

FIGURES | MILWAUKEE INDUSTRIAL | Q4 2025

Large lease transactions bolster year-end market activity

▼ 4.8%
Vacancy Rate

▼ 1.1M
SF Net Absorption

▼ 279,776
SF Construction Delivered

▲ 2.3M
SF Under Construction

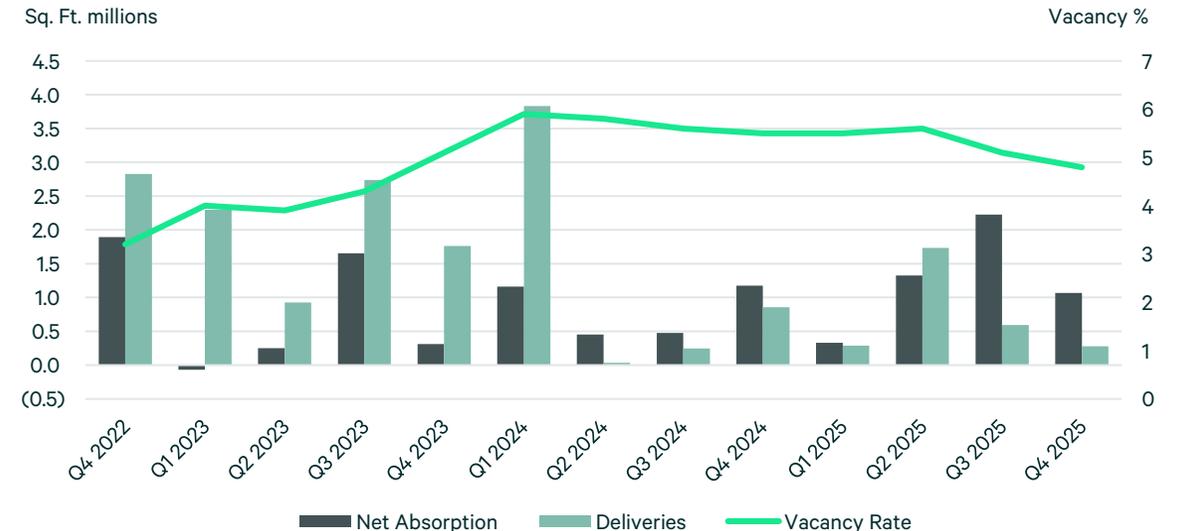
▲ \$5.70
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

- In the Milwaukee Industrial market, there was 1.1M sq. ft. of positive net absorption in Q4. Year-to-date, the market has absorbed 4.9M sq. ft., a 51% increase from 2024.
- Following three-consecutive quarters of high absorption rates, the market vacancy rate decreased to 4.8% in Q4, down 70 bps from the previous year.
- The construction pipeline delivered 279k sq. ft. of new construction in Q4. This brings the YTD total to nearly 2.9M with an additional 2.3M sq. ft. of developments underway. There were two projects started in Q4, totaling 125,400 sq. ft. combined.
- Leasing activity in the market, inclusive of all sizes, totaled 3.2M sq. ft. Leasing in 2025 exceeded 10.5M sq. ft, the highest annual volume since 2022. Large leases, over 300,000 sq. ft., drove demand this year, increasing in volume by 173% from 2024.
- Investment sales volume totaled \$128M in Q4 2025, bringing the YTD transaction volume to \$648M. Annual sales volume increased by 29% year-over-year. The largest investment sale of the quarter was the Furlani Foods campus in Oak Creek sold to Broadstone for \$46.3M.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

Net Absorption

Net absorption was positive 1.1M sq. ft. for the Milwaukee Industrial market in the fourth quarter. Q4 marks the third consecutive quarter of over 1M sq. ft. in absorption but also a decrease from positive 2.2M sq. ft. in the previous quarter. Year-to-date the market has absorbed 4.9M sq. ft., a 51% increase from the previous year. 4.9M is also 287% higher than the 5-year average of 1.2M sq. ft.

The submarket with the highest absorption in Q4 is Milwaukee South, posting 398k sq. ft. in positive net absorption. Following was Kenosha and Washington with absorption totaling 275k sq. ft. and 189k sq. ft. respectively.

