



Q3 2022

COMMERCIAL REAL ESTATE MARKET REPORT MADISON



MOODY'S
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Madison Office Overview

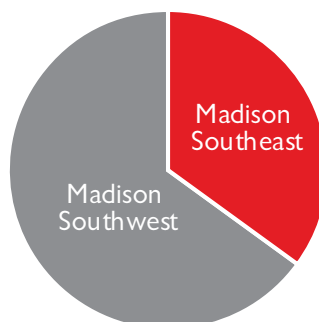
- Madison office market posted positive absorption of 106,600 sf for multi and single tenant properties bringing the YTD to 263,300 sf positive absorption and a vacancy rate of 10.9%. Multi-tenant properties had 87,300 sf positive absorption bringing the YTD to 213,400 sf positive absorption and a vacancy rate of 12.2%.
- Madison North had the most positive absorption with 55,000 sf led by DMB Community Bank buying 46,000 vacant sf property.
- Madison West was the only market with negative absorption of (9,500) sf led by TDS Communication vacating 23,000 sf.
- Madison Southwest market ended the quarter with the lowest vacancy rate of 7.0% while Madison North was the highest with 16.6%.
- The Madison office market had 54 lease comps totaling 206,500 sf. Twelve properties sold with 420,500 sf for \$34,500,000.
- There are two properties currently under construction with 231,000 sf while four properties were delivered YTD with 347,000 sf.

MADISON OFFICE SUMMARY

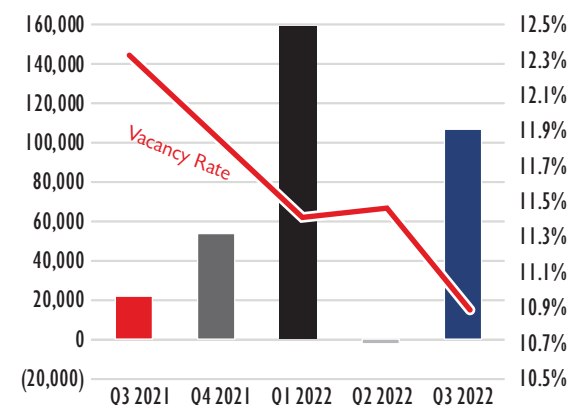
Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	77	8,068,282	1,136,758	734,316	66,455	68,829	9.1%
B	218	7,919,324	1,352,953	954,321	32,840	169,543	12.1%
C	92	1,825,106	221,259	250,417	7,350	24,946	13.7%
Grand Total	387	17,812,712	2,710,970	1,939,054	106,645	263,318	10.9%

OFFICE NEW DEVELOPMENTS

MARKET	BLDG SIZE (SF)
Madison Southeast	81,000
Madison Southwest	150,000
Grand Total	231,000



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	297,888	208,877	13,717	66,467	9.0%
	B	53	2,658,839	426,484	365,752	(745)	20,243	13.8%
	C	23	540,823	120,458	118,458	(1,761)	10,022	21.9%
	Subtotal	96	5,530,179	844,830	693,087	11,211	96,732	12.5%
Madison East	A	4	295,489	32,153	32,153	19,429	19,429	10.9%
	B	17	629,739	254,204	115,996	216	1,789	18.4%
	C	4	78,995	965	965	(265)	1,235	1.2%
	Subtotal	25	1,004,223	287,322	149,114	19,380	22,453	14.8%
Madison North	A	10	861,761	257,087	177,403	46,572	13,410	20.6%
	B	19	551,422	94,407	63,884	3,217	46,084	11.6%
	C	10	230,477	6,223	32,233	5,140	6,362	14.0%
	Subtotal	39	1,643,660	357,717	273,520	54,929	65,856	16.6%
Madison Southeast	A	2	161,898	121,130	9,130	3,320	17,620	5.6%
	B	14	455,133	109,142	80,402	2,355	795	17.7%
	C	6	128,022	23,288	25,841	(2,168)	(2,168)	20.2%
	Subtotal	22	745,053	253,560	115,373	3,507	16,247	15.5%
Madison Southwest	A	11	1,106,627	39,872	39,872	0	(11,783)	3.6%
	B	64	2,090,623	232,652	169,800	22,971	72,787	8.1%
	C	39	655,879	52,129	58,736	4,153	6,244	9.0%
	Subtotal	114	3,853,129	324,653	268,408	27,124	67,248	7.0%
Madison West	A	30	3,311,990	388,628	266,881	(16,583)	(36,314)	8.1%
	B	51	1,533,568	236,064	158,487	4,826	27,845	10.3%
	C	10	190,910	18,196	14,184	2,251	3,251	7.4%
	Subtotal	91	5,036,468	642,888	439,552	(9,506)	(5,218)	8.7%
Grand Total		387	17,812,712	2,710,970	1,939,054	106,645	263,318	10.9%

