

**COMMERCIAL  
REAL ESTATE  
MARKET REPORT**

**Q1 2026  
MADISON**



**MOODY'S**

FOR IMMEDIATE RELEASE APRIL 2026

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# COMMERCIAL REAL ESTATE MARKET REPORT | Q1 2026

## Office

### Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) was 2.4% in December 2025. The national unemployment rate was 4.4%, up from 4.1% the prior year, while Wisconsin's unemployment rate was 3.1% over the same period. Job growth in the Madison MSA has moderated, with office-using employment declining by approximately 1,100 jobs during the same period.

### Madison Overview

- Madison office market posted overall vacancy rate of 16.2% with (34,600) sf negative absorption. The vacancy rate for multi-tenant only properties was 15.5% with (34,600) sf negative absorption.
- Madison Southwest had the largest gain of 12,000 sf positive absorption. Madison West posted the largest loss of (53,000) sf negative absorption led by Erdman vacating 31,500 sf.
- The Madison office market recorded 53 lease transactions totaling 198,200 sf. Seven properties sold with 102,600 sf for \$18.7 million this quarter.
- Currently there is one property under construction totaling 40,000 sf and one property has been delivered year to date with 12,000 sf.

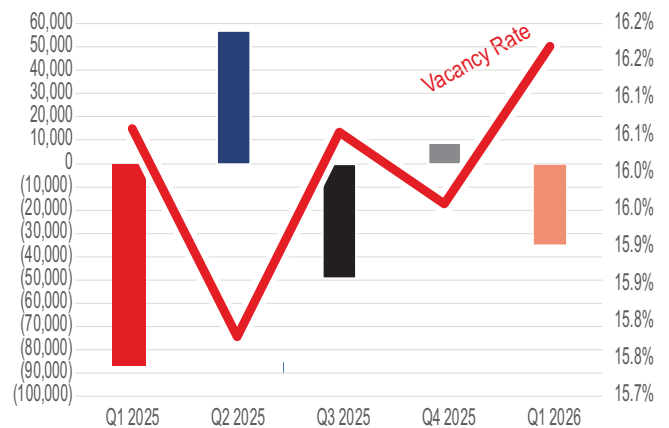
**Employment**  
**396,785**

**Area Unemployment**  
**2.4%**

**U.S. Unemployment**  
**4.4%**

**Office-Using Jobs**  
**96,700**

### Absorption and Vacancy Rate



### Madison Office Summary

Bldg Class	# of Bldgs	Inventory	Total Avail sf	Total Vacant sf	Total Absorption (sf)	YTD Absorption (sf)	Vacancy Rate
A	58	6,822,623	1,483,119	1,225,128	(26,700)	(26,700)	18.0%
B	200	7,624,712	1,228,625	1,165,982	(5,938)	(5,938)	15.3%
C	136	2,994,557	511,232	429,225	(2,030)	(2,030)	14.3%
<b>Grand Total</b>	<b>394</b>	<b>17,441,892</b>	<b>3,222,976</b>	<b>2,820,335</b>	<b>(34,668)</b>	<b>(34,668)</b>	<b>16.2%</b>

NOTE: Net absorption is based on occupancy and the net change in when a new lease is occupied 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

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Madison Central	A	16	2,031,765	232,025	215,941	3,337	10.6%
	B	41	1,856,966	256,009	238,726	(2,931)	12.9%
	C	30	796,405	185,924	176,728	(203)	22.2%
	<b>Subtotal</b>	<b>87</b>	<b>4,685,136</b>	<b>673,958</b>	<b>631,395</b>	<b>203</b>	<b>13.5%</b>
Madison East	A	2	168,921	21,368	9,783	(4,660)	5.8%
	B	17	701,471	172,843	155,532	1,920	22.2%
	C	6	133,686	12,456	8,587	0	6.4%
	<b>Subtotal</b>	<b>25</b>	<b>1,004,078</b>	<b>206,667</b>	<b>173,902</b>	<b>(2,740)</b>	<b>17.3%</b>
Madison North	A	7	624,167	167,318	117,683	19,248	18.9%
	B	16	470,047	44,567	82,623	(11,186)	17.6%
	C	14	342,877	92,012	38,313	(550)	11.2%
	<b>Subtotal</b>	<b>37</b>	<b>1,437,091</b>	<b>303,897</b>	<b>238,619</b>	<b>7,512</b>	<b>16.6%</b>
Madison Southeast	A	1	112,428			0	0.0%
	B	13	558,245	165,922	165,922	(22)	29.7%
	C	12	251,359	32,826	8,486	1,347	3.4%
	<b>Subtotal</b>	<b>26</b>	<b>922,032</b>	<b>198,748</b>	<b>174,408</b>	<b>1,325</b>	<b>18.9%</b>
Madison Southwest	A	9	996,556	47,542	56,358	1,201	5.7%
	B	59	2,094,646	231,592	183,982	12,083	8.8%
	C	53	1,028,414	83,337	96,227	(1,296)	9.4%
	<b>Subtotal</b>	<b>121</b>	<b>4,119,616</b>	<b>362,471</b>	<b>336,567</b>	<b>11,988</b>	<b>8.2%</b>
Madison West	A	23	2,888,786	1,014,866	825,363	(45,826)	28.6%
	B	54	1,943,337	357,692	339,197	(5,802)	17.5%
	C	21	441,816	104,677	100,884	(1,328)	22.8%
	<b>Subtotal</b>	<b>98</b>	<b>5,273,939</b>	<b>1,477,235</b>	<b>1,265,444</b>	<b>(52,956)</b>	<b>24.0%</b>
<b>Grand Total</b>	<b>394</b>	<b>17,441,892</b>	<b>3,222,976</b>	<b>2,820,335</b>	<b>(34,668)</b>	<b>(34,668)</b>	<b>16.2%</b>

