

VIEW FROM ABOVE

As workers return to the office, vacancy held steady.

Uncertainty remains as organizations continue to explore hybrid solutions and ways to shed operational cost.

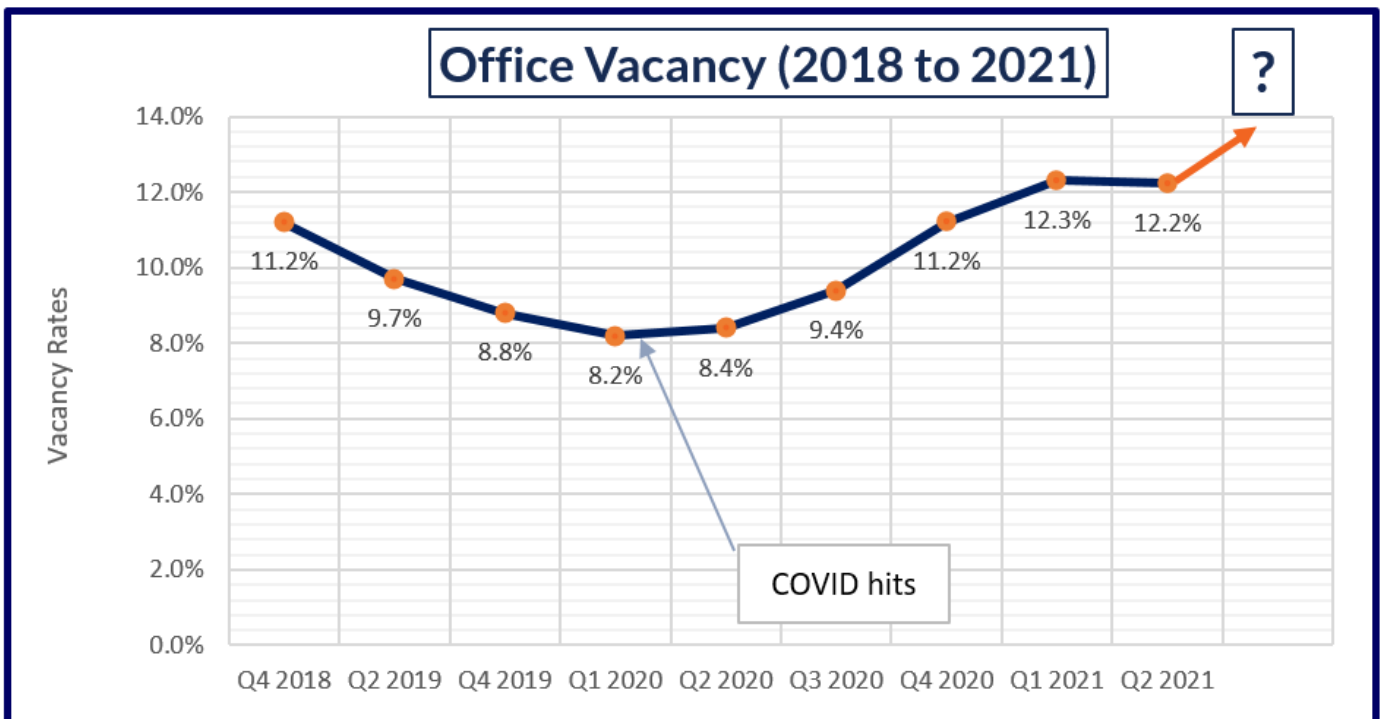
	THIS QUARTER	NEXT QUARTER
Vacancy	—	▲
Rents	▼	▼
New Construction	▲	▲
Net Absorption	—	▲

SCANNING THE HORIZON

- **Vacancy 12.2%**. remained steady for the first time in 5 quarters.
- **3.1% Unemployment**. Down 0.4% since Q1 and trending closer to pre-pandemic levels.*
- **15 Subleases are available**. Averaging approximately 15,000 SF; 5 spaces over 20,000 SF.
- **Leasing activity remains anemic**, larger space occupiers continue to look at ways to cut cost.

TIPS FROM THE CAST

- **The ability to manage remote teams** will be critical to employee connectivity.
- **Reconfiguring workspaces** will be needed as hybrid workforces need less dedicated space.
- **Less overall space will be needed** as the hybrid workers demand 'work from home' options.



MARKET RECAP

- Inventory 17.7 MM SF
- Absorption (170,067 SF)
- Vacancy 12.2%
- Under Construction 188,572 SF

WHAT THIS MEANS FOR YOU...

