



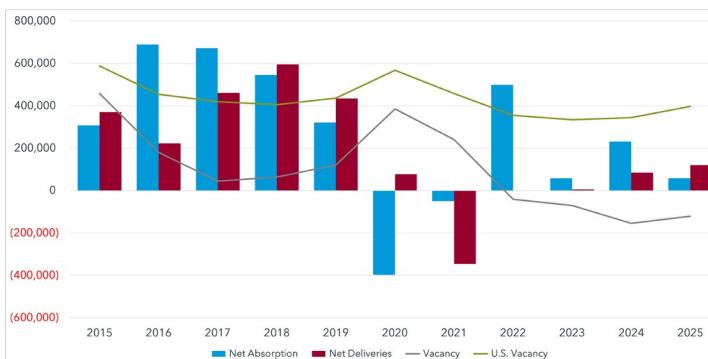
## RETAIL MARKET OVERVIEW

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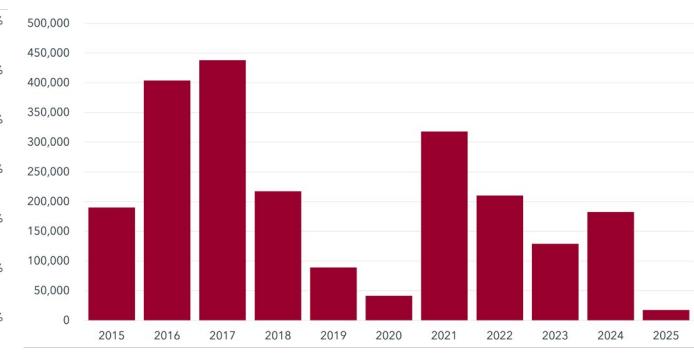
The Madison Retail Market is undergoing structural adjustment driven by evolving consumer behavior, including increased reliance on e-commerce and mobile pick-up formats. These shifts have reduced average space requirements, prompting retailers to prioritize smaller footprints that support experiential retail concepts and operational efficiency. Market fundamentals remain constrained, with a vacancy rate of 2.1% indicating limited availability. While tenant demand remains strong, the lack of available inventory continues to suppress leasing velocity. Development activity has reached a historic low as rising construction costs, elevated interest rates, and uncertainty around long-term space needs limit new retail starts. Collectively, these factors are reinforcing a supply-constrained environment and redefining retail development and leasing dynamics across the Madison market.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	58,163	13,936	155,756	40,711	231,288
▼ Vacancy Rate	2.1%	2.3%	2.2%	2.2%	1.9%
▲ Avg NNN Asking Rate PSF	\$17.33	\$17.31	\$17.35	\$17.28	\$17.24
▼ Sale Price PSF	\$158.00	\$159.00	\$158.00	\$157.00	\$156.00
▲ Cap Rate	7.8%	7.7%	7.7%	7.7%	7.7%
▼ Under Construction SF	17,706	26,763	30,684	176,063	182,563
▲ Inventory SF	41,566,412	41,557,355	41,543,803	41,452,866	41,446,366

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
6540 Monona Drive Monona, WI	55,888 SF	\$9,571,111 \$171.26 PSF	Galway Companies United Properties Investments LLC	Single-Tenant
7940-7968 Tree Lane Madison, WI	54,364 SF	\$8,625,000 \$158.65 PSF	Lokre Companies AGM Commercial Real Estate Adv.	Multi-Tenant
6544-6594 Monona Drive Monona, WI	46,187 SF	\$7,855,355 \$170.08 PSF	Galway Companies United Properties Investments LLC	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2503 Seiferth Road Madison, WI	45,000 SF	BSH Companies	ExtraSpace Storage Inc.	Self-Storage
5004-5048 Tradewinds Parkway Madison, WI	27,360 SF	Newcomb Construction Co.	Dill Dinkers Pickleball	Recreation
15 W. Main Street Madison, WI	15,880 SF	Block 89 Air Rights Ltd. Partnership	Walgreens	Retailer



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