OFFERING
MEMORANDUM

Drone Footage



N20W22951 Watertown Rd, Waukesha, WI 53186

Pewaukee Crossings

WAUKESHA, WI

Marcus & Millichap

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Marcus & Millichap

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www.marcusmillichap.com

Broker Disclosure to Non-Residential Customers

WISCONSIN REALTORS® ASSOCIATION
4801 Forest Run Road
Madison, Wisconsin 53704

BROKER DISCLOSURE TO CLIENTS

NOTE: THE DISCLOSURES CONCERNING AGENCY RELATIONSHIPS THAT A BROKER MUST GIVE TO A CLIENT WERE REVISED BY 2005 WIS. ACT 87. THIS DISCLOSURE DOCUMENT REFLECTS THE LAW IN EFFECT BEGINNING 1-1-06.

UNDER WISCONSIN LAW, A BROKER OWES CERTAIN DUTIES TO ALL PARTIES TO A TRANSACTION:

- The duty to provide brokerage services to you fairly and honestly.
- The duty to exercise reasonable skill and care in providing brokerage services to you.
- The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless disclosure of the information is prohibited by law.
- The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is prohibited by law. **(See Lines 28-37)**
- The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the confidential information of other parties. **(See Lines 71-89)**
- The duty to safeguard trust funds and other property the broker holds.
- The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

BECAUSE YOU HAVE ENTERED INTO AN AGENCY AGREEMENT WITH A BROKER, YOU ARE THE BROKER'S CLIENT. A BROKER OWES ADDITIONAL DUTIES TO A CLIENT.

- The broker will provide, at your request, information and advice on real estate matters that affect your transaction, unless you release the broker from this duty.
- The broker must provide you with all material facts affecting the transaction, not just adverse facts.
- The broker will fulfill the broker's obligations under the agency agreement and fulfill your lawful requests that are within the scope of the agency agreement.
- The broker will negotiate for you, unless you release the broker from this duty.
- The broker will not place the broker's interests ahead of your interests. The broker will not, unless required by law, give information or advice to other parties who are not the broker's clients, if giving the information or advice is contrary to your interests.

If you become involved in a transaction in which another party is also the broker's client (a "multiple representation relationship"), different duties may apply.

DEFINITION OF MATERIAL ADVERSE FACTS

A "material adverse fact" is defined in Wis. Stat. § 452.01(5g) as an adverse fact that a party indicates is of such significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision about the terms of such a contract or agreement.

An "adverse fact" is defined in Wis. Stat. § 452.01(1e) as a condition or occurrence that a competent licensee generally recognizes will significantly and adversely affect the value of the property, significantly reduce the structural integrity of improvements to real estate, or present a significant health risk to occupants of the property; or information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or agreement made concerning the transaction.

MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY

A multiple representation relationship exists if a broker has an agency agreement with more than one client who is a party in the same transaction. In a multiple representation relationship, if all of the broker's clients in the transaction consent, the broker may provide services to the clients through designated agency.

Designated agency means that different salespersons employed by the broker will negotiate on behalf of you and the other client or clients in the transaction, and the broker's duties will remain the same. Each salesperson will provide information, opinions, and advice to the client for whom the salesperson is negotiating, to assist the client in the negotiations. Each client will be able to receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client advantages in the negotiations over the broker's other clients. A salesperson will not reveal any of your confidential information to another party unless required to do so by law.

If a designated agency relationship is not in effect you may authorize or reject a multiple representation relationship. If you authorize a multiple representation relationship the broker may provide brokerage services to more than one client in a transaction but neither the broker nor any of the broker's salespersons may assist any client with information, opinions, and advice which may favor the interests of one client over any other client. If you do not consent to a multiple representation relationship the broker will not be allowed to provide brokerage services to more than one client in the transaction.



PEWAUKEE CROSSINGS

WAUKESHA, WI

BROKER OF RECORD

Todd Lindblom
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Brookfield, WI 53005
(262) 364-1900
Todd.lindblom@marcusmillichap.com

Marcus & Millichap



PEWAUKEE
CROSSINGS

WAUKESHA, WI

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PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 1

Executive Summary

OFFERING SUMMARY

SUMMARY OF TERMS

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

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OFFERING SUMMARY

PEWAUKEE CROSSINGS

Total Price
$2,200,000

Cap Rate (Actual / Pro Forma)	5.67% / 10.81%
NOI (Actual / Pro Forma)	$124,818 / $237,748
Gross Leasable Area	15,722 +/- SF
Lot Size	2.09 +/- Acres
Price per SF	$139.93
Number of Buildings	1
Lease Type	NNN, Gross
Year Built	2006
Occupancy	60.37%
Avg. Rent/SF	$20.89

SUMMARY OF TERMS

INTEREST OFFERED

Fee simple interest in Pewaukee Crossings, a 15,722 +/- square-foot, multi tenant retail strip center located at N20W22951 Watertown Rd, Waukesha, WI 53186.

TERMS OF SALE

Pewaukee Crossings is offered at $2,200,000.

PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. However, all property tours must be arranged with the listing agents. **At no time shall the tenants, on-site management or staff be contacted without prior approval**.

Marcus & Millichap



PEWAUKEE CROSSINGS

N20W22951 Watertown Rd, Waukesha, WI 53186

Market Snapshot

The subject property is located at the southeast corner of Highway F (34,700 VPD) and Watertown Rd. (10,400 VPD) in Waukesha, WI, a city in Waukesha County – this area is a dense retail and office corridor. Waukesha has a residential population of 72,489 people and is located 17.5 miles west of Downtown Milwaukee - Waukesha is a part of the Milwaukee MSA. Waukesha County consists of over 232,000 employees with a mix of national, Fortune 100, and local retail, office, and industrial tenants. Major industries that make up the local economy include manufacturing, retail trade, and healthcare & assistance. Largest private sector employers include Kohl's, Prohealth Care, Target, UPS, and Harley-Davidson.

Investment Overview

This offering provides a unique value-add opportunity from both a lease-up and future development standpoint. The existing strip center is currently 61% occupied that sits on 2.0 acres offered at a 5.67% Cap Rate while the pro-forma shows a 10.81% Cap Rate. This is an excellent opportunity to add value through lease up in a growing, and very affluent Waukesha County. An additional 1.5 acres of vacant land adjacent to the subject property can be purchased separately – contact listing brokers for supplemental details. The strip center is anchored by Jimmy John's and has an additional mix of local retail tenants including a restaurant and fitness center. The West End Cap has a drive-thru lane – current access into the center is right-in-right-out, however the owner already has a quote to give full access to the center.

