

FIGURES | MILWAUKEE OFFICE | Q4 2025

Suburban and Class A properties drive positive market absorption in 2025

▼ 18.0%
Vacancy Rate

▲ 57,310
SF Net Absorption

▶ 0
SF Construction Delivered

▶ 0
SF Under Construction

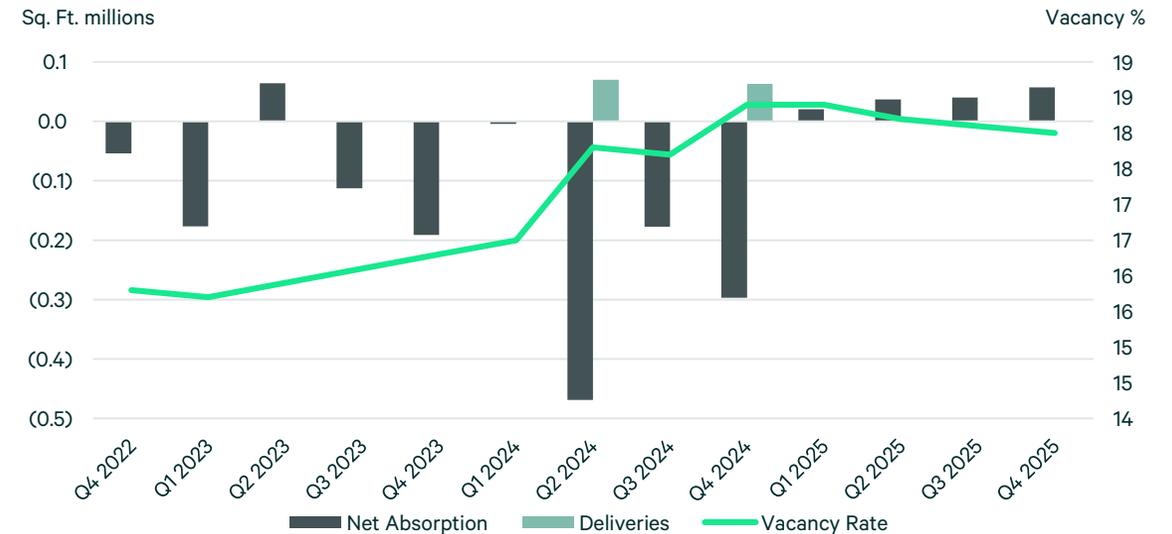
▲ \$21.76
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- The Milwaukee office market experienced its fourth consecutive quarter of positive absorption at 57,310 sq. ft. Year-to-date the market has absorbed 154,444 sq. ft., marking the first year of positive absorption in three years.
- In Q4 2025 the Milwaukee market vacancy rate was 18%, a decrease of 10 bps from the Q3 value of 18.1%. Class A office space experienced the largest change in vacancy, declining 40 bps down to 22.6% in Q4.
- The Milwaukee asking rates stabilized in Q4, ending the year with a market average asking rate of \$21.76. This rate is 1.9% higher than the five-year average of \$21.36.
- In Q4 Milwaukee had 141,788 sq. ft. of total leasing activity, inclusive of all sizes. This represents a 51.4% decrease from the previous quarter and a 48.8% decrease year-over-year.
- Annual office sales volume grew to \$313 million in 2025, a 19% grow over the previous year and 34% above to the market's three-year average volume.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

Vacancy and Availability Rates

In Q4 2025 the Milwaukee market vacancy rate was 18%, a decrease of 10 bps from the Q3 value of 18.1%. This performance is the fourth consecutive quarter of decreasing vacancy.

Class A office space experienced the largest change in vacancy, declining 40 bps down to 22.6% in Q4. In contrast, Class B vacancy increased by 10 bps quarter-over-over at 16.8% but remains 120 bps below the Milwaukee market average.

Vacancy for the Suburban submarkets decreased 40 bps to 18% in Q4, aligned with the market average. For Downtown submarkets (which include the Downtown East, Downtown West, and Third Ward/Walker’s Point submarkets), the vacancy rate increased 50 bps to 18.2%. This is the highest vacancy rate that the Downtown submarkets have experienced year-to-date.

