



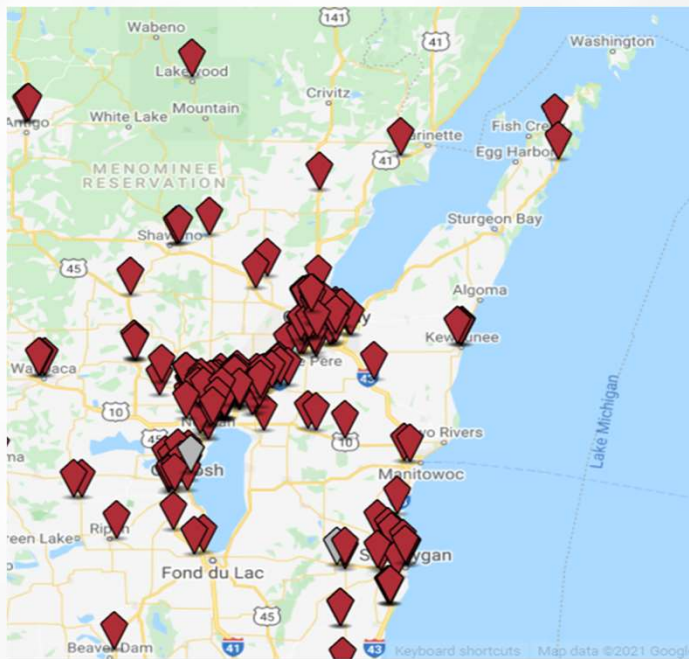
The NE Wisconsin Office Market
September 9, 2021

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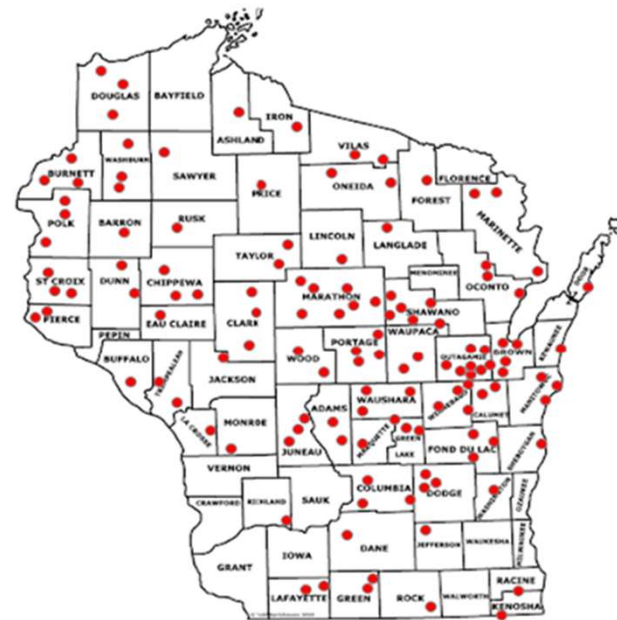
Manny Vasquez
Vice President

About Pfefferle

NAIPfefferle



Pfefferle
MANAGEMENT



NAIPfefferle

The Office Market – New North

INVENTORY SF

31.5M **+0.5%**

Prior Period 31.3M

12 MO NET ABSORPTION SF

(631K) **-22.0%**

Prior Period (517K)

