MARKETBEAT

MILWAUKEE

INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD | BOERKE

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.0% Vacancy Rate	▼	—
1.4M YTD Net Absorption, SF	▲	—
$5.64 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	—

ECONOMIC INDICATORS

	YOY Chg	Outlook
853.1K Milwaukee Employment	▼	▲
3.8% Milwaukee Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	—	▲

Source: BLS, Moody's Analytics
Footnote: 2026Q2 data are based on latest available data. U.S. unemployment rate reflects June 2026

ECONOMY

Home to industry giants such as Rockwell Automation, Harley-Davidson, Milwaukee Tool, Generac and others, Metro Milwaukee has historically been a hub for manufacturing. The area's growing water technology and energy industries also position Milwaukee as a regional center of innovation. The region's unemployment rate increased 40 basis points (bps) year-over-year (YOY) to 3.8%, and overall employment decreased 0.8% YOY.

MARKET OVERVIEW

Milwaukee's industrial market maintained healthy fundamentals during the second quarter, recording 337,451 square feet (sf) of positive net absorption and reducing the overall vacancy rate 20 bps quarter-over-quarter (QOQ) to 4.0%. While tenant demand remained healthy, net absorption was tempered by several sizeable move-outs, including TJ Hale, Reindl Bindery, and Tekni-Plex. At the same time, occupiers continue to take a more measured approach to leasing decisions, extending transaction timelines despite steady tour activity and active market interest.

Leasing activity remained strong, totaling nearly 2.3 million square feet (msf) during the quarter. Approximately 85% of the activity consisted of new transactions, with new leasing volume exceeding 1.9 msf, the strongest quarter since late 2022 and a 172% YOY increase. Activity was heavily concentrated in Ozaukee County, where multiple leases were tied to the region's expanding data center ecosystem, including commitments from Southland Industries, SOLVR Logistics, and Hunt Electric, highlighting continued demand from companies supporting hyperscale data center development.

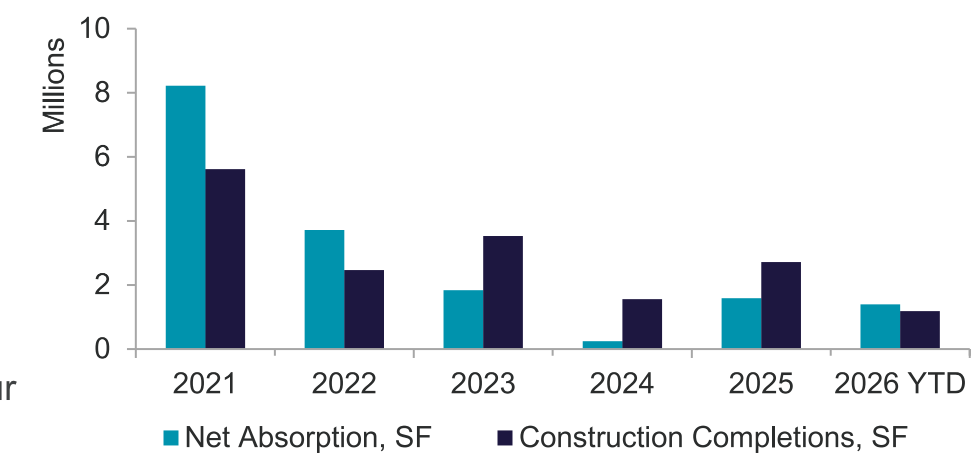
Overall asking rental rates increased 3.5% QOQ and 4.8% increase YOY to $5.64 per square foot NNN. Limited availability of modern industrial product and steady tenant demand continue to support rent growth despite slower speculative development.

Following elevated construction activity in 2025, the development pipeline moderated to 908,671 square feet under construction. Higher construction costs, elevated interest rates, and tighter financing conditions continue to limit speculative starts. However, the long-term pipeline remains active with nearly 1.3 million square feet of speculative projects and approximately 2.9 million square feet of build-to-suit developments proposed or in planning.

