

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.4% Vacancy Rate	▲	▲
-173K YTD Net Absorption, SF	▼	▼
\$13.64 Asking Rent, PSF	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
\$81,400 Milwaukee Median Household Income	▲	▲
0.3% Milwaukee Population Growth	—	▲
3.3% Milwaukee Unemployment Rate	▲	▲

Source: BLS, BOC, Moody's Analytics

ECONOMY

Milwaukee, nestled on the shores of Lake Michigan, exudes vibrancy with its rich cultural tapestry showcased through festivals, diverse culinary experiences, historic neighborhoods, and its renowned brewing and manufacturing heritage. Metro Milwaukee's unemployment rate increased 20 basis points (bps) year-over-year (YOY) to 3.3%, and population rose 0.3% YOY.

MARKET OVERVIEW

Metro Milwaukee's retail market experienced negative absorption of 172,527 square feet (sf) in Q1 2025, leading to a 50 bps YOY increase in the overall market vacancy rate to 7.4%. The Northern Washington submarket saw the most positive absorption this quarter at 19,166 sf, driven by Ollie's Bargain Outlet leasing 22,500 sf in West Bend, filling the space formerly occupied by Big Lots.

There were 44 leases signed in Q1 (new and renewals) totaling 118,521 sf, a 33% YOY decrease. Despite the decline in leasing activity, the market remains active among smaller footprint tenants, with 84% of leases signed ranging from 1,000 to 3,000 sf. The Northern Washington, Southwest Milwaukee, and Western Milwaukee submarkets each had over 20,000 sf of new leasing activity, indicating strong tenant demand across the region.

The market's overall asking rental rate continues to decrease as high-quality space becomes less available, resulting in a 3.1% quarter-over-quarter (QOQ) decrease to \$13.64 triple net (NNN) per square foot (psf). The North Shore submarket has the highest asking rental rate at \$27.56 NNN, due to high demand and only 4,495 sf available, maintaining its status as a premier retail corridor in the region.

Despite tenant preference for Class A space, 98% of the leases signed this quarter were in Class B and C properties, due to limited availability in Class A properties and the lack of new construction.

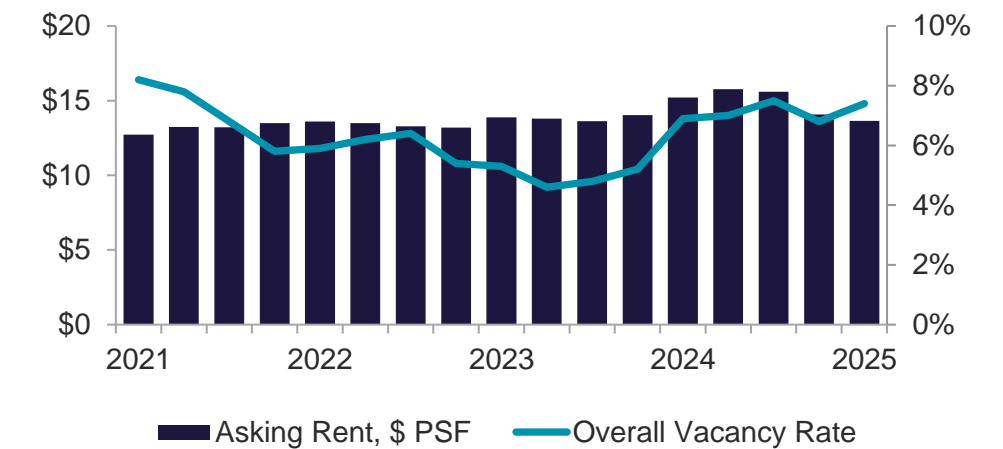
OUTLOOK

Milwaukee's retail market continues to experience elevated demand for quality space from both national and local tenants. With major national retailers like Joann Fabrics, Party City, and Big Lots closing locations across the Milwaukee area, landlords may struggle to backfill these vacant spaces with tenants that can functionally fit and successfully operate in them. The ongoing lack of new construction and high demand for space could push tenants towards these newly vacant spaces, depending on their space needs and location requirements.

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)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Downtown Milwaukee	250,581	15,910	15,910	6.3%	-1,500	-1,500	0	\$16.95
Lake Country	1,324,467	67,826	55,067	4.2%	1,721	1,721	0	\$15.93
Mequon	608,371	15,091	13,641	2.2%	2,625	2,625	0	\$13.20
Muskego / Mukwonago	544,969	25,288	23,288	4.3%	2,412	2,412	0	\$14.58
North Shore	971,699	100,762	91,756	9.4%	-454	-454	0	\$27.56
Northern Ozaukee	1,597,728	48,106	43,070	2.7%	-1,023	-1,023	0	\$9.23
Northern Washington	1,963,335	137,156	113,611	5.8%	19,166	19,166	0	\$16.32
Northwest Milwaukee	2,778,407	727,453	462,116	16.6%	1,215	1,215	0	\$11.41
Racine County	3,351,609	305,256	287,820	8.6%	-13,145	-13,145	0	\$10.98
Southeast Milwaukee	2,169,203	120,015	97,715	4.5%	-32,040	-32,040	0	\$11.65
Southwest Milwaukee	2,727,962	209,193	165,549	6.1%	-66,375	-66,375	0	\$17.79
Sussex / Menomonee Falls / Germantown	2,242,219	310,536	248,258	11.1%	1,785	1,785	0	\$14.98
Waukesha / Brookfield / New Berlin	5,524,020	515,694	316,210	5.7%	-11,200	-11,200	21,100	\$15.06
Wauwatosa	906,489	46,120	44,751	4.9%	-29,244	-29,244	0	\$17.03
Western Milwaukee	3,955,563	322,022	301,960	7.6%	-46,470	-46,470	0	\$8.90
MILWAUKEE TOTALS	30,916,622	2,966,428	2,280,722	7.4%	-172,527	-172,527	21,100	\$13.64

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1710 S Main St, West Bend	Northern Washington	Ollie's Bargain Outlet	22,500	New
7500-7552 W Oklahoma Ave, West Allis	Western Milwaukee	ArchWell Health	14,171	New
5405-5497 S 76 th St, Greendale	Southwest Milwaukee	Once Upon A Child	7,446	New
1200 N Port Washington Rd, Grafton	Northern Ozaukee	Chase Bank	3,170	New
5405-5497 S 76 th St, Greendale	Southwest Milwaukee	Crave Cookies	3,125	New

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / \$ PSF
2111-2201 E Rawson Ave, Oak Creek	Southeast Milwaukee	Experience Bros Properties, LLC / Kaufman Jacobs	45,922	\$2.1M / \$45
3951 S 76 th St, Milwaukee	Western Milwaukee	Khalaf Capital Holdings, LLC / Langhoff Commercial	34,046	\$4.0M / \$117
690 Westfield Way, Pewaukee	Waukesha / Brookfield / New Berlin	DeMichele Company / 690 Westfield Way, LLC	29,913	\$3.8M / \$125

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