INVESTMENT HIGHLIGHTS

Waukesha County 2017 Unemployment Rate Under 3% | Fortune 100 Companies Like Walmart, Microsoft, Etc.

Lake Country Commons | Proposal for 2,500 Seat Baseball Stadium and Two Multifamily Buildings Totaling 200 Units Less Than 5-Miles From Subject Property | $85M Investment

Average Household Income Within a 1-Mile Radius is $121,620

Daytime Population Within a 3-Mile (5-Mile) Radius is 56,295 (159,122) | Subject Property is Surrounded by Commercial Business Parks

Significant Value-Add Opportunity Through Lease Up With National and Local Tenant Mix

Subject Property is Located in a High Traffic Area at the Intersection of Watertown Rd. & Highway F (Redford Blvd.) with Traffic Counts Over 45,000 VPD

3-Mile Daytime Population is 165% Greater Than the Residential Population

Subject Property is Located 0.5 Miles from Interstate 94 (114,000 VPD)



Local Employers

Waukesha County is Economically Vibrant with 232,000+ Employees With a Large Presence of National Companies



Value-Add Opportunity

Value Add Through Lease Up of Remaining Vacant Spaces



Milwaukee, WI MSA

The Milwaukee MSA has a population of 1,600,000 people making it a top 30 MSA in the United States

PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 2

Property Description

PROPERTY DESCRIPTION

TENANT PROFILES

REGIONAL AND LOCAL MAPS

AERIALS & SITE PLAN

Marcus & Millichap



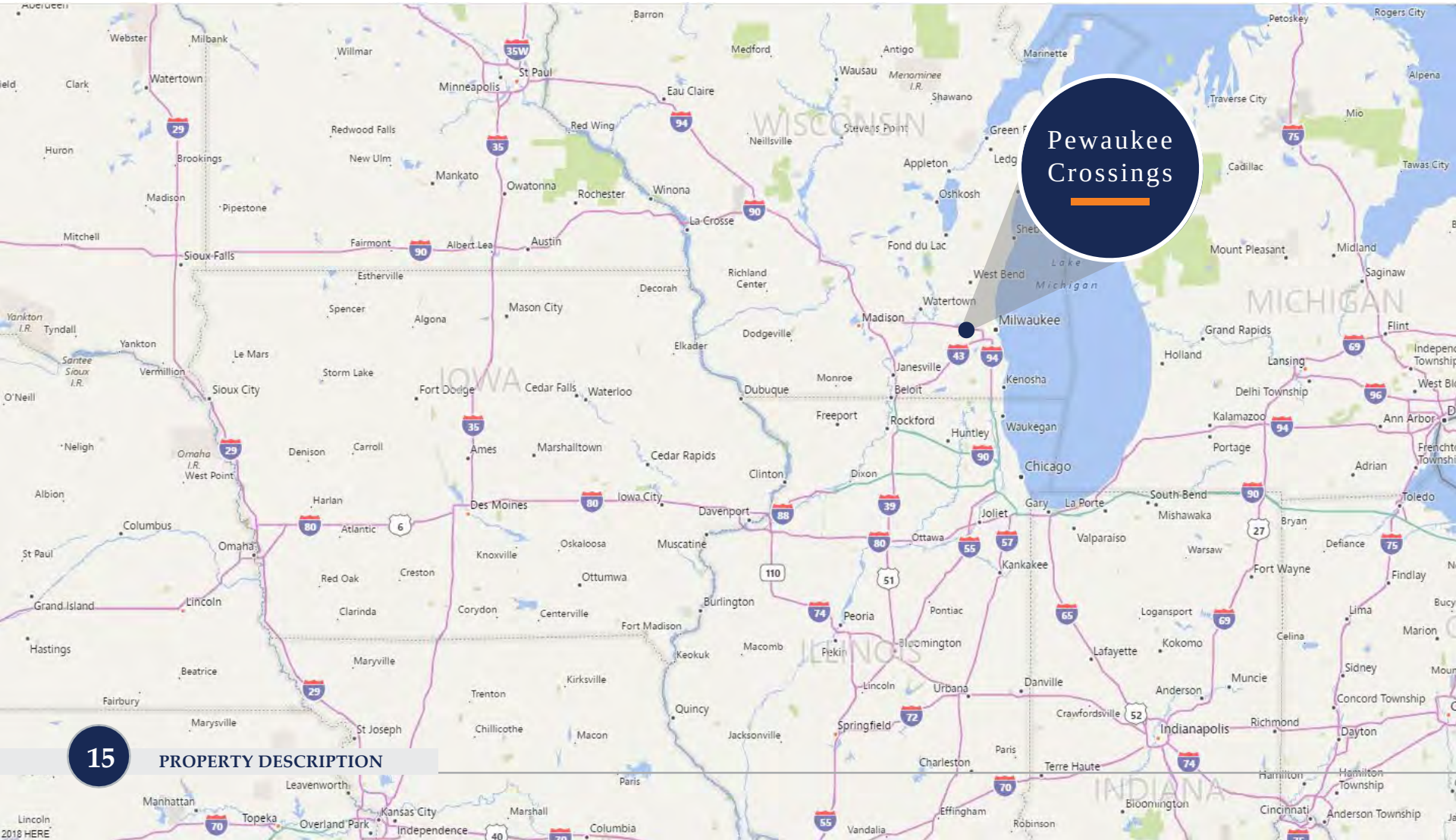
PROPERTY DESCRIPTION

Number of Units	9
Zoning	B-5
Acreage	2.09 +/-Acres
Exterior Construction	CMU/Concrete Brick Wall
Gross Leasable Area	15,722 SF
Roof	Single Ply Membrane
Signage	Ground-Level Pylon
Flooring	4" Reinforced Concrete Slab

