

Market

# Trends

# Q4 2023

## Milwaukee - Industrial



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# 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 <small>(sf)</small>	383,330,138
Total # of Bldgs <small>(tracked)</small>	5,397
Absorption	(233,942)
Vacancy	5.4%
Asking Rate <small>(NNN)</small>	\$6.24
New Construction <small>(sf)</small>	4,172,401

### Multi-tenant Properties

Total Inventory <small>(sf)</small>	98,594,523
Total # of Bldgs <small>(tracked)</small>	1,226
Absorption	(556,480)
Vacancy	14.7%
Asking Rate <small>(NNN)</small>	\$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

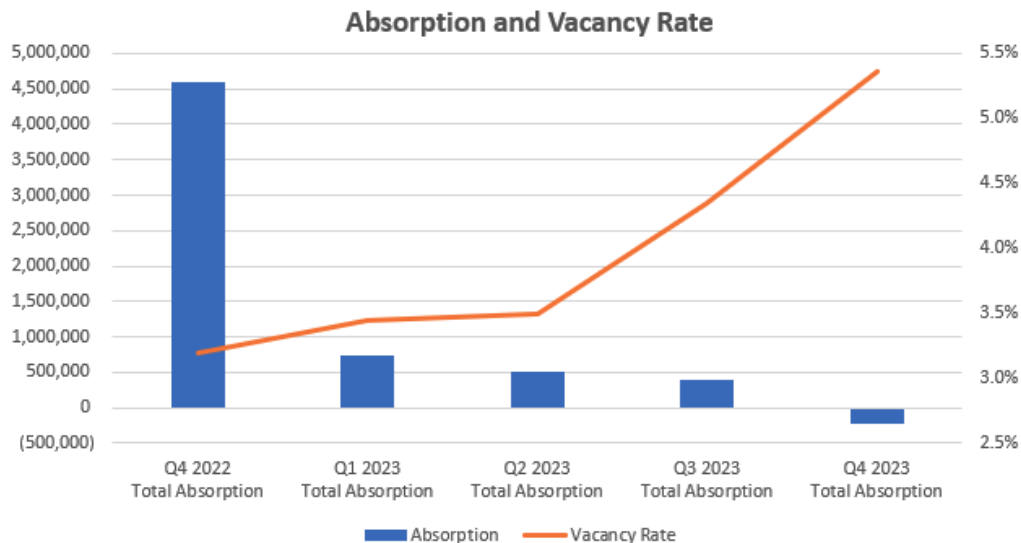
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	296	13,188,989	1,300,165	855,414	21,491	77,931	6.5%
Manufacturing	2,174	176,468,829	7,260,133	5,039,310	(1,270,669)	(1,317,907)	2.9%
Warehouse Distribution	792	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%
<b>Grand Total</b>	<b>5,397</b>	<b>383,330,138</b>	<b>25,605,796</b>	<b>20,538,664</b>	<b>(233,942)</b>	<b>1,334,989</b>	<b>5.4%</b>

## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	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%
<b>Grand Total</b>	<b>5,397</b>	<b>383,330,138</b>	<b>24,659,435</b>	<b>20,138,222</b>	<b>(215,879)</b>	<b>1,479,297</b>	<b>5.3%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	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%
<b>Grand Total</b>	<b>5,397</b>	<b>383,330,138</b>	<b>946,361</b>	<b>400,442</b>	<b>(18,063)</b>	<b>(144,308)</b>	<b>0.1%</b>



# 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%
	<b>Subtotal</b>	<b>293</b>	<b>52,337,585</b>	<b>7,948,867</b>	<b>7,492,198</b>	<b>886,839</b>	<b>766,535</b>	<b>14.3%</b>
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%
	<b>Subtotal</b>	<b>1,698</b>	<b>121,946,048</b>	<b>10,971,791</b>	<b>7,945,245</b>	<b>(1,179,928)</b>	<b>(1,006,949)</b>	<b>6.5%</b>
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%
	<b>Subtotal</b>	<b>222</b>	<b>14,234,516</b>	<b>366,241</b>	<b>194,536</b>	<b>30,395</b>	<b>124,534</b>	<b>1.4%</b>
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%
	<b>Subtotal</b>	<b>426</b>	<b>37,589,357</b>	<b>2,901,936</b>	<b>3,012,602</b>	<b>127,920</b>	<b>754,298</b>	<b>8.0%</b>
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%
	<b>Subtotal</b>	<b>276</b>	<b>27,269,729</b>	<b>710,258</b>	<b>345,999</b>	<b>(235,574)</b>	<b>(240,199)</b>	<b>1.3%</b>
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%
	<b>Subtotal</b>	<b>236</b>	<b>15,038,217</b>	<b>347,290</b>	<b>59,336</b>	<b>19,000</b>	<b>242,450</b>	<b>0.4%</b>
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%
	<b>Subtotal</b>	<b>500</b>	<b>30,068,719</b>	<b>430,015</b>	<b>437,901</b>	<b>13,386</b>	<b>190,213</b>	<b>1.5%</b>
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%
	<b>Subtotal</b>	<b>1,746</b>	<b>84,845,967</b>	<b>1,929,398</b>	<b>1,050,847</b>	<b>104,020</b>	<b>504,107</b>	<b>1.2%</b>
<b>Grand Total</b>		<b>5,397</b>	<b>383,330,138</b>	<b>25,605,796</b>	<b>20,538,664</b>	<b>(233,942)</b>	<b>1,334,989</b>	<b>5.4%</b>