The sublease availability rate was 2.2% in Q4, a decrease of 10 bps from Q3. Direct availability saw an increase of 10 bps to 18.5% in Q4, a decrease of 90 bps year-over-year. The full market remained stagnant at a 20.7% availability rate.

Asking Rent

The Milwaukee asking rates stabilized in Q4, ending the year with a market average asking rate of \$21.76. This rate is 1.9% higher than the five-year average of \$21.36.

Downtown Class A properties maintained the highest rate across the market at \$30.12. Suburban Class A recorded a rate of \$22.28, 2.4% higher than the market average. The highest rates were in the Downtown East submarket at \$27.81 in Q4. The lowest rates were found in the North Suburban and Waukesha South submarkets, both being under \$14 per sq. ft.

In Q4, full market Class A buildings had an average asking rate of \$25.51, \$4.15 higher than the market average but no movement in pricing from the previous quarter. Overall, Downtown rates were \$7.26 higher than their Suburban counterpart in Q4, further widening the pricing gap.

FIGURE 2: Vacancy Rates by Class



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q4 2025

Net Absorption

The Milwaukee office market experienced its fourth consecutive quarter of positive absorption at 57,310 sq. ft. This represents a 43.6% increase from the previous quarter. Year-to-date the market has absorbed 154,444 sq. ft. 2025 is the first year of positive absorption over the span of five years.

The Suburban markets and Class A product led in absorption volume this quarter with a net of 128,050 sq. ft. and 53,598 sq. ft., respectively. Year-to-date the Suburban markets have absorbed 99,007 sq. ft. In contrast, the Downtown markets recorded (70,740) sq. ft. in negative absorption, contributing to a year-to-date total of 55,437 sq. ft.

The Mayfair/Wauwatosa submarket had the highest volume of absorption at 30,671 sq. ft., the submarket's highest quarter of absorption since Q2 2023. The Downtown West submarket recorded the lowest absorption volume at (68,378) sq. ft. of negative absorption.

Office Sales Activity

In Milwaukee, office sales volume totaled over \$52.5 million in Q4. In 2025, the market saw \$313 million in total sales volume. Annual volume in 2025 was 19% higher than the previous year and 34% above to the market's three-year average volume.

Investment Sales continue to be the bulk volume of transactions, contributing to 91% of total sales volume in Q4 and 94% of the annual volume in 2025. Investment sales averaged pricing nearly \$219 per square foot this quarter.

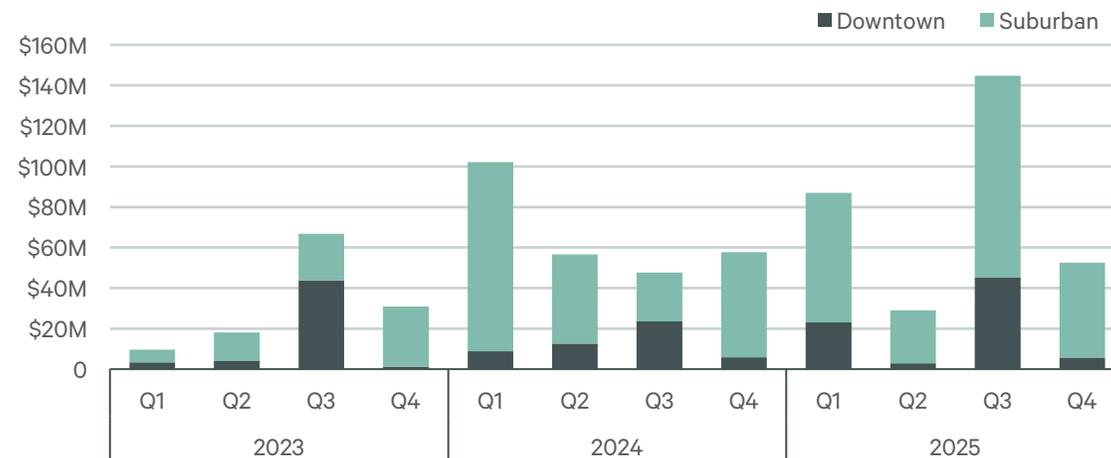
The top sale this quarter was a high vacancy office transaction at 11000 W Lake Park Dr in Milwaukee. This property was sold for \$13.3M from Metavante Corporation to Kars 4 Kids.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Downtown vs. Suburban Office Sales Volume



