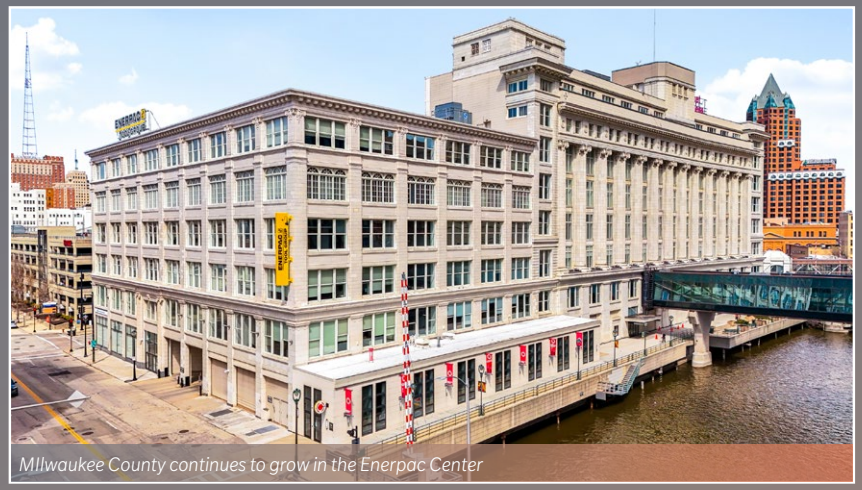
FOUNDERS 3
REAL ESTATE SERVICES

MILWAUKEE OFFICE MARKET REPORT

Q3 2026



MIlwaukee County continues to grow in the Enerpac Center

MILWAUKEE OFFICE MARKET HIGHLIGHTS

- Zizzl Health leased 41,094 SF at CityCenter at 735 in Downtown East, the largest office lease of the quarter.
- Milwaukee County leased roughly 24,000 SF across the Enerpac Center buildings in Downtown West.
- The Wisconsin School of Professional Psychology leased 22,125 square feet at Summit Place in West Allis.
- Michels Corp expanded by 14,359 SF at R1VER in the Third Ward/Walker's Point.
- YTD absorption reached 422,755 quare feet, already well ahead of the 2025 full-year total.

Q3 MARKET SNAPSHOT

	VACANCY	ABSORPTION	SUBLEASE	CLASS A RENT	CLASS B RENT
DOWNTOWN*	24.29%	75,522	232,544	$32.69	$23.92
SUBURBS	21.57%	93,305	626,433	$25.31	$20.07
TOTAL/AVERAGE	22.75%	168,827	858,977	$29.00	$22.00

**Downtown includes Downtown East, Downtown West and Third Ward/Walker's Point submarkets.*

Market Overview

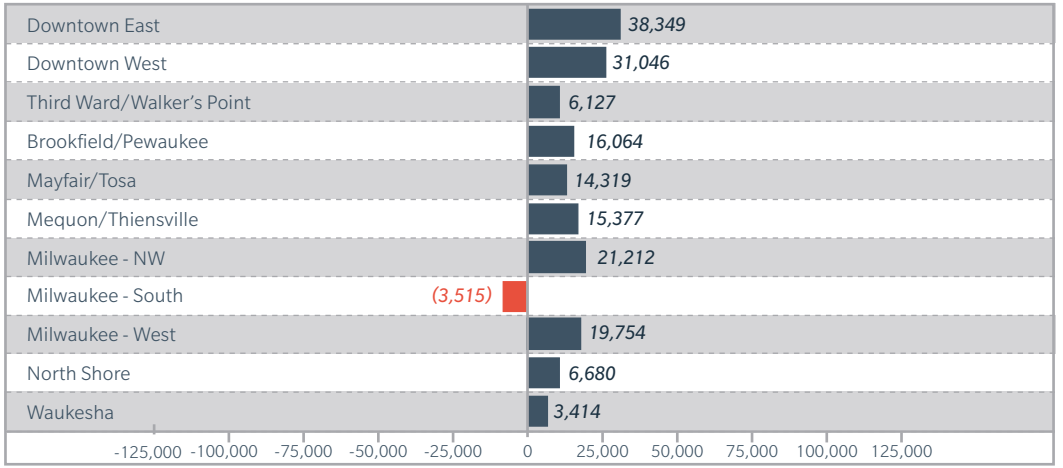
The Milwaukee office market ended the quarter with 168,827 square feet of positive absorption, resulting in a 22.75% vacancy rate, down slightly from 23.48% in Q2 2026. The overall average asking rate is $22.33 per square foot, reflecting a small increase from the previous quarter. It is important to note that these are asking rates and often do not reflect the final deal rates or include any tenant concessions provided by the Landlord.