# Vacancy Rates by County (Multi and Single Tenant)

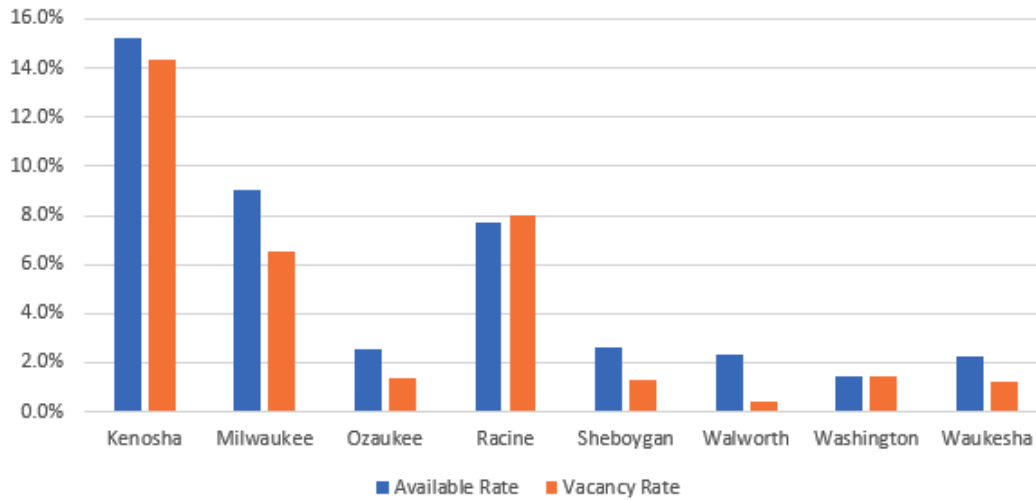
County	Property Type	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	1.7%	1.7%	1.7%	1.7%	3.1%
	Warehouse Distribution	5.6%	8.2%	7.9%	13.5%	17.8%
	Warehouse Office	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>4.5%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>10.6%</b>	<b>14.3%</b>
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%
	<b>Subtotal</b>	<b>4.8%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>5.3%</b>	<b>6.5%</b>
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%
	<b>Subtotal</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.9%</b>	<b>1.6%</b>	<b>1.4%</b>
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%
	<b>Subtotal</b>	<b>6.6%</b>	<b>7.1%</b>	<b>7.4%</b>	<b>8.4%</b>	<b>8.0%</b>
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%
	<b>Subtotal</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>1.3%</b>
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%
	<b>Subtotal</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>
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%
	<b>Subtotal</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.5%</b>
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%
	<b>Subtotal</b>	<b>0.9%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.2%</b>
<b>Grand Total</b>		<b>3.2%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>4.3%</b>	<b>5.4%</b>

