



Office Market Report

Greater Green Bay Area

PREPARED BY

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12 Mo Deliveries in SF

146K

12 Mo Net Absorption in SF

350K

Vacancy Rate

7.9%

12 Mo Asking Rent Growth

1.8%

As of the first quarter of 2024, office vacancies of 7.9% in Green Bay are outperforming the long term historical average of 8.6%. Over the past year, vacancies have fallen by -1.1%, the result of 120,000 in net deliveries and net absorption of 240,000 during this time. New construction has played a pronounced roll in Green Bay's office sector, adding 660,000 of office space to the market over the past three years. Overall, inventory in Green Bay has expanded during this time by 6.2%.

Of the most recent new developments was UnitedHealth's new 174,000-SF office in De Pere which delivered in 2021. Notably, the company left behind an underutilized 390,000-SF office space across town in Howard.

On the speculative side, the 150,000-SF U.S. Venture Center was built in the Titledown District in 2021, increasing the 4 & 5 Star inventory in Green Bay by nearly 30%. Despite delivering during uncertain times, demand for this product type has been strong, reaching 80% occupancy within four quarters of delivery.

Despite improving vacancies, rent growth has continued to decelerate over the past year. While current annual rent growth of 1.8% remains in line with the 10-year annual average of 1.8%, this represents a significant departure from its three-year peak of 5.3%. Still, local rent performance continues to outpace the national annual growth rate of 0.8%. Compared to the national average, Green Bay remains an affordable office market, with local market rents coming in at \$18.10/SF, well below the national average of \$35.00/SF.

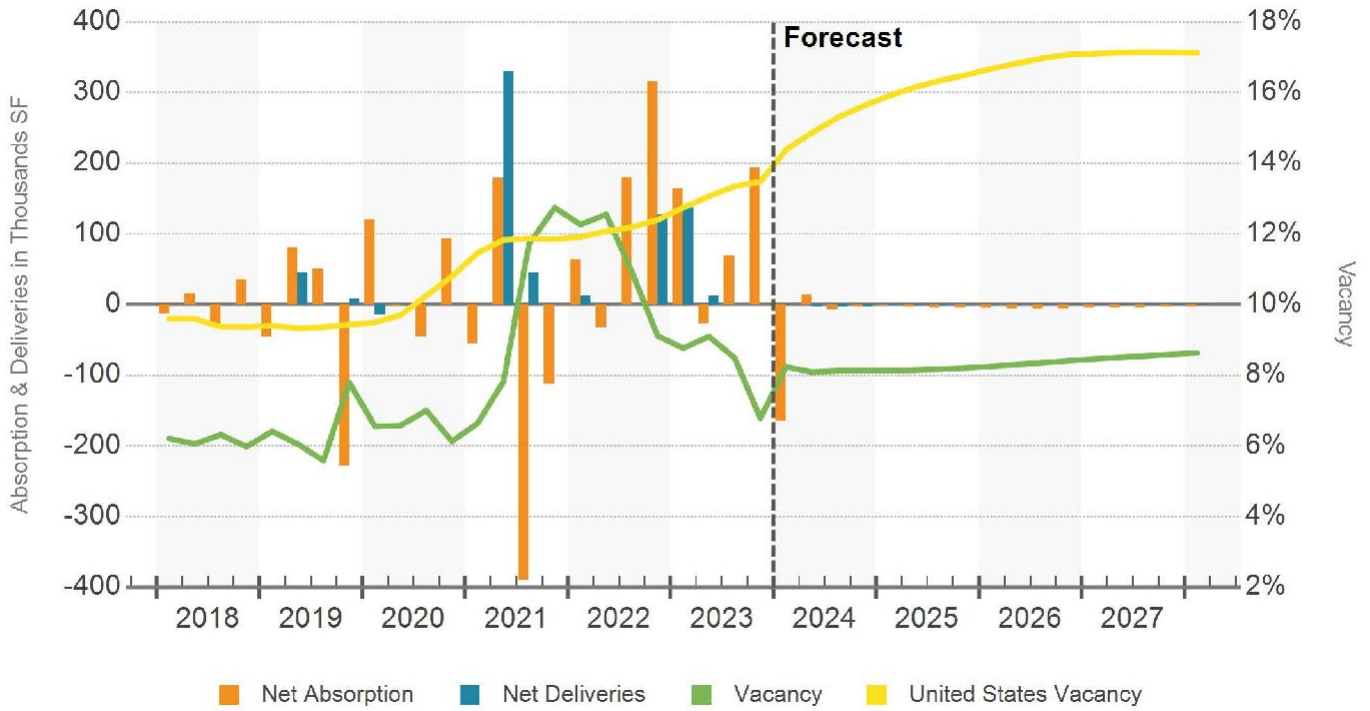
In addition to softening rent performance, investment activity continues to contract in the first quarter. \$20.1 million in total sales have transacted over the past year, compared to the three-year annual average of \$58.5 million. Perhaps more notable than softening sales figures is the contraction in the number of deals taking place. As a large share of investors remain on the sidelines due to elevated interest rates and a large disconnect in buyer and seller pricing expectations, the number of deals over the past year has fallen to just 24 transactions, a notable decline from the 39 annual transactions averaged over the past three years.