Q3 continued the market's streak of positive absorption and marked the third straight quarter of declining vacancy, bringing year-to-date absorption to 422,755 square feet, well ahead of the 2025 full-year total. The suburbs continued to lead the market, accounting for 93,305 square feet of absorption in Q3 and roughly three-quarters of the year-to-date total. Downtown posted its strongest quarter in a year, driven largely by Zizzl Health's 41,094 square foot lease at CityCenter at 735 and Milwaukee County's lease at the Enerpac Center.

Sublease in the Market

There is 858,977 square feet of sublease space in the multi-tenant office building market, accounting for about 2.9% of the total 29,188,988 square feet. Overall, the amount of sublease availability remains minimal to the overall market performance and has not impacted the market's determination of rental rates.

Q3 ABSORPTION

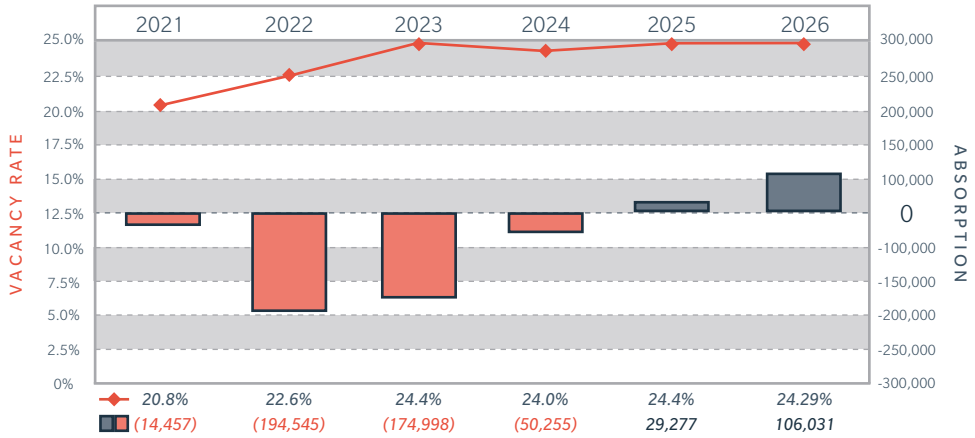


Downtown Market

Class A Downtown posted 2,064 square feet of positive absorption and Class B posted 73,458 square feet of positive absorption, totaling 75,522 square feet of positive absorption in Q3. Overall vacancy rate is at 24.29%, and Class A and B gross average asking rates were $32.69 per square foot and $23.92 per square foot, respectively.

Class B product led Downtown activity in Q3, a shift from the flight-to-quality trend of recent quarters. Zizzl Health's 41,094 square foot lease at CityCenter at 735 in Downtown East and Milwaukee County's roughly 24,000 square feet across the Enerpac Center buildings in Downtown West accounted for most of the gain. Class A absorption was modest, as Michels Corp's 14,359 square foot expansion at R1VER in the Third Ward was largely offset by smaller move-outs. With very little Class A space left for lease, tenants seeking quality space are increasingly turning to well-located Class B buildings.

