

Market

Trends

Q1 2024

Milwaukee - Office



REDI MOODY'S



MARKET TRENDS

Q1 2024 | Milwaukee | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	780,438	
Area Unemployment	3.4	
U.S. Unemployment	3.9	
Office Using Jobs	173,300	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	45,319,029
Total # of Bldgs (tracked)	564
Absorption	50,597
Vacancy	17.1%
Asking Rate (FSG)	\$20.72
New Construction (sf)	176,302

Multi-tenant Properties

Total Inventory (sf)	30,707,753
Total # of Bldgs (tracked)	426
Absorption	126,597
Vacancy	22.1%
Asking Rate (FSG)	\$20.75

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Milwaukee metropolitan statistical area (MSA) increased 70 basis points to 3.4% compared to 2.7% in February 2023. The unemployment rate for the US was at 3.9% in February 2024 which increased 30 basis points from last year. State of Wisconsin unemployment was 3.0% for this quarter. The Milwaukee MSA saw an increase in job growth while office using jobs decreased by 9,100 during the same period.

Market Overview

The Milwaukee office market consisting of 45.3 msf of space has posted 50,500 sf positive absorption for Q1 2024. This brings the YTD to 50,500 sf positive absorption. Multi-tenant only properties had 126,600 sf positive absorption. This brings the YTD to 126,600 sf positive absorption. The vacancy rate came in at 17.1% during Q1 2024 for multi and single tenant properties while multi-tenant properties had a vacancy rate of 22.1%.

Market Highlights

Milwaukee Downtown West had the largest increase with 153,400 sf positive absorption led by Fiserv leasing 170,000 sf. Waukesha Southeast—New Berlin topped all markets with (62,300) sf negative absorption led by Landmark Credit Union vacating 60,000 sf. This quarter Milwaukee CBD posted 99,500 sf positive absorption compared to the suburban markets posting (49,000) sf negative absorption. There are currently 6 properties under construction totaling 176,000 sf and one property was delivered YTD totaling 40,000 sf. There were 100 lease transactions with 535,500 sf during Q1 2024. Fifteen office properties with 324,000 sf sold for \$23.9 million.

Market Overview by Class (Multi and Single Tenant)

Total

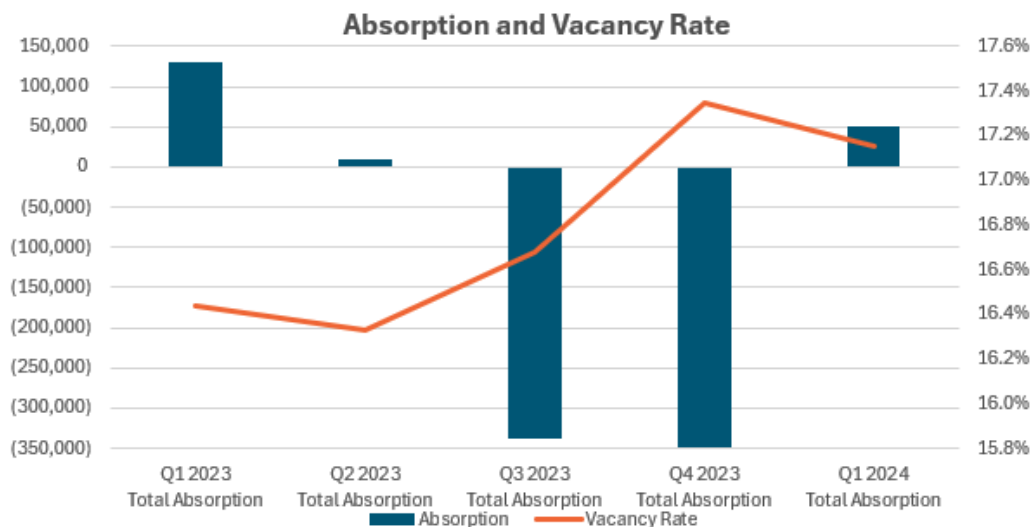
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	54	12,055,275	2,363,244	2,026,091	(24,368)	(24,368)	16.8%
B	462	31,211,136	6,693,822	5,607,600	74,965	74,965	18.0%
C	48	2,052,618	139,704	138,323	0	0	6.7%
Grand Total	564	45,319,029	9,196,770	7,772,014	50,597	50,597	17.1%

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	2,141,316	1,936,747	(13,623)	(13,623)	16.1%
B	462	31,211,136	6,333,307	5,455,941	54,168	54,168	17.5%
C	48	2,052,618	137,440	138,323	0	0	6.7%
Grand Total	564	45,319,029	8,612,063	7,531,011	40,545	40,545	16.6%

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	221,928	89,344	(10,745)	(10,745)	0.7%
B	462	31,211,136	360,515	151,659	20,797	20,797	0.5%
C	48	2,052,618	2,264		0	0	0.0%
Grand Total	564	45,319,029	584,707	241,003	10,052	10,052	0.5%

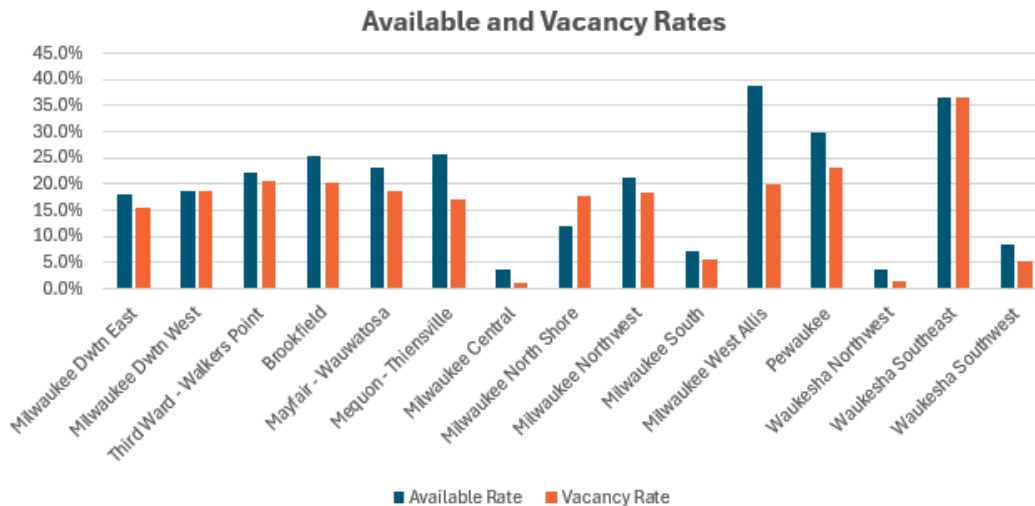


Market Statistics by Market (Multi and Single Tenant)