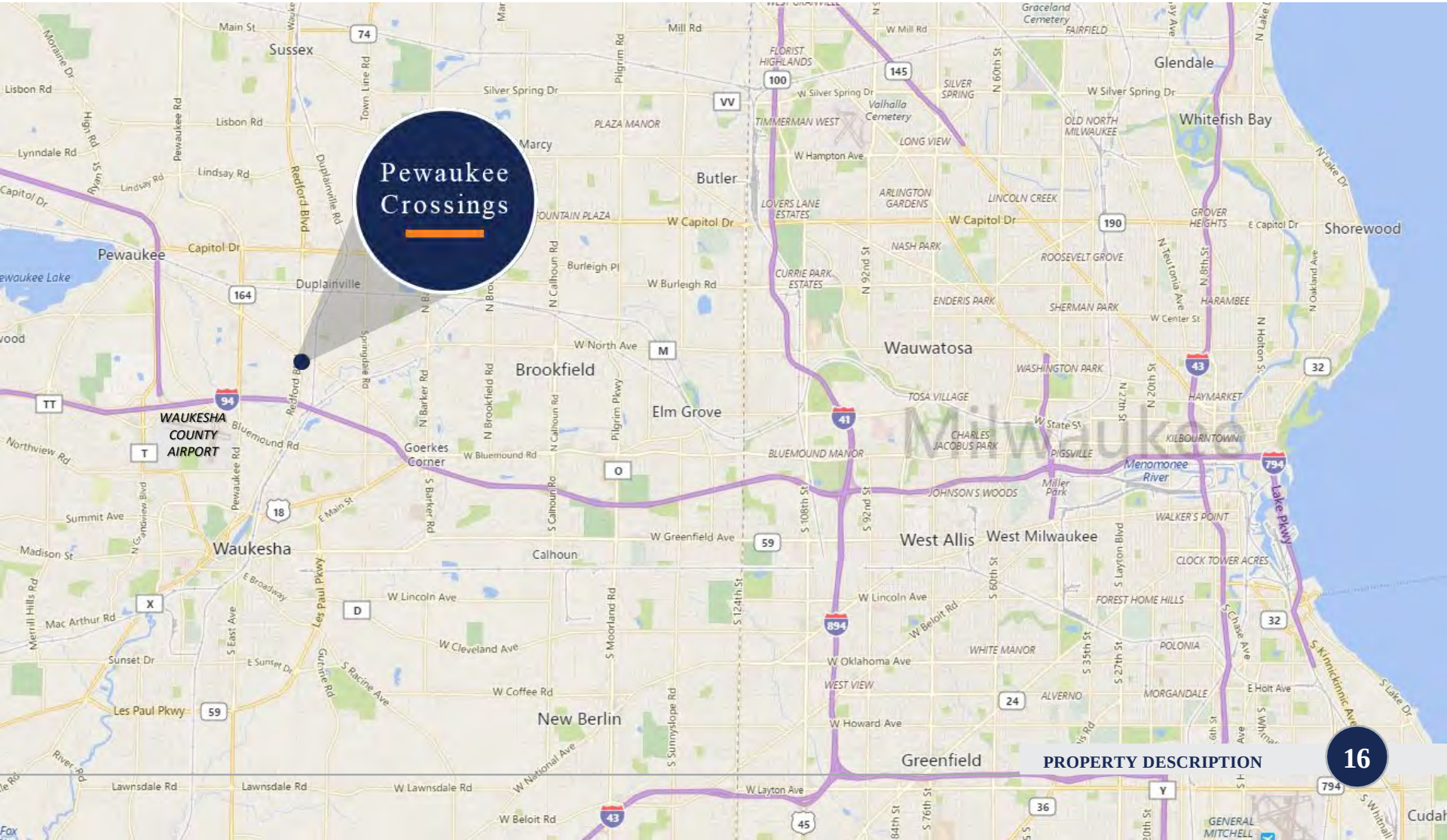
TENANT PROFILES

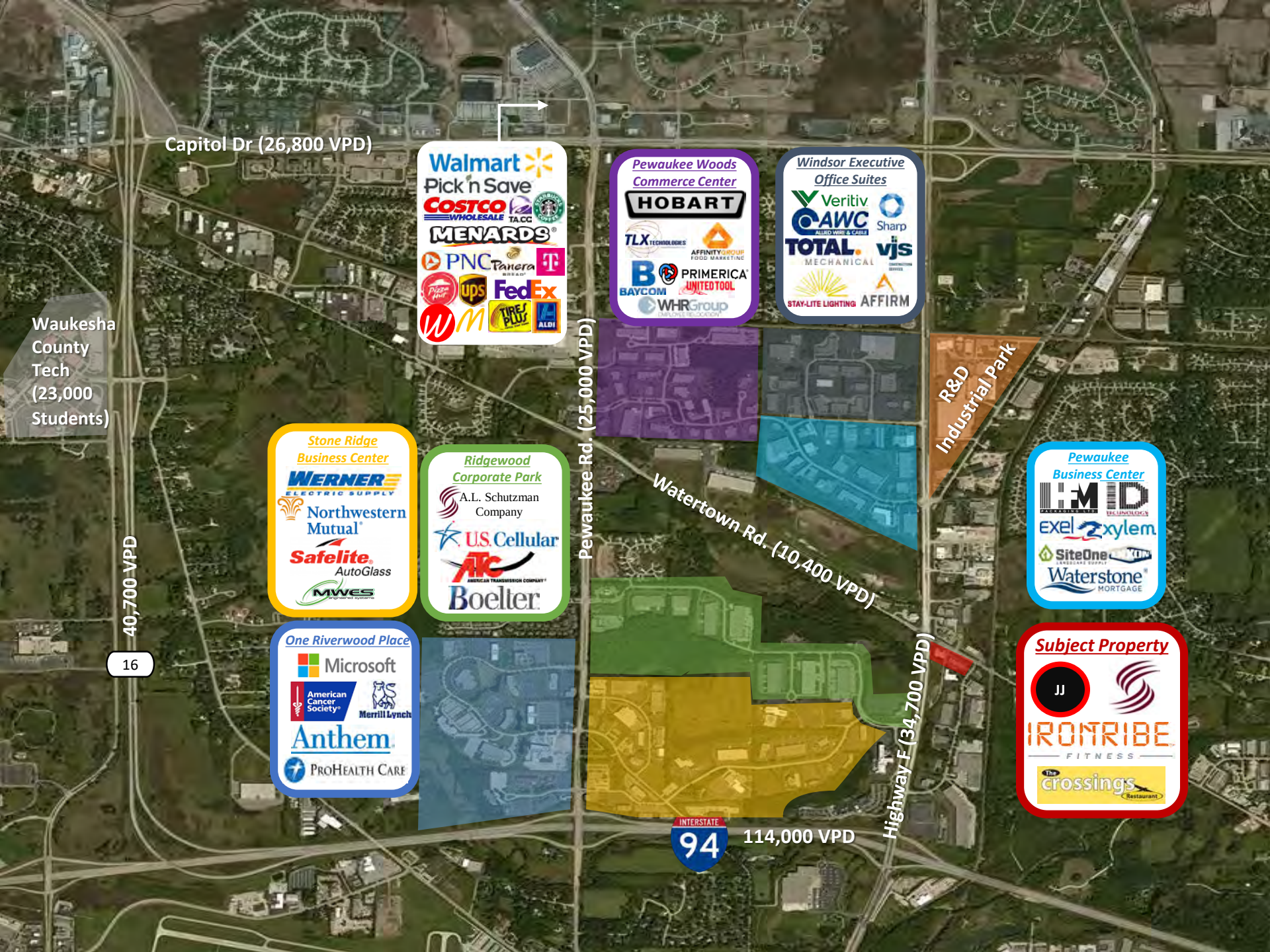
Tenant	*Headquarters*	*Overview*
Jimmy John's	Champaign, Illinois	Founded in 1983, Jimmy John's has over 2600 stores nationwide, at one point opening 200 locations per year.
Iron Tribe Fitness	Birmingham, Alabama	Founded in 2008, Iron Tribe Fitness is a new High Intensity Interval Training (HIIT). Iron Tribe has 60 locations in 15 states across the country from Miami to Seattle.
Camie's Hair Design	Pewaukee, Wisconsin	Camie's hair design is a comprehensive, full service hair salon offering services to both men and women. Camie's brings in clients from Waukesha, Delafield, Oconomowoc, Sussex and more.
A.L. Schutzman Company (Snack Depot)	Waukesha, Wisconsin	The A.L. Schutzman Company has been in business since 1921 and focuses on assorted nuts and private label services.
The Crossings Restaurant	Pewaukee, Wisconsin	The Crossings Restaurant is a local pub offering a combination of affordable breakfast sandwiches, soups, salads and burgers. This is the only location for The Crossings.

