

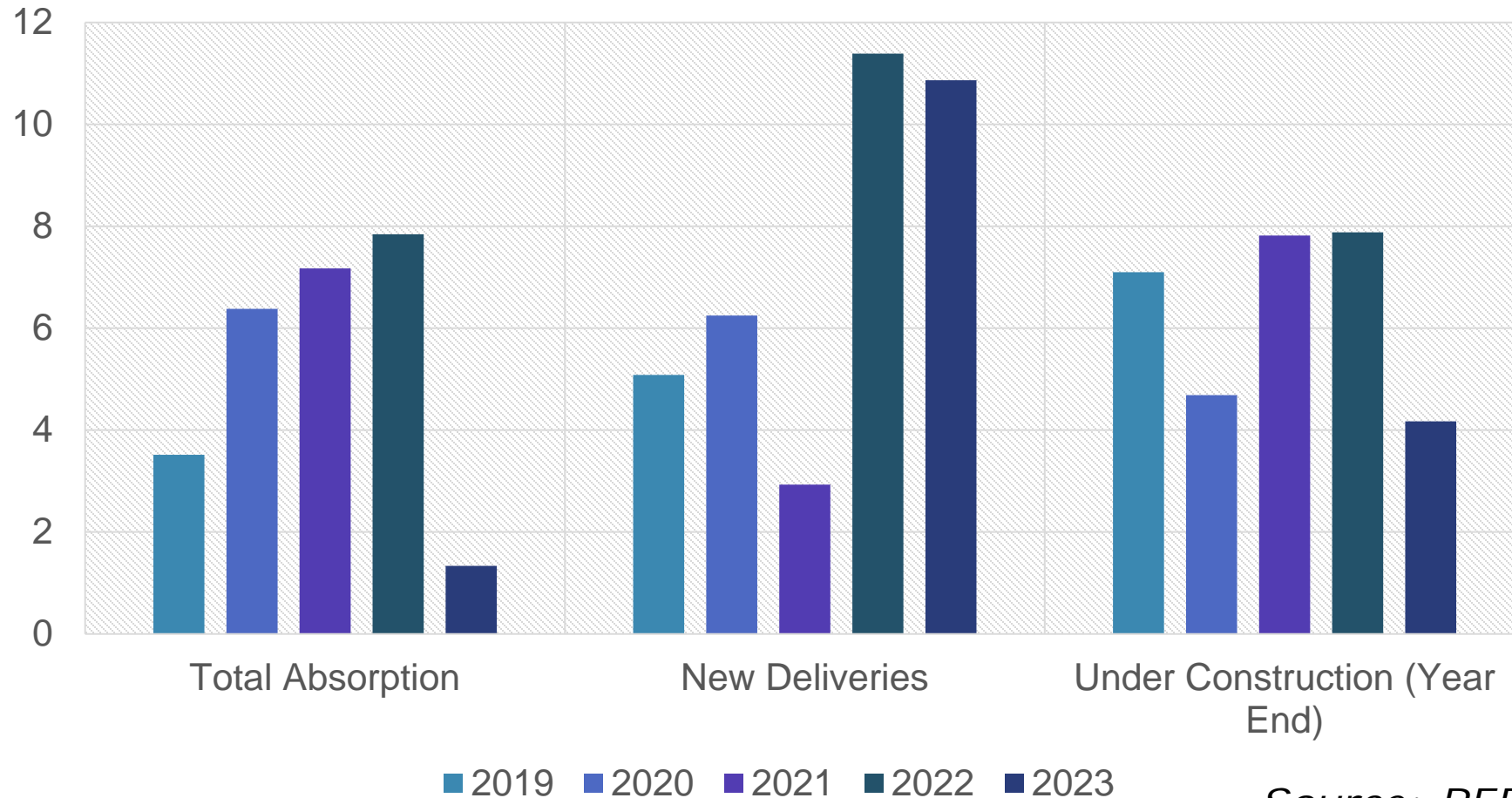


2024 Industrial Market Forecast

Matt Friedman
PARADIGM Real Estate



