

The background of the slide is a photograph of an industrial interior. It features large, weathered concrete structural beams and walls. In the background, there are walls with horizontal slats, some of which are illuminated by warm, orange-toned lights, creating a dramatic play of light and shadow.

NEWMARK

*Milwaukee*  
Industrial Market Report

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4Q25

NMRK.COM

# Access the Extended 4Q25 Milwaukee Industrial Market Conditions & Trends Report



The extended version of this report includes:

- **Submarket-Level Insights:** In-depth analysis of how current trends and market dynamics are shaping the industrial landscape
- **Comprehensive Market Statistics:** Detailed breakdowns of vacancy, absorption, leasing, rental rates, and construction activity

To access, please reach out  
to your Newmark contact.

# Milwaukee Industrial Market Observations



## Economy

- Milwaukee's unemployment rate fell to 3.3% in 4Q25, continuing to track well below the national average of 4.4% and pointing to a relatively tight labor market. However, overall employment levels declined 1.0% year over year, reflecting slower hiring activity and softening job growth despite stable headline unemployment.
- Employment trends across the Milwaukee metro remain uneven, with modest gains in construction and education and health services partially offset by declines across several office-using and service-oriented sectors.
- Labor conditions in Milwaukee's logistics and manufacturing base have softened alongside broader economic headwinds. Year-over-year, employment in trade and transportation is down 2.6%, and manufacturing employment has declined 1.4%.



## Leasing Market Fundamentals

- The Milwaukee industrial market regained momentum late in 2025 after an unusually slow first half of the year. Fourth quarter net absorption totaled 1.3 million square feet, driving vacancy down 30 basis points to 4.6%. While vacancy remains above the five-year average of 3.4%, recent trends point to improving market balance.
- Sublease availability in Milwaukee's industrial market increased to 1.9 million square feet during the fourth quarter, bringing the sublease availability rate to 0.7%.
- Milwaukee's industrial construction pipeline totaled 2.0 million square feet as of the fourth quarter.
- Average asking rents in Milwaukee's industrial market rose to a weighted average of \$5.55 per square foot in the fourth quarter, a 1.5% increase from the prior quarter.



## Major Transactions

- Milwaukee's industrial market recorded 1.8 million square feet of leasing activity this quarter, bringing the annual leasing volume to 7.0 million square feet.
- Class A warehouse leasing accelerated in the fourth quarter, accounting for 49% of total leasing activity, far above the long-term average of 34%. The increase reflects tenant preference for newer, institutional-quality space amid a more selective leasing environment.
- In the largest sale of the quarter, Broadstone Net Lease purchased a three-building portfolio in Oak Creek from Furlani's Food Corporation for \$43.6 million.



## Outlook

- As availability continues to tighten and development pipelines remain more measured, Milwaukee's industrial market is moving toward a more balanced operating environment over the coming year.
- Labor constraints are expected to persist, with workforce availability continuing to limit how quickly manufacturers and logistics users can scale operations.
- Leasing activity should track near historical norms, supported by steady occupier demand, though deal activity is likely to skew toward renewals, relocations, and targeted growth rather than broad-based expansion.

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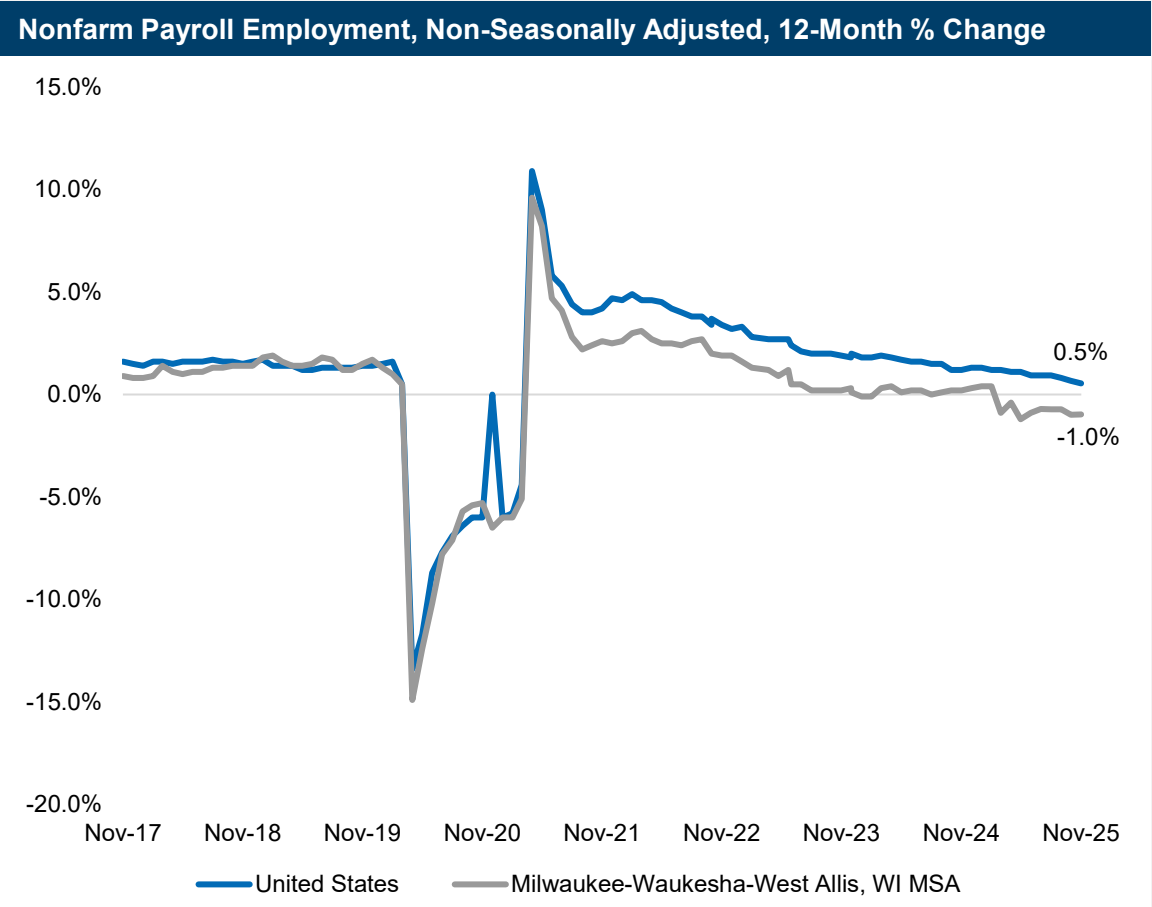
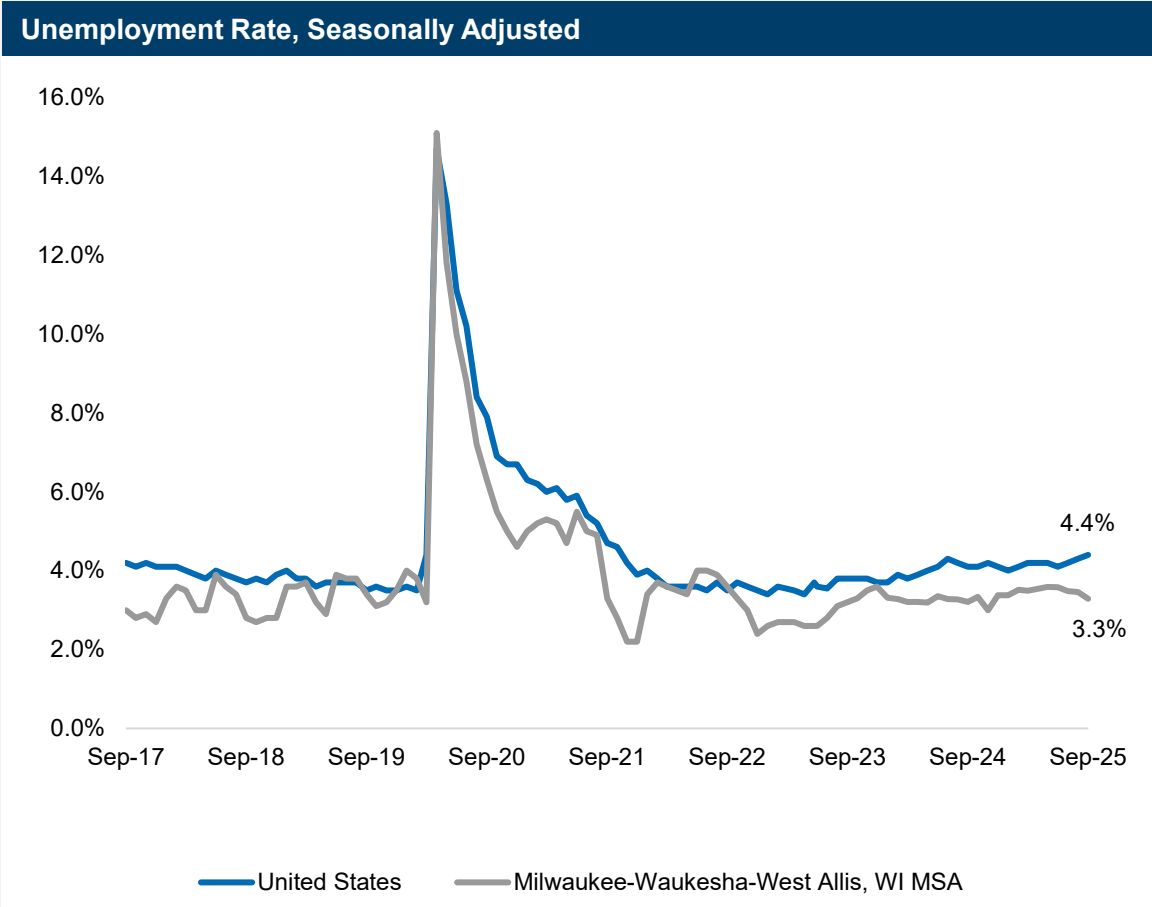
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## Economy



