



4th Quarter 2011

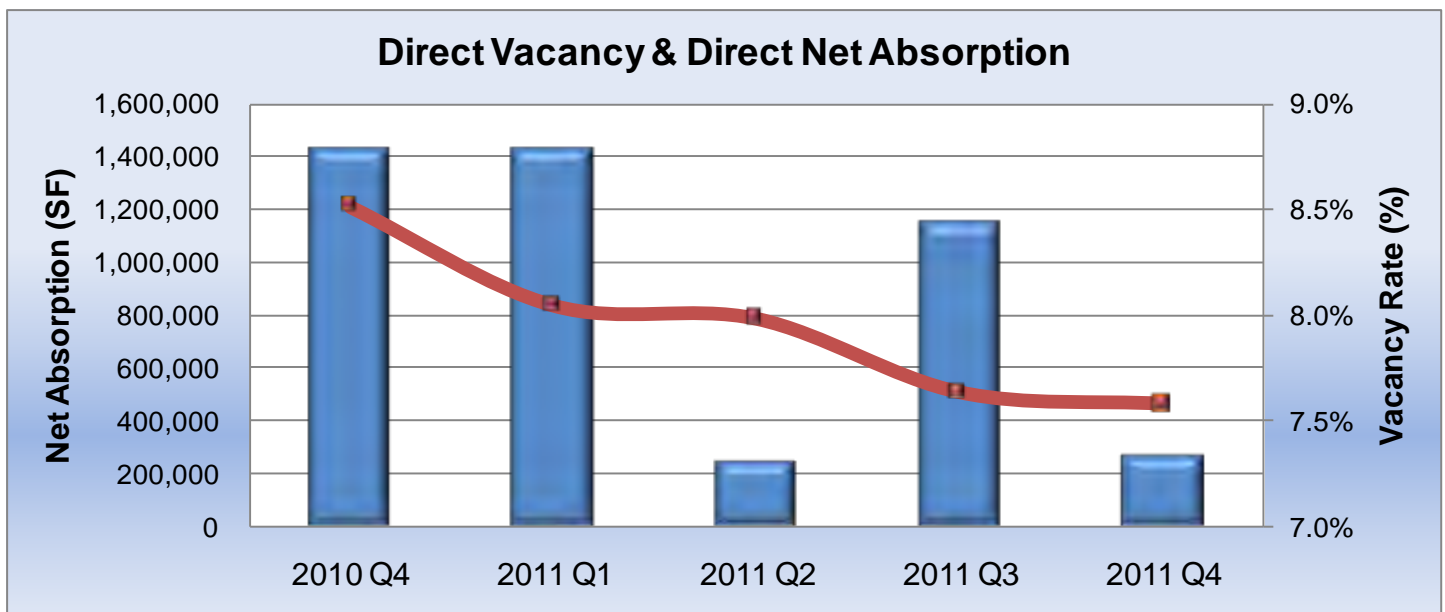
INDUSTRIAL

\$250

Market Highlights

- Milwaukee continues to experience positive quarterly absorption for the sixth quarter in a row with over 270,000 sf absorbed in the 4th Quarter and over 3 Million sf for the Year.
- As a result of the consistent positive absorption, the vacancy rate has dropped from 8.51% at Year-End 2010 to 7.58% at Year-End 2011.
- Asking lease rates have remained relatively constant over the last year.
- The largest absorption was 186,000 sf to Plastics, Inc. at 1501 E Wisconsin St in Delavan, seller was represented by Vytou Barcas and John Henderson of NAI MLG Commercial.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Whse/ Distribution	700	65,383,261	10,184,402	7,935,484	12.1%	9,950,788	7,731,370	11.8%	233,614	129,793	1,968,579
Flex	1,014	44,906,218	5,094,481	3,668,363	8.2%	5,048,181	3,647,063	8.1%	46,300	190,104	381,043
Manufacturing	2,650	157,718,949	11,992,917	8,709,034	5.5%	11,960,175	8,698,802	5.5%	32,742	(49,679)	723,620
Grand Total	4,364	268,008,428	27,271,800	20,312,881	7.6%	26,959,144	20,077,235	7.5%	312,656	270,218	3,073,242



