

1st Quarter 2014

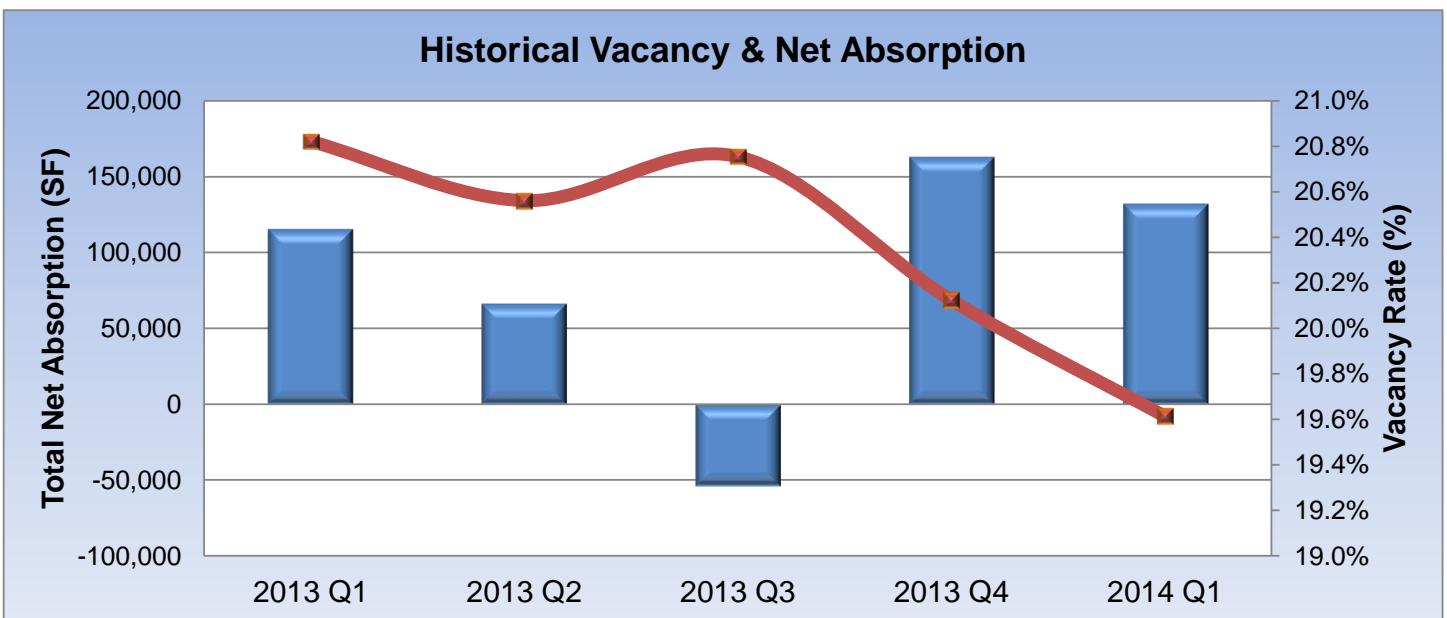
OFFICE

\$250

Market Highlights

- Milwaukee experienced 132,223 SF of positive absorption for the quarter and 307,000 SF of positive absorption over the past year.
- Class A properties experienced 98,033 SF of absorption for the quarter. Over the past year the vacancy rate for class A properties has dropped from 14.15% (Q1 '13) to 12.28% (Q1 '14).
- The largest change in absorption was RDA Enthusiast Brands leasing space at both Bottlehouse A at Schlitz Park (40,506 SF) and Bottlehouse B at Schlitz Park (12,961 SF). The landlord was represented by Ned Purtell of the RFP Commercial, Inc.
- The suburban markets and central business district preformed almost equally during the first quarter, 68,548 SF absorbed (Suburban) to 63,675 SF absorbed (CBD).

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Qtrly Net Absorption (SF)	YTD Total Net Absorption (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Qtrly Net Absorption (SF)	YTD Direct Net Absorption (SF)
A	127	12,036,146	1,881,351	1,505,678	12.51%	103,468	103,468	1,477,487	0	98,033	98,033
B	261	14,533,909	4,208,490	3,721,827	25.61%	31,838	31,838	3,569,161	0	31,838	31,838
C	26	1,235,484	242,593	226,159	18.31%	-3,083	-3,083	223,659	0	-3,083	-3,083
Grand Total	414	27,805,539	6,332,434	5,453,664	19.61%	132,223	132,223	5,270,307	0	126,788	126,788