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	1,173,474	975,275	(40,940)	(40,940)	16.4%
	B	39	4,661,855	764,423	662,700	3,921	3,921	14.2%
	C	4	146,389		22,500	0	0	15.4%
	Subtotal	57	10,770,166	1,937,897	1,660,475	(37,019)	(37,019)	15.4%
Milwaukee Downtown West	A	2	348,371	75,427	75,427	(13,000)	(13,000)	21.7%
	B	32	4,495,951	827,808	833,809	166,391	166,391	18.5%
	C	3	234,311	45,000	45,000	0	0	19.2%
	Subtotal	37	5,078,633	948,235	954,236	153,391	153,391	18.8%
Third Ward - Walkers Point	A	5	739,907	158,296	161,024	0	0	21.8%
	B	38	2,172,648	472,869	417,075	(16,828)	(16,828)	19.2%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	47	3,033,268	674,128	621,062	(16,828)	(16,828)	20.5%
Milwaukee CBD	A	21	7,050,200	1,407,197	1,211,726	(53,940)	(53,940)	17.2%
	B	109	11,330,454	2,065,100	1,913,584	153,484	153,484	16.9%
	C	11	501,413	87,963	110,463	0	0	22.0%
	Subtotal	141	18,882,067	3,560,260	3,235,773	99,544	99,544	17.1%
Brookfield	A	6	547,244	113,101	103,207	(13)	(13)	18.9%
	B	92	5,577,415	1,465,791	1,153,797	28,842	28,842	20.7%
	C	3	94,859			0	0	0.0%
	Subtotal	101	6,219,518	1,578,892	1,257,004	28,829	28,829	20.2%
Mayfair - Wauwatosa	A	15	2,098,871	489,872	383,468	31,391	31,391	18.3%
	B	27	1,381,000	357,672	310,175	4,523	4,523	22.5%
	C	7	303,574	26,054	12,785	0	0	4.2%
	Subtotal	49	3,783,445	873,598	706,428	35,914	35,914	18.7%
Mequon - Thiensville	A	1	37,670		6,237	0	0	16.6%
	B	15	425,823	118,586	72,221	(4,453)	(4,453)	17.0%
	Subtotal	16	463,493	118,586	78,458	(4,453)	(4,453)	16.9%
Milwaukee Central	B	9	691,988	48,000	16,000	(16,000)	(16,000)	2.3%
	C	10	562,925			0	0	0.0%
	Subtotal	19	1,254,913	48,000	16,000	(16,000)	(16,000)	1.3%
Milwaukee North Shore	A	2	175,962	143,093	143,093	0	0	81.3%
	B	35	2,219,601	147,086	311,266	(48,123)	(48,123)	14.0%
	C	7	271,978	25,687	15,075	0	0	5.5%
	Subtotal	44	2,667,541	315,866	469,434	(48,123)	(48,123)	17.6%

Market Statistics by Market (Multi and Single Tenant—Cont)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Northwest	A	4	1,090,478	46,899	46,899	0	0	4.3%
	B	51	3,352,946	902,413	768,601	3,641	3,641	22.9%
	Subtotal	55	4,443,424	949,312	815,500	3,641	3,641	18.4%
Milwaukee South	A	1	680,266			0	0	0.0%
	B	24	1,011,578	127,799	100,754	(1,004)	(1,004)	10.0%
	C	2	91,658			0	0	0.0%
	Subtotal	27	1,783,502	127,799	100,754	(1,004)	(1,004)	5.6%
Milwaukee West Allis	B	19	1,846,834	737,831	378,168	162	162	20.5%
	C	2	61,785			0	0	0.0%
	Subtotal	21	1,908,619	737,831	378,168	162	162	19.8%
Pewaukee	A	4	374,584	163,082	131,461	(1,806)	(1,806)	35.1%
	B	30	1,607,085	430,403	327,137	4,917	4,917	20.4%
	Subtotal	34	1,981,669	593,485	458,598	3,111	3,111	23.1%
Waukesha Northwest - Lake Country	B	17	558,398	22,162	9,293	3,821	3,821	1.7%
	C	1	51,462			0	0	0.0%
	Subtotal	18	609,860	22,162	9,293	3,821	3,821	1.5%
Waukesha Southeast - New Berlin	B	17	564,613	206,128	206,128	(62,285)	(62,285)	36.5%
	Subtotal	17	564,613	206,128	206,128	(62,285)	(62,285)	36.5%
Waukesha Southwest	B	17	643,401	64,851	40,476	7,440	7,440	6.3%
	C	5	112,964			0	0	0.0%
	Subtotal	22	756,365	64,851	40,476	7,440	7,440	5.4%
Suburban	A	33	5,005,075	956,047	814,365	29,572	29,572	16.3%
	B	353	19,880,682	4,628,722	3,694,016	(78,519)	(78,519)	18.6%
	C	37	1,551,205	51,741	27,860	0	0	1.8%
	Subtotal	423	26,436,962	5,636,510	4,536,241	(48,947)	(48,947)	17.2%
Grand Total		564	45,319,029	9,196,770	7,772,014	50,597	50,597	17.1%