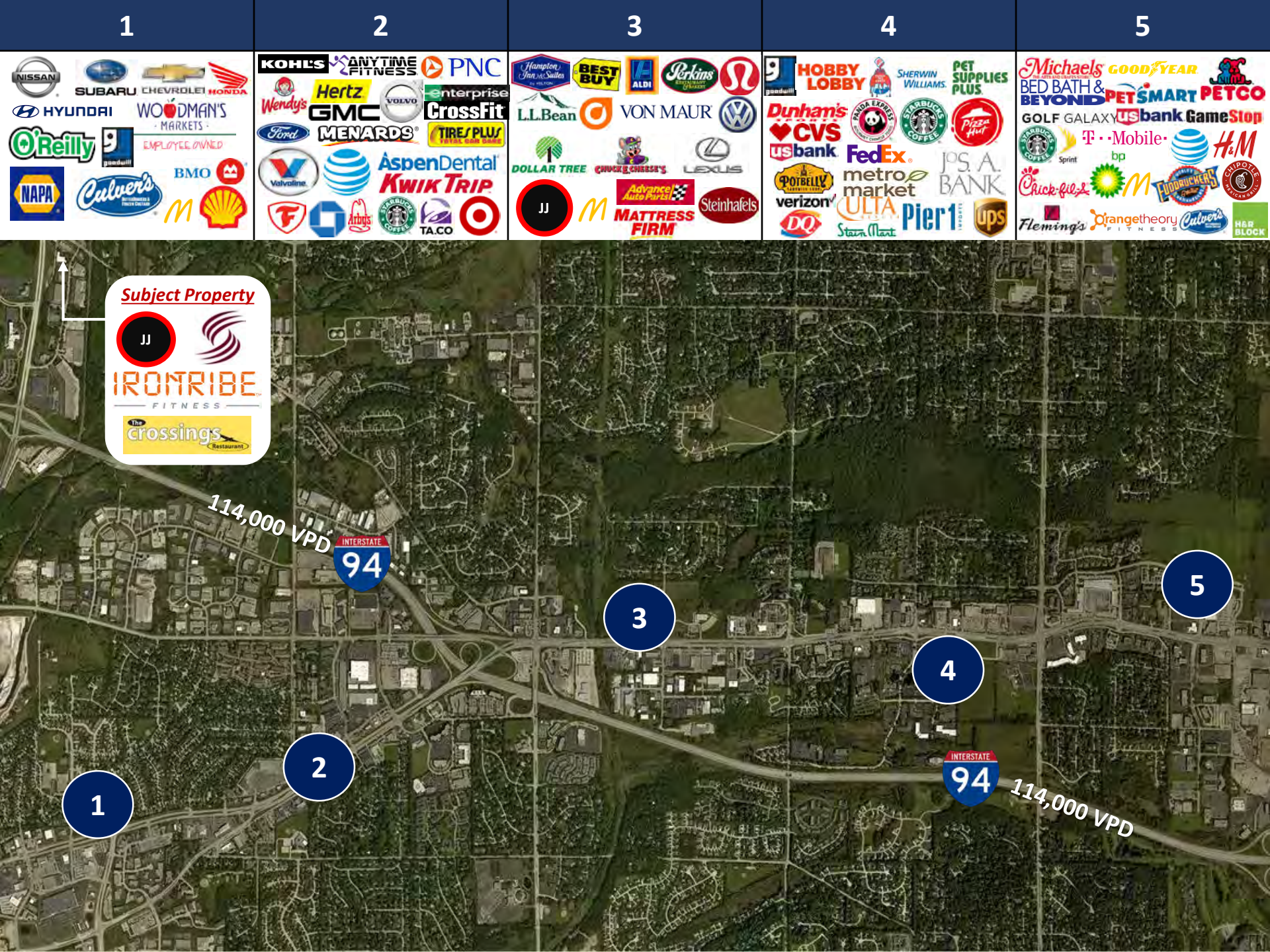
REGIONAL MAP



LOCAL MAP


Pewaukee Crossings
Sussex
Pewaukee
Duplainville
Marcy
Butler
Brookfield
Elm Grove
Wauwatosa
Glendale
Whitefish Bay
Shorewood
Milwaukee
Waukesha
Calhoun
West Allis
West Milwaukee
Goerkes Corner
New Berlin
Greenfield
WAUKESHA COUNTY AIRPORT
Menomonee River
Lake Pkwy
Bluemound Rd
Capitol Dr
W Capitol Dr
W Bluemound Rd
W North Ave
W Burleigh Rd
W Greenfield Ave
W Lincoln Ave
W Cleveland Ave
W Coffee Rd
W Howard Ave
W Oklahoma Ave
W Layton Ave
W Beloit Rd
Les Paul Pkwy
Redford Blvd
Pilgrim Rd
Mill Rd
W Mill Rd
W Silver Spring Dr
W Hampton Ave
W Center St
W State St
Lisbon Rd
Lindsay Rd
Summit Ave
Madison St
Mac Arthur Rd
Sunset Dr
Lawnsdale Rd
W Lawnsdale Rd
W National Ave
Graceland Cemetery
Valhalla Cemetery
FLORIST HIGHLANDS
TIMMERMAN WEST
PLAZA MANOR
LOVERS LANE ESTATES
ARLINGTON GARDENS
LINCOLN CREEK
NASH PARK
CURRIE PARK ESTATES
ENDERIS PARK
SHERMAN PARK
ROOSEVELT GROVE
GROVER HEIGHTS
HARAMBEE
WASHINGTON PARK
TOSA VILLAGE
HAYMARKET
KILBOURNTOWN
PIGSVILLE
BLUEMOUND MANOR
CHARLES JACOBUS PARK
JOHNSON'S WOODS
WALKER'S POINT
CLOCK TOWER ACRES
FOREST HOME HILLS
WHITE MANOR
POLONIA
WEST VIEW
ALVERNO
MORGANDALE
OLD NORTH MILWAUKEE
LONG VIEW
SILVER SPRING
FAIRFIELD
GENERAL MITCHELL


Capitol Dr (26,800 VPD)
Walmart
Pick 'n Save
COSTCO WHOLESALE
MENARDS
PNC
Panera
Pizza Hut
ups
FedEx
TIRES PLUS
ALDI
Waukesha County Tech (23,000 Students)
Pewaukee Woods Commerce Center
HOBART
TLX TECHNOLOGIES
AFFINITY GROUP FOOD MARKETING
BAYCOM
PRIMERICA
UNITED TOOL
WHRGroup
Windsor Executive Office Suites
Veritiv
AWC
ALLIED WIRE & CABLE
Sharp
TOTAL MECHANICAL
vjs
STAY-LITE LIGHTING
AFFIRM
R&D Industrial Park
Pewaukee Rd. (25,000 VPD)
Stone Ridge Business Center
WERNER ELECTRIC SUPPLY
Northwestern Mutual
Safelite AutoGlass
MWES
Ridgewood Corporate Park
A.L. Schutzman Company
U.S. Cellular
ATC
Boelter
Watertown Rd. (10,400 VPD)
Pewaukee Business Center
HMD
exel
xylem
SiteOne
Waterstone MORTGAGE
40,700 VPD
16
One Riverwood Place
Microsoft
American Cancer Society
Merrill Lynch
Anthem
ProHealth Care
Subject Property
JJ
IRONTRIBE FITNESS
The crossings Restaurant
Highway F (34,700 VPD)
INTERSTATE 94
114,000 VPD


1
2
3
4
5
Subject Property
JJ
