



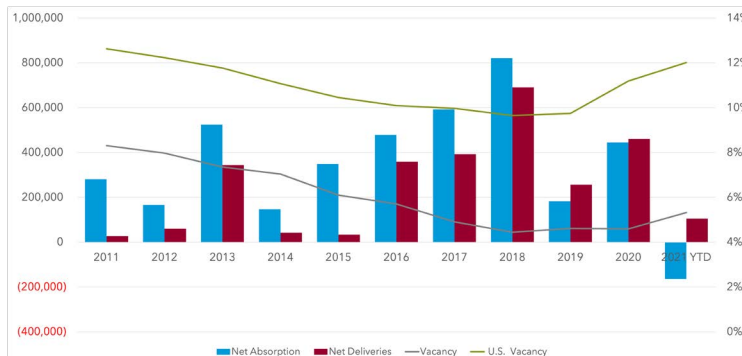
OFFICE MARKET OVERVIEW

CAMP PERRET, *Vice President*

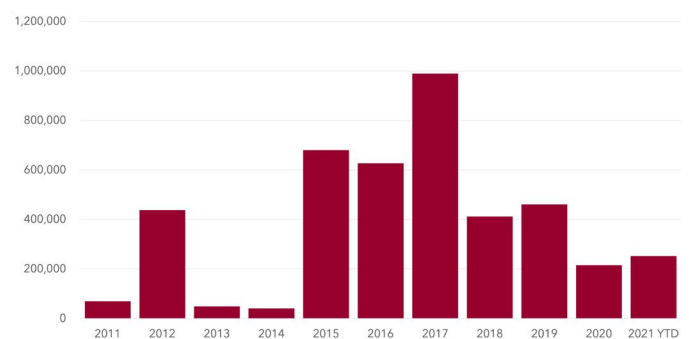
The Madison office market remains stable due to low vacancies, affordable rental rates and mostly build-to-suit construction projects coupled with a steady economy. Vacancy rates and lease rates remain flat. The Madison vacancy rate of 5%, one of the lowest in the country, is well below the national average of 12%. The area's low unemployment rate, currently at 3.6%, and the increase in COVID-19 vaccine availability bodes well for a return to pre-pandemic life. Both office sales and lease activity rose during Q1. The forecast for the office market is positive for the remainder of 2021.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	2,136	445,009	621,897	656,060	296,533
▲ Vacancy Rate	5.3%	4.6%	4.1%	4.1%	4.4%
▲ Avg NNN Asking Rate	\$22.36 PSF	\$22.30 PSF	\$22.48 PSF	\$22.73 PSF	\$22.63 PSF
▲ SF Under Construction	252,248	215,248	282,472	247,900	323,904
▲ Inventory SF	36,141,882	36,036,882	35,893,982	35,893,982	35,817,978

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1212 Fourier Drive Madison, WI	30,137SF	\$6,250,000 \$207.39 PSF	Gorman & Company Orbital Technologies Corporation	Class B
2702 International Lane Madison, WI	19,888 SF	\$1,130,000 \$56.82 PS	Undisclosed Joseph Braunger	Class B
523 Grand Oaks Trail Madison, WI	16,380 SF	\$1,790,000 \$109.28 PSF	Options in Community Living, Inc. Ruedebusch Commercial Investors	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2921 Landmark Place Madison, WI	9,944 SF	MIG Commerical Real Estate, LLC	Office Evolution	Services
2300 Highway 51 Stoughton, WI	6,000 SF	IWI Ventures	Undisclosed	Undisclosed
8215 Greenway Boulevard Middleton, WI	5,799 SF	Artis REIT	Ameriprise	Finance and Insurance

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