# Lease Rates by County (Multi and Single Tenant)

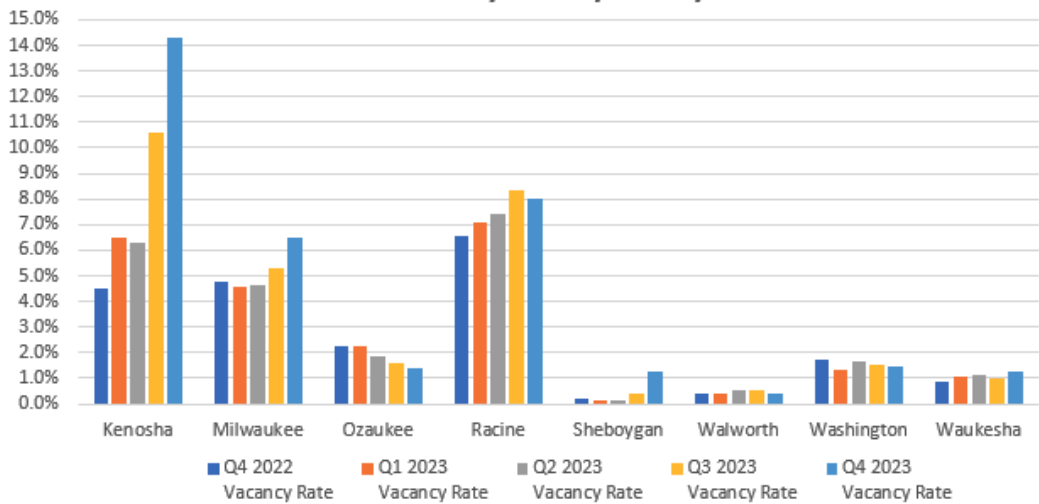
County	Property Type	Q4 2022 Lease Rate	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate
Kenosha	Flex/R&D					
	Manufacturing					
	Warehouse Distribution	\$5.50	\$5.50	\$6.25	\$6.25	\$6.25
	Warehouse Office					
	<b>Subtotal</b>	<b>\$5.50</b>	<b>\$5.50</b>	<b>\$6.25</b>	<b>\$6.25</b>	<b>\$6.25</b>
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
	<b>Subtotal</b>	<b>\$5.30</b>	<b>\$5.36</b>	<b>\$5.55</b>	<b>\$5.65</b>	<b>\$5.65</b>
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
	<b>Subtotal</b>	<b>\$8.14</b>	<b>\$8.25</b>	<b>\$8.13</b>	<b>\$8.31</b>	<b>\$8.58</b>
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	
	<b>Subtotal</b>	<b>\$6.12</b>	<b>\$6.12</b>	<b>\$4.87</b>	<b>\$5.43</b>	<b>\$5.05</b>
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
	<b>Subtotal</b>		<b>\$5.84</b>	<b>\$5.78</b>	<b>\$5.73</b>	<b>\$5.66</b>
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
	<b>Subtotal</b>	<b>\$5.74</b>	<b>\$5.83</b>	<b>\$5.70</b>	<b>\$5.70</b>	<b>\$5.63</b>
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
	<b>Subtotal</b>	<b>\$5.32</b>	<b>\$5.55</b>	<b>\$5.60</b>	<b>\$5.28</b>	<b>\$5.25</b>
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
	<b>Subtotal</b>	<b>\$7.33</b>	<b>\$7.48</b>	<b>\$7.60</b>	<b>\$7.59</b>	<b>\$7.31</b>
<b>Grand Total</b>		<b>\$6.17</b>	<b>\$6.26</b>	<b>\$6.38</b>	<b>\$6.35</b>	<b>\$6.24</b>

