



FEATURED: DAKOTA DRIVE BUILD-TO-SUIT

In 2022, the Luther Group acquired the 71,540 SF facility at 2395 Dakota Drive in Grafton and subsequently leased it to Matrix Packaging. In order to address the low available inventory in the Northern submarket, LG recently announced plans to build an additional 50,270 SF build-to-suit building on the excess land at the site.

MARKET SNAPSHOT

	Absorption	Vacancy	Avg. Lease Rate	Under Construction
OVERALL	↑ 2,310,493	↓ 5.66%	↓ \$6.34	↓ 2,540,025
CENTRAL	↑ (256,934)	↑ 7.56%	↑ \$5.99	↑ 846,539
NORTHERN	↑ 368,485	↓ 2.17%	↓ \$5.77	↑ 660,150
SOUTHERN	↑ 1,969,027	↓ 11.21%	↑ \$7.80	↓ 553,564
WESTERN	↑ 229,915	↓ 0.83%	↑ \$7.86	↑ 439,772

Arrows denote change from previous quarter

SUBMARKET HIGHLIGHTS

CENTRAL

MILWAUKEE COUNTY

- [OpenPath Logistics LLC](#) purchased the 211,000 SF industrial facility situated on 8.6 acres at 620 E Vienna Avenue in Milwaukee’s Riverwest neighborhood for \$9.9 million. An affiliate of C.H. Coakley, a current occupant of the building, sold the property as part of a sale/leaseback transaction. Aeroforce Logistics is also a Tenant at the building.
- In development news, [Palermo’s Pizza](#) announced it is planning to build a new 200,000 SF manufacturing facility in the village of West Milwaukee -- three miles from their corporate HQ.

NORTHERN

SHEBOYGAN, OZAUKEE & WASHINGTON COUNTIES

- Inventory remains low in the Northern submarket with a vacancy rate of 2.17%. Six small buildings totaling 285,654 square feet were added to inventory this quarter. Demand for space remains strong with an average asking lease rate of \$5.99/SF.
- [Three Leaf Partners](#) is taking advantage of the low inventory by breaking ground on its 100-acre mixed-use business park development in the Village of Slinger. Located off I-41 and Highway 60, Founders 3 is representing the four pad sites totaling 65.6-acres that are slated for industrial development; with an estimated square footage potential of 1,010,000 square feet.

SOUTHERN

RACINE & KENOSHA COUNTIES

- [Microsoft](#) begins construction on its newly announced \$3.3 billion development for new data center, acquiring over 1,300 acres of land.
- [Uline](#) moves into their new 1.4 million SF distribution facility; accounting for 75% of the positive absorption in the submarket this quarter. Uline also broke ground on their HQ4 office building.
- [Dermody Properties](#) celebrated the groundbreaking of the WestRock Company build-to-suit at LogistiCenter in Pleasant Prairie.

WESTERN

WALWORTH & WAUKESHA COUNTIES

- The City of Jefferson, which is typically outside of our tracked Western submarket parameters, made a splash in Q2 with Toyko-based [Kikkoman Corp.](#) announcing a new \$560 million production facility as well as a \$240 expansion at its current brewing plant in Walworth. Additionally, [Nestlé Purina](#) announced a \$195 million expansion of their Jefferson facility; proving that Jefferson County may becoming a new hot spot for industrial development in WI.
- In other news, Brookfield-based [2000 Development Corp.](#) is planning a 225,000 SF speculative development in Pewaukee at the Northeast corner of Redford Blvd and Lindsay Rd.

