

VIEW FROM ABOVE

2024 ended like it started with **increasing vacancy**.

Preliminary feedback indicates an **improved 2025** with **more completed transactions**.

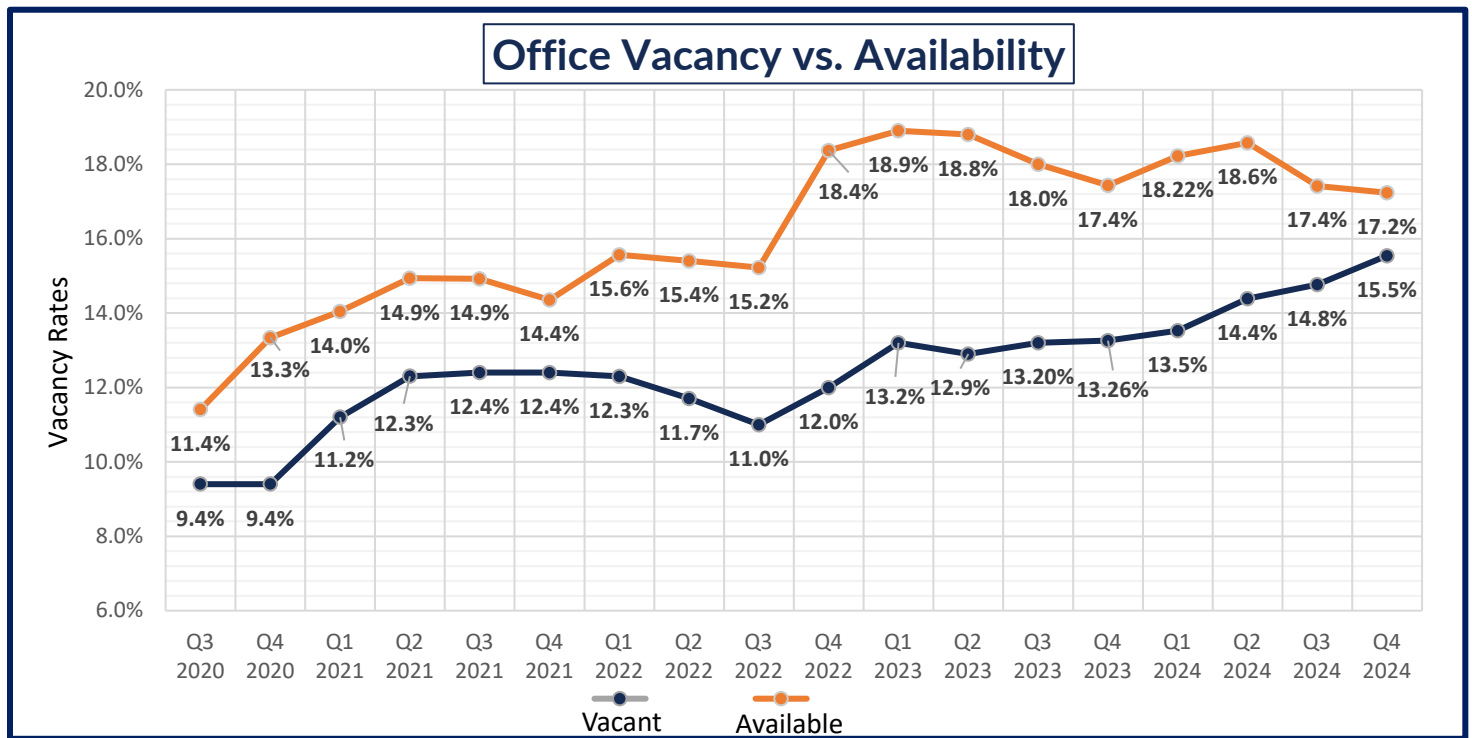
	THIS QUARTER	NEXT QUARTER
Vacancy	▲	▼
Rents	▬	▲
New Construction	▬	▬
Net Absorption	▼	▲

SCANNING THE HORIZON

- **Vacancy 15.5%, Availability 17.2%**
- **2.1% Unemployment*** - Lower than the long-term average of 3.02% in Dane County.
- **Only 21 new leases** with the average size of 2,500 SF. **20 new vacancies** with the average size of 5,000 SF.

TIPS FROM THE CAST

- Construction costs remain high. When considering new spaces look for good as-is condition.
- To stay in budget, don't be ridged in your program.