Source: CBRE Research, Q4 2025

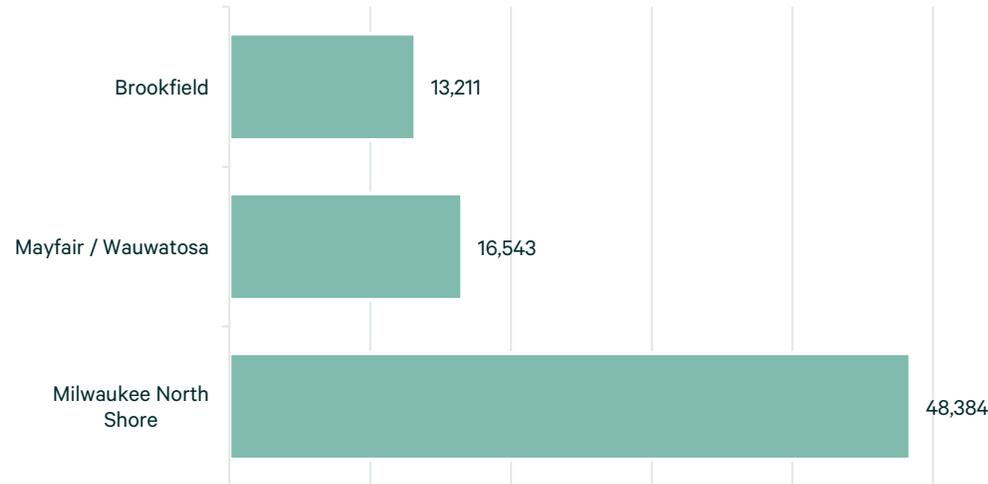
Leasing Activity

In Q4 Milwaukee had 228,530 sq. ft. of total leasing activity, inclusive of all sizes. This represents a 41% decrease from the previous quarter and a 33.5% decrease year-over-year. Leasing volume year-to-date in 2025 was recorded at 1.4M sq. ft. transacted.

In Q4, the average area leased was 3,007 sq. ft with an average term of 26 months. Of the leases signed this quarter, 44.9% of the total lease volume was from leases less than 10,000 sq. ft. Leases at Downtown/Class A buildings recorded the highest average size at 12,250 sq. ft. in 2025, a 26% increase from the previous year.

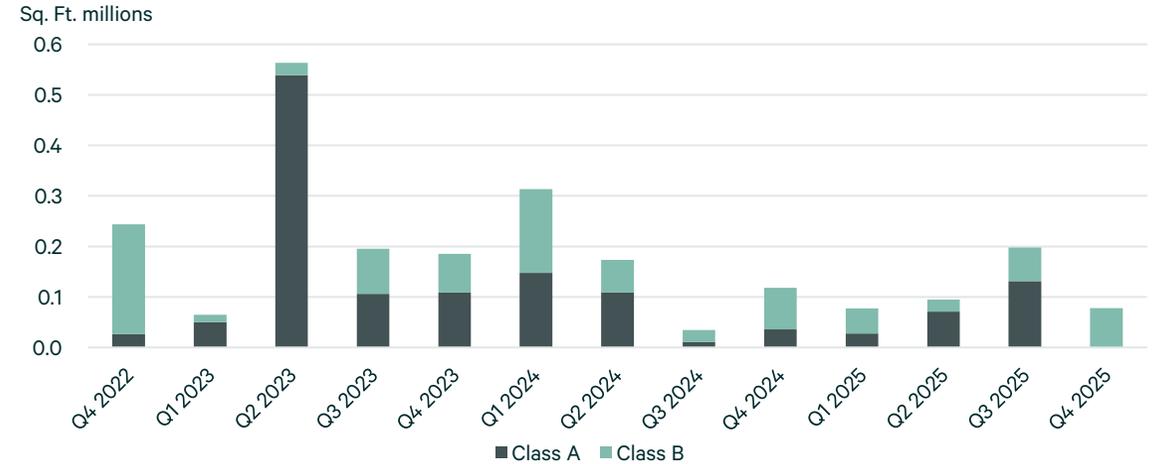
Class A saw the largest uptick in leasing volume this year, increasing by 6% compared to the 2024 volume. In contrast, Class B leasing in 2025 saw a 13.6% decline in volume from the previous year. Despite the decrease, leasing on Class B properties still represented 73% of the Q4 leasing volume, and 53% of the annual leasing in 2025.

