

COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE MAY 2022 | For more information, please contact: Tracy Johnson, CARW 414-698-7474 | Chris Allen, REDICOMPS 952-456-1669

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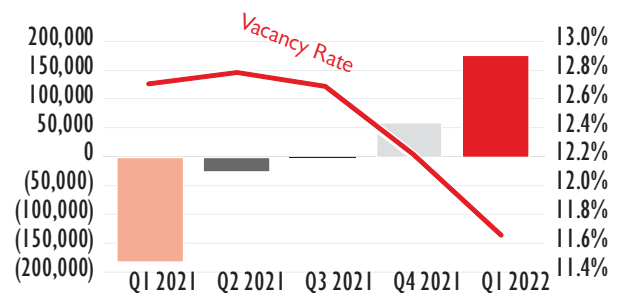
Madison Office Overview

MADISON OFFICE SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	78	8,246,687	1,184,317	783,582	55,601	55,601	9.5%
B	217	7,817,893	1,357,104	1,029,524	109,777	109,777	13.2%
C	95	1,898,359	254,605	280,656	12,499	12,499	14.8%
Grand Total	390	17,962,939	2,796,026	2,093,762	177,877	177,877	11.7%

- Madison office market posted positive absorption of 177,800 sf for multi and single tenant properties and a vacancy rate of 11.7%. Multi-tenant properties had 147,000 sf positive absorption and a vacancy rate of 13.1%.
- Madison Central (CBD) had the most positive absorption with 75,000 sf led by WI Housing and Economic Development occupying 63,000 sf in a new delivery. All the Madison markets ended with positive absorption this quarter.
- Madison Southwest market ended the quarter with the lowest vacancy rate of 7.6% followed closely by Madison West with 8.2%.
- The Madison office market had 53 lease comps totaling 180,800 sf. Five properties sold with 75,000 sf for \$6,773,000.
- There is one property currently under construction in Madison Southwest market with 135,500 sf while three properties were delivered this quarter with 222,000 sf.

ABSORPTION AND VACANCY RATE



NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

MADISON OFFICE MARKET STATS

	Building Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Madison Central	A	20	2,330,517	280,380	221,406	53,938	53,938	9.5%
	B	53	2,658,839	499,359	391,393	12,602	12,602	14.7%
	C	24	558,807	121,314	120,401	8,929	8,929	21.5%
	Subtotal	97	5,548,163	901,053	733,200	75,469	75,469	13.2%
Madison East	A	4	295,489	56,756	56,756	0	0	19.2%
	B	17	625,734	170,088	116,212	1,573	1,573	18.6%
	C	4	78,995			2,200	2,200	0.0%
	Subtotal	25	1,000,218	226,844	172,968	3,773	3,773	17.3%
Madison North	A	10	861,761	324,843	238,921	(17,244)	(17,244)	27.7%
	B	18	532,937	97,727	74,186	33,374	33,374	13.9%
	C	10	230,477	12,585	38,595	0	0	16.7%
	Subtotal	38	1,625,175	435,155	351,702	16,130	16,130	21.6%
Madison Southeast	A	2	161,898	121,721	9,721	17,029	17,029	6.0%
	B	13	375,695	88,953	79,997	1,200	1,200	21.3%
	C	6	128,022	25,124	23,673	0	0	18.5%
	Subtotal	21	665,615	235,798	113,391	18,229	18,229	17.0%
Madison Southwest	A	12	1,285,032	45,237	39,872	(11,783)	(11,783)	3.1%
	B	63	2,061,584	238,644	200,626	33,006	33,006	9.7%
	C	40	669,603	58,535	64,952	1,370	1,370	9.7%
	Subtotal	115	4,016,219	342,416	305,450	22,593	22,593	7.6%
Madison West	A	30	3,311,990	355,380	216,906	13,661	13,661	6.5%
	B	53	1,563,104	262,333	167,110	28,022	28,022	10.7%
	C	11	232,455	37,047	33,035	0	0	14.2%
	Subtotal	94	5,107,549	654,760	417,051	41,683	41,683	8.2%
Grand Total		390	17,962,939	2,796,026	2,093,762	177,877	177,877	11.7%

