

Downtown Milwaukee Class A Narrative Summary: 1st Quarter 2008



Downtown Milwaukee

The downtown Class "A" office market consists of eight buildings comprising approximately 3,336,978 square feet. The buildings included in this submarket are 875 E. Wisconsin, 777 E. Wisconsin, 411 E. Wisconsin, 100 E. Wisconsin, 789 N. Water, 1000 N. Water, 111 E. Kilbourn, and 555 E. Wells Street.

In the first quarter 2008 this submarket saw positive absorption of 65,509 square feet. Year over year, this submarket has seen positive absorption of 109,443 square feet or roughly 3.25%. The health of downtown class "A" can be attributed mainly to two things. First, the health of Milwaukee's larger law firms and financial companies continues to be good. Most of the Class "A" towers downtown benefited from this. Secondly, a "revitalization" of downtown has begun to attract some companies' downtown. Companies such as Roundy's, Manpower, and Infinity Healthcare highlight this list.

This has led to some upward pressure, albeit limited, on rental rates. As occupancy rates continue to increase and more of Milwaukee's

assets trade to national investors, expect rental rates to continue to trend upward. While existing class "A" buildings vacancies may spike up when a new tower is built, do not expect lease rates to trend downward as a result. With construction costs constantly on the rise expect any new towers downtown ask at least a \$5/SF premium over Milwaukee's existing Class "A" assets.

Inland Companies, Inc. Overview

Inland Companies is one of the largest full-service commercial real estate companies in southeastern Wisconsin with offices in Milwaukee and Madison. Inland specializes in Brokerage, Investment Sales, Property Management, Construction, Development and Facility Maintenance. Today, Inland manages and leases over 12,000,000 square feet of office, industrial, retail and multi-family projects at over \$500,000,000 in value.

* Portions of information contained herein were obtained from the 2007 NAIOP Market Update.

Inland is THE choice for many local, regional and national real estate investors, owners and users of commercial real estate.