Market Snapshot

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Qtrly Net Absorption (SF)	YTD Total Net Absorption (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Qtrly Net Absorption (SF)	Available Sublease (SF)
Milwaukee	242	20,533,644	4,802,623	4,130,280	0	93,191	93,191	4,007,620	0	93,191	207,218
Downtown East	49	6,903,853	1,228,145	1,096,525	0	18,309	18,309	1,095,014	0	18,309	24,764
A	10	4,264,146	437,170	389,154	0	18,418	18,418	387,643	0	18,418	3,653
B	34	2,419,047	740,690	668,375	0	-609	-609	668,375	0	-609	21,111
C	5	220,660	50,285	38,996	0	500	500	38,996	0	500	0
Downtown West	22	3,049,929	943,620	908,104	0	27,804	27,804	908,104	0	27,804	0
A	6	1,060,257	277,670	262,709	0	2,690	2,690	262,709	0	2,690	0
B	16	1,989,672	665,950	645,395	0	25,114	25,114	645,395	0	25,114	0
Mayfair/Wauwatosa	43	2,712,102	692,717	581,059	0	4,798	4,798	581,059	0	4,798	17,301
A	14	1,276,308	176,842	119,094	0	-2,173	-2,173	119,094	0	-2,173	17,301
B	26	1,354,139	493,615	439,705	0	6,478	6,478	439,705	0	6,478	0
C	3	81,655	22,260	22,260	0	493	493	22,260	0	493	0
North Shore	45	2,204,330	592,187	520,770	0	26,987	26,987	454,827	0	26,987	84,748
A	6	462,480	63,118	47,167	0	0	0	47,167	0	0	13,000
B	34	1,400,341	406,160	350,694	0	26,987	26,987	284,751	0	26,987	71,748
C	5	341,509	122,909	122,909	0	0	0	122,909	0	0	0
Northwest	17	1,342,460	309,120	165,493	0	4,019	4,019	147,921	0	4,019	28,572
A	10	1,063,404	217,120	126,626	0	4,019	4,019	109,054	0	4,019	28,572
B	7	279,056	92,000	38,867	0	0	0	38,867	0	0	0
Southeast	9	370,910	174,642	174,642	0	-2,118	-2,118	174,642	0	-2,118	0
B	9	370,910	174,642	174,642	0	-2,118	-2,118	174,642	0	-2,118	0
Southwest	13	389,749	65,035	57,675	0	-6,367	-6,367	57,675	0	-6,367	0
A	7	178,687	29,379	24,379	0	696	696	24,379	0	696	0
B	6	211,062	35,656	33,296	0	-7,063	-7,063	33,296	0	-7,063	0
Third Ward/Walker's Point	25	1,625,076	254,560	236,428	0	17,562	17,562	236,428	0	17,562	1,762
A	3	205,611	54,655	51,001	0	7,564	7,564	51,001	0	7,564	0
B	17	1,098,291	189,186	174,708	0	9,694	9,694	174,708	0	9,694	1,762
C	5	321,174	10,719	10,719	0	304	304	10,719	0	304	0
West Allis	19	1,935,235	542,597	389,584	0	2,197	2,197	351,950	0	2,197	50,071
B	17	1,847,336	542,597	389,584	0	2,197	2,197	351,950	0	2,197	50,071
C	2	87,899	0	0	0	0	0	0	0	0	0
Waukesha	133	6,580,118	1,425,470	1,228,005	0	34,729	34,729	1,167,308	0	29,294	113,205
Brookfield	86	4,164,977	999,205	881,987	0	24,079	24,079	825,698	0	18,644	87,794
A	32	1,928,403	329,073	271,827	0	42,040	42,040	267,127	0	36,605	36,205
B	49	2,085,987	639,183	584,356	0	-13,581	-13,581	535,267	0	-13,581	49,089
C	5	150,587	30,949	25,804	0	-4,380	-4,380	23,304	0	-4,380	2,500
Waukesha/Pewaukee	47	2,415,141	426,265	346,018	0	10,650	10,650	341,610	0	10,650	25,411
A	21	1,224,243	239,050	165,409	0	21,189	21,189	161,001	0	21,189	25,411
B	25	1,158,898	181,744	175,138	0	-10,539	-10,539	175,138	0	-10,539	0
C	1	32,000	5,471	5,471	0	0	0	5,471	0	0	0
Ozaukee	39	691,777	104,341	95,379	0	4,303	4,303	95,379	0	4,303	5,547
(blank)	39	691,777	104,341	95,379	0	4,303	4,303	95,379	0	4,303	5,547
A	18	372,607	57,274	48,312	0	9,025	9,025	48,312	0	9,025	5,547
B	21	319,170	47,067	47,067	0	-4,722	-4,722	47,067	0	-4,722	0
Grand Total	414	27,805,539	6,332,434	5,453,664	0	132,223	132,223	5,270,307	0	126,788	325,970