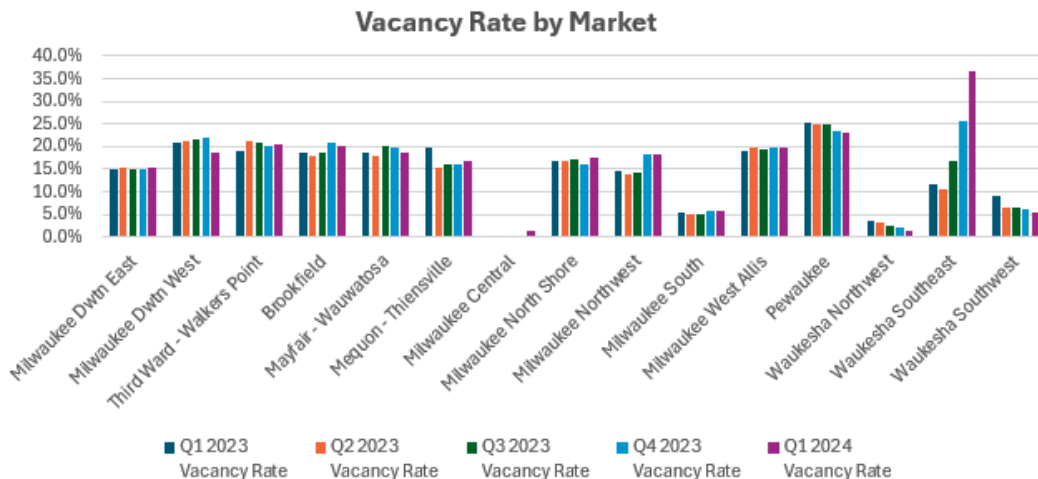


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate
Milwaukee Downtown East	A	14.4%	14.1%	15.1%	15.7%	16.4%
	B	15.9%	16.5%	14.9%	14.3%	14.2%
	C	15.4%	15.4%	15.4%	15.4%	15.4%
	Subtotal	15.1%	15.2%	15.0%	15.1%	15.4%
Milwaukee Downtown West	A	17.9%	17.9%	17.9%	17.9%	21.7%
	B	21.3%	21.5%	21.9%	22.2%	18.5%
	C	19.2%	19.2%	19.2%	19.2%	19.2%
	Subtotal	20.9%	21.2%	21.5%	21.8%	18.8%
Third Ward - Walkers Point	A	23.6%	22.6%	21.8%	21.8%	21.8%
	B	16.6%	20.1%	19.8%	18.6%	19.2%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	19.1%	21.3%	20.9%	20.0%	20.5%
Milwaukee CBD	A	15.6%	15.2%	15.9%	16.4%	17.2%
	B	18.1%	19.2%	18.7%	18.3%	16.9%
	C	22.0%	22.0%	22.0%	22.0%	22.0%
	Subtotal	17.3%	17.8%	17.7%	17.7%	17.1%
Brookfield	A	7.5%	6.7%	8.2%	18.9%	18.9%
	B	19.9%	19.4%	19.8%	21.5%	20.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	18.5%	18.0%	18.5%	20.9%	20.2%
Mayfair - Wauwatosa	A	18.6%	17.1%	20.9%	19.8%	18.3%
	B	21.5%	21.8%	22.9%	22.8%	22.5%
	C	4.2%	4.2%	4.2%	4.2%	4.2%
	Subtotal	18.5%	17.8%	20.3%	19.6%	18.7%
Mequon - Thiensville	A	43.1%	16.6%	16.6%	16.6%	16.6%
	B	17.6%	15.4%	16.2%	15.9%	17.0%
	Subtotal	19.7%	15.5%	16.2%	16.0%	16.9%
Milwaukee Central	B	0.0%	0.0%	0.0%	0.0%	2.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	0.0%	0.0%	0.0%	0.0%	1.3%
Milwaukee North Shore	A	67.2%	67.2%	80.8%	81.3%	81.3%
	B	14.0%	14.0%	13.4%	12.0%	14.0%
	C	4.8%	4.4%	5.0%	5.5%	5.5%
	Subtotal	16.7%	16.7%	17.0%	15.9%	17.6%

Vacancy by Market (Multi and Single Tenant-Cont)

Market	Bldg Class	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate
Milwaukee Northwest	A	4.3%	4.3%	4.3%	4.3%	4.3%
	B	18.0%	17.2%	17.5%	23.0%	22.9%
	Subtotal	14.7%	14.0%	14.3%	18.4%	18.4%
Milwaukee South	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	9.9%	9.6%	9.4%	10.6%	10.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	5.3%	5.1%	5.1%	5.7%	5.6%
Milwaukee West Allis	B	19.8%	20.3%	20.2%	20.5%	20.5%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	19.2%	19.6%	19.5%	19.8%	19.8%
Pewaukee	A	33.0%	32.8%	34.0%	34.6%	35.1%
	B	23.6%	22.9%	23.0%	20.7%	20.4%
	Subtotal	25.4%	24.7%	25.1%	23.3%	23.1%
Waukesha Northwest - Lake Country	B	3.5%	3.1%	2.8%	2.3%	1.7%
	C	#DIV/0!	#DIV/0!	0.0%	0.0%	0.0%
	Subtotal	3.5%	3.1%	2.6%	2.2%	1.5%
Waukesha Southeast - New Berlin	B	11.8%	10.7%	16.7%	25.5%	36.5%
	Subtotal	11.8%	10.7%	16.7%	25.5%	36.5%
Waukesha Southwest	B	10.7%	7.6%	7.4%	7.4%	6.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	9.2%	6.6%	6.4%	6.3%	5.4%
Suburban	A	14.7%	13.8%	16.1%	16.9%	16.3%
	B	17.2%	16.7%	17.0%	18.4%	18.6%
	C	1.7%	1.7%	1.7%	1.8%	1.8%
	Subtotal	15.8%	15.3%	15.9%	17.1%	17.2%
Grand Total		16.4%	16.3%	16.7%	17.3%	17.1%