Distribution/Logistics warehouse product led the market with 987k sq. ft. of net absorption in Q4. The rest of the product types absorbed less than 50k sq. ft. in Q4. Year-to-date, Distribution/Logistics warehouse product has absorbed 2.8M sq. ft. compared to 1.8M sq. ft. from Manufacturing product.

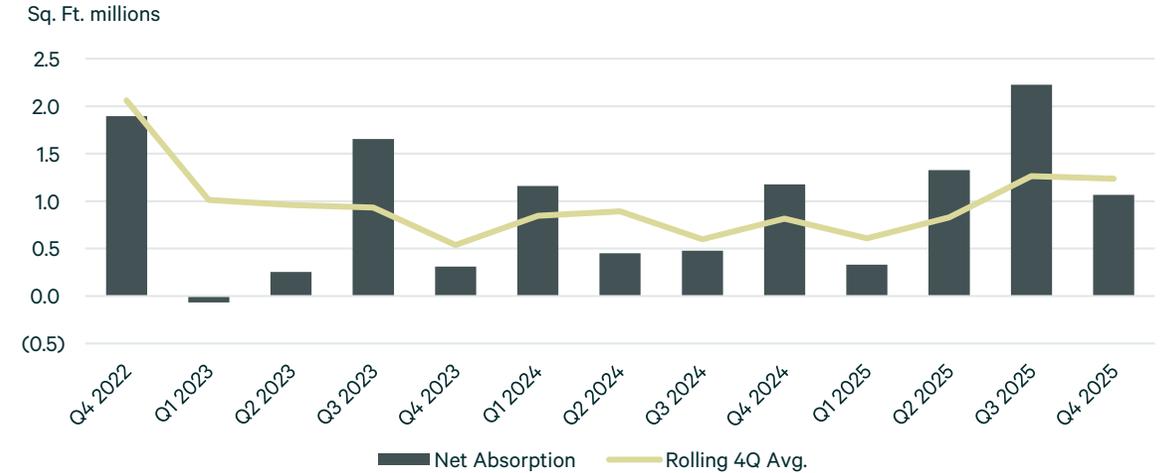
Construction Activity

In Q4 2025, Milwaukee recorded 14 projects underway, totaling 2.2M sq. ft. This is a 4.2% decrease in total construction volume year-over-year. There are currently 7 speculative projects under construction totaling 1.6M sq. ft. and 7 build-to-suit projects totaling 564k sq. ft. There were two projects started in Q4, a build-to-suit and speculative project, totaling 125,400 sq. ft. combined.

The largest project underway is an 418k sq. ft. speculative project. This project is located in the Milwaukee South submarket and owned by Frontline Commercial Real Estate. The expected delivery of this building is set for March of 2026.

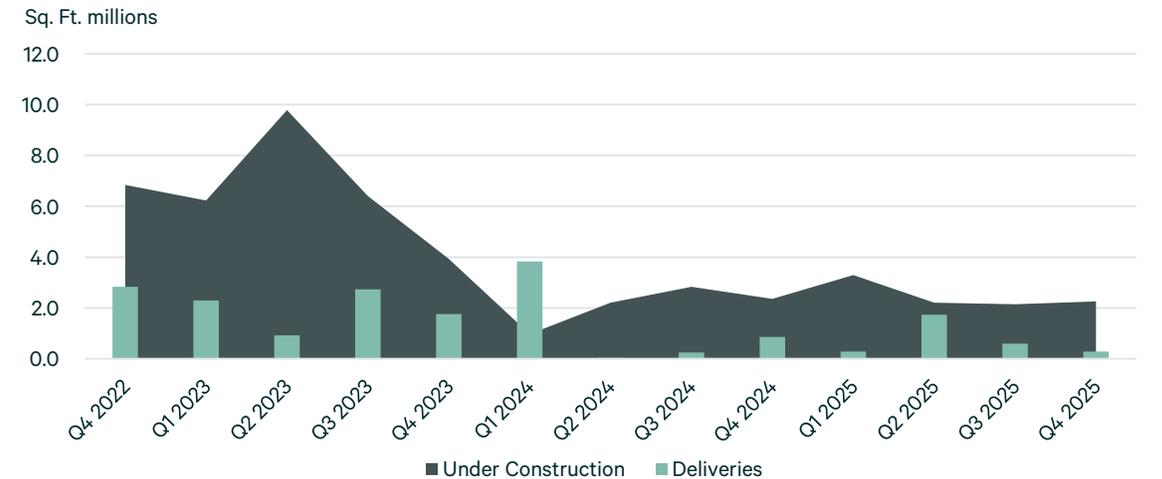
Construction deliveries in Q4 totaled 279,776 sq. ft, down 53% from the previous quarter. Over the last 3 years there was an average of 1.3M sq. ft. delivered quarterly. Of the 3 projects delivered in Q4, two were build-to-suit and one was a speculative project. These projects include Graff Faucets in Oak Creek, Dynamic Rating’s project in Sussex, and Laser’s project in Menomonee Falls. Year-to-date, there has been 20 projects delivered for a total of 2.9M sq. ft. of new inventory.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q4 2025

