

COMMERCIAL REAL ESTATE MARKET REPORT



FOR IMMEDIATE RELEASE AUGUST 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

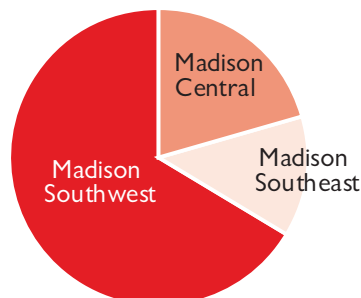
MADISON OFFICE SUMMARY

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	78	8,246,687	1,205,424	836,809	(44,642)	2,374	10.1%
B	218	7,846,963	1,318,999	1,013,938	34,042	134,318	12.9%
C	94	1,880,375	244,377	274,097	5,067	16,866	14.6%
Grand Total	390	17,974,025	2,768,800	2,124,844	(5,533)	153,558	11.8%

- Madison office market posted negative absorption of (5,500) sf for multi and single tenant properties bringing the YTD to 153,500 sf positive absorption and a vacancy rate of 11.8%. Multi-tenant properties had (5,500) sf negative absorption bringing the YTD to 122,900 sf positive absorption and a vacancy rate of 13.3%.
- Madison Central (CBD) had the most positive absorption with 28,000 sf led by owner user occupying 26,700 sf. Madison West dropped the most with (40,800) sf negative absorption led by Dean Health System vacating 18,500 sf, TRC Environmental vacating 15,800 sf and Pro Assurance vacating 15,000 sf.
- Madison Southwest market ended the quarter with the lowest vacancy rate of 7.3% while Madison North was the highest with 22%.
- The Madison office market had 42 lease comps totaling 111,600 sf. Six properties sold with 85,900 sf for \$14,990,000.
- There are five properties currently under construction with 619,000 sf while three properties were delivered YTD with 222,000 sf.

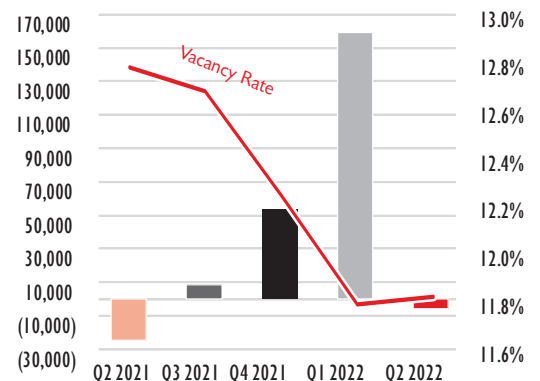
OFFICE NEW DEVELOPMENTS

COUNTY	BLDG SIZE (SF)
Madison Central	127,900
Madison Southeast	81,000
Madison Southwest	410,500
Grand Total	619,400



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.

ABSORPTION AND VACANCY RATE



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	277,595	222,594	7,397	52,750	9.6%
	B	53	2,658,839	473,191	383,007	18,206	20,988	14.4%
	C	23	540,823	116,697	116,697	2,854	11,783	21.6%
	Subtotal	96	5,530,179	867,483	722,298	28,457	85,521	13.1%
Madison East	A	4	295,489	56,756	56,756	0	0	19.2%
	B	17	625,734	147,795	116,212	0	1,573	18.6%
	C	4	78,995	700	700	0	1,500	0.9%
	Subtotal	25	1,000,218	205,251	173,668	0	3,073	17.4%
Madison North	A	10	861,761	334,523	254,839	(15,918)	(33,162)	29.6%
	B	18	532,968	89,551	64,693	9,493	42,867	12.1%
	C	10	230,477	11,363	37,373	1,222	1,222	16.2%
	Subtotal	38	1,625,206	435,437	356,905	(5,203)	10,927	22.0%
Madison Southeast	A	2	161,898	124,450	12,450	(2,729)	14,300	7.7%
	B	13	375,695	111,497	82,757	(2,760)	(1,560)	22.0%
	C	6	128,022	23,288	23,673	0	0	18.5%
	Subtotal	21	665,615	259,235	118,880	(5,489)	12,740	17.9%
Madison Southwest	A	12	1,285,032	45,666	39,872	0	(11,783)	3.1%
	B	64	2,090,623	263,340	192,771	16,810	49,816	9.2%
	C	40	669,603	56,282	62,889	721	2,091	9.4%
	Subtotal	116	4,045,258	365,288	295,532	17,531	40,124	7.3%
Madison West	A	30	3,311,990	366,434	250,298	(33,392)	(19,731)	7.6%
	B	53	1,563,104	233,625	174,498	(7,707)	20,634	11.2%
	C	11	232,455	36,047	32,765	270	270	14.1%
	Subtotal	94	5,107,549	636,106	457,561	(40,829)	1,173	9.0%
		390	17,974,025	2,768,800	2,124,844	(5,533)	153,558	11.8%