IRONTRIBE FITNESS
The crossings Restaurant
114,000 VPD
INTERSTATE 94
114,000 VPD
INTERSTATE 94


GRAINGER
KWIK TRIP
BOLDT
GODFREY
KAHN S.C.
seider
Crane
HEIN ELECTRIC
SUPPLY COMPANY
ACCENT ON DANCE STUDIOS
Watertown Rd. (10,400 VPD)
Highway F (34,700 VPD)
A.L. Schutzman Company
U.S. Cellular
Coppe
Axley
MJI
MACHINE SERVICE, INC
SUPERIOR
POOL PRODUCTS LLC
WI CPA
Ruekert·Mielke
majic
PRODUCTIONS
Creative sound, video & lighting solutions
MOTION
INDUSTRIES

PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 3

Financial Analysis

FINANCIAL OVERVIEW

OPERATING DATA

RENT ROLL

RENTAL COMPS

SALE COMPS

Marcus & Millichap

FINANCIAL OVERVIEW // PEWAUKEE CROSSINGS

PRICE	$2,200,000
Down Payment	$1,320,00
Down Payment %	60%
Number of Suites	9
Price Per SqFt	$139.93
Gross Leasable Area (GLA)	15,722 SF +/-
Lot Size	2.09 Acres +/-
Year Built/Renovated	2006
Occupancy	60.37%

RETURNS	PER CURRENT LEASES	PROFROMA
Cap Rate	5.67%	10.81%
Cash-on-Cash	4.54%	16.14%
Debt Coverage Ratio	2.02	2.57

FINANCING	
Loan Amount	$1,320,000
Loan Type	New
Interest Type	5.00%
Amortizaion	25 Years
Year Due	2023

*Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

OPERATING DATA // PEWAUKEE CROSSINGS

INCOME		PER CURRENT LEASES		PROFORMA
Scheduled Base Rental Income		$183,717		$280,048
Total Reimbursement Income		40,534		$79,033
Potential Gross Revenue		$224,251		$359,081
General Vacancy		$0		($17,954)
Effective Gross Revenue		$224,251		$341,127
Less: Operating Expenses		($99,433)		($103,378)
Net Operating Income	**5.67%**	**$124,818**	**10.81%**	**$237,748**
Loan Payments		($61,733)		($92,599)
Capital Reserves ($0.20)		($3,144)		($3,144)
Pre Tax Cash Flow	**4.54%**	$59,941	**16.14%**	$142,005
Principal Reduction		$18,145		$27,217
Total Return Before Taxes	**5.92%**	$78,085	**19.23%**	$169,222
OPERATING EXPENSES (Based on 2017 Expenses)		PER CURRENT LEASES		PROFORMA
Repairs & Maintenance		$2,807		$2,807
Insurance		$7,209		$7,209
Real Estate Taxes		$25,892		$25,892
Management Fee (4%)		$8,970		$13,645
Trash		$24,270		$24,270
Alarm		$1,908		$1,908
Snow Removal		$14,890		$14,890
Landscaping		$6,594		$6,594
Pest Control		$306		$306
Utilities		$5,857		$5,857
Total Expenses		$99,433		$103,378
Expenses/SF		$6.32		$6.58