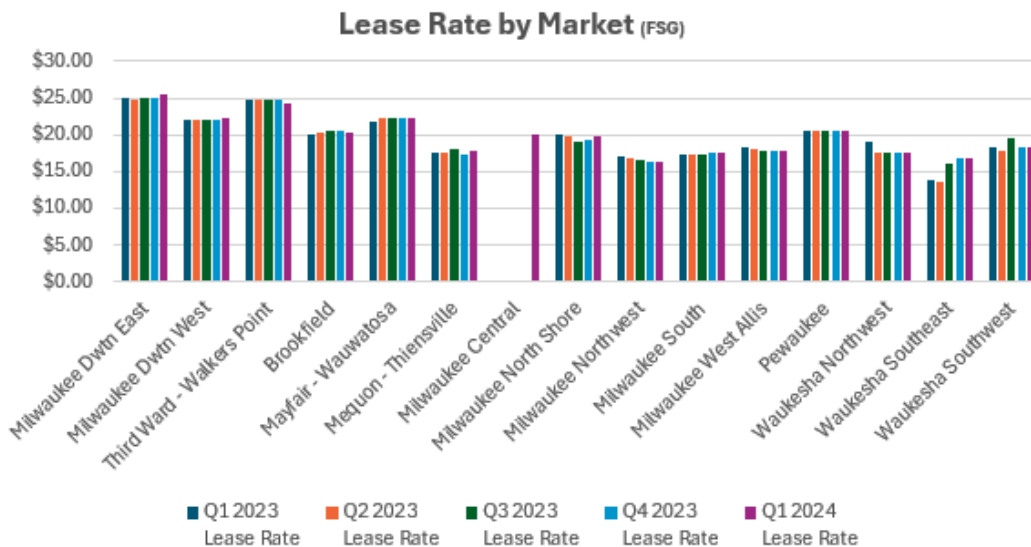


Lease Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate
Milwaukee Downtown East	A	\$32.20	\$32.21	\$32.21	\$32.45	\$32.53
	B	\$21.55	\$21.66	\$21.58	\$21.42	\$21.62
	C	\$18.00	\$18.00	\$18.00		
	Subtotal	\$24.96	\$24.89	\$24.97	\$25.10	\$25.59
Milwaukee Downtown West	A					
	B	\$22.01	\$22.04	\$22.01	\$22.07	\$22.26
	C					
	Subtotal	\$22.01	\$22.04	\$22.01	\$22.07	\$22.26
Third Ward - Walkers Point	A	\$29.45	\$29.32	\$29.32	\$29.18	\$29.18
	B	\$24.60	\$24.67	\$24.68	\$24.58	\$24.04
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.77	\$24.81	\$24.82	\$24.71	\$24.25
Milwaukee CBD	A	\$31.65	\$31.63	\$31.63	\$31.79	\$31.86
	B	\$22.74	\$22.77	\$22.80	\$22.70	\$22.73
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.16	\$24.13	\$24.15	\$24.19	\$24.28
Brookfield	A	\$24.15	\$24.44	\$24.96	\$25.19	\$25.00
	B	\$19.93	\$19.99	\$20.12	\$20.28	\$20.10
	C					
	Subtotal	\$20.10	\$20.26	\$20.50	\$20.59	\$20.41
Mayfair - Wauwatosa	A	\$26.39	\$26.92	\$26.89	\$26.89	\$26.77
	B	\$19.07	\$18.92	\$19.14	\$19.24	\$19.27
	C					
	Subtotal	\$21.81	\$22.21	\$22.34	\$22.39	\$22.36
Mequon - Thiensville	A					
	B	\$17.51	\$17.51	\$18.18	\$17.44	\$17.79
	Subtotal	\$17.51	\$17.51	\$18.18	\$17.44	\$17.79
Milwaukee Central	B					\$20.00
	C					
	Subtotal					\$20.00
Milwaukee North Shore	A	\$24.48	\$24.48		\$24.00	\$24.00
	B	\$19.88	\$19.56	\$19.56	\$18.42	\$19.41
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.12	\$19.91	\$19.00	\$19.20	\$19.71

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

Market	Bldg Class	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$16.82	\$16.66	\$16.35	\$16.12	\$16.18
	Subtotal	\$17.00	\$16.85	\$16.57	\$16.38	\$16.39
Milwaukee South	A					
	B	\$17.39	\$17.28	\$17.28	\$17.57	\$17.45
	C					
	Subtotal	\$17.39	\$17.28	\$17.28	\$17.57	\$17.45
Milwaukee West Allis	B	\$18.21	\$18.13	\$17.88	\$17.83	\$17.88
	C					
	Subtotal	\$18.21	\$18.13	\$17.88	\$17.83	\$17.88
Pewaukee	A	\$23.76	\$23.78	\$23.78	\$23.80	\$23.80
	B	\$19.63	\$19.73	\$19.59	\$19.68	\$19.48
	Subtotal	\$20.46	\$20.58	\$20.52	\$20.59	\$20.44
Waukesha Northwest - Lake Country	B	\$19.08	\$17.63	\$17.63	\$17.63	\$17.63
	C					
	Subtotal	\$19.08	\$17.63	\$17.63	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$13.75	\$13.50	\$16.17	\$16.88	\$16.75
	Subtotal	\$13.75	\$13.50	\$16.17	\$16.88	\$16.75
Waukesha Southwest	B	\$18.30	\$17.91	\$19.58	\$18.41	\$18.40
	C					
	Subtotal	\$18.30	\$17.91	\$19.58	\$18.41	\$18.40
Suburban	A	\$24.73	\$25.06	\$25.22	\$25.13	\$25.05
	B	\$18.77	\$18.75	\$18.90	\$18.81	\$18.73
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.33	\$19.44	\$19.56	\$19.53	\$19.41
Grand Total		\$20.63	\$20.75	\$20.86	\$20.87	\$20.72



Market Overview by Class (Multi-Tenant Properties)

Total

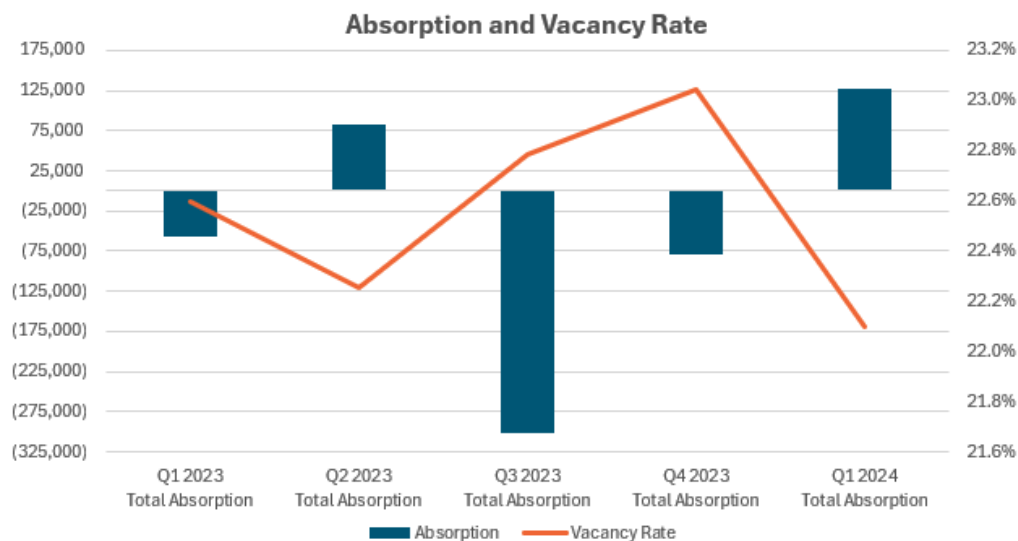
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	42	7,874,055	2,211,056	1,963,664	(24,368)	(24,368)	24.9%
B	350	21,320,716	5,827,580	4,729,005	150,965	150,965	22.2%
C	34	1,512,982	94,704	93,323	0	0	6.2%
Grand Total	426	30,707,753	8,133,340	6,785,992	126,597	126,597	22.1%

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	2,051,555	1,936,747	(13,623)	(13,623)	24.6%
B	350	21,320,716	5,467,065	4,577,346	130,168	130,168	21.5%
C	34	1,512,982	92,440	93,323	0	0	6.2%
Grand Total	426	30,707,753	7,611,060	6,607,416	116,545	116,545	21.5%