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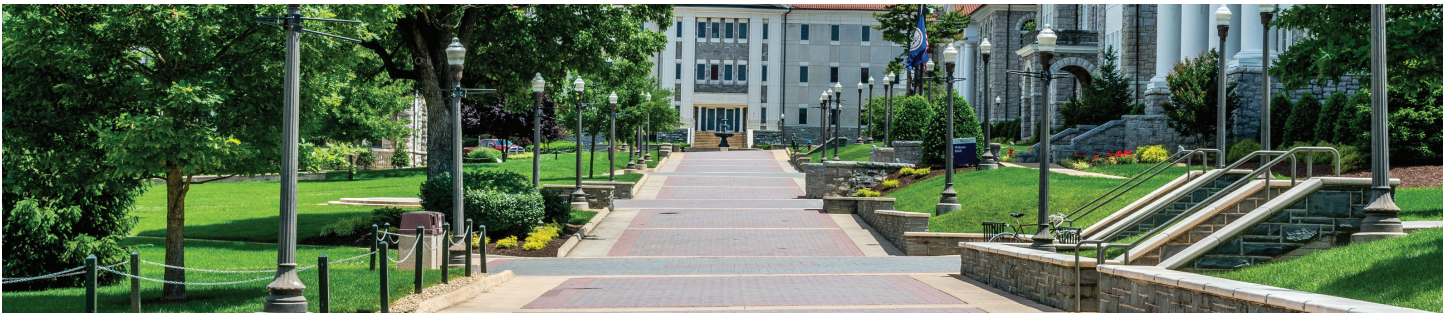
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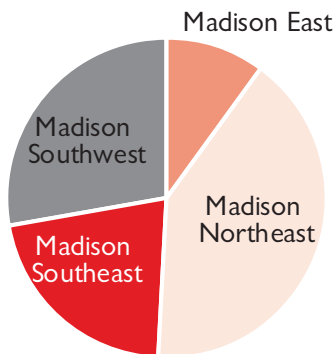
Madison Industrial Overview

- Madison industrial market posted 232,000 sf positive absorption bringing the YTD to 474,000 sf positive absorption and a vacancy rate of 2.2% for both multi and single tenant properties. Multi-tenant properties posted 69,000 sf positive absorption bringing the YTD to 110,000 sf positive absorption and a vacancy rate of 3.5%.
- Madison Northeast led all markets with 191,000 sf positive absorption resulting from Octopi Brewing leasing 181,000 sf.
- Madison Southeast market dropped the most with (63,700) sf negative absorption led by Southern WI Roofing vacating 25,800 sf.
- Madison market had 20 lease comps totaling over 535,000 sf. Eighteen properties sold with 826,000 sf this quarter for \$60,700,000.
- There are fifteen properties with 1,300,000 sf currently under construction. Madison Northeast accounted for 540,000 sf of the new developments. Seven properties have been delivered YTD with 1,000,000 sf.

INDUSTRIAL SUMMARY

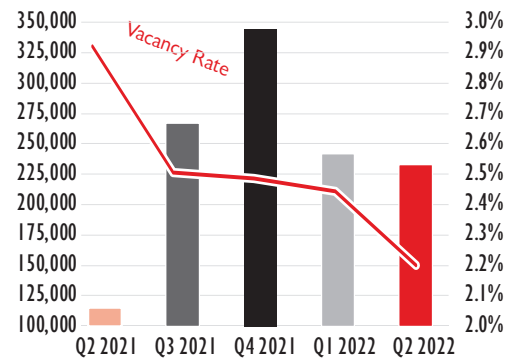
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	136	5,129,755	217,297	111,895	45,304	64,864	2.2%
Manufacturing	241	21,405,855	339,688	427,663	70,000	80,000	2.0%
Warehouse Distribution	92	11,508,498	761,288	72,600	159,480	376,706	0.6%
Warehouse Office	682	19,138,309	1,003,171	646,566	(42,037)	(47,135)	3.4%
Grand Total	1,151	57,182,417	2,321,444	1,258,724	232,747	474,435	2.2%

INDUSTRIAL NEW DEVELOPMENTS



COUNTY	BLDG SIZE (SF)
Madison East	133,900
Madison Northeast	539,973
Madison Southeast	282,820
Madison Southwest	364,835
Grand Total	1,321,528

