

VIEW FROM ABOVE

Small space transactions are propping up the market.

As large block availabilities continue to rise, smaller-SF transactions are carrying the lion's share of the market's leasing activity.

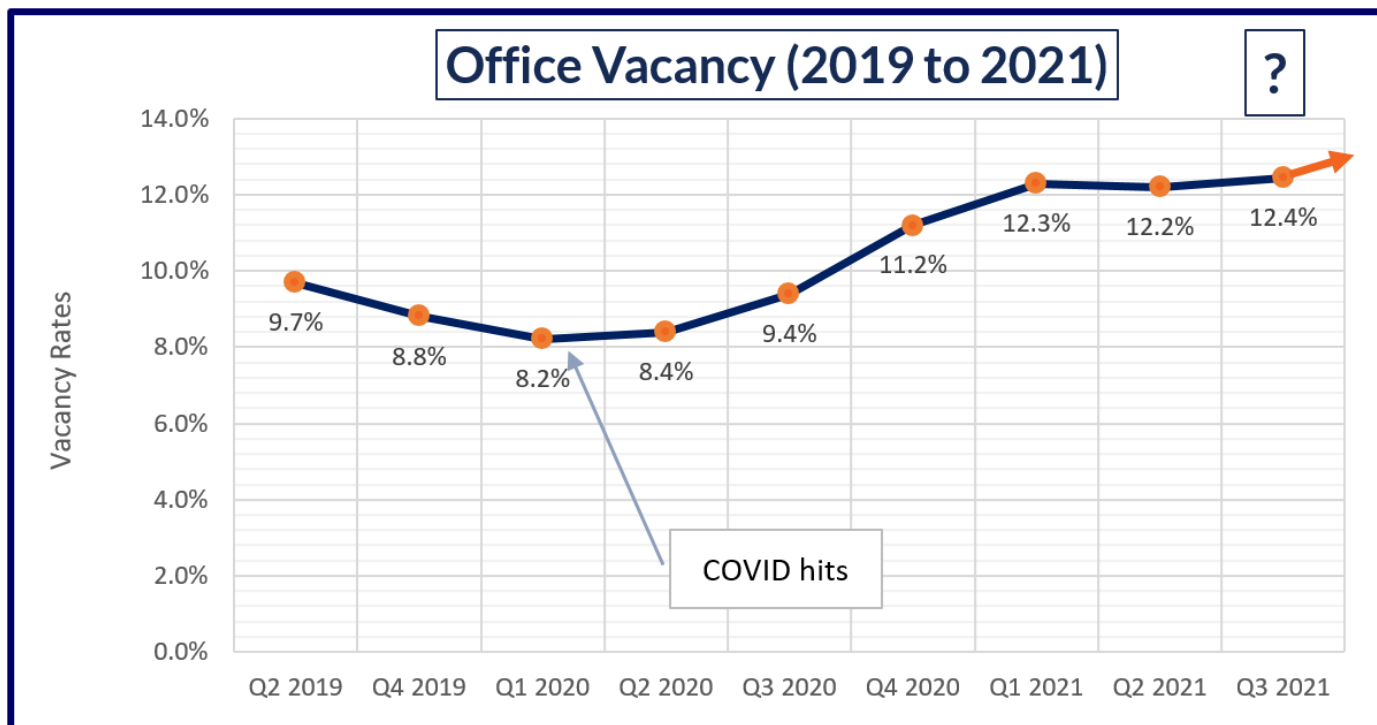
	THIS QUARTER	NEXT QUARTER
Vacancy	—	▲
Rents	—	▼
New Construction	—	—
Net Absorption	—	—

SCANNING THE HORIZON

- **Vacancy 12.4%.** Remained steady for the past 2 quarters.
- **3.1% Unemployment.** Equal to Q2 results and trending closer to pre-pandemic levels.*
- **22 Subleases are available.** Averaging approximately 12,500 SF; 7 spaces added since Q2.
- The market has **58 different spaces** available over 15,000 SF....Average size is 38,200 SF!!!

TIPS FROM THE CAST

- **COST:** With office weakness, landlords need to be creative to attract and retain tenants as they explore savings.
- **TERM FLEXIBILITY:** Tenants continue to explore flexible options as they learn employee work preferences.
- **DESIGN:** Tenants continue to explore reconfiguration of space as employers define work from home policies.
- **SUPPLY CHAIN:** Be aware! International supply chain issues affect furniture delivery and construction timelines.



MARKET RECAP

- Inventory 17.8 MM SF
- Absorption (188,954 SF)
- Vacancy 12.4%
- Under Construction 304,500 SF

WHAT THIS MEANS FOR YOU...

