



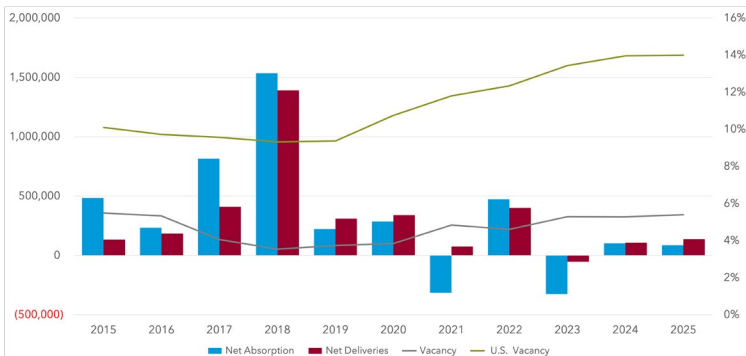
OFFICE MARKET OVERVIEW

CHRIS ETMANCZYK, *Principal*

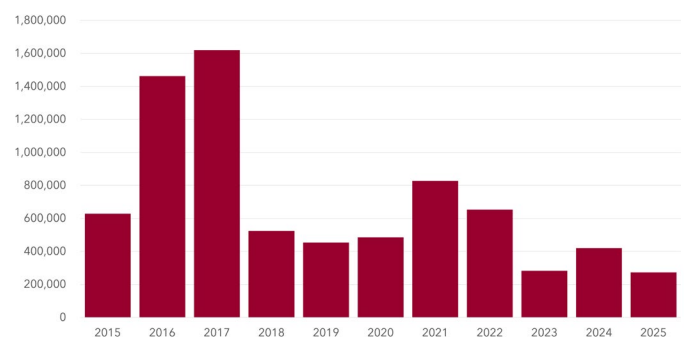
The Madison Office Market continues to adjust to changes in office utilization but appears to have reached a point of stabilization. The vacancy rate stands at 5.4%, well below the national average of approximately 14%, and has remained largely unchanged throughout 2024 and 2025. Rental rates and sale prices have also held steady over this period, indicating limited pricing volatility despite broader shifts in office demand. Investment activity showed renewed momentum in the fourth quarter, with an increase in sales volume, much of which was driven by transactions targeting redevelopment opportunities rather than traditional office occupancy.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	86,944	(111,362)	(237,304)	(273,340)	102,469
▼ Vacancy Rate	5.4%	5.8%	6.0%	6.3%	5.3%
▼ Avg NNN Asking Rent PSF	\$22.17	\$22.18	\$22.09	\$21.95	\$21.84
▲ Sale Price PSF	\$114.00	\$111.00	\$111.00	\$114.00	\$114.00
▼ Cap Rate	11.8%	11.9%	11.9%	11.7%	11.7%
▼ Under Construction	273,013	364,146	405,146	420,146	420,146
▲ Inventory	40,597,217	40,511,384	40,458,384	40,459,287	40,459,287

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1 General Way, Building 300 Sun Prairie, WI	118,120 SF	\$5,522,704 \$46.76 PSF	T. Wall Enterprises Mgt LLC QBE	Class B
1 General Way, Building 200 Sun Prairie, WI	105,755 SF	\$5,788,477 \$54.73 PSF	T. Wall Enterprises Mgt LLC QBE	Class B
1 General Way, Building 100 Sun Prairie, WI	101,907 SF	\$4,643,018 \$45.56 PSF	T. Wall Enterprises Mgt, LLC QBE	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3591 Anderson Street Madison, WI	35,540 SF	Madison Area Technical College	Undisclosed	Undisclosed
1850 Deming Way Middleton, WI	32,386 SF	Compass Properties	Esker	Software
10 Terrace Court Madison, WI	30,395 SF	IA Management	QBE	Insurance

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