Availability and Vacancy Rates

The Milwaukee Industrial market reported a vacancy rate of 4.8% in Q4, a decrease of 30 bps from the previous quarter and the lowest reported quarter of vacancy of the year.

Milwaukee West, Kenosha, and Racine reported the highest vacancy rates of the quarter. They ended the quarter at 14.5%, 9.3%, and 8.3%, respectively. The Waukesha submarkets, Walworth, and Sheboygan maintained the lowest vacancy rates, all reporting rates under 2% for Q4.

Milwaukee South and Washington both saw the largest drops in vacancy this quarter. Vacancy in Milwaukee South dropped 90 bps to 2.7%. Washington vacancy similarly dropped 90 bps to 3.5% in Q4.

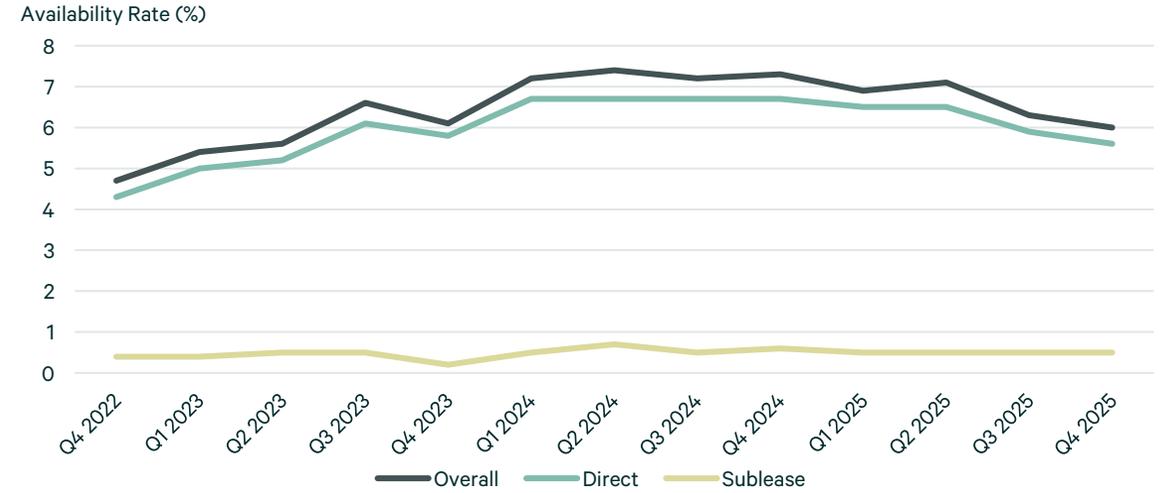
The Milwaukee market availability experienced a decrease of 30 bps at 6%, down year-over-year from the Q4 2024 rate of 7.3%. Direct availability was responsible for the decrease, decreasing a total of 30 bps from 5.9% in Q3 to 5.6% in Q4. Sublease availability rate remained stagnant at 0.5% at the end of Q4.