RENT ROLL // PEWAUKEE CROSSINGS

TENANT	SUITE	SQ FT	%	COMM.	EXP.	ANNUAL RENT/SF	TOTAL RENT/ MONTH	TOTAL RENT/YEAR	INCREASES	LEASE TYPE	EXP. REIMB	RENEWAL OPTIONS
Vacant	101	1,824	11.60%	-	-	-	-	-	-	-	-	-
Jimmy John's	103	1,188	7.56%	9/28/2006	1/31/2027	$25.50	$2,524.50	$30,294.00	2% Annual	NNN	$6,835.65	(2) 5yr
Vacant	105	2,120	13.48%	-	-	-	-	-	-	-	-	-
Vacant	107	1,240	7.89%	-	-	-	-	-	-	-	-	-
Iron Tribe Fitness	109/111	3,865	24.58%	10/6/2015	11/30/2021	$15.30	$4,927.48	$59,127.48	3% Annual	NNN	$26,719.20	-
Camie's Hair Design	113	1,123	7.14%	7/1/2014	9/30/2019	$21.55	$2,016.72	$24,200.64	5% Bi-Annual	Gross	-	(2) 3yr
Vacant	115	1,047	6.66%	-	-	-	-	-	-	-	-	-
Snack Depot	117	1,073	6.82%	2/1/2014	3/31/2019	$15.00	$1,341.25	$16,095.00	7% Bi-Annual	NNN	$6,978.70	(2) 3yr
Crossings Restaurant	119	2,242	14.26%	9/14/2007	13/31/2020	$24.09	$4,500.00	$54,000.00	3% Annual	GROSS		(1) 5yr
Total		**15,722**				**$19.36**	**$15,310**	$183,717			**$40,534**	

Occupied Tenants: 5 Occupied GLA: 60.37% Unoccupied Tenants: 4 Unoccupied GLA: 39.63%

*Proforma Lease-Up Rent Based on Market Rents: $15 - $17
*Expense Reimbursement Based on Leases

RENTAL COMPS // PEWAUKEE CROSSINGS



1275 B Capital Dr, Pewaukee, WI 53072

Rent/Sq. Ft.	$25.00
Lease Type	NNN
GLA Available	2,700 Sq. Ft. +/-
Notes	End-Cap Restaurant Space with Patio, National Tenant Mix



690 Westfield Way, Pewaukee, WI 53072

Rent/Sq. Ft.	$12.00 - $15.00
Lease Type	NNN
GLA Available	2,000 – 2,716 Sq. Ft. +/-
Notes	Located on Capitol Drive, Busy Retail Corridor Surrounded by National Tenants, $10,000 TI Incentive, Built 1999



N16 W23233 Stone Ridge Dr, Waukesha, WI 53188

Rent/Sq. Ft.	$18.50
Lease Type	Full Service Gross
GLA Available	2,973 - 7,479 Sq. Ft +/-
Notes	Class A Office Building, 1st and 2nd Floor Spaces Available Located in Stone Ridge Business Center

RENTAL COMPS // PEWAUKEE CROSSINGS



2450 – 2480 Grandview Blvd, Waukesha, WI 53188

Rent/Sq. Ft.	$15.00 - $18.00
Lease Type	NNN
GLA Available	3,741 Sq. Ft. +/- (Divisible)
Notes	Retail, Mix of National Tenants, Built 2007



N14W23800 Stone Ridge Dr, Waukesha, WI 53188

Rent/Sq. Ft.	$12.00 - $15.00
Lease Type	NNN
GLA Available	1st Floor: 2,029SF 3rd Floor: 3,399SF / 4,583SF
Notes	Class A Office



2301-2359 Silvernail Road, Pewaukee, WI 53072

Rent/Sq. Ft.	$15.00
Lease Type	NNN
GLA Available	3,163 Sq. Ft +/-
Notes	Mixed Use Office/Retail Building, Retail Space for Lease, 3-Year Lease Term, Built 2000

PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 4

Market Overview

OVERVIEW

SUBMARKET OVERVIEW

TRENDS

DEMOGRAPHCIS

Marcus & Millichap


MILWAUKEE, WI
(MSA)
POPULATION
1.6M
(TOP 30 MSA)

MILWAUKEE, WI

Known for its breweries and as the home of Harley-Davidson, the Greater Milwaukee area is situated along the shore of Lake Michigan in the southeastern portion of Wisconsin surrounding the confluence of the Menomonee, Kinnickinnic and Milwaukee rivers. The metro encompasses Milwaukee, Ozaukee, Washington and Waukesha counties and spans 1,500 square miles.

The market is home to 1.6 million residents, with more than 600,000 living in the city of Milwaukee. While Lake Michigan serves as a natural barrier to the east, the region's supply of land is plentiful, and barriers to entry are few. As a result, commercial and residential development will continue to expand.



METRO HIGHLIGHTS

DIVERSIFYING ECONOMY

The region supports an increasing number of healthcare and technology companies. Foxconn is opening a large facility in adjacent Racine County.

PRESENCE OF LARGE-SCALE FIRMS

The growing economy is drawing a variety of new employers to the metro. They are joining the Fortune 500 firms located here.

SKILLED LABOR POOL

Nearly two-thirds of all local residents age 25 and older have some college education, filling a variety of positions in the metro.

- The metro is expected to add nearly 38,000 people through 2022, producing approximately 22,400 households and generating demand for housing.
- The homeownership rate of 60 percent is slightly below the national rate of 64 percent, maintaining a strong rental market.
- Roughly 33 percent of residents age 25 and over hold bachelor's degrees; of those citizens, 11 percent also have earned a graduate or professional degree.

DEMOGRAPHICS

2017 POPULATION: **1.6M**
Growth 2017-2022*: 2.4%

2017 HOUSEHOLDS: **635K**
Growth 2017-2022*: 3.5%

2017 MEDIAN AGE: **37.6**
U.S. Median: 37.8

2017 AVERAGE HOUSEHOLD INCOME: **$56,900**

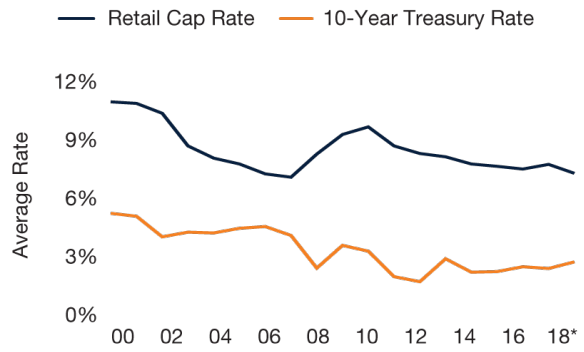
MILWAUKEE, WI

End of Construction Boom Era Gives Way To Renewed Rent Growth

Leasing activity surges, with retailers filling new massive spaces. Stable household formation and a return to robust job gains in the first quarter are contributing to one of the strongest growth cycles on record for the Milwaukee retail sector. Demand has been substantive, registering more than 1.2 million square feet of net absorption during two of the past four quarters, headlined by big-name tenant moves. A new Meijer opened in Greenfield late last year, absorbing 193,000 square feet, with the new Von Maur at the Corners of Brookfield close behind with 150,000 square feet absorbed. Outperformance will remain the trend in tenant demand, highlighted by a 195,000-square-foot lease signed by Mills Fleet Farm in the first quarter, keeping the market's vacancy rate on a downward trajectory to continue hitting record lows.

