



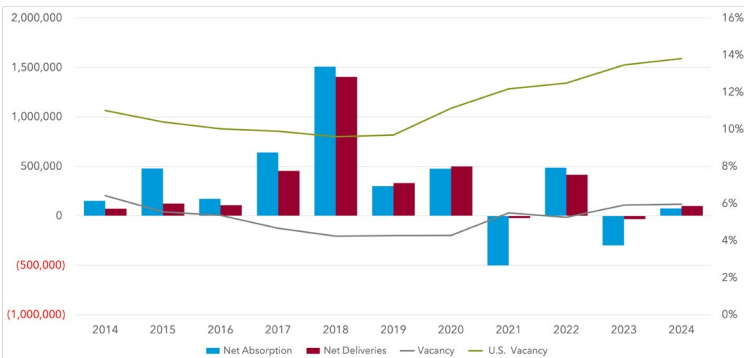
### OFFICE MARKET OVERVIEW

CAMP PERRET, *Vice President*

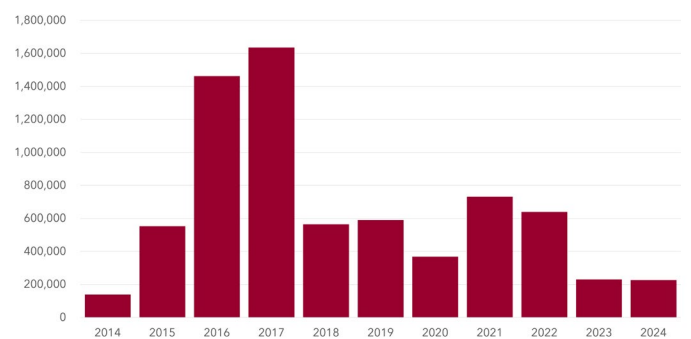
The Madison Office Market remains resilient, with a vacancy rate of 6%, significantly outperforming the national average of 13%. This vacancy rate has remained steady in the years following the pandemic, reflecting the stability of the local market. Contributing to this stability are key employers such as the State of Wisconsin, the University of Wisconsin, and thriving healthcare and biotech companies. Madison's 2% unemployment rate is among the lowest in the nation. Looking ahead, both vacancy and rental rates are expected to remain flat in the near future. Meanwhile, sales volumes have seen a slight year-over-year increase. The average capitalization rate for the Madison office market stands at 11%, surpassing the national average of 9%.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	74,865	184,575	11,891	(359,444)	(297,406)
▼ Vacancy Rate	6.0%	6.1%	6.0%	6.0%	5.9%
▲ Avg NNN Asking Rent PSF	\$23.21	\$23.20	\$23.10	\$22.94	\$22.96
▼ Sale Price PSF	\$118	\$119	\$120	\$116	\$118
◀▶ Cap Rate	11.4%	11.4%	11.3%	11.4%	11.2%
▲ Under Construction	226,738	126,738	125,013	230,013	230,013
▼ Inventory	40,674,084	40,679,097	40,674,097	40,554,097	40,565,617

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
34 & 42 Schroeder Court Madison, WI	61,664 SF	\$5,100,000 \$82.71 PSF	34 & 42 Schroeder Ct LLC Wisconsin Bank & Trust	Class A
2802-2810 Walton Commons W Madison, WI	30,559 SF	\$1,875,000 \$61.36 PSF	Horizon Engineering SSM Health	Class B
214 N. Hamilton Street Madison, WI	10,928 SF	\$1,225,000 \$112.10 PSF	Special Soss LLC Eibd LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2450 Rimrock Road Madison, WI	16,241 SF	The Alexander Company	Undisclosed	Undisclosed
525 Junction Road Madison, WI	14,819 SF	Artis REIT	Electronic Arts, Inc.	Professional Services
1600 Aspen Commons Middleton, WI	12,043 SF	Artis REIT	North Central Group	Hospitality

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