 | 77,337 | 4,000 | 1,837 | 5.1% |
| | Subtotal | 99 | 6,255,863 | 338,298 | 326,258 | 43,889 | 147,916 | 5.2% |
| Waukesha | Flex/R&D | 136 | 5,423,475 | 291,820 | 160,902 | 25,995 | 50,593 | 3.0% |
| | Manufacturing | 45 | 3,232,544 | 39,575 | 39,575 | 6,847 | 3,514 | 1.2% |
| | Warehouse Distribution | 48 | 5,314,764 | 359,782 | 322,634 | (23,530) | (84,828) | 6.1% |
| | Warehouse Office | 249 | 7,682,057 | 263,517 | 120,760 | 24,149 | 152,272 | 1.6% |
| | Subtotal | 478 | 21,652,840 | 954,694 | 643,871 | 33,461 | 121,551 | 3.0% |
| Grand Total | | 1,226 | 98,594,523 | 17,484,278 | 14,509,058 | (556,480) | 40,815 | 14.7% |

Vacancy Rates by County (Multi-Tenant)

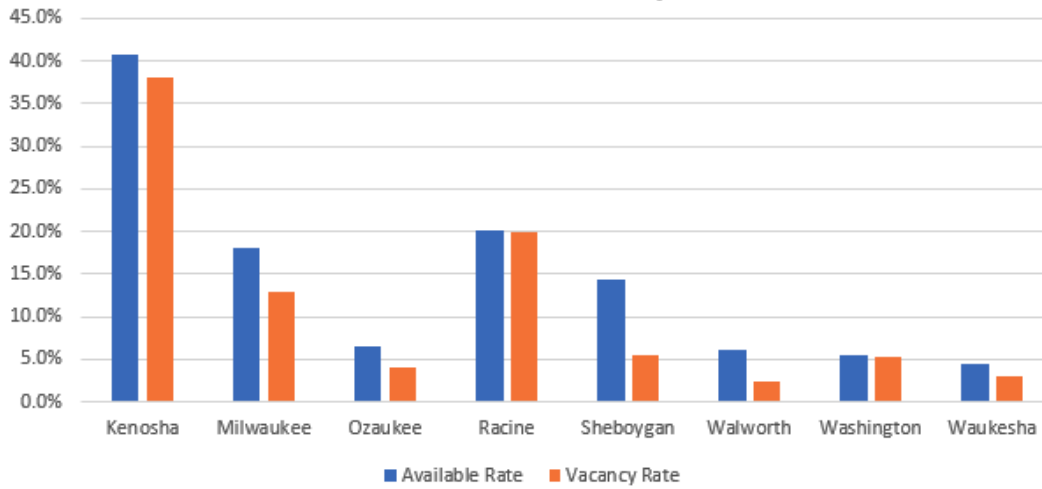
| County | Property Type | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|--------------------|------------------------|--------------|--------------|--------------|--------------|--------------|
| | | Vacancy Rate | Vacancy Rate | Vacancy Rate | Vacancy Rate | Vacancy Rate |
| Kenosha | Flex/R&D | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Manufacturing | 10.1% | 10.1% | 10.1% | 10.1% | 10.1% |
| | Warehouse Distribution | 19.9% | 26.5% | 26.0% | 37.8% | 44.2% |
| | Warehouse Office | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Subtotal | 16.7% | 22.3% | 21.9% | 32.2% | 38.1% |
| Milwaukee | Flex/R&D | 18.6% | 18.5% | 18.6% | 17.5% | 17.7% |
| | Manufacturing | 9.8% | 8.7% | 8.7% | 11.0% | 13.0% |
| | Warehouse Distribution | 8.3% | 8.1% | 7.8% | 11.6% | 15.5% |
| | Warehouse Office | 9.8% | 9.7% | 9.9% | 8.3% | 8.1% |
| | Subtotal | 9.8% | 9.4% | 9.4% | 10.9% | 13.0% |
| Ozaukee | Flex/R&D | 4.5% | 6.3% | 6.3% | 5.9% | 4.9% |
