

FIGURES | MILWAUKEE OFFICE | Q2 2026

Stable Office Fundamentals with Positive Absorption and Declining Vacancy in Q2

▼ 18.7%

Vacancy Rate

▲ 141,095

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$21.77

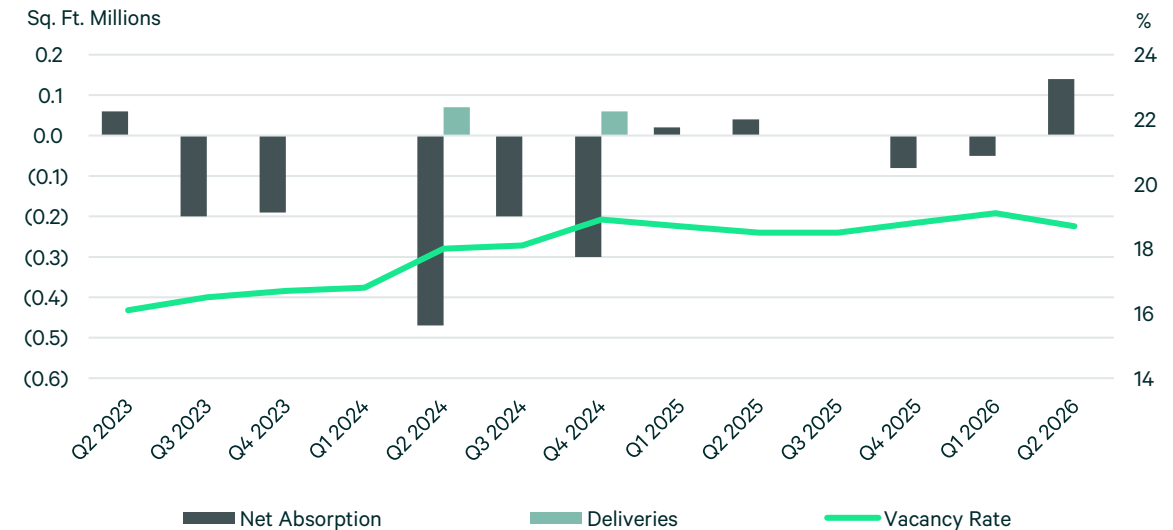
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- The Milwaukee office market recorded 141,000 sq. ft. in Q2, bringing the annual market absorption to 92,000 sq. ft. in the first half of the year.
- Market vacancy was 18.7%, a decrease of 60 bps from the previous quarter, with Class A product seeing the largest decline in overall vacancy this quarter.
- The average FSG direct lease rate was \$21.77 across the full market, demonstrating a 0.5% increase year-over-year. Class A rates reported at \$24.07, with Prime assets reporting a premium averaging \$34.26 and Class B with rents at \$19.91 in Q2.
- Leasing activity (greater than 10,000 sq. ft.) reached 110,000 sq. ft. in Q2, a 23% increase year-over-year. Year-to-date, the average lease area increased by 13% from the previous year, a signal that tenant footprints are stabilizing.
- The quarterly office sales volume was \$68.1 million in Q2, bringing the year-to-date volume to \$114 million transacted. The largest transaction in Q2 was part of the multi-state Truist Financial Corporation portfolio, an investment sale of 100 Woodland Prime in Menomonee Falls.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, overall vacancy stood at 24.1% in Class A and 17.1% in Class B. Compared with Q1 2026, overall vacancy declined quarter-over-quarter by 60 basis points in Class A and 20 basis points in Class B. Year-over-year, vacancy in Class A and Class B is 10 and 40 basis points higher, respectively.

At the submarket level in Q2 2026, Milwaukee Central reports the lowest overall vacancy at 3.8%, followed by South Suburban at 4.7%, indicating very limited availability in these locations. West Allis records the highest overall vacancy at 31.6%, closely followed by Milwaukee Northwest at 31.4%, signaling deep pockets of space on the west side of the market.

Sublease vacancy in Class A eased quarter-over-quarter, decreasing by 20 basis points from 3.7% in Q1 2026 to 3.5% in Q2 2026. In Q2 2026, total sublease space available across all submarkets amounts to 534,000 sq. ft., with Mayfair / Wauwatosa alone accounting for 381,000 sq. ft. of that inventory.

