

	YoY Chg	12-Mo. Forecast
5.9% Vacancy Rate	▲	■
195K Net Absorption, SF	▲	■
\$19.92 Asking Rent, PSF	▲	■

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
388.9k Madison Employment	▲	■
2.4% Madison Unemployment Rate	▼	■
3.8% U.S. Unemployment Rate	▼	▼

Source: Bureau of Labor Statistics, Moody's Analytics
2022Q1 data based on latest available data.

ECONOMY

Wisconsin's unemployment rate decreased 10 basis points (bps) quarter-over-quarter to 2.9% in the first quarter 2022 and marks the second quarter where the unemployment rate is below the pre-pandemic reading of 3.2%. Locally, Metro Madison's unemployment rate is slightly better than the state, at 2.4% and 140 bps below the national average. Dane County has one of the lowest unemployment rates of any county in Wisconsin.

According to data from the U.S Bureau of Labor Statistics, while Wisconsin saw private sector employment grow 0.8% from January to February, the state is still yet to fully recover to pre-pandemic employment levels and growth still lags behind most states.

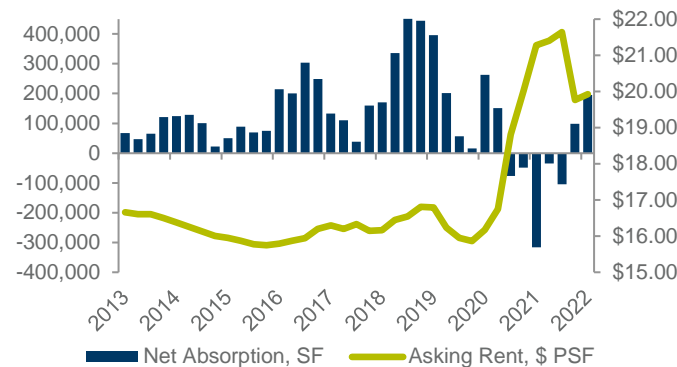
MARKET OVERVIEW

The Metro Madison office market consists of approximately 35.6 million square feet (msf) of inventory spread across nine (9) submarkets. In the first quarter of 2022, the market reported positive absorption of 194,809 square feet (sf). Of the nine submarkets, seven submarket experienced positive absorption in Q1 as the market continues to recover from the effects of the pandemic. In Q1, there were 63 lease transactions, with over 211,000 sf of new leasing activity, representing 96% of the transactions.

As the State Capitol of Wisconsin and the home of UW-Madison, public administration and education-related jobs have historically comprised the base of the local economy. Combined, the State of Wisconsin and the University of Wisconsin employ more than 64,000 people throughout the region. However, recent economic growth has been tied to an array of industries such as biotechnology, information and health technology, agribusiness/food, and precision manufacturing.

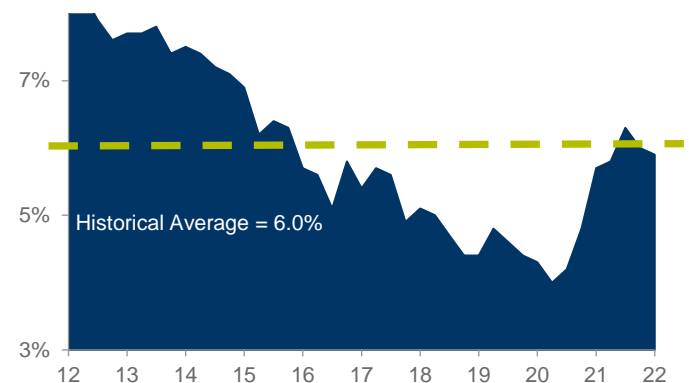
OVERALL NET ABSORPTION / OVERALL ASKING RENT

Overall Net Absorption / Overall Asking Rent



OVERALL VACANCY

Overall Vacancy



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Central Campus	7,958,864	69,818	396,750	5.9%	55,237	55,237	40,656	0	\$26.72	\$31.71
CBD	7,958,864	69,818	396,750	5.9%	55,237	55,237	40,656	0	\$26.72	\$31.71
Near West Madison	5,398,518	7,302	86,725	1.7%	7,207	7,207	18,056	322,000	\$16.07	N/A
Northeast Madison	6,497,705	4,839	622,240	9.7%	44,335	44,335	5,580	15,000	\$19.53	N/A
Northwest Madison	5,374,402	59,850	337,504	7.4%	77,522	77,522	83,322	0	\$27.65	N/A
Southeast Madison	2,123,657	4,900	144,434	7.0%	3,046	3,046	27,129	0	\$13.35	N/A
Southwest Madison	2,234,816	12,514	167,156	8.0%	-7,018	-7,018	22,103	6,000	\$14.52	N/A
South Central Madison	2,594,870	0	160,796	6.2%	8,380	8,380	20,189	0	\$18.76	N/A
Outlying Dane West	2,026,158	0	15,418	0.8%	6,100	6,100	2,776	0	N/A	N/A
Outlying Dane East	1,345,155	0	7,216	0.5%	0	0	1,119	0	\$15.00	N/A
Madison Outlying	27,595,281	89,405	1,541,489	5.9%	139,572	139,572	180,274	343,000	\$17.56	N/A
MADISON TOTALS	35,554,145	159,223	1,938,239	5.9%	194,809	194,809	220,930	343,000	\$19.92	\$31.71

*Rental rates reflect full service asking

	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT
Class A	10,545,945	72,174	745,112	7.7%	91,892	91,892	97,745	162,800	\$31.71
Class B	21,960,073	83,141	903,375	4.5%	108,454	108,454	122,345	180,200	\$17.45
Class C	3,048,127	3,908	289,752	9.6%	-5,537	-5,537	804	0	\$14.00

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