













MARKET FUNDAMENTALS

	YOY Chg	Outlook
24.7% Vacancy Rate		
-65.8K YTD Net Absorption, SF		
\$23.04 Asking Rent, PSF <small>(Overall, All Property Classes)</small>		

ECONOMIC INDICATORS

	YOY Chg	Outlook
856.7K Milwaukee Employment		
3.4% Milwaukee Unemployment Rate		
4.6% United States Unemployment Rate		

Source: BLS, Moody's Analytics
Footnote: 2025Q3 data are based on latest available data

ECONOMY

Home to six Fortune 500 companies, Metro Milwaukee is known for its historically strong manufacturing and financial services industries, along with a vibrant downtown area that has experienced a strong pandemic recovery, defying national trends. The region's unemployment rate increased 20 basis points (bps) year-over-year (YOY) to 3.4%, and overall employment decreased 1.0% YOY.

MARKET OVERVIEW

Metro Milwaukee's office market saw negative 123,676 sf of net absorption in Q4 2025, increasing the market's vacancy rate 50 bps quarter-over-quarter to 24.7%. The market finished the year at negative 65,753 sf of space absorbed, its fifth consecutive year of negative absorption. Class A properties continue to perform, driven by tenant demand for high-quality space, accounting for 87,103 sf of absorption in 2025, while Class B and C properties have had negative 152,856 sf of absorption. With no recent new construction, the overall Class A vacancy rate has continued to decline to 18.2% overall, and even more so in the popular CBD at 13.1%.

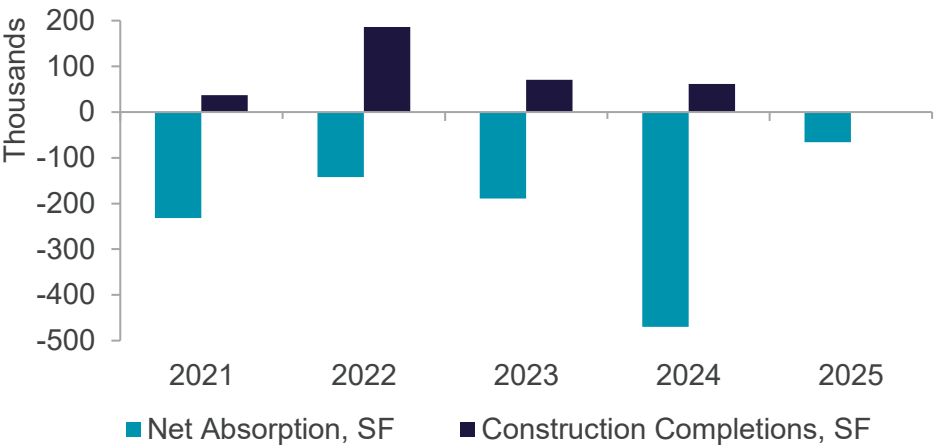
This quarter recorded 323,452 sf of total leasing activity, with 214,487 sf attributed to new leasing (excluding renewals). Total 2025 new leasing volume (sf) finished 4.2% lower YOY, with overall leasing down 21% due to large users mostly solidifying their post-pandemic real estate needs.

The market's overall asking rental rate increased by 3.2% YOY to \$23.04 gross per square foot (psf), maintaining a stable rate in the range of \$21-\$23 psf since late 2021 with rising operating expenses primarily driving increases. Class A rates have increased 5.0% YOY to \$27.86 psf.