KEY INDICATORS

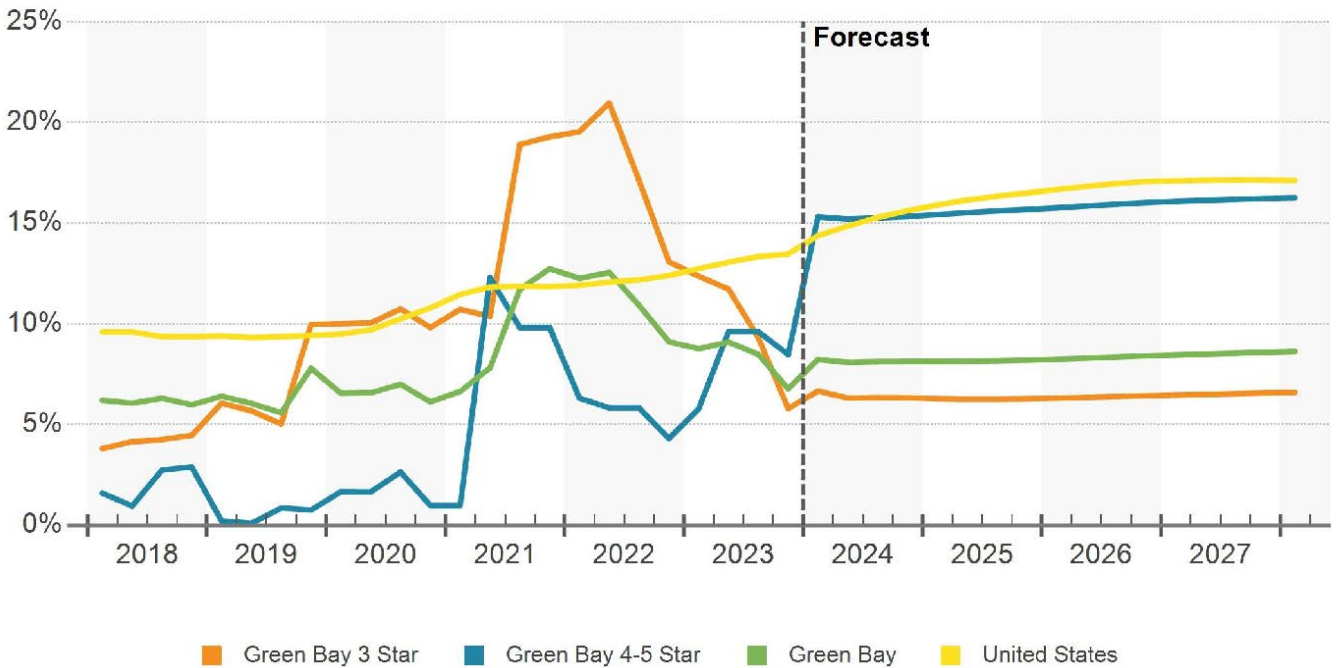
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,289,468	15.0%	\$27.10	22.6%	(83,477)	0	0
3 Star	4,477,970	6.3%	\$18.76	8.2%	(23,467)	0	0
1 & 2 Star	5,581,121	7.5%	\$15.43	9.2%	(20,097)	0	0
Market	11,348,559	7.9%	\$18.07	10.3%	(127,041)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.9%	8.6%	8.4%	12.7%	2021 Q4	5.6%	2019 Q3
Net Absorption SF	350K	63,386	(9,644)	633,253	2023 Q2	(470,906)	2022 Q2
Deliveries SF	146K	82,650	11,186	388,014	2022 Q1	0	2021 Q1
Asking Rent Growth	1.8%	1.0%	-0.8%	5.3%	2019 Q3	-4.0%	2009 Q4
Sales Volume	\$19.6M	\$31.3M	N/A	\$102.2M	2022 Q3	\$6.2M	2012 Q2

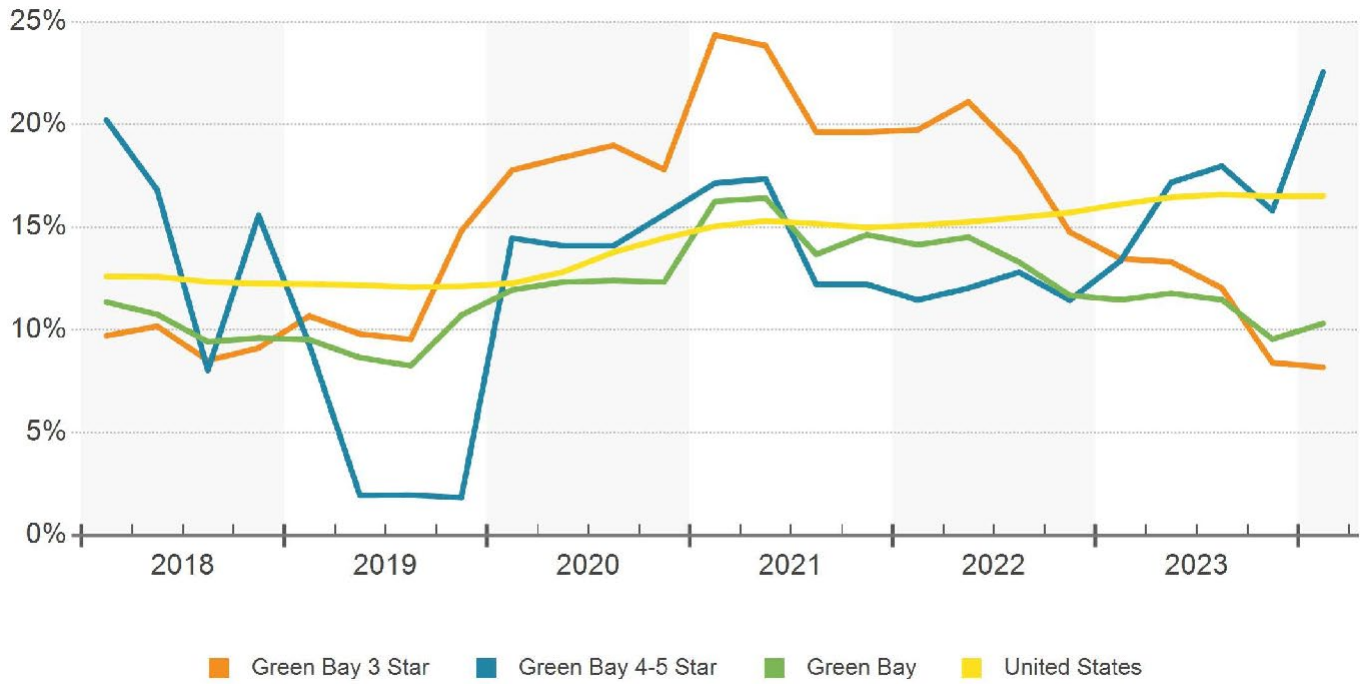
NET ABSORPTION, NET DELIVERIES & VACANCY