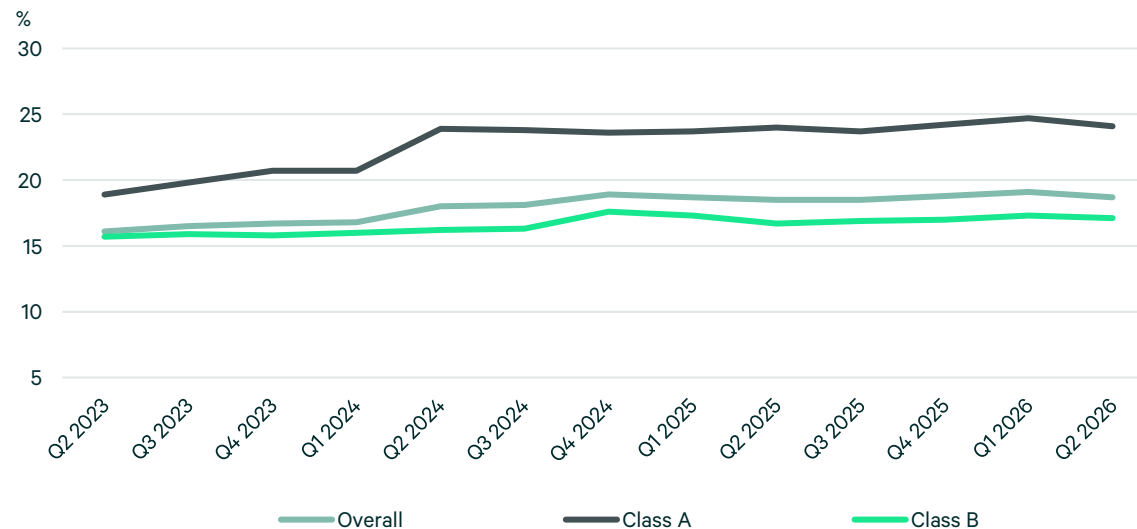
Asking Rent

Overall average asking rent measured \$21.77 per sq. ft. in Q2 2026, representing a year-over-year change 0.5% higher than the \$21.66 per sq. ft. recorded in Q2 2025. In three years, overall asking rents have risen 2.1%, from \$21.32 to \$21.77 per sq. ft.

In Q2 2026, Class A asking rents were highest in Milwaukee Southeast at \$31.50 per sq. ft., followed by Downtown East at \$29.60 per sq. ft., with Milwaukee Central and Downtown West also elevated at \$28.84 and \$28.81 per sq. ft., respectively.

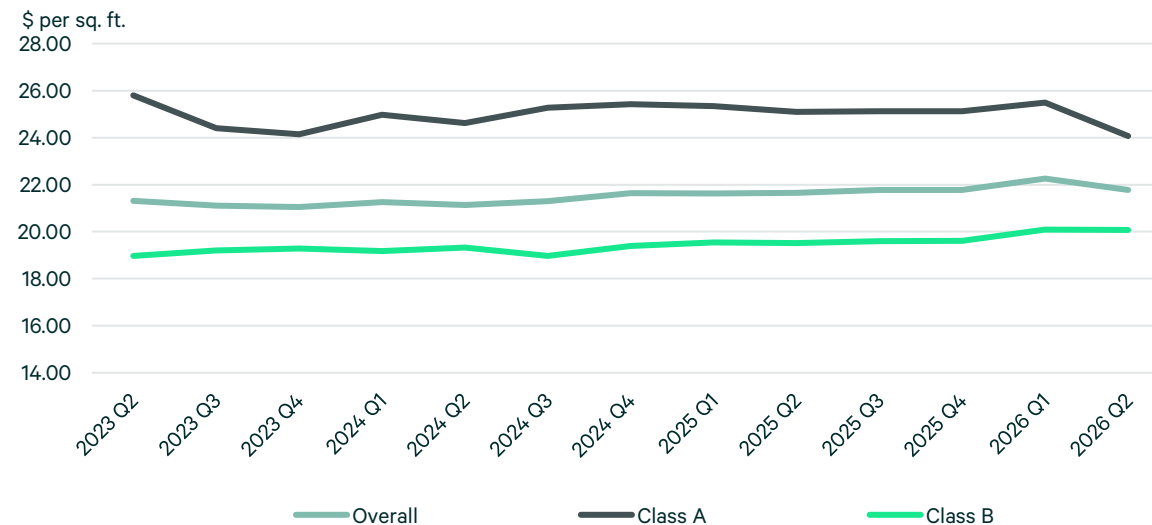
More cost-efficient Class A space was available in Waukesha South and Waukesha North at \$12.00 and \$14.74 per sq. ft., while Class B rates generally clustered in the mid-teens to low-20s per sq. ft. for example, \$24.22 to \$23.80 per sq. ft. in Downtown East and West, and \$15.46 to \$15.75 per sq. ft. in the South Suburban and West Allis submarkets.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