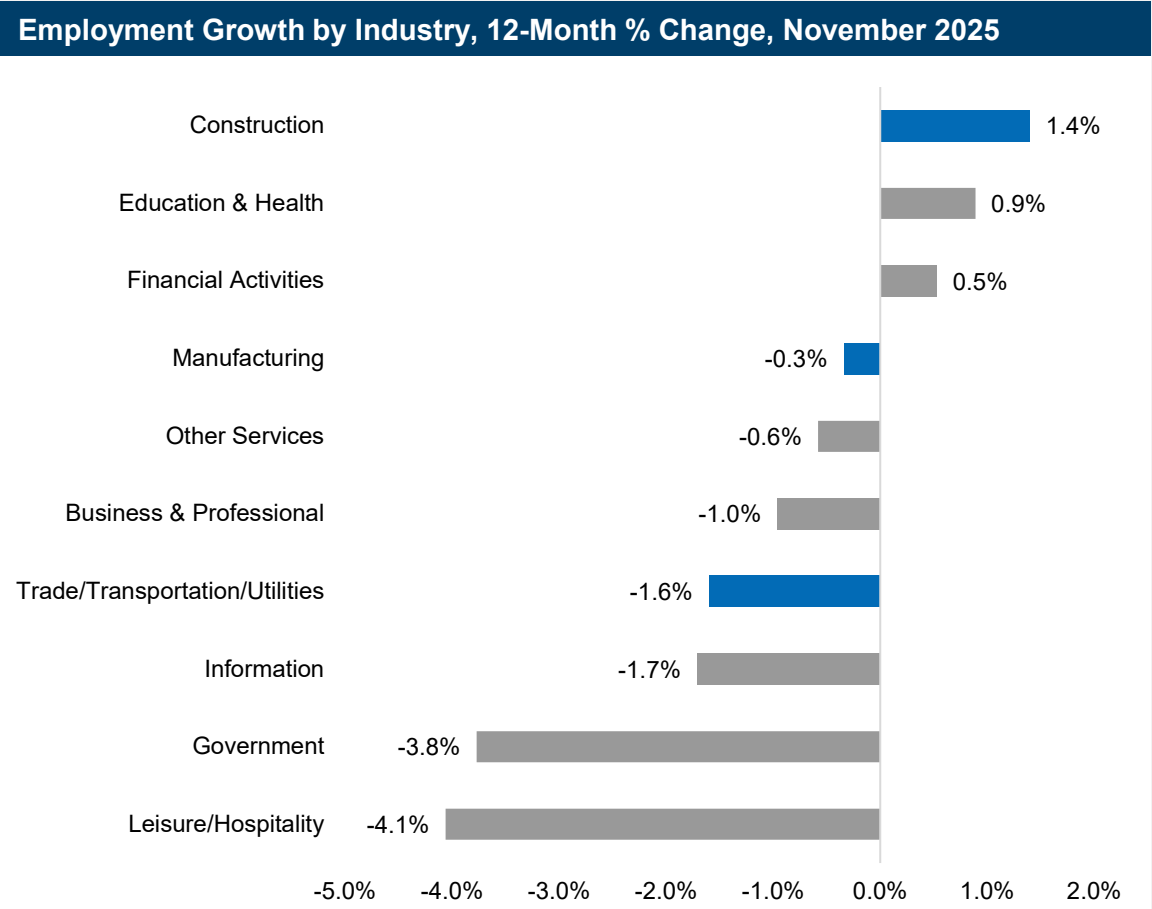
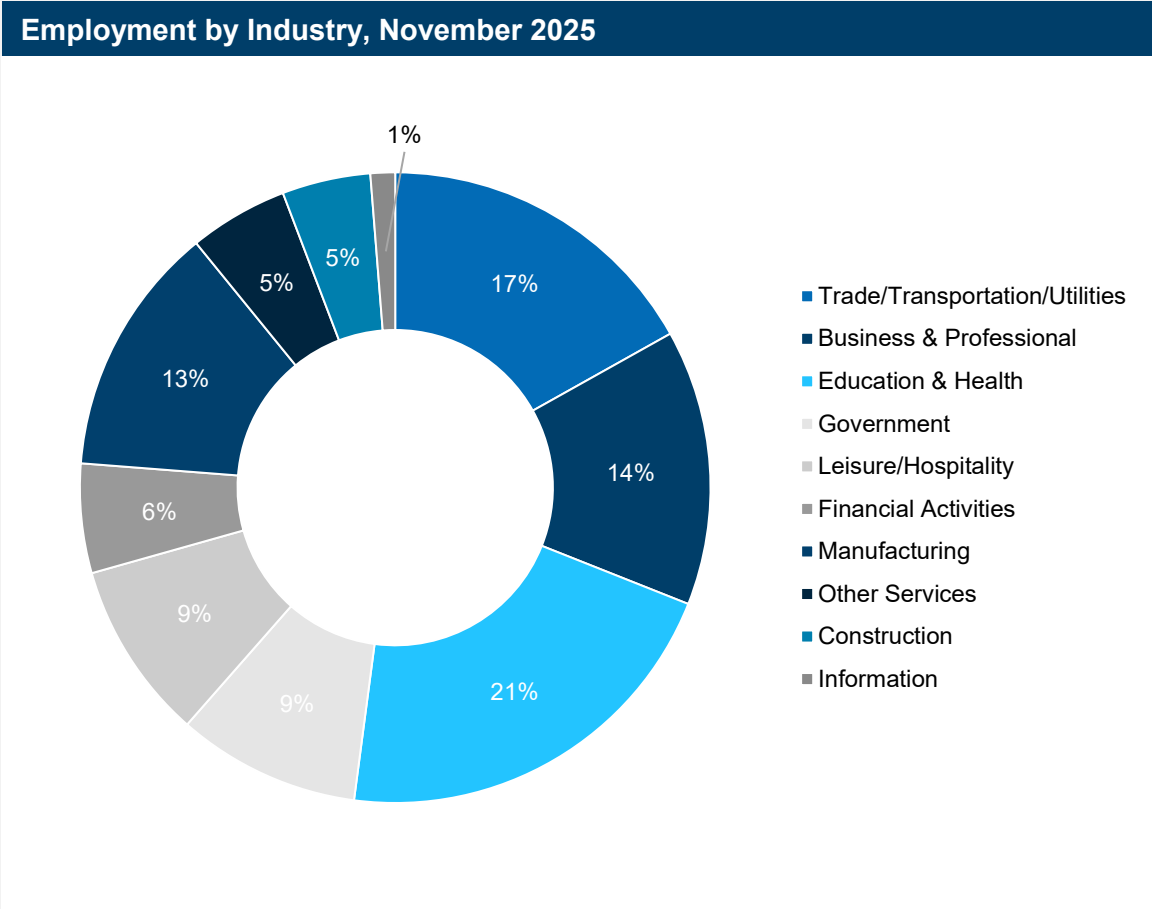
# Slowing Hiring Offsets Low Unemployment Rate