NOTABLE SALE TRANSACTIONS

LOCATION	SUBMKT	SALE PRICE	PSF	BLDG. SF
W251 N5350 Business Drive	Western	\$15,985,400	\$106.56	150,002
16900 Pheasant Drive	Western	\$8,050,000	\$59.98	134,207
1190 Corporate Center Drive	Western	\$6,960,000	\$174.73	39,831
7900 Durand Avenue	Southern	\$6,000,000	\$103.89	57,750
3275 E Layton Avenue	Central	\$5,500,000	\$133.75	41,120
434 W Edgerton Avenue	Central	\$5,000,000	\$65.55	76,268
W128 N8600 Old Orchard Road	Western	\$3,000,000	\$104.47	28,716
3830 County Hwy H	Northern	\$1,350,000	\$58.02	23,267

NOTABLE LEASE TRANSACTIONS

LOCATION	SUBMKT	TENANT	SF
3303 W Oakwood Road	Central	Microbial Discovery Group	117,000
19200 Willow Creek Way	Northern	Valstar	65,000
103 Hill Court	Western	Wild Impact Marketing	52,000
13505 Louis Sorenson Pkwy	Southern	CAD Industries	41,250
13301 4 Mile Road	Southern	Ontrac	66,705
10411 80th Avenue	Southern	Doheny	38,558
5151 W State Street	Central	MacArthur Insulation	29,241
16250 W Rogers Drive	Western	Schroeder Moving Solutions	18,241

Property Type	Buildings	Building Size	Q2 Total Available (SF)	Q2 Total Vacant (SF)	Q2 Vacancy Rate (%)	Q2 Total Absorption (SF)	Q2 Avg Lease Rate
CENTRAL:	1,698	122,253,025	11,510,242	9,236,441	7.56%	(256,934)	\$5.99
Flex/R&D	59	3,126,870	659,905	593,557	18.98%	9,835	\$7.04
Manufacturing	663	60,311,190	5,448,899	4,445,276	7.37%	(238,395)	\$5.29
Warehouse - Distribution	284	35,155,647	3,264,933	2,667,784	7.59%	19,288	\$6.30
Warehouse Office	692	23,659,318	2,136,505	1,529,824	6.47%	(47,662)	\$6.00
NORTHERN:	1,008	72,913,112	2,145,482	1,583,188	2.17%	368,485	\$5.77
Flex/R&D	39	1,267,089	119,505	71,727	5.66%	26,814	\$8.57
Manufacturing	501	43,720,717	712,889	590,717	1.35%	20,655	\$5.45
Warehouse - Distribution	127	18,204,698	913,950	699,921	3.84%	319,011	\$5.50
Warehouse Office	341	9,720,608	399,138	220,823	2.27%	2,005	\$8.04
SOUTHERN:	722	91,615,828	11,019,676	10,274,260	11.21%	1,969,027	\$7.80
Flex/R&D	21	1,380,953	230,072	20,410	1.48%	9,004	\$8.25
Manufacturing	294	25,501,928	293,011	300,553	1.18%	35,227	\$7.25
Warehouse - Distribution	195	57,108,532	9,693,901	9,468,553	16.58%	1,931,344	\$5.67
Warehouse Office	212	7,624,415	802,692	484,744	6.36%	(6,548)	\$7.39
WESTERN:	1,984	100,320,689	3,070,739	832,938	0.83%	229,915	\$7.86
Flex/R&D	176	7,355,240	412,258	180,277	2.45%	(17,212)	\$8.84
Manufacturing	714	47,196,266	1,612,865	290,196	0.61%	88,000	\$4.44
Warehouse - Distribution	188	21,755,910	572,796	112,550	0.52%	97,367	\$7.74
Warehouse Office	906	24,013,273	472,820	249,915	1.04%	61,760	\$7.10
TOTALS	5,412	387,102,654	27,746,139	21,926,827	5.66%	2,310,493	\$6.34

Source: Data provided by Moody's Analytics and augmented by Founders 3 Real Estate Services

FOR MORE DETAILED MARKET DATA, A VALUATION OF YOUR PROPERTY, AN ANALYSIS OF YOUR LEASE, OR SPACE REQUIREMENTS, PLEASE CONTACT A FOUNDERS 3 PROFESSIONAL BELOW.

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