

# OFFICE OVERVIEW

Madison, WI Q4 2022

## VIEW FROM ABOVE

• **Significant rise in availability** does not bode well for office!!!

See vacancy vs. availability below

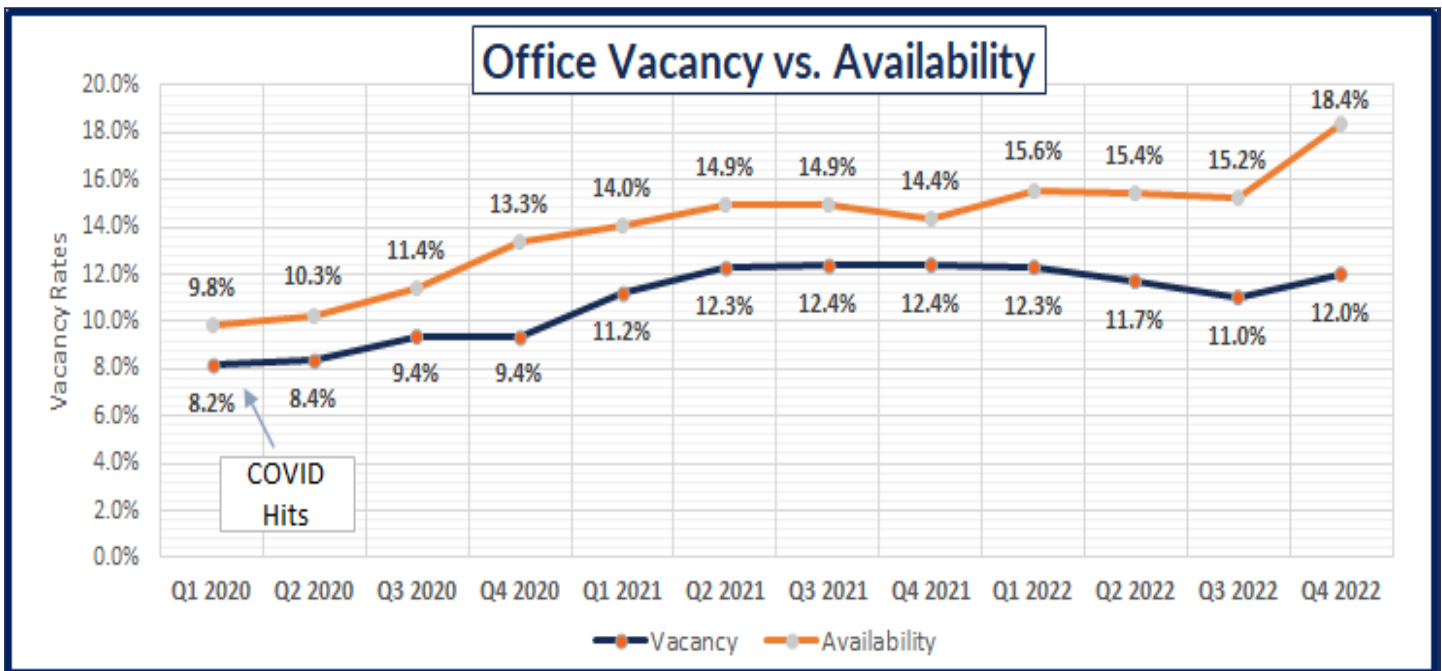
	THIS QUARTER	NEXT QUARTER
Vacancy	▲	▲
Rents	▼	▼
New Construction	▼	▼
Net Absorption	▼	▼

## SCANNING THE HORIZON

- **Vacancy 12%**. Anemic activity
- **2.0% Unemployment\***. National users downsizing, will Madison be next?
- **Limited demand for large tenants**
- **Do not expect new projects** any time soon

## TIPS FROM THE CAST

- **Looking for <5,000 SF?** Plan ahead, options limited
- **Looking for >10,000 SF?** Plenty of options
- **Construction costs remain high** and the capital cost is being pushed on tenants