Milwaukee’s unemployment rate fell to 3.3% in 4Q25, continuing to track well below the national average of 4.4% and pointing to a relatively tight labor market. However, overall employment levels declined 1.0% year over year, reflecting slower hiring activity and softening job growth despite stable headline unemployment.



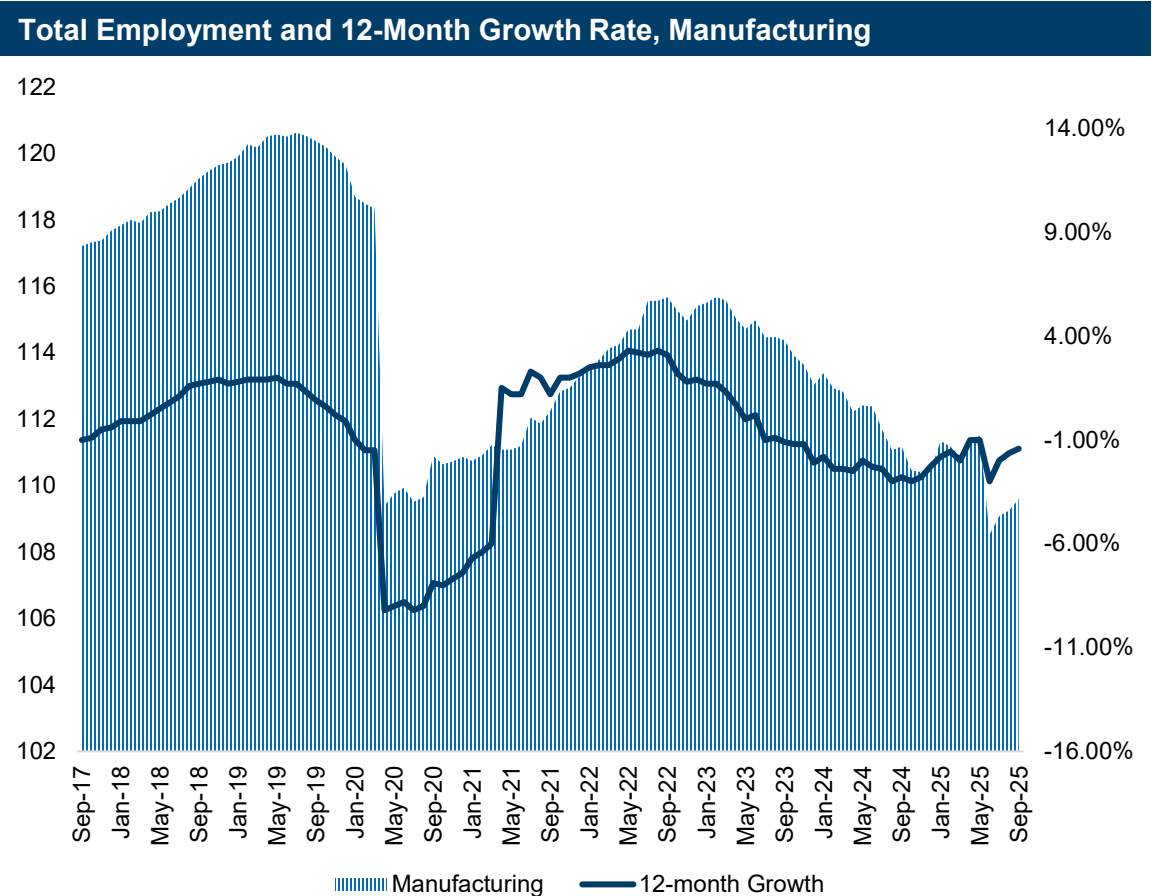
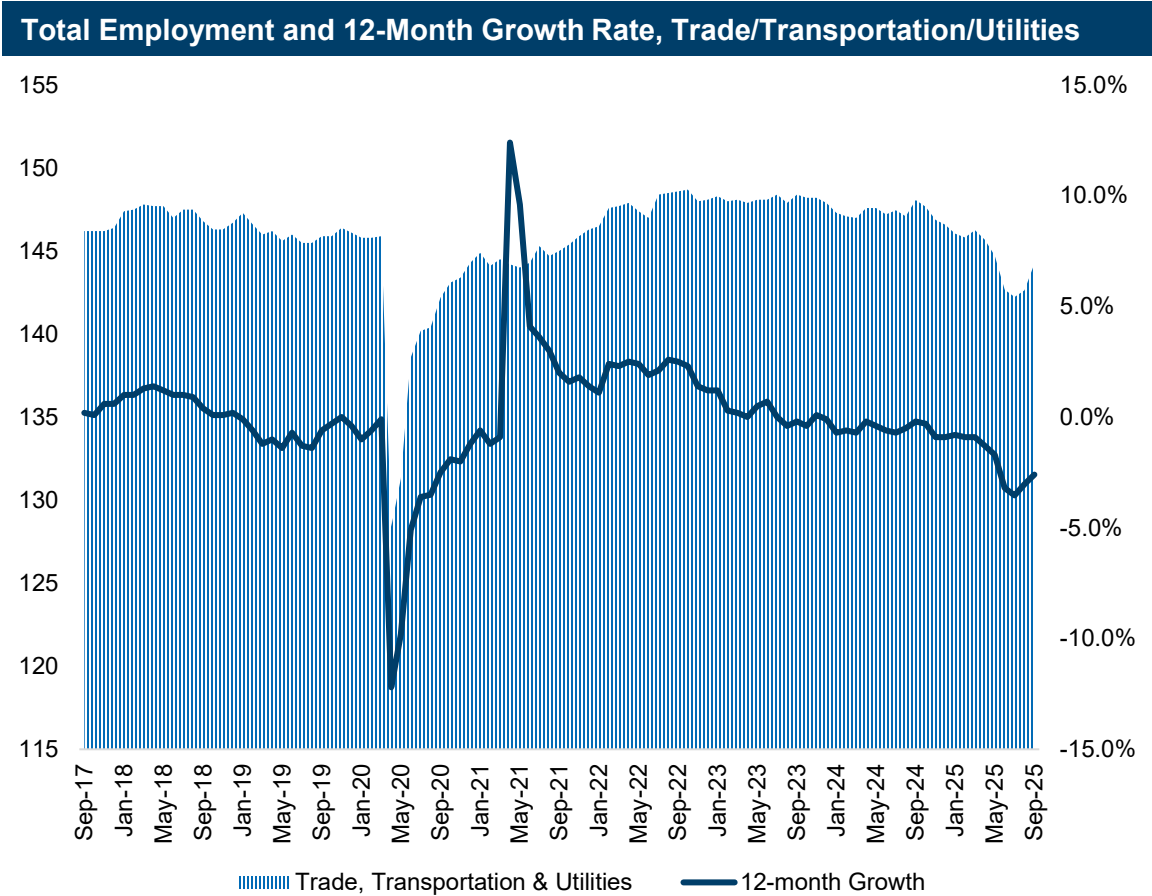
# Construction Sector Sees Modest Job Growth

Employment trends across the Milwaukee metro remain uneven, with modest gains in construction and education and health services partially offset by declines across several office-using and service-oriented sectors. Overall, the current sector