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	159,501	26,917	(10,745)	(10,745)	0.3%
B	350	21,320,716	360,515	151,659	20,797	20,797	0.7%
C	34	1,512,982	2,264		0	0	0.0%
Grand Total	426	30,707,753	522,280	178,576	10,052	10,052	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	1,173,474	975,275	(40,940)	(40,940)	20.9%
	B	29	2,525,343	764,423	662,700	3,921	3,921	26.2%
	C	3	115,387		22,500	0	0	19.5%
	Subtotal	44	7,318,186	1,937,897	1,660,475	(37,019)	(37,019)	22.7%
Milwaukee Downtown West	A	1	68,371	13,000	13,000	(13,000)	(13,000)	19.0%
	B	25	3,131,228	827,808	833,809	166,391	166,391	26.6%
	C	1	95,561			0	0	0.0%
	Subtotal	27	3,295,160	840,808	846,809	153,391	153,391	25.7%
Third Ward - Walkers Point	A	2	297,047	158,296	161,024	0	0	54.2%
	B	33	1,984,556	472,869	375,075	(16,828)	(16,828)	18.9%
	C	4	120,713	42,963	42,963	0	0	35.6%
	Subtotal	39	2,402,316	674,128	579,062	(16,828)	(16,828)	24.1%
Milwaukee CBD	A	15	5,042,874	1,344,770	1,149,299	(53,940)	(53,940)	22.8%
	B	87	7,641,127	2,065,100	1,871,584	153,484	153,484	24.5%
	C	8	331,661	42,963	65,463	0	0	19.7%
	Subtotal	110	13,015,662	3,452,833	3,086,346	99,544	99,544	23.7%
Brookfield	A	5	502,244	113,101	103,207	(13)	(13)	20.5%
	B	78	4,157,939	1,435,291	1,123,297	28,842	28,842	27.0%
	C	1	37,897			0	0	0.0%
	Subtotal	84	4,698,080	1,548,392	1,226,504	28,829	28,829	26.1%
Mayfair - Wauwatosa	A	13	1,569,637	400,111	383,468	31,391	31,391	24.4%
	B	23	1,240,796	357,672	310,175	4,523	4,523	25.0%
	C	6	268,078	26,054	12,785	0	0	4.8%
	Subtotal	42	3,078,511	783,837	706,428	35,914	35,914	22.9%
Mequon - Thiensville	A	1	37,670		6,237	0	0	16.6%
	B	13	368,887	118,586	72,221	(4,453)	(4,453)	19.6%
	Subtotal	14	406,557	118,586	78,458	(4,453)	(4,453)	19.3%
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	143,093	143,093	0	0	81.3%
	B	28	1,548,885	115,086	195,076	(48,123)	(48,123)	12.6%
	C	7	271,978	25,687	15,075	0	0	5.5%
	Subtotal	37	1,996,825	283,866	353,244	(48,123)	(48,123)	17.7%

Market Statistics by Market (Multi-Tenant —Cont)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Milwaukee Northwest	A	2	171,084	46,899	46,899	0	0	27.4%
	B	29	1,765,995	482,379	462,404	3,641	3,641	26.2%
	Subtotal	31	1,937,079	529,278	509,303	3,641	3,641	26.3%
Milwaukee South	B	18	749,139	127,799	100,754	(1,004)	(1,004)	13.4%
	C	2	91,658			0	0	0.0%
	Subtotal	20	840,797	127,799	100,754	(1,004)	(1,004)	12.0%
Milwaukee West Allis	B	16	1,722,795	714,131	354,468	162	162	20.6%
	C	1	27,516			0	0	0.0%
	Subtotal	17	1,750,311	714,131	354,468	162	162	20.3%
Pewaukee	A	4	374,584	163,082	131,461	(1,806)	(1,806)	35.1%
	B	20	849,517	253,443	150,177	4,917	4,917	17.7%
	Subtotal	24	1,224,101	416,525	281,638	3,111	3,111	23.0%
Waukesha Northwest - Lake Country	B	10	256,529	22,162	9,293	3,821	3,821	3.6%
	Subtotal	10	256,529	22,162	9,293	3,821	3,821	3.6%
Waukesha Southeast - New Berlin	B	9	247,541	39,080	39,080	(2,285)	(2,285)	15.8%
	Subtotal	9	247,541	39,080	39,080	(2,285)	(2,285)	15.8%
Waukesha Southwest	B	14	554,786	64,851	40,476	7,440	7,440	7.3%
	C	3	78,061			0	0	0.0%
	Subtotal	17	632,847	64,851	40,476	7,440	7,440	6.4%
Suburban	A	27	2,831,181	866,286	814,365	29,572	29,572	28.8%
	B	263	13,679,589	3,762,480	2,857,421	(2,519)	(2,519)	20.9%
	C	26	1,181,321	51,741	27,860	0	0	2.4%
	Subtotal	316	17,692,091	4,680,507	3,699,646	27,053	27,053	20.9%
Grand Total		426	30,707,753	8,133,340	6,785,992	126,597	126,597	22.1%