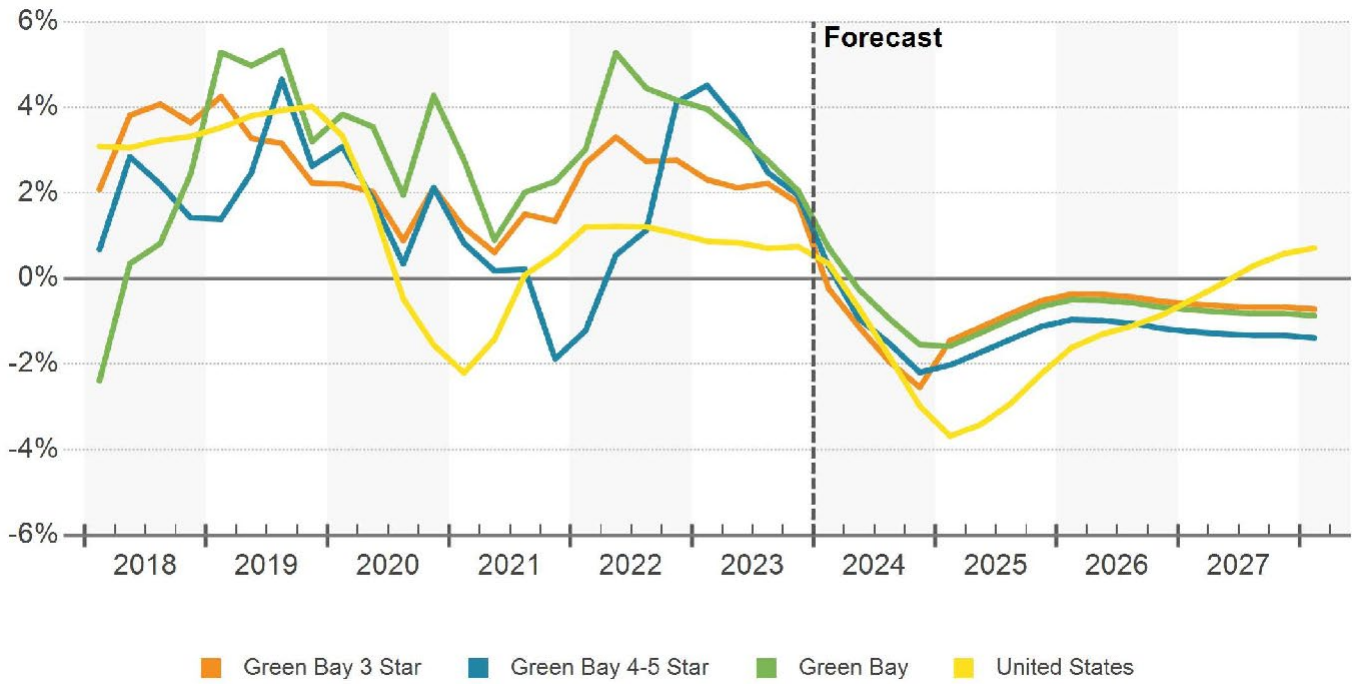
VACANCY RATE



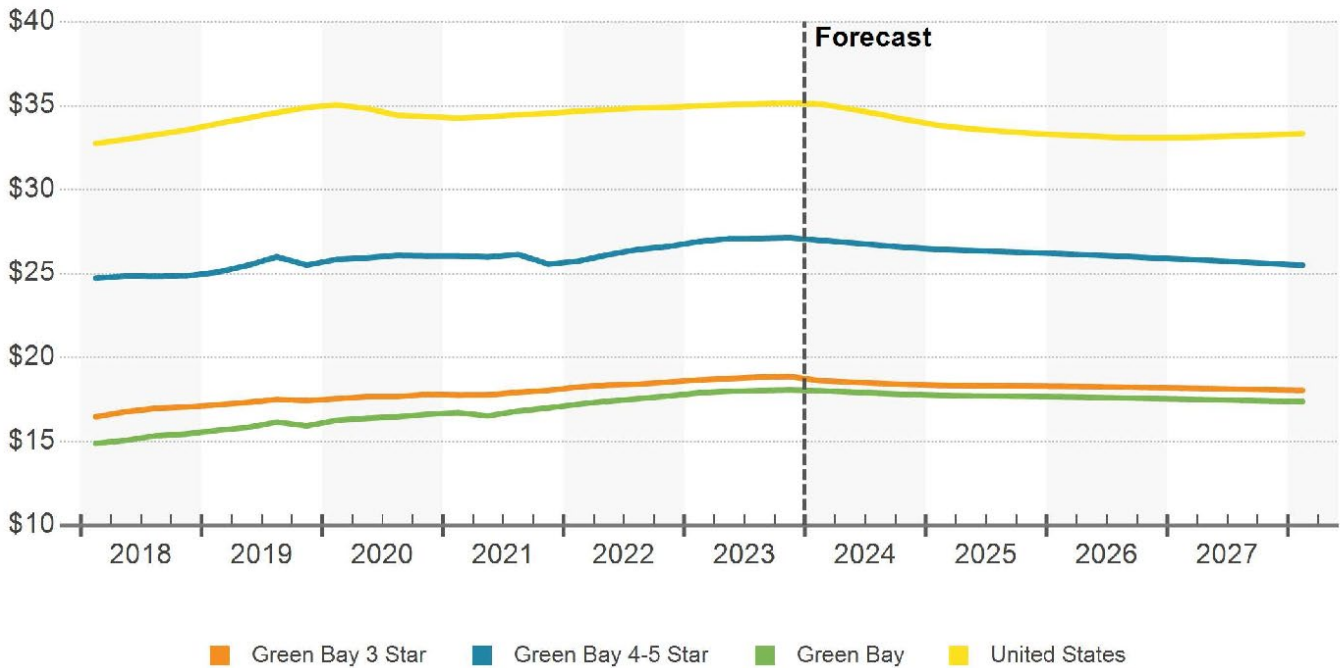
AVAILABILITY RATE



MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET

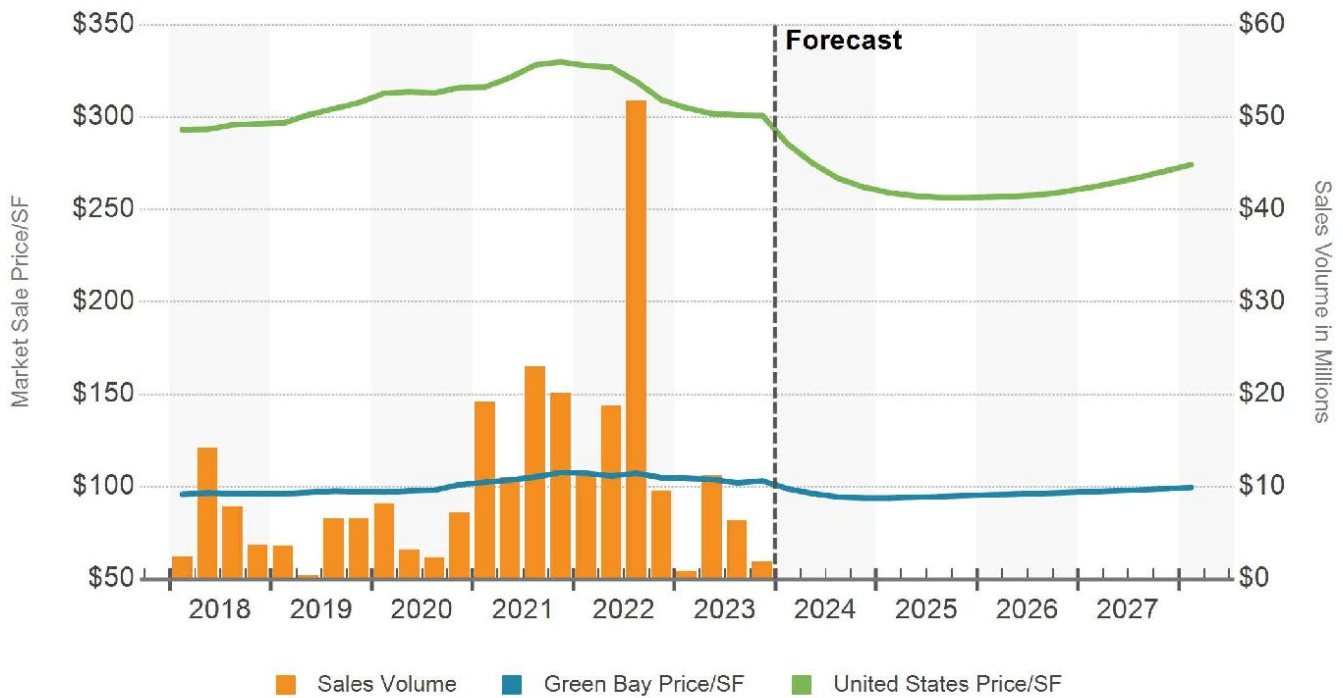


Investment activity continues to soften in Green Bay's office sector. Over the past twelve months, \$20.1 million in total sales took place, compared to the three-year annual average of \$58.5 million. Over the past three years, the 12-month high in sales volume peaked at

\$102 million. This was largely due to the sale of UnitedHealth's new 174,000 SF headquarters in De Pere in 2022.

In the last 12 months, the common deal profile includes trades typically coming in under \$2 million, with transactional pricing averaging \$72/SF.

SALES VOLUME & MARKET SALE PRICE PER SF



The manufacturing industry maintains a strong presence in the Greater Green Bay area. The sector accounts for more than 20% of the total employment in the metro, more than twice the national average.