mix suggests limited near-term employment support for office absorption, as job growth is concentrated in industries that typically generate less traditional office demand.



# Workforce Contraction Persists Across Key Industrial Sectors

Labor conditions in Milwaukee’s logistics and manufacturing base have softened alongside broader economic headwinds. Employers report persistent difficulty sourcing skilled workers, even as payrolls contract. Year-over-year, employment in trade and transportation is down 2.6%, and manufacturing employment has declined 1.4%.





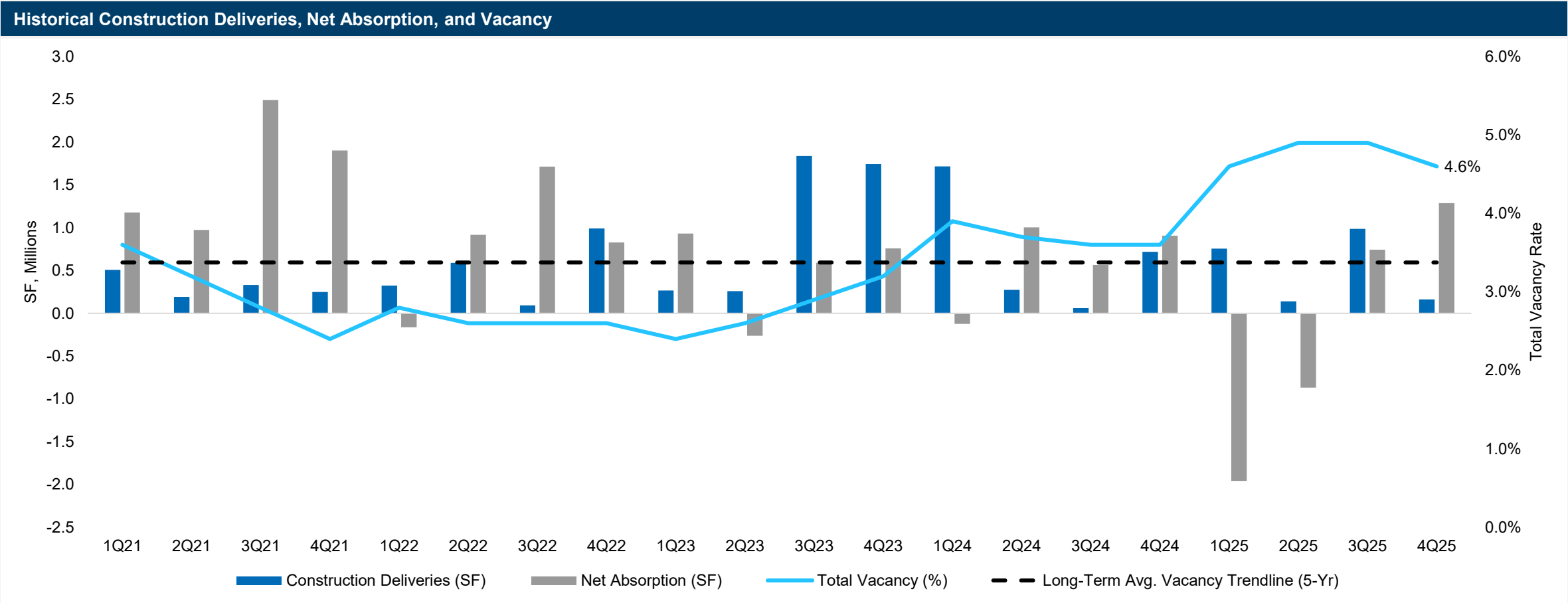
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## Leasing Market Fundamentals



