

FIGURES | MILWAUKEE OFFICE | Q3 2026

Strongest Absorption in Five Years as Class A Demand Drives Market Activity

▼20.5%

Availability Rate

▼18.4%

Vacancy Rate

▲211.9

KSF Net Absorption

►0.0

KSF Construction Delivered

►0.0

KSF Under Construction

▲\$21.93

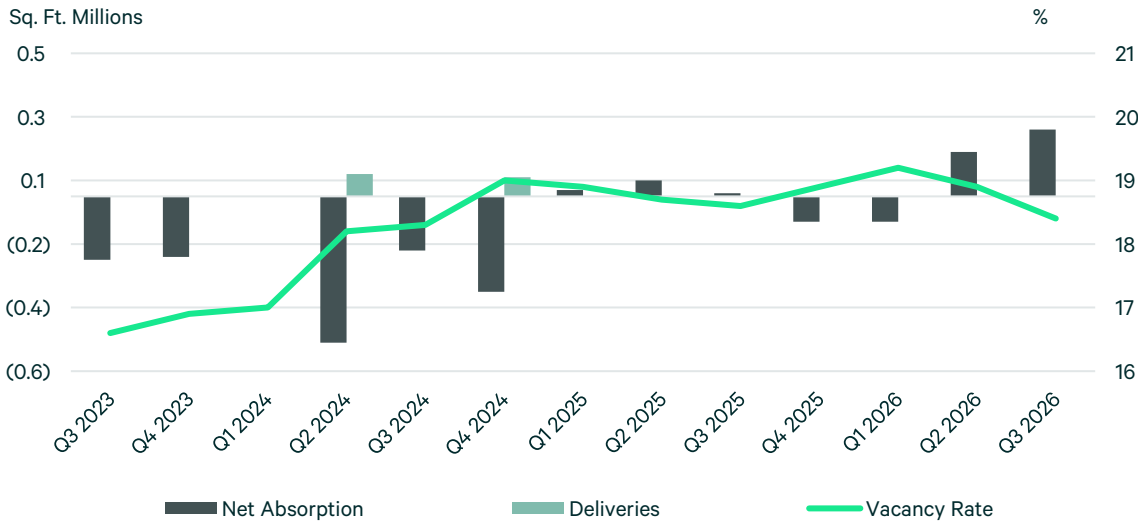
Avg. Direct Asking Rate (FSG/YR)

Note: Arrows indicate change from previous quarter.

Market Overview

- Net absorption reached 212,000 sq. ft. in Q3, the strongest reporting quarter since Q4 2021, bringing the year-to-date total to 278,000 sq. ft. Class A accounted for 157,000 sq. ft.
- Vacancy fell 50 bps quarter-over-quarter to 18.4%. Class A saw the largest drop this quarter, down 100 bps to 23.2%.
- The average direct asking rate was \$21.93 per sq. ft. (FSG), up 0.7% year-over-year. Class A averaged \$24.18, down 3.8% year-over-year, while Prime held at \$35.00.
- Leasing totaled 186,000 sq. ft., up 16.3% quarter-over-quarter but down 16.6% year-over-year. Leasing at Class A buildings represented 86% of total market volume.
- Investment sales volume was \$14 million, down 87% quarter-over-quarter, bringing the year-to-date total to \$155 million. The largest sale was 6744 South Howell Avenue, which the Archdiocese of Milwaukee bought for \$7.8 million.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

Overall vacancy fell to 18.4% in Q3 2026, down 50 bps quarter-over-quarter, as Class A led the improvement. Class A vacancy declined 100 bps to 23.2% and is now 50 bps below Q3 2025. Class B vacancy fell 20 bps to 16.8%, flat year-over-year.

Conditions vary widely by submarket. Milwaukee Central (3.7%), South Suburban (4.7%), North Suburban (6.4%) and Milwaukee Southwest (6.5%) remain tight. Milwaukee Northwest (32.4%) and West Allis (30.7%) have the highest vacancy.