VACANCY RATE

10.2% **+2.5%**

Prior Period 7.7%

MARKET RENT/SF

\$17.55 **+0.7%**

Prior Period \$17.42

MARKET SALE PRICE/SF

\$112 **+4.1%**

Prior Period \$107

MARKET CAP RATE

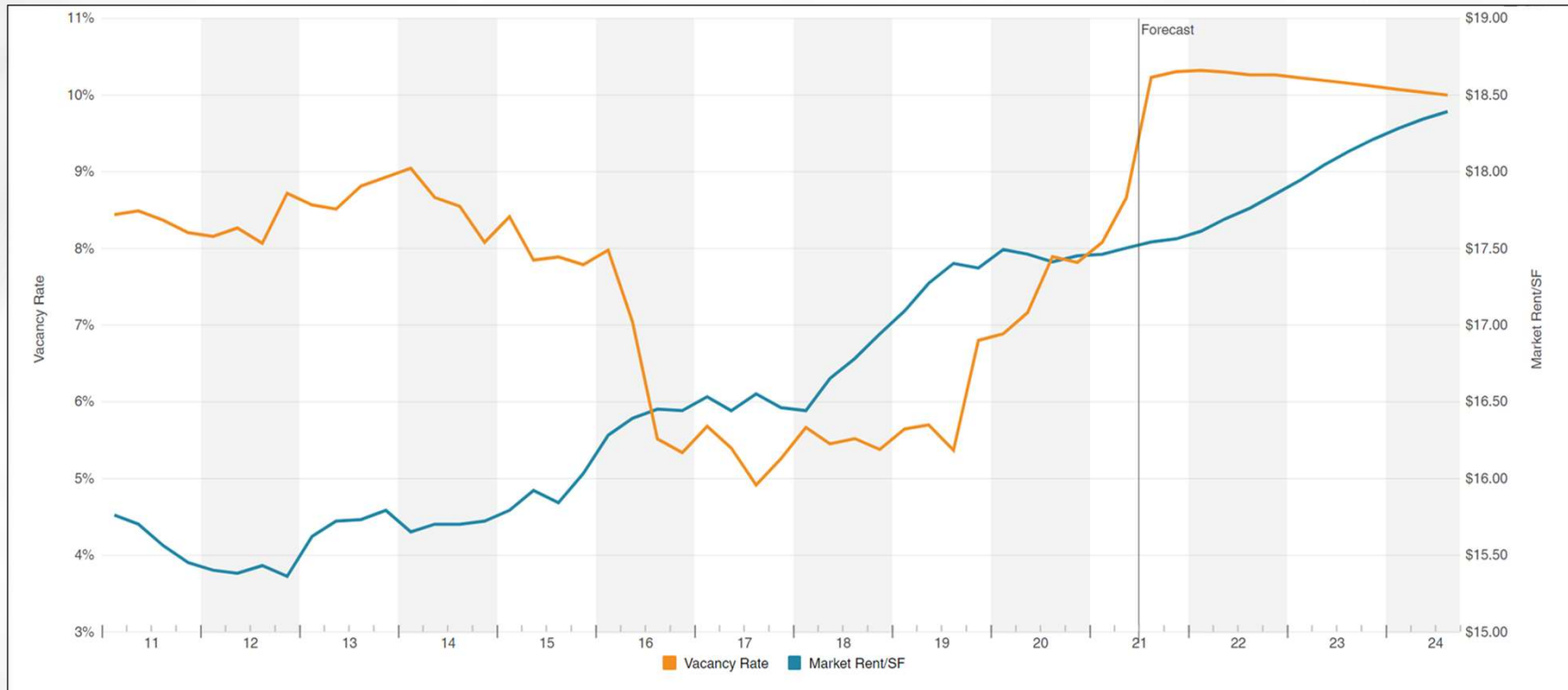