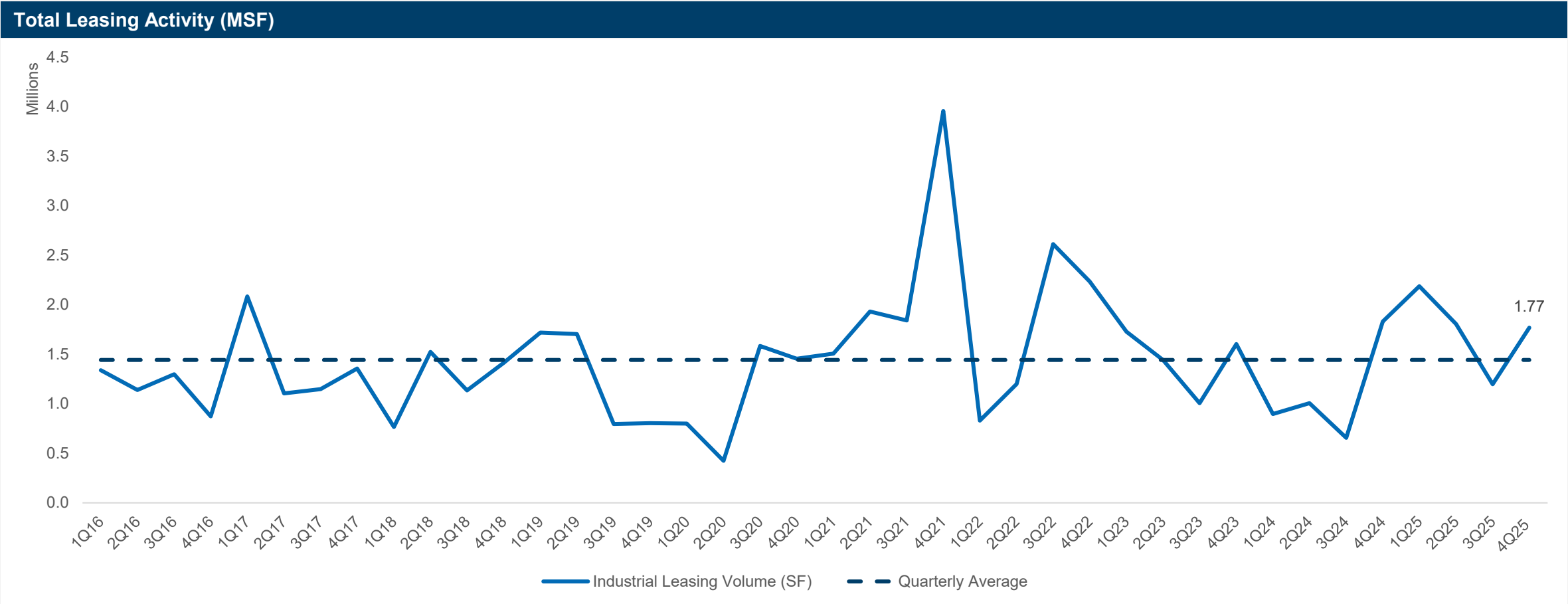
# Market Rebounds in Second Half of 2025

The Milwaukee industrial market regained momentum late in 2025 after an unusually slow first half of the year. Fourth quarter net absorption totaled 1.3 million square feet, driving vacancy down 30 basis points to 4.6%. While vacancy remains above the five-year average of 3.4%, recent trends point to improving market balance.



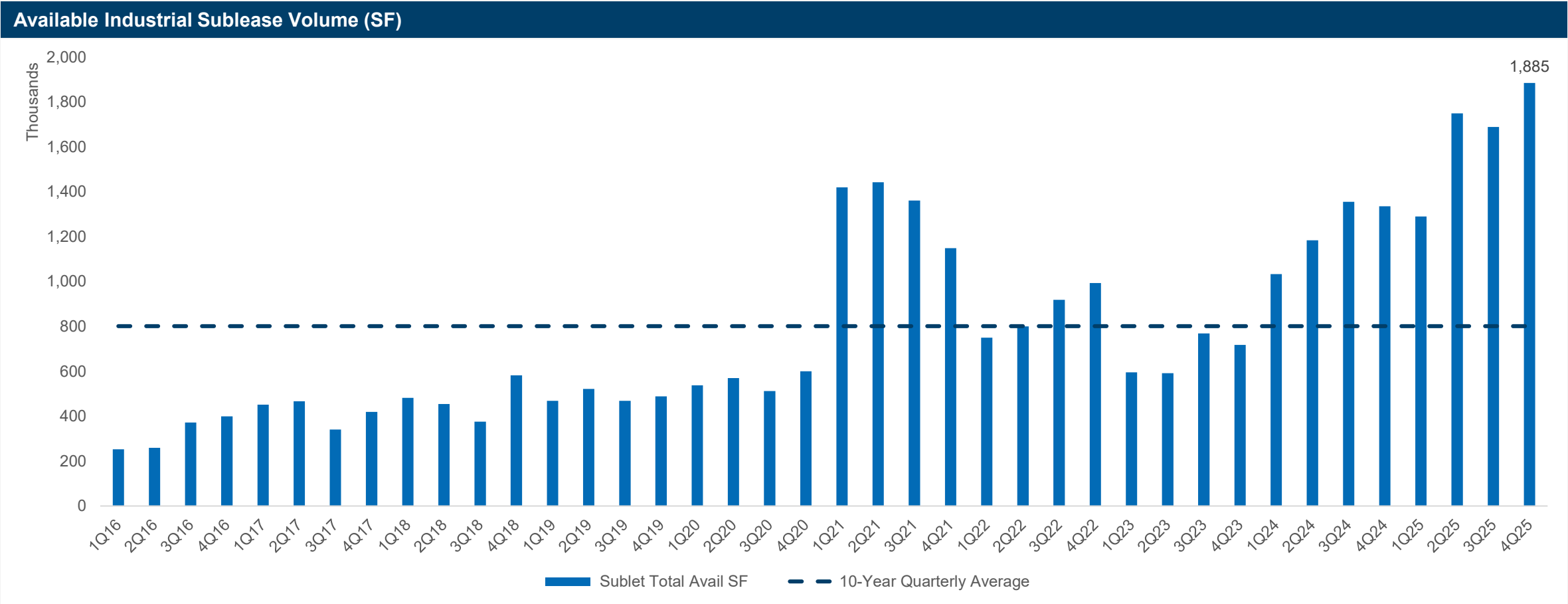
# Annual Leasing Volume Posts Strong Year-Over-Year Gain