### Madison Advisory Board

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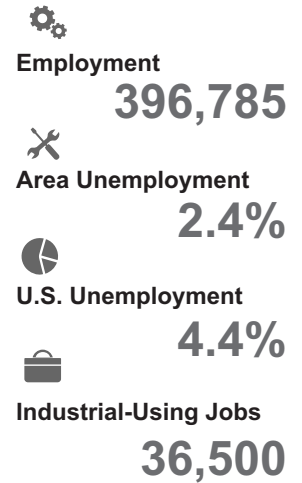
# Industrial

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 20 basis points to 2.4% compared to 2.2% one year prior. The national unemployment rate was 4.4% in December 2025, up 30 basis points from the prior year, while Wisconsin's unemployment rate was 3.1% over the same period. The Madison MSA saw a decrease in job growth, with manufacturing employment declining by approximately 1,100 jobs during the same period.

## Madison Overview

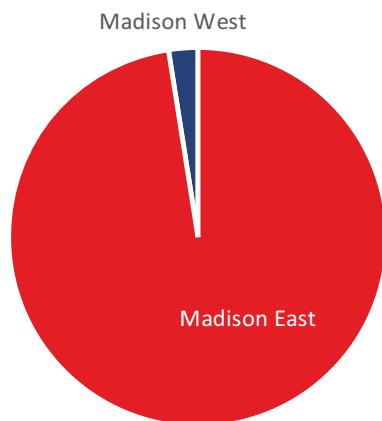
- Madison industrial market posted 80,400 sf of positive absorption bringing the vacancy rate to 3.8% for Q1 2026. Multi-tenant only properties posted 84,900 sf of positive absorption and a 10.1% vacancy rate.
- Madison Northwest market recorded the most gain with 52,000 sf positive absorption led by NAMI leasing 52,000 sf. Madison Southeast posted the most negative absorption with (3,400) sf negative absorption led by Madison Cabinetry vacating 3,400 sf.
- Madison East had the largest activity with Brightstar leasing 52,400 sf but Christofferson Moving vacated 27,300 sf.
- Madison market recorded 15 lease transactions totaling over 398,300 sf. Eight properties sold totaling 238,500 sf for \$13.5 million.
- Currently there are 5 projects under construction totaling over 3.5 msf.



## Industrial Summary

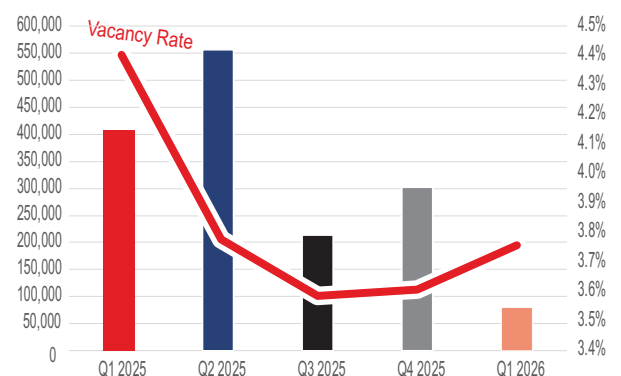
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	148	6,219,839	255,987	180,635	(19,345)	(19,345)	2.9%
Manufacturing	243	21,957,943	845,633	597,643	0	0	2.7%
Warehouse Distribution	118	15,664,725	1,484,228	1,199,875	138,044	138,044	7.7%
Warehouse Office	699	19,734,951	394,945	410,429	(38,284)	(38,284)	2.1%
<b>Grand Total</b>	<b>1,208</b>	<b>63,577,458</b>	<b>2,980,793</b>	<b>2,388,582</b>	<b>80,415</b>	<b>80,415</b>	<b>3.8%</b>