Sublease availability remained a relatively small component of overall vacancy in the market. In the Class A segment, sublease availability fell quarter-over-quarter by 260 bps from 5% in Q2 2026 to 2.4% this quarter, and across all submarkets sublease space totaled 386,000 sq. ft. of available space.

Asking Rent

The overall average asking rent was \$21.93 per sq. ft. in Q3 2026, up 0.7% year-over-year and 3.9% from \$21.11 three years ago. Class B rents reached \$20.28, up 3.5% year-over-year and the highest in the three-year series. Class A rents averaged \$24.18, flat quarter-over-quarter but down 3.8% year-over-year, as landlords traded rate for occupancy.

Class A rents are highest in Milwaukee Southeast (\$31.50), Downtown East (\$29.97), Milwaukee Central (\$28.84) and Downtown West (\$28.10). Suburban submarkets range from the low teens to the low \$20s. Downtown East (\$24.36) and Downtown West (\$24.22) lead Class B pricing. The most affordable Class B space is in South Suburban, Waukesha South and Milwaukee Southeast, in the mid-teens.

Figure 2: Vacancy Rates by Class



CBRE Research

Figure 3: Average Direct Asking Rate by Class



CBRE Research

Net Absorption

In Q3 2026, net absorption shifted firmly into positive territory the strongest performing quarter since Q4 2021. Total net absorption was 212,000 sq. ft., exceeding the previous quarter by an increase of nearly 50% and underscoring a marked improvement in tenant take-up over the past year. Class A accounted for 157,000 sq. ft. of net absorption, Class B contributed 56,000 sq. ft., while Class C slipped slightly with negative 1,000 sq. ft. of net absorption.

At the submarket level, demand was concentrated. Milwaukee Southeast and Downtown East recorded the strongest positive net absorption in Q3 2026. Milwaukee Southeast led with 152,000 sq. ft. of net absorption, while Downtown East followed with 60,000 sq. ft., Mayfair / Wauwatosa posted the largest contraction with negative 19,000 sq. ft. of net absorption, followed by Waukesha-Pewaukee and the Milwaukee North Shore, both with negative 18,000 sq. ft. of net absorption.

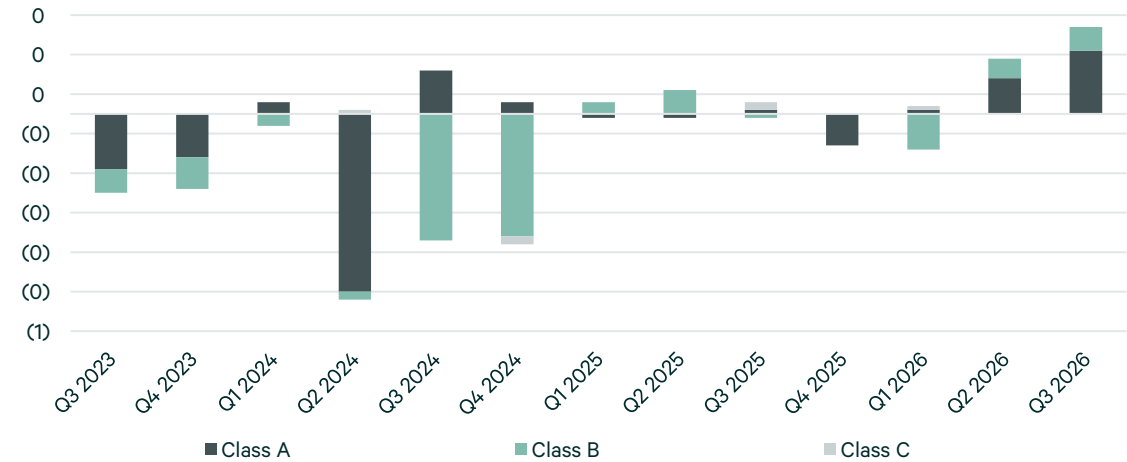
Investment Sales Activity

Q3 2026 Milwaukee office investment sales volume totaled \$14 million, down 87% quarter-over-quarter from \$106 million in Q2 2026 and down 57% year-over-year from \$33 million in Q3 2025. Year-to-date 2026 volume reached \$155 million.