Milwaukee's industrial market recorded 1.8 million square feet of leasing activity this quarter, bringing the annual leasing volume to 7.0 million square feet. This represents a 59% increase year-over-year, reflecting a notable rebound in tenant demand. While broader economic uncertainty continues to weigh on expansion decisions, leasing velocity remains healthy and suggests a stable underlying level of space requirements driven by logistics, manufacturing, and distribution users.



# Sublease Inventory Remains Elevated

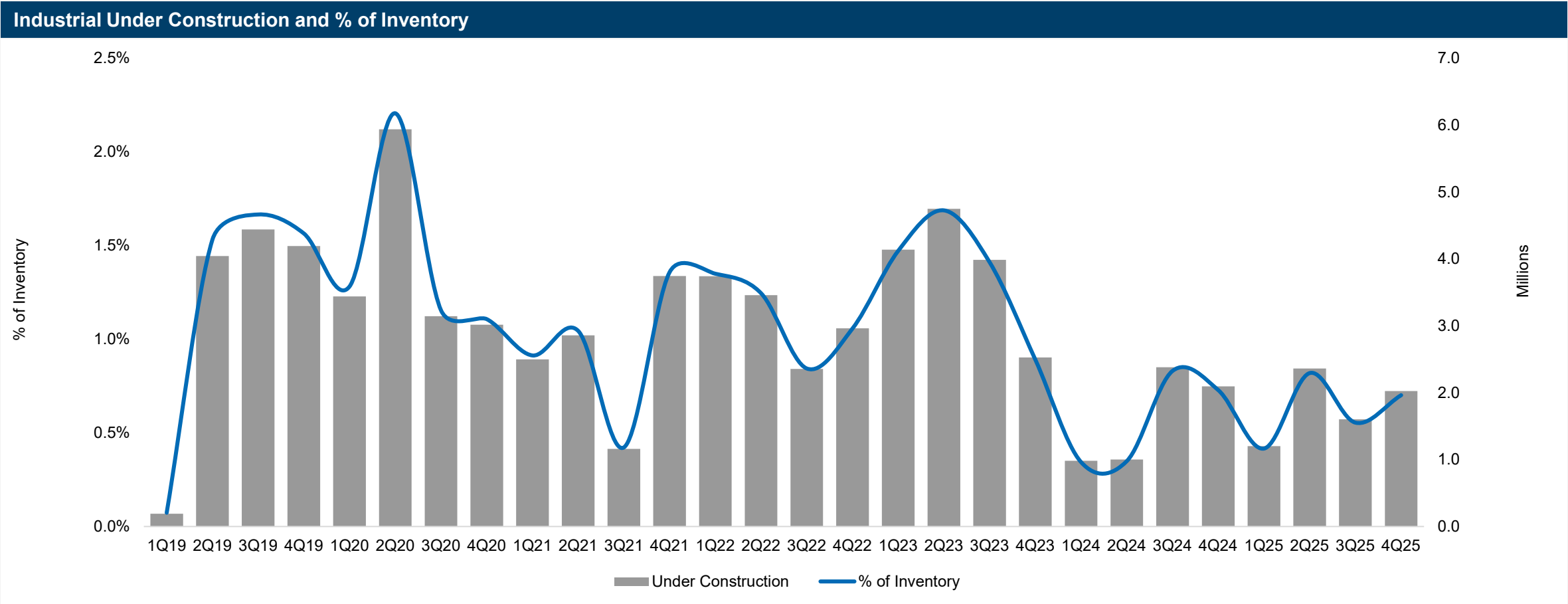
Sublease availability in Milwaukee’s industrial market increased to 1.9 million square feet during the fourth quarter, bringing the sublease availability rate to 0.7%. While this remains a small share of total inventory, available sublease space has trended upward throughout the year and now sits at more than twice the long-term average. The rise reflects greater caution among occupiers as companies adjust footprints, delay expansion plans, and seek flexibility amid ongoing economic uncertainty.