Slowdown in construction set to benefit retail property fundamentals. Following the completion of numerous major shopping centers, deliveries drop to their lowest level since 2014. An Ikea in Oak Creek will be the largest of 2018, at nearly 300,000 square feet, and the first in the Milwaukee metro. Phase two of the 84 South development in Greenfield also adds more retail space to the market this year. With the sharp decline in deliveries this year, the average asking rent will rise at the fastest annualized pace of the cycle.

Local Retail Yield Trends



* Cap rates trailing 12 months through 1Q18; 10-Year Treasury up to March 29, 2018
Sources: CoStar Group, Inc.; Real Capital Analytics

Retail 2018 Outlook

730,000 sq. ft.
will be completed

Construction:
After three years of annual supply growth above 1.2 million square feet, the pipeline thins out, cutting completions by half in 2018 from last year's total.

130 basis point
decrease in vacancy

Vacancy:
Tenant demand holds exceptionally strong as construction slows, pushing the vacancy rate down to 4.4 percent, adding to last year's 70-basis-point drop.

4.0% increase in
asking rents

Rents:
The tightest vacancy rate in more than a decade contributes to robust rent growth, raising the average asking rate to $11.60 per square foot at year's end.

Investment Trends

- After the busiest annualized trading period in Milwaukee, deal flow fell by roughly one-quarter over the year ended in March. Asset appreciation was substantive though, with the multi-tenant segment recording a 12 percent increase to prices.
- Buyers were most active in the inner-ring submarkets of Milwaukee just outside of downtown. The Near Southwest area of Milwaukee led deal flow with an average price roughly $50 below the market average of $235 per square foot and an average cap rate in the mid-7 percent area. The Northwest Milwaukee submarket, north of Highway 190 and east of I-43, was also very active with trades. Properties in this area were highly discounted, averaging less than $100 per square foot.
- Motivated by strong asset appreciation and exceptional property fundamentals, fewer owners are deciding to list right now. The rising interest rate environment could lead more properties to come to market this year as higher rates can increase cap rates.

SUBMARKET HIGHLIGHTS
WAUKESHA COUNTY

N20W22951 Watertown Rd, Waukesha, WI 53186

The City of Waukesha is less than 20 miles West of Downtown Milwaukee and is situated in Waukesha county –Waukesha county boasts a population of 398,424 with a median household income of $81,878. Waukesha itself has a population of 72,489. Major Universities in the area include University of Wisconsin Milwaukee (25,601 Enrollment), Milwaukee Area Technical College (15,057 Enrollment), Marquette University (11,294 Enrollment), Waukesha County Technical College (7,947 Enrollment) – in total, there are 25 colleges within 50 miles of Pewaukee. Waukesha County was ranked the #2 best county to live in all of Wisconsin based on a variety of factors including the highly rated school districts, low crime rate, nightlife, jobs, and family friendliness – The County was voted #22 in 'Best Counties for Families in America'. The largest lake in Waukesha County (Pewaukee Lake) is home to some of the best fishing in the entire state, especially for 50+ inch Muskies, bringing in people from the surrounding states making contributions to the local economy. The lake is also known for its inland sailing races which bring in national attention.

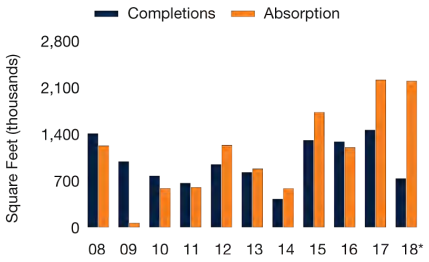
WAUKESHA COUNTY
LEADING THE WAY



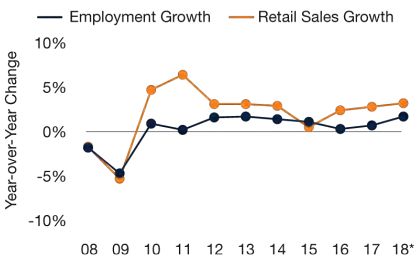
PEWAUKEE LAKE

FIRST QUARTER 12-MONTH TREND

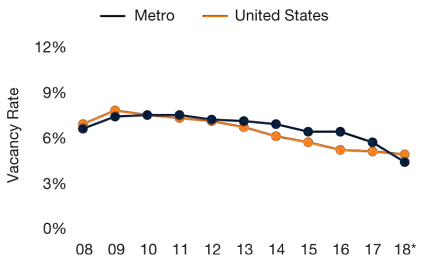
Retail Completions



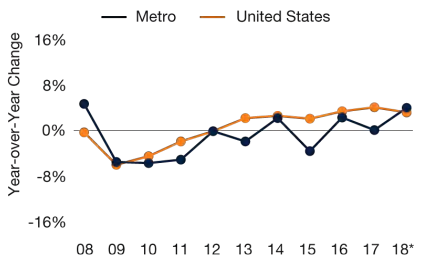
Employment vs. Retail Sales Trends



Vacancy Rate Trends



Asking Rent Trends



1.2 Million Square Feet Completed Y-O-Y

- Deliveries over the year ended in March slid from the more than 1.4 million square feet completed during the prior yearlong stretch. At 450,000 square feet, the Corners of Brookfield is this past year's largest completion.
- A 295,000-square-foot Ikea rising in Oak Creek will be the largest delivery of 2018, followed by a Mills Fleet Farm in Oconomowoc at 195,000 square feet.

0.9% Increase in Total Employment Y-O-Y

- Led by education and health services hiring in the first quarter, which added 2,300 jobs, employment gains totaled 7,800 in the first three months of 2018. Year over year in March, 8,100 jobs were created, up from the 0.7 percent pace recorded one year earlier.
- The unemployment rate declined 50 basis points over the past year, resting at 3.1 percent in March.

130 Basis Point Decrease in Vacancy Y-O-Y

- Debt Net absorption of 2.7 million square feet over the past year dropped the vacancy rate to 4.8 percent in March, the lowest in at least a decade.
- Vacancy in the single-tenant segment declined 70 basis points year over year in March to 4.0 percent, while a 250-basis-point drop for multi-tenant space was posted, ending the first quarter at 6.4 percent.

