



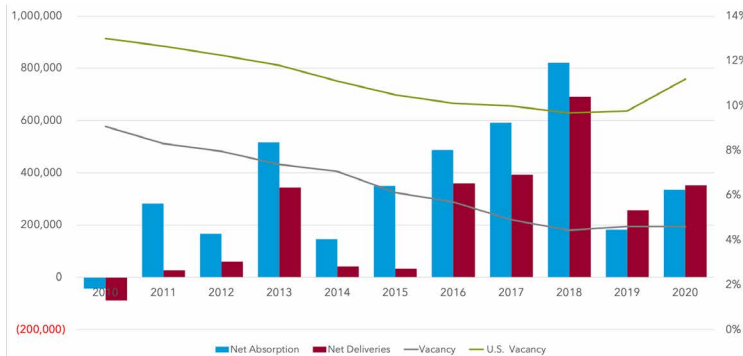
OFFICE MARKET OVERVIEW

CAMP PERRET, Associate

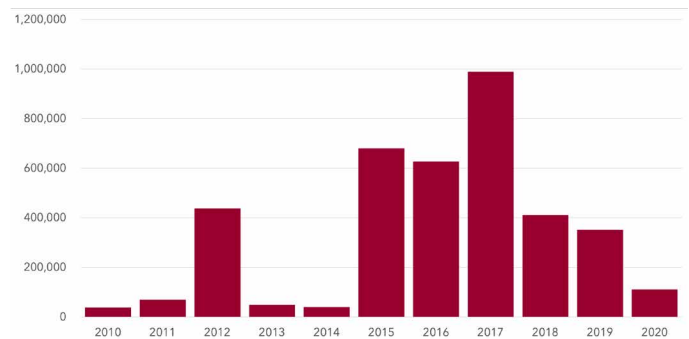
During 2020, Madison's Office market was stable despite the effects of the coronavirus on the demand for office space due to low vacancies, affordable rental rates and mostly build-to-suit construction projects. Vacancy rates and lease rates remain flat. The Madison vacancy rate of 4.6% is well below the national average of 11.2%. Sales volume, lease activity and construction starts have slowed as the market waits to see what the lasting effects of the virus will have on office space demand. On a positive note, the unemployment rate for Madison continues to decrease and the outlook for net employment is +14%, placing it in the top 40 of the largest 100 metro areas in the country.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	334,349 SF	613,437 SF	647,900 SF	296,433 SF	182,364 SF
▲ Vacancy Rate	4.6%	4.1%	4.1%	4.4%	4.6%
▼ Avg NNN Asking Rate	\$22.62 PSF	\$22.65 PSF	\$22.82 PSF	\$22.69 PSF	\$22.32 PSF
▲ Under Construction	110,248 SF	74,472 SF	39,900 SF	109,744 SF	351,744 SF
▲ Inventory	35,918,658 SF	35,878,758 SF	35,878,758 SF	35,808,914 SF	35,566,914 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6501 Watts Road Madison, WI	61,500 SF	\$1,517,500 \$24.67 PSF	Anmora, LLC Sustainable Engineering Group	Class B
7633 Ganser Way Madison, WI	29,000 SF	\$2,425,000 \$83.62 PSF	Forest Crossroads Investments LLC Compass Properties	Class B
2122 Luann Lane Madison, WI	20,000 SF	\$500,000 \$25.00 PSF	2122 Luann Lane LLC Bank of Sun Prairie	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8701 Blackhawk Road Madison, WI	88,571 SF	Blackhawk View Investments	State of Wis Investment Board	Public Administration
5602 Research Park Blvd Madison, WI	6,472 SF	University Research Park	Aldevron Madison, LLC	Professional, Scientific, and Technical Services
918 Deming Way Madison, WI	5,641 SF	Old Sauk Trails Park, LTD	Elephas BIO	Biological Product Manufacturing

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