

OFFICE OVERVIEW

Madison, WI Q2 2025

BROADWING
advisors

VIEW FROM ABOVE

Return to work is making headway but **Artificial Intelligence** is expected to hurt office sector.

Future remains uncertain in the office market.

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

SCANNING THE HORIZON

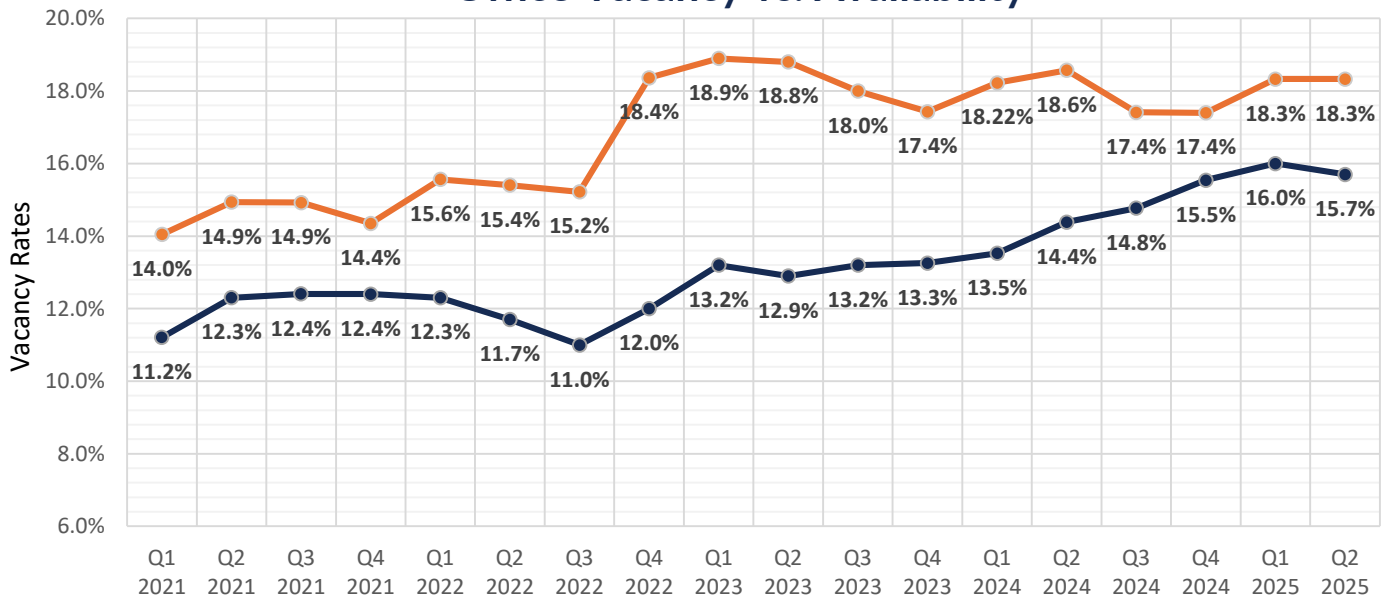
- **Companies' work mandates** are starting to work, 12 month increase from **3.1 to 3.9 days per week** in office*.
- Q2's small to mid-size transaction activity are a hopeful trend?
- **2.6% Dane County unemployment*** - remains low compared to 4.2% nationally.

TIPS FROM THE CAST

AI Impact

- **31% combined reduction** in office support, customer service, and sales jobs expected by 2029^.
- Leases w/ shorter terms and flexible spaces. Expect **continued downsizing** and /or stifled growth.
- It's going to **affect your footprint**, are you ready?

Office Vacancy vs. Availability



MARKET RECAP

- Inventory 17.5 MM SF
- YTD Absorption -67,681 SF
- Vacancy 15.7%
- Under Construction 0 SF

WHAT THIS MEANS FOR YOU...

Quality spaces under 10,000 **harder to find**.