Total net absorption in Q2 2026 reached 141,000 sq. ft., as gains in Class A and Class B more than offset a small Class C loss. This level is exceeding Q1 2026 by 190,000 sq. ft., a quarter-over-quarter swing from negative 49,000 sq. ft., and is exceeding Q2 2025 by 101,000 sq. ft., a 252.5% year-over-year increase from 40,000 sq. ft. The rolling four-quarter average also improved from negative 20,000 sq. ft. in Q1 2026 to 5,000 sq. ft. in Q2 2026, bringing net absorption back into modestly positive territory.

At the submarket level, Brookfield posted the highest positive net absorption in Q2 2026 at 85,000 sq. ft., with Milwaukee Southeast following at 38,000 sq. ft. Among the remaining growth areas, South Suburban and Mayfair/Wauwatosa recorded additional positive net absorption of 20,000 sq. ft. and 13,000 sq. ft., respectively. On the downside, Downtown West also registered the most negative net absorption at (17,000) sq. ft., followed by Waukesha-Pewaukee at (12,000) sq. ft., highlighting pockets of softness alongside broader gains.

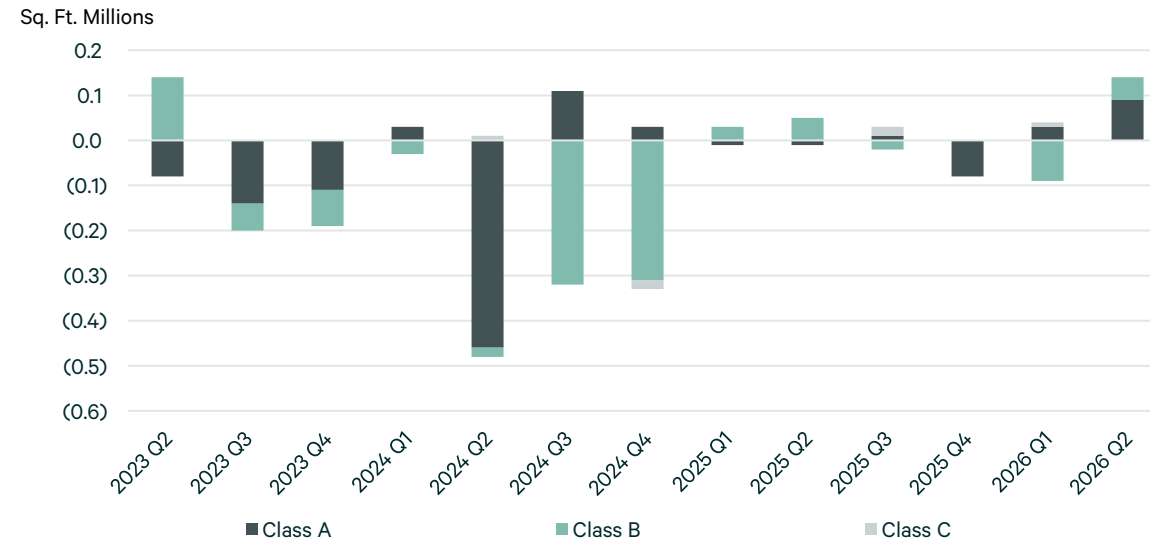
Office Sales Activity

In Milwaukee, office sales volume totaled over \$68.1 million in Q2, an increase of 48% from the previous quarter and 134% year-over-year. Suburban sales volume grew by 130% year-over-year, compared to downtown sales volume increased by 173%. Year-to-date, sales volume totaled \$114 million transacted, just 2% below the H1 2025 volume.