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	35,210	0	0	2.7%
	Warehouse Office	31	1,089,953	70,298	23,598	40,753	14,083	2.2%
	Subtotal	48	2,384,982	105,508	58,808	40,753	14,083	2.5%
Madison East	Flex/R&D	46	1,221,814	47,958	10,860	7,000	16,000	0.9%
	Manufacturing	49	3,318,260	110,000	110,000	0	10,000	3.3%
	Warehouse Distribution	13	1,867,398			0	0	0.0%
	Warehouse Office	143	3,790,424	230,175	30,100	(17,200)	17,198	0.8%
	Subtotal	251	10,197,896	388,133	150,960	(10,200)	43,198	1.5%
Madison Northeast	Flex/R&D	27	913,922	48,399	46,899	31,665	31,665	5.1%
	Manufacturing	50	4,432,294	104,558	282,453	0	0	6.4%
	Warehouse Distribution	44	5,857,650	115,900	72,600	159,480	376,706	1.2%
	Warehouse Office	112	3,377,793	93,500	105,000	0	0	3.1%
	Subtotal	233	14,581,659	362,357	506,952	191,145	408,371	3.5%
Madison Northwest	Flex/R&D	6	217,209			0	0	0.0%
	Manufacturing	15	1,828,980			0	0	0.0%
	Warehouse Distribution	2	129,918			0	0	0.0%
	Warehouse Office	32	1,018,265	270,000	270,000	0	0	26.5%
	Subtotal	55	3,194,372	270,000	270,000	0	0	8.5%
Madison Southeast	Flex/R&D	19	815,685	26,560	16,346	(8,420)	(4,020)	2.0%
	Manufacturing	39	2,612,132			0	0	0.0%
	Warehouse Distribution	10	762,633			0	0	0.0%
	Warehouse Office	170	4,387,817	208,082	129,736	(55,354)	(56,706)	3.0%
	Subtotal	238	8,578,267	234,642	146,082	(63,774)	(60,726)	1.7%
Madison Southwest	Flex/R&D	24	1,229,279	42,826	17,039	0	0	1.4%
	Manufacturing	23	3,130,262			70,000	70,000	0.0%
	Warehouse Distribution	7	785,843	95,000		0	0	0.0%
	Warehouse Office	80	2,417,656	106,696	61,432	(3,716)	(10,500)	2.5%
	Subtotal	134	7,563,040	244,522	78,471	66,284	59,500	1.0%
Madison West	Flex/R&D	14	731,846	51,554	20,751	15,059	21,219	2.8%
	Manufacturing	14	1,512,543			0	0	0.0%
	Warehouse Distribution	9	1,394,315	550,388		0	0	0.0%
	Warehouse Office	84	2,368,122	24,420	300	19,880	15,190	0.0%
	Subtotal	121	6,006,826	626,362	21,051	34,939	36,409	0.4%
Outlying Dane Count	Manufacturing	34	3,276,355	89,920		0	0	0.0%
	Warehouse Distribution	7	710,741			0	0	0.0%
	Warehouse Office	30	688,279		26,400	(26,400)	(26,400)	3.8%
	Subtotal	71	4,675,375	89,920	26,400	(26,400)	(26,400)	0.6%
Grand Total		1,151	57,182,417	2,321,444	1,258,724	232,747	474,435	2.2%



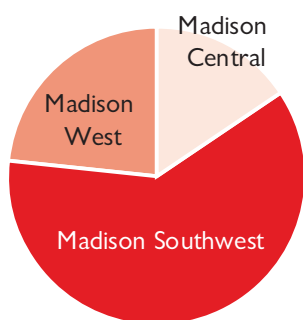
Madison Retail Overview

- Madison retail market posted positive absorption of 19,900 sf for multi and single tenant properties bringing the YTD to 15,700 sf positive absorption and a vacancy rate of 8.5%. Multi-tenant properties had 26,000 sf positive absorption bringing the YTD to 66,000 sf positive absorption and a vacancy rate of 11.7%.
- Madison Southwest market had the most positive absorption with 13,800 sf led by Atomic Antiques buying a 31,000 sf property.
- Madison East market had the most negative absorption of (5,100) sf bringing the vacancy rate to 13.2%
- Madison Southeast market and Outlying Dane County market posted the lowest vacancy rate of 0.9% this quarter. Madison East has the highest vacancy rate as it increased from 13.2% this quarter.
- The Madison retail market leased 19 spaces with 46,900 sf this quarter. Twenty properties with 1.15 msf sold this quarter for \$92,600,000.
- There are 13 properties currently under construction with 356,000 sf and three properties were delivered YTD with 32,800 sf.