# Multi and Single Tenant

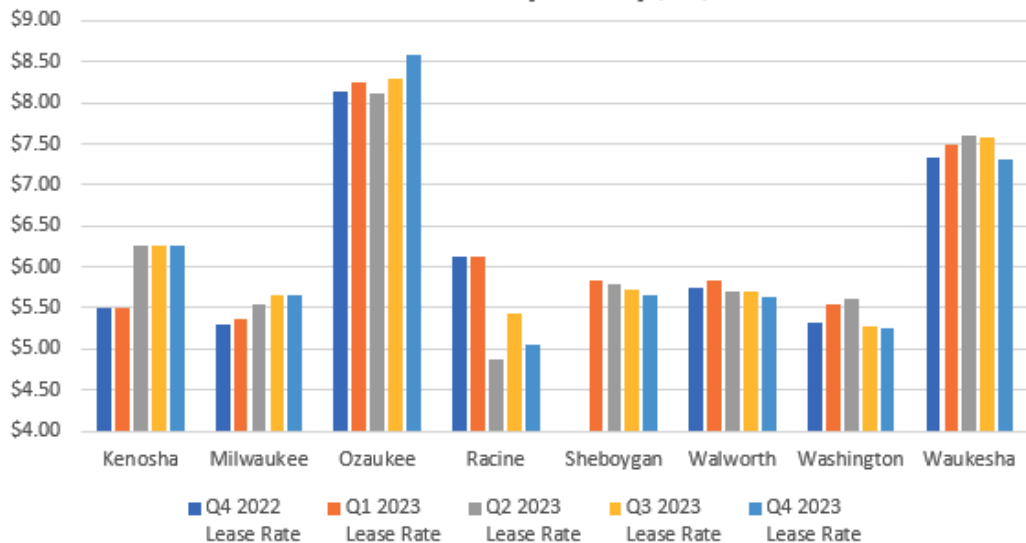
## Available and Vacancy Rates



## Vacancy Rate by County



## Lease Rates by County (NNN)



# Market Overview (Multi-Tenant)

## Total

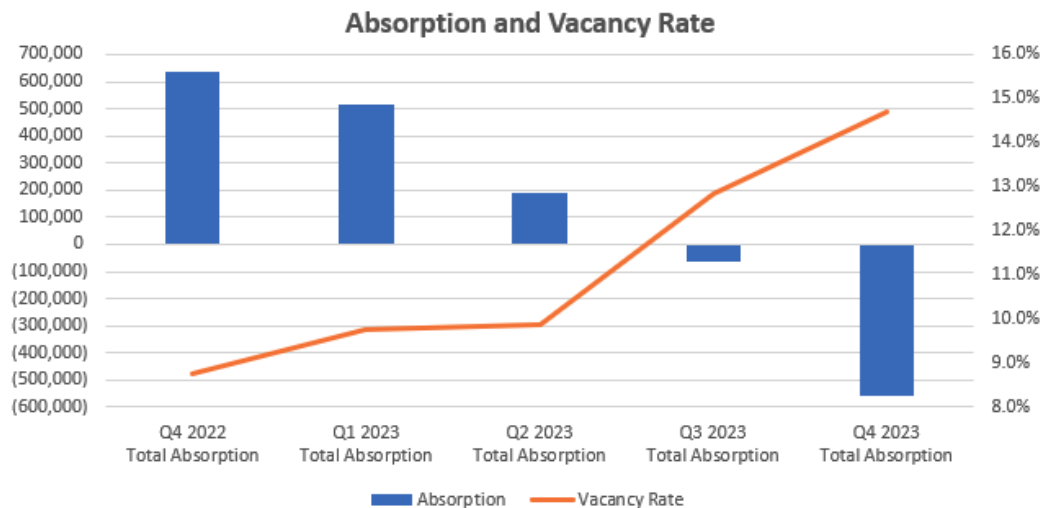
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	232	9,990,604	1,132,665	687,914	24,191	80,631	6.9%
Manufacturing	166	19,766,471	2,865,590	1,823,671	(220,288)	(445,116)	9.2%
Warehouse Distribution	247	45,837,406	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%
<b>Grand Total</b>	<b>1,226</b>	<b>98,594,523</b>	<b>17,484,278</b>	<b>14,509,058</b>	<b>(556,480)</b>	<b>40,815</b>	<b>14.7%</b>

## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	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%
<b>Grand Total</b>	<b>1,226</b>	<b>98,594,523</b>	<b>16,891,719</b>	<b>14,274,918</b>	<b>(558,974)</b>	<b>90,709</b>	<b>14.5%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	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%
<b>Grand Total</b>	<b>1,226</b>	<b>98,594,523</b>	<b>592,559</b>	<b>234,140</b>	<b>2,494</b>	<b>(49,894)</b>	<b>0.2%</b>





# Market Statistics by County (Multi-Tenant)

County	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Kenosha	Flex/R&D	7	652,311	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%
	<b>Subtotal</b>	<b>65</b>	<b>16,883,238</b>	<b>6,888,412</b>	<b>6,431,743</b>	<b>0</b>	<b>36,331</b>	<b>38.1%</b>
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%
	<b>Subtotal</b>	<b>415</b>	<b>37,889,434</b>	<b>6,809,979</b>	<b>4,912,644</b>	<b>(776,900)</b>	<b>(678,630)</b>	<b>13.0%</b>
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%
	<b>Subtotal</b>	<b>51</b>	<b>3,167,079</b>	<b>204,215</b>	<b>127,899</b>	<b>15,150</b>	<b>62,961</b>	<b>4.0%</b>
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%
	<b>Subtotal</b>	<b>73</b>	<b>9,645,632</b>	<b>1,933,932</b>	<b>1,931,218</b>	<b>127,920</b>	<b>355,311</b>	<b>20.0%</b>
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%
	<b>Subtotal</b>	<b>25</b>	<b>2,031,135</b>	<b>289,454</b>	<b>110,425</b>	<b>0</b>	<b>(4,625)</b>	<b>5.4%</b>
Walworth	Flex/R&D	3	55,027			0	0	0.0%
	Manufacturing	3	82,001	40,294		0	0	0.0%
	Warehouse Distribution	5	523,862			0	0	0.0%
	Warehouse Office	9	408,412	25,000	25,000	0	0	6.1%
	<b>Subtotal</b>	<b>20</b>	<b>1,069,302</b>	<b>65,294</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>2.3%</b>
Washington	Flex/R&D	10	429,042	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%
	<b>Subtotal</b>	<b>99</b>	<b>6,255,863</b>	<b>338,298</b>	<b>326,258</b>	<b>43,889</b>	<b>147,916</b>	<b>5.2%</b>
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%
	<b>Subtotal</b>	<b>478</b>	<b>21,652,840</b>	<b>954,694</b>	<b>643,871</b>	<b>33,461</b>	<b>121,551</b>	<b>3.0%</b>
<b>Grand Total</b>		<b>1,226</b>	<b>98,594,523</b>	<b>17,484,278</b>	<b>14,509,058</b>	<b>(556,480)</b>	<b>40,815</b>	<b>14.7%</b>