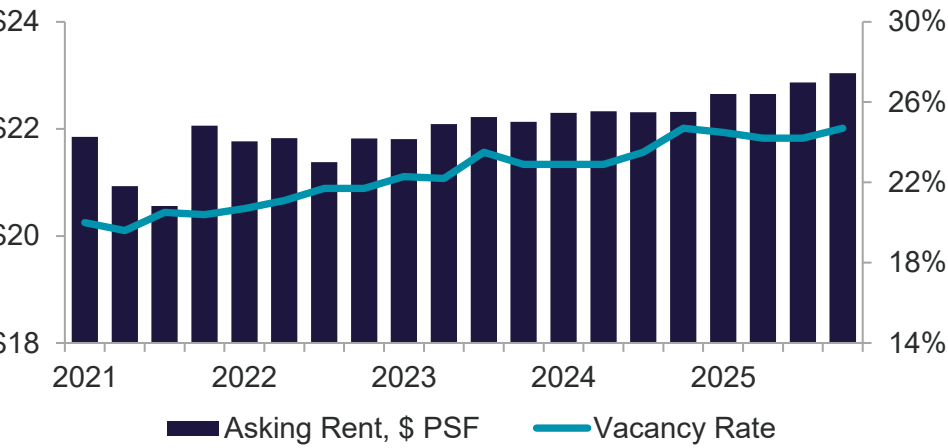
OUTLOOK

With Class A availability remaining tight, Class B assets continue to feel the effects of shifting tenant preferences, though this cycle is more mixed. Tenants are increasingly exploring suburban Class B options as downtown CBD space tightens, creating pockets of improved demand. At the same time, the market is still working through several large Class B vacancies left over from COVID-era downsizing, and weakening fundamentals in certain areas are setting the stage for elevated foreclosures in the coming year. Together, these trends point to a gradual rebalancing of demand across the broader office market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL AVAILABLE (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown East	7,285,664	2,190,034	1,699,159	23.3%	-8,174	-21,675	167,001	0	\$27.09	\$32.02
Downtown West	3,860,772	1,114,573	919,940	23.8%	17,388	-72,691	83,825	0	\$22.98	\$25.00
CBD TOTALS	11,146,436	3,304,607	2,619,099	23.5%	9,214	-94,366	250,826	0	\$25.75	\$31.46
Brookfield	4,188,802	1,371,371	1,260,653	30.1%	6,519	18,184	147,236	0	\$21.18	\$24.11
Mayfair / Wauwatosa	3,666,602	1,392,967	821,229	22.4%	22,690	34,543	180,281	0	\$20.78	\$24.15
North Shore	1,096,714	296,270	287,442	26.2%	-83,154	-78,573	74,904	0	\$21.56	N/A
Northwest	2,454,382	744,678	644,015	26.2%	300	18,869	41,927	0	\$17.23	\$22.55
Ozaukee	576,453	126,544	120,840	21.0%	1,823	32,603	60,452	0	\$17.66	N/A
Southeast	607,400	274,064	122,575	20.2%	2,397	-161	3,347	0	\$30.62	\$33.08
Southwest	266,993	45,141	41,139	15.4%	3,369	1,443	14,621	0	\$18.07	N/A
Third Ward / Walker's Point	2,018,537	453,765	350,295	17.4%	-33,090	-18,166	108,829	0	\$25.32	N/A
Waukesha / Pewaukee	2,324,863	797,240	706,531	30.4%	-28,841	29,623	155,906	0	\$21.68	\$24.88
West Allis	1,477,639	518,808	380,153	25.7%	-24,903	-9,752	64,961	0	\$18.53	N/A
NON-CBD TOTALS	18,678,385	6,020,848	4,734,872	25.3%	-132,890	28,613	852,464	0	\$21.08	\$24.96
MILWAUKEE TOTALS	29,824,821	9,325,455	7,353,971	24.7%	-123,676	-65,753	1,103,290	0	\$23.04	\$27.86

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
501 W Northshore Dr, Glendale	North Shore	Ideal Partners	49,550	New
250 E Wisconsin Ave, Milwaukee	Downtown East	HNTB	46,041	Renewal & Expansion
600 N Plankinton Ave, Milwaukee	Downtown West	ASQ	24,767	Renewal
3333 N Mayfair Rd, Wauwatosa	Mayfair / Wauwatosa	Milwaukee Career College	16,543	New
111 E Kilbourn Ave, Milwaukee	Downtown East	Meissner Tierney Fisher & Nichols S.C.	15,490	Renewal

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / \$ PSF
135 S 84th St, Milwaukee	Mayfair / Wauwatosa	CW Capital / Greywolf Partners	160,647	\$8.5M / \$53
20300 Water Tower Blvd, Brookfield	Brookfield	Three Gear Holdings, LLC / Janesville LLP	42,050	\$3.7M / 88

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