Many of those manufacturing jobs stem from companies that operate paper plants in the area, such as Georgia-Pacific, Procter & Gamble, Green Bay Packaging, among others. In mid-2018, Green Bay Packaging broke ground on a new \$500 million paper mill, which was a testament to the strength of the industry. The new mill, which opened in early 2021, replaced an aging 71-year-old facility while preserving existing jobs and adding close to 200 new positions.

Despite Green Bay's reputation for manufacturing, it also has a strong presence of financial and healthcare-related institutions. Two of Wisconsin's three largest banks call Green Bay home, with both Associated Bank and Nicolet National Bank having downtown headquarters. Additionally, Brown County's two largest private employers, healthcare system Bellin Health and health insurance firm Humana, also call the metro home.

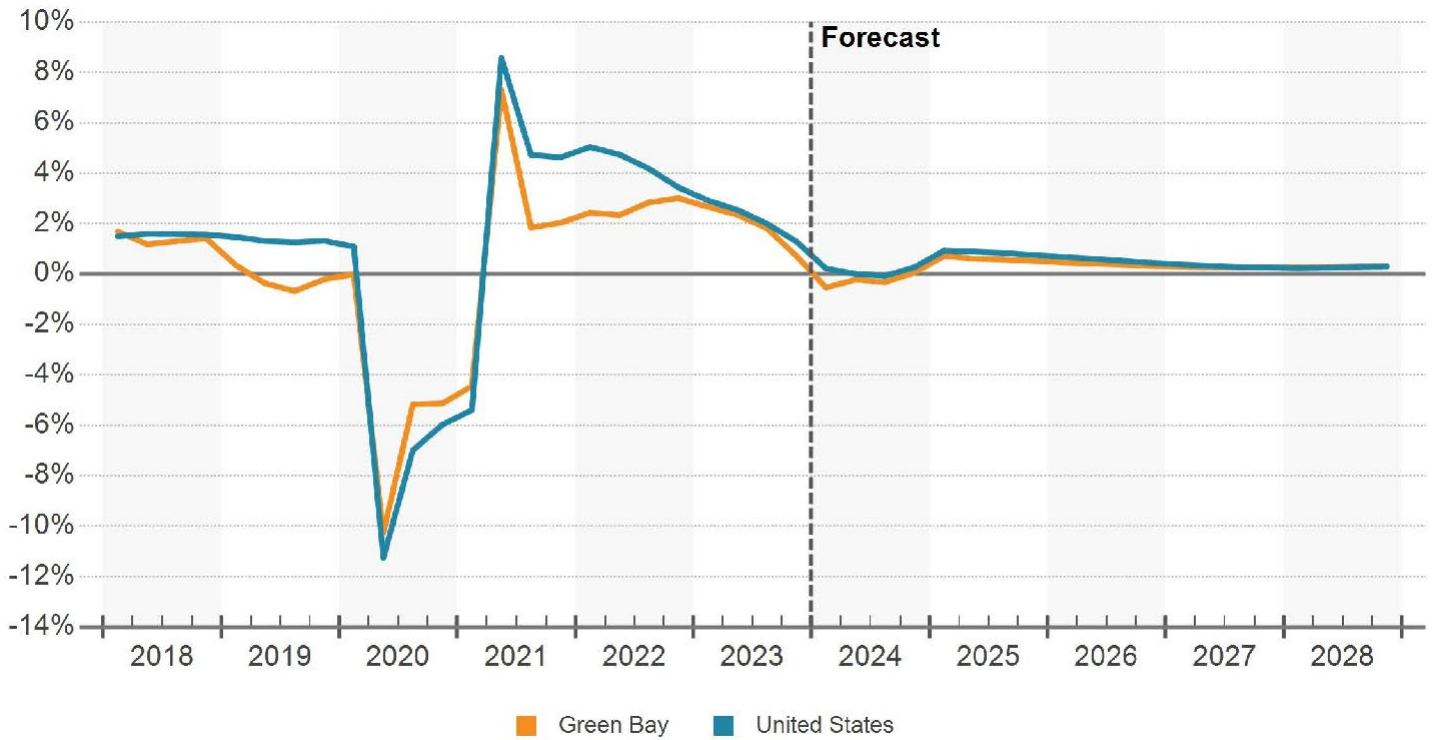
According to the latest metro-level data from the U.S. Bureau of Labor Statistics, Green Bay's seasonally adjusted unemployment rate rose slightly to 3.0% in September. Despite the recent increase, unemployment rates are trending at 20 year lows and reflect a larger and more diversified employment pool that has grown 5.8% over the past three years.