Investment sales continue to be the bulk volume of transactions, contributing to 72% of total sales volume in Q2. Comparatively, investment sales increased by 78% quarter-over-quarter with owner-user volume increasing 39% from the previous quarter.

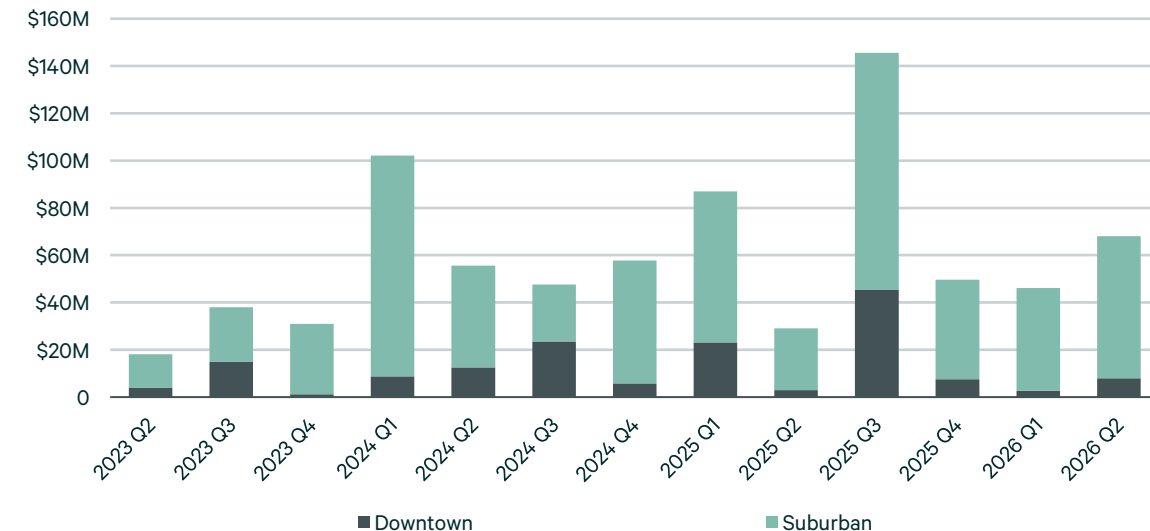
The top sale this quarter was part of the Truist Financial Corporation portfolio sale to AJC Investment Group. This portfolio included assets from across four states. In market, this included the sale of 100 Woodland Prime in Menomonee Falls for \$24.8 million.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Downtown vs. Suburban Office Sales Volume