## MARKET RECAP

- Inventory 18.2 MM SF
- Absorption 286,791 SF
- Vacancy 12%
- Under Construction 81,000 SF

## WHAT THIS MEANS FOR YOU...

- The new normal; **hybrid work is here to stay**
- **Think differently** about what your office means to your organization



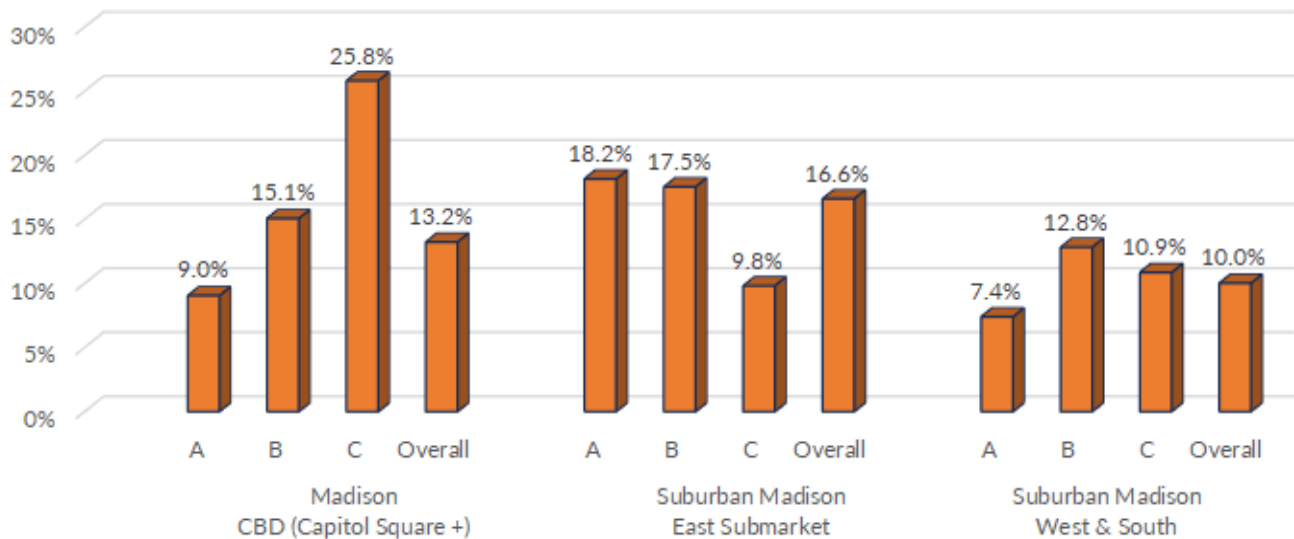
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## MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	9.0%	208,877	2,308,282
	B	15.1%	357,863	2,374,894
	C	25.8%	107,916	418,194
	Overall	13.2%	674,656	5,101,370
Suburban Madison East Submarket	A	18.2%	191,013	1,052,250
	B	17.5%	258,405	1,473,765
	C	9.8%	43,463	442,774
	Overall	16.6%	492,881	2,968,789
Suburban Madison West & South	A	7.4%	361,744	4,889,934
	B	12.8%	548,999	4,281,781
	C	10.9%	105,843	974,811
	Overall	10.0%	1,016,586	10,146,526
<b>Grand Total</b>		<b>12.0%</b>	<b>2,184,123</b>	<b>18,216,685</b>

### 2022 4th Quarter Office Vacancy



## REAL ESTATE TERMS

- **Extend and Blend:** renegotiate your lease by extending the term and lowering monthly cost
- **CAM:** Common Area Maintenance.  
Expense costs for common elements in a building
- **Contiguous space:** space located adjacent to existing space, same floor or adjacent floor

## SOURCES

Office data provided by REDI, [www.redicatylist.com/carw](http://www.redicatylist.com/carw)  
\* Bureau of Labor Statistics



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