



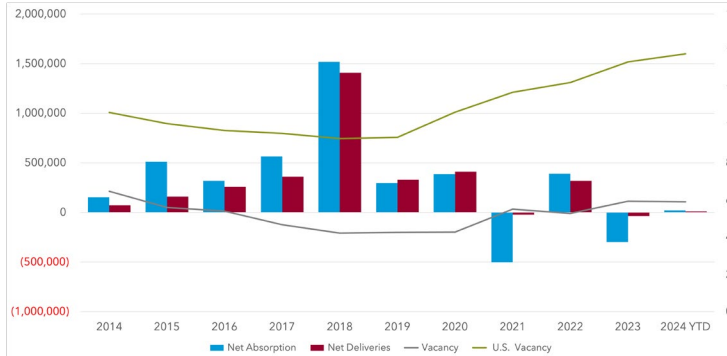
OFFICE MARKET OVERVIEW

CAMP PERRET, *Vice President*

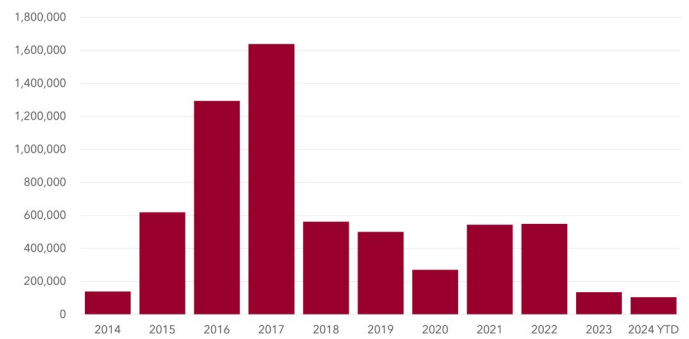
Vacancy rates in the Madison Office Market continue to remain steady; now at 6.1%, less than half of the national average of 13.7%. Net absorption, while low, is now in the black. Leasing activity was up from Q1. The percentage of sublet space available has dropped below 15%. Asking rents are up .5% year-over-year. These indicators show weak improvement in the rental market as businesses continue to adjust to shrinking space needs. Sale volumes continue to be muted due to financing rates. Most inventory under construction is owner occupied or build to suit as some tenants seek out newer, more modern buildings.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	2,508	(280,227)	(297,879)	(407,065)	(386,508)
▲ Vacancy Rate	6.1%	6.0%	5.9%	5.9%	6.5%
▲ Avg NNN Asking Rate PSF	\$22.91	\$22.87	\$22.88	\$22.79	\$22.81
▼ SF Under Construction	105,013	135,013	135,013	292,013	368,013
▲ Inventory SF	40,388,243	40,358,243	40,369,763	40,212,763	40,586,046

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7974 UW Health Court Middleton, WI	277,898 SF	Undisclosed	Undisclosed AJC Development Group	Class A
5520 Research Park Drive Madison, WI	50,000 SF	\$3,323,481 \$66.47 PSF	Promega Corporation Research Properties LLC	Class B
2801 Marshall Court Madison, WI	24,500 SF	\$10,000,000 \$408.16 PSF	Moose International, Inc. Stone House Developments, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1800 Deming Way Middleton, WI	70,781 SF	Compass Properties LLC	Sentry Insurance Company	Insurance Agents
1242 Fourier Drive Madison, WI	9,733 SF	Newcomb Construction Company	Wisconsin Early Autism Project	Health Care and Social Assistance
121 S. Bristol Street Sun Prairie, WI	5,935 SF	Keller Williams Commercial	Undisclosed	Undisclosed

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