9.8% **-0.2%**

Prior Period 10.0%

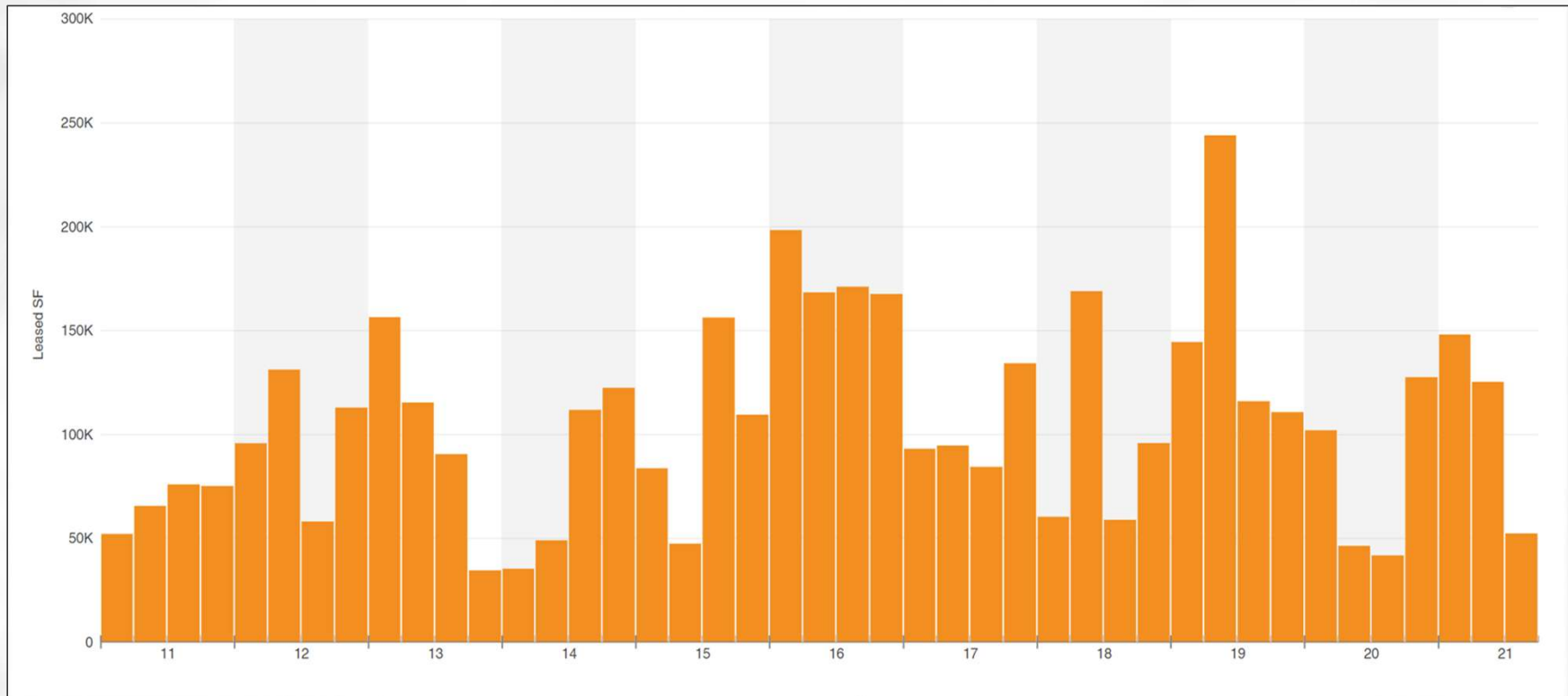


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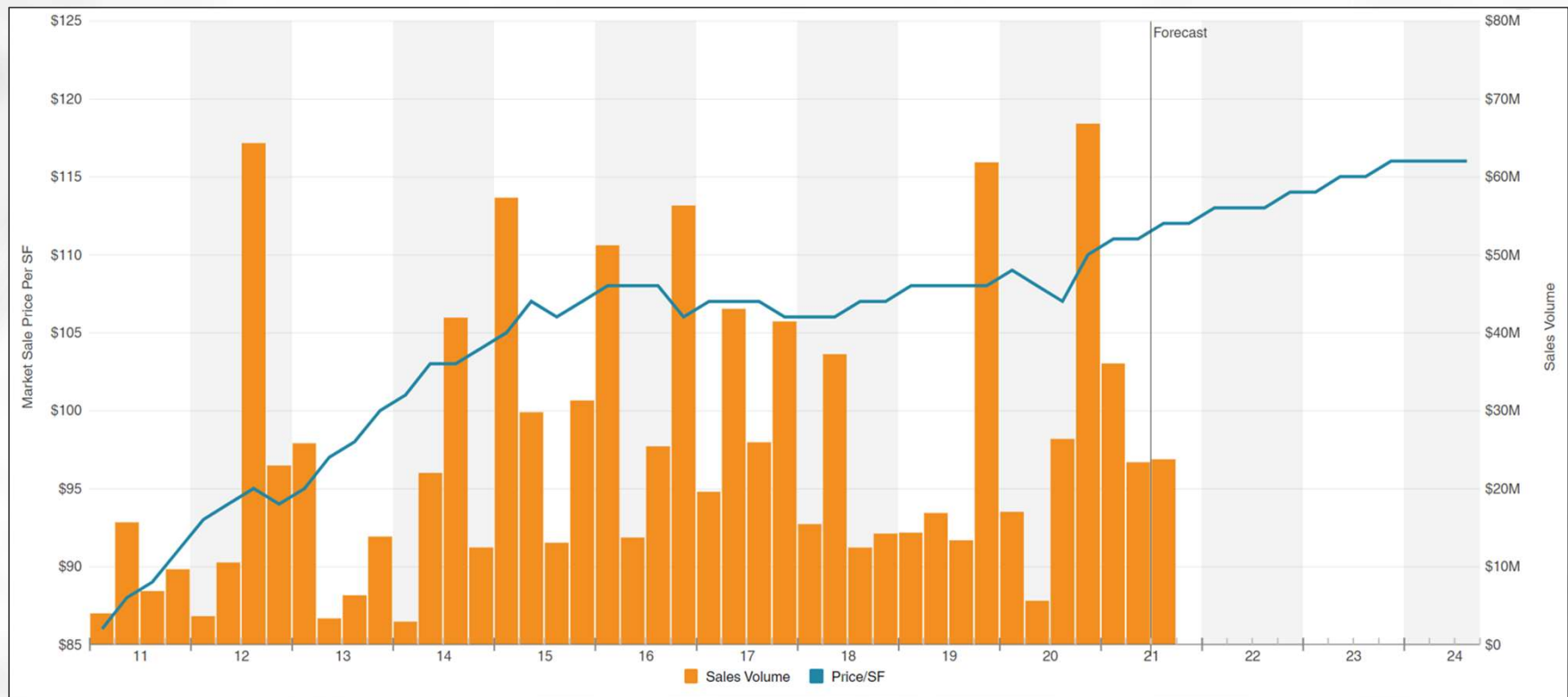
Vacancy & Market Rent