RETAIL SUMMARY

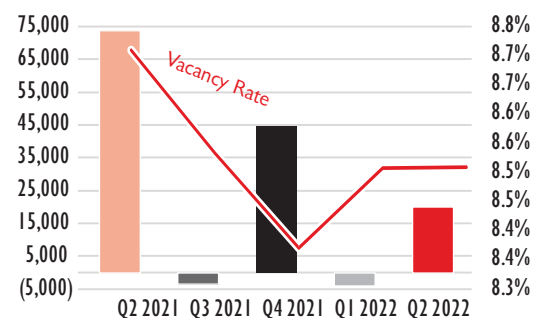
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	6	601,201	68,363	68,363	8,192	8,192	11.4%
Freestanding/Big Box	226	9,150,796	467,844	431,221	0	(57,106)	4.7%
Mixed Use	116	1,577,413	147,487	156,956	(2,357)	12,791	10.0%
Neighborhood Center	69	3,180,367	265,210	253,859	16,557	41,674	8.0%
Regional Center	3	1,883,319	534,209	534,209	(439)	(12,719)	28.4%
Restaurant	87	596,097	18,121	20,237	(6,457)	6,612	3.4%
Strip Center	252	3,357,918	303,592	266,306	4,472	16,315	7.9%
Grand Total	759	20,347,111	1,804,826	1,731,151	19,968	15,759	8.5%

RETAIL NEW DEVELOPMENTS



COUNTY	BLDG SIZE (SF)
Madison Central	55,755
Madison Southwest	217,911
Madison West	82,377
Grand Total	356,043

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	20	410,061	68,014	68,014	0	0	16.6%
	Mixed Use	57	688,920	77,136	68,933	3,318	6,487	10.0%
	Neighborhood Center	4	185,402	27,645	27,645	1,700	1,900	14.9%
	Restaurant	14	112,030			0	0	0.0%
	Strip Center	16	227,913	6,053	7,673	(2,353)	(2,353)	3.4%
	Subtotal	III	1,624,326	178,848	172,265	2,665	6,034	10.6%
Madison East	Community Center	3	255,112	28,903	28,903	0	0	11.3%
	Freestanding/Big Box	49	2,478,518	180,795	180,795	0	0	7.3%
	Mixed Use	9	154,085	15,120	17,015	0	5,932	11.0%
	Neighborhood Center	14	629,094	56,419	47,447	0	(12,179)	7.5%
	Regional Center	1	787,809	340,602	340,602	(1,566)	(1,566)	43.2%
	Restaurant	14	102,942	8,280	8,280	0	0	8.0%
	Strip Center	47	714,400	72,204	55,531	(3,596)	3,521	7.8%
Subtotal	137	5,121,960	702,323	678,573	(5,162)	(4,292)	13.2%	
Madison North	Freestanding/Big Box	40	1,936,459			0	0	0.0%
	Mixed Use	14	161,982	16,750	26,058	0	2,162	16.1%
	Neighborhood Center	10	505,255	31,334	34,688	(13,099)	(12,233)	6.9%
	Restaurant	8	45,755			0	0	0.0%
	Strip Center	42	502,330	46,902	46,412	9,837	10,955	9.2%
	Subtotal	114	3,151,781	94,986	107,158	(3,262)	884	3.4%
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	87,529	50,906	0	(50,906)	2.6%
	Mixed Use	12	116,135	8,173	12,993	390	1,675	11.2%
	Neighborhood Center	24	1,079,396	100,181	95,436	27,112	33,292	8.8%
	Regional Center	1	411,508	40,345	40,345	0	(2,683)	9.8%
	Restaurant	20	119,804	6,457	6,457	(6,457)	(1,188)	5.4%
	Strip Center	80	1,074,640	82,250	58,089	(7,230)	(6,315)	5.4%
Subtotal	192	4,890,455	324,935	264,226	13,815	(26,125)	5.4%	
Madison West	Community Center	2	210,982	39,460	39,460	8,192	8,192	18.7%
	Freestanding/Big Box	37	1,528,799	131,506	131,506	0	(6,200)	8.6%
	Mixed Use	12	179,395	26,372	28,021	(6,065)	(6,065)	15.6%
	Neighborhood Center	13	573,352	49,631	48,643	844	30,894	8.5%
	Regional Center	1	684,002	153,262	153,262	1,127	(8,470)	22.4%
	Restaurant	16	121,447		5,500	0	7,800	4.5%
	Strip Center	44	532,086	87,038	87,038	1,477	3,307	16.4%
Subtotal	125	3,830,063	487,269	493,430	5,575	29,458	12.9%	
Outlying Dane County	Freestanding/Big Box	14	426,326			0	0	0.0%
	Mixed Use	7	71,430			0	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	5,535	7,953	6,337	7,200	3.4%
	Subtotal	52	927,289	8,919	7,953	6,337	9,800	0.9%
Grand Total	759	20,347,111	1,804,826	1,731,151	19,968	15,759	8.5%	