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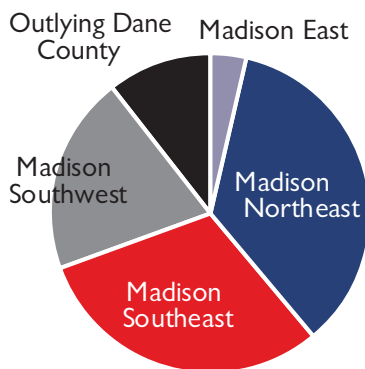
Madison Industrial Overview

- Madison industrial market posted (151,000) sf negative absorption dropping the YTD to 323,000 sf positive absorption and a vacancy rate of 3.4% for both multi and single tenant properties. Multi-tenant properties posted 122,000 sf positive absorption bringing the YTD to 211,000 sf positive absorption and a vacancy rate of 5.4%.
- Madison East market posted the most gained with 167,000 sf positive absorption due to the new delivery of three properties.
- Madison West market dropped the most with (541,800) sf negative absorption led by American Girl Brands vacating 550,000 sf.
- Madison market had 12 lease comps totaling over 171,000 sf. Thirteen properties sold with 256,000 sf this quarter for \$25,887,000.
- There are fifteen properties with 1,500,000 sf currently under construction. Madison Northeast accounted for 531,000 sf of the new developments. Fourteen properties have been delivered YTD with 875,000 sf.

INDUSTRIAL SUMMARY

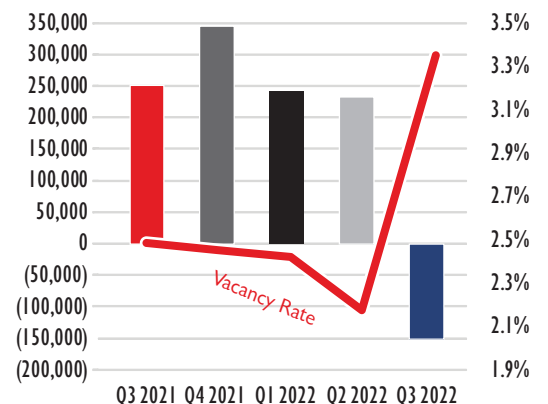
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	140	5,501,188	195,370	213,228	147,559	212,423	3.9%
Manufacturing	241	21,405,855	493,524	389,143	38,520	118,520	1.8%
Warehouse Distribution	95	11,699,118	850,650	737,350	(474,130)	(97,424)	6.3%
Warehouse Office	684	19,233,855	879,694	602,777	136,960	89,934	3.1%
Grand Total	1,160	57,840,016	2,419,238	1,942,498	(151,091)	323,453	3.4%

INDUSTRIAL NEW DEVELOPMENTS



MARKET	BLDG SIZE (SF)
Madison East	55,175
Madison Northeast	531,493
Madison Southeast	457,784
Madison Southwest	300,835
Outlying Dane County	158,000
Grand Total	1,503,287