Historical Snapshot

	Total Vacancy Rate %					Asking Wtd Direct Lease Rate (FSG)				
	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
Milwaukee	20.9%	20.8%	20.8%	20.6%	20.1%	\$17.16	\$17.14	\$17.17	\$17.27	\$17.44
Downtown East	16.4%	16.5%	16.3%	16.1%	15.9%	\$17.97	\$18.05	\$18.24	\$18.46	\$18.66
A	9.6%	9.4%	9.4%	9.6%	9.1%	\$22.20	\$22.30	\$22.36	\$22.44	\$22.61
B	28.0%	28.4%	27.8%	27.6%	27.6%	\$15.62	\$15.70	\$15.70	\$15.82	\$16.17
C	22.2%	22.9%	22.4%	17.9%	17.7%	\$14.15	\$14.15	\$14.24	\$14.68	\$15.25
Downtown West	31.7%	30.8%	30.6%	30.9%	29.8%	\$16.47	\$16.38	\$16.40	\$16.45	\$16.32
A	23.6%	23.9%	23.9%	25.0%	24.8%	\$16.20	\$16.11	\$16.14	\$16.23	\$16.21
B	36.1%	34.4%	34.1%	34.0%	32.4%	\$16.62	\$16.55	\$16.55	\$16.58	\$16.40
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mayfair/Wauwatosa	20.0%	20.5%	22.4%	21.6%	21.4%	\$19.09	\$18.31	\$18.63	\$18.90	\$18.49
A	10.1%	10.5%	9.8%	9.2%	9.3%	\$25.39	\$25.30	\$25.45	\$25.27	\$25.18
B	28.8%	29.4%	33.9%	32.9%	32.5%	\$17.43	\$16.94	\$17.03	\$17.21	\$16.86
C	28.0%	28.0%	28.0%	27.9%	27.3%	\$0.00	\$0.00	\$0.00	\$14.00	\$15.62
North Shore	23.9%	24.9%	24.9%	24.8%	23.6%	\$14.90	\$14.95	\$14.90	\$14.33	\$14.70
A	11.0%	10.5%	10.5%	10.2%	10.2%	\$20.60	\$20.60	\$20.60	\$20.48	\$20.52
B	25.3%	27.0%	27.0%	27.0%	25.0%	\$13.97	\$14.01	\$13.96	\$13.43	\$13.87
C	35.7%	35.7%	35.7%	36.0%	36.0%	\$13.95	\$13.95	\$13.95	\$13.24	\$13.24
Northwest	14.0%	11.2%	12.5%	12.8%	12.3%	\$17.80	\$18.77	\$18.94	\$19.38	\$20.19
A	10.5%	10.5%	12.2%	12.5%	11.9%	\$20.18	\$20.33	\$20.52	\$20.60	\$21.59
B	27.4%	13.9%	13.9%	13.9%	13.9%	\$14.84	\$15.43	\$15.43	\$17.85	\$17.32
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Southeast	45.9%	45.9%	46.1%	46.5%	47.1%	\$16.95	\$16.95	\$16.88	\$15.33	\$16.86
A	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B	45.9%	45.9%	46.1%	46.5%	47.1%	\$16.95	\$16.95	\$16.88	\$15.33	\$16.86
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Southwest	9.6%	13.2%	13.0%	13.2%	14.8%	\$18.08	\$17.01	\$17.27	\$17.41	\$17.57
A	14.2%	14.2%	13.6%	14.0%	13.6%	\$17.92	\$17.92	\$18.58	\$18.59	\$18.59
B	5.7%	12.4%	12.4%	12.4%	15.8%	\$18.43	\$16.16	\$16.16	\$16.16	\$16.74
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Third Ward/Walker's Point	19.6%	18.9%	17.3%	15.6%	14.5%	\$16.73	\$16.83	\$16.98	\$17.47	\$17.32
A	37.1%	35.9%	28.5%	28.5%	24.8%	\$19.48	\$19.48	\$19.48	\$19.48	\$19.06
B	19.7%	19.0%	18.3%	16.8%	15.9%	\$16.25	\$16.39	\$16.72	\$17.00	\$16.92
C	8.3%	7.4%	6.5%	3.4%	3.3%	\$12.62	\$12.30	\$12.34	\$14.78	\$14.64
West Allis	21.3%	21.2%	20.4%	20.2%	20.1%	\$15.99	\$16.02	\$15.53	\$15.31	\$15.24
A	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
B	22.3%	22.2%	21.4%	21.2%	21.1%	\$15.99	\$16.02	\$15.53	\$15.31	\$15.24
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Waukesha	21.1%	20.3%	21.1%	19.2%	18.7%	\$18.52	\$18.46	\$18.53	\$18.16	\$17.91
Brookfield	21.9%	22.0%	23.7%	21.1%	21.2%	\$18.34	\$18.21	\$18.30	\$17.58	\$17.45
A	20.2%	20.3%	20.8%	16.0%	14.1%	\$20.55	\$20.22	\$20.34	\$19.96	\$19.75
B	24.8%	24.5%	27.5%	27.0%	28.0%	\$16.45	\$16.50	\$16.55	\$16.06	\$16.43
C	8.5%	11.6%	14.2%	14.2%	17.1%	\$12.07	\$12.10	\$12.12	\$12.12	\$11.89
Waukesha/Pewaukee	18.4%	16.4%	15.7%	14.8%	14.3%	\$19.02	\$19.02	\$19.03	\$19.40	\$18.97
A	17.8%	17.7%	16.8%	15.2%	13.5%	\$21.51	\$21.76	\$21.67	\$21.21	\$21.27
B	19.1%	14.8%	14.4%	14.2%	15.1%	\$15.40	\$16.11	\$16.22	\$16.24	\$15.81
C	19.8%	19.8%	19.8%	17.1%	17.1%	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50
Ozaukee	15.5%	16.1%	14.7%	14.4%	13.8%	\$14.56	\$14.72	\$14.62	\$14.39	\$14.26
A	16.5%	17.0%	15.2%	14.9%	13.0%	\$15.79	\$15.95	\$15.90	\$15.96	\$15.47
B	14.1%	14.7%	14.0%	13.7%	14.7%	\$12.97	\$13.22	\$13.15	\$12.68	\$13.48
C	0.0%	0.0%	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total	20.8%	20.6%	20.8%	20.1%	19.6%	\$17.48	\$17.45	\$17.49	\$17.44	\$17.50

