MKE UNITED

GREATER MILWAUKEE FOUNDATION

THE GMC

GREATER DOWNTOWN ACTION AGENDA

City of Milwaukee

Milwaukee Urban League

KEY FINDINGS

Where Do People Work in the Greater Downtown

WORKER POPULATION

1. Greater Downtown today is home to 108,000 of the city's 254,000 private sector jobs. This represents 42% of the city's jobs.

JOB AND BUSINESS SECTORS

2. The city's jobs are driven largely by five sectors: Manufacturing, Finance and Insurance, Professional, Scientific, and Technical Services, Administration/Waste/Remediation, and Accommodation and Food Services.

3. The Greater Downtown today has become more important as a jobs center, with the neighborhoods around Downtown growing the fastest. Between 2004-2014, the Greater Downtown added 22,100 jobs while the rest of the city lost a similar number of jobs. The region lost 6,100 jobs.

4. 16 of the 35 top Milwaukee area employers are located in the Greater Downtown. Healthcare is the largest employer in the Milwaukee area, with finance and banking also employing a large number of area residents.

OFFICE MARKET

5. Greater Downtown is the largest of the 5 office submarket in the region with over 21.6M SF of space and has the lowest vacancy rate at 9.4%. Downtown attracted the majority of new deliveries: 523,000 SF since 2011. Mayfair / Wauwatosa and Northwest submarkets have 40% market share of deliveries.

6. 75% or over 18 million SF of the total office inventory is located in the downtown core however, rents in the Historic Third Ward are competitive to the downtown core at $18.57/SF and $18.48/SF respectively.

7. Downtown office market is expanding – 500,000 SF in the last 5 years, 1.7 million under construction and another 300,000 SF proposed. New submarkets are emerging in Historic Third Ward and Walker's Point.

8. Even though average annual net absorption for the last five years has been negative, vacancies have declined. This is likely due to reduction of Class B office inventory through adaptive reuse and demolition. Net absorption is expected to increase sharply in the next two years with the occupancy of Northwestern Mutual and full lease-up of 833 E. Michigan. Job growth and decline in supply has fueled rising occupancies, rents, and new office development in the past 5 years.

OFFICE DEVELOPMENT TRENDS

9. The 2.4 million SF of office pipeline is predominately fueled by a single project - Northwestern Mutual headquarters, currently under construction. More interesting is the emerging office market growth in the Historic Third Ward, Lower East Side and Walker's Point.

10. New development is a mix of high-rise development (Northwestern Mutual and 833 E. Michigan) in the Central Business District, and mid-rise development along the river, Walker's Point and Historic Third Ward.

11. There has been a decline in class B and C office stock, representing a net change of 1.2 million SF of office space. This is mostly due to older office buildings being converted to residential or hotel uses.

JOB WAGES

12. Milwaukee lags other cities and the U.S. overall in growth of jobs paying over $40K (at 20%, less than half the rate of growth compared to Chicago). The rest of the city is the driver of this trend: jobs paying over $40K grew by 48% in the Greater Downtown, but only by 3% in the rest of the city.

EDUCATIONAL ATTAINMENT

13. A higher proportion of employed city residents do not hold a high school diploma compared to the rest of county and region.

14. The Greater Downtown is home to a higher proportion of high school dropouts, but also significantly higher percent of residents with a Bachelor's degree or higher compared to the rest of the city. Percent of residents with a HS diploma or less varies from as little as 10% up to 82% across the Study Area neighborhoods.

SOURCES

1. (Source: LEHD-OTM, Mass Economics Analysis)
2. (Source: LEHD-OTM, Mass Economics Analysis)
3. (Source: Gensler, CoStar)
4. (Source: Gensler, City of Milwaukee DCD)
5. (Source: SB Friedman, CoStar, City of Milwaukee DCD)
6. (Source: SB Friedman, CoStar, City of Milwaukee DCD)
7. (Source: SB Friedman, CoStar, City of Milwaukee DCD)
8. (Source: SB Friedman, CoStar,)
9. (Source: SB Friedman, CoStar, City of Milwaukee DCD, BID21, PUMA)
10. (Source: SB Friedman, CoStar, City of Milwaukee DCD, BID21, PUMA)
11. (Source: SB Friedman, CoStar, City of Milwaukee DCD)
12. (Source: LEHD-OTM, Mass Economics Analysis)
13. (Source: LEHD-OTM, Mass Economics Analysis)
14. (Source: LEHD-OTM, Mass Economics Analysis)