

VIEW FROM ABOVE

Expect landlord to start offering incentives as the office market continues to soften....

Over 66% of employees want a hybrid work situation, and only 24% want to be in the office full-time. ^

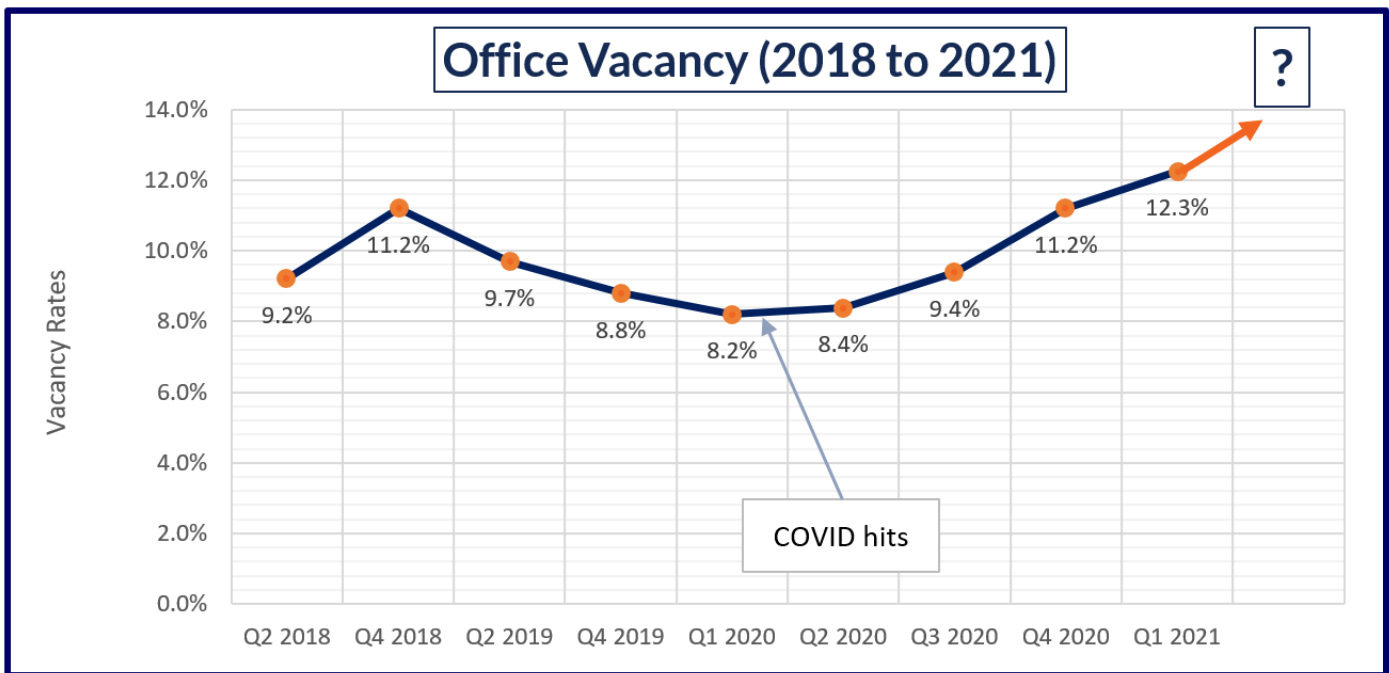
	THIS QUARTER	NEXT QUARTER
Vacancy	▲	▲
Rents	▼	▼
New Construction	▼	▼
Net Absorption	▼	▼

SCANNING THE HORIZON

- **Vacancy 12.3%.** Up 1.1% from last quarter. Expect landlords to start offering more concessions.
- **3.5% Unemployment.** Dane County is within 1% of pre-pandemic unemployment levels. *
- **17 Subleases are available.** Averaging over 15,000 SF; 4 added in Q1.
- **Over 760,000 SF** has hit the market in the past year; erasing the 2.5 years of pre-pandemic growth.

TIPS FROM THE CAST

- **Landlords will compete for your business!**
- **Between rent concessions and reduced square feet,** Tenants could see 20-25% savings in RE cost.
- Due to an increasing mobile workforce, workplace design is changing; engage a **good design partner.**
- Upgrade your space for the same cost: **Flight to Quality**



MARKET RECAP

- Inventory 17.76 MM SF
- Absorption (172,290 SF)
- Vacancy 12.3%
- Under Construction 157,800 SF

WHAT THIS MEANS FOR YOU...