Market Snapshot

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Milwaukee	1,481	95,281,698	12,690,501	9,638,691	10.1%	12,527,649	9,502,839	10.0%	162,852	(139,687)	1,297,083
Downtown	180	12,040,175	1,838,320	1,615,925	13.4%	1,838,320	1,615,925	13.4%	0	(34,927)	(110,811)
Whse/ Distribution	44	2,868,300	744,328	601,828	21.0%	744,328	601,828	21.0%	0	3,200	(79,800)
Flex	8	304,405	64,427	53,427	17.6%	64,427	53,427	17.6%	0	0	0
Manufacturing	128	8,867,470	1,029,565	960,670	10.8%	1,029,565	960,670	10.8%	0	(38,127)	(31,011)
North Central	151	10,759,078	1,377,917	1,124,848	10.5%	1,377,917	1,124,848	10.5%	0	86,133	382,731
Whse/ Distribution	33	3,893,902	857,212	697,212	17.9%	857,212	697,212	17.9%	0	100,283	315,407
Flex	17	727,916	51,265	51,265	7.0%	51,265	51,265	7.0%	0	0	18,496
Manufacturing	101	6,137,260	469,440	376,371	6.1%	469,440	376,371	6.1%	0	(14,150)	48,828
North Shore	104	7,604,171	1,507,831	993,990	13.1%	1,488,031	974,190	12.8%	19,800	34,368	192,647
Whse/ Distribution	26	2,367,707	721,195	691,195	29.2%	721,195	691,195	29.2%	0	0	234,754
Flex	18	958,354	340,300	112,725	11.8%	320,500	92,925	9.7%	19,800	0	(13,375)
Manufacturing	60	4,278,110	446,336	190,070	4.4%	446,336	190,070	4.4%	0	34,368	(28,732)
Northwest	344	18,593,846	2,012,634	1,527,422	8.2%	2,012,634	1,527,422	8.2%	0	67,575	434,679
Whse/ Distribution	77	5,881,639	1,190,220	971,170	16.5%	1,190,220	971,170	16.5%	0	(1,328)	306,347
Flex	70	3,030,310	217,422	217,422	7.2%	217,422	217,422	7.2%	0	16,303	63,065
Manufacturing	197	9,681,897	604,992	338,830	3.5%	604,992	338,830	3.5%	0	52,600	65,267
South	360	23,587,477	3,035,304	1,964,487	8.3%	2,902,484	1,858,667	7.9%	132,820	4,362	509,834
Whse/ Distribution	101	8,047,507	1,269,188	725,865	9.0%	1,137,868	621,545	7.7%	131,320	(52,460)	288,813
Flex	96	4,614,707	795,705	498,059	10.8%	794,205	496,559	10.8%	1,500	25,595	166,868
Manufacturing	163	10,925,263	970,411	740,563	6.8%	970,411	740,563	6.8%	0	31,227	54,153
South Central	161	10,288,571	1,462,249	1,240,743	12.1%	1,462,249	1,240,743	12.1%	0	27,781	(19,052)