Shorter terms, downsizing and demand for to better space continues

Phone: (608) 661-7450 · Website: www.broadwing-advisors.com

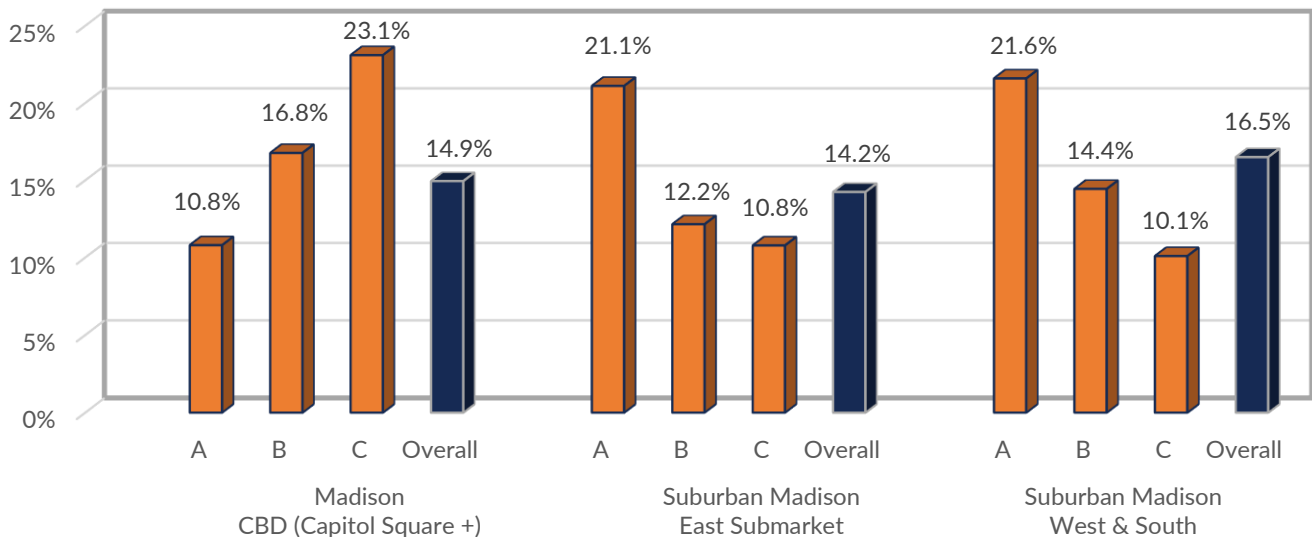
All rights reserved. 2025 Broadwing Advisors, LLC.
Not available for use without express written permission.



MARKET OVERVIEW BY PRODUCT TYPE

Submarket	Building Class	Vacancy Rate	Availability Rate	Total Vacant (SF)	Total Available (sf)	Total Square Feet
Madison CBD (Capitol Square +)	A	10.8%	12.5%	219,406	254,676	2,031,765
	B	16.8%	16.6%	245,602	242,791	1,464,739
	C	23.1%	24.4%	163,118	172,314	706,251
	Overall	14.9%	15.9%	628,126	669,781	4,202,755
Suburban Madison East Submarket	A	21.1%	24.8%	167,382	196,879	793,088
	B	12.2%	19.5%	202,792	325,756	1,668,472
	C	10.8%	15.1%	61,099	85,486	566,681
	Overall	14.2%	20.1%	431,273	608,121	3,028,241
Suburban Madison West & South	A	21.6%	25.1%	863,147	1,001,802	3,997,770
	B	14.4%	15.8%	650,044	711,990	4,501,485
	C	10.1%	12.0%	175,166	208,037	1,735,221
	Overall	16.5%	18.8%	1,688,357	1,921,829	10,234,476
Grand Total		15.7%	18.3%	2,747,756	3,199,731	17,465,472

2025 2nd Quarter Office Vacancy



Real Estate Terms

- **Incubator Space** - smaller, flexible office spaces for startups and early-stage companies, often with shared amenities.
- **Coworking Space** - smaller, flexible office spaces for individuals and companies on a membership basis, with flexible terms and shared amenities.
- **Executive Suites** - premium, often furnished, set of offices designed for senior management or executives, with shared amenities.

SOURCES

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

*Bureau of Labor Statistics

*McKinsey Global Institute.

*JLL, Fortune 100 Companies

Phone: (608) 661-7450 · Website: www.broadwing-advisors.com

All rights reserved. 2025 Broadwing Advisors, LLC.
 Not available for use without express written permission.