Source: CBRE Research, Q2 2026

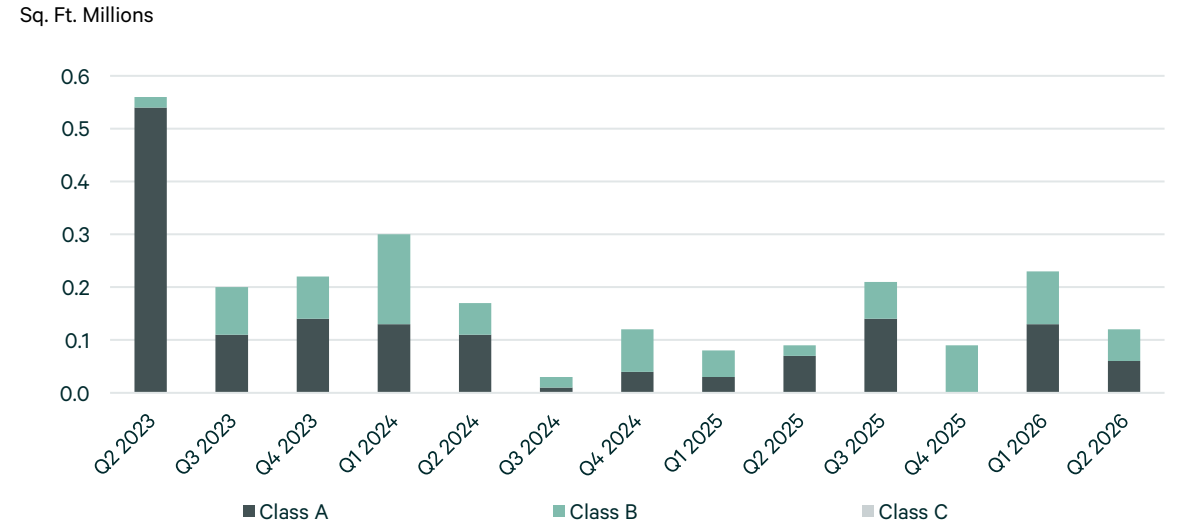
Leasing Activity

Leasing activity (greater than 10,000 sq. ft.) reached 117,000 sq. ft. in Q2 2026, bringing the annual volume to 350,000 sq. ft. transacted in H1 2026. Compared with the previous quarter, overall volume declined 48.9% quarter-over-quarter but rose 23.2% year-over-year. In Q2 2026, Class A accounted for 62,000 sq. ft. and Class B for 55,000 sq. ft.

Brookfield recorded the highest submarket volume in Q2 2026 at 37,000 sq. ft., followed by Downtown East at 22,000 sq. ft. Other submarkets with positive leasing included Mayfair / Wauwatosa with 22,000 sq. ft., Milwaukee Southeast with 13,000 sq. ft., Third Ward / Walker's Point with 12,000 sq. ft., and Milwaukee Southwest with 10,000 sq. ft.

Inclusive of all sizes, the average area leased year-to-date was 4,254 sq. ft. with an average term length of 39 months. The average lease size represents a 13% increase year-over-year as tenants are increasingly choosing to maintain or expand their current footprints.

Figure 6: Leasing Activity Trend (10,000 sq. ft. or Greater)



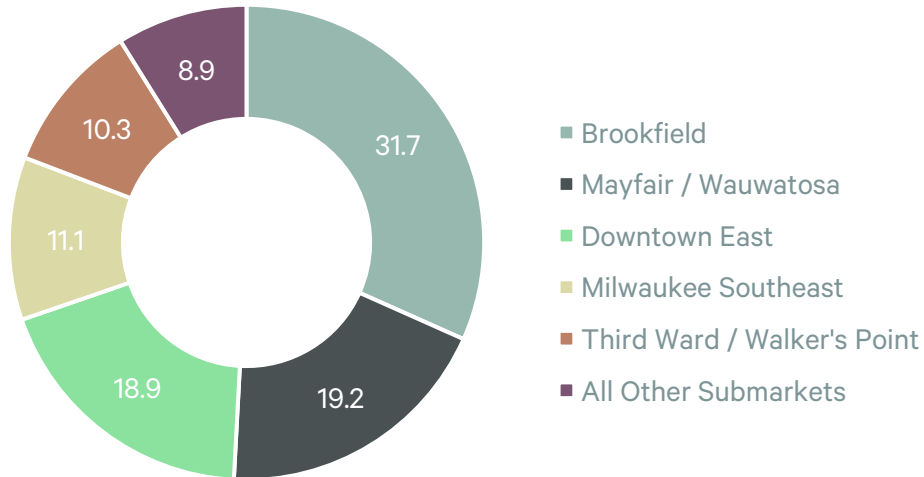
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Wauwatosa Stem School	22,000	New Lease	10201 W Innovation Dr	Mayfair / Wauwatosa
Baird	22,000	New Lease	777 E Wisconsin Ave	Downtown East
Dana Investment Advisors	14,000	Renewal	20700 Swenson Dr	Brookfield
Hall Render Killian Heath & Lyman	13,000	New Lease	1 W Becher St	Milwaukee Southeast
Best Version Media	13,000	New Lease	15800 W Bluemound Rd	Brookfield
Neo Stella	12,000	New Lease	200 N Jefferson St	Third Ward / Walker's Point
Bosch Building Technologies	10,000	New Lease	3505-3525 N 124th St	Brookfield
Aurora Medical Group	10,000	New Lease	4600 W Loomis Rd	Milwaukee Southwest