The largest sale was 6744 South Howell Avenue in Milwaukee Southeast, which the Archdiocese of Milwaukee bought for a new headquarters at \$7.8 million, or \$64.53 per sq. ft., for 120,883 sq. ft. North Suburban's W61N306 Washington Avenue sold for \$3.2 million. 5TH Gear LLC bought 5150 North Port Washington Road in Milwaukee North Shore for \$3.0 million.

Figure 4: Net Absorption Trend

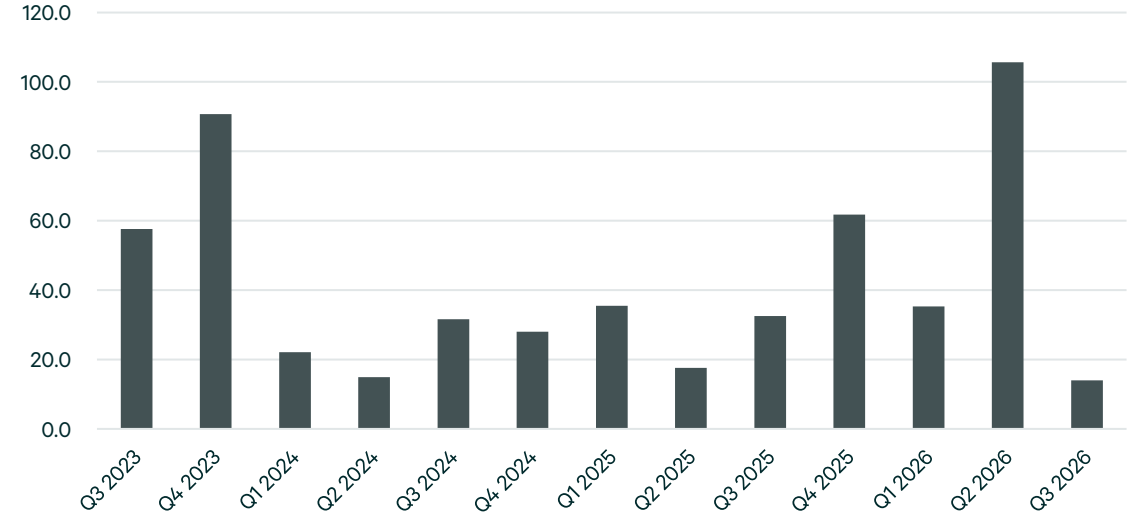
Sq. Ft. (millions)



CBRE Research

Figure 5: Quarterly Investment Sales Volume

\$ (millions)