| | Manufacturing | 8.9% | 8.9% | 8.9% | 3.9% | 3.9% |
| | Warehouse Distribution | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% |
| | Warehouse Office | 6.0% | 6.0% | 6.0% | 6.0% | 5.1% |
| | Subtotal | 6.0% | 6.4% | 6.4% | 4.5% | 4.0% |
| Racine | Flex/R&D | 10.1% | 10.1% | 10.1% | 10.1% | 9.3% |
| | Manufacturing | 0.4% | 0.6% | 1.2% | 1.2% | 1.2% |
| | Warehouse Distribution | 11.4% | 14.7% | 16.4% | 24.0% | 22.1% |
| | Warehouse Office | 30.0% | 30.0% | 30.0% | 30.0% | 30.0% |
| | Subtotal | 12.9% | 15.1% | 16.2% | 21.3% | 20.0% |
| Sheboygan | Flex/R&D | 16.3% | 16.3% | 16.3% | 16.3% | 16.3% |
| | Manufacturing | 0.0% | 0.0% | 0.0% | 12.0% | 12.0% |
| | Warehouse Distribution | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 0.0% | 0.0% | 0.0% | 1.1% | 1.1% |
| | Subtotal | 0.3% | 0.3% | 0.3% | 5.4% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Warehouse Office | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% |
| | Subtotal | 2.3% | 2.3% | 2.3% | 2.3% | 2.3% |
| Washington | Flex/R&D | 8.4% | 8.4% | 5.5% | 5.5% | 6.4% |
| | Manufacturing | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% |
| | Warehouse Distribution | 9.2% | 6.3% | 7.1% | 6.3% | 5.1% |
| | Warehouse Office | 5.3% | 5.7% | 5.7% | 5.4% | 5.1% |
| | Subtotal | 7.8% | 6.2% | 6.5% | 5.9% | 5.2% |
| Waukesha | Flex/R&D | 3.9% | 3.6% | 3.9% | 3.4% | 3.0% |
| | Manufacturing | 1.3% | 1.4% | 1.4% | 1.4% | 1.2% |
| | Warehouse Distribution | 1.7% | 4.9% | 7.5% | 5.6% | 6.1% |
| | Warehouse Office | 2.6% | 2.5% | 1.0% | 1.9% | 1.6% |
| | Subtotal | 2.5% | 3.2% | 3.4% | 3.1% | 3.0% |
| Grand Total | | 8.7% | 9.8% | 9.9% | 12.9% | 14.7% |