MARKET RECAP

- Inventory 17.6 MM SF
- YTD Absorption -237,000 SF
- Vacancy 15.5%
- Under Construction 0 SF

WHAT THIS MEANS FOR YOU...

Dane County's **workforce continues to grow**. Your company's **hybrid policy** and program will **determine your future office needs**.

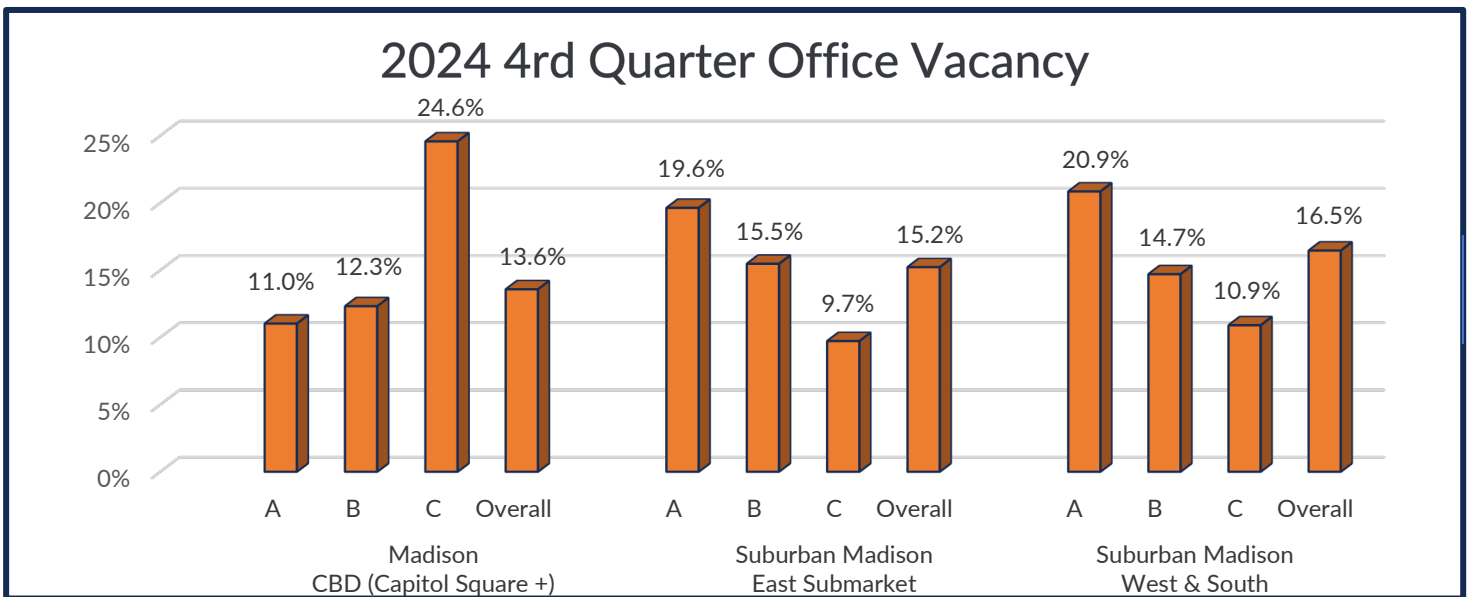
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MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Total Vacant (SF)	Total Square Feet
Madison CBD (Capitol Square +)	A	11.0%	224,103	2,031,765
	B	12.3%	195,980	1,590,391
	C	24.6%	160,636	653,631
	Overall	13.6%	580,719	4,275,787
Suburban Madison East Submarket	A	19.6%	155,707	793,088
	B	15.5%	253,554	1,637,913
	C	9.7%	69,078	709,977
	Overall	15.2%	478,339	3,140,978
Suburban Madison West & South	A	20.9%	833,649	3,997,770
	B	14.7%	661,941	4,501,485
	C	10.9%	189,930	1,741,229
	Overall	16.5%	1,685,520	10,240,484



Real Estate Terms

- **Hybrid Workforce** - New office market norm, a group of employees who work both remotely and in-person.
- **Shadow Vacancy** - when a space looks occupied on paper, even if it's not being utilized by the tenant.
- **Office Utilization Rate** - divide the number of employees in a space by the total capacity of that space.

SOURCES

Office data provided by REDi,
www.redicatylist.com/carw

^ Bureau of Labor Statistics

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