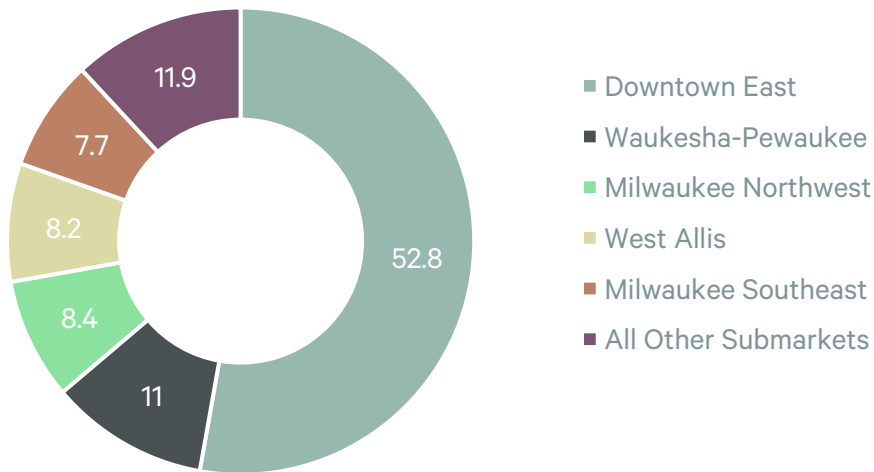
MSCI Real Capital Analytics

Leasing Activity

Leasing activity in Q3 2026 strengthened compared with Q2 2026 but remained below the pace of Q3 2025. Total leased area reached 186,000 sq. ft. in the quarter and 575,000 sq. ft. year-to-date in 2026. This represented a 16.3% quarter-over-quarter increase from 160,000 sq. ft. in Q2 2026 but a 16.6% year-over-year decline from the 223,000 sq. ft. recorded in Q3 2025, with Class A space accounting for 160,000 sq. ft., or 86.0% of quarterly volume.

Downtown East captured 52.8% of activity, including 98,000 sq. ft. of Class A leasing. Waukesha-Pewaukee followed with 20,000 sq. ft. Milwaukee Northwest, West Allis, Milwaukee Southeast, Milwaukee North Shore and Third Ward / Walker's Point each posted 10,000 to 16,000 sq. ft. The largest deal was Zizzl Health's 41,000 sq. ft. new lease at 735 N Water St.

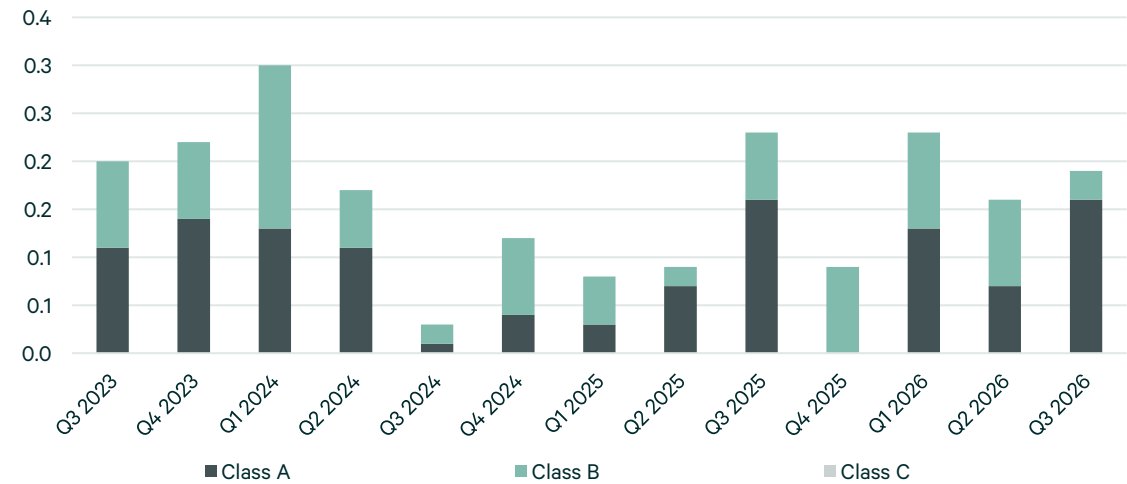
Figure 7: Leasing by Submarket (% of Total Activity)



CBRE Research

Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



CBRE Research

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Zizzl Health	41,000	New Lease	735 N Water St	Downtown East
PNC Bank NA	22,000	Renewal	411 E Wisconsin Ave	Downtown East
ProHealth Solutions	20,000	New Lease	N14 W23800 STONE Ridge Drive	Waukesha-Pewaukee
Wipfli	17,000	New Lease	511 N Broadway	Downtown East
America Works of Wisconsin	16,000	New Lease	11800 W Park Pl	Milwaukee Northwest
America Works of Wisconsin	15,000	New Lease	6737 W Washington St	West Allis