Asking Rent

Industrial asking rents saw a slight increase in Q4, settling at \$5.70. This rate marks a 5.5% increase year-over-year, and a 15.6% increase since the start of 2023.

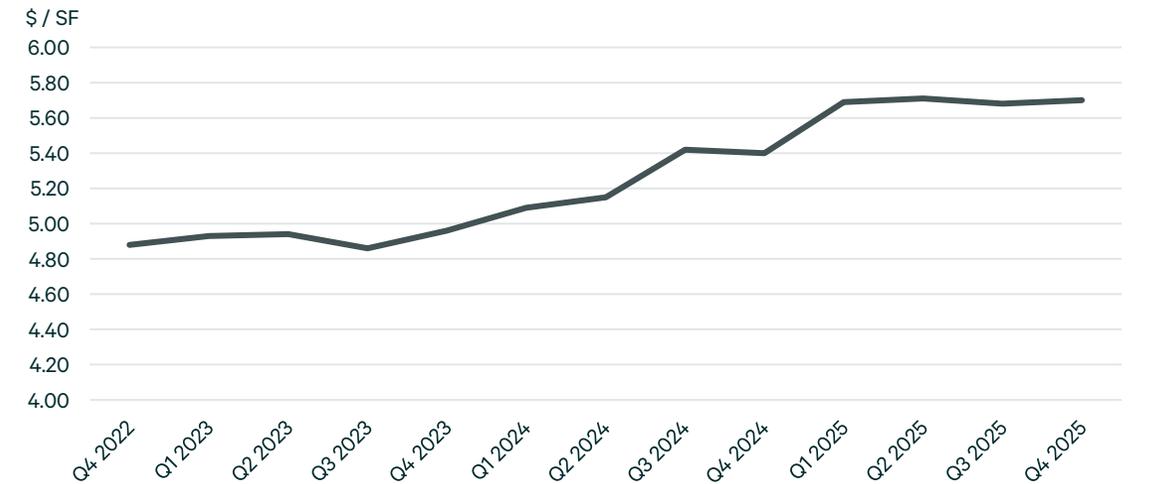
The Milwaukee South Central and Milwaukee West Submarkets recorded the highest asking rents in Q4, averaging \$8.63 and \$8.40, respectively. Followed closely by the Waukesha Northwest submarket which recorded a \$7.26 average asking rent in Q4. In contrast, the Milwaukee North Central and Walworth Submarkets reported the lowest asking rents comparatively, at \$3.69 and \$4.75, respectively.