FIGURE 6: Leasing by Submarket – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Ideal Partners	48,384	New Lease	501 W Northshore Dr	Milwaukee North Shore
Milwaukee Career College	16,543	New Lease	3333 N Mayfair Rd	Mayfair / Wauwatosa
Capri Communities	13,211	Renewal	20875 Crossroads Cir	Brookfield
EmPower	8,773	Renewal	111 E Wisconsin Ave	Downtown East

Source: CBRE Research, Q4 2025

Market Statistics by Index

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
SUBURBAN										
Class A	9,025,779	24.7	27.2	21.8	5.4	22.28	44,960	(29,031)	0	0
Class B	17,811,075	15.9	18.6	17.8	0.8	16.80	80,890	111,491	0	0
Class C	1,647,339	3.3	3.3	3.3	0.0	12.00	2,200	16,547	0	0
Total	28,484,193	18.0	20.4	18.2	2.2	18.85	128,050	99,007	0	0

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
DOWNTOWN										
Prime	2,393,888	11.4	15.3	12.2	3.1	35.42	(1,392)	41,443	0	0
Class A (Including Prime)	5,998,012	19.5	25.5	20.7	4.8	30.12	8,638	63,889	0	0
Class B	9,622,666	18.4	19.7	19.0	0.7	23.41	(79,378)	(9,816)	0	0
Class C	560,579	0.0	1.4	1.4	0.0	20.00	0	1,364	0	0
Total	16,181,257	18.2	21.2	19.0	2.2	26.11	(70,740)	55,437	0	0

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
METRO										
Class A	15,023,791	22.6	26.5	21.4	5.2	25.51	53,598	34,858	0	0
Class B	27,433,741	16.8	19.0	18.2	0.8	19.42	1,512	101,675	0	0
Class C	2,207,918	2.5	2.8	2.8	0.0	13.22	2,200	17,911	0	0
Total	44,665,450	18.0	20.7	18.5	2.2	21.76	57,310	154,444	0	0

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Brookfield	6,322,191	21.6	24.2	23.6	0.6	20.3	7,991	27,348	0	0
Downtown East	9,465,601	18.9	23.4	21.1	2.3	27.81	8,617	45,767	0	0
Downtown West	3,987,503	22.0	19.8	18.0	1.8	23.18	(68,378)	(42,404)	0	0
Mayfair / Wauwatosa	4,149,089	25.8	29.4	19.2	10.2	20.74	30,671	3,406	0	0
Milwaukee Central	785,789	4.7	4.7	4.7	0.0	15.62	0	1,954	0	0
Milwaukee North Shore	2,458,416	16.1	17.0	17.0	0.0	16.95	25,899	22,780	0	0
Milwaukee Northwest	2,025,659	28.5	28.6	28.5	0.1	15.95	9,774	4,505	0	0
Milwaukee Southeast	1,169,278	17.3	27.6	15.3	12.4	25.32	15,906	22,798	0	0
Milwaukee Southwest	852,344	6.8	10.0	9.9	0.1	18.24	3,690	1,575	0	0
North Suburban	2,038,042	9.7	12.0	12.0	0.0	13.7	10,367	23,386	0	0
South Suburban	1,791,018	5.2	6.1	6.1	0.0	15.39	1,950	11,843	0	0
Third Ward / Walker's Point	2,728,153	10.0	15.6	13.3	2.2	22.51	(10,979)	52,074	0	0
Waukesha North	1,608,866	8.9	10.4	10.4	0.0	15.74	0	(77,727)	0	0
Waukesha South	559,286	8.4	9.9	9.9	0.0	13.84	1,320	(38)	0	0
Waukesha-Pewaukee	2,766,813	11.5	15.2	14.8	0.3	20.65	15,579	38,348	0	0
West Allis	1,957,402	31.1	32.5	31.5	1.0	17.63	4,903	18,829	0	0
Total	44,665,450	18.0	20.7	18.5	2.2	21.76	57,310	154,444	0	0

National Economic Overview

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle. The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households.