# Vacancy Rates by County (Multi-Tenant)

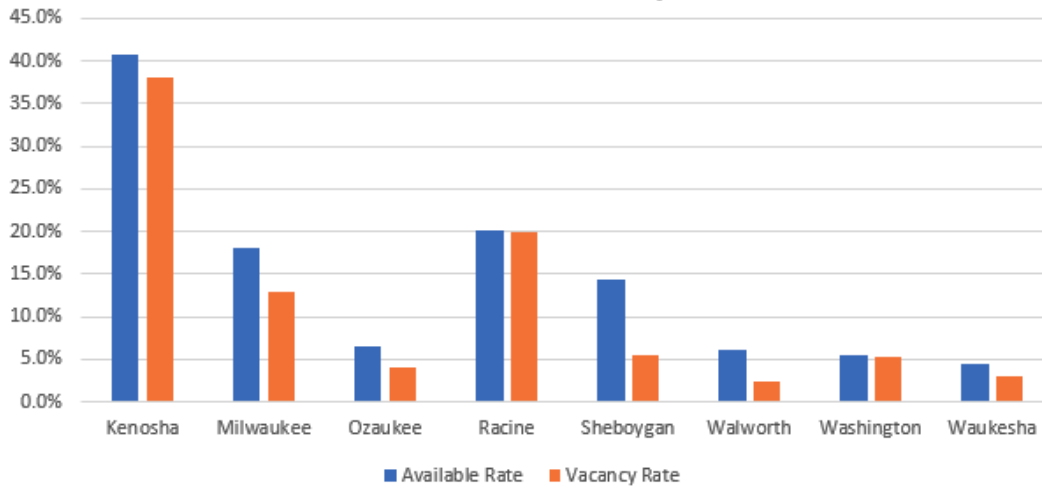
County	Property Type	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Kenosha	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	10.1%	10.1%	10.1%	10.1%	10.1%
	Warehouse Distribution	19.9%	26.5%	26.0%	37.8%	44.2%
	Warehouse Office	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Subtotal</b>	<b>16.7%</b>	<b>22.3%</b>	<b>21.9%</b>	<b>32.2%</b>	<b>38.1%</b>
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%
	<b>Subtotal</b>	<b>9.8%</b>	<b>9.4%</b>	<b>9.4%</b>	<b>10.9%</b>	<b>13.0%</b>
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%
	<b>Subtotal</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>4.5%</b>	<b>4.0%</b>
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%
	<b>Subtotal</b>	<b>12.9%</b>	<b>15.1%</b>	<b>16.2%</b>	<b>21.3%</b>	<b>20.0%</b>
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%
	<b>Subtotal</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>5.4%</b>	<b>5.4%</b>
Walworth	Flex/R&D	0.0%	0.0%	0.0%	0.0%	0.0%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Office	6.1%	6.1%	6.1%	6.1%	6.1%
	<b>Subtotal</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>
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%
	<b>Subtotal</b>	<b>7.8%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>5.9%</b>	<b>5.2%</b>
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%
	<b>Subtotal</b>	<b>2.5%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>3.0%</b>
<b>Grand Total</b>		<b>8.7%</b>	<b>9.8%</b>	<b>9.9%</b>	<b>12.9%</b>	<b>14.7%</b>

# 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					
	<b>Subtotal</b>	<b>\$5.50</b>	<b>\$5.50</b>	<b>\$6.25</b>	<b>\$6.25</b>	<b>\$6.25</b>
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
	<b>Subtotal</b>	<b>\$5.18</b>	<b>\$5.21</b>	<b>\$5.28</b>	<b>\$5.38</b>	<b>\$5.29</b>
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
	<b>Subtotal</b>	<b>\$9.01</b>	<b>\$9.15</b>	<b>\$9.13</b>	<b>\$9.21</b>	<b>\$8.35</b>
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	
	<b>Subtotal</b>	<b>\$6.66</b>	<b>\$6.66</b>	<b>\$5.33</b>	<b>\$6.23</b>	<b>\$5.88</b>
Sheboygan	Flex/R&D					
	Manufacturing				\$5.75	\$5.75
	Warehouse Distribution					
	Warehouse Office		\$5.83	\$5.83	\$5.70	\$5.70
	<b>Subtotal</b>		<b>\$5.83</b>	<b>\$5.83</b>	<b>\$5.73</b>	<b>\$5.73</b>
Walworth	Flex/R&D					
	Manufacturing	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75
	Warehouse Distribution					
	Warehouse Office					
	<b>Subtotal</b>	<b>\$2.75</b>	<b>\$2.75</b>	<b>\$2.75</b>	<b>\$2.75</b>	<b>\$2.75</b>
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
	<b>Subtotal</b>	<b>\$5.25</b>	<b>\$5.71</b>	<b>\$5.57</b>	<b>\$5.44</b>	<b>\$5.22</b>
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
	<b>Subtotal</b>	<b>\$7.45</b>	<b>\$7.56</b>	<b>\$7.73</b>	<b>\$7.68</b>	<b>\$7.41</b>
<b>Grand Total</b>		<b>\$6.19</b>	<b>\$6.31</b>	<b>\$6.46</b>	<b>\$6.42</b>	<b>\$6.16</b>