Whse/ Distribution	45	2,677,242	693,797	618,991	23.1%	693,797	618,991	23.1%	0	0	(33,000)
Flex	16	702,050	62,215	62,215	8.9%	62,215	62,215	8.9%	0	5,000	(19,169)
Manufacturing	100	6,909,279	706,237	559,537	8.1%	706,237	559,537	8.1%	0	22,781	33,117
West	181	12,408,380	1,456,246	1,171,276	9.4%	1,446,014	1,161,044	9.4%	10,232	(324,979)	(92,945)
Whse/ Distribution	25	2,713,280	385,470	385,470	14.2%	385,470	385,470	14.2%	0	0	161,800
Flex	31	1,873,732	163,142	92,902	5.0%	163,142	92,902	5.0%	0	48,822	67,767
Manufacturing	125	7,821,368	907,634	692,904	8.9%	897,402	682,672	8.7%	10,232	(373,801)	(322,512)
Waukesha	1,489	69,392,940	5,324,502	3,530,370	5.1%	5,248,492	3,479,370	5.0%	76,010	33,963	948,491
Northeast	491	20,972,233	1,545,874	1,093,520	5.2%	1,520,864	1,093,520	5.2%	25,010	19,696	364,983
Whse/ Distribution	50	3,768,255	191,606	118,380	3.1%	189,106	118,380	3.1%	2,500	0	70,790
Flex	203	8,158,790	574,979	439,703	5.4%	574,979	439,703	5.4%	0	6,801	212,151
Manufacturing	238	9,045,188	779,289	535,437	5.9%	756,779	535,437	5.9%	22,510	12,895	82,042
Northwest	329	17,789,574	1,417,622	823,643	4.6%	1,407,622	813,643	4.6%	10,000	25,914	503,658
Whse/ Distribution	66	6,335,514	396,596	240,915	3.8%	386,596	230,915	3.6%	10,000	58,048	339,383
Flex	80	2,491,602	216,054	151,257	6.1%	216,054	151,257	6.1%	0	11,155	(2,005)
Manufacturing	183	8,962,458	804,972	431,471	4.8%	804,972	431,471	4.8%	0	(43,289)	166,280
Southeast	307	14,834,449	1,210,083	883,714	6.0%	1,169,083	842,714	5.7%	41,000	(55,959)	49,883
Whse/ Distribution	37	3,161,360	271,750	239,750	7.6%	230,750	198,750	6.3%	41,000	(41,000)	(1,417)
Flex	47	1,935,662	370,298	307,071	15.9%	370,298	307,071	15.9%	0	1,096	(1,331)
Manufacturing	223	9,737,427	568,035	336,893	3.5%	568,035	336,893	3.5%	0	(16,055)	52,631
Southwest	362	15,796,684	1,150,923	729,493	4.6%	1,150,923	729,493	4.6%	0	44,312	29,967
Whse/ Distribution	47	3,167,773	330,360	238,668	7.5%	330,360	238,668	7.5%	0	(9,000)	63,125
Flex	130	3,928,468	508,918	261,005	6.6%	508,918	261,005	6.6%	0	10,872	(25,742)
Manufacturing	185	8,700,443	311,645	229,820	2.6%	311,645	229,820	2.6%	0	42,440	(7,416)

