2011 Appraisal Institute Year in Review Industrial Sector - Milwaukee

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Market Highlights

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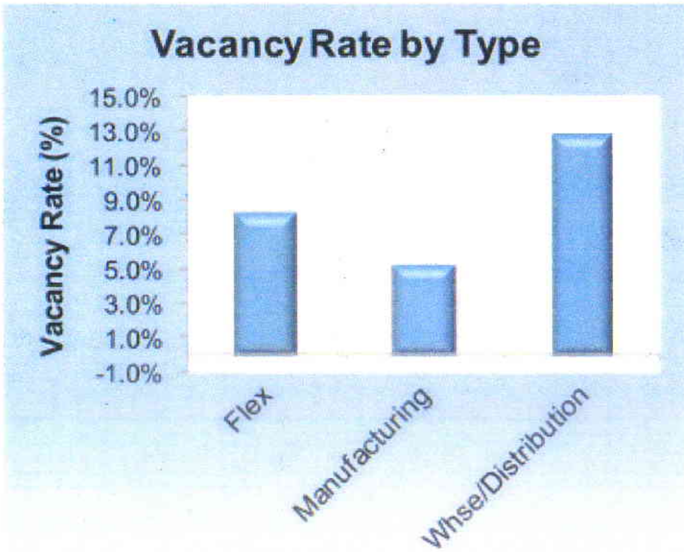
- Milwaukee continues to experience positive quarterly absorption for the fifth quarter in a row with nearly 1.28 Million sf absorbed in the 3rd Quarter and 2.87 Million sf Year To Date.
- As a result of the consistent positive absorption, the vacancy rate has dropped from 9.2% in the 3rd Quarter-2010 to 7.6% in the 3rd Quarter-2011.
- Asking lease rates have remained relatively constant over the last 5 quarters
- The largest absorption was 182,000 sf in an owner-occupied purchase by Aldrich Chemical Company, Inc. in Port Washington, seller was represented by The Dickman Co., Inc./ CORFAC Int'l and the buyer was represented by Coldwell Banker Commercial.