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	76,685	33,989	0	3,692	3.1%
	Subtotal	48	2,384,982	111,895	69,199	0	3,692	2.9%
Madison East	Flex/R&D	48	1,353,856	52,234	116,386	127,766	143,766	8.6%
	Manufacturing	49	3,318,260	120,356	110,000	0	10,000	3.3%
	Warehouse Distribution	14	1,907,398			40,000	40,000	0.0%
	Warehouse Office	143	3,790,424	145,275	30,100	0	17,198	0.8%
	Subtotal	254	10,369,938	317,865	256,486	167,766	210,964	2.5%
Madison Northeast	Flex/R&D	27	913,922	35,012	37,112	9,787	41,452	4.1%
	Manufacturing	50	4,432,294	66,038	243,933	38,520	38,520	5.5%
	Warehouse Distribution	45	5,964,530	161,522	143,222	36,258	412,964	2.4%
	Warehouse Office	113	3,404,793	123,500	105,000	27,000	27,000	3.1%
	Subtotal	235	14,715,539	386,072	529,267	111,565	519,936	3.6%
Madison Northwest	Flex/R&D	6	217,209			0	0	0.0%
	Manufacturing	15	1,828,980	182,000		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	452,000	270,000	0	0	8.5%
Madison Southeast	Flex/R&D	19	815,685	27,560	14,846	1,500	(2,520)	1.8%
	Manufacturing	39	2,612,132			0	0	0.0%
	Warehouse Distribution	11	806,373	43,740	43,740	0	0	5.4%
	Warehouse Office	170	4,388,763	146,202	67,856	64,160	7,454	1.5%
	Subtotal	239	8,622,953	217,502	126,442	65,660	4,934	1.5%
Madison Southwest	Flex/R&D	25	1,427,125	27,951	17,039	0	0	1.2%
	Manufacturing	23	3,130,262			0	70,000	0.0%
	Warehouse Distribution	7	785,843	95,000		0	0	0.0%
	Warehouse Office	81	2,485,256	85,332	69,132	45,800	45,800	2.8%
	Subtotal	136	7,828,486	208,283	86,171	45,800	115,800	1.1%
Madison West	Flex/R&D	15	773,391	52,613	27,845	8,506	29,725	3.6%
	Manufacturing	14	1,512,543			0	0	0.0%
	Warehouse Distribution	9	1,394,315	550,388	550,388	(550,388)	(550,388)	39.5%
	Warehouse Office	84	2,368,122	6,300	300	0	15,190	0.0%
	Subtotal	122	6,048,371	609,301	578,533	(541,882)	(505,473)	9.6%
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	0	(26,400)	3.8%
	Subtotal	71	4,675,375	116,320	26,400	0	(26,400)	0.6%
Grand Total		1,160	57,840,016	2,419,238	1,942,498	(151,091)	323,453	3.4%



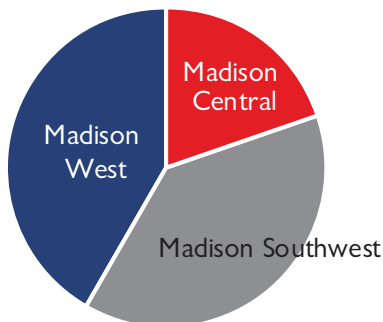
Madison Retail Overview

- Madison retail market posted positive absorption of 355,000 sf for multi and single tenant properties bringing the YTD to 370,000 sf positive absorption and a vacancy rate of 7.3%. Multi-tenant properties had 48,000 sf positive absorption bringing the YTD to 113,800 sf positive absorption and a vacancy rate of 10.9%.
- Madison Southwest market had the most positive absorption with 208,500 sf led by the new delivery of Home Depot with 161,000 sf.
- Madison North was the only market with negative absorption of (4,500) sf bringing the vacancy rate to 3.4%.
- Madison Southeast market posted the lowest vacancy rate of 0.7% this quarter. Madison East has the highest vacancy rate of 12.1% this quarter.
- The Madison retail market leased 25 spaces with 168,000 sf this quarter. Twenty one properties with 265,800 sf sold this quarter for \$42,300,000.
- There are 9 properties currently under construction with 199,000 sf and seven properties were delivered YTD with 201,000 sf.

RETAIL SUMMARY

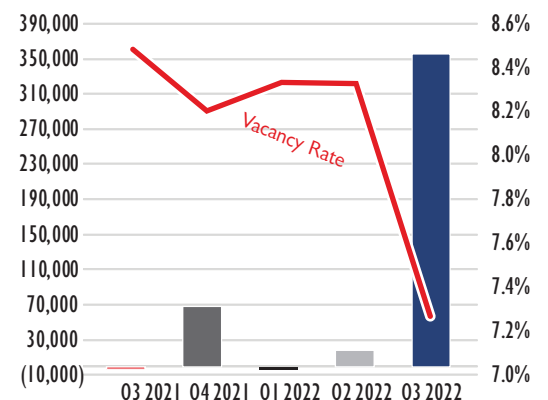
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	6	601,201	68,363	68,363	0	8,192	11.4%
Freestanding/Big Box	226	9,212,745	321,754	285,131	208,140	150,933	3.1%
Mixed Use	117	1,585,997	140,996	152,018	10,308	17,729	9.6%
Neighborhood Center	70	3,279,468	252,000	216,984	132,875	174,549	6.6%
Regional Center	3	1,883,319	528,548	528,548	1,000	(7,058)	28.1%
Restaurant	86	589,640	11,664	13,780	0	6,612	2.3%
Strip Center	255	3,420,305	261,205	231,981	3,101	19,416	6.8%
Grand Total	763	20,572,675	1,584,530	1,496,805	355,424	370,373	7.3%

