

VIEW FROM ABOVE

Large block leasing activity remains in hibernation for the winter, Punxsutawney Phil saw his shadow.

Small space availability continues to diminish as companies look to downsize, due to underutilized space ... hybrid work continues.

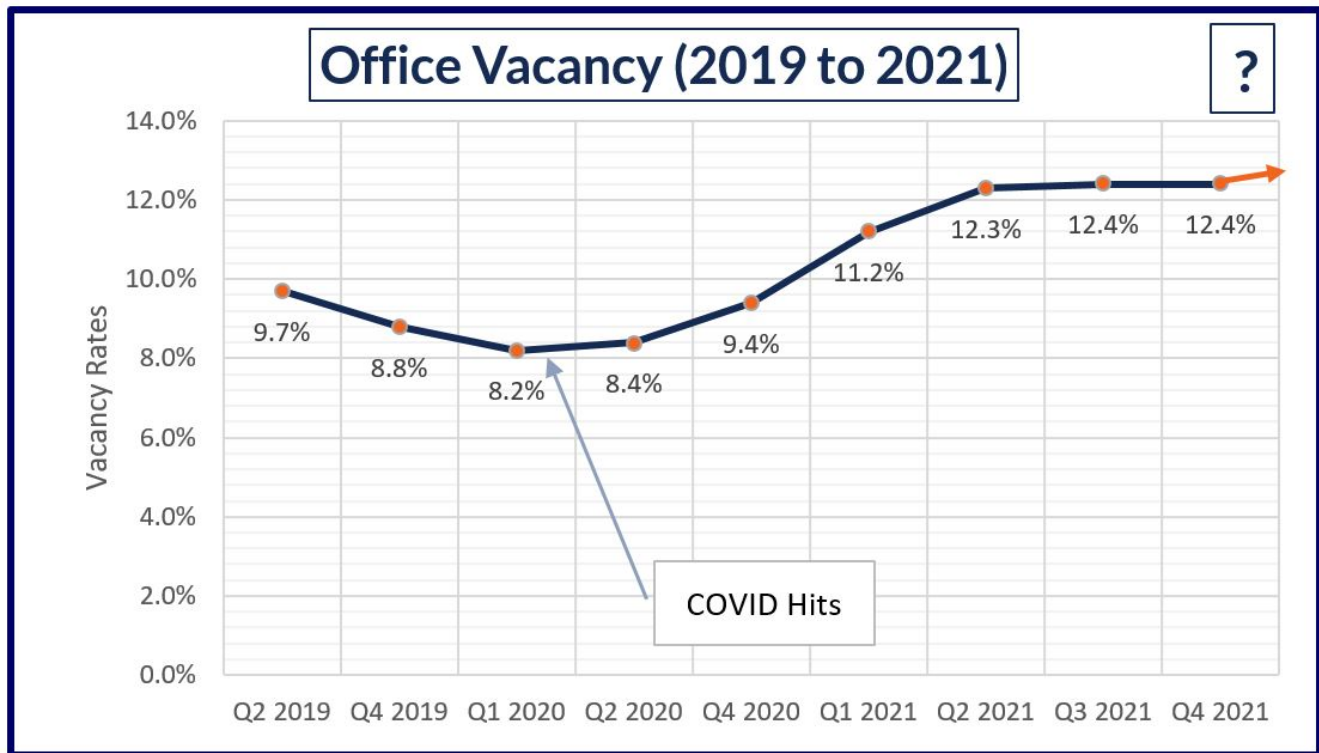
	THIS QUARTER	NEXT QUARTER
Vacancy	—	▲
Rents	—	▼
New Construction	—	—
Net Absorption	—	—

SCANNING THE HORIZON

- **Vacancy 12.4%.** Remained consistent for the 3rd quarter in a row.
- **1.8% Unemployment.** Down significantly since Q3 reporting.*
- **16 Subleases available.** Averaging 13,355 SF.
- The market has **65 buildings** with over 15,000 SF available**Average size is 36,100 SF!!!**

TIPS FROM THE CAST

- **JOBS:** 125 million full time jobs exist in America and 50% or 60 Million US employees believe their job can be done remotely.^ Your plan will effect your real estate need.
- **REASONS for FLEXIBILITY:** Employees view these 3 top reasons to work remotely.^
 - Eliminate commute
 - Improves wellbeing
 - Personal life balance and flexibly



MARKET RECAP

- Inventory 17.9 MM SF
- Absorption (178,216 SF)
- Vacancy 12.4%
- Under Construction 289,500 SF

WHAT THIS MEANS FOR YOU...