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: 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	14.76M	24.1	30.9	25.9	5.1	24.07	91,000	125,000	-	-
Prime	3.04M	13.1	14.3	11.9	2.4	34.26	36,000	30,000	-	-
Other Class A	11.72M	27.0	35.3	29.5	5.8	22.91	55,000	95,000	-	-
Class B	27.11M	17.1	17.7	17.6	0.1	20.08	51,000	(39,000)	-	-
Class C	2.21M	2.2	2.5	2.5	-	13.12	(1,000)	6,000	-	-
Total	44.08M	18.7	21.4	19.6	1.8	21.77	141,000	92,000	-	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: 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	9.19M	26.0	32.9	27.6	5.3	20.70	66,000	102,000	-	-
Class B	17.67M	16.1	17.0	16.8	0.1	17.65	78,000	(3,000)	-	-
Class C	1.65M	2.9	2.9	2.9	-	11.60	(1,000)	6,000	-	-
Total	28.51M	18.5	21.3	19.5	1.8	18.95	143,000	105,000	-	-

Source: CBRE Research, Q2 2026

Figure 11: 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	21.1	27.7	23.0	4.6	29.36	24,000	23,000	-	-
Class B	9.44M	18.8	19.2	19.1	0.0	23.62	(26,000)	(36,000)	-	-
Class C	561,000	-	1.1	1.1	-	20.00	-	-	-	-
Total	15.57M	19.0	21.6	19.9	1.7	26.04	(2,000)	(13,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: 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	9.19M	26.0	32.9	27.6	5.3	20.70	66,000	102,000	-	-
Prime	459,000	30.7	27.9	23.1	4.8	31.50	6,000	6,000	-	-
Other Class A	8.73M	25.7	33.2	27.8	5.4	20.24	61,000	96,000	-	-
Class B	17.67M	16.1	17.0	16.8	0.1	17.65	78,000	(3,000)	-	-
Class C	1.65M	2.9	2.9	2.9	-	11.60	(1,000)	6,000	-	-
Total	28.51M	18.5	21.3	19.5	1.8	18.95	143,000	105,000	-	-

Source: CBRE Research, Q2 2026

Figure 11: 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	21.1	27.7	23.0	4.6	29.36	24,000	23,000	-	-
Prime	2.58M	9.9	11.9	9.9	2.0	35.13	30,000	24,000	-	-
Other Class A	2.98M	30.7	41.4	34.5	6.9	27.93	(6,000)	(1,000)	-	-
Class B	9.44M	18.8	19.2	19.1	0.0	23.62	(26,000)	(36,000)	-	-
Class C	561,000	-	1.1	1.1	-	20.00	-	-	-	-
Total	15.57M	19.0	21.6	19.9	1.7	26.04	(2,000)	(13,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

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	20.3	21.7	21.2	0.5	20.05	22.81	85,000	100,000	-	-
Downtown East	8.95M	20.2	24.8	22.6	2.2	27.57	29.60	6,000	6,000	-	-
Downtown West	3.99M	21.7	19.1	17.5	1.6	24.00	28.81	(17,000)	9,000	-	-
Mayfair / Wauwatosa	4.24M	24.9	31.2	21.4	9.8	21.04	23.84	13,000	117,000	-	-
Milwaukee Central	799,000	3.8	3.8	3.8	-	24.95	28.84	7,000	7,000	-	-
Milwaukee North Shore	2.47M	23.5	25.4	25.4	-	16.87	17.40	(7,000)	(50,000)	-	-
Milwaukee Northwest	2.05M	31.4	33.5	33.5	0.1	17.39	16.53	-	(4,000)	-	-
Milwaukee Southeast	1.17M	24.0	24.0	22.0	2.0	24.78	31.50	38,000	(78,000)	-	-
Milwaukee Southwest	852,000	7.2	11.0	10.9	0.1	17.83	20.03	(4,000)	(3,000)	-	-
North Suburban	2.00M	6.9	8.3	8.3	-	15.97	16.88	(11,000)	(3,000)	-	-
South Suburban	1.79M	4.7	5.0	5.0	-	15.46	-	20,000	22,000	-	-
Third Ward / Walker's Point	2.63M	10.5	14.4	14.3	0.2	21.65	16.00	9,000	(29,000)	-	-
Waukesha North	1.61M	8.9	17.1	16.6	0.5	15.46	14.74	4,000	-	-	-
Waukesha South	559,000	8.2	9.7	9.7	-	13.97	12.00	-	1,000	-	-
Waukesha-Pewaukee	2.69M	12.2	14.9	14.3	0.6	21.05	23.44	(12,000)	(15,000)	-	-
West Allis	1.89M	31.6	34.7	34.0	0.7	16.97	20.00	10,000	11,000	-	-
Total	44.08M	18.7	21.4	19.6	1.8	21.77	24.07	141,000	92,000	-	-