RETAIL NEW DEVELOPMENTS



MARKET	BLDG SIZE (SF)
Madison Central	39,455
Madison Southwest	76,000
Madison West	82,377
Grand Total	197,832

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)	Vacancy Rate
Madison Central	Freestanding/Big Box	20	410,061	68,014	68,014	0	0	16.6%
	Mixed Use	57	688,920	79,434	70,238	(1,305)	5,182	10.2%
	Neighborhood Center	4	185,402	9,645	9,645	18,000	19,900	5.2%
	Restaurant	14	112,030			0	0	0.0%
	Strip Center	16	227,913	8,293	8,613	(940)	(3,293)	3.8%
	Subtotal	111	1,624,326	165,386	156,510	15,755	21,789	9.6%
Madison East	Community Center	3	255,112	28,903	28,903	0	0	11.3%
	Freestanding/Big Box	49	2,478,518	178,755	178,755	2,040	2,040	7.2%
	Mixed Use	9	154,085	9,300	11,195	5,820	11,752	7.3%
	Neighborhood Center	14	629,094	21,786	20,586	23,861	11,682	3.3%
	Regional Center	1	787,809	342,104	342,104	0	(3,068)	43.4%
	Restaurant	14	102,942	8,280	8,280	0	0	8.0%
Madison North	Strip Center	48	718,308	33,295	31,517	(6,166)	(2,645)	4.4%
	Subtotal	138	5,125,868	622,423	621,340	25,555	19,761	12.1%
Madison South	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	31,258	39,267	(4,579)	(16,812)	7.8%
	Restaurant	8	45,755			0	0	0.0%
	Strip Center	42	502,330	48,313	41,400	0	10,955	8.2%
	Subtotal	114	3,151,781	96,321	106,725	(4,579)	(3,695)	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	6	107,745	2,250	2,250	1,360	1,360	2.1%
	Subtotal	29	836,571	6,186	6,186	1,360	1,360	0.7%
Madison Southwest	Community Center	1	135,107			0	0	0.0%
	Freestanding/Big Box	55	2,114,915	42,479	5,856	206,100	155,194	0.3%
	Mixed Use	12	116,135	5,627	12,993	0	1,675	11.2%
	Neighborhood Center	24	1,079,396	140,418	98,593	(3,157)	30,135	9.1%
	Regional Center	1	411,508	34,182	34,182	0	3,480	8.3%
	Restaurant	19	113,347			0	(1,188)	0.0%
Madison West	Strip Center	81	1,097,785	81,808	56,427	5,630	(685)	5.1%
	Subtotal	193	5,068,193	304,514	208,051	208,573	188,611	4.1%
Outlying Dane County	Community Center	2	210,982	39,460	39,460	0	8,192	18.7%
	Freestanding/Big Box	36	1,429,698	32,506	32,506	0	(6,301)	2.3%
	Mixed Use	13	187,979	23,529	25,178	5,793	(3,222)	13.4%
	Neighborhood Center	14	672,453	48,893	48,893	98,750	129,644	7.3%
	Regional Center	1	684,002	152,262	152,262	1,000	(7,470)	22.3%
	Restaurant	16	121,447		5,500	0	7,800	4.5%
Outlying Dane County	Strip Center	44	532,086	83,821	83,821	3,217	6,524	15.8%
	Subtotal	126	3,838,647	380,471	387,620	108,760	135,167	10.1%
Grand Total	Freestanding/Big Box	14	426,326			0	0	0.0%
	Mixed Use	7	71,430	2,420	2,420	0	180	3.4%
	Neighborhood Center	2	131,197			0	0	0.0%
	Restaurant	11	64,198	3,384		0	0	0.0%
	Strip Center	18	234,138	3,425	7,953	0	7,200	3.4%
	Subtotal	52	927,289	9,229	10,373	0	7,380	1.1%
Grand Total		763	20,572,675	1,584,530	1,496,805	355,424	370,373	7.3%