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 12: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	14.81M	23.2	29.6	27.2	2.4	24.18	157,000	254,000	-	-
Prime	3.04M	12.0	12.4	10.0	2.4	35.00	33,000	63,000	-	-
Other Class A	11.77M	26.1	34.0	31.6	2.4	23.14	124,000	191,000	-	-
Class B	27.11M	16.8	16.8	16.7	0.1	20.28	56,000	18,000	-	-
Class C	2.30M	6.2	6.5	6.5	-	13.20	(1,000)	5,000	-	-
Total	44.22M	18.4	20.5	19.7	0.9	21.93	212,000	278,000	-	-

Source: CBRE Research, Q3 2026

Market Statistics

Figure 13: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	9.25M	24.9	31.3	30.0	1.3	20.64	112,000	187,000	-	-
Prime	459,000	30.7	24.8	20.0	4.8	31.50	-	6,000	-	-
Other Class A	8.79M	24.6	31.7	30.6	1.1	20.26	112,000	181,000	-	-
Class B	17.67M	15.9	16.1	16.0	0.2	17.81	38,000	35,000	-	-
Class C	1.65M	3.0	3.0	3.0	-	11.88	(1,000)	5,000	-	-
Total	28.56M	18.1	20.3	19.8	0.5	19.01	150,000	227,000	-	-

Source: CBRE Research, Q3 2026

Figure 14: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	5.57M	20.3	26.6	22.4	4.2	29.71	45,000	68,000	-	-
Prime	2.58M	8.6	10.2	8.2	2.0	36.10	33,000	57,000	-	-
Other Class A	2.98M	30.3	40.8	34.7	6.1	28.39	11,000	10,000	-	-
Class B	9.44M	18.5	18.1	18.1	0.0	23.95	18,000	(17,000)	-	-
Class C	655,000	14.4	15.2	15.2	-	20.00	-	-	-	-
Total	15.66M	19.0	21.0	19.5	1.5	26.39	62,000	50,000	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 15

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Brookfield	6.38M	19.9	21.7	21.1	0.6	20.16	23.07	26,000	126,000	-	-
Downtown East	8.95M	19.5	23.9	22.0	1.9	27.84	29.97	60,000	67,000	-	-
Downtown West	4.08M	22.9	19.4	17.8	1.5	24.33	28.10	17,000	26,000	-	-
Mayfair / Wauwatosa	4.24M	25.4	31.3	29.5	1.8	21.18	23.98	(19,000)	99,000	-	-
Milwaukee Central	799,000	3.7	3.7	3.7	-	24.77	28.84	1,000	8,000	-	-
Milwaukee North Shore	2.47M	24.2	24.3	24.3	-	17.63	16.93	(18,000)	(68,000)	-	-
Milwaukee Northwest	2.05M	32.4	33.1	33.1	-	17.40	16.53	3,000	(28,000)	-	-
Milwaukee Southeast	1.17M	10.9	10.7	10.7	-	23.76	31.50	152,000	74,000	-	-
Milwaukee Southwest	852,000	6.5	10.5	10.4	0.1	17.79	20.03	6,000	2,000	-	-
North Suburban	2.00M	6.4	7.9	7.9	-	16.16	17.17	9,000	6,000	-	-
South Suburban	1.79M	4.7	5.1	5.1	-	15.28	-	-	22,000	-	-
Third Ward / Walker's Point	2.63M	11.0	13.8	13.6	0.2	22.09	16.00	(14,000)	(43,000)	-	-
Waukesha North	1.66M	9.3	16.7	16.2	0.5	15.02	14.41	(8,000)	(8,000)	-	-
Waukesha South	559,000	8.5	9.3	9.3	-	14.65	12.00	(2,000)	(1,000)	-	-
Waukesha-Pewaukee	2.69M	12.8	12.3	11.9	0.4	20.96	23.71	(18,000)	(33,000)	-	-
West Allis	1.89M	30.7	34.3	33.5	0.7	16.93	20.00	16,000	27,000	-	-
Total	44.22M	18.4	20.5	19.7	0.9	21.93	24.18	212,000	278,000	-	-