GREEN BAY EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	32	2.1	-0.55%	-0.20%	0.88%	0.69%	0.05%	0.11%
Trade, Transportation and Utilities	35	1.1	-0.23%	0.01%	0.86%	1.04%	0.09%	0.16%
Retail Trade	17	1.0	-0.14%	0.29%	0.45%	0.22%	-0.32%	0.12%
Financial Activities	12	1.1	1.44%	0.41%	-0.37%	1.44%	0.52%	0.17%
Government	21	0.8	1.34%	1.31%	0.01%	0.36%	0.56%	0.42%
Natural Resources, Mining and Construction	9	0.9	-1.20%	1.20%	1.92%	2.31%	-0.01%	0.30%
Education and Health Services	28	0.9	1.25%	2.75%	2.02%	1.86%	1.01%	0.68%
Professional and Business Services	19	0.7	-1.56%	0.57%	-0.74%	1.99%	-0.15%	0.53%
Information	1	0.4	0.94%	-2.61%	-1.94%	1.09%	0.98%	0.35%
Leisure and Hospitality	17	0.9	3.56%	2.66%	0.88%	1.47%	0.12%	0.83%
Other Services	8	1.2	1.42%	1.42%	0.42%	0.62%	0.71%	0.29%
Total Employment	181	1.0	0.46%	1.07%	0.67%	1.29%	0.32%	0.42%

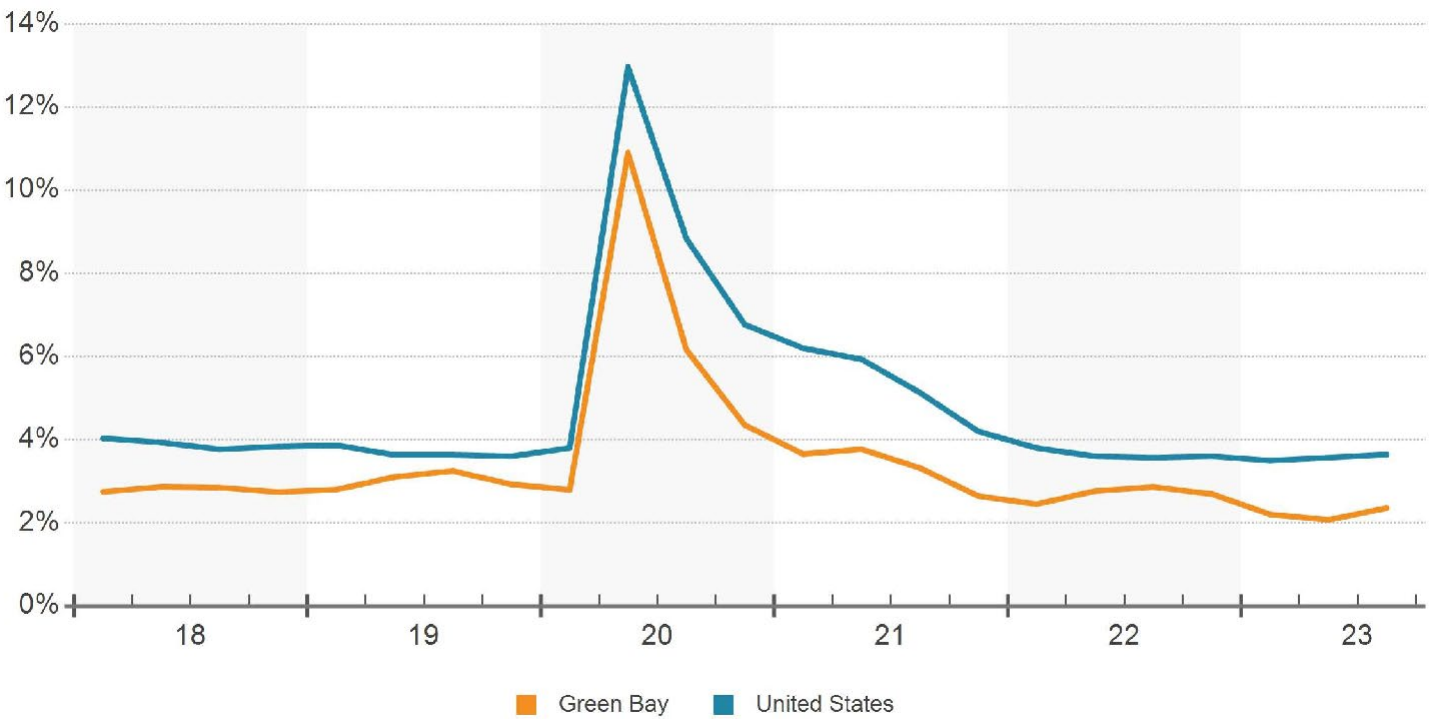
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