DOWNTOWN MARKET | YEAR OVER YEAR



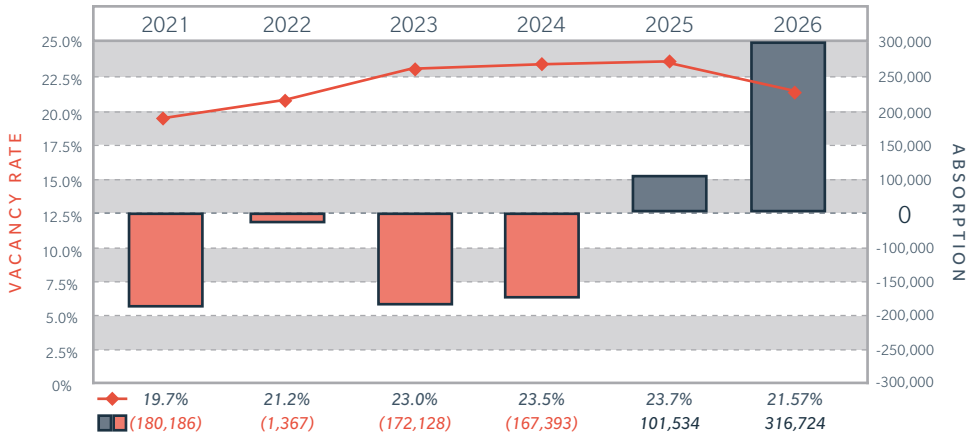
Source: Data provided by Real Estate Database, Inc. (Moody's) and augmented by Founders 3 Real Estate Services.
The Downtown market includes Downtown East, Downtown West and Third Ward/Walker's Point submarkets.

Suburban Market

Class A Suburban posted 55,310 square feet of positive absorption and Class B posted 37,995 square feet of positive absorption for a total of 93,305square feet of positive absorption in Q3. Overall vacancy rate is at 21.57%, and Class A and B gross average rates were $25.31 per square foot and $20.07 per square foot, respectively.

The suburban office market extended its run of positive absorption in Q3, bringing year-to-date absorption to 316,724 square feet. Class A led the quarter, driven by steady leasing across the Mayfair/Wauwatosa submarket, including Oneida ESC Group's move from Mayfair Corporate Center into Oakwood Center. Class B gains, including the Wisconsin School of Professional Psychology's 22,125 square foot lease at Summit Place and DLF Law Group's 14,421 square foot lease at Maplewood Executive Center, were partially offset by several mid-size move-outs and downsizings.

SUBURBAN MARKET | YEAR OVER YEAR



Source: Data provided by Real Estate Database, Inc. (Moody's) and augmented by Founders 3 Real Estate Services.

NOTABLE LEASE TRANSACTIONS

Location	Submarket	Tenant	SF Leased
735 N Water Street	Downtown East	Zizzl Health	41,094
6737 W Washington Street	Milwaukee West	WI School of Professional Psychology	22,125
648 N Plankinton Avenue	Downtown West	Milwaukee County	19,605
250 N Sunny Slope Road	Brookfield/Pewaukee	DLF Law Group	14,421

Location	Submarket	Tenant	SF Leased
210 W Becher Street	Third Ward / WP	Michels Corp *(expansion)*	14,359
20800 Swenson Drive	Brookfield/Pewaukee	USI	9,857
10361 Innovation Drive	Mayfair/Wauwatosa	Oneida ESC	6,956
1200 N Mayfair Road	Mayfair/Wauwatosa	Ultimus	6,756