FIGURE 2: Availability Rates



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q4 2025

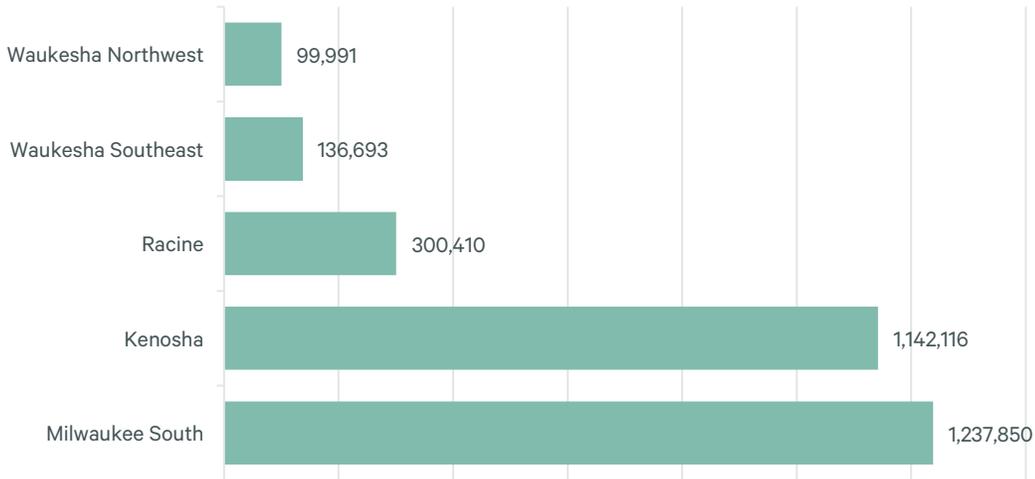
Leasing Activity

Leasing activity in the Milwaukee Industrial market, inclusive of all sizes, totaled 3.2M sq. ft. leased. For leases 50,000 sq. ft. and larger, the total activity was 2.9M sq. ft., up 99% from the previous quarter and significantly higher than the 5-year quarterly average of 1.97M sq. ft.. This figure brings the year-to-date total to 10.5M sq. ft, the highest year-to-date total since 2022.

Leasing on buildings built before 2000 led the activity this quarter, recording 1.6M sq. ft. This figure represents 46.1% of all activity in Q4. The top deals of quarter the were both over 400k sq. ft., Ariens with a 601k sq. ft. renewal in Kenosha and Vilter Manufacturing with a 435k sq. ft. renewal in Cudahy.

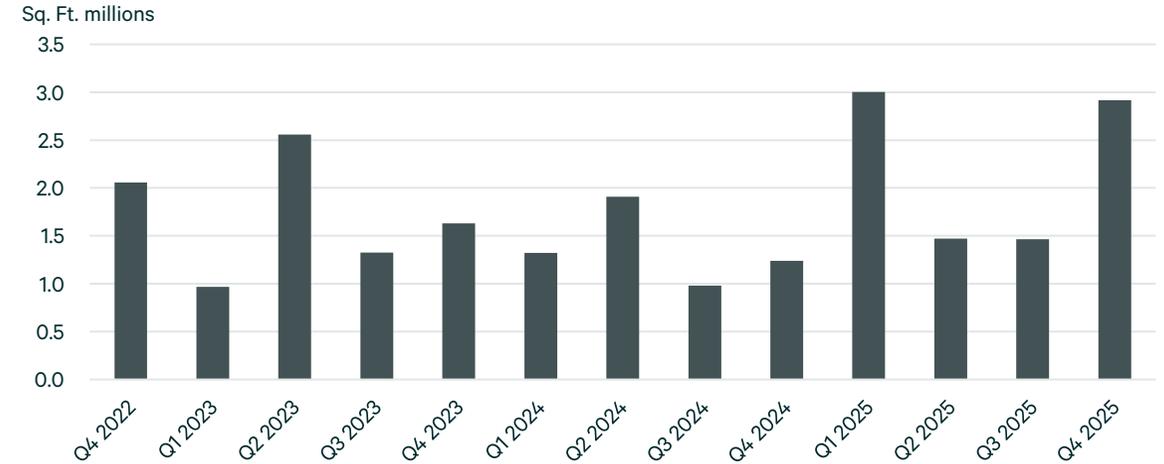
Leasing on deals over 300,000 sq. ft. was the main demand driver of the quarter. In Q4 there was 1.67M sq. ft. of these deals, contributing to a total of 4.62M sq. ft. year-to-date across 10 leases. This volume is 173% higher than the 2024 total of area leased from these large transactions over 300,000 sq. ft.

FIGURE 6: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Ariens	601,439	Renewal	3737 84 th Ave	Kenosha
Vilter Manufacturing	435,695	Renewal	5555 S Packard Ave	Milwaukee South
Visual Pak	340,054	Renewal	9605 136 th Ave	Kenosha
Graham Packaging Co.	300,410	Renewal	7100 Durand Ave	Racine
Jackson's Food	205,676	New Lease	10000 S Ridgeview Dr	Milwaukee South
Viking Electric Supply	136,693	New Lease	5800 S Moorland Rd	Waukesha Southeast
Independence Corrugated	120,000	Renewal	7475 S. 6 th St	Milwaukee South
Independence Corrugated	112,144	Renewal	525 W. Marquette Ave	Milwaukee South
Arvato USA	108,362	New Lease	8505 100 th St	Kenosha
Atomix Logistics	107,482	New Lease	100 W Oakwood Rd	Milwaukee South

Source: CBRE Research, Q4 2025

Investment Sales

Investment sales volume totaled \$128M in Q4 2025, bringing the YTD transaction volume to \$648M, a 29% increase from the previous year. Annual volume in 2025 was 11% higher than the three-year average volume of \$584M.

