



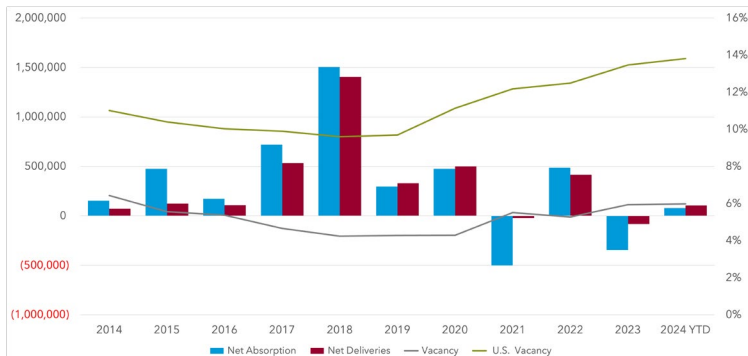
### OFFICE MARKET OVERVIEW

CAMP PERRET, Vice President

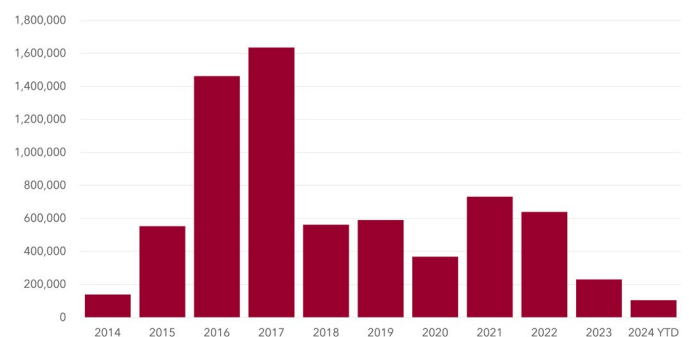
The Madison Office Market continues to adjust to shrinking office space demands as work environments evolve. Vacancy rates hover around 6%, much lower than the national average of 13%. The number of solid employers such as the State of Wisconsin and the University of Wisconsin along with thriving healthcare and biotech firms have kept demand somewhat intact. Vacancy rates and rental rates are expected to remain flat for the near future. Sale volumes declined, in part due to rising interest rates. Despite slower leasing and sale rates, the market remains steady.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	188,788	(39,309)	(412,044)	(345,106)	(454,292)
▲ Vacancy Rate	6.1%	6.0%	6.0%	5.9%	6.3%
▲ Avg NNN Asking Rate PSF	\$23.17	\$23.13	\$23.02	\$23.06	\$22.91
◀ ▶ Sale Price PSF	\$123.00	\$123.00	\$119.00	\$120.00	\$123.00
◀ ▶ Cap Rate	11.0%	11.0%	11.2%	11.1%	10.9%
▼ Under Construction SF	105,013	110,013	230,013	230,013	382,013
▲ Inventory SF	40,514,441	40,509,441	40,389,441	40,400,961	40,381,188

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7618 Westward Way Madison, WI	9,435 SF	\$970,000 \$102.81 PSF	L and B of Middleton LLC Corneille & Pilner LLC	Class B
1024 Regent Street Madison, WI	8,400 SF	\$1,550,000 \$184.52 PSF	Faith Community Bible Church Dean Health Systems	Class B
5025 Old Middleton Road Madison, WI	5,800 SF	\$760,000 \$131.03 PSF	Maxwell on Old Middleton LLC Garth and Karen Scott	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10 Terrace Court Madison, WI	26,000 SF	DMB Community Bank	Stevens Construction	Construction
25 W. Main Street Madison, WI	11,433 SF	Urban Land Interests	Undisclosed	Undisclosed
2601 W. Beltline Highway Madison, WI	8,391 SF	Undisclosed	Stifel, Nicolaus & Company	Finance

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