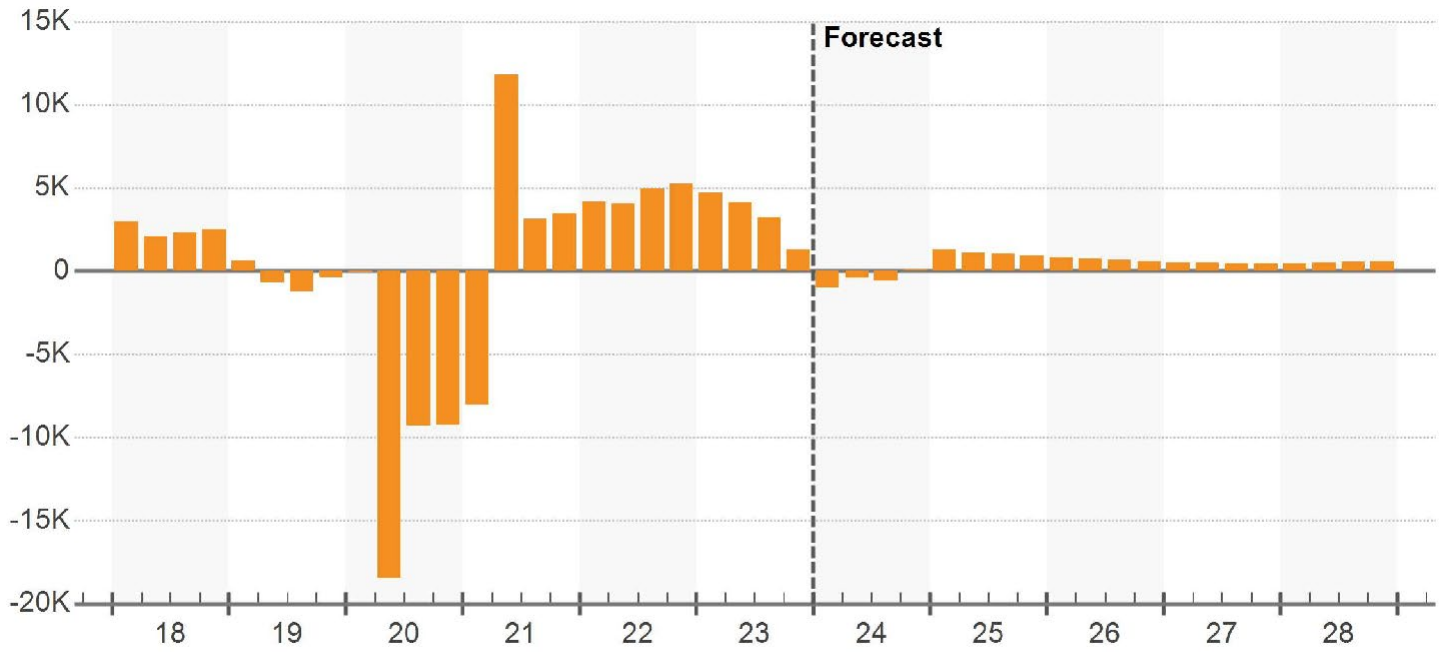


Source: Oxford Economics

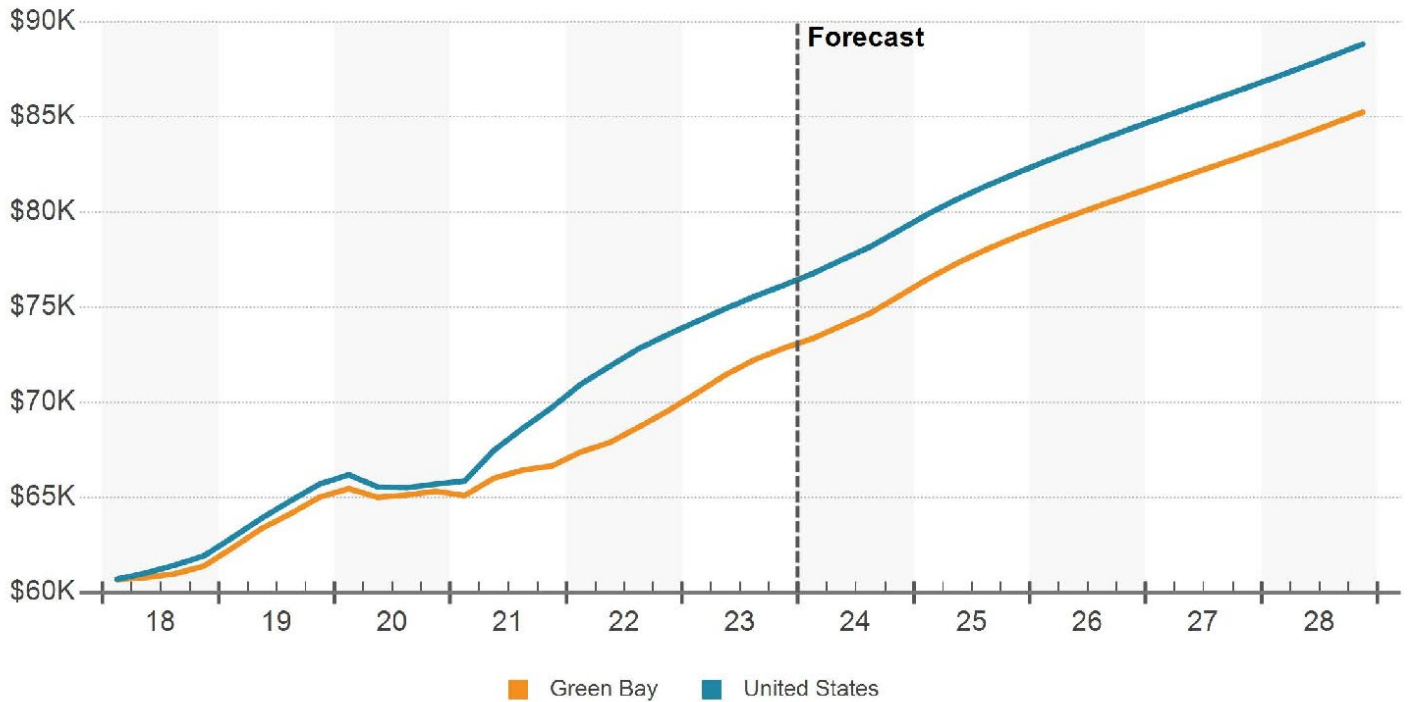
UNEMPLOYMENT RATE (%)