The largest investment sale of the quarter was the Furlani Foods campus in Oak Creek, involving three properties sold to Broadstone for \$46.3M. This represents the third largest investment sale in 2025.

Portfolio sales accounted for 15% of the investment sales volume in 2025, a 25% increase in volume compared to the previous year. Individual property sales saw a 55% increase in volume year-over-year. In 2025, buyer capital composition was predominantly from private groups (60%) with institutional and REIT groups comprising 37%.

FIGURE 9: Top Investment Sales YTD 2025

Address	City	Buyer	Sale Price	Size (SF)	Price Per SF
W206N12880 Gateway Ct	Richfield	Gladstone Commercial Corp	62,700,000	303,991	\$ 206.26
*N116W15970 Main St, N120W190000 Freistadt Rd, W160N11736 Crusader Ct	Germantown	New Mountain Capital	59,500,000	356,400	\$ 166.95
Furlani's Food Corp Portfolio (3 Property Portfolio)	Oak Creek	Broadstone Net Lease	46,300,000	76,760	\$ 249.98
120 W Opus Dr - Recapitalization (3 Property Portfolio)	Oak Creek	Palmer Logistics Midwest 1 Assets Llc	36,000,000	279,828	\$ 128.65
5333-5349 S Emmer Dr, 5400-5420 S Westridge Dr, 9705 S Oakwood Park Dr, 9630-9644 S 54th St	New Berlin/Franklin	Zilber Group	33,800,000	402,967	\$ 83.88

