MARKETBEAT
MADISON
INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD | BOERKE

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.0% Vacancy Rate	▼	▬
427K YTD Net Absorption, SF	▼	▲
$6.40 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

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 has an economy historically based on government and education, with the rapidly growing region experiencing 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

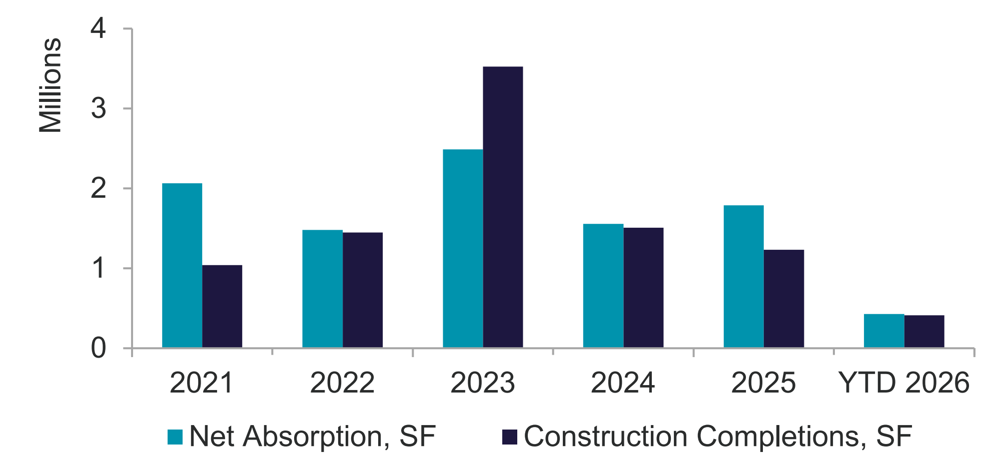
Madison's industrial market posted another strong quarter, recording 368,491 square feet (sf) of positive net absorption and lowering the overall vacancy rate 10 basis points (bps) quarter-over-quarter to 2.0%, a 60-bps improvement from one year ago. Vacancy has remained below 3.0% since mid-2020, reflecting a market where available industrial space is absorbed almost as quickly as it becomes available.

The sharpest tightening occurred in the Dane County East submarket, where vacancy declined from 2.5% to 1.6%. RenewAire's acquisition of the former Guardian Fabrication facility in Sun Prairie, coupled with Marquis 85,500-SF lease on Tompkins Drive in Madison, removed available inventory and reinforced the submarket's position as one of the region's most supply-constrained industrial submarkets. In response, developers have proposed more than 1.7 million sf of additional industrial product in Dane County East, signaling confidence in the market's long-term growth prospects.

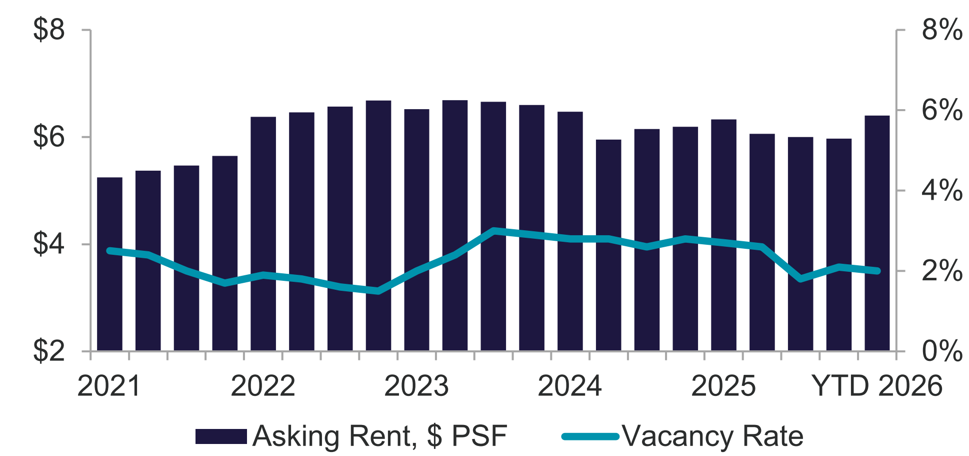
Leasing activity remained healthy during the quarter, with 318,295 sf of new leases completed. The largest transactions included the Marquis' lease in Dane County East, an 80,632-sf lease to 3R Technology in Janesville, and a 43,500-sf lease on Stoughton Road in Madison, illustrating continued demand from both manufacturing and technology-oriented occupiers across the region.

Despite historically low vacancy, the development pipeline continues to be dominated by build-to-suit projects rather than speculative construction. Rock County recorded the quarter's largest completion with Zilber 13, a 237,838-sf speculative facility in Janesville that is currently available for lease. Nearly 4.0 million sf remains under construction, including Amazon's 3.4-million-sf fulfillment center in Cottage Grove, scheduled to deliver during the third quarter. Beyond Zilber 13, however, just 27,773 sf of the active pipeline is speculative, although developers continue to position for future demand. Dickman Development plans to begin construction on a 182,000-sf speculative facility in DeForest in the next month and Egan Gardner Development is expected to break ground in September on the 145,600-sf Tradesmen II speculative facility in Madison. Even with these projects moving forward, vacancy is expected to remain constrained through the remainder of 2026, as much of the proposed speculative development is not anticipated to deliver until early to mid-2027.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT* (MF)	OVERALL WEIGHTED AVG NET RENT* (OS)	OVERALL WEIGHTED AVG NET RENT* (W/D)
Dane County East	35,418,408	573,301	1.6%	335,987	386,533	3,691,296	92,973	$5.24	$10.92	$7.15
Dane County West	24,438,872	493,672	1.8%	64,312	74,114	0	81,764	$7.00	$7.81	$10.77
DANE COUNTY TOTAL	59,857,280	1,066,973	1.8%	400,299	460,647	3,691,296	174,737	$5.54	$8.43	$7.86
Rock County	30,428,269	750,095	2.5%	-31,808	-33,764	306,000	237,838	N/A	N/A	$5.66
MADISON TOTALS	**90,285,549**	**1,817,068**	**2.0%**	**368,491**	**426,883**	**3,997,296**	**412,575**	**$5.54**	**$8.43**	**$6.83**

CLASSES	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
Manufacturing	29,735,739	60,888	0.2%	224,138	194,274	0	91,764	$5.54
Office Service / Flex	10,746,799	424,017	3.9%	165,123	188,715	47,773	28,992	8.43
Warehouse - Distribution	49,803,011	1,332,163	2.7%	-20,770	43,894	3,949,523	291,819	$6.83

Rental rates reflect weighted net asking $psf/year

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4501 Tompkins Drive, Madison	Dane County East	Marquis	85,500	New
3939 Whitney Street, Janesville	Rock County	3R Technology	80,632	New
2803 S Stoughton Road, Madison	Dane County East	Unnamed	43,500	New

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / $ PSF
150 Business Park Drive, Sun Prairie	Dane County East	RenewAire / SARA Investment Real Estate	179,526	$11.7M / $65
2821 Dairy Drive, Madison	32,671	Long Arc Industrial, LLC / WI Development Partners LLC	32,671	$3.89M / $119

KEY CONSTRUCTION COMPLETIONS Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
110 Momentum Drive, Janesville	Rock County	-	237,838	Zilber
8402 Excelsior Drive, Madison	Dane County West	Fujifilm	81,764	Fujifilm

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