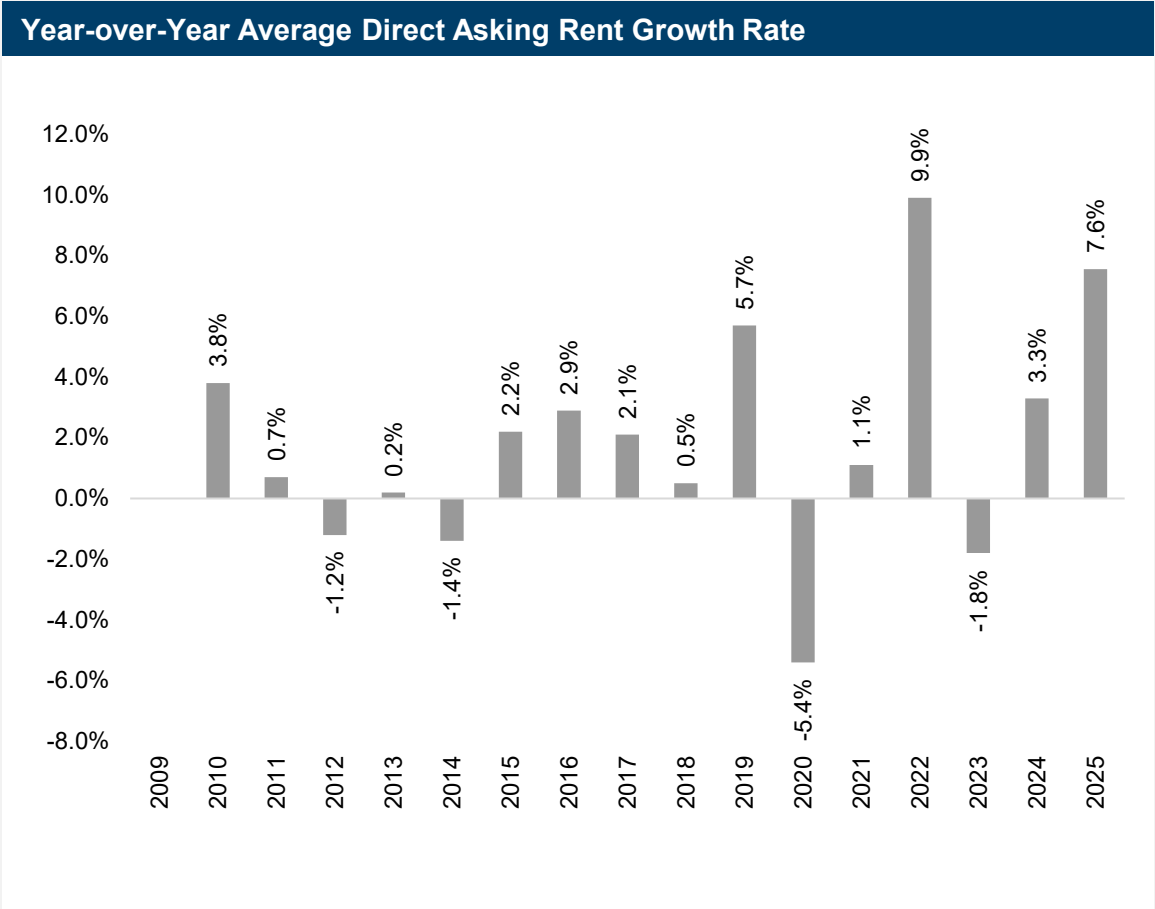
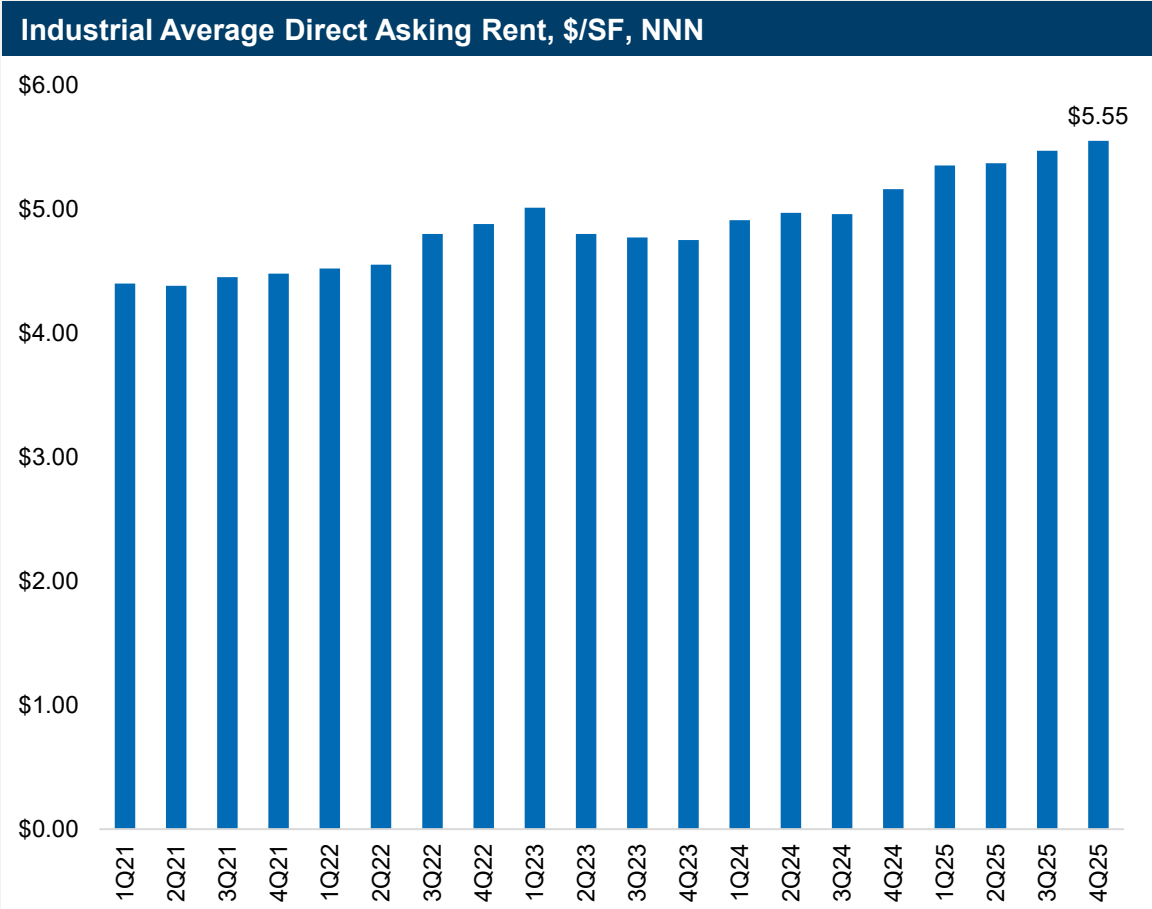
# Development Activity Moderates

Milwaukee’s industrial construction pipeline totaled 2.0 million square feet as of the fourth quarter, down sharply from historical highs but still representing active development across select submarkets. Developers have pulled back on speculative starts in response to softer leasing through 2024 and early 2025, resulting in a more controlled flow of new supply.



# Industrial Asking Rents Continue to Climb

Average asking rents in Milwaukee’s industrial market rose to a weighted average of \$5.55 per square foot in the fourth quarter, a 1.5% increase from the prior quarter. Year-over-year, rents were up 7.6%, driven in part by higher asking rates for flex product and continued demand for modern industrial space.