Market Snapshot [continued on next page]

Market Snapshot [continued]

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Direct Available (SF)	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
Ozaukee	178	12,865,672	1,771,344	1,563,826	12.2%	1,746,344	1,563,826	12.2%	25,000	50,550	118,439
Whse/ Distribution	15	1,302,562	402,046	337,046	25.9%	402,046	337,046	25.9%	0	36,650	167,650
Flex	50	2,518,003	609,848	532,130	21.1%	584,848	532,130	21.1%	25,000	1,500	(53,099)
Manufacturing	113	9,045,107	759,450	694,650	7.7%	759,450	694,650	7.7%	0	12,400	3,888
Washington	322	19,345,294	1,348,049	1,073,246	5.5%	1,306,955	1,032,152	5.3%	41,094	22,600	181,212
Whse/ Distribution	43	3,501,996	558,794	544,994	15.6%	517,700	503,900	14.4%	41,094	16,200	20,840
Flex	151	6,400,946	437,147	282,193	4.4%	437,147	282,193	4.4%	0	6,400	26,547
Manufacturing	128	9,442,352	352,108	246,059	2.6%	352,108	246,059	2.6%	0	0	133,825
Kenosha	204	21,007,862	2,611,163	2,262,457	10.8%	2,603,463	2,254,757	10.7%	7,700	6,112	33,955
Whse/ Distribution	34	7,603,940	1,592,106	1,328,466	17.5%	1,584,406	1,320,766	17.4%	7,700	0	23,604
Flex	28	2,172,479	133,918	133,918	6.2%	133,918	133,918	6.2%	0	(4,440)	82,142
Manufacturing	142	11,231,443	885,139	800,073	7.1%	885,139	800,073	7.1%	0	10,552	(71,791)
Racine	384	28,565,269	1,943,595	1,040,091	3.6%	1,943,595	1,040,091	3.6%	0	111,863	533,945
Whse/ Distribution	27	4,272,988	501,034	151,034	3.5%	501,034	151,034	3.5%	0	0	38,533
Flex	24	2,029,439	237,015	161,243	7.9%	237,015	161,243	7.9%	0	61,000	145,228
Manufacturing	333	22,262,842	1,205,546	727,814	3.3%	1,205,546	727,814	3.3%	0	50,863	350,184
Walworth	170	8,789,087	476,643	377,886	4.3%	476,643	377,886	4.3%	0	184,817	261,617
Whse/ Distribution	13	1,371,630	19,200	0	0.0%	19,200	0	0.0%	0	19,200	51,750
Flex	17	868,633	11,328	11,328	1.3%	11,328	11,328	1.3%	0	0	0
Manufacturing	140	6,548,824	446,115	366,558	5.6%	446,115	366,558	5.6%	0	165,617	209,867
Sheboygan	136	12,760,606	1,106,003	826,314	6.5%	1,106,003	826,314	6.5%	0	0	(301,500)
Whse/ Distribution	17	2,447,666	59,500	44,500	1.8%	59,500	44,500	1.8%	0	0	0
Flex	28	2,190,722	300,500	300,500	13.7%	300,500	300,500	13.7%	0	0	(286,500)
Manufacturing	91	8,122,218	746,003	481,314	5.9%	746,003	481,314	5.9%	0	0	(15,000)
Grand Total	4,364	268,008,428	27,271,800	20,312,881	7.6%	26,959,144	20,077,235	7.5%	312,656	270,218	3,073,242

