LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
MADISON, WI

RETAIL MARKET OVERVIEW

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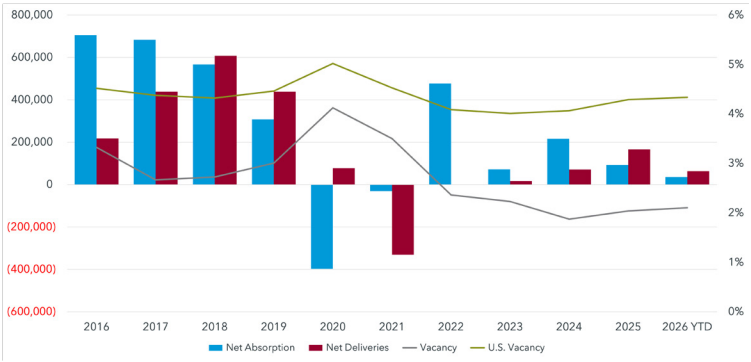
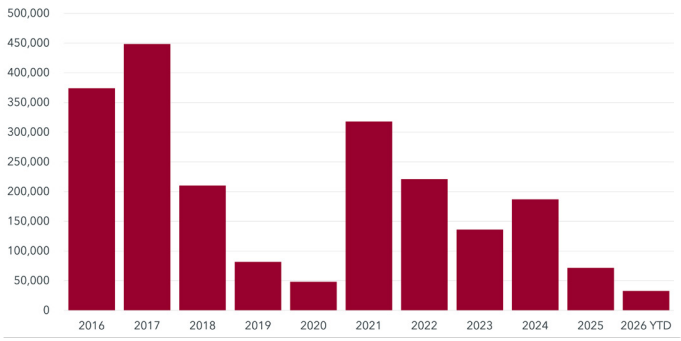
The Madison retail market remains strong, with vacancy holding at a low 2.1% and demand supported by the region's diversified economy, including state government, the University of Wisconsin, and established healthcare and biotechnology sectors. Limited available inventory continues to constrain leasing opportunities, while elevated construction costs, higher borrowing rates, and evolving consumer behavior have slowed new development. With only 32,794 square feet under construction as of Q3 2026, the limited development pipeline is reinforcing supply constraints and supporting continued market stability. Stable asking rents, rising sales prices, and positive net absorption further underscore the resilience of Madison's retail sector.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	160,543	128,902	78,171	92,574	51,813
◄ ► Vacancy Rate	2.1%	2.1%	2.3%	2.0%	2.2%
▼ Avg NNN Asking Rate PSF	$17.44	$17.49	$17.50	$17.46	$17.40
▲ Sale Price PSF	$164	$163	$163	$159	$158
▼ Cap Rate	7.7%	7.8%	7.8%	7.9%	7.8%
▼ Under Construction SF	32,794	32,923	86,504	71,615	52,486
▲ Inventory SF	42,254,378	42,241,889	42,188,308	42,190,708	42,155,387

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
2301-2356 W. Broadway Monona, WI	84,413 SF	$5,740,210 $68.00 PSF	Galway Companies Learsi & Company	Multi-Tenant
3112 Beltline Highway Middleton, WI	12,000 SF	$4,000,000 $333.33 PSF	Culver Franchising System, LLC Star Karaoke	Single-Tenant
8108 Mineral Point Road Madison, WI	10,600 SF	$3,500,000 $330.19 PSF	Blackbird LLC KJH Houma LLC	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
309 W. Johnson Street Madison, WI	6,000 SF	Hovde Properties	Amisto	Restaurant
4222-4260 East Towne Boulevard Madison, WI	4,610 SF	Next Realty	Undisclosed	Undisclosed
5909 Sharpsburg Drive Madison, WI	3,293 SF	Schoenstatt Sisters of Mary	Undisclosed	Undisclosed

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