Lease Rates

Asking Lease Rate Range by Class (FSG)

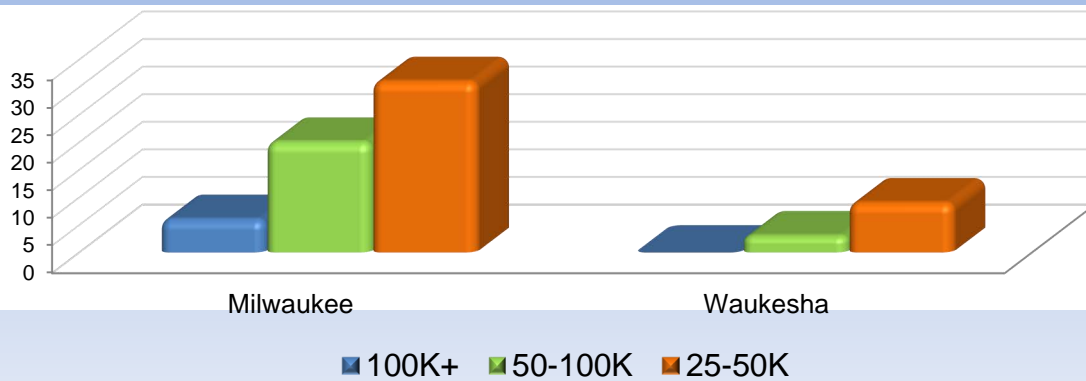


Largest Changes in Occupancy

Property Name	SF Occupied or Vacated	Company Name	Market	Bldg Class	Landlord Rep
Bottlehouse A at Schlitz Park	40,506	Reader's Digest aka RDA Enthusiast Brands, (+40,506 SF)	Milwaukee	B	RFP Commercial, Inc.
Liberty II	35,805	Rogers Memorial Hospital	Milwaukee	B	Siegel-Gallagher
US Bank Center	22,100	Robert W. Baird (expansion)(14th fl)	Milwaukee	A	CBRE
Ruekert / Mielke (W233 N2080 Ridgeview Pkwy)	19,249	Wisconsin Institute of Certified Public Accountants Inc.	Waukesha	A	NAI MLG Commercial
Pinnacle II	16,294	TekSystems (9,624); Travelers (+ 5147 SF)	Waukesha	A	Colliers International Wisconsin
417 E Chicago St	16,009	Dohmen, Owner User	Milwaukee	B	Equity Commercial Real Estate, LLC.
Bottlehouse B at Schlitz Park	9,321	Reader's Digest aka RDA Enthusiast Brands, (12,961 SF) (Suite 110); Undisclosed tenant (-2,210 SF)(Suite 106); Undisclosed tenant (-1,430 SF) (Suite 105)	Milwaukee	B	RFP Commercial, Inc.
150 N Patrick Blvd	8,940	Shopko Institutional Care Services Co. LLC (+8,940 SF)	Waukesha	B	RFP Commercial, Inc.
Renaissance on Water	7,564	Ziegler LOTZF (7,564 SF)	Milwaukee	A	NAI MLG Commercial
18650 W Corporate Dr	7,349	Ashley Furniture Industries Inc	Waukesha	A	RFP Commercial, Inc.
Ridge View Office Center I	7,113	Argent (+3,238); Edward Jones (+1,162) JAK Architects (+5,451) CMT Legal (-2,738)	Waukesha	A	Interstate Partners
325 N Corporate Dr	6,868	Allay Home & Hospice Inc. (+ 6868 SF)	Waukesha	A	Core Brookfield Lakes
250 Bishops Way	5,911	GW Financial Group, LLC (+ 5900 SF)	Waukesha	A	NAI MLG Commercial
3315 N 124th St	5,901	Unit B (+4,173 SF); Unit 1 (+1,728 SF)	Waukesha	B	NAI MLG Commercial
2675 Building	5,860	Western & Southern Insurance (+4346 SF) Milwaukee Chiropractic LLC (+1514 SF)	Milwaukee	B	NAI MLG Commercial
Glen Oaks II	5,788	Suites 100 (+2,443) 104 (+1,800) 1st fl (+1,545)	Ozaukee	A	Mikkelson Builders
440 S Executive Dr	(5,008)	Cricket (-6,758 SF)(suite 100); unatrend? (-523 SF) (Suite 250)(downsize)	Waukesha	B	RFP Commercial, Inc.
Squires II Office Center	(5,240)	Country Financial (-5240 SF)(Downsized)	Waukesha	B	Colliers International Wisconsin
Park Ridge Centre I	(5,260)	Norm Yerke (-5,260 SF) (previous owner)	Waukesha	A	NAI MLG Commercial
Crossroads Corporate Center I	(10,720)	Metallurgical Associates (+ 5624 SF) Avtex Solutions (-3195) Unknown tenant Suite 540 (-4,547)	Waukesha	B	RFP Commercial, Inc.
Schlitz RiverCenter	(30,108)	FIS Financial Services	Milwaukee	B	RFP Commercial, Inc.