Source: CBRE Research, Q3 2026

National Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

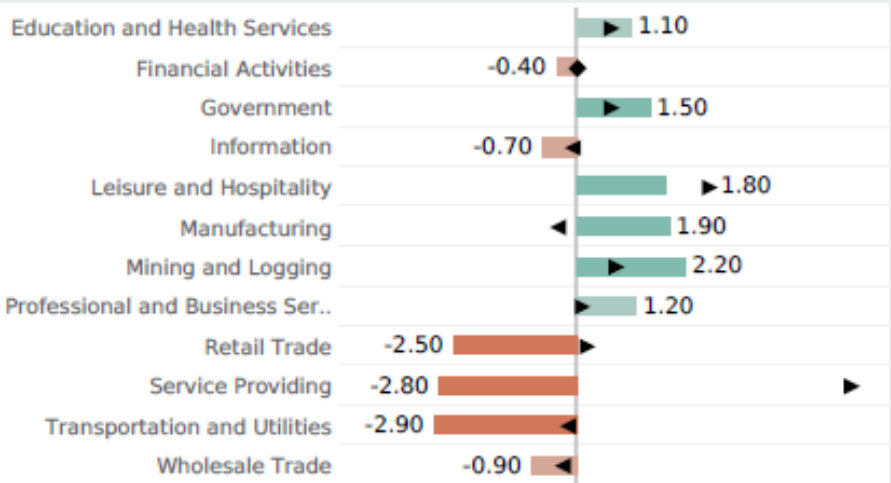
The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.



Milwaukee Employment Update

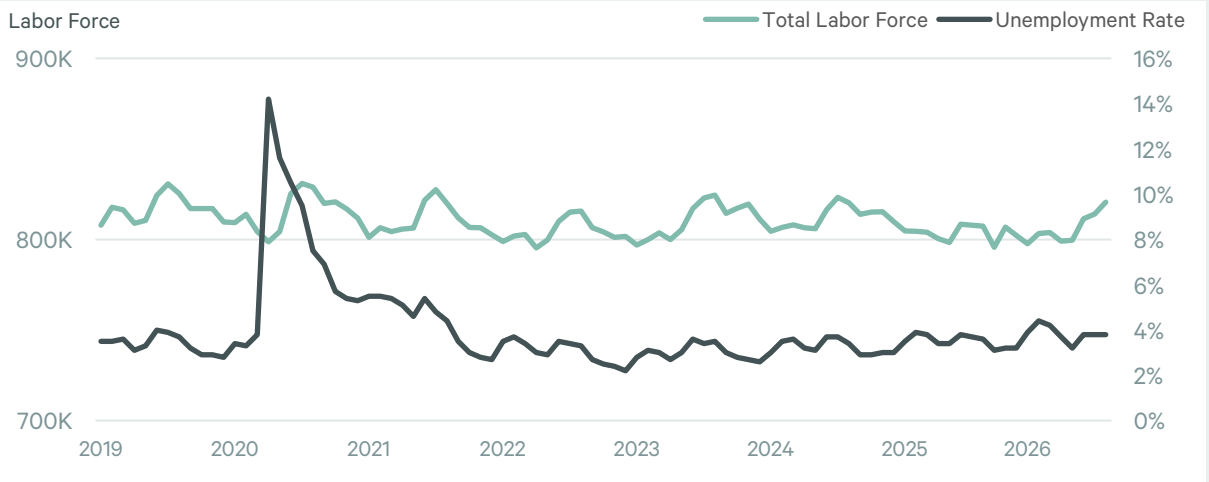
- 3.8% Unemployment Rate
- 0.8M Labor Force
- 180.6k Office Using Jobs
- 556.7k Industrial Using Jobs
- 109.6k Retail Using Jobs

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



Source: US BLS, September 2026

Milwaukee Unemployment Rate and Labor Force Trends



Source: US BLS, September 2026

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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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

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