Source: CoStar, RCA, CBRE Research, Q4 2025

*Part of a larger national portfolio acquisition

FIGURE 10: Historic Investment Sales Volume

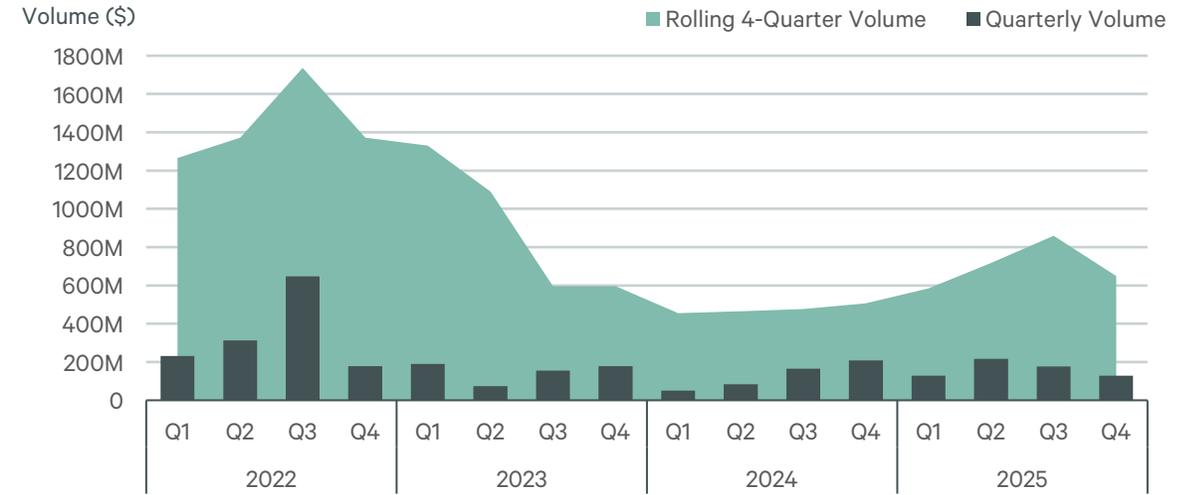


FIGURE 11: Top Investment Sales Q4 2025

Source: CoStar, RCA, CBRE Research, Q4 2025

Address	City	Buyer	Sale Price	Size (SF)	Price Per SF
Furlani's Food Corp Portfolio (3 Property Portfolio)	Oak Creek	Broadstone Net Lease	46,300,000	76,760	\$ 249.98
16555 W Stratton Drive	New Berlin	Luther Group	18,500,000	171,506	\$ 107.87
Saelens Corporation Portfolio	Milwaukee	Royal Oak Realty Trust	16,400,000	185,000	\$ 88.65
*9160 N 107 th St, 8301 W Parkland Ct 130-150 Edgerton Ave - Recapitalization	Milwaukee	Brenner Investment Group	12,800,000	321,124	\$ 39.86
10303 N Baehr Rd	Mequon	Milwaukee I Llc	7,640,000	98,336	\$ 77.69

Source: CoStar, RCA, CBRE Research, Q4 2025

*Part of a larger national portfolio acquisition

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	96,499,425	1.6	2.0	1.9	0.1	5.78	195,718	268,768	40,670	387,719
100,000-199,999 sq. ft.	65,843,242	2.3	4.4	4.0	0.5	5.36	484,292	1,080,873	239,106	359,560
200,000-299,999 sq. ft.	33,777,128	7.1	9.6	8.4	1.2	6.16	300,371	1,875,658	0	754,124
300,000-499,999 sq. ft.	44,441,792	7.1	10.4	9.3	1.1	5.33	84,842	927,239	0	755,511
500,000-749,999 sq. ft.	28,464,999	10.4	9.0	8.6	0.4	5.25	0	795,026	0	0
750,000 sq. ft.	39,987,779	8.4	8.4	8.4	0.0	6.47	0	0	0	0
Total	309,014,365	4.8	6.0	5.6	0.5	5.70	1,065,223	4,947,564	279,776	2,256,914

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	119,822,866	8.8	10.8	10.0	0.8	5.75	987,580	2,834,917	179,776	900,588
Manufacturing	144,870,484	2.6	3.3	3.1	0.2	4.99	22,977	1,833,702	100,000	569,855
R&D / Flex	32,292,517	0.9	1.3	1.3	0.0	5.44	32,994	80,756	0	0
Other Industrial	12,028,498	3.0	4.6	3.3	1.3	9.01	21,672	198,189	0	786,471
Total	309,014,365	4.8	6.0	5.6	0.5	5.70	1,065,223	4,947,564	279,776	2,256,914

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Kenosha	50,793,535	9.3	11.9	10.9	1.0	5.38	275,103	2,067,928	0	400,107
Milwaukee Downtown	10,080,223	7.1	7.4	6.4	1.0	6.64	0	(98,348)	0	0
Milwaukee North Central	10,475,121	3.9	8.9	8.9	0.0	3.69	(53,000)	(26,103)	0	0
Milwaukee North Shore	5,545,629	5.1	7.0	7.0	0.0	6.87	14,994	(197,585)	0	0
Milwaukee Northwest	21,023,229	3.9	4.7	4.0	0.7	5.35	52,814	(88,981)	0	0
Milwaukee South	32,622,335	2.7	3.0	2.8	0.2	6.71	398,035	739,732	100,000	755,511
Milwaukee South Central	12,086,268	8.1	8.7	6.8	1.9	8.63	(37,757)	662,823	0	0
Milwaukee West	12,109,642	14.5	15.2	14.9	0.3	8.4	0	154,685	0	50,000
Ozaukee	10,731,545	4.4	4.7	4.7	0.0	5.49	(403)	(309,195)	0	0
Racine	30,859,441	8.3	12.1	11.0	1.1	5.53	(50,863)	298,804	0	142,560
Sheboygan	17,397,449	0.0	0.0	0.0	0.0		0	278,352	0	50,000
Walworth	10,137,737	0.0	0.1	0.1	0.0	4.75	40,629	50,344	0	0
Washington	21,417,177	3.5	4.0	4.0	0.0	6.06	189,529	581,165	0	289,536
Waukesha Northeast	17,560,361	0.0	0.3	0.3	0.0	6.35	40,670	348,029	40,670	100,000
Waukesha Northwest	18,630,393	1.5	2.1	2.1	0.0	7.26	153,837	53,397	139,106	40,000
Waukesha Southeast	14,221,034	1.3	0.4	0.4	0.0	6.87	0	223,953	0	85,400
Waukesha Southwest	13,323,246	0.8	0.8	0.8	0.0	5.73	41,635	208,564	0	343,800
Total	309,014,365	4.8	6.0	5.6	0.5	5.7	1,065,223	4,947,564	279,776	2,256,914