This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.



Milwaukee Employment Update

▼ **3.0%**
Unemployment Rate

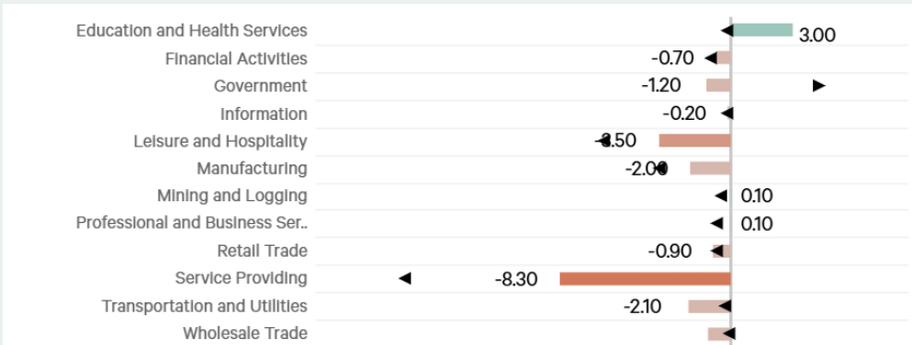
▼ **0.8M**
Labor Force

▼ **179.6k**
Office Using Jobs

▼ **293.5k**
Industrial Using Jobs

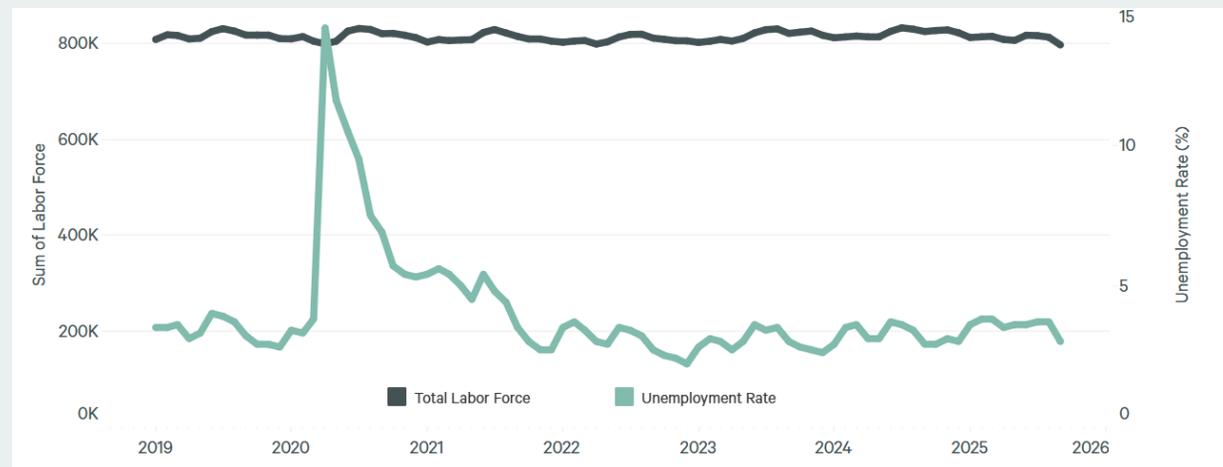
▼ **110.8k**
Retail Using Jobs

Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, September 2025

Milwaukee Unemployment Rate and Labor Force Trends



Source: US BLS, September 2025

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all Milwaukee buildings 10,000 sq. ft. and greater in size in Milwaukee counties. Buildings which have begun construction as evidenced by site excavation or foundation work

Contacts

Adam Stapleton

Research Analyst
 CBRE | Michigan
 adam.stapleton@cbre.com

Ashley Pifer

Research Data Analyst
 CBRE | Midwest Research
 ashley.pifer@cbre.com

Maggie Parra

Research Manager
 CBRE | North Midwest
 maggie.parra@cbre.com