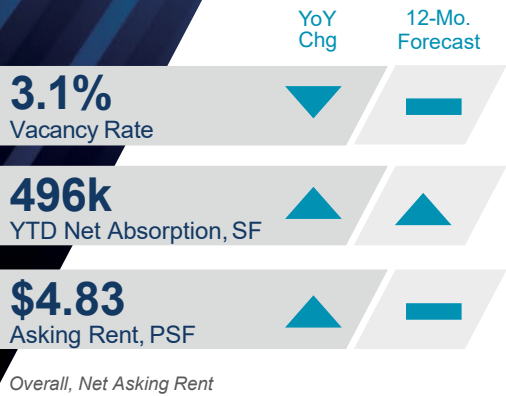
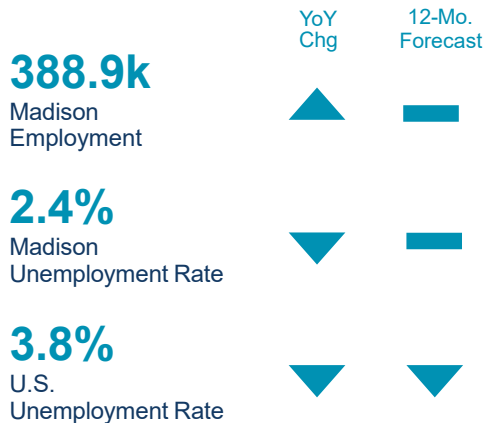


MARKETBEAT MADISON

Industrial Q1 2022



ECONOMIC INDICATORS Q1 2022



Source: Bureau of Labor Statistics
Q1 2022 data is the average of January, February and March employment figures.

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.

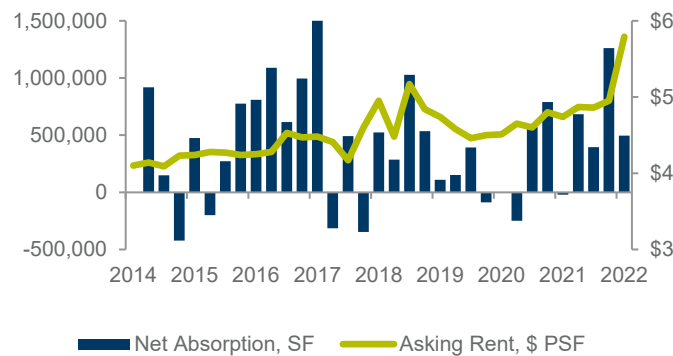
According to data from the U.S Bureau of Labor Statistics, while Wisconsin saw private sector employment grow 0.8% from January to February, the state is still yet to fully recover to pre-pandemic employment levels and growth still lags behind most states.

MARKET OVERVIEW

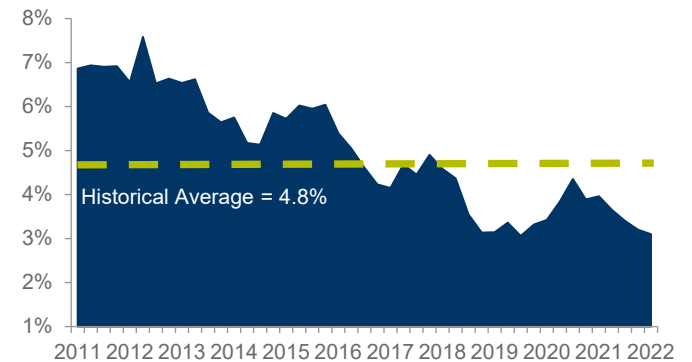
The Metro Madison industrial market consists nearly 126 million square feet (msf) of inventory spread across eight (8) distinct counties. During the first quarter of 2022, the market has experienced 509,011 square feet (sf) positive absorption. Dane County saw the largest amount of activity with 62% of the metro activity with over 306,000 sf of absorption. Four large development projects impacted absorption, with Wisconsin Development Partner's 64% leased facility off Femrite, Marshall Park Investment's facility off Tradewinds, Wisconsin Physicians Service Insurance Corp, and Southern Wisconsin Roofing all delivering facilities. Q1 2022 leasing activity totaled over 393,000 sf across 21 transactions. Overall vacancy decreased 90 bps year-over-year (YOY) to 3.1%.

Construction activity remains strong, with nearly 2.2 msf currently under construction, of which 616,000 sf is speculative. An additional 2.5 msf of proposed projects is in the pipeline, all subject to uncertainty given economic vulnerability, elevated construction costs and raw material lead times.

OVERALL NET ABSORPTION / OVERALL ASKING RENT



OVERALL VACANCY



MARKETBEAT MADISON



CUSHMAN &
WAKEFIELD

BOERKE

Industrial Q1 2022

MARKET STATISTICS

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Columbia Co.	91	5,970,349	313,485	5.3%	0	0	0	0	\$2.93
Dane Co.	1,166	55,528,790	1,946,799	3.5%	306,533	306,533	1,563,825	178,420	\$6.23
Dodge Co.	181	16,354,841	461,175	3.4%	-47,116	-47,116	0	0	\$2.83
Green Co.	40	1,538,020	0	0.0%	0	0	0	0	N/A
Iowa Co.	21	1,659,420	0	0.0%	0	0	0	0	N/A
Jefferson Co.	198	13,543,236	133,499	1.0%	94,329	94,329	65,000	0	\$6.85
Rock Co.	277	27,377,367	538,597	2.0%	173,054	173,054	547,000	0	\$4.82
Sauk Co.	53	3,980,035	467,500	11.7%	-31,000	-31,000	0	0	\$4.00
METRO MADISON TOTALS	2,027	125,952,058	3,861,055	3.1%	495,800	495,800	2,175,825	178,420	\$5.79

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6464 Blanchar's Crossing, Windsor	Dane County	Octopi Brewing	181,900	New
5033-5069 Tradewinds Parkway, Madison	Dane County	Wisconsin Physicians Service Insurance Corporation	36,280	New
3302 Dairy Drive, Madison	Dane County	Red Bull Distribution Company	25,200	New
403 Degner Avenue, Mayville	Dodge County	Unnamed	20,647	New

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	BUYER/SELLER	SF	PRICE/\$ PSF
4435-4461 Duraform Lane, Windsor	Dane County	Valley Express / Capital Warehousing Corporation	245,378	\$9.15M / \$37
1100 S 12 th Street, Watertown	Jefferson County	SomeraRoad / AIC Ventures	158,750	\$5.8M / \$37
5518 Femrite Drive, Madison	Dane County	Debruin & Associates / Stove Dealers Realty LLC	55,907	\$4.65M / \$83
5964 Executive Drive, Fitchburg	Dane County	Investors Associated LLP / All Soccer – In Line Hockey, LLC	46,000	\$4.06M / \$88

KEY CONSTRUCTION PROJECTS UNDERWAY

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
4800 Voges Road, Madison	Dane County	N/A	202,800	Ruedebusch Development
2925 Innovation Way & 2955 Innovation Way, Sun Prairie	Dane County	N/A	184,125 & 106,823	Interstate Partners
6305 Ronald Reagan Avenue, Madison	Dane County	N/A	122,038	Greywolf Properties

KATIE GREMBAN

Director of Research

+1 414 203 3045 / kgremban@boerke.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com