

The Milwaukee-Waukesha-West Allis, WI commercial real estate market is weak compared to the overall market.
NAR Commercial Market Conditions Index: 40

The apartment sector is experiencing faster rent growth than nationally.

There is a increase in office occupancy and office rent growth is weaker than nationally.

In the industrial sector, the industrial vacancy rate is lower than nationally and more construction is underway than nationally.

Its retail trade jobs are not growing as fast than nationally.

In the hotel/lodging sector, leisure and hospitality jobs are shrinking. There is a higher share of business openings than nationally.

In 2019, the area experienced net out-migration.

Commercial transactions are likely to pick up in the second half of 2021 and in 2022 as more people get vaccinated and more businesses open. Higher fiscal spending and monetary accommodation will boost growth nationally and in the area.

I. Economic and Demographic Indicators

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Dec_20	Nov_20	Dec_19	Dec_20	Nov_20	Dec_19	
Total non-farm employment ('000)	815	818	879	143,700	144,121	152,846	
Y/Y chg.in nonfarm payroll employment ('000)	(64)	(64)	(2)	(9,146)	(8,974)	2,014	<i>job pace is weaker than national pace</i>
Y/Y % chg. in nonfarm payroll employment	-7.3%	-7.2%	-0.2%	-6.0%	-5.9%	1.3%	<i>lower unemployment rate than nationally</i>
Unemployment rate (%)	6.2%	6.1%	3.7%	6.7%	6.7%	3.6%	
Average weekly wages	\$1,025	\$1,010	\$943	\$1,038	\$1,030	\$973	<i>wages are lower than national average</i>
	2019	2018	2017	2019	2018	2017	
GDP growth (%)	0.9%	2.9%	2.3%	2.2%	3.0%	2.3%	<i>economy is growing at a slower pace than nationally</i>
Median household income	\$65,845	\$60,643	\$59,448	\$87,470	\$84,423	\$81,284	<i>median household income is lower than national level</i>
Population ('000)	1,575	1,574	1,574	328,330	326,838	325,122	
Population growth (%)	0.1%	0.0%	-0.1%	0.5%	0.5%	0.6%	<i>slower population growth than nationally</i>
Net domestic migration ('000)	(5.1)	(8.1)	(10.6)	0	0	0	<i>net out-migration</i>

II. Multifamily/1

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Q4_20	Q3_20	Q4_19	Q4_20	Q3_20	Q4_19	
Homeownership rate	55.5%	63.2%	60.8%	65.8%	67.4%	65.1%	
Rental vacancy rate	3.8%	5.7%	7.3%	6.5%	6.4%	6.4%	<i>vacancy rates are lower than nationally</i>
12-month total: 5+ unit building permits	530	555	587	416,171	415,791	460,604	<i>5-unit building permits are not rising as fast</i>
12-month total: all building permits	2,439	2,452	2,295	1,434,816	1,408,516	1,351,930	
Ratio of jobs created to permits ('000)	(26)	(26)	(1)	(6)	(6)	1	<i>fewer job creation vs. housing permits than nationally</i>
Apartment rent (end of quarter)	\$977	\$990	\$972	\$1,114	\$1,129	\$1,129	<i>faster rent growth than nationally</i>

III. Office/2

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Q4_20	Q3_20	Q4_19	Q4_20	Q3_20	Q4_19	
Net absorption from prior quarter (million sq. ft.)	0.10	0.02	(0.03)	(43.03)	(39.23)	15.50	<i>increase in office occupancy</i>
Vacancy rate	19.8%	19.0%	16.5%	16%	14%	13%	<i>office vacancy is higher than nationally</i>
Asking rent per sq.ft.	\$21.0	\$21.1	\$20.7	\$35.1	\$34.7	\$33.2	<i>office rent growth is weaker than nationally</i>
Total inventory of available space (million sq. ft.)	30.2	29.8	29.1	5,368.7	5,367.4	5,338.4	
Under construction (million sq.ft.)	0.3	0.4	0.7	123.8	131.5	130.0	
% under construction to inventory	0.9%	1.3%	2.6%	2.3%	2.5%	2.4%	<i>less office construction is underway than nationally</i>

IV. Industrial/3

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Q4_20	Q3_20	Q4_19	Q4_20	Q3_20	Q4_19	
Net absorption from prior quarter (million sq. ft.)	1.58	0.81	0.61	89.8	77.0	80.8	<i>increase in industrial space occupancy</i>
Vacancy rate	4.7%	5.0%	4.3%	5.2%	5.2%	4.9%	<i>industrial vacancy rate is lower than nationally</i>
Asking rent per sq.ft.	\$4.6	\$4.4	\$4.5	\$6.8	\$6.6	\$6.5	<i>rents are not rising as fast as nationally</i>
Total inventory of available space (million sq. ft.)	207.0	206.7	204.6	15,233.9	15,136.4	15,002.3	
Under construction (million sq.ft.)	4.5	5.2	4.8	328.0	308.8	325.6	
% under construction to inventory	2.2%	2.5%	2.3%	2.2%	2.0%	2.2%	<i>more construction is underway than nationally</i>

V. Retail

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Dec_20	Nov_20	Dec_19	Dec_20	Nov_20	Dec_19	
Retail trade payroll workers ('000)	77.3	75.3	78.9	15,755	15,488	16,102	
% share to nonfarm payroll employment	9.5%	9.2%	9.0%	11.0%	10.7%	10.5%	<i>smaller fraction of retail jobs than nationally</i>
Y/Y change ('000)	-1.6	-4.1	-2.8	-347.1	-540.1	-94.9	
Y/Y % change	-2.0%	-5.2%	-3.4%	-2.2%	-3.4%	-0.6%	<i>retail trade jobs are not growing as fast than nationally</i>
Credit and debit card spending (Jan 4-31=100)	-4.2%	-6.8%	-	-4.2%	-4.5%	-	<i>stronger consumer spending than nationally</i>

VI. Hotel/Lodging

	Milwaukee-Waukesha-West Allis, WI			U.S.			
	Dec_20	Nov_20	Dec_19	Dec_20	Nov_20	Dec_19	
Leisure and hospitality payroll workers ('000)	60.2	62.4	78.8	12,858	13,418	16,474	
% share to nonfarm payroll employment	7.4%	7.6%	9.0%	8.9%	9.3%	10.8%	<i>smaller share of leisure/hospitality jobs than nationally</i>
Y/Y change ('000)	-18.6	-16.9	-1.1	(3,616.0)	(3,041.0)	388.0	
Y/Y % change	-23.6%	-21.3%	-1.4%	-21.9%	-18.5%	2.4%	<i>leisure and hospitality jobs are shrinking</i>
Number of small business openings(Jan4-31=100)	-38.2	-35.1	-	-47.2	-45.2	-	<i>higher share of business openings than nationally</i>

Data sources: US Census Bureau, US Bureau of Labor Statistics, US Bureau of Economic Analysis, ApartmentList (rent growth), Cushman and Wakefield (office, industrial)

Credit card spending is from Affinity Solutions via Opportunity Insights downloaded from Haver. Some markets may not have data.

Number of small business openings is from Womply via Opportunity Insights downloaded from Haver. Some markets may not have data.

1 Apartment rent growth is from ApartmentList.com.

2 Covers the market of: Milwaukee

3 Covers the market of: Milwaukee

For information about this report, contact data@nar.realtor