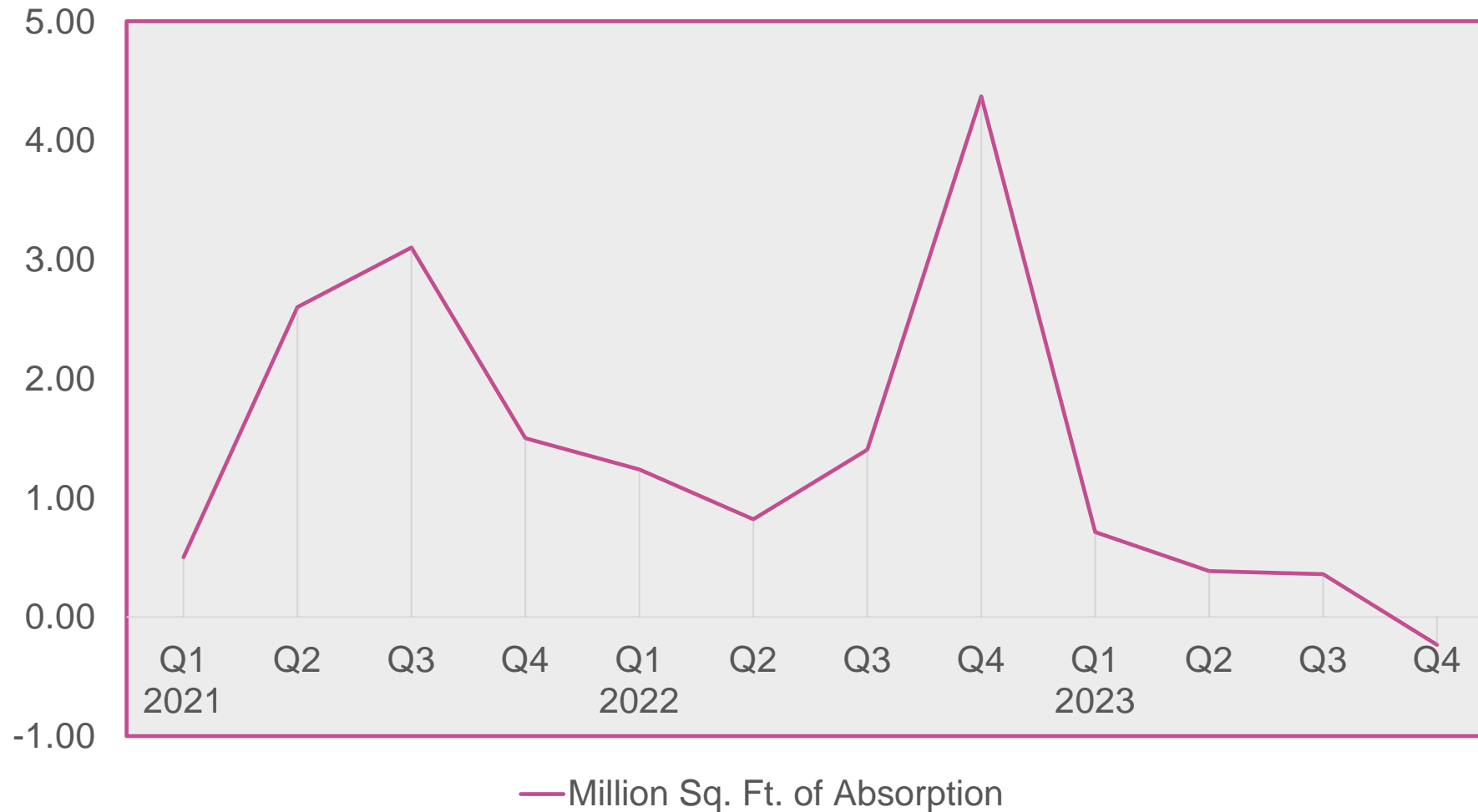
Market Absorption and Development (Millions of Sq. Ft.)