Lease Rates by County (Multi-Tenant)

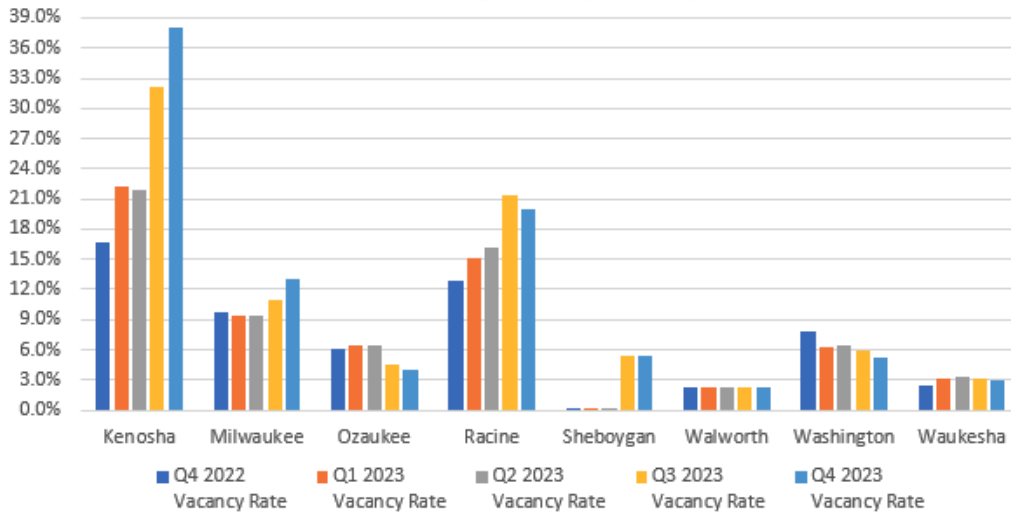
| County | Property Type | Q4 2022 Lease Rate | Q1 2023 Lease Rate | Q2 2023 Lease Rate | Q3 2023 Lease Rate | Q4 2023 Lease Rate |
|--------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Kenosha | Flex/R&D | | | | | |
| | Manufacturing | | | | | |
| | Warehouse Distribution | \$5.50 | \$5.50 | \$6.25 | \$6.25 | \$6.25 |
| | Warehouse Office | | | | | |
| | Subtotal | \$5.50 | \$5.50 | \$6.25 | \$6.25 | \$6.25 |
| Milwaukee | Flex/R&D | \$6.72 | \$7.04 | \$7.12 | \$7.12 | \$7.07 |
| | Manufacturing | \$4.01 | \$3.94 | \$3.83 | \$3.63 | \$3.77 |
| | Warehouse Distribution | \$5.32 | \$5.32 | \$5.37 | \$5.31 | \$5.38 |
| | Warehouse Office | \$4.97 | \$4.94 | \$5.04 | \$5.26 | \$5.16 |
| | Subtotal | \$5.18 | \$5.21 | \$5.28 | \$5.38 | \$5.29 |
| Ozaukee | Flex/R&D | \$9.15 | \$8.88 | \$8.92 | \$9.13 | \$9.17 |
| | Manufacturing | | | | | |
| | Warehouse Distribution | \$5.50 | \$5.50 | \$5.50 | \$5.50 | \$5.50 |
| | Warehouse Office | \$10.00 | \$11.25 | \$11.25 | \$11.25 | \$8.75 |
| | Subtotal | \$9.01 | \$9.15 | \$9.13 | \$9.21 | \$8.35 |
| Racine | Flex/R&D | \$11.25 | \$11.25 | | | |
| | Manufacturing | \$6.00 | \$6.00 | \$6.50 | \$6.50 | \$6.50 |
| | Warehouse Distribution | \$4.70 | \$4.70 | \$4.15 | \$5.25 | \$5.25 |
| | Warehouse Office | | | | \$6.95 | |
| | Subtotal | \$6.66 | \$6.66 | \$5.33 | \$6.23 | \$5.88 |
| Sheboygan | Flex/R&D | | | | | |
| | Manufacturing | | | | \$5.75 | \$5.75 |
| | Warehouse Distribution | | | | | |
| | Warehouse Office | | \$5.83 | \$5.83 | \$5.70 | \$5.70 |
| | Subtotal | | \$5.83 | \$5.83 | \$5.73 | \$5.73 |
| Walworth | Flex/R&D | | | | | |
| | Manufacturing | \$2.75 | \$2.75 | \$2.75 | \$2.75 | \$2.75 |
| | Warehouse Distribution | | | | | |
| | Warehouse Office | | | | | |
| | Subtotal | \$2.75 | \$2.75 | \$2.75 | \$2.75 | \$2.75 |
| Washington | Flex/R&D | \$5.38 | \$5.38 | \$5.67 | \$5.67 | \$5.13 |
| | Manufacturing | \$3.63 | \$3.63 | \$3.63 | \$3.63 | \$3.63 |
| | Warehouse Distribution | \$5.88 | \$5.88 | \$5.00 | | |
| | Warehouse Office | \$7.00 | \$6.84 | \$6.95 | \$6.92 | \$6.92 |
| | Subtotal | \$5.25 | \$5.71 | \$5.57 | \$5.44 | \$5.22 |
| Waukesha | Flex/R&D | \$8.08 | \$8.17 | \$8.13 | \$8.07 | \$7.71 |
| | Manufacturing | \$5.95 | \$5.95 | \$5.95 | \$5.36 | \$5.36 |
| | Warehouse Distribution | \$7.65 | \$6.99 | \$8.24 | \$8.24 | \$8.04 |
| | Warehouse Office | \$6.80 | \$6.89 | \$7.16 | \$7.17 | \$6.76 |
| | Subtotal | \$7.45 | \$7.56 | \$7.73 | \$7.68 | \$7.41 |
| Grand Total | | \$6.19 | \$6.31 | \$6.46 | \$6.42 | \$6.16 |