Available Space by Size

Largest Blocks of Available Space



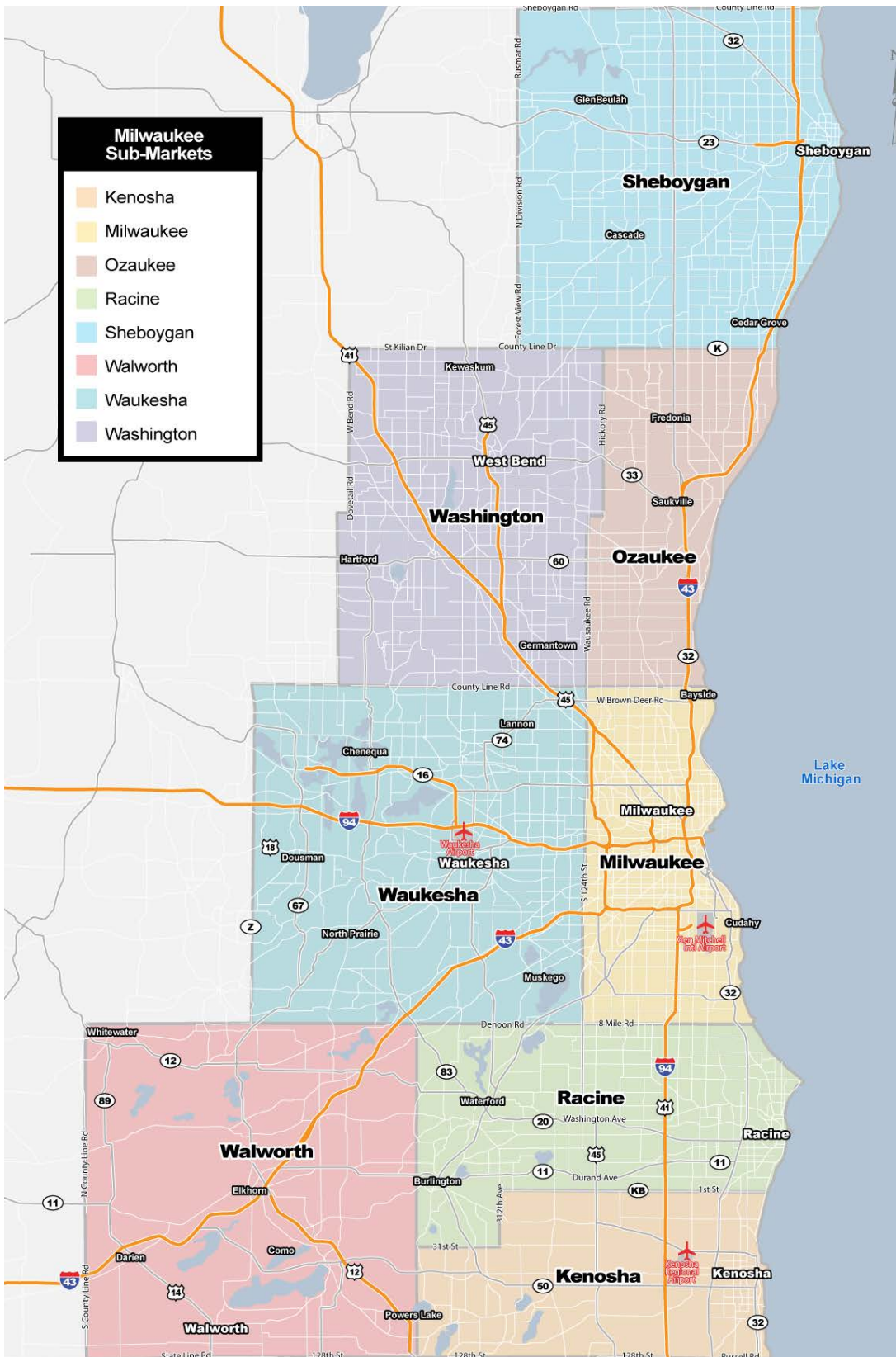
Available Space Historical Comparisons

Quarter	100K+	50-100K	25-50K
2013 Q1	7	22	48
2013 Q2	8	19	45
2013 Q3	7	22	44
2013 Q4	6	21	45
2014 Q1	6	23	40

Notable Transactions

Property Name	SF Leased or Sold	Company Name	Market	Bldg Class	Lease/Sale	Landlord Rep
5400 S 60th St	120,458	Goodwill Industries of Southeastern Wisconsin Inc.	Milwaukee	B	Sale	JLL
17950	89,176	Brookfield Lakes LP	Waukesha	A	Sale	Hammes Company
Actuant (office)	80,988	Actuant Menomonee LLC & Liberty Road LLC	Waukesha	A	Sale	Irgens
125 N Executive Dr	55,678	Sowamco XX of Texas Inc	Waukesha	A	Sale - Foreclosure	
2005-2025 W Oklahoma Ave	43,924	Wheaton Franciscan Healthcare	Milwaukee	B	Sale - Medical	
Bottlehouse A at Schlitz Park	40,506	Reader's Digest aka RDA Enthusiast Brands, (+40,506 SF)	Milwaukee	B	Lease	RFP Commercial, Inc.
Liberty II	35,805	Rogers Memorial Hospital	Milwaukee	B	Sale	Siegel-Gallagher
