LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
MADISON, WI

INDUSTRIAL MARKET OVERVIEW

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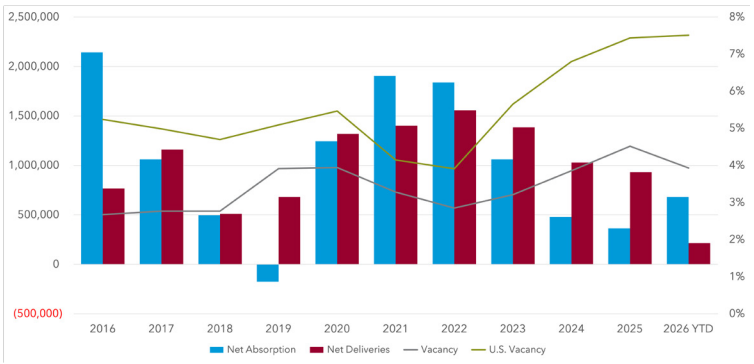
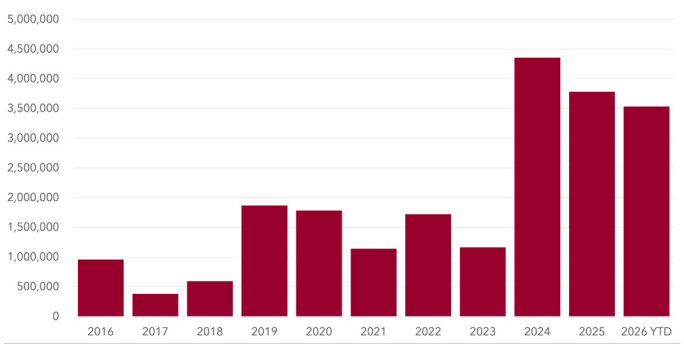
Demand in the Madison industrial market remains robust. Madison's diversified economic base--with employers such as the State of Wisconsin and the University of Wisconsin along with thriving healthcare and biotech firms-continues to drive demand in the industrial segment. The vacancy rate declined to 3.9%, well below the national average of 7.5%. Persistent inventory constraints are limiting leasing activity and sales activity. Financing rates and construction costs continue to dampen new construction starts. With little to no speculative industrial construction starts, demand will continue to outpace supply.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	820,628	596,568	363,520	86,126	236,872
▼ Vacancy Rate	3.9%	4.1%	4.5%	4.2%	4.1%
▼ Avg NNN Asking Rate PSF	$8.11	$8.14	$8.10	$8.05	$7.98
▲ Sale Price PSF	$77.64	$77.54	$76.83	$76.11	$76.49
◄ ► Cap Rate	8.9%	8.9%	8.9%	8.9%	8.8%
▼ Under Construction SF	3,532,618	3,682,962	3,782,462	4,189,273	4,142,400
▲ Inventory SF	80,877,865	80,761,971	80,662,471	80,200,471	80,200,471

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
143, 165, 181 Quality Court Fall River, WI	329,235 SF	$8,800,000 $26.73 PSF	EK Machine Power Products Badger Express	Class C
150 Business Park Drive Sun Prairie, WI	179,526 SF	$11,551,000 $64.34 PSF	RenewAire SARA Investment Real Estate	Class B
1102 Lumbermans Trail Madison, WI	142,500 SF	$5,881,797 $41.28 PSF	BFS Real Estate, LLC LN Real Estate, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4510 Helgesen Drive Madison, WI	38,750 SF	RenewAire	Undisclosed	Undisclosed
333 Atlas Avenue Madison, WI	14,036 SF	Arugus Properties	Undisclosed	Undisclosed
4411-4417 Robertson Road Madison, WI	10,000 SF	Gargano Ventures, LLC	Peak Systems	Manufacturing

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