Multi-Tenant

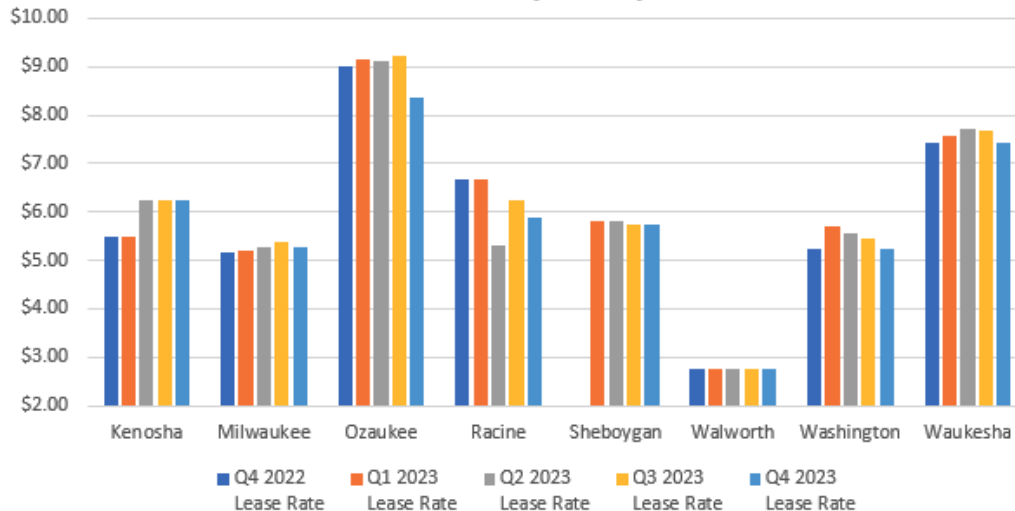
Available and Vacancy Rates



Vacancy Rate by County

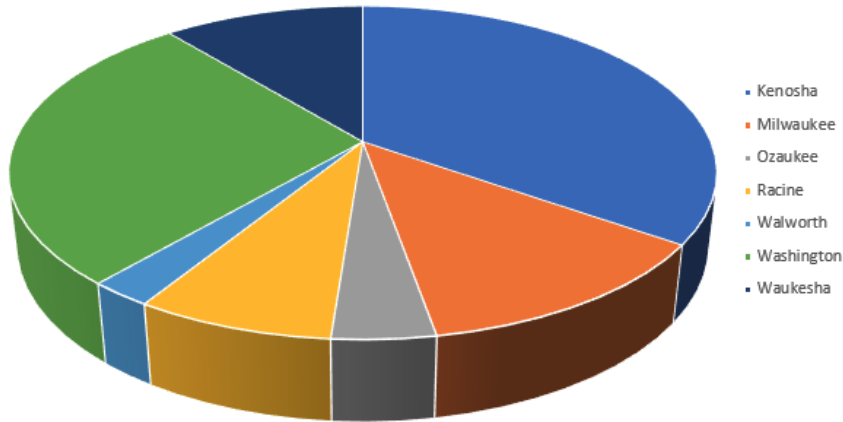


Lease Rates by County (NNN)



New Developments

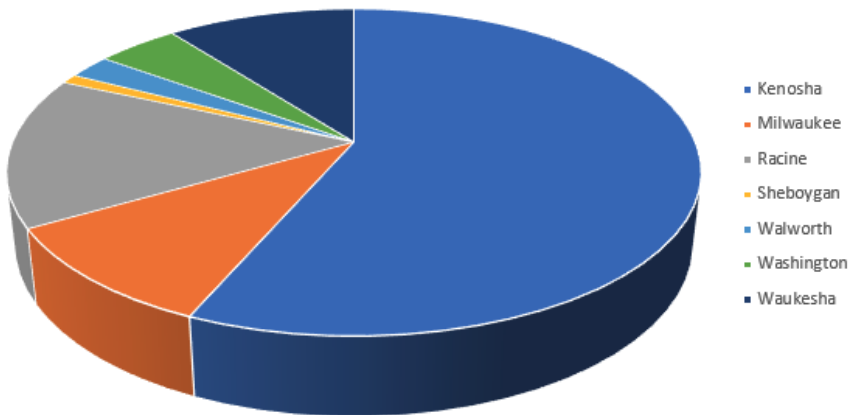
Under Construction SF



| County | Bldg (sf) |
|--------------------|------------------|
| Kenosha | 1,449,000 |
| Milwaukee | 521,261 |
| Ozaukee | 165,868 |
| Racine | 319,520 |
| Walworth | 103,000 |
| Washington | 1,156,134 |
| Waukesha | 457,618 |
| Grand Total | 4,172,401 |