US Bank Center	22,100	Robert W. Baird (expansion)(14th fl)	Milwaukee	A	Lease	CBRE
Park Ridge Centre I	20,000	Ehlers Companies	Waukesha	A	Sale	Colliers International Wisconsin
Crossroads Corporate Center V	20,000	Storyville Holdings LLC	Waukesha	A	Sale	

Terminology



Total Available SF – All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space.

Total Vacant SF – The total of all of the vacant square footage within a building, including both direct and sublease space.

Direct Vacant SF – The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.

Sublease SF – Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.

Net Absorption – The net change in occupancy from quarter to quarter, expressed in square feet.

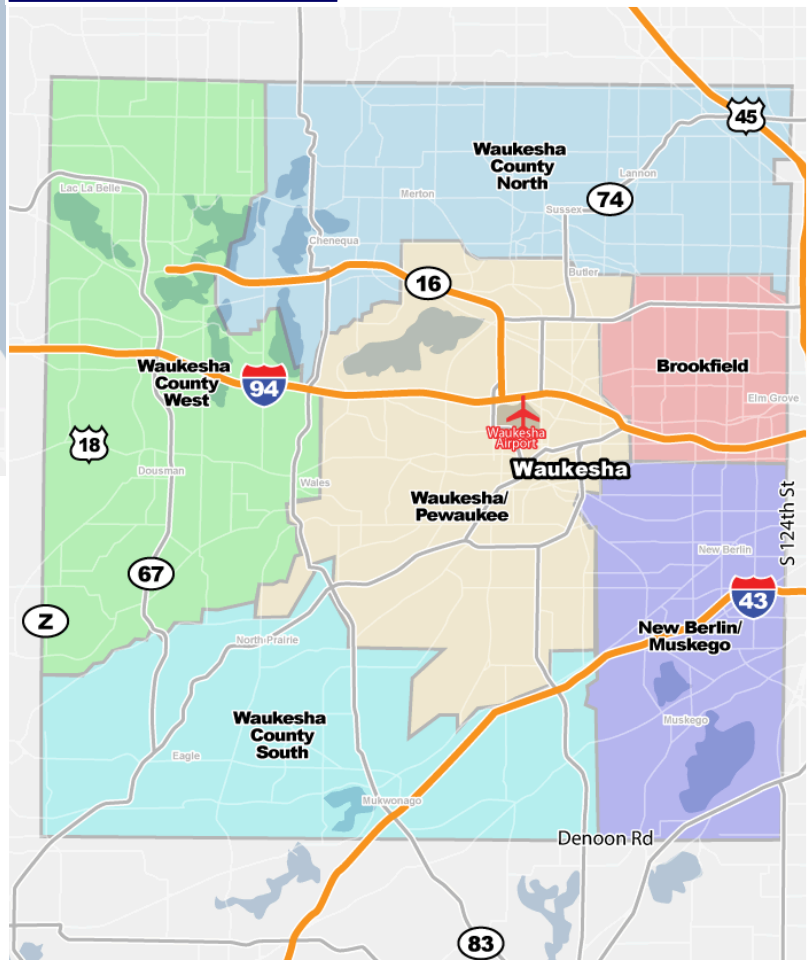
Inventory – The total square feet of all existing multi tenant office buildings greater than 20,000 SF, excluding medical, government and owner occupied buildings that are deemed to be competitive by the advisory board members.