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

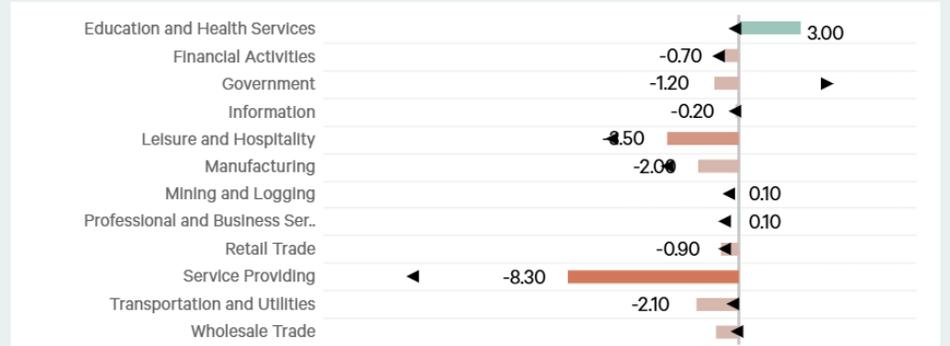
▼ **179.6k**
Office Using Jobs

▼ **293.5k**
Industrial Using Jobs

▼ **110.8k**
Retail Using Jobs

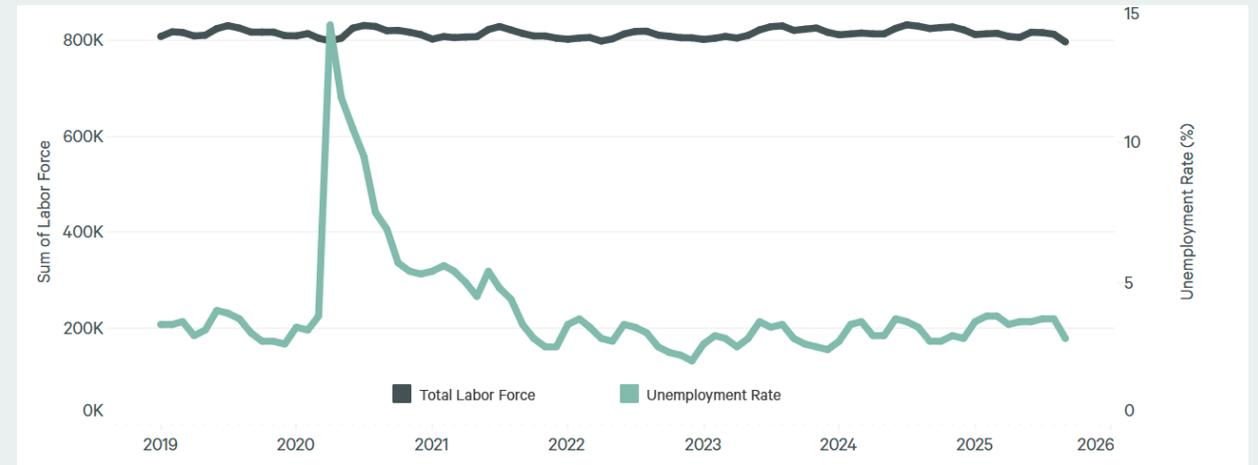
Employment Change by Sector – Yearly + Monthly

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

Survey Criteria

Includes all industrial buildings 30,000 sq. ft. and greater in size in Milwaukee counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

**CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market’s most competitive buildings. Historical stats have been revised to reflect current industrial thresholds. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.*

Contacts

Adam Stapleton

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

Maggie Parra

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

Ashley Pifer

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

Jordan Goldberg

Senior Field Research Analyst
CBRE | Chicago
jordan.goldberg@cbre.com