Year to Date Deliveries

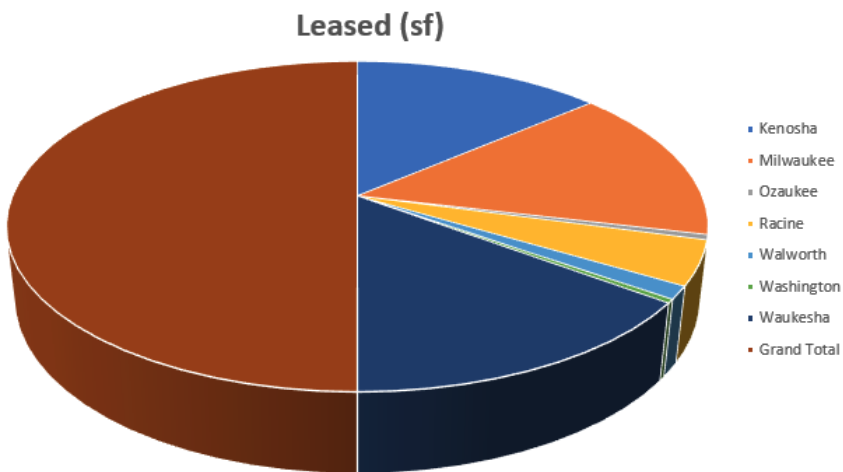
YTD Delivered



| County | Bldg (sf) |
|--------------------|-------------------|
| Kenosha | 6,143,970 |
| Milwaukee | 1,102,924 |
| Racine | 1,626,424 |
| Sheboygan | 100,800 |
| Walworth | 258,950 |
| Washington | 497,304 |
| Waukesha | 1,137,321 |
| Grand Total | 10,867,693 |

Leasing Activity

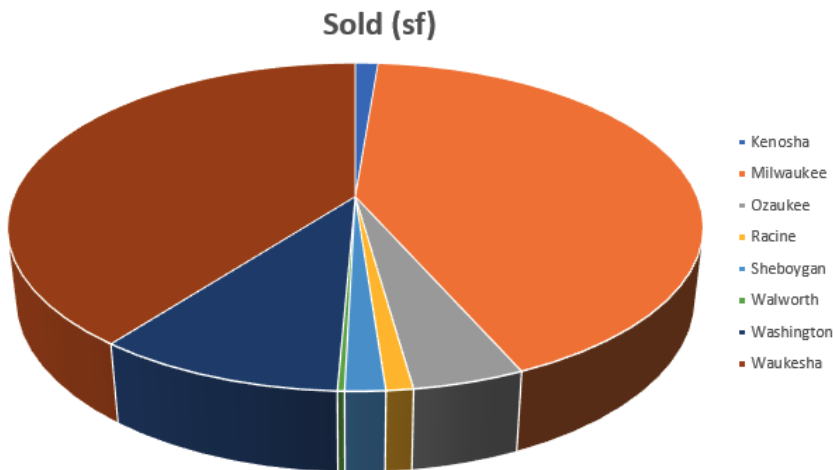
| Property | Size (sf) | County | Tenant | Landlord |
|--------------------------|-----------|-----------|---------------------------|---------------------------------|
| 11500 80th Ave | 534,384 | Kenosha | Arvato USA | Bcore Corridor Pleasant Prairie |
| 5600 S Moorland Rd | 205,435 | Waukesha | Green Bay Packagoing | Stag New Berlin |
| Enterprise Business Park | | | | |
| 11201 Enterprise Way | 125,702 | Racine | Partners in Fulfillment | Enterprise Business Park 4 LLC |
| 3303 W Oakwood Rd | 116,667 | Milwaukee | Microbial Discovery Group | HSA Commercial |
| 2207 S 114th St | 81,501 | Milwaukee | Tekra | Stag West Allis LLC |



| County | Leased (sf) |
|--------------------|------------------|
| Kenosha | 534,384 |
| Milwaukee | 587,062 |
| Ozaukee | 19,650 |
| Racine | 168,836 |
| Walworth | 49,550 |
| Washington | 14,025 |
| Waukesha | 577,717 |
| Grand Total | 1,951,224 |