Historical Snapshot

	Direct Vacancy Rate %					Asking Direct Lease Rate (NNN)				
	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4
Kenosha	10.69%	10.76%	10.67%	10.56%	10.73%	\$5.60	\$5.53	\$5.18	\$5.04	\$5.38
Whse/Distribution	17.68%	19.06%	17.37%	17.37%	17.37%	\$4.49	\$4.49	\$4.41	\$4.41	\$4.38
Flex	9.95%	5.96%	5.96%	5.96%	6.16%	\$7.74	\$7.00	\$7.00	\$6.33	\$7.25
Manufacturing	6.08%	6.04%	7.02%	6.82%	7.12%	\$5.21	\$5.83	\$4.91	\$4.91	\$5.09
Milwaukee	11.46%	10.35%	10.30%	9.86%	9.97%	\$4.44	\$4.39	\$4.40	\$4.42	\$4.44
Whse/Distribution	21.24%	17.88%	17.75%	16.49%	16.12%	\$4.13	\$4.06	\$4.07	\$4.07	\$4.08
Flex	10.32%	9.24%	9.78%	9.52%	8.74%	\$5.24	\$5.16	\$5.20	\$5.51	\$5.51
Manufacturing	6.61%	6.65%	6.53%	6.47%	7.05%	\$4.47	\$4.43	\$4.38	\$4.23	\$4.26
Ozaukee	13.08%	13.77%	14.11%	12.55%	12.16%	\$5.22	\$5.25	\$5.41	\$5.66	\$5.78
Whse/Distribution	38.75%	38.75%	42.66%	28.69%	25.88%	\$3.25	\$3.25	\$3.25	\$3.38	\$3.38
Flex	19.13%	22.00%	21.69%	21.19%	21.13%	\$7.08	\$7.03	\$6.93	\$7.23	\$7.52
Manufacturing	7.71%	7.90%	7.91%	7.82%	7.68%	\$4.65	\$4.84	\$5.25	\$5.13	\$4.38
Racine	4.90%	3.47%	3.58%	4.06%	3.64%	\$4.36	\$4.42	\$4.35	\$4.41	\$4.07
Whse/Distribution	5.02%	2.97%	4.00%	4.00%	3.53%	\$3.75	\$4.13	\$4.13	\$4.13	\$4.13
Flex	6.64%	2.07%	2.07%	12.04%	7.95%	\$4.50	\$4.50	\$4.50	\$5.64	\$4.97
Manufacturing	4.74%	3.66%	3.64%	3.42%	3.27%	\$4.42	\$4.45	\$4.37	\$4.20	\$3.92
Sheboygan	4.11%	6.49%	6.49%	6.48%	6.48%	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Whse/Distribution	1.82%	1.82%	1.82%	1.82%	1.82%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Flex	0.64%	13.81%	13.81%	13.72%	13.72%	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Manufacturing	5.74%	5.93%	5.93%	5.93%	5.93%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Walworth	7.28%	6.69%	6.55%	6.40%	4.30%	\$4.69	\$4.81	\$4.69	\$4.67	\$4.30
Whse/Distribution	3.77%	0.00%	0.00%	1.40%	0.00%	\$3.50	\$0.00	\$0.00	\$4.00	\$4.00
Flex	1.30%	1.30%	1.30%	1.30%	1.30%	\$4.88	\$4.88	\$4.88	\$4.88	\$4.88
Manufacturing	8.80%	8.80%	8.62%	8.13%	5.60%	\$4.81	\$4.81	\$4.67	\$4.72	\$4.27
Washington	5.99%	6.50%	6.48%	5.45%	5.34%	\$5.11	\$5.22	\$5.14	\$5.10	\$5.16
Whse/Distribution	15.07%	15.07%	15.27%	14.85%	14.39%	\$5.13	\$5.13	\$5.30	\$6.50	\$6.50
Flex	4.81%	6.36%	6.22%	4.51%	4.41%	\$5.50	\$5.74	\$5.74	\$5.43	\$5.43
Manufacturing	3.42%	3.42%	3.40%	2.61%	2.61%	\$4.26	\$4.26	\$4.13	\$4.08	\$4.22
Waukesha	5.83%	5.51%	5.29%	5.02%	5.01%	\$5.60	\$5.56	\$5.54	\$5.44	\$5.43
Whse/Distribution	6.72%	6.41%	5.98%	5.09%	4.79%	\$5.56	\$5.48	\$5.38	\$5.48	\$5.56
Flex	6.39%	7.74%	8.09%	7.22%	7.02%	\$5.98	\$5.92	\$6.02	\$5.79	\$5.79
Manufacturing	5.19%	4.11%	3.71%	4.00%	4.21%	\$5.27	\$5.25	\$5.08	\$5.07	\$5.06
Grand Total	8.45%	7.99%	7.93%	7.58%	7.49%	\$4.99	\$4.96	\$4.93	\$4.90	\$4.91