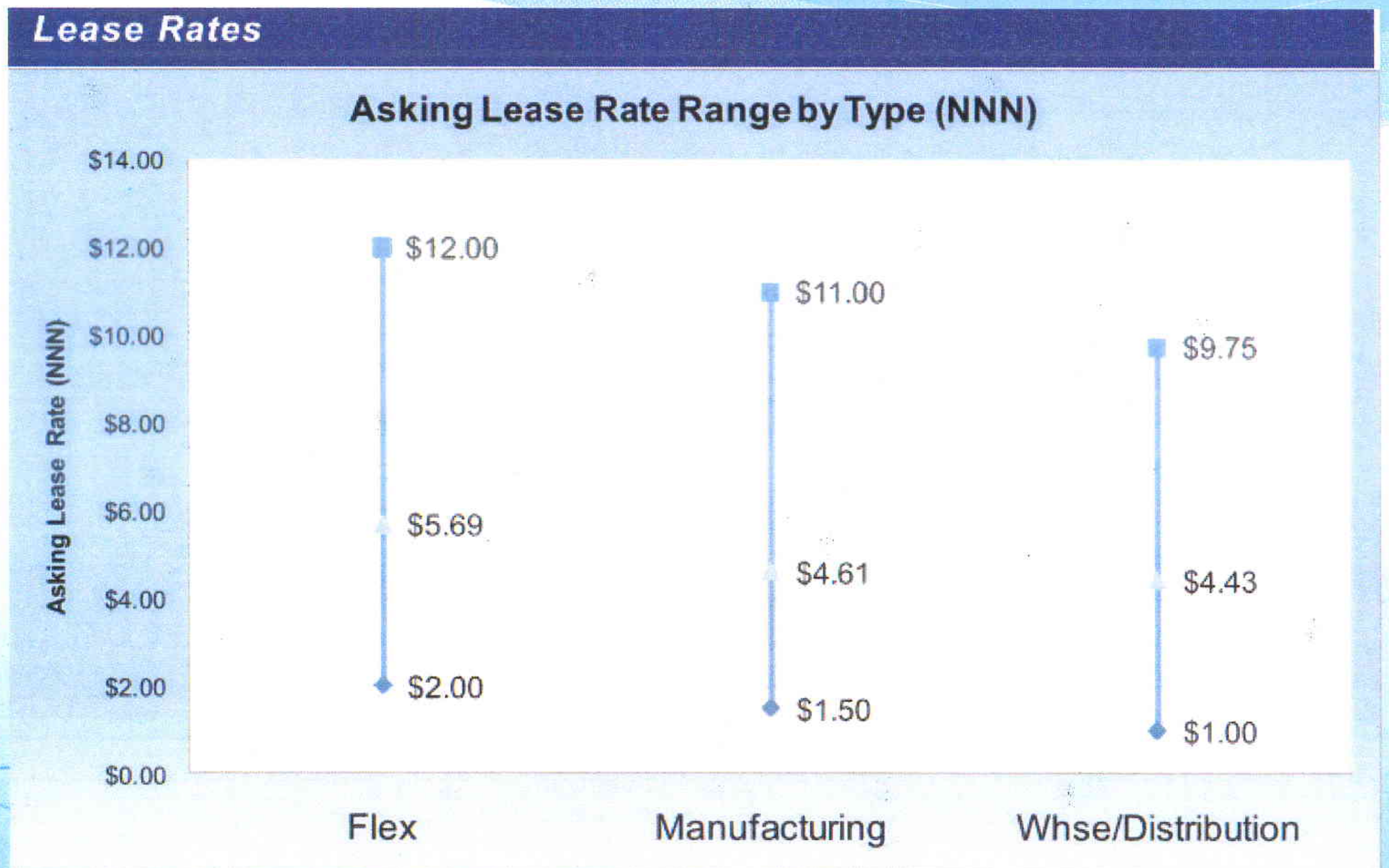
Current Vacancy Levels

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Qtrly Net Absorption (SF)	YTD Net Absorption (SF)
Whse/ Distribution	697	64,976,080	10,370,375	8,355,551	12.9%	8,205,097	12.6%	179,954	777,049	1,691,808
Flex	1,013	44,804,799	5,064,376	3,692,238	8.2%	3,670,938	8.2%	48,329	274,682	206,508
Manufacturing	2,651	157,440,986	11,460,293	8,267,457	5.3%	8,221,545	5.2%	45,912	227,934	967,793
Grand Total	**4,361**	**267,221,865**	**26,895,044**	**20,315,246**	**7.6%**	**20,097,580**	**7.5%**	**274,195**	**1,279,665**	**2,866,109**