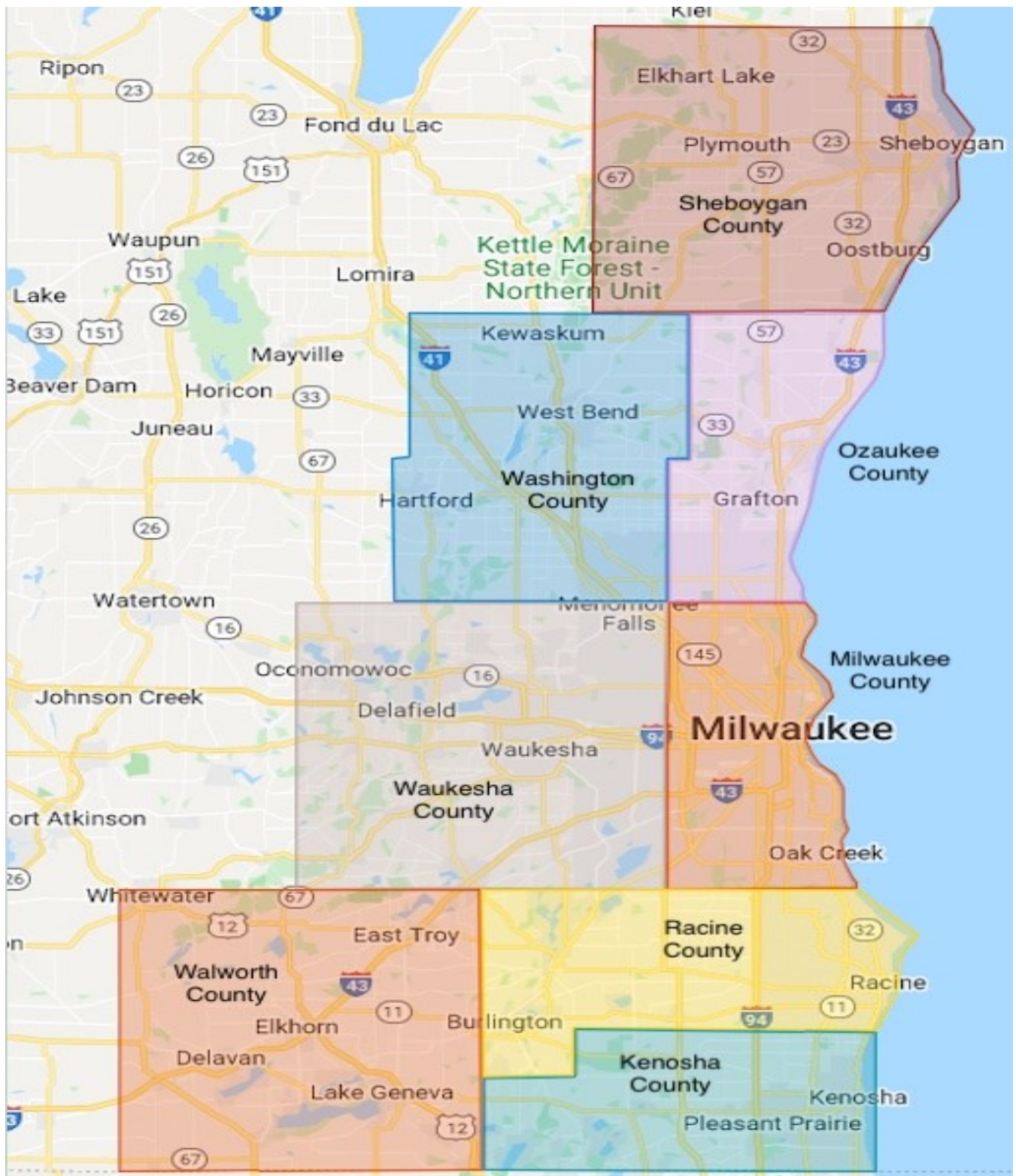
Sales Activity

| Property | Price | County | Buyer | Seller |
|--|--------------|------------|--|--------------------------------|
| N17 W25045 Bluemound Rd | \$25,000,000 | Waukesha | 94 West Logistics, LLC, Auction Properties LLP, Zabel Enterprises LLP P-Z LLP | WRP Pewaukee LLC |
| 2 World Packaging Cir | \$20,300,000 | Milwaukee | PG 1 LLC | ETCL Franklin Transpacking LLC |
| 700 E Rawson Ave | \$19,300,000 | Milwaukee | Terminal Properties LLC | YRC Inc |
| Falls Self Storage 15800 Megal Dr | \$12,500,000 | Waukesha | TKG III Acquisition LLC | Storage CAP Falls WI LP |
| Germantown Self Storage 18518 Mequon Rd | \$12,500,000 | Washington | TKG III Acquisition LLC | Storage Cap Germantown WI LP |



| County | Sold (sf) |
|--------------------|------------------|
| Kenosha | 27,375 |
| Milwaukee | 916,436 |
| Ozaukee | 95,497 |
| Racine | 22,980 |
| Sheboygan | 34,168 |
| Walworth | 5,980 |
| Washington | 211,811 |
| Waukesha | 861,021 |
| Grand Total | 2,175,268 |

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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| | | | |
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