

# INVESTMENT FORECAST

Retail  
Milwaukee

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Availability Remains Relatively Range-Bound as New Investment Momentum Takes Shape

**Income growth provides an incremental tailwind.** A limited supply pipeline and tight vacancy below the national level support a positive but measured outlook for Milwaukee's retail sector in 2026. However, near-zero population growth and a net decline in employment may cap upside momentum, particularly for tenant demand, which entered the year unevenly. Net absorption turned negative in 2025 for only the second time since 2008. Demand is forecast to grow this year, although by less than its historical average. Select experiential projects, including Landmark Credit Union Live, a new 4,500-plus-seat indoor concert venue, should bolster foot traffic, particularly downtown, and support local fundamentals after a 70-basis-point vacancy increase last year. Median household income growth is projected to exceed 4 percent in 2026, among the fastest nationally. That increase should support retail spending, help limit vacancy expansion, and reinforce leasing stability.

**Capital deployment accelerates.** Across commercial real estate property types in Milwaukee last year, the retail sector recorded the largest year-over-year increase in transaction velocity, rising by more than 30 percent, as both single- and multi-tenant deal flow improved in 2025. However, activity in multi-tenant assets accelerated more sharply, partially due to yield-driven investors. Strip centers drove much of the increase, while neighborhood centers saw comparatively lower trading volumes. This divergence suggests that investors favor less capital-intensive retail formats that offer structural insulation from e-commerce pressures and face limited new supply. Net-leased assets attracted slightly less investor demand than in prior years, though relatively low vacancy should keep the segment compelling.

## 2026 MARKET FORECAST

-1.1%



**Employment:** Milwaukee's labor market will record a net loss of 9,500 positions in 2026. Even so, the education and healthcare sectors are expected to remain relatively bright spots this year.

172,000  
sq. ft.



**Construction:** Supply pressure is expected to ease after a six-year high in completions in 2025. Inventory will expand by 0.2 percent, tying the average pace for major Midwestern metros.

+10 bps



**Vacancy:** Vacancy will edge up to 4.1 percent despite the slowdown in Milwaukee's delivery schedule. Nonetheless, this rate will remain among the lowest in major U.S. markets.

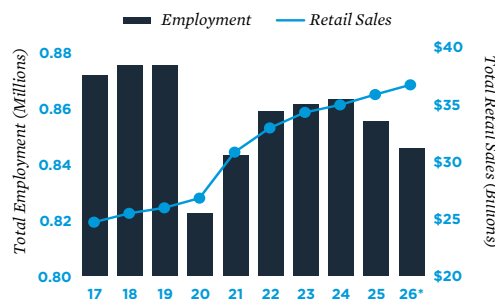
-0.7%



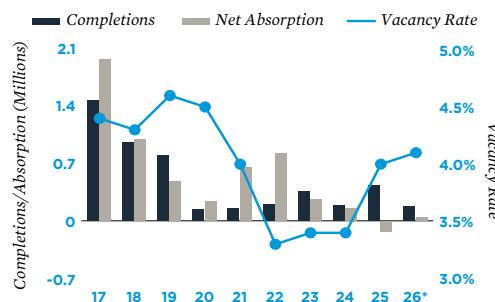
**Rent:** The average asking rent is expected to soften amid a measured level of net absorption, declining to \$14.52 per square foot this year.

**INVESTMENT:** Multifamily vacancy fell by over 100 basis points in West Allis last year, a trend that may underpin incremental retail demand and reinforce investor interest in surrounding areas.

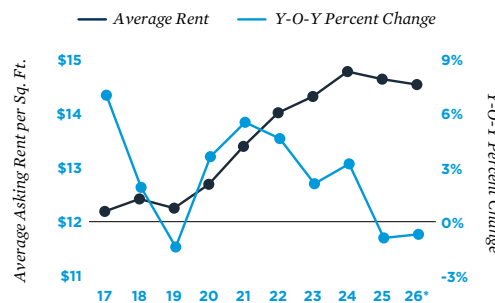
### Economic Trends



### Supply and Demand



### Rent Trends



\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

Gregory A. LaBerge

Senior Vice President, National Division Leader

Tel: (818) 212-2250 | glaberge@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.