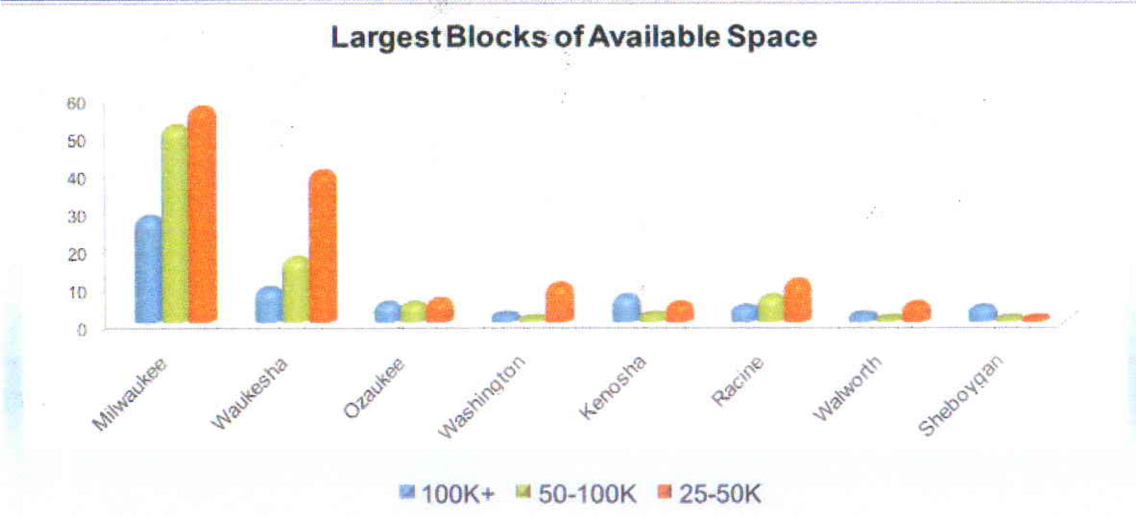

Vacancy Rate by Type
Vacancy Rate (%)
15.0%
13.0%
11.0%
9.0%
7.0%
5.0%
3.0%
1.0%
-1.0%
Flex
Manufacturing
Whse/Distribution


Vacancy Rate by Quarter
Vacancy Rate (%)
10.0%
9.5%
9.0%
8.5%
8.0%
7.5%
7.0%
6.5%
9.2%
8.7%
8.3%
8.1%
7.6%
2010 Q3
2010 Q4
2011 Q1
2011 Q2
2011 Q3

Current Rental Rates



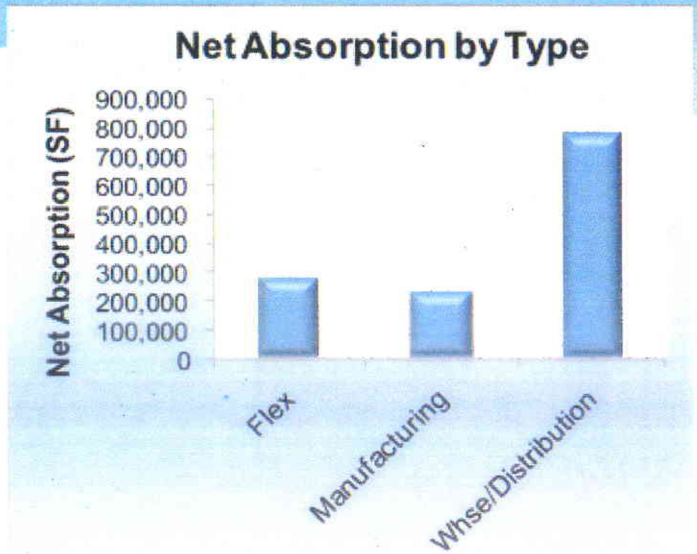
Available Space by Size

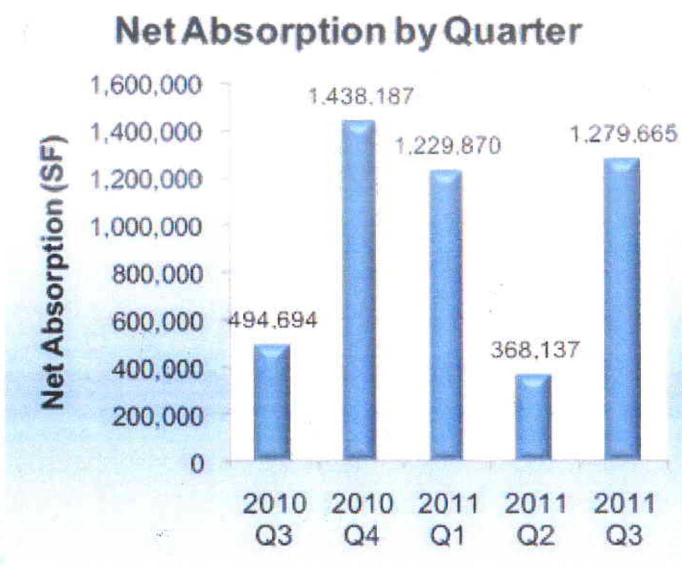


Available Space Historical Comparisons

Quarter	100K+	50-100K	25-50K
2010 Q3	73	85	134
2010 Q4	70	88	127
2011 Q1	64	90	124
2011 Q2	63	94	131
2011 Q3	61	86	135

Absorption of Space into Market





Map Page and Definitions

Market

Terminology

Inventory – The total square feet of all existing single and multi tenant industrial properties greater than 10,000 SF

Total Available SF – All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.

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 physically occupied space from quarter to quarter, expressed in square feet.