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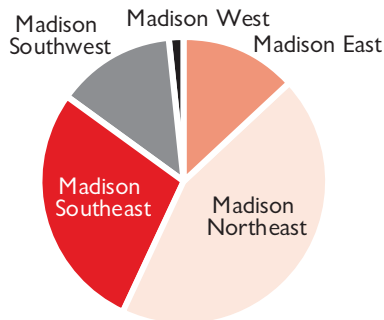
Madison Industrial Overview

- Madison industrial market posted 232,000 sf positive absorption and a vacancy rate of 2.8% for both multi and single tenant properties. Multi-tenant properties posted 32,000 sf positive absorption and a vacancy rate of 5.2%.
- Madison Northeast led all markets with 217,000 sf positive absorption resulting from the new delivery of 207,000 sf for Hooper Corp.
- There were two markets posting negative absorption led by Madison Central with (26,700) sf negative absorption with Hooper Corp vacating and moving to Madison Northeast.
- Madison market had 16 lease comps totaling over 205,000 sf. Seven properties sold with 352,000 sf this quarter for \$20,000,000.
- There are twelve properties with 1,000,000 sf currently under construction. Madison Northeast accounted for 440,000 sf of the new developments.

INDUSTRIAL SUMMARY

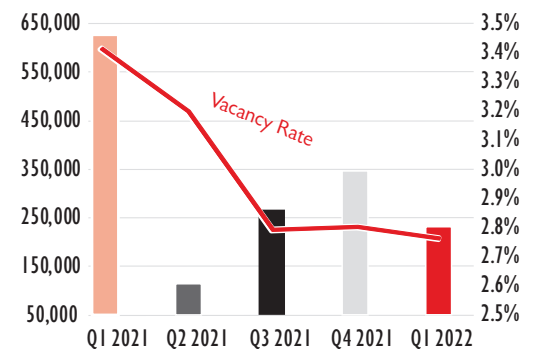
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	134	4,948,478	222,045	157,199	19,560	19,560	3.2%
Manufacturing	234	21,018,679	278,108	593,168	10,000	10,000	2.8%
Warehouse Distribution	103	11,313,629	642,800	548,500	217,226	217,226	4.8%
Warehouse Office	680	19,847,559	847,686	274,494	(14,402)	(14,402)	1.4%
Grand Total	1,151	57,128,345	1,990,639	1,573,361	232,384	232,384	2.8%

INDUSTRIAL NEW DEVELOPMENTS



COUNTY	BLDG SIZE (SF)
Madison East	133,900
Madison Northeast	439,986
Madison Southeast	282,820
Madison Southwest	134,000
Madison West	15,000
Grand Total	1,005,706

ABSORPTION AND VACANCY RATE



NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

MADISON INDUSTRIAL MARKET STATS

	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Madison Central	Manufacturing	17	1,295,029	35,210	172,375	0	0	13.3%
	Warehouse Office	32	1,131,860	114,438	64,351	(26,670)	(26,670)	5.7%
	Subtotal	49	2,426,889	149,648	236,726	(26,670)	(26,670)	9.8%
Madison East	Flex/R&D	45	1,173,537	37,848	17,860	9,000	9,000	1.5%
	Manufacturing	48	3,294,689	110,000	110,000	10,000	10,000	3.3%
	Warehouse Distribution	12	1,410,081			0	0	0.0%
	Warehouse Office	147	4,335,013	139,675	12,900	25,094	25,094	0.3%
	Subtotal	252	10,213,320	287,523	140,760	44,094	44,094	1.4%
Madison Northeast	Flex/R&D	27	913,922	86,635	78,564	0	0	8.6%
	Manufacturing	49	4,391,477	104,558	282,453	0	0	6.4%
	Warehouse Distribution	52	6,123,576	372,800	278,500	217,226	217,226	4.5%
	Warehouse Office	104	3,127,720	114,080	58,580	0	0	1.9%
	Subtotal	232	14,556,695	678,073	698,097	217,226	217,226	4.8%
Madison Northwest	Flex/R&D	6	217,209			0	0	0.0%
	Manufacturing	13	1,822,308			0	0	0.0%
	Warehouse Distribution	2	292,183	270,000	270,000	0	0	92.4%
	Warehouse Office	35	952,382	26,000		0	0	0.0%
	Subtotal	56	3,284,082	296,000	270,000	0	0	8.2%
Madison Southeast	Flex/R&D	19	815,685	18,140	7,926	4,400	4,400	1.0%
	Manufacturing	40	2,641,832	28,340	28,340	0	0	1.1%
	Warehouse Distribution	11	681,510			0	0	0.0%
	Warehouse Office	167	4,453,917	197,517	60,761	(1,352)	(1,352)	1.4%
	Subtotal	237	8,592,944	243,997	97,027	3,048	3,048	1.1%
Madison Southwest	Flex/R&D	23	1,096,279	31,319	17,039	0	0	1.6%
	Manufacturing	22	3,059,746			0	0	0.0%
	Warehouse Distribution	9	921,167			0	0	0.0%
	Warehouse Office	79	2,425,762	110,286	72,722	(6,784)	(6,784)	3.0%
	Subtotal	133	7,502,954	141,605	89,761	(6,784)	(6,784)	1.2%
Madison West	Flex/R&D	14	731,846	48,103	35,810	6,160	6,160	4.9%
	Manufacturing	14	1,512,543			0	0	0.0%
	Warehouse Distribution	11	1,219,385			0	0	0.0%
	Warehouse Office	82	2,412,312	29,370	5,180	(4,690)	(4,690)	0.2%
	Subtotal	121	5,876,086	77,473	40,990	1,470	1,470	0.7%
Outlying Dane Count	Manufacturing	31	3,001,055			0	0	0.0%
	Warehouse Distribution	6	665,727			0	0	0.0%
	Warehouse Office	34	1,008,593	116,320		0	0	0.0%
	Subtotal	71	4,675,375	116,320		0	0	0.0%
	Grand Total	1,151	57,128,345	1,990,639	1,573,361	232,384	232,384	2.8%