Source: REDIComps/CARW

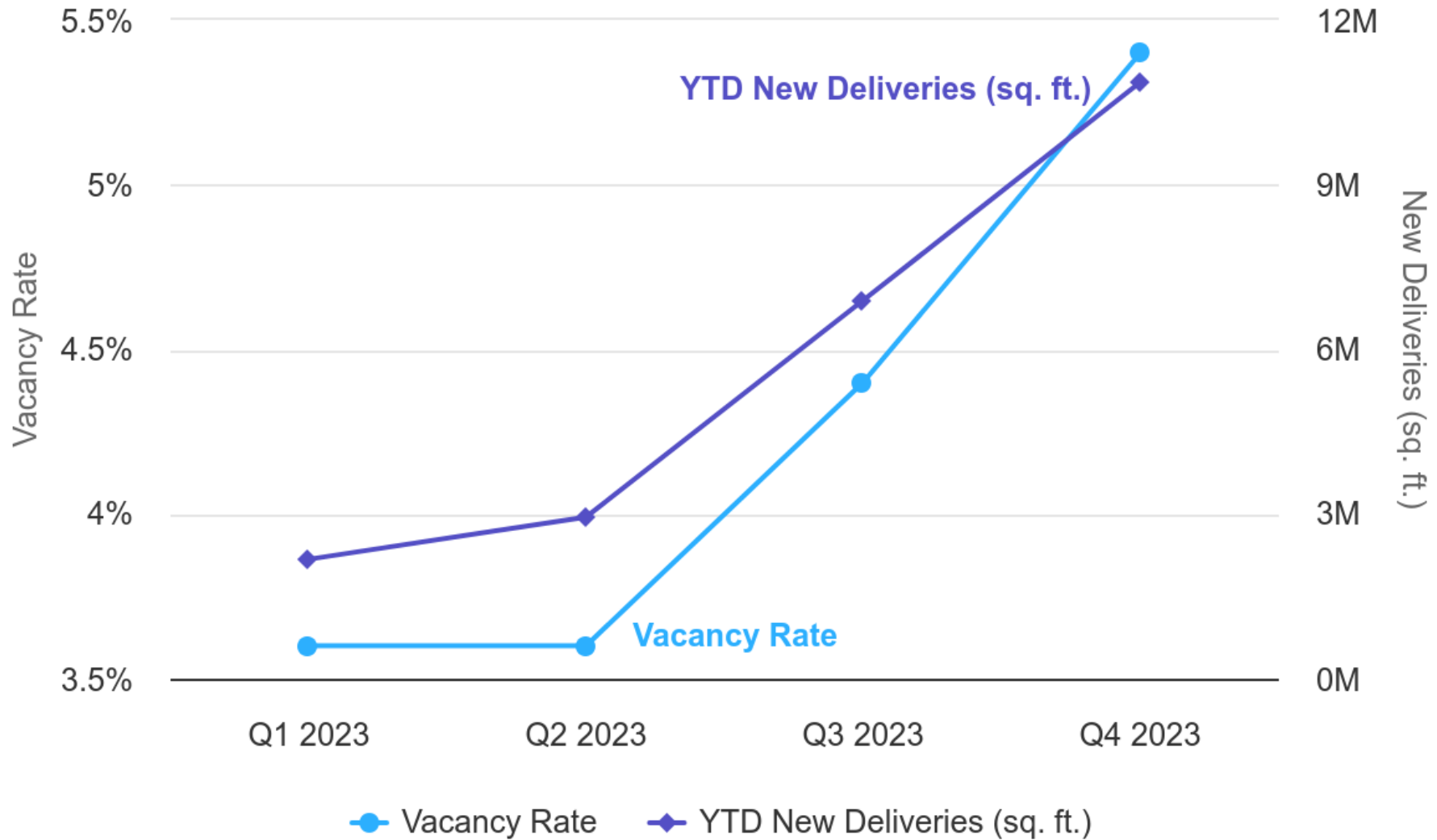
Absorption By Quarter

(Millions of Sq. Ft.)