# Multi-Tenant

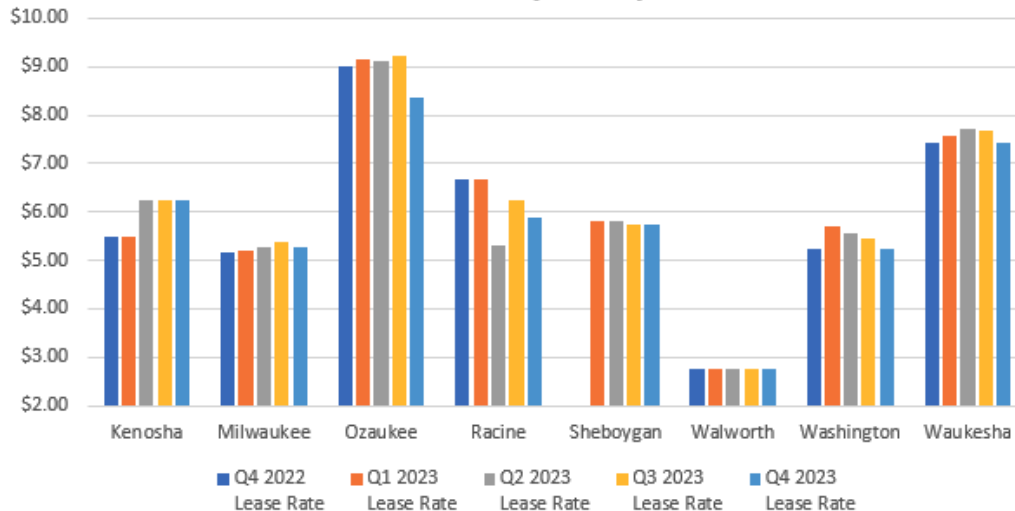
## Available and Vacancy Rates



## Vacancy Rate by County

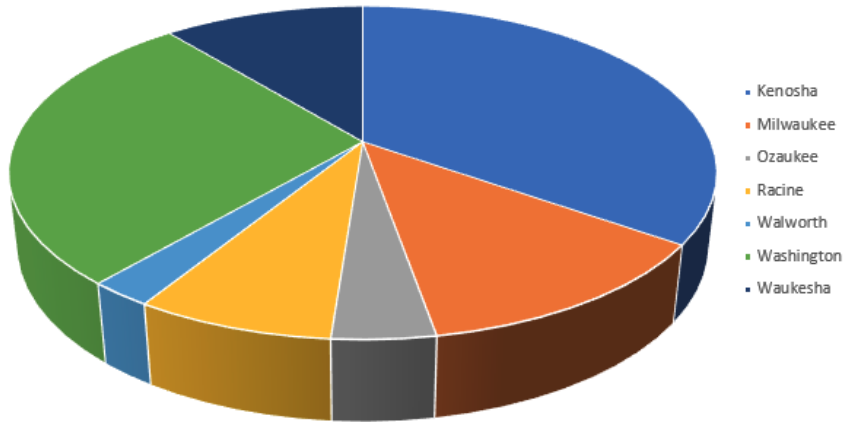


## Lease Rates by County (NNN)



# New Developments

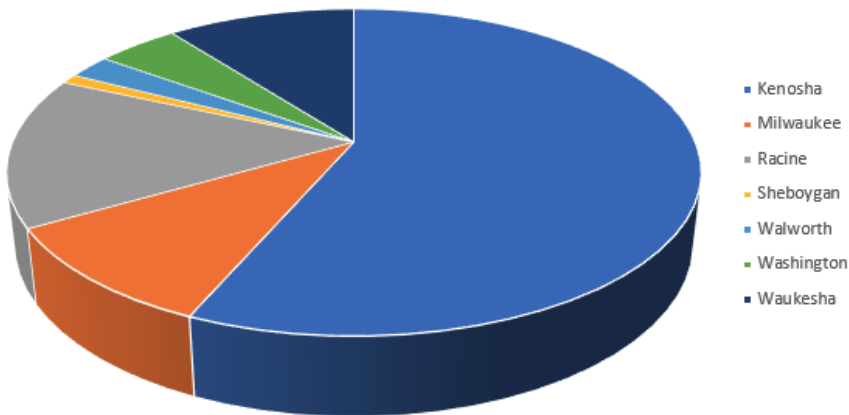
Under Construction SF



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

# Year to Date Deliveries

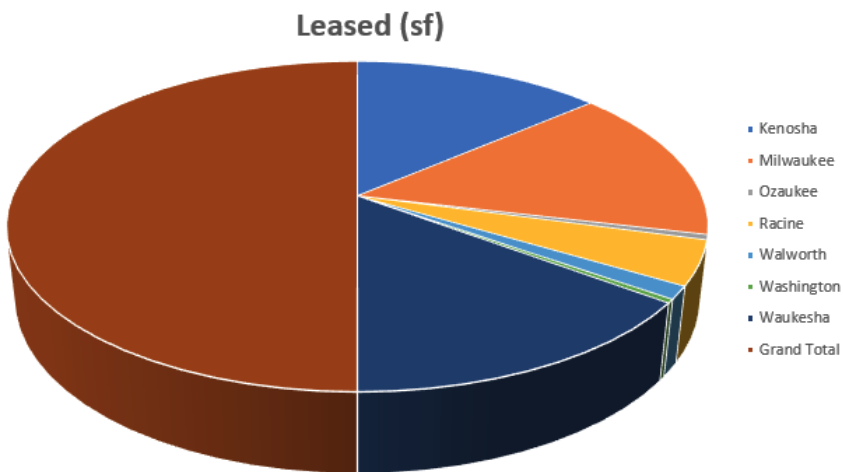
YTD Delivered



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