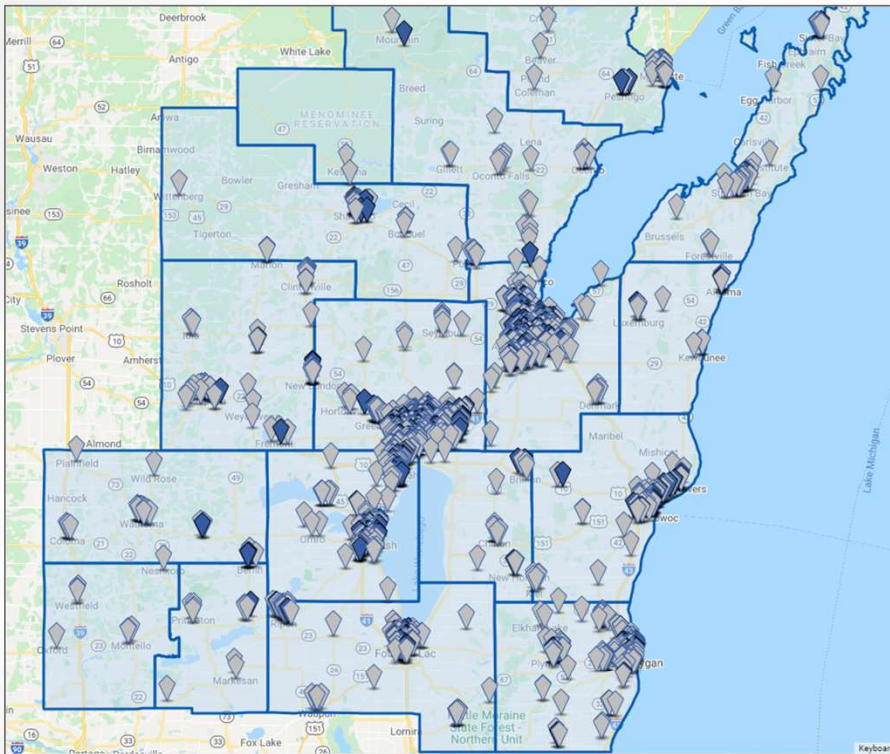
Leasing Activity



Sales Volume & Sale Price



For Lease & For Sale - Trends



- **For Lease:** 6.5M SF / 500+ spaces
 - 40% vacant
 - Months to Lease: 12
 - Market Rent: \$17.55/SF
 - Who's leasing?
- **For Sale:** 4M SF / 200 properties
 - 12 Month Sales: \$2.6M
 - Months to Sale: 8
 - Market Sale Price: \$112/SF
 - Who's buying?

For Lease & For Sale

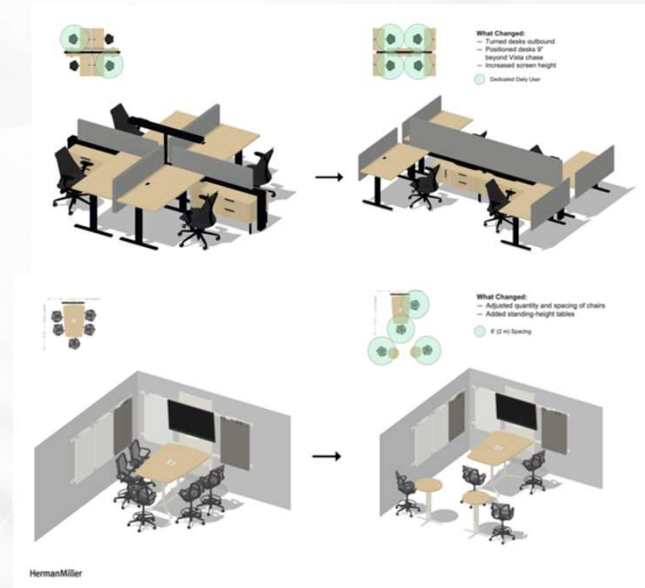


Sold & Leased



The Future of Work

- COVID-19 has expedited pre-pandemic trends
- The office is not dead
- Space will look and feel differently, but it will still play an important role – culture, collaboration, communication, problem-solving, productivity, work/life balance.
- **Flexibility** will be key going forward, as the vast majority of office workers will expect a hybrid work model.
- Increasing vaccination levels will have a big impact on demand
- Lower cost of real estate in smaller markets helps justify space
- Demographic and business trends post-COVID have the potential to benefit secondary and tertiary markets, especially as remote work continues.



Thank you!

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