

MILWAUKEE

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CARW/Catylist 2019—1st Quarter Commercial Real Estate Market Report

The market reports are produced in collaboration of CARW and REDIComps under the direction of an advisory panel of CARW members commercial real estate professionals.

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MARKET OVERVIEW

- Downtown East had the most in positive absorption holding the top three spots.
- Hammes delivered their new development occupying 34,000 sf
- HNTB leased 25,000 sf in the Two-Fifty building
- Bank of America/Merrill Lynch leased 23,000 sf in the 833 building
- Downtown West had the next largest change with CH2M Hill/Jacobs Engineering leasing 16,600 sf in the Bottlehouse A building
- Mayfair - Wauwatosa market saw the most negative absorption losing 25,000 sf
- Here are a couple of larger current lease comps.
- Jacobs Engineering Group sublet 16,600 sf in Bottlehouse A in Downtown West market
- American Dental Partners leased 14,800 sf in Stoneridge III in Pewaukee market
- Harley leased 14,200 sf at 1303 N Vel R Phillips Ave in Downtown West market
- Larger sale comps

OFFICE STATISTICS BY CLASS

Bldg Class	# of Bldgs	Inventory	Q1 19 Avail SF	Q1 19 Vacant SF	Q1 19 Total Absorption (sf)	Q1 19 Vacancy Rate
A	116	16,527,240	2,573,438	2,136,927	6,077	12.90%
B	411	28,390,557	3,761,399	3,470,015	36,553	12.20%
C	54	2,355,334	401,841	230,152	-1,122	9.80%
Grand Total	581	47,273,130	6,736,678	5,837,094	41,508	12.30%

NOTABLE OFFICE SALE COMPS

Property	Size (sf)	Price/Type	City	Market	Buyer	Seller
1575 N Hubbard St	658,275	\$101,250,000	Milwaukee	Downtown West	SP Milwaukee Propco1 LLC	The Brewery Works Inc
11100 West Liberty Drive and 7800 North 113th	169,052	\$18,050,000	Milwaukee	Milwaukee NW	Mke Aurora Dent Equities, LLC	Lsop Wi, LLC
2000 E Layton Ave	57,030	\$13,326,000	St Francis	SE	ARHC Wistfw101 LLC	South Shore Medical Development Synergy Management

MARKET OVERVIEW

- Waukesha County led all markets with 135,500 positive absorption while Milwaukee County resulted in 278,000 negative absorption
- Warehouse distribution held the three highest spots in positive absorption
- Crown brands leased 300,000 sf at First Park 94
- UCC leased 150,000 sf at Zilber Industrial II
- An existing tenant expanded 63,000 sf at 8201 109th st
- Kenosha County saw American Grill vacate 366,000 sf and Southwire vacated 502,000 sf while Uline backfilled 300,000 sf of Southwire space.
- Complete Warehouse vacated five buildings in Milwaukee County totaling 268,000 sf

MULTI AND SINGLE TENANT INVENTORY

Property Type	# of Bldgs	Inventory	Q1 19 Avail SF	Q1 19 Vacant SF	Q1 19 Absorption (sf)	Q1 19 Vacancy Rate
Flex/R&D	198	8,392,487	1,431,581	672,339	-6,483	8.00%
Manufacturing	2,250	179,775,019	3,604,058	2,044,516	114,975	1.10%
Warehouse Distribution	1,114	92,543,613	3,886,524	2,344,589	127,612	2.50%
Warehouse Office	1,916	76,190,417	10,184,638	6,822,710	-280,695	9.00%
Grand Total	5,478	356,901,536	19,106,801	11,884,154	-44,591	3.30%

MULTI-TENANT INVENTORY ONLY

Property Type	# of Bldgs	Inventory	Q1 19 Avail SF	Q1 19 Vacant SF	Q1 19 Absorption (sf)	Q1 19 Vacancy Rate
Flex/R&D	149	6,200,760	1,218,920	625,355	-6,483	10.10%
Manufacturing	121	13,247,075	1,913,955	1,399,673	53,343	10.60%
Warehouse Distribution	254	27,185,830	3,074,664	2,263,692	142,612	8.30%
Warehouse Office	576	33,320,503	8,010,733	5,567,488	-421,566	16.70%
Grand Total	1,100	79,954,168	14,218,272	9,856,208	-232,094	12.30%

The information contained in this report has been obtained from sources deemed reliable. While we do not question the accuracy of the data, it has not been fully verified and we make no guarantee, warranty or representation about it. It is solely your responsibility to confirm its accuracy.

NOTABLE INDUSTRIAL LEASE TRANSACTIONS

Property	Size (sf)	City	Market	Tenant	Landlord
8725 31st St	301,174	Kenosha	Kenosha	Crown Brands LLC	First Park 94 LLC
111290 80th Ave.	300,000	Pleasant Prairie	Kenosha	Uline	CV II Lakeview LLC
Northmound Dr	97,478	Waukesha	Waukesha	Paul Davis Restoration	Silver Creek Partnership
5235 International Dr.	73,598	Cudahy	Milwaukee SE	Jeffs Fast Freight	5235 International Drive LLC
430 W. Grange	56,000	Milwaukee	Milwaukee SE	Skywest Airlines	5319 S 3rd St ABJJ LLC

NOTABLE INDUSTRIAL SALE TRANSACTIONS

Property	Price/Type	City	Market	Buyer	Seller
137 W. Forest Hill Ave	\$11,700,000	Oak Creek	Southeast	Astronautics Corporation of America c/o Holly Russek	C S Milwaukee LLC
4343 S 6th St	\$7,100,000	Milwaukee	Milwaukee SE	Alro Steel Corporation	Central Steel and Wire Company
24705 Bluemound Rd.	\$4,850,000	Pewaukee	Pewaukee	Store Master Funding VIII LLC	Precision Gears Inc.
735 Commerce Dr.	\$3,000,000	Union Grove	Racine	All One Storage-Sturtevant LLC	Backwoods Storage LLC
7221 S 10th St	\$2,250,000	Oak Grove	Southeast	10th Street Holdings	Murphy Real Estate LLC

MARKET OVERVIEW

- Larger lease and sale comps from Q1 2019
- D1 Training leased 9,000 sf at Mequon Pavilions Shopping Center
- Appliance Liquidators leased 9,000 sf at Miracle Mile Shopping Center
- Hacienda Brewing leased 6,000 sf at 2012-2028 E North Ave

NOTABLE RETAIL TRANSACTIONS

Property	Size (sf)	Price/Type	City	Market	Buyer	Seller
The Brownstones Bldgs Portfolio 17430 West Bluemound Rd	130,879	\$26,250,000	Brookfield	Brookfield	TCB-Brownstones LLC	IRC Brownstones, LLC
Sequoia Centre 6801-6917 W Brown Deer Rd	35,412	\$3,600,000	Milwaukee	Milwaukee NW	Sequoia Baceline, LLC	Lake Cook-Sequoia Center, LLC
Falls Plaza I 15066-15182 Appleton Ave	84,249	\$3,030,000	Menomonee Falls	Menomonee Falls	RAP Properties	Falls Plaza Member, LLC

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