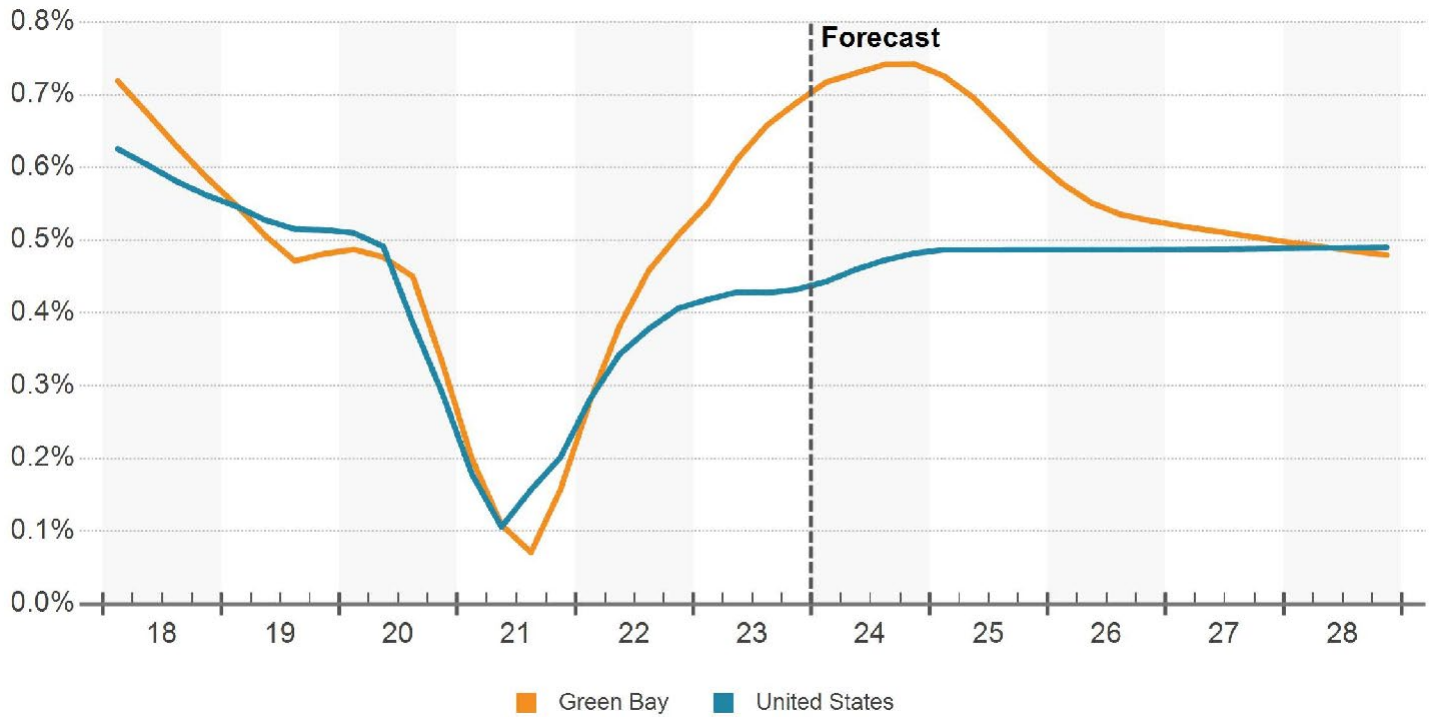
NET EMPLOYMENT CHANGE (YOY)



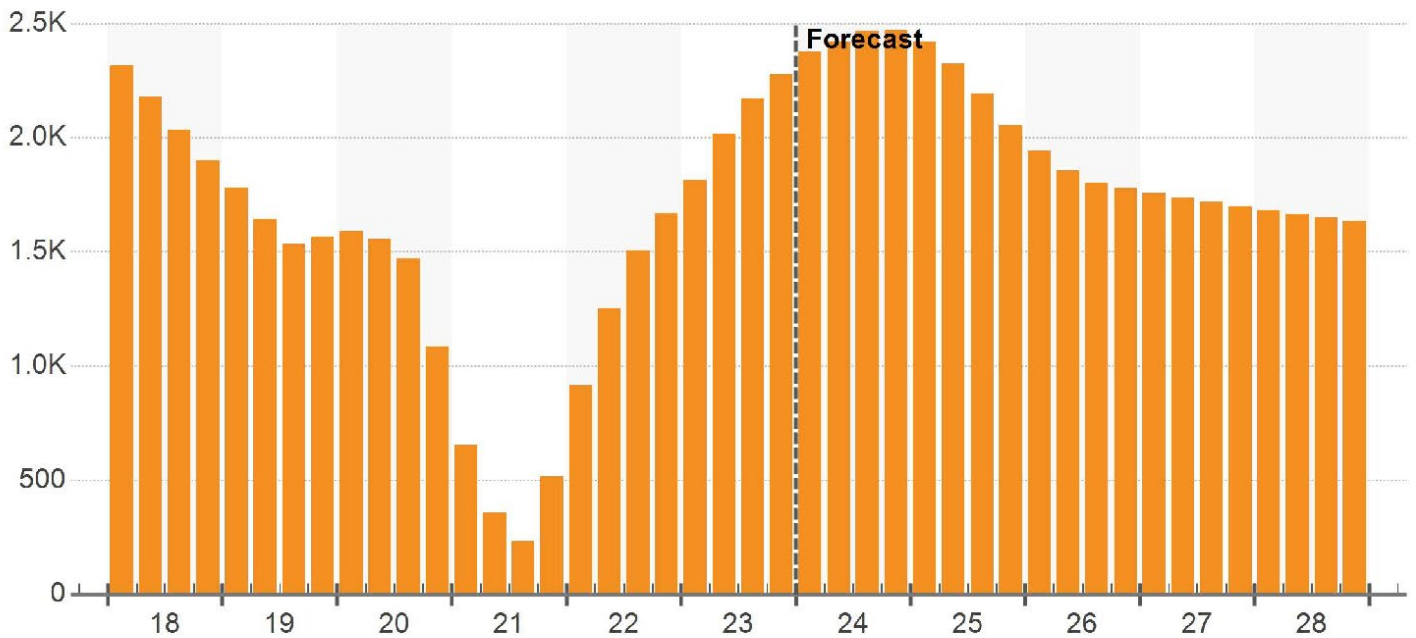
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	333,197	335,181,531	0.7%	0.4%	0.6%	0.5%	0.6%	0.5%
Households	139,907	130,870,758	0.9%	0.6%	1.2%	0.9%	0.7%	0.6%
Median Household Income	\$72,943	\$76,267	4.6%	3.5%	3.6%	3.8%	3.2%	3.1%
Labor Force	174,438	167,600,031	0.9%	1.6%	0.3%	0.8%	0.3%	0.2%
Unemployment	2.4%	3.6%	-0.2%	0.1%	-0.4%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH