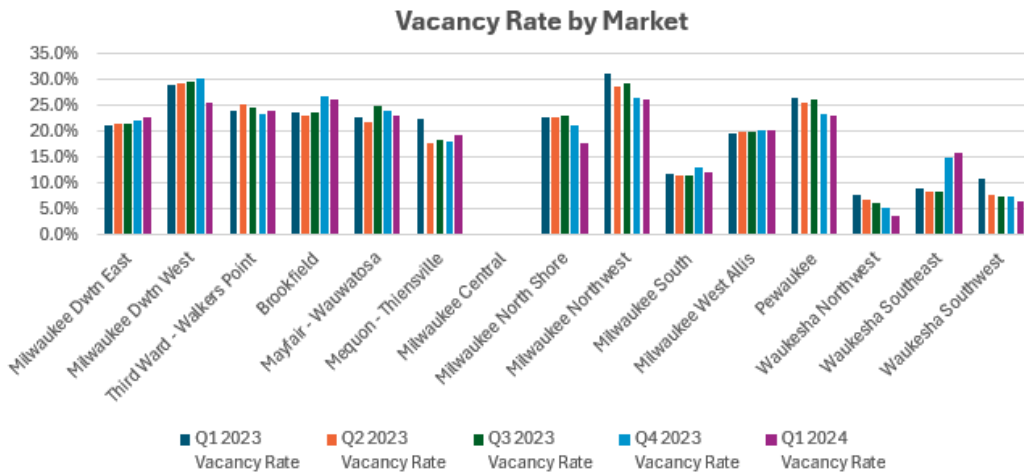


Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate
Milwaukee Downtown East	A	18.4%	18.0%	19.2%	20.0%	20.9%
	B	25.7%	26.8%	25.9%	26.4%	26.2%
	C	19.5%	19.5%	19.5%	19.5%	19.5%
	Subtotal	21.2%	21.4%	21.5%	22.2%	22.7%
Milwaukee Downtown West	A	0.0%	0.0%	0.0%	0.0%	19.0%
	B	30.5%	30.9%	31.4%	31.9%	26.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	29.0%	29.4%	29.8%	30.4%	25.7%
Third Ward - Walkers Point	A	58.8%	56.2%	54.2%	54.2%	54.2%
	B	18.2%	19.9%	19.5%	18.2%	18.9%
	C	35.6%	35.6%	35.6%	35.6%	35.6%
	Subtotal	24.1%	25.2%	24.6%	23.6%	24.1%
Milwaukee CBD	A	20.5%	20.0%	21.0%	21.7%	22.8%
	B	25.7%	26.7%	26.5%	26.6%	24.5%
	C	19.7%	19.7%	19.7%	19.7%	19.7%
	Subtotal	23.6%	24.0%	24.2%	24.5%	23.7%
Brookfield	A	8.2%	7.3%	9.0%	20.5%	20.5%
	B	25.7%	25.2%	25.8%	28.0%	27.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	23.7%	23.1%	23.8%	27.0%	26.1%
Mayfair - Wauwatosa	A	24.9%	22.9%	27.9%	26.4%	24.4%
	B	23.9%	24.2%	25.4%	25.4%	25.0%
	C	4.8%	4.8%	4.8%	4.8%	4.8%
	Subtotal	22.7%	21.9%	24.9%	24.1%	22.9%
Mequon - Thiensville	A	43.1%	16.6%	16.6%	16.6%	16.6%
	B	20.3%	17.8%	18.7%	18.4%	19.6%
	Subtotal	22.4%	17.7%	18.5%	18.2%	19.3%
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	67.2%	67.2%	80.8%	81.3%	81.3%
	B	19.6%	19.8%	17.9%	14.7%	12.6%
	C	4.8%	4.4%	5.0%	5.5%	5.5%
	Subtotal	22.8%	22.9%	23.1%	21.1%	17.7%

Vacancy Rates by Market (Multi-Tenant—Cont)

Market	Bldg Class	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate
Milwaukee Northwest	A	27.4%	27.4%	27.4%	27.4%	27.4%
	B	31.6%	28.8%	29.4%	26.4%	26.2%
	Subtotal	31.2%	28.7%	29.2%	26.5%	26.3%
Milwaukee South	B	13.4%	13.1%	13.1%	14.8%	13.4%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	11.8%	11.5%	11.5%	13.0%	12.0%
Milwaukee West Allis	B	19.8%	20.3%	20.3%	20.6%	20.6%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	19.5%	20.0%	20.0%	20.3%	20.3%
Pewaukee	A	33.0%	32.8%	34.0%	34.6%	35.1%
	B	23.9%	22.4%	22.7%	18.3%	17.7%
	Subtotal	26.7%	25.6%	26.1%	23.3%	23.0%
Waukesha Northwest - Lake Country	B	7.7%	6.7%	6.1%	5.1%	3.6%
	Subtotal	7.7%	6.7%	6.1%	5.1%	3.6%
Waukesha Southeast - New Berlin	B	9.0%	8.3%	8.3%	14.9%	15.8%
	Subtotal	9.0%	8.3%	8.3%	14.9%	15.8%
Waukesha Southwest	B	12.4%	8.9%	8.6%	8.6%	7.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	10.9%	7.8%	7.6%	7.6%	6.4%
Suburban	A	26.0%	24.4%	28.5%	29.8%	28.8%
	B	22.6%	21.8%	22.0%	22.0%	20.9%
	C	2.2%	2.1%	2.2%	2.4%	2.4%
	Subtotal	21.8%	20.8%	21.7%	21.9%	20.9%
Grand Total		22.6%	22.3%	22.8%	23.0%	22.1%

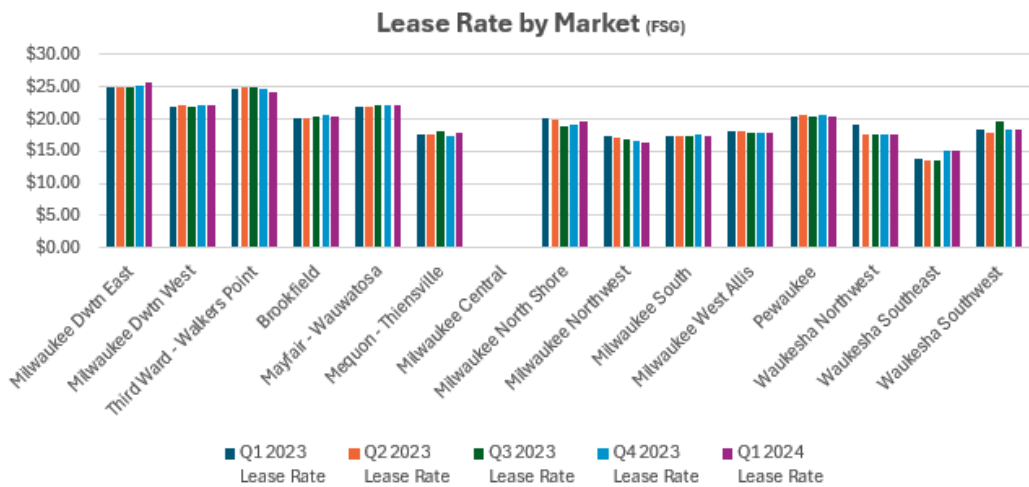


Lease Rates by Market (Multi-Tenant)

Market	Bldg Class	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate
Milwaukee Downtown East	A	\$32.20	\$32.21	\$32.21	\$32.45	\$32.53
	B	\$21.55	\$21.66	\$21.58	\$21.42	\$21.62
	C	\$18.00	\$18.00	\$18.00		
	Subtotal	\$24.96	\$24.89	\$24.97	\$25.10	\$25.59
Milwaukee Downtown West	A					
	B	\$22.01	\$22.04	\$22.01	\$22.07	\$22.26
	C					
	Subtotal	\$22.01	\$22.04	\$22.01	\$22.07	\$22.26
Third Ward - Walkers Point	A	\$29.45	\$29.32	\$29.32	\$29.18	\$29.18
	B	\$24.60	\$24.67	\$24.68	\$24.58	\$24.04
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.77	\$24.81	\$24.82	\$24.71	\$24.25
Milwaukee CBD	A	\$31.65	\$31.63	\$31.63	\$31.79	\$31.86
	B	\$22.74	\$22.77	\$22.80	\$22.70	\$22.73
	C	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
	Subtotal	\$24.16	\$24.13	\$24.15	\$24.19	\$24.28
Brookfield	A	\$24.15	\$24.44	\$24.96	\$25.19	\$25.00
	B	\$19.93	\$19.99	\$20.12	\$20.28	\$20.10
	C					
	Subtotal	\$20.10	\$20.26	\$20.50	\$20.59	\$20.41
Mayfair - Wauwatosa	A	\$26.39	\$26.99	\$26.96	\$26.96	\$26.82
	B	\$19.07	\$18.92	\$19.14	\$19.24	\$19.27
	C					
	Subtotal	\$21.81	\$21.94	\$22.07	\$22.14	\$22.10
Mequon - Thiensville	A					
	B	\$17.51	\$17.51	\$18.18	\$17.44	\$17.79
	Subtotal	\$17.51	\$17.51	\$18.18	\$17.44	\$17.79
Milwaukee Central	B					
	C					
	Subtotal					
Milwaukee North Shore	A	\$24.48	\$24.48		\$24.00	\$24.00
	B	\$19.88	\$19.56	\$19.56	\$18.00	\$19.27
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$20.12	\$19.91	\$19.00	\$19.06	\$19.64