## Industrial New Developments



MARKET	BLDG SIZE (SF)
Madison East	3,509,146
Madison West	81,764
<b>Total</b>	<b>3,590,910</b>

## Absorption and Vacancy Rate



NOTE: Net absorption is based on occupancy and the net change in when a new lease is occupied 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	16	1,045,029	352,117	352,117	0	33.7%
	Warehouse Distribution	1	250,000	228,695	228,695	0	91.5%
	Warehouse Office	31	1,089,961	11,500	19,686	0	1.8%
	<b>Subtotal</b>	<b>48</b>	<b>2,384,990</b>	<b>592,312</b>	<b>600,498</b>	<b>0</b>	<b>25.2%</b>
Madison East	Flex/R&D	50	1,390,756	99,590	61,580	(5,107)	4.4%
	Manufacturing	50	3,451,395	106,767	43,500	0	1.3%
	Warehouse Distribution	17	2,543,665	89,034	89,034	52,437	3.5%
	Warehouse Office	148	3,895,565	124,379	95,125	(14,284)	2.4%
<b>Subtotal</b>	<b>265</b>	<b>11,281,381</b>	<b>419,770</b>	<b>289,239</b>	<b>33,046</b>	<b>33,046</b>	<b>2.6%</b>
Madison Northeast	Flex/R&D	28	960,938	13,882	11,176	(7,826)	1.2%
	Manufacturing	51	4,528,695	179,526	179,526	0	4.0%
	Warehouse Distribution	56	7,622,914	518,816	258,189	33,607	3.4%
	Warehouse Office	119	3,576,217	67,512	98,762	(24,000)	2.8%
<b>Subtotal</b>	<b>254</b>	<b>16,688,764</b>	<b>779,736</b>	<b>547,653</b>	<b>1,781</b>	<b>1,781</b>	<b>3.3%</b>
Madison Northwest	Flex/R&D	6	217,209	12,403		0	0.0%
	Manufacturing	15	1,838,603			0	0.0%
	Warehouse Distribution	5	658,188	130,000	130,000	52,000	19.8%
	Warehouse Office	34	1,093,132			0	0.0%
<b>Subtotal</b>	<b>60</b>	<b>3,807,132</b>	<b>142,403</b>	<b>130,000</b>	<b>52,000</b>	<b>52,000</b>	<b>3.4%</b>
Madison Southeast	Flex/R&D	23	990,395	18,683	13,233	(3,420)	1.3%
	Manufacturing	39	2,837,582	22,500	22,500	0	0.8%
	Warehouse Distribution	13	1,149,697			0	0.0%
	Warehouse Office	171	4,392,144	67,632	65,232	0	1.5%
<b>Subtotal</b>	<b>246</b>	<b>9,369,818</b>	<b>108,815</b>	<b>100,965</b>	<b>(3,420)</b>	<b>(3,420)</b>	<b>1.1%</b>
Madison Southwest	Flex/R&D	28	1,943,446	60,895	50,272	(2,992)	2.6%
	Manufacturing	24	3,401,386			0	0.0%
	Warehouse Distribution	8	816,498			0	0.0%
	Warehouse Office	80	2,245,705	118,663	106,546	0	4.7%
<b>Subtotal</b>	<b>140</b>	<b>8,407,035</b>	<b>179,558</b>	<b>156,818</b>	<b>(2,992)</b>	<b>(2,992)</b>	<b>1.9%</b>
Madison West	Flex/R&D	13	717,095	50,534	44,374	0	6.2%
	Manufacturing	14	1,512,543			0	0.0%
	Warehouse Distribution	10	1,466,815	332,522	308,796	0	21.1%
	Warehouse Office	82	2,389,857	5,259	25,078	0	1.0%
<b>Subtotal</b>	<b>119</b>	<b>6,086,310</b>	<b>388,315</b>	<b>378,248</b>	<b>0</b>	<b>0</b>	<b>6.2%</b>
Outlying Dane County	Manufacturing	34	3,342,710	184,723		0	0.0%
	Warehouse Distribution	8	1,156,948	185,161	185,161	0	16.0%
	Warehouse Office	34	1,052,370			0	0.0%
	<b>Subtotal</b>	<b>76</b>	<b>5,552,028</b>	<b>369,884</b>	<b>185,161</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>1,208</b>	<b>63,577,458</b>	<b>2,980,793</b>	<b>2,388,582</b>	<b>80,415</b>	<b>80,415</b>	<b>3.8%</b>

# Retail

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 20 basis points to 2.4% compared to 2.2% one year prior. The national unemployment rate was 4.4% in December 2025, up 30 basis points from the prior year, while Wisconsin's unemployment rate was 3.1% over the same period. Job growth in the Madison MSA has moderated, with retail employment increasing by approximately 2,900 jobs during the same period.