Submarket	Buildings	Building Size	Q3-2026 Direct Vacancy %	Q3-2026 Direct Vacant SF	Q3-2026 Direct Absorption	Q3-2026 Sublease Space	Estimated Overall Average Asking Rent (FSG)	2026 YTD Direct Absorption
Downtown - East								
A	12	4,626,912	20.08%	929,006	(2,745)	177,890	$34.32	20,117
B	29	2,736,953	29.75%	814,359	41,094	3,015	$21.97	53,609
Total	**41**	**7,363,865**	**23.67%**	**1,743,365**	**38,349**	**180,905**	**$26.09**	**73,726**
Downtown - West								
A	1	68,371	14.86%	10,159	(7,721)	0	$28.10	(671)
B	23	2,948,676	27.80%	819,678	38,767	0	$25.00	12,506
Total	**24**	**3,017,047**	**27.50%**	**829,837**	**31,046**	**0**	**$25.31**	**11,835**
Third Ward/Walker's Point								
A	3	324,577	37.61%	122,082	12,530	0	$29.85	12,530
B	32	1,949,783	18.28%	356,399	(6,403)	51,639	$25.19	7,940
Total	**35**	**2,274,360**	**21.04%**	**478,481**	**6,127**	**51,639**	**$25.89**	**20,470**
Brookfield/Pewaukee								
A	9	876,828	21.17%	185,664	5,783	28,867	$25.77	11,217
B	94	4,761,076	25.70%	1,223,649	10,281	38,585	$20.51	136,482
Total	**103**	**5,637,904**	**25.00%**	**1,409,313**	**16,064**	**67,452**	**$21.25**	**147,699**
Mayfair/Tosa								
A	14	2,006,801	16.96%	340,359	36,610	412,937	$25.64	41,055
B	23	1,241,656	24.82%	308,215	(22,291)	3,000	$18.94	10,113
Total	**37**	**3,248,457**	**19.97%**	**648,574**	**14,319**	**415,937**	**$21.17**	**51,168**
Mequon/Thiensville								
A	1	37,670	0.00%	0	6,237	0	$24.00	6,237
B	13	368,887	6.66%	24,576	9,140	0	$19.42	25,603
Total	**14**	**406,557**	**6.04%**	**24,576**	**15,377**	**0**	**$20.57**	**31,840**
Milwaukee - NW								
A	2	171,084	13.03%	22,295	0	0	$23.48	0
B	29	1,765,995	27.10%	478,543	21,212	117,877	$19.58	29,265
Total	**31**	**1,937,079**	**25.86%**	**500,838**	**21,212**	**117,877**	**$19.90**	**29,265**
Milwaukee - South								
A	0	0	0.00%	0	0	0	$0.00	0
B	19	797,447	10.11%	80,612	(3,515)	0	$18.76	37,000
Total	**19**	**797,447**	**10.11%**	**80,612**	**(3,515)**	**0**	**$18.76**	**37,000**
Milwaukee - West								
A	0	0	0.00%	0	0	0	$0.00	0
B	16	1,722,795	32.68%	563,023	19,754	13,407	$16.78	(10,198)
Total	**16**	**1,722,795**	**32.68%**	**563,023**	**19,754**	**13,407**	**$16.78**	**(10,198)**
North Shore								
A	3	223,262	40.01%	89,332	6,680	0	$24.00	6,680
B	26	1,384,215	9.04%	125,077	0	0	$22.29	7,477
Total	**29**	**1,607,477**	**13.34%**	**214,409**	**6,680**	**0**	**$22.67**	**14,157**
Waukesha								
A	0	0	0.00%	0	0	0	$0.00	0
B	35	1,176,000	7.89%	92,796	3,414	11,760	$21.72	15,793
Total	**35**	**1,176,000**	**7.89%**	**92,796**	**3,414**	**11,760**	**$21.72**	**15,793**
GRAND TOTALS								
A	45	8,335,505	20.38%	1,698,897	57,374	619,694	$25.87	97,165
B	339	20,853,483	23.43%	4,886,927	111,453	239,283	$20.82	325,590
Total	**384**	**29,188,988**	**22.75%**	**6,585,824**	**168,827**	**858,977**	**$22.33**	**422,755**

Source: Data provided by Real Estate Database, Inc. (Moody's) and augmented by Founders 3 Real Estate Services.

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