Gallup predicts overall, 37% of desks will be empty compared to pre-pandemic numbers. Engaging remote teams will be critical for culture. ^

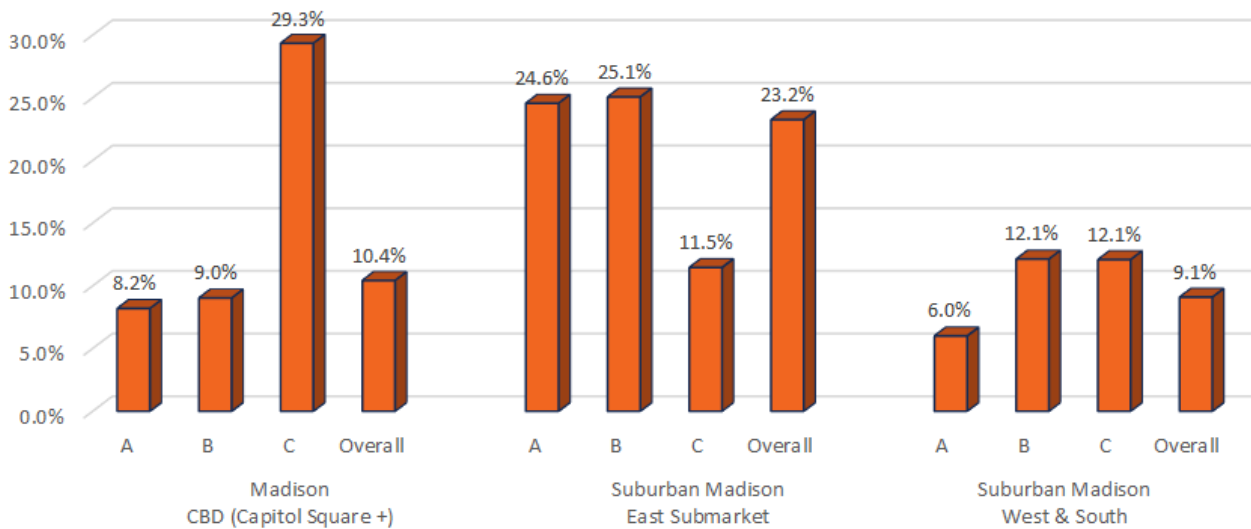
Before you think about changing your real estate, **determine your remote work mix.**



MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	8.2%	183,344	2,238,517
	B	9.0%	165,664	1,835,210
	C	29.3%	117,376	399,924
	Overall	10.4%	466,384	4,473,651
Suburban Madison East Submarket	A	24.6%	306,790	1,249,250
	B	25.1%	522,908	2,086,455
	C	11.5%	52,749	460,355
	Overall	23.2%	882,447	3,796,060
Suburban Madison West & South	A	6.0%	285,406	4,758,920
	B	12.1%	456,617	3,763,428
	C	12.1%	132,636	1,096,996
	Overall	9.1%	874,659	9,619,344
Grand Total		12.4%	2,223,490	17,889,055

2021 4th Quarter Office Vacancy



REAL ESTATE TERMS

- **Modified Gross** - A lease structure in which some operating expenses are paid by the landlord.
- **NNN** - A lease in which the tenant pays, in addition to rent, all tax & operating expenses.
- **Flex Space** - Space that can accommodate a variety of uses (typically a mix of office and industrial space) to fulfill various operational needs.

SOURCES

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



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