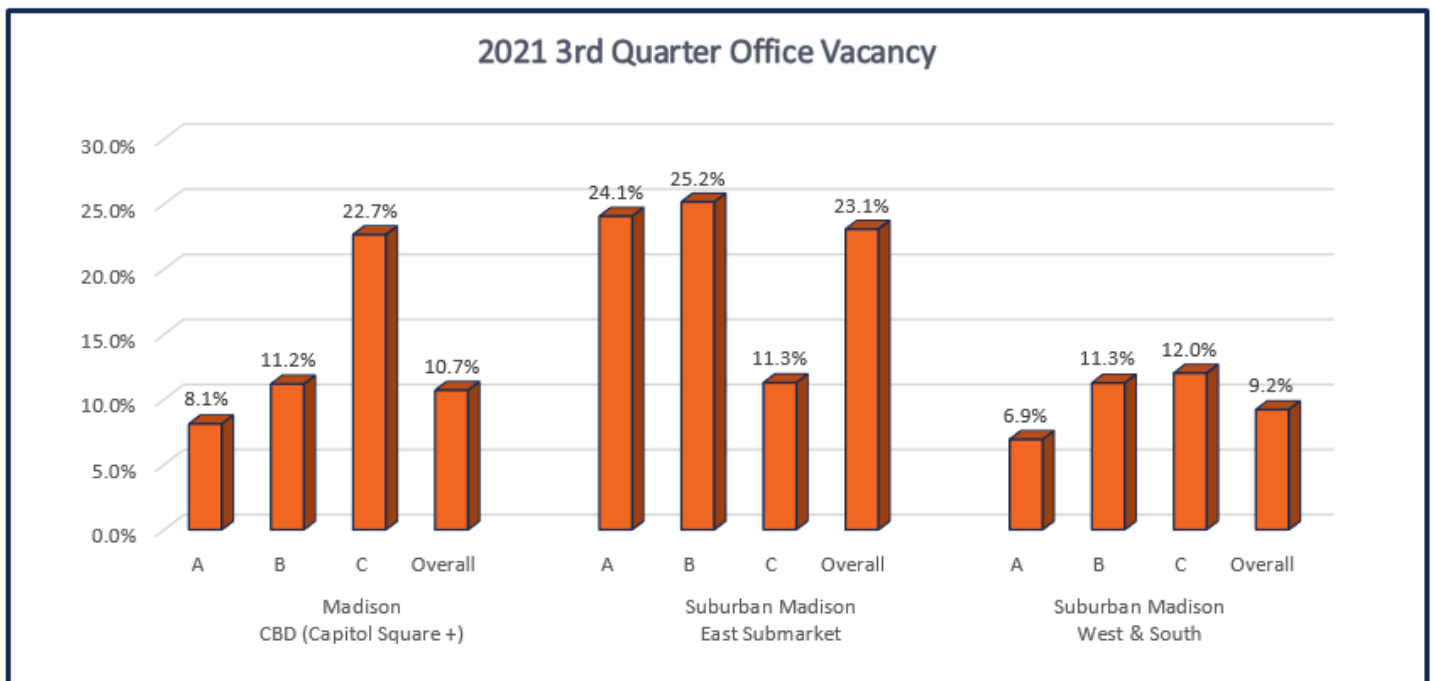
74% of workers say that having a remote work opportunity would make them less likely to leave a company.^

Before you think about changing your real estate, **determine your remote work mix.**



MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	8.1%	181,806	2,238,517
	B	11.2%	207,616	1,856,157
	C	22.7%	92,408	407,924
	Overall	10.7%	481,830	4,502,598
Suburban Madison East Submarket	A	24.1%	278,433	1,157,250
	B	25.2%	515,444	2,048,705
	C	11.3%	51,928	460,355
	Overall	23.1%	845,805	3,666,310
Suburban Madison West & South	A	6.9%	329,786	4,758,920
	B	11.3%	425,108	3,775,102
	C	12.0%	134,036	1,114,820
	Overall	9.2%	888,930	9,648,842
Grand Total		12.4%	2,216,565	17,817,750



CLIENT SHOUT OUTS

- **Exact Sciences** continues to grow, by leasing over 10,000 SF on the West side for its automation team.
- **ActionCOACH Wisconsin** (our business coach) established its first Milwaukee office in order to help area companies realize their dreams.
- **PPD** continued its growth in Middleton, leasing over 60,000 SF off Airport Road.

SOURCES

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



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