Source: CBRE Research, Q2 2026

National Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

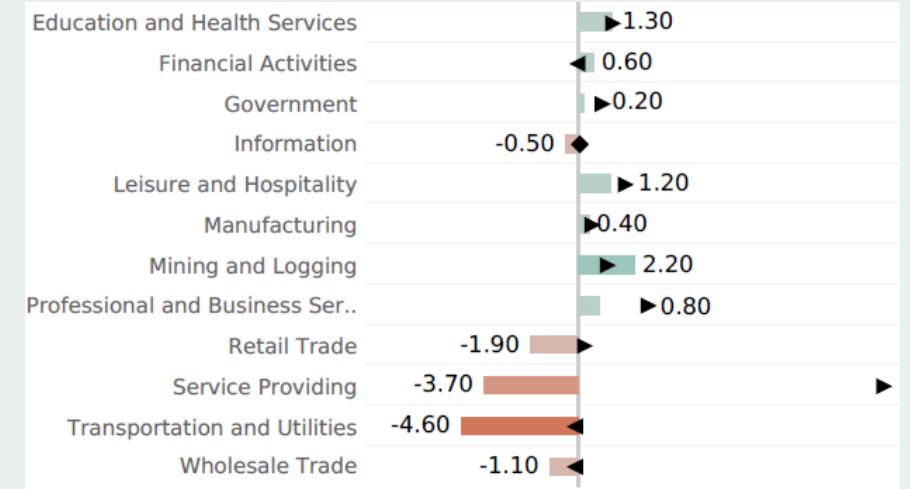
The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.



Milwaukee Employment Update

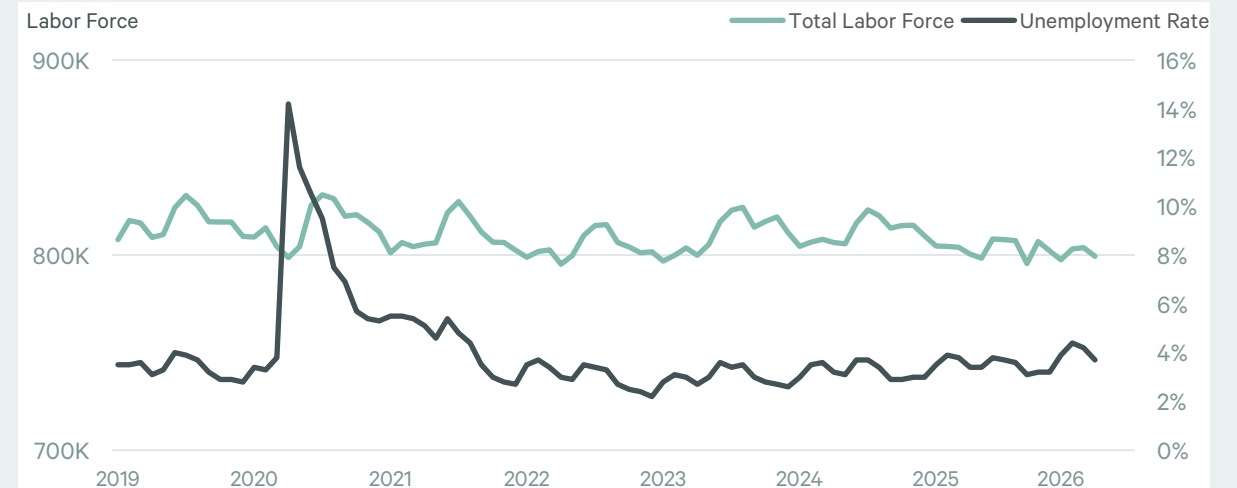
- ▼ 3.7% Unemployment Rate
- ▼ 0.8M Labor Force
- ▲ 175.7k Office Using Jobs
- ▲ 286.7k Industrial Using Jobs
- ▲ 108.8k Retail Using Jobs