Lease Rates

Asking Lease Rate Range by Type (NNN)

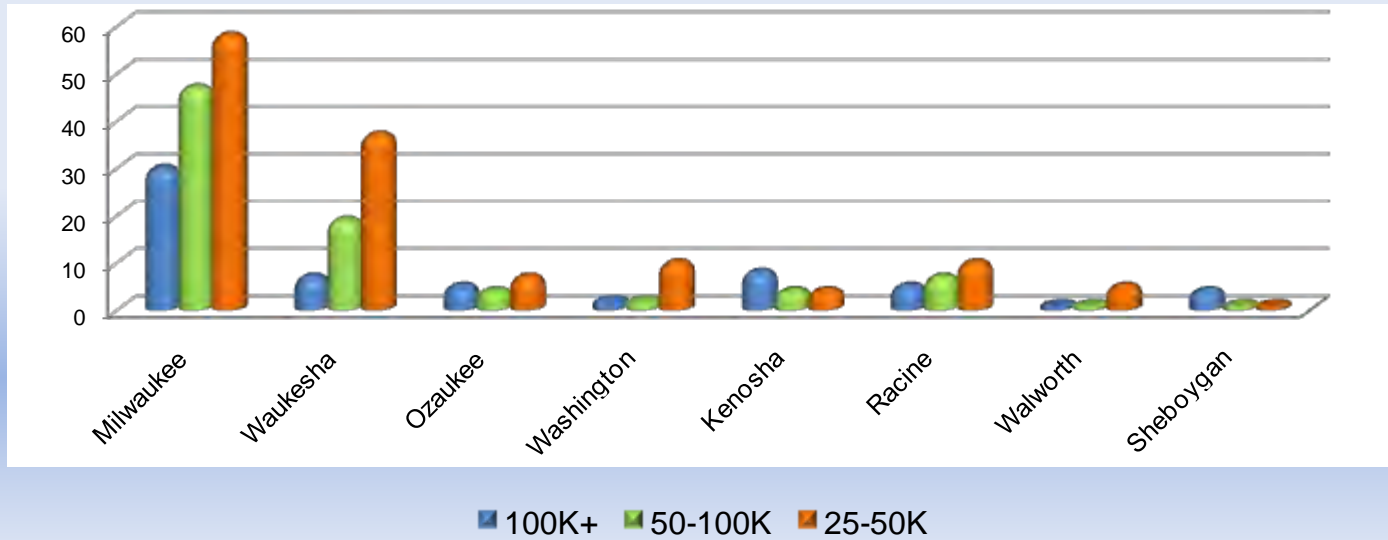


Largest Changes in Occupancy

Property Name	SF Occupied or Vacated	Company Name	Market	Type
1501 E Wisconsin St	186,000	Plastics, Inc	Walworth	Manufacturing
2500 W Cornell St	100,283	Nakayla LLC	Milwaukee	Whse/Distribution
1800 S Sylvania Ave	61,000	Aniaxter	Racine	Flex
N26W23445 Paul Rd	55,098	Midwest	Waukesha	Whse/Distribution
1535 S 101st St	51,680	Zimmer CBD Investment	Milwaukee	Manufacturing
1577 11th Ave	51,563	Unco/Cadam Industries LLC	Racine	Manufacturing
5695 W Franklin Dr	50,870	LGO	Milwaukee	Flex
600 Perkins Dr	50,000	CI Banker Wire & Iron Works	Waukesha	Manufacturing
5821 5th Ave	(52,121)		Kenosha	Manufacturing
Franklin Park Industrial Center II, West Bldg A	(53,660)	CEVA	Milwaukee	Whse/Distribution
1200 W 2nd St	(57,424)		Waukesha	Manufacturing
11700 W Capitol Dr	(394,840)	Harley-Davidson	Milwaukee	Manufacturing