# Notable Fourth Quarter Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Flamingo Marine	W210 N12995 Gateway Crossing	Washington County	New	146,000
Viking Electric	5800 S. Moorland Rd.	Waukesha County	New	136,693
Atomix Logistics	100 W. Oakwood Rd.	Milwaukee County	New	107,482
Border States Electric	W277N2837 Duplainville Rd.	Waukesha County	New	99,991
Diamond Precision Products	11000 W. Heather Ave.	Milwaukee County	New	85,820

# 03

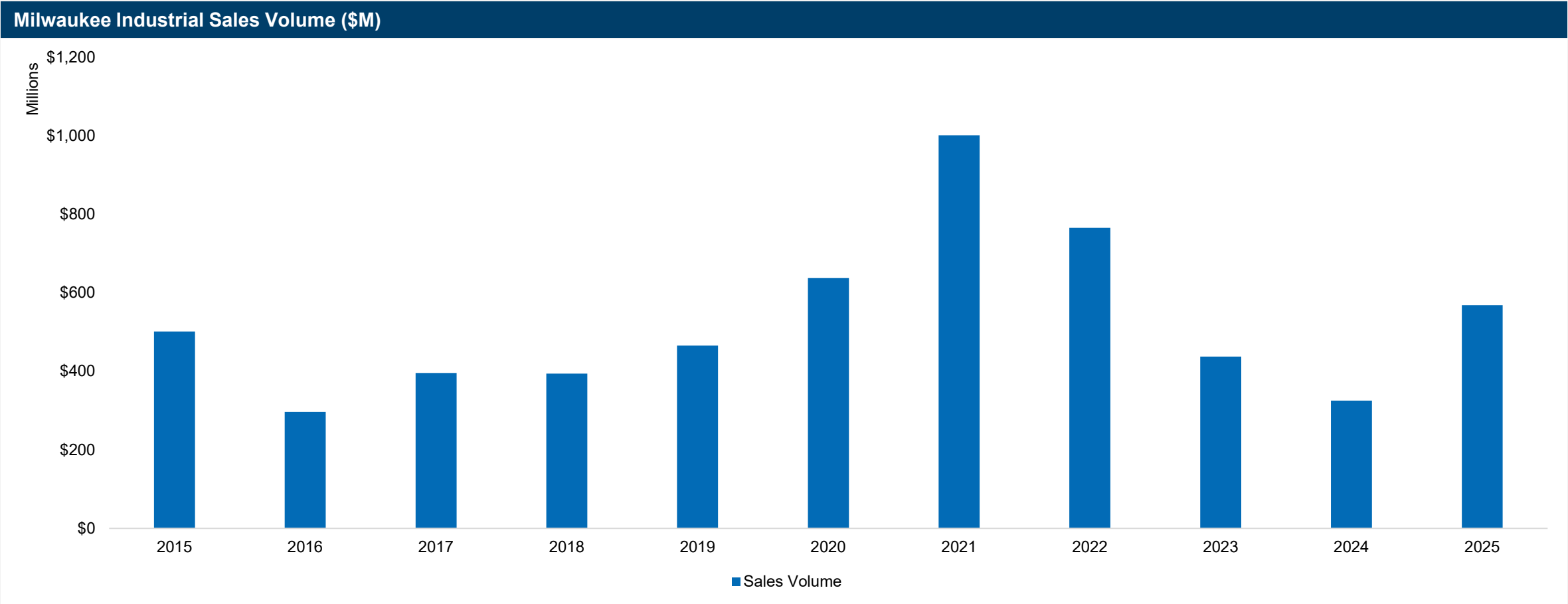
## Capital Markets Fundamentals





# Investment Volume Exceeds 10-Year Average

Milwaukee’s industrial capital markets recorded strong momentum in 2025, with transaction volume totaling \$568.5 million and surpassing the annual totals for 2023 and 2024. Even when compared to the elevated activity of the pandemic-era cycle, current volume remains favorable, exceeding the 10-year annual average of \$528.8 million by approximately 7.5%.



# 04

## Supplemental Tables



# Historical Statistical Overview

Submarket Statistics – Suburban								
	Number of Buildings	Total Inventory (SF)	Total Available (SF)	Total Availability Rate	Total Vacant (SF)	Total Vacancy Rate	Qtr Net Absorption (SF)	YTD Net Absorption (SF)
2020 4Q	3388	272,523,997	16,465,592	6.0 %	10,267,164	3.8 %	1,040,841	5,275,524
2021 1Q	3391	273,594,371	16,502,386	5.8 %	9,789,156	3.6 %	1,177,524	1,177,524
2021 2Q	3392	273,516,015	15,959,588	5.6 %	8,885,293	3.2 %	974,863	2,152,387
2021 3Q	3395	274,781,700	14,949,088	5.2 %	7,719,593	2.8 %	2,489,134	4,641,521
2021 4Q	3401	275,872,483	13,090,201	4.5 %	6,524,017	2.4 %	1,902,686	6,594,142
2022 1Q	3409	277,179,580	12,470,343	4.3 %	7,706,497	2.8 %	(162,598)	(162,598)
2022 2Q	3412	277,629,082	12,212,456	4.2 %	7,178,150	2.6 %	916,859	754,261
2022 3Q	3422	279,277,488	11,923,492	4.1 %	7,126,326	2.6 %	1,714,073	2,468,334
2022 4Q	3427	280,354,574	12,037,588	4.1 %	7,384,220	2.6 %	826,627	3,294,961
2023 1Q	3435	281,128,160	11,059,918	3.9 %	6,851,089	2.4 %	931,357	931,357
2023 2Q	3439	281,652,265	12,239,066	4.1 %	7,295,543	2.6 %	79,651	1,011,008
2023 3Q	3448	282,834,143	15,236,160	5.2 %	8,316,127	2.9 %	589,242	1,600,250
2023 4Q	3456	284,273,778	15,607,831	5.2 %	9,221,334	3.2 %	757,046	2,437,296
2024 1Q	3465	286,039,706	17,061,993	5.6 %	11,110,575	3.9 %	(123,313)	(123,313)
2024 2Q	3466	286,672,706	16,404,916	5.3 %	10,680,622	3.7 %	1,004,953	881,640
2024 3Q	3467	286,842,706	17,113,993	5.5 %	10,287,232	3.6 %	563,390	1,445,030
2024 4Q	3476	287,864,159	17,012,977	5.4 %	10,382,455	3.6 %	906,230	2,351,260
2025 1Q	3481	288,729,112	19,654,124	6.3 %	13,235,096	4.6 %	(1,957,762)	(1,957,762)
2025 2Q	3479	288,319,296	19,733,485	6.2 %	14,153,142	4.9 %	(868,046)	(2,825,808)
2025 3Q	3485	289,202,779	20,475,731	6.4 %	14,292,482	4.9 %	744,143	(2,081,665)
2025 4Q	3488	288,982,856	19,231,769	6.0 %	13,129,496	4.5 %	1,325,092	(756,573)

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