Submarkets

Milwaukee

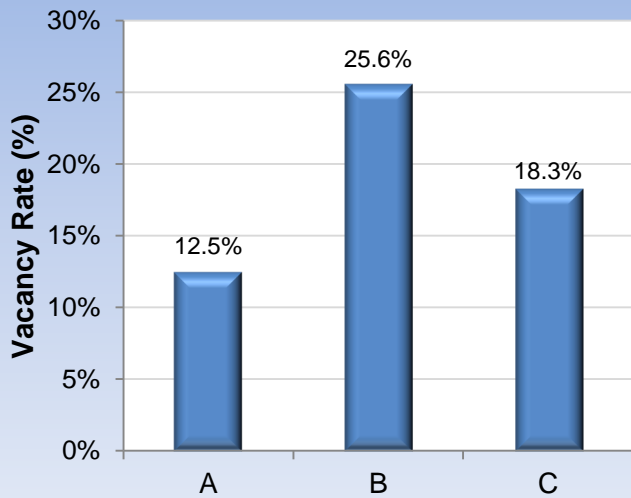


Waukesha

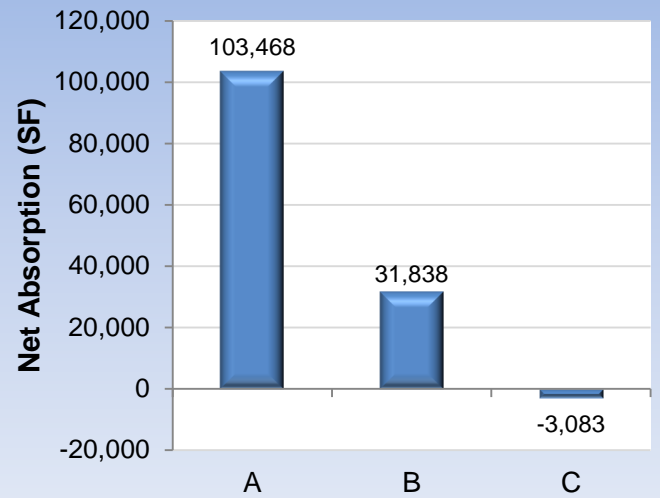


Vacancy & Absorption Trends

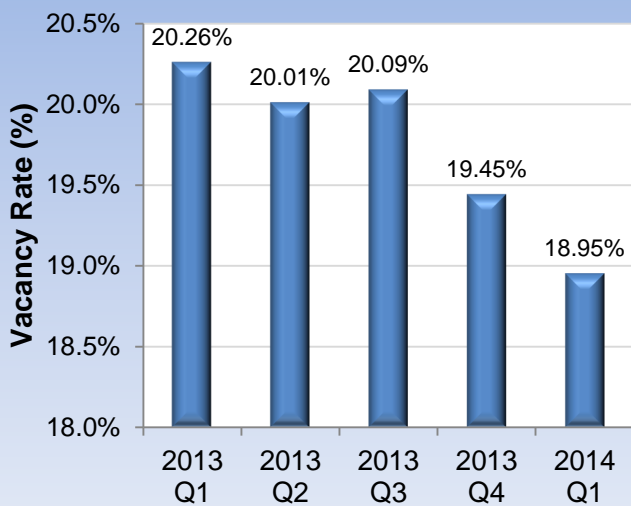
Vacancy Rate by Class



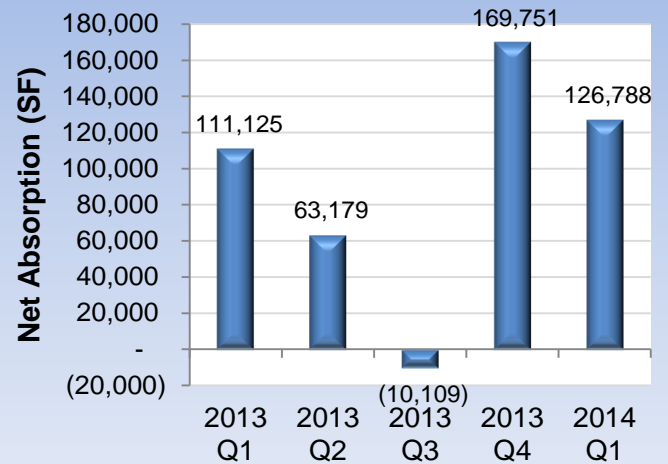
