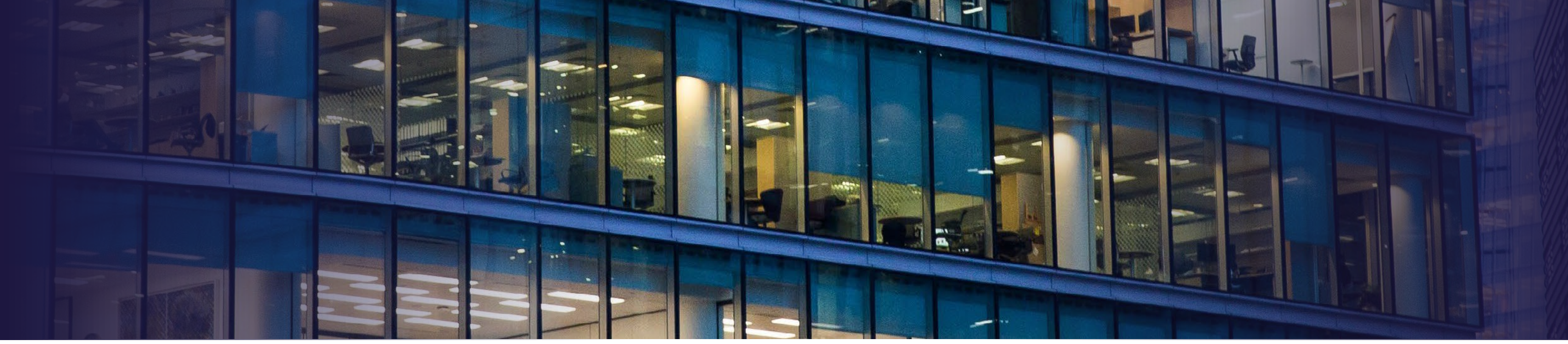


MARKETBEAT
MADISON
OFFICE Q2 2026

CUSHMAN & WAKEFIELD | BOERKE

MARKET FUNDAMENTALS

	YOY Chg	Outlook
9.0% Vacancy Rate	▲	—
-153K YTD Net Absorption, SF	▼	▲
$23.82 Asking Rent, PSF	▼	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
430.0K Madison Employment	▼	▲
2.9% Madison Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	—	▲

Source: BLS, Moody's Analytics
Footnote: 2026Q2 data are based on latest available data. U.S. unemployment rate reflects June 2026

ECONOMY

Madison, Wisconsin's State Capitol and home to the University of Wisconsin-Madison, has an economy historically based on government and education. The rapidly growing Dane County region has seen significant growth in biotechnology, information and health technology, agribusiness/food, and precision manufacturing. Metro Madison's unemployment rate increased by 40 basis points (bps) year-over-year (YOY) to 2.9%, while overall employment in the region decreased by 0.4% YOY.

MARKET OVERVIEW

Madison's office market remained relatively stable during the second quarter, with the overall vacancy rate increasing 100 basis points (bps) year-over-year (YOY) to 9.0%, remaining within the narrow 7.0% to 9.0% range that has characterized the market since early 2021. The market returned to positive net absorption, recording 10,598 square feet (sf), though occupancy gains were concentrated in only three of the seven tracked submarkets. The Northeast submarket accounted for the majority of positive absorption, posting 111,866 sf following the delivery and occupancy of a new 56,000-sf office building. South Central (14,223 sf) and Southwest (9,335 sf) also recorded modest gains, while the remaining submarkets experienced occupancy losses.

Leasing activity has become more selective in 2026. Although transaction counts remain largely unchanged from a year ago, executed leasing volume totaled just 257,609 sf through the first half of the year, an 11% decline from the same period in 2025. Second-quarter leasing reached only 93,580 sf, with just one transaction exceeding 10,000 sf, reflecting continued caution among larger occupiers.