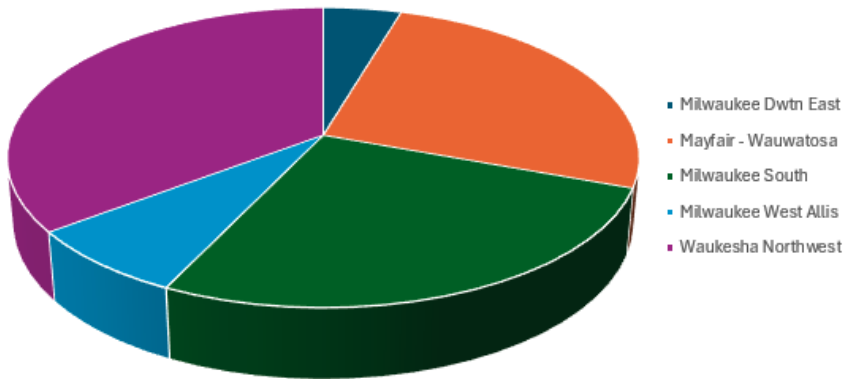
Lease Rates by Market (Multi-Tenant-Cont)

Market	Bldg Class	Q1 2023 Lease Rate	Q2 2023 Lease Rate	Q3 2023 Lease Rate	Q4 2023 Lease Rate	Q1 2024 Lease Rate
Milwaukee Northwest	A	\$20.25	\$20.25	\$20.25	\$20.25	\$20.25
	B	\$17.08	\$16.90	\$16.57	\$16.33	\$16.11
	Subtotal	\$17.27	\$17.10	\$16.80	\$16.61	\$16.37
Milwaukee South	B	\$17.39	\$17.28	\$17.28	\$17.57	\$17.45
	C					
	Subtotal	\$17.39	\$17.28	\$17.28	\$17.57	\$17.45
Milwaukee West Allis	B	\$18.21	\$18.13	\$17.88	\$17.83	\$17.88
	C					
	Subtotal	\$18.21	\$18.13	\$17.88	\$17.83	\$17.88
Pewaukee	A	\$23.76	\$23.78	\$23.78	\$23.80	\$23.80
	B	\$19.57	\$19.60	\$19.44	\$19.53	\$19.48
	Subtotal	\$20.45	\$20.53	\$20.46	\$20.54	\$20.44
Waukesha Northwest - Lake Country	B	\$19.08	\$17.63	\$17.63	\$17.63	\$17.63
	Subtotal	\$19.08	\$17.63	\$17.63	\$17.63	\$17.63
Waukesha Southeast - New Berlin	B	\$13.75	\$13.50	\$13.50	\$15.17	\$15.17
	Subtotal	\$13.75	\$13.50	\$13.50	\$15.17	\$15.17
Waukesha Southwest	B	\$18.30	\$17.91	\$19.58	\$18.41	\$18.40
	C					
	Subtotal	\$18.30	\$17.91	\$19.58	\$18.41	\$18.40
Suburban	A	\$24.73	\$24.97	\$25.13	\$25.05	\$24.96
	B	\$18.82	\$18.79	\$18.92	\$18.82	\$18.73
	C	\$16.75	\$16.75	\$16.75	\$16.75	\$16.75
	Subtotal	\$19.38	\$19.44	\$19.55	\$19.51	\$19.39
Grand Total		\$20.69	\$20.78	\$20.88	\$20.89	\$20.75



Under Construction

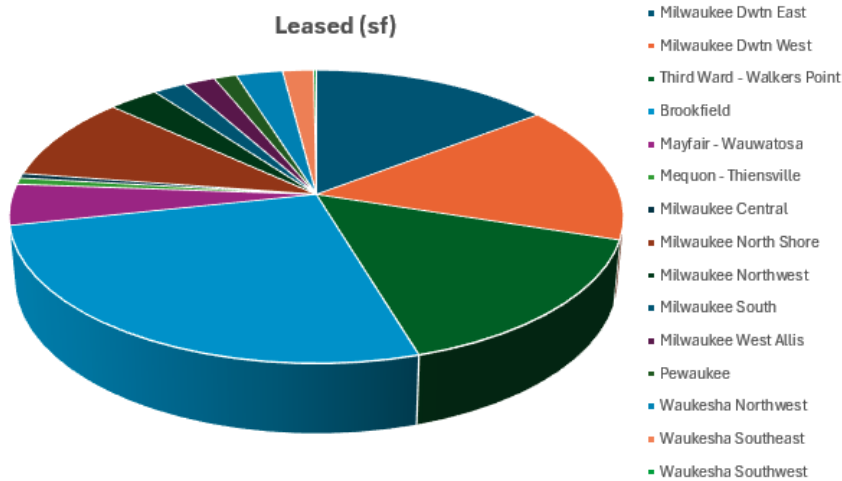
Under Construction (sf)



Market	Bldg (sf)
Milwaukee Dwtm East	8,104
Mayfair - Wauwatosa	45,823
Milwaukee South	46,840
Milwaukee West Allis	13,300
Waukesha Northwest	62,235
Grand Total	176,302