<b>Grand Total</b>	<b>10,867,693</b>

# Leasing Activity

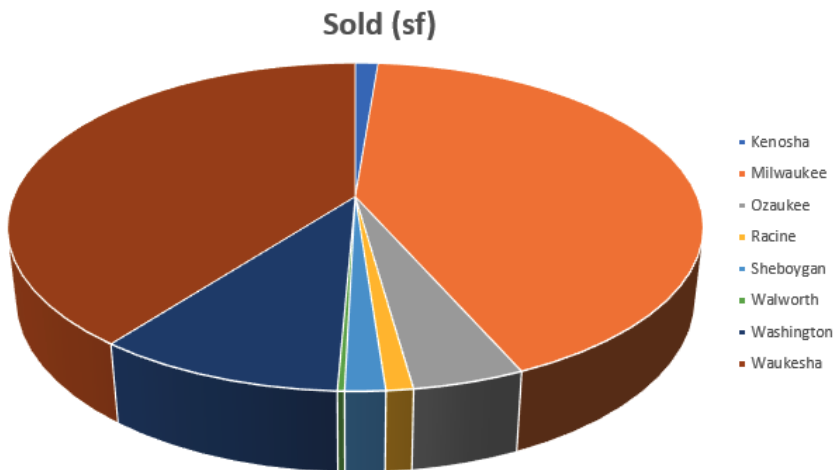
Property	Size (sf)	County	Tenant	Landlord
11500 80th Ave	534,384	Kenosha	Arvato USA	Bcore Corridor Pleasant Prairie
5600 S Moorland Rd	205,435	Waukesha	Green Bay Packagoing	Stag New Berlin
Enterprise Business Park				
11201 Enterprise Way	125,702	Racine	Partners in Fulfillment	Enterprise Business Park 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
<b>Grand Total</b>	<b>1,951,224</b>