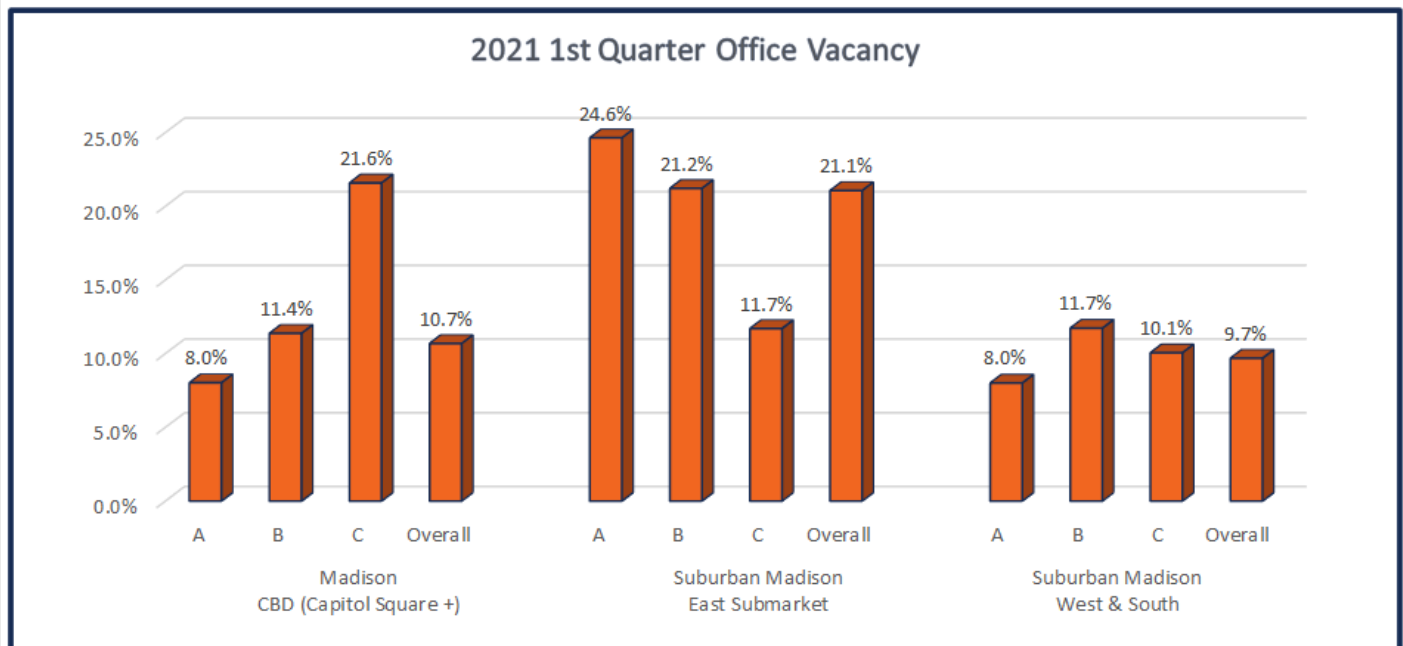
Your **hybrid workforce** will drive your real estate strategy (design and quantity).

Your **human resource team** is critical to your business success, now, more than ever.



MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	8.0%	179,652	2,238,517
	B	11.4%	214,268	1,883,420
	C	21.6%	92,408	428,167
	Overall	10.7%	486,328	4,550,104
Suburban Madison East Submarket	A	24.6%	285,163	1,157,250
	B	21.2%	423,508	1,996,751
	C	11.7%	55,353	472,955
	Overall	21.1%	764,024	3,626,956
Suburban Madison West & South	A	8.0%	381,132	4,758,920
	B	11.7%	437,615	3,732,589
	C	10.1%	109,907	1,092,637
	Overall	9.7%	928,654	9,584,146
Grand Total		12.3%	2,179,006	17,761,206



CLIENT SHOUT OUTS

- **Exact Science's** new Rochester, MN facility will allow closer collaboration with the Mayo Clinic as Exact continues to champion early cancer detection.
- **CUNA Mutual Group** consolidated some of its warehouse space while upgrading its facilities for internal operations.
- **CapTel (Captioned Telephone)** extended its customer support centers in Tampa, FL; further supporting communication for the hearing impaired.

SOURCES

Office data provided by REDI, www.redicatylist.com/carw
 * Bureau of Labor Statistics
 ^ JLL, CBRE, Cushman & Wakefield



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