Source: REDComps/CARW

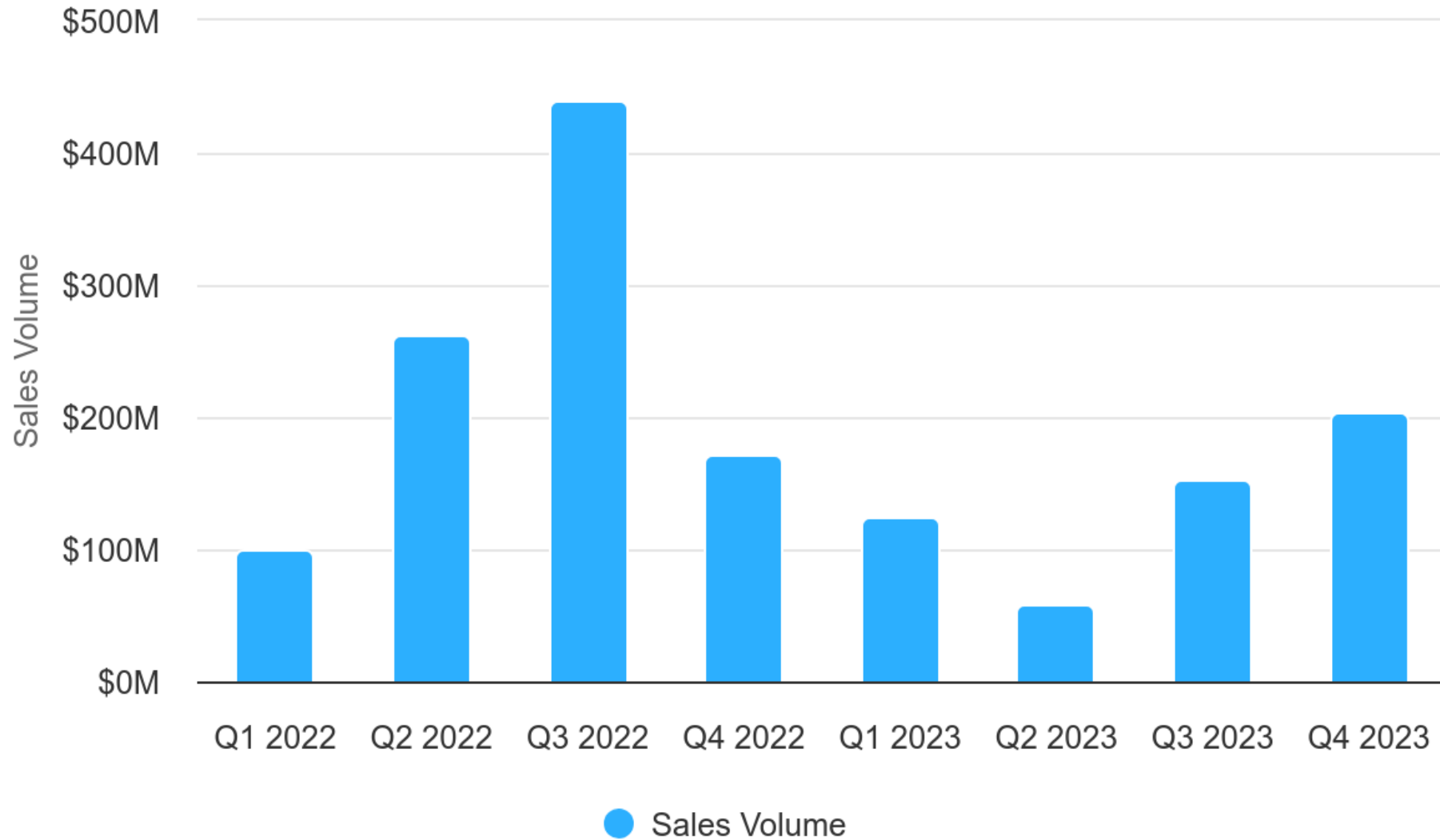
Correlation of Vacancy Rates and New Deliveries