## Madison Overview

- Madison retail market showed 60,200 sf positive absorption bringing the vacancy rate to 5.7% for both multi and single tenant properties. Multi-tenant only properties recorded 10,400 sf positive absorption ending with a 7.9% vacancy rate this quarter.
- Madison Central topped all markets and realized positive absorption of 56,100 sf led by Madison Public Market opening a 45,000 sf property. The Madison West realized the most negative absorption of (21,000) sf led by Dollar Tree vacating 8,400 sf.
- The Madison retail market recorded 34 lease transactions totaling 137,200 sf. Twenty-one properties totaling 245,600 sf sold for \$51.6 million.
- Currently there are 16 projects under construction totaling 124,500 sf. Two properties were delivered year-to-date in Madison totaling 54,900 sf.

### Employment

396,785



### Area Unemployment

2.4%



### U.S. Unemployment

4.4%



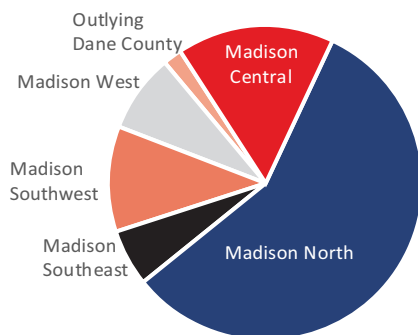
### Retail-Using Jobs

39,000

## Retail Summary

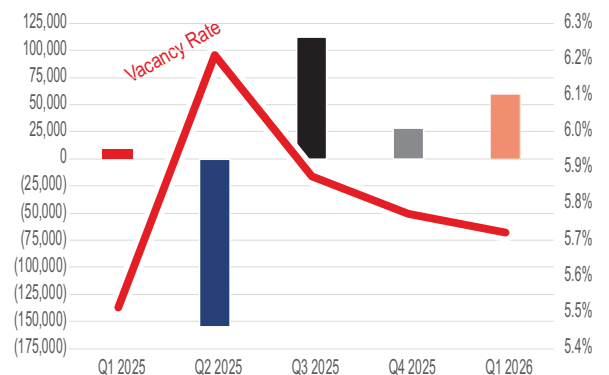
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	6	627,287	117,163	89,963	18,931	18,931	14.3%
Freestanding/Big Box	238	9,177,659	304,094	264,765	49,800	49,800	2.9%
Mixed Use	137	1,898,757	101,303	118,429	6,167	6,167	6.2%
Neighborhood Center	72	3,464,618	189,950	241,626	(16,513)	(16,513)	7.0%
Regional Center	3	1,883,319	274,950	274,950	(1,200)	(1,200)	14.6%
Restaurant	99	705,949	27,711	23,639	0	0	3.3%
Strip Center	280	3,547,888	210,749	205,393	3,014	3,014	5.8%
<b>Grand Total</b>	<b>835</b>	<b>21,305,477</b>	<b>1,225,920</b>	<b>1,218,765</b>	<b>60,199</b>	<b>60,199</b>	<b>5.7%</b>

## Retail New Developments



MARKET	BLDG SIZE (SF)
Madison Central	20,313
Madison North	71,343
Madison Southeast	7,000
Madison Southwest	13,524
Madison West	10,000
Outlying Dane County	2,396
<b>Grand Total</b>	<b>124,576</b>