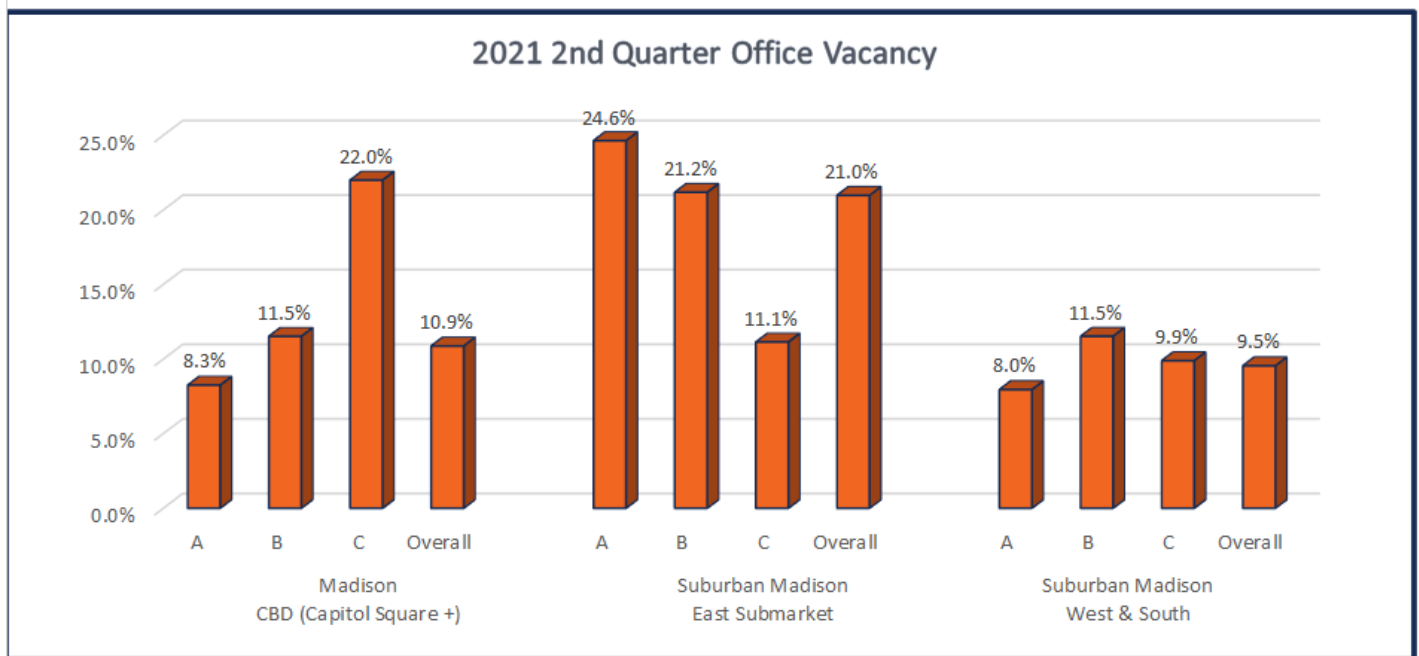
Hybrid workforces will change the need for how much space is truly needed by your organization.

Managing growth, culture and team connectivity will be critical to the success of your hybrid model.



MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	8.3%	184,716	2,238,517
	B	11.5%	213,800	1,856,157
	C	22.0%	92,408	420,167
	Overall	10.9%	490,924	4,514,841
Suburban Madison East Submarket	A	24.6%	285,163	1,157,250
	B	21.2%	415,957	1,964,133
	C	11.1%	52,699	472,955
	Overall	21.0%	753,819	3,594,338
Suburban Madison West & South	A	8.0%	378,537	4,758,920
	B	11.5%	421,453	3,657,421
	C	9.9%	108,046	1,092,637
	Overall	9.5%	908,036	9,508,978
Grand Total		12.2%	2,152,779	17,618,157



REAL ESTATE TERMS

- **Vacancy** - Vacant space as a percentage of the overall market. (Greater than 12% indicates Tenants can demand better terms).
- **Sublease** - Original tenant leases ("subleases") their space to another tenant; ultimately saving money.
- **Demising** - The wall dividing current space from a neighbor's space. Many tenants are looking to reduce space upon renewal; i.e. move demising wall.

SOURCES

Office data provided by REDI, www.redicatylist.com/carw
 * Bureau of Labor Statistics



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