Leasing Activity

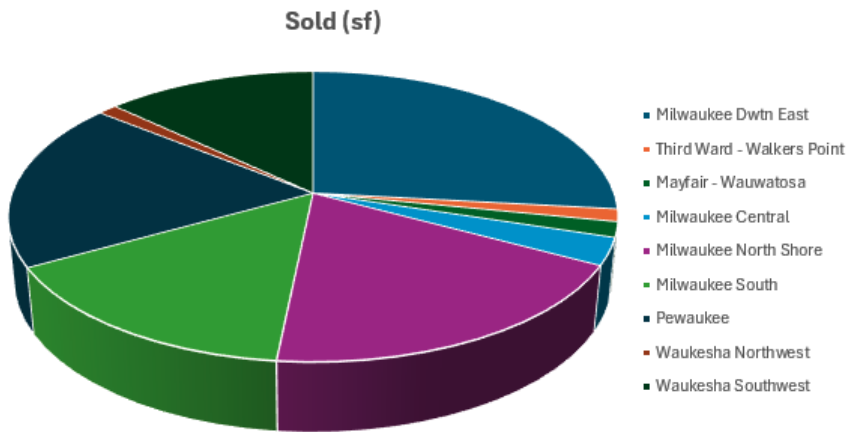
Property	Size (sf)	Market	Tenant	Landlord
ASQ Center North Tower 648 N Plankinton Ave	56,000	Milwaukee Dwtm West	Enerpac Tool Group Corp	CSM MILW Downtown LLC
440 S Executive Dr	45,323	Brookfield	AT&T	Decade Executive Office Bldg L
417 E Chicago St	42,000	Third Ward - Walkers Point	Allspring Global Investments	417 Third Ward, LLC
ASQ Center South Tower 600 N Plankinton Ave	25,000	Milwaukee Dwtm West	Enerpac Tool Group	CSM MILW Downtown LLC
Associated Bank River Ctr 107 E Kilbourn Ave	24,000	Milwaukee Dwtm East	Republican National Committee	Milwaukee Center Mgmt LLC



Market	Leased (sf)
Milwaukee Dwtm East	78,307
Milwaukee Dwtm West	81,889
Third Ward - Walkers Point	82,609
Brookfield	140,814
Mayfair - Wauwatosa	24,151
Mequon - Thiensville	3,842
Milwaukee Central	2,800
Milwaukee North Shore	50,199
Milwaukee Northwest	16,408
Milwaukee South	10,714
Milwaukee West Allis	10,262
Pewaukee	7,333
Waukesha Northwest	15,233
Waukesha Southeast	10,100
Waukesha Southwest	885
Grand Total	535,546

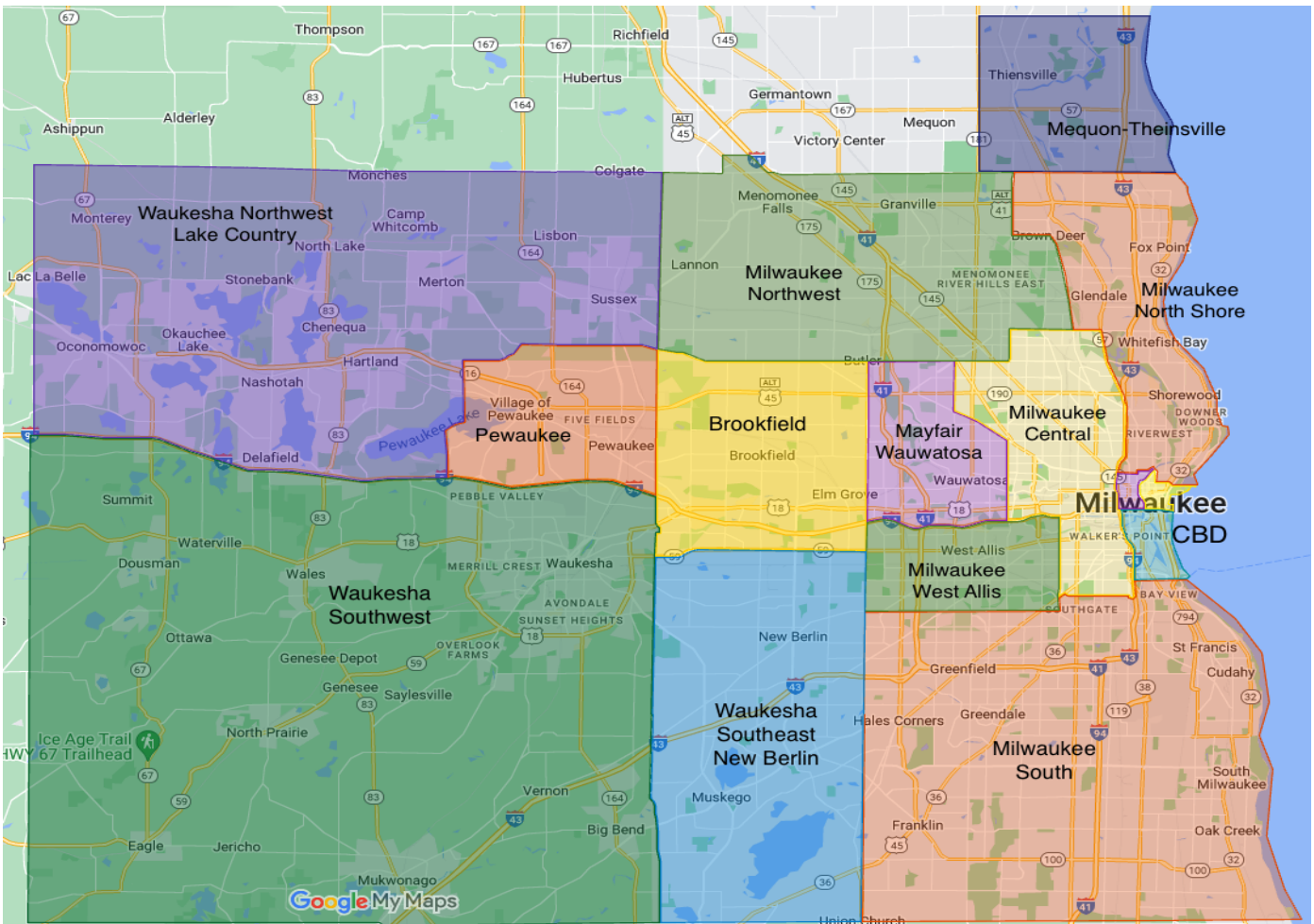
Sales Activity

Property	Price	Market	Buyer	Seller
10050 S 27th St	\$6,659,000	Milwaukee South	Lion Oak Creek LLC	10050 South 27th Street LLC
2071 N Summit Ave	\$2,920,000	Milwaukee North Shore	MKE Summit LLC	Peter A Aldrian
2120 Pewaukee Rd	\$2,850,000	Waukesha Southwest	2120 Pewaukee Road, LLC	2120 Partners Wisconsin LLC
N17W24340 Riverwood Dr	\$2,500,000	Pewaukee	Best Graphics Group Properties II, LLC	Blue Cross Blue Shield of Wisconsin
732 N Jackson St	\$2,195,100	Milwaukee Dwtm East	The Northwestern Mutual Life Insurance Company	JBFH LLC



Market	Sold (sf)
Milwaukee Dwtm East	86,660
Third Ward - Walkers Point	4,480
Mayfair - Wauwatosa	5,520
Milwaukee Central	9,735
Milwaukee North Shore	60,877
Milwaukee South	49,530
Pewaukee	61,090
Waukesha Northwest	3,856
Waukesha Southwest	42,252
Grand Total	324,000

Market Map



Milwaukee CBD Markets



Images courtesy of Google maps

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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