Available Space by Size

Largest Blocks of Available Space

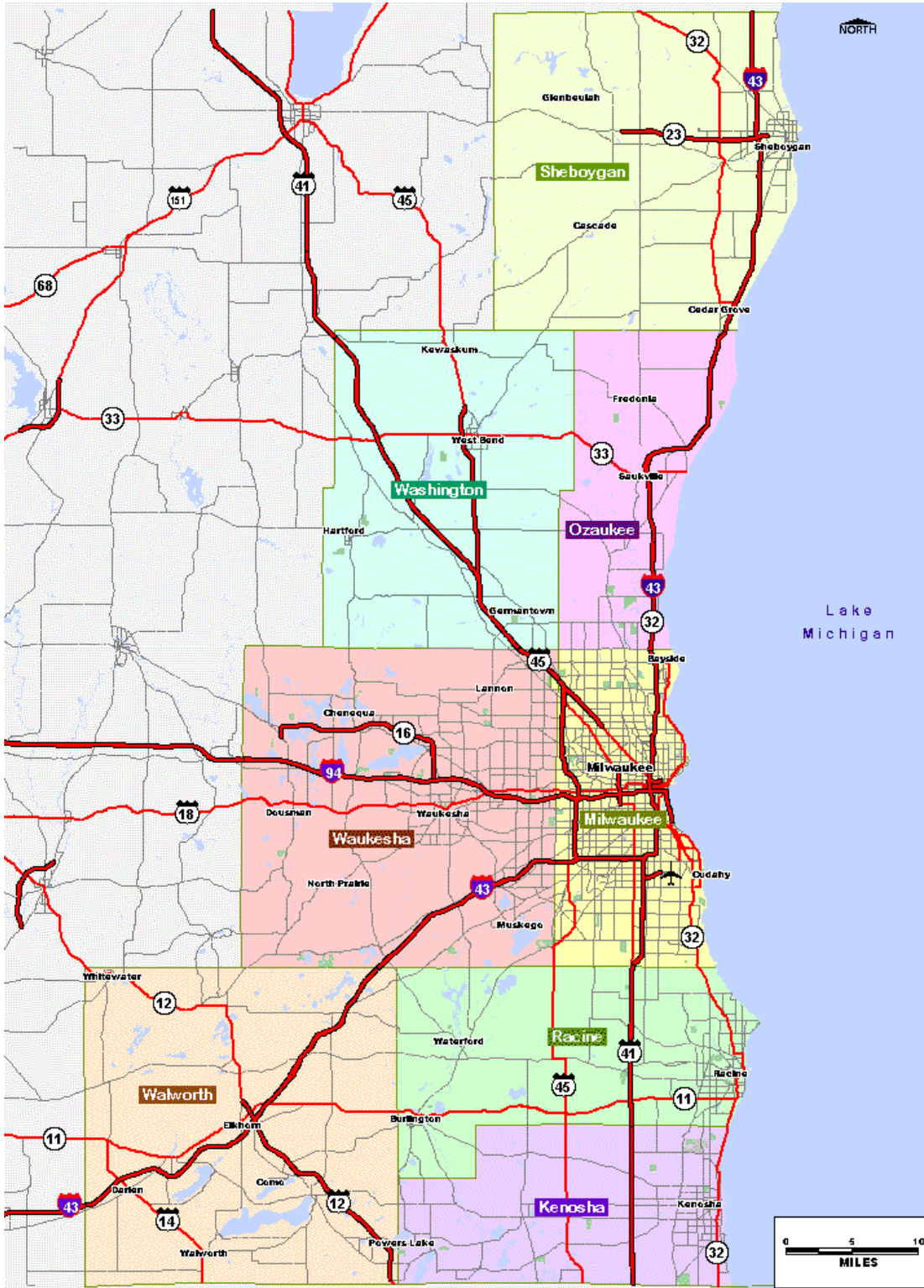


Available Space Historical Comparisons

Quarter	100K+	50-100K	25-50K
2010 Q4	68	89	130
2011 Q1	62	91	127
2011 Q2	61	97	132
2011 Q3	63	90	133
2011 Q4	62	85	132

Notable Transactions

Property Name	SF Leased or Sold	Company Name	Market	Type	Lease/Sale
1900 W Cornell St	243,056	Share Corp	Milwaukee	Manufacturing	Sale
1501 E Wisconsin St	186,300	Plastics, Inc	Walworth	Manufacturing	Sale
2500 W Cornell St	100,283	Nakayla LLC	Milwaukee	Whse/Distribution	Sale
6030 N 60th St	64,110	Cutting Edge Tech	Milwaukee	Manufacturing	Sale
1800 S Sylvania Ave	61,000	Aniaxter	Racine	Flex	Lease
N26W23445 Paul Rd	55,098	Midwest	Waukesha	Whse/Distribution	Lease
1535 101st St	51,680	Zimmer CBD Investment	Milwaukee	Manufacturing	Sale
1577 11th Ave	51,563	Unco/Cadam Industries LLC	Racine	Manufacturing	Sale
17100 W Ryerson Rd	50,325	Luterbach	Waukesha	Flex	Sale



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.

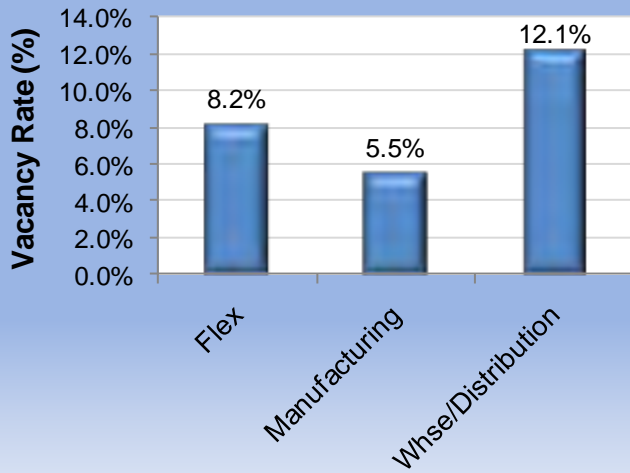
Direct Vacant SF – The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.

