

WISCONSIN TRENDS

↑ VACANCY RATE
5.7%

↓ ASKING RATE
\$6.56

↓ ABSORPTION
**344,445
SQFT**

↑ NEW CONSTRUCTION
**4,220,659
SQFT**

IMPACTFUL DATA

↑ US UNEMPLOYMENT
4.1%

↓ AIA / DELTEK ABI
44.1%

↑ 10YR. TREASURY 3/31/25
4.57%

MARKET SUMMARY:

The Southeast Wisconsin industrial market showed mix signs in Q1 2025. While overall vacancy crept up slightly to 5.7%, the real story lies in the contrast between single-tenant and multi-tenant properties. Multi-tenant buildings posted a solid 396,500 SF of positive absorption, with strong activity in Kenosha and Waukesha counties. But on the flip side, single-tenant properties took a hit—DHL's 432,000 SF vacancy in Racine led the charge on the quarter's total net negative absorption of 344,400 SF. In addition, new construction has increased which shows developers are staying active.

For small and midsize business owners, this market presents both opportunity and caution. Lease rates have decreased slightly and are on average just below the rates last year at this time. However, the vacancy rate has not increased enough to provide much relief to businesses looking to relocate. It is more important than ever for business owners and investors to stay on top of the trends so they can make the best decisions

LOOKING AHEAD:

As mentioned above, speculative construction is nearly non-existent. Even if the market growth slows down, the lack of supply will add pressure on demand which will lead to increasing lease rates, pricing pressure, and a prolonged period of low vacancy rates. Companies should begin their process early and fully explore all options as the market forecast is that it will be challenging to find new and existing space for tenants or buyers of Industrial Real Estate

FOR MORE INFORMATION:

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