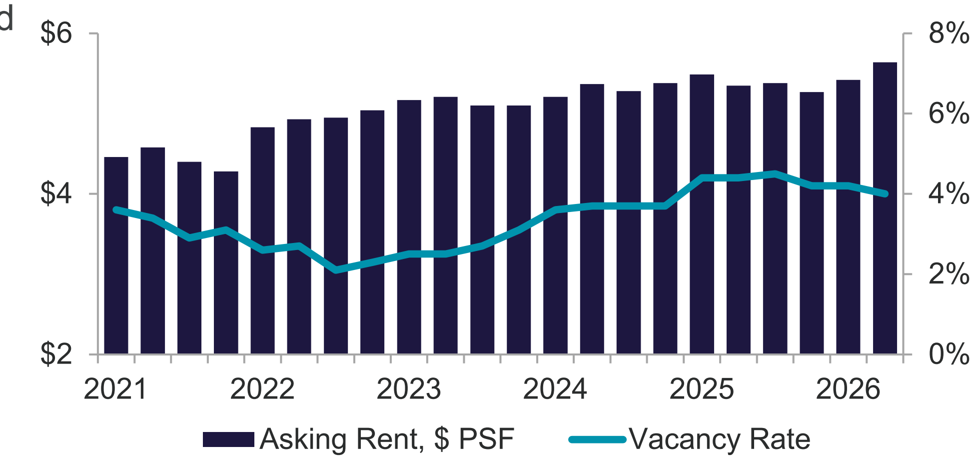
OUTLOOK

Despite more measured leasing decisions and several large move-outs during the quarter, underlying tenant demand remains healthy. Manufacturing investment, continued expansion of the data center supply chain, and a disciplined development pipeline are expected to support leasing activity through 2027. Limited availability of well-located Class A product should continue to support stable fundamentals and rental rate growth.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT* (MF)	OVERALL WEIGHTED AVG NET RENT* (OS)	OVERALL WEIGHTED AVG NET RENT* (W/D)
Milwaukee County	101,993,678	6,256,021	6.1%	-265,102	-795	0	473,491	$4.73	$6.82	$5.88
Ozaukee County	12,688,610	196,500	1.5%	542,363	485,857	86,800	0	$5.16	$4.46	$5.50
Washington County	25,174,210	716,014	2.8%	-40,978	535,258	395,190	291,140	$5.50	$6.74	$6.25
Waukesha County	80,718,665	1,689,811	2.1%	101,168	371,818	426,681	420,994	$6.08	$7.47	$7.71
MILWAUKEE TOTALS	**220,575,163**	**8,858,346**	**4.0%**	**337,451**	**1,392,138**	**908,671**	**1,185,625**	**$5.08**	**$7.10**	**$6.17**

CLASSES	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
Manufacturing	113,438,450	4,567,226	4.0%	116,777	-161,314	304,681	117,000	$5.08
Office Service / Flex	38,932,672	942,030	2.4%	-132,266	145,494	0	172,480	$7.10
Warehouse - Distribution	68,204,041	3,349,090	4.9%	352,940	1,407,958	603,990	896,145	$6.17

**Rental rates reflect weighted net asking $psf/year*

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
200 Industrial Drive, Fredonia	Ozaukee County	SOLVR Logistics	317,400	New
5401 W Donges Bay Road, Mequon	Ozaukee County	Almo Corp	213,842	Renewal
N59W13633 Manhardt Drive	Waukesha County	Wesco	180,532	New
5401 W Donges Bay Road, Mequon	Ozaukee County	Southland Industries	177,125	New

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / $ PSF
5315 S 3rd Street and 5319-5375 S 3rd Street, Milwaukee	Milwaukee County	MLG Capital / Platform Ventures	201,200	$12.325M / $61
W141N9427 Fountain Boulevard, Menomonee Falls	Waukesha County	Fountain13, LLC / Messer Cutting Systems, Inc.	84,740	$9M / $106
W220N507 Springdale Road, Waukesha	Waukesha County	Buffalo Land Holdings, LLC / New Lane Management	82,401	$8.45M / $103

KEY CONSTRUCTION COMPLETIONS YTD 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
10000 Ridgeview Dr, Oak Creek	Milwaukee County	Jackson's Food Co.	418,511	Frontline Commercial
N128W20833 Holly Hill Rd, Germantown	Washington County	N/A	291,140	Capstone Commercial
2230 Corporate Dr, Waukesha	Waukesha County	KDV Label	117,000	Briohn Building Corp.

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