Photography by Dave Hoefler

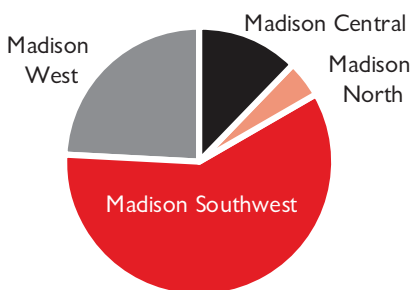
Madison Retail Overview

- Madison retail market posted negative absorption of (108,000) sf for multi and single tenant properties and a vacancy rate of 9.1%. Multi-tenant properties had 33,000 sf positive absorption and a vacancy rate of 12.1%.
- Madison North market had the most positive absorption with 4,100 sf ending the quarter with 3.0%.
- Madison West market had the most negative absorption of (74,000) sf led by Shopko vacating 97,000 sf. Second was Madison Southwest with (41,600) sf negative absorption led by Adana Antiques vacating 45,000 sf.
- Madison Southeast market posted the lowest vacancy rate of 0.9% this quarter. Madison West has the highest vacancy rate as it increased from 13.5% last quarter to 15.6% this quarter.
- The Madison retail market leased 17 spaces with 39,000 sf this quarter. Twenty two properties with 157,000 sf sold this quarter for just under \$12,000,000.
- There are 11 properties currently under construction with 342,000 sf and two properties were delivered this quarter with 17,800 sf.

RETAIL SUMMARY

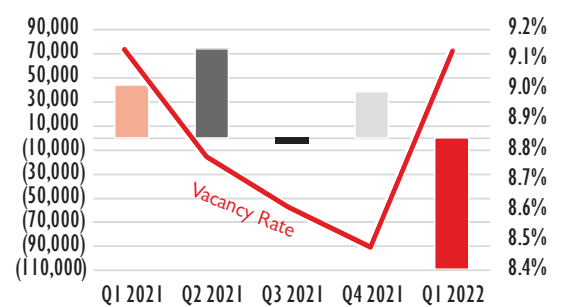
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	6	601,201	76,555	76,555	0	0	12.7%
Freestanding/Big Box	226	9,160,990	546,506	528,994	(154,879)	(154,879)	5.8%
Mixed Use	113	1,600,380	136,532	150,330	13,184	13,184	9.4%
Neighborhood Center	69	3,168,287	261,954	270,416	25,117	25,117	8.5%
Regional Center	3	1,883,319	533,770	533,770	(12,280)	(12,280)	28.3%
Restaurant	88	600,978	11,664	13,780	13,069	13,069	2.3%
Strip Center	250	3,328,425	268,176	283,135	7,110	7,110	8.5%
Grand Total	755	20,343,580	1,835,157	1,856,980	(108,679)	(108,679)	9.1%