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.

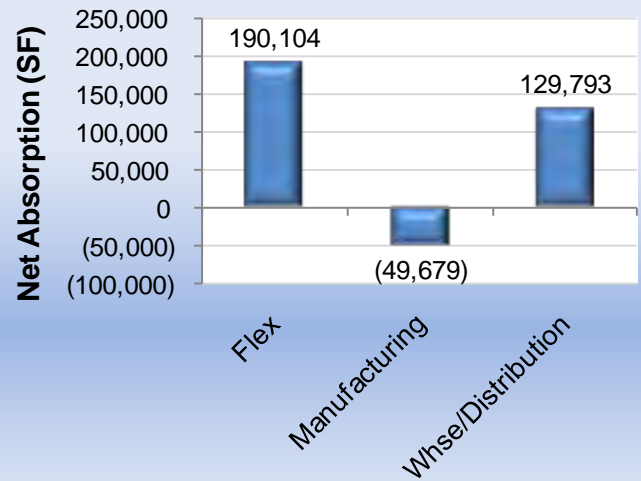
Net Absorption – The net change in physically occupied space from quarter to quarter, expressed in square feet.

Vacancy & Absorption Trends

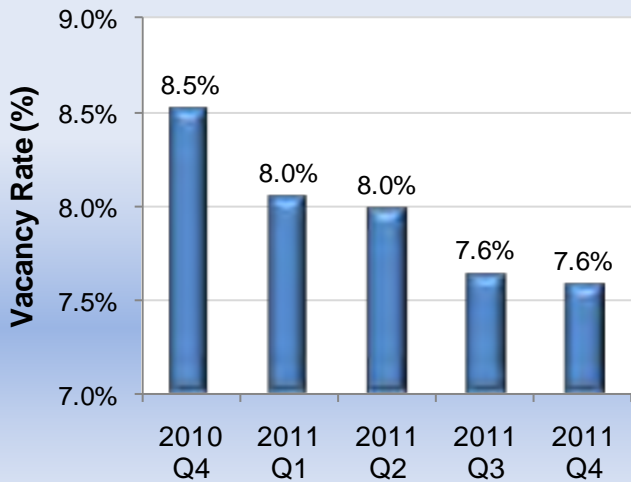
Vacancy Rate by Type



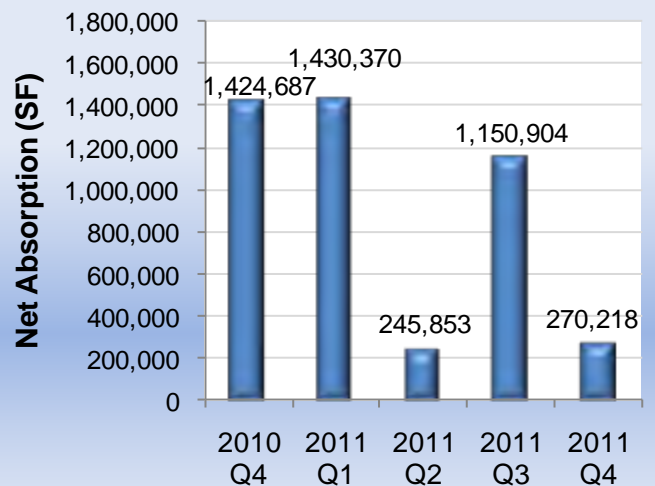
Net Absorption by Type



Vacancy Rate by Quarter



Net Absorption by Quarter



Milwaukee Industrial Sales Activity

Year	# of Transactions	RBA SF	Sales Revenue	Price/SF
2006	235	10,035,644	\$357,000,000	\$35.57
2007	228	13,503,705	\$416,900,000	\$30.87
2008	162	6,843,468	\$241,500,000	\$35.29
2009	97	3,933,090	\$152,900,000	\$38.88
2010	134	6,785,393	\$247,700,000	\$36.50
2011	215	13,010,525	\$455,904,965	\$39.96

This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

For additional information about this report or to discuss membership in Xceligent please contact

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