Highcharts.com

Source: REDIComps/CARW

Total Sales Volume by Quarter



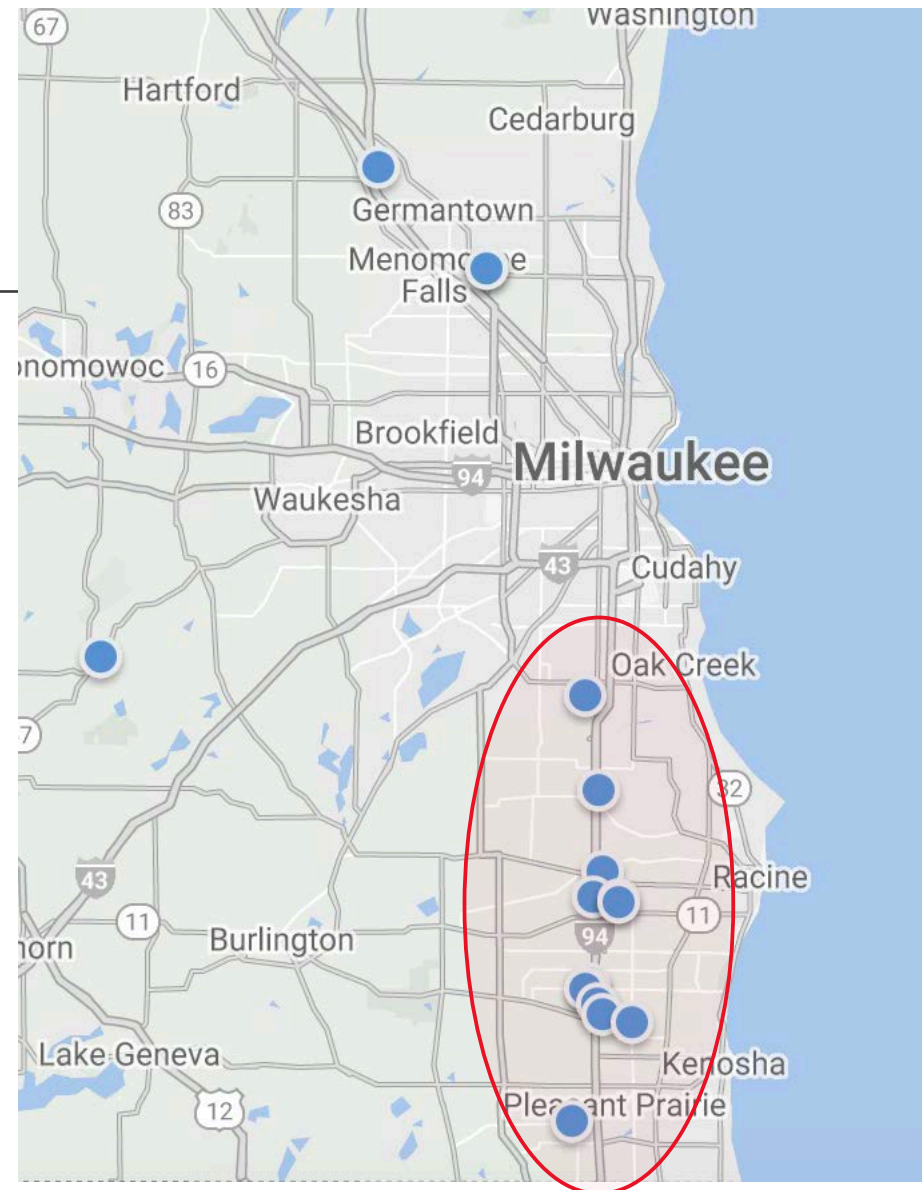
Highcharts.com

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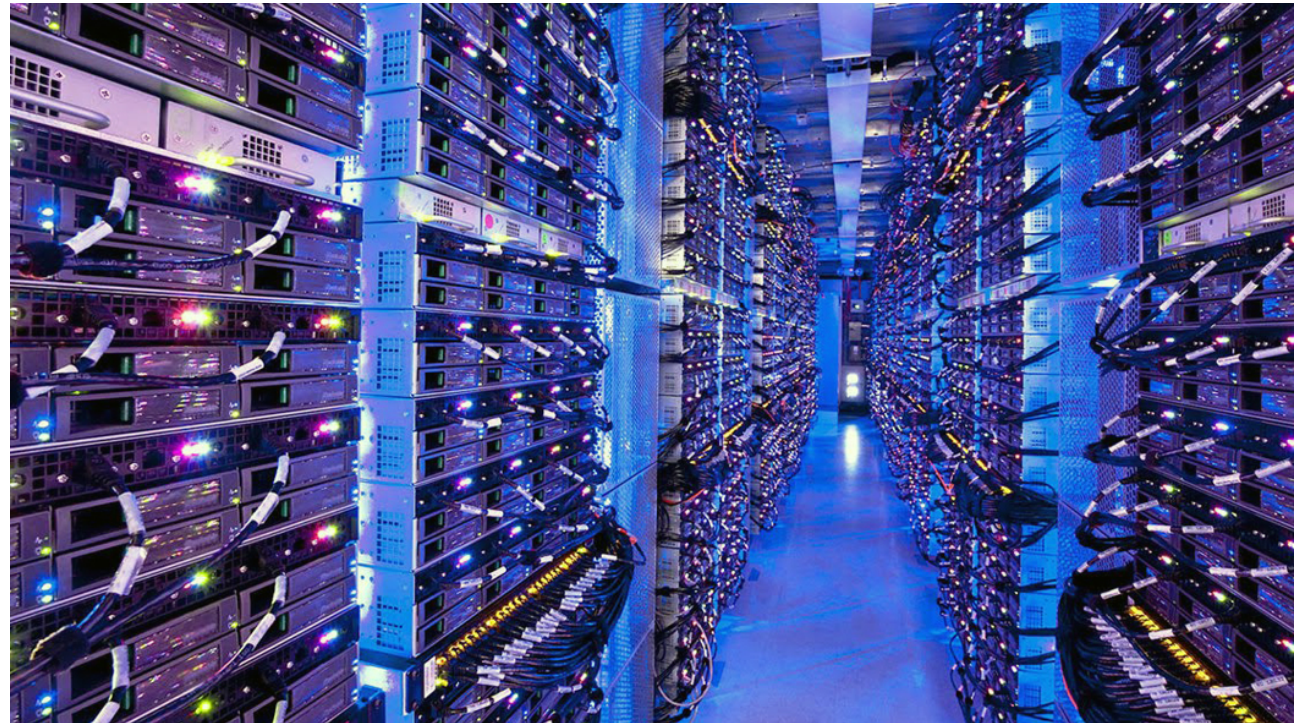
I-94 Corridor

- Uline leases 1M sq. ft. in Bristol, more on the way
- Kenco leases 443,000 sq. ft. from Scannell
- 5.85M sq. ft. of new deliveries listed for lease
- 94% of available new product is in I-94 corridor



Microsoft Data Center

- \$1B Microsoft data center coming to Mt. Pleasant
- Purchased 1,345 acres for \$226M
- All land part of the TID created for Foxconn



Shift to Manufacturing

- ABB expands in New Berlin (*pictured*)
- Vilter Manufacturing leased 419,000 sq. ft. in Cudahy
- Zero Zone leased 183,000 sq. ft. in Mukwonago
- Motis leased 157,000 sq. ft. in Germantown
- CNH Industrial leased 125,000 sq. ft. in Racine



Photo Credit: Briohn Building Corp.

Owner/User Sales



- S.C. Johnson purchases neighboring property for \$21.85M



- Former Transpak building in Franklin sold to Yaskawa America for \$20.3M



- ThermTech acquires 90,000 sq. ft. in New Berlin for \$8,725,000



- Urban Manufacturing purchases 80,000 sq. ft. former Pentair facility in Brookfield for \$4.9M

What's Next?



Photo Credit: Milwaukee Business Journal

- Green Bay Packaging building \$60M facility in Germantown
- Saputo Cheese (*pictured*) doubling down in Franklin – 311,000 sq. ft.
- Johnson Controls expanding in Glendale
- Frontline Commercial building 430,000 sq. ft. in Oak Creek
- More spec coming to Germantown: 3 buildings, 878,000 sq. ft. under construction

STELLANTIS

KOMATSU

**Master
Lock**

RegalRexnord



5 million square feet available

Friedman's 2024 Forecast

- Vacancy rate will rise higher as more new deliveries come online, but stabilize by second half of the year
- Transaction volume will soar 50% as interest rates fall
- Absorption will stabilize, at least doubling 2023's numbers
- At least one major mixed-use redevelopment gets announced for a former industrial campus

Thank You!



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