RETAIL NEW DEVELOPMENTS



COUNTY	BLDG SIZE (SF)
Madison Central	42,229
Madison North	15,000
Madison Southwest	202,861
Madison West	82,377
Grand Total	342,467

ABSORPTION AND VACANCY RATE



NOTE: Net absorption is based on the net change in when a lease is signed or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

MADISON RETAIL MARKET STATS

	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	
Madison Central	Freestanding/Big Box	19	392,367	68,014	68,014	0	0	17.3%
	Mixed Use	56	689,774	66,841	68,920	1,555	1,555	10.0%
	Neighborhood Center	4	185,402	29,345	29,345	200	200	15.8%
	Restaurant	14	112,030			0	0	0.0%
	Strip Center	16	232,968	1,500	20,070	0	0	8.6%
	Subtotal	109	1,612,541	165,700	186,349	1,755	1,755	11.6%
Madison East	Community Center	3	255,112	28,903	28,903	0	0	11.3%
	Freestanding/Big Box	50	2,506,406	180,795	180,795	0	0	7.2%
	Mixed Use	8	151,057	12,092	13,987	5,932	5,932	9.3%
	Neighborhood Center	14	617,014	56,419	47,447	(12,179)	(12,179)	7.7%
	Regional Center	1	787,809	339,036	339,036	0	0	43.0%
	Restaurant	14	102,942	8,280	8,280	0	0	8.0%
	Strip Center	46	694,852	59,630	51,935	7,117	7,117	7.5%
	Subtotal	136	5,115,192	685,155	670,383	870	870	13.1%
Madison North	Freestanding/Big Box	40	1,936,459			0	0	0.0%
	Mixed Use	14	161,982	16,750	27,798	2,162	2,162	17.2%
	Neighborhood Center	10	505,255	18,235	21,589	866	866	4.3%
	Restaurant	8	45,755			0	0	0.0%
	Strip Center	41	487,330	40,752	44,953	1,118	1,118	9.2%
	Subtotal	113	3,136,781	75,737	94,340	4,146	4,146	3.0%
Madison Southeast	Freestanding/Big Box	12	416,768			0	0	0.0%
	Mixed Use	5	205,466	3,936	3,936	0	0	1.9%
	Neighborhood Center	2	76,671			0	0	0.0%
	Restaurant	4	29,921			0	0	0.0%
	Strip Center	5	72,411	3,610	3,610	0	0	5.0%
	Subtotal	28	801,237	7,546	7,546	0	0	0.9%
Madison Southwest	Community Center	1	135,107			0	0	0.0%
	Freestanding/Big Box	54	1,953,865	50,906	50,906	(50,906)	(50,906)	2.6%
	Mixed Use	11	141,276	9,525	13,733	935	935	9.7%
	Neighborhood Center	24	1,079,396	98,746	122,548	6,180	6,180	11.4%
	Regional Center	1	411,508	40,345	40,345	(2,683)	(2,683)	9.8%
	Restaurant	21	124,685			5,269	5,269	0.0%
	Strip Center	80	1,074,640	56,471	53,899	(455)	(455)	5.0%
	Subtotal	192	4,920,477	255,993	281,431	(41,660)	(41,660)	5.7%
Madison West	Community Center	2	210,982	47,652	47,652	0	0	22.6%
	Freestanding/Big Box	37	1,528,799	246,791	229,279	(103,973)	(103,973)	15.0%
	Mixed Use	12	179,395	27,388	21,956	0	0	12.2%
	Neighborhood Center	13	573,352	59,209	49,487	30,050	30,050	8.6%
	Regional Center	1	684,002	154,389	154,389	(9,597)	(9,597)	22.6%
	Restaurant	16	121,447		5,500	7,800	7,800	4.5%
	Strip Center	44	532,086	92,026	88,515	1,830	1,830	16.6%
	Subtotal	125	3,830,063	627,455	596,778	(73,890)	(73,890)	15.6%
Outlying Dane County	Freestanding/Big Box	14	426,326			0	0	0.0%
	Mixed Use	7	71,430			2,600	2,600	0.0%
	Neighborhood Center	2	131,197			0	0	0.0%
	Restaurant	11	64,198	3,384		0	0	0.0%
	Strip Center	18	234,138	14,187	20,153	(2,500)	(2,500)	8.6%
	Subtotal	52	927,289	17,571	20,153	100	100	2.2%
Grand Total		755	20,343,580	1,835,157	1,856,980	(108,679)	(108,679)	9.1%