# Sales Activity

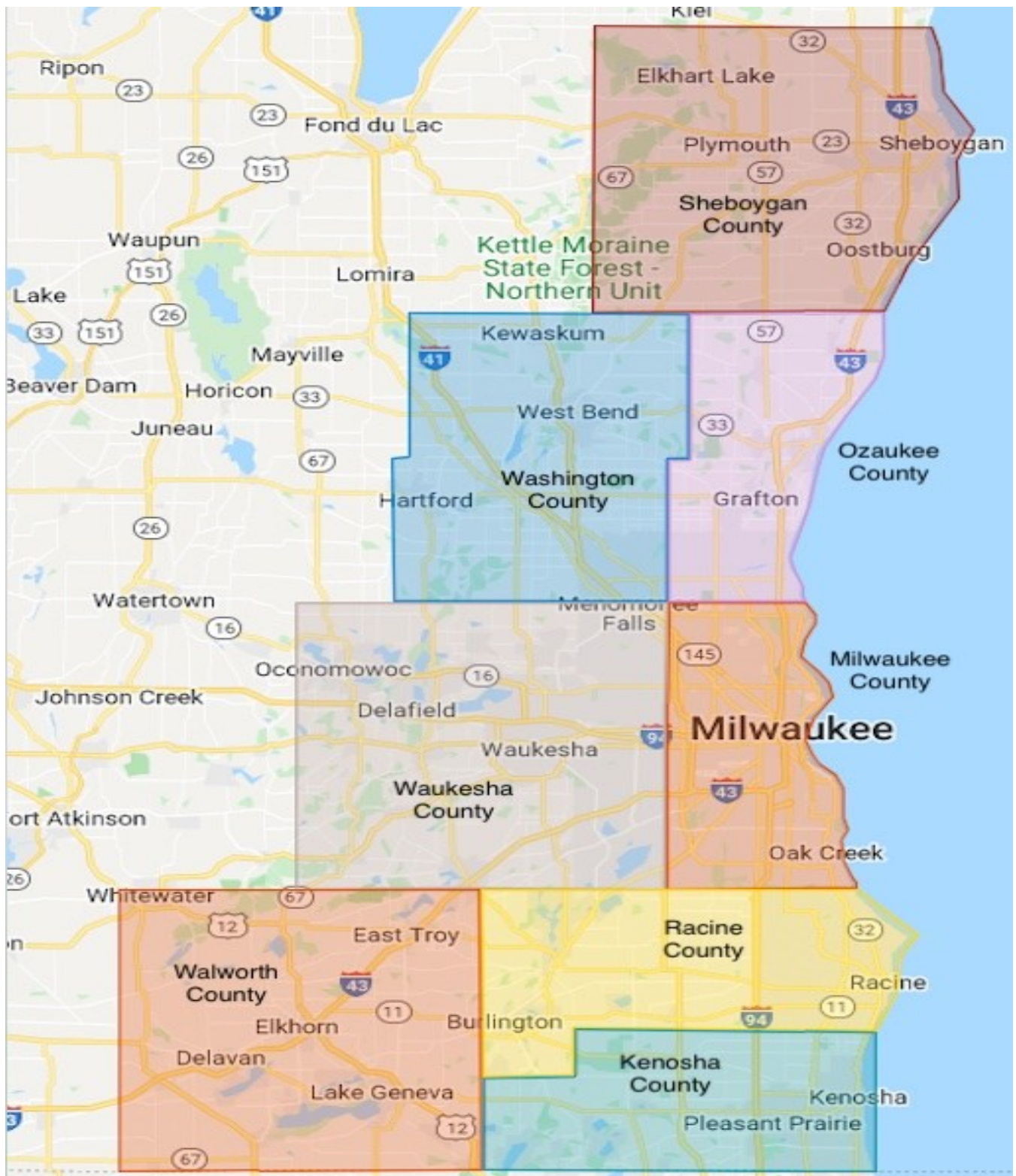
Property	Price	County	Buyer	Seller
N17 W25045 Bluemound Rd	\$25,000,000	Waukesha	94 West Logistics, LLC, Auction Properties LLP, Zabel Enterprises LLP P-Z LLP	WRP Pewaukee LLC
2 World Packaging Cir	\$20,300,000	Milwaukee	PG 1 LLC	ETCL Franklin Transpacking LLC
700 E Rawson Ave	\$19,300,000	Milwaukee	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
<b>Grand Total</b>	<b>2,175,268</b>



# Market County Map





# Methodology

The Milwaukee market consists of all industrial existing buildings 10,000 sf or larger in Southeast Wisconsin. The geographic area includes Milwaukee, Waukesha, Ozaukee, Washington, Sheboygan, Walworth, Racine and Kenosha counties. Property types included in the tracked set consist of Flex/R&D, Manufacturing, Warehouse/Office and Warehouse/Distribution. The tracked set does not include self-storage facilities and non-conforming property types such as grain elevators or fuel storage facilities. Statistically, net absorption will be calculated based on when a tenant occupies their new space or space is vacated during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

**The Milwaukee tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.**

# Terminology

Direct Vacant (sf)	The total vacant square footage in a building marketed by an agent representing the landlord
Inventory	The total square footage (sf) of all tracked single and multi-tenant industrial buildings 10,000 sf or larger
Net Absorption	The net change in when a tenant occupies their new space or space is vacated from quarter to quarter, expressed in square feet.
Property Type	The classification of a property based on the specific use
Sublease (sf)	Space available for lease by a tenant for part or all of a leased premises, with the original tenant retaining some right or interest under the original lease. Space is only considered vacant if unoccupied
Total Available (sf)	Total of all space within a building marketed for lease, which can be occupied or vacant, direct or sublease
Total Vacant (sf)	Total of all unoccupied space within a building marketed for lease, which can be direct or sublease
Average Asking Rate	The average asking lease rate expressed as a per square foot value in NNN terms

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