## Absorption and Vacancy Rate



NOTE: Net absorption is based on occupancy and the net change in when a new lease is occupied 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	22	358,712	6,905	6,905	45,000	45,000	1.9%
	Mixed Use	60	809,545	42,155	58,201	10,189	10,189	7.2%
	Neighborhood Center	4	250,675	18,505	16,705	0	0	6.7%
	Restaurant	13	104,366			0	0	0.0%
	Strip Center	19	257,918	4,138	4,138	960	960	1.6%
	<b>Subtotal</b>	<b>118</b>	<b>1,781,216</b>	<b>71,703</b>	<b>85,949</b>	<b>56,149</b>	<b>56,149</b>	<b>4.8%</b>
Madison East	Community Center	2	168,796	53,903	26,703	18,931	18,931	15.8%
	Freestanding/Big Box	48	2,325,813	242,284	192,730	0	0	8.3%
	Mixed Use	9	143,392	3,293	4,593	0	0	3.2%
	Neighborhood Center	15	715,008	39,645	34,485	(4,906)	(4,906)	4.8%
	Regional Center	1	787,809	144,772	144,772	0	0	18.4%
	Restaurant	17	139,297	11,714	11,714	0	0	8.4%
Madison North	Strip Center	51	751,754	63,474	64,926	446	446	8.6%
	<b>Subtotal</b>	<b>143</b>	<b>5,031,869</b>	<b>559,085</b>	<b>479,923</b>	<b>14,471</b>	<b>14,471</b>	<b>9.5%</b>
	Freestanding/Big Box	44	1,909,249			0	0	0.0%
	Mixed Use	16	179,110	6,581	8,081	(2,096)	(2,096)	4.5%
	Neighborhood Center	10	505,255	49,712	26,199	0	0	5.2%
	Restaurant	11	67,607	5,500	5,500	0	0	8.1%
Madison Southeast	Strip Center	48	535,400	32,782	32,007	(3,869)	(3,869)	6.0%
	<b>Subtotal</b>	<b>129</b>	<b>3,196,621</b>	<b>94,575</b>	<b>71,787</b>	<b>(5,965)</b>	<b>(5,965)</b>	<b>2.2%</b>
	Freestanding/Big Box	14	457,889	15,000		0	0	0.0%
	Mixed Use	7	241,481	11,934	13,193	(1,900)	(1,900)	5.5%
	Neighborhood Center	2	76,671			0	0	0.0%
	Restaurant	6	46,094			0	0	0.0%
Madison Southwest	Strip Center	8	103,355	11,989	11,989	0	0	11.6%
	<b>Subtotal</b>	<b>37</b>	<b>925,490</b>	<b>38,923</b>	<b>25,182</b>	<b>(1,900)</b>	<b>(1,900)</b>	<b>2.7%</b>
	Community Center	1	135,107	7,525	7,525	0	0	5.6%
	Freestanding/Big Box	57	2,180,797	17,520	17,520	4,800	4,800	0.8%
	Mixed Use	20	205,076	13,493	18,103	0	0	8.8%
	Neighborhood Center	25	1,123,595	52,992	128,173	3,684	3,684	11.4%
Madison West	Regional Center	1	411,508	96,481	96,481	(1,200)	(1,200)	23.4%
	Restaurant	20	131,044			0	0	0.0%
	Strip Center	84	1,059,063	22,425	25,521	4,507	4,507	2.4%
	<b>Subtotal</b>	<b>208</b>	<b>5,246,190</b>	<b>210,436</b>	<b>293,323</b>	<b>11,791</b>	<b>11,791</b>	<b>5.6%</b>
	Community Center	3	323,384	55,735	55,735	0	0	17.2%
	Freestanding/Big Box	37	1,479,925	22,385	22,385	0	0	1.5%
Outlying Dane County	Mixed Use	17	243,553	22,007	14,418	0	0	5.9%
	Neighborhood Center	14	662,217	29,096	36,064	(15,291)	(15,291)	5.4%
	Regional Center	1	684,002	33,697	33,697	0	0	4.9%
	Restaurant	22	158,513	10,497	6,425	0	0	4.1%
	Strip Center	50	585,482	40,630	40,770	(5,682)	(5,682)	7.0%
	<b>Subtotal</b>	<b>144</b>	<b>4,137,076</b>	<b>214,047</b>	<b>209,494</b>	<b>(20,973)</b>	<b>(20,973)</b>	<b>5.1%</b>
Grand Total	Freestanding/Big Box	16	465,274		25,225	0	0	5.4%
	Mixed Use	8	76,600	1,840	1,840	(26)	(26)	2.4%
	Neighborhood Center	2	131,197			0	0	0.0%
	Restaurant	10	59,028			0	0	0.0%
	Strip Center	20	254,916	35,311	26,042	6,652	6,652	10.2%
	<b>Subtotal</b>	<b>56</b>	<b>987,015</b>	<b>37,151</b>	<b>53,107</b>	<b>6,626</b>	<b>6,626</b>	<b>5.4%</b>
<b>Grand Total</b>	<b>835</b>	<b>21,305,477</b>	<b>1,225,920</b>	<b>1,218,765</b>	<b>60,199</b>	<b>60,199</b>	<b>5.7%</b>	