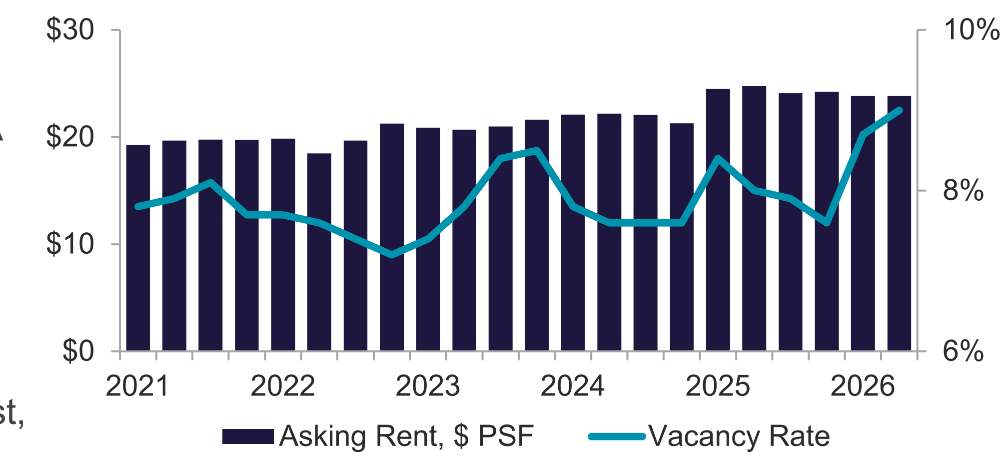
Overall asking rents declined 4% YOY to $23.82 per square foot (psf), while Class A asking rents increased 3% to $26.92 psf. Rental rates remain highest among Class A properties on Capitol Square, where asking rents range from $30 to $36 psf, reinforcing continued tenant demand for premier office space.

OUTLOOK

Market conditions remain measured, with performance increasingly defined by asset quality and location. The CBD is expected to remain relatively stable, supported by demand for premier office space and Madison's diverse employment base. In contrast, suburban performance will likely remain more uneven, particularly in the Northwest/Middleton submarkets where elevated availability and slower leasing activity persist. While larger occupiers continue to take a deliberate approach to leasing decisions, Madison's relatively low vacancy rate and limited development pipeline should support stable market fundamentals through the balance of 2026.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL AVAILABLE (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)*
Madison Isthmus / CBD	6,057,375	577,199	500,927	8.3%	-6,632	-1,152	88,359	0	$25.41	$31.89
CBD TOTALS	6,057,375	577,199	500,927	8.3%	-6,632	-1,152	88,359	0	$25.41	$31.89
Near West Madison	3,653,138	271,661	197,347	5.4%	3,062	-55,440	15,178	0	$25.33	$34.51
Northeast	2,850,643	369,452	114,423	4.0%	111,866	61,698	28,329	0	$19.97	$21.84
Northwest / Middleton	4,508,075	1,190,076	825,823	18.3%	-53,675	-158,932	56,723	0	$25.36	$28.55
South Central	1,794,648	79,660	39,400	2.2%	14,223	8,113	40,216	0	$21.99	$25.25
Southeast	1,357,245	203,891	160,442	7.8%	-67,581	-53,678	4,260	0	$22.74	$25.30
Southwest	1,305,926	171,737	102,047	7.8%	9,335	46,788	24,544	0	$20.40	$23.44
NON-CBD TOTALS	15,469,675	2,286,477	1,439,482	9.3%	17,230	-151,451	169,250	0	$23.35	$26.50
MADISON TOTALS	**21,527,050**	**2,863,676**	**1,940,409**	**9.0%**	**10,598**	**-152,603**	**257,609**	**0**	**$23.82**	**$26.92**

Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2 E Mifflin Street, Madison	Madison Isthmus / CBD	Unnamed	12,596	New
1 S Pinckney Street, Madison	Madison Isthmus / CBD	OneEnergy, Inc.	6,857	Sublet
2985 Triverton Pike Drive, Madison	South Central	Unnamed	5,898	New

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / $ PSF
2908 Marketplace Drive, Madison	South Central	Integris Ventures – CS, LLC / Marketplace of Fitchburg, LLC	64,984	$7.9M / $122
7617 Mineral Point Road, Madison	Southwest	Becks Enterprises of Dane County, LLC / Compass Properties Mineral Point LLC	36,302	$3.25M / $90

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