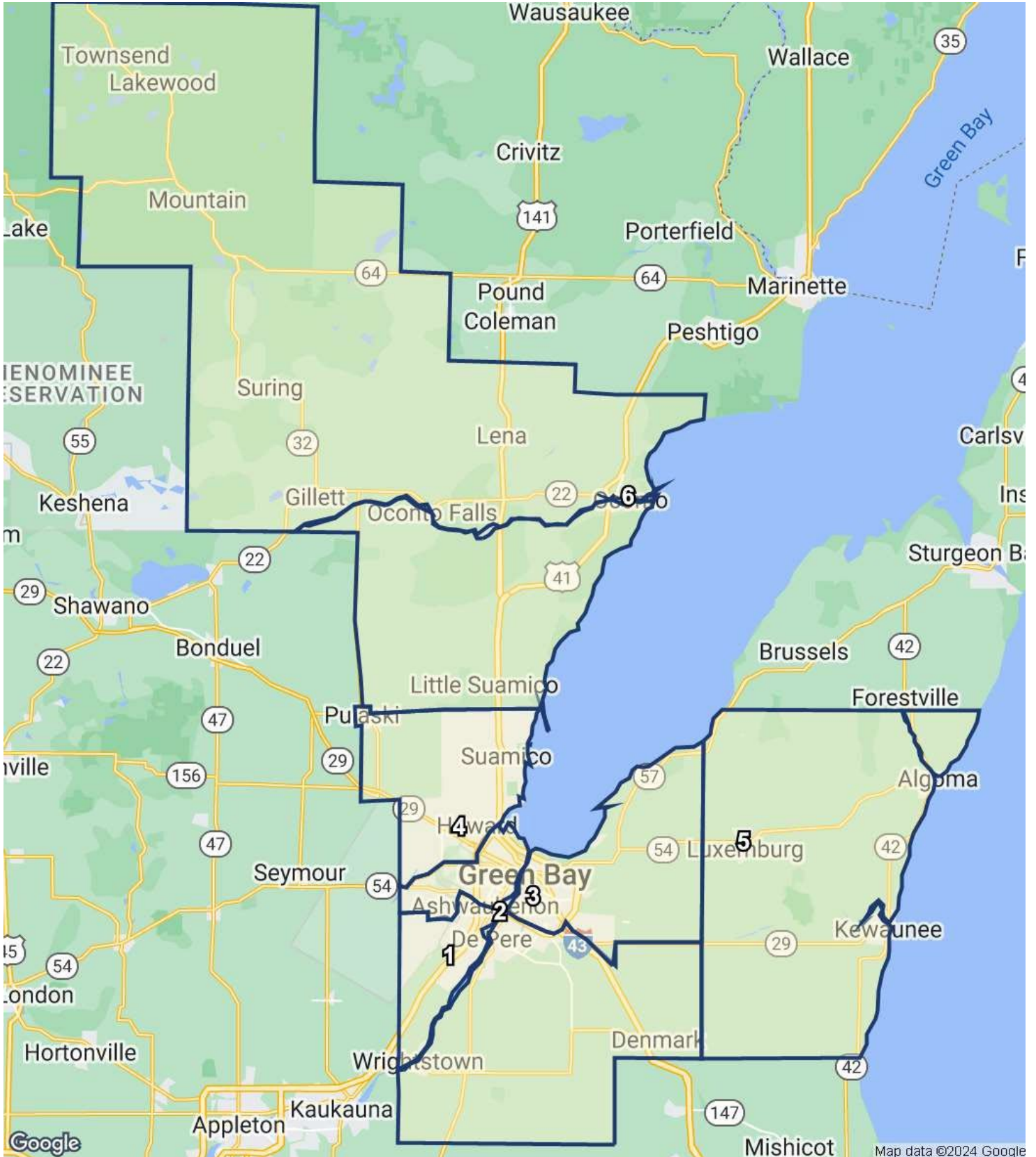


INCOME GROWTH



Source: Oxford Economics

GREEN BAY SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Ashwaubenon	110	2,716	24.0%	2	0	0	0%	-	0	-	-	-
2	Bellevue/De Pere	75	866	7.6%	4	0	0	0%	-	0	-	-	-
3	Green Bay	391	6,387	56.4%	1	2	122	1.9%	1	0	-	-	-
4	Howard	71	1,070	9.4%	3	0	0	0%	-	0	-	-	-
5	Kewaunee County	19	134	1.2%	6	0	0	0%	-	0	-	-	-
6	Oconto County	28	161	1.4%	5	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Ashwaubenon	\$18.84	1	1.9%	2	1.2%	3
2	Bellevue/De Pere	\$16.81	4	1.9%	3	1.2%	2
3	Green Bay	\$18.27	2	1.8%	4	0.1%	4
4	Howard	\$16.43	5	1.7%	6	-2.8%	6
5	Kewaunee County	\$17.02	3	1.7%	5	-1.4%	5
6	Oconto County	\$15.74	6	2.3%	1	6.3%	1

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Ashwaubenon	506,936	18.7%	5	(110,211)	-4.1%	6	-
2	Bellevue/De Pere	45,010	5.2%	4	5,757	0.7%	3	-
3	Green Bay	324,545	5.1%	3	333,563	5.2%	1	0
4	Howard	19,128	1.8%	2	2,079	0.2%	4	-
5	Kewaunee County	-	-	-	0	0%	-	-
6	Oconto County	1,250	0.8%	1	9,519	5.9%	2	-