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



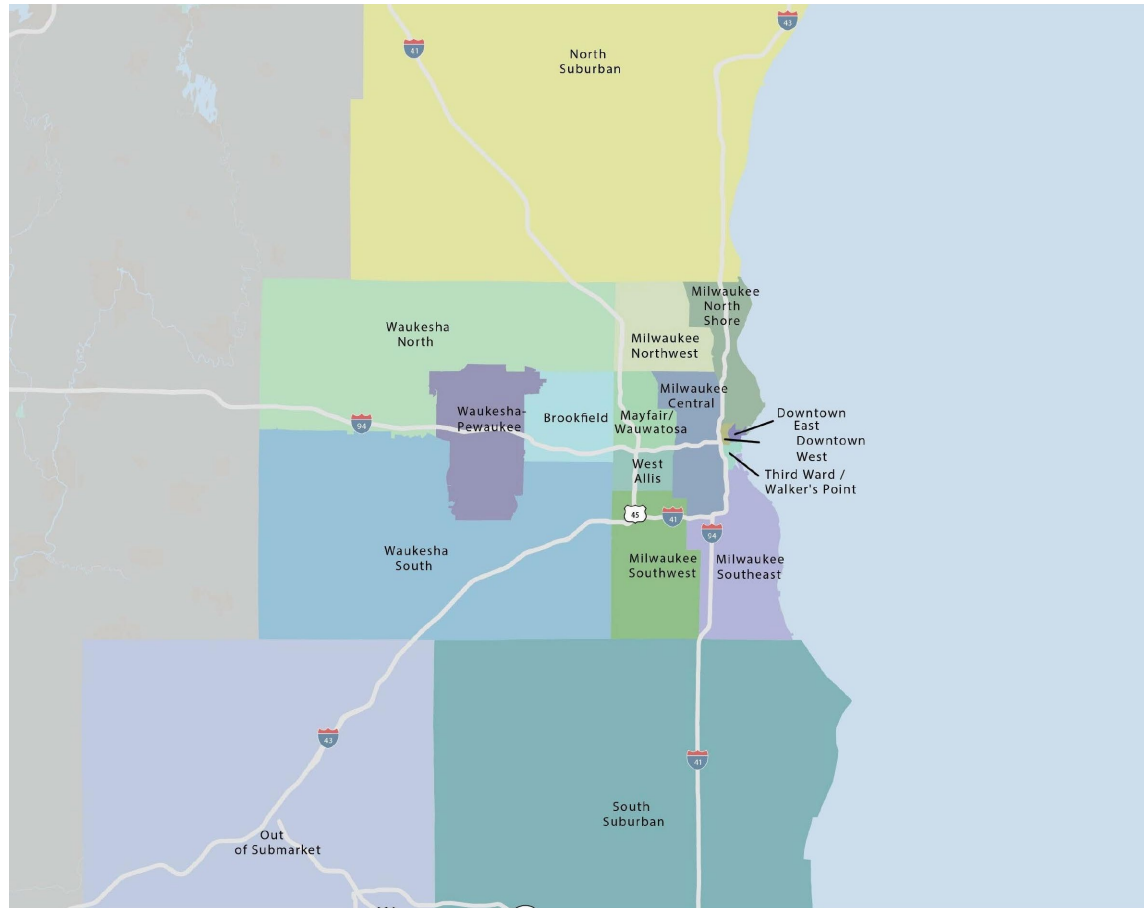
Source: US BLS, April 2026

Milwaukee Unemployment Rate and Labor Force Trends



Source: US BLS, April 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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