4.9% Increase in the Average Asking Rent Y-O-Y

- Tightening vacancy supported the strongest rental rate increase since mid-year 2016, boosting the average asking rate to $11.42 per square foot in the first quarter.
- Multi-tenant space carried the market with a 14.3 percent year-over-year increase in March, rising to $11.41 per square foot, while single-tenant rent climbed 0.7 percent to $11.43 per square foot in the first quarter.

DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
▪ 2022 Projection			
Total Population	1,801	34,894	119,396
▪ 2017 Estimate			
Total Population	1,762	34,110	116,658
▪ 2010 Census			
Total Population	1,747	33,027	113,817
▪ 2000 Census			
Total Population	1,718	31,682	109,789
▪ Current Daytime Population			
2017 Estimate	1,521	56,295	159,122

HOUSEHOLDS	1 Miles	3 Miles	5 Miles
▪ 2022 Projection			
Total Households	607	14,673	49,602
▪ 2017 Estimate			
Total Households	591	14,115	47,835
Average (Mean) Household Size	2.73	2.34	2.37
▪ 2010 Census			
Total Households	584	13,620	46,539
▪ 2000 Census			
Total Households	516	12,263	43,035
▪ Occupied Units			
2022 Projection	607	14,673	49,602
2017 Estimate	594	14,721	50,294

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
▪ 2017 Estimate			
$150,000 or More	22.03%	17.13%	14.67%
$100,000 - $149,000	33.85%	17.50%	18.21%
$75,000 - $99,999	17.13%	13.81%	15.11%
$50,000 - $74,999	9.33%	16.87%	17.22%
$35,000 - $49,999	6.55%	12.03%	12.05%
Under $35,000	11.10%	22.67%	22.72%
Average Household Income	$121,620	$103,291	$98,280
Median Household Income	$107,922	$72,662	$71,955
Per Capita Income	$40,823	$43,117	$40,659

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	$80,586	$66,038	$65,877
▪ Consumer Expenditure Top 10 Categories			
Housing	$21,103	$17,530	$17,410
Transportation	$14,832	$11,635	$11,667
Shelter	$12,146	$10,137	$10,045
Personal Insurance and Pensions	$9,270	$6,480	$6,438
Food	$8,032	$6,947	$6,911
Health Care	$6,099	$5,085	$5,024
Utilities	$4,329	$3,674	$3,663
Entertainment	$3,431	$2,827	$2,796
Household Furnishings and Equipment	$2,446	$1,875	$1,866
Apparel	$2,125	$1,673	$1,665

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
▪ Population By Age			
2017 Estimate Total Population	1,762	34,110	116,658
Under 20	24.32%	22.20%	23.81%
20 to 34 Years	12.21%	19.79%	19.46%
35 to 39 Years	4.83%	6.15%	6.42%
40 to 49 Years	12.05%	11.69%	12.11%
50 to 64 Years	31.01%	21.54%	20.95%
Age 65+	15.59%	18.61%	17.26%
Median Age	47.52	41.63	40.26
▪ Population 25+ by Education Level			
2017 Estimate Population Age 25+	1,260	24,484	81,479
Elementary (0-8)	0.75%	1.17%	1.17%
Some High School (9-11)	0.58%	3.27%	3.56%
High School Graduate (12)	16.73%	23.08%	23.87%
Some College (13-15)	16.15%	19.74%	20.68%
Associate Degree Only	11.02%	8.84%	8.94%
Bachelors Degree Only	36.15%	28.12%	27.05%
Graduate Degree	18.52%	15.42%	14.34%

Created November 2018

PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 5

Exhibit A

PERMITTED USES

Marcus & Millichap

PERMITTED USES

(2) PERMITTED PRINCIPAL USES.

a. Antique and collectors stores.
b. Appliance stores.
c. (Am. #38-02) Automobile sales, service stations, and repair facilities, provided that all gas pumps and service bays are set back a minimum of fifty (50) feet from all lot lines.
d. Marine sales, service, and repair, but not within one hundred (100) feet of a residential district.
e. Automotive audio equipment and sun roof installation facilities.
f. Bakeries.
g. Banks, savings and loan, and other financial institutions; including drive-in facilities.
h. Barber shops.
i. Beauty shops.
j. Book or stationary stores.
k. Building supply stores excluding lumber yards.
l. Business offices.
m. Camera and photographic supply stores.
n. Catering services.
o. Clinics.
p. Clothing stores.
q. Computer and computer supply stores.
r. Confectioneries and ice cream stores.
s. Convenience food store.
t. Delicatessens.
u. Department stores.
v. Discount stores.
w. Drug stores.
x. Electronic equipment sales, equipment and repair.
y. Equipment rental facilities.
z. Fish markets.
aa. Florists.
bb. Fruit stores.
cc. Furniture stores.
dd. Furriers and fur apparel.
ee. Garden centers.
ff. Gift stores.
gg. Grocery stores.
hh. Hardware stores.
ii. Hobby and craft shops.
jj. Hotels and motels.
kk. Indoor volleyball courts, sports facilities, and physical fitness centers.
ll. Insurance sales offices.
mm. Interior decorators.
nn. Jewelry stores.
oo. Lodges and clubs.
pp. Mail services.
qq. Martial arts studios.
rr. Meat markets.
ss. Music stores.
tt. Newspaper and magazine stores, subject to Section 22.20.
uu. Office supplies and business machine stores.
vv. Optical stores.
ww. Packaged beverage stores.
xx. Paint, glass, and wallpaper stores.
yy. Pet and pet supply stores.
zz. Photography and art studios.
aaa. Physical fitness centers.
bbb. Plumbing and heating supplies.
ccc. Post offices and postal services.
ddd. Printing, including photocopying.
eee. Professional offices.
fff. Real estate sales offices.
ggg. Restaurants, including drive-in restaurants.
hhh. Self service laundry and dry-cleaning establishments.
iii. Shoe stores and leather goods stores.
jjj. Sporting goods stores.
kkk. Supermarkets.
lll. Tailor or dressmaking shop.
mmm. Taverns and cocktail lounges.
nnn. Theaters.
ooo. Tobacco stores.
ppp. Utility offices.
qqq. Variety stores.
rrr. Vegetable stores.
sss. Video tape sales and rental, subject to Section 22.20.

PEWAUKEE CROSSINGS

WAUKESHA, WI

SECTION 6

Exhibit B

ADDITIONAL PHOTOS

Marcus & Millichap











PEWAUKEE CROSSINGS

WAUKESHA, WI

BROKER OF RECORD

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