Net Absorption by Class



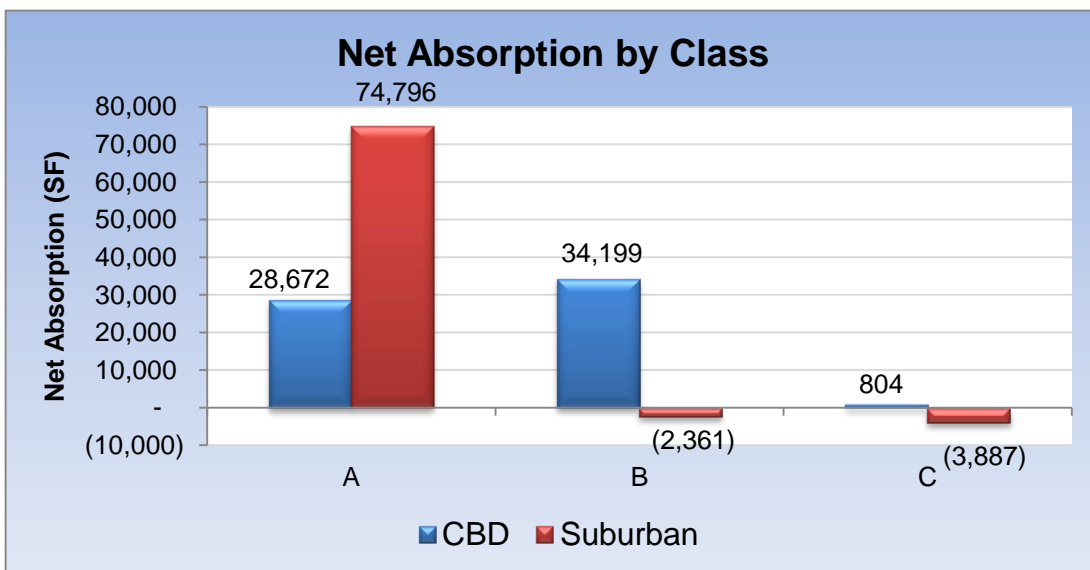
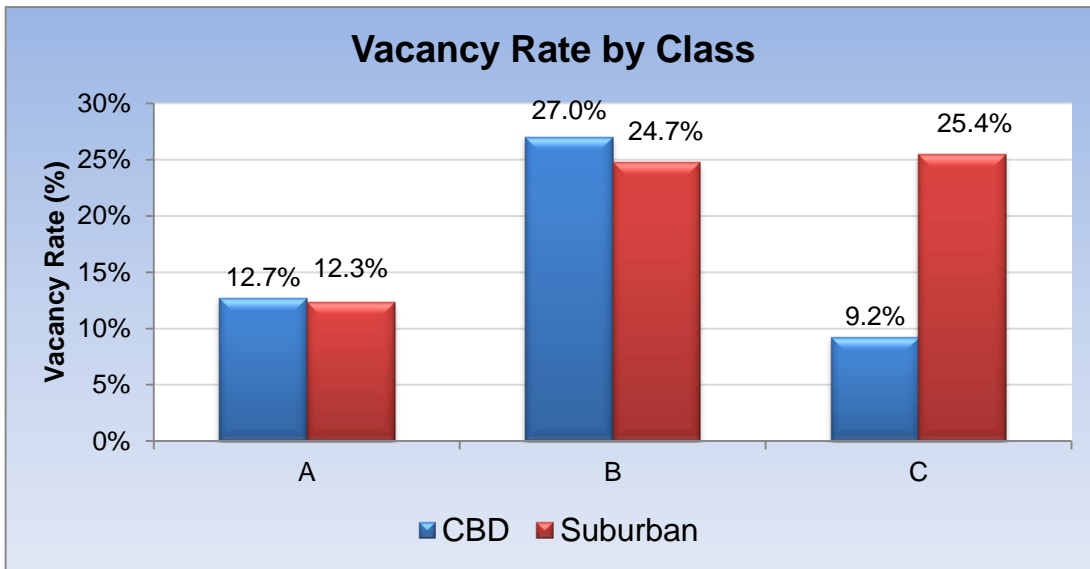
Vacancy Rate by Quarter



Direct Net Absorption by Quarter



Vacancy & Absorption Trends



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