2026 Madison Market Update

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[Madison Market Update Trivia]

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2026 Madison Market Update

Gretchen Richards, CCIM
CBRE

Ben Filkowski, CCIM
Madison Commercial Real Estate

Craig Stanley
Broadwing Advisors

Aziah Backus
Colliers

INVESTMENT | OFFICE | RETAIL | INDUSTRIAL

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Wisconsin Chapter

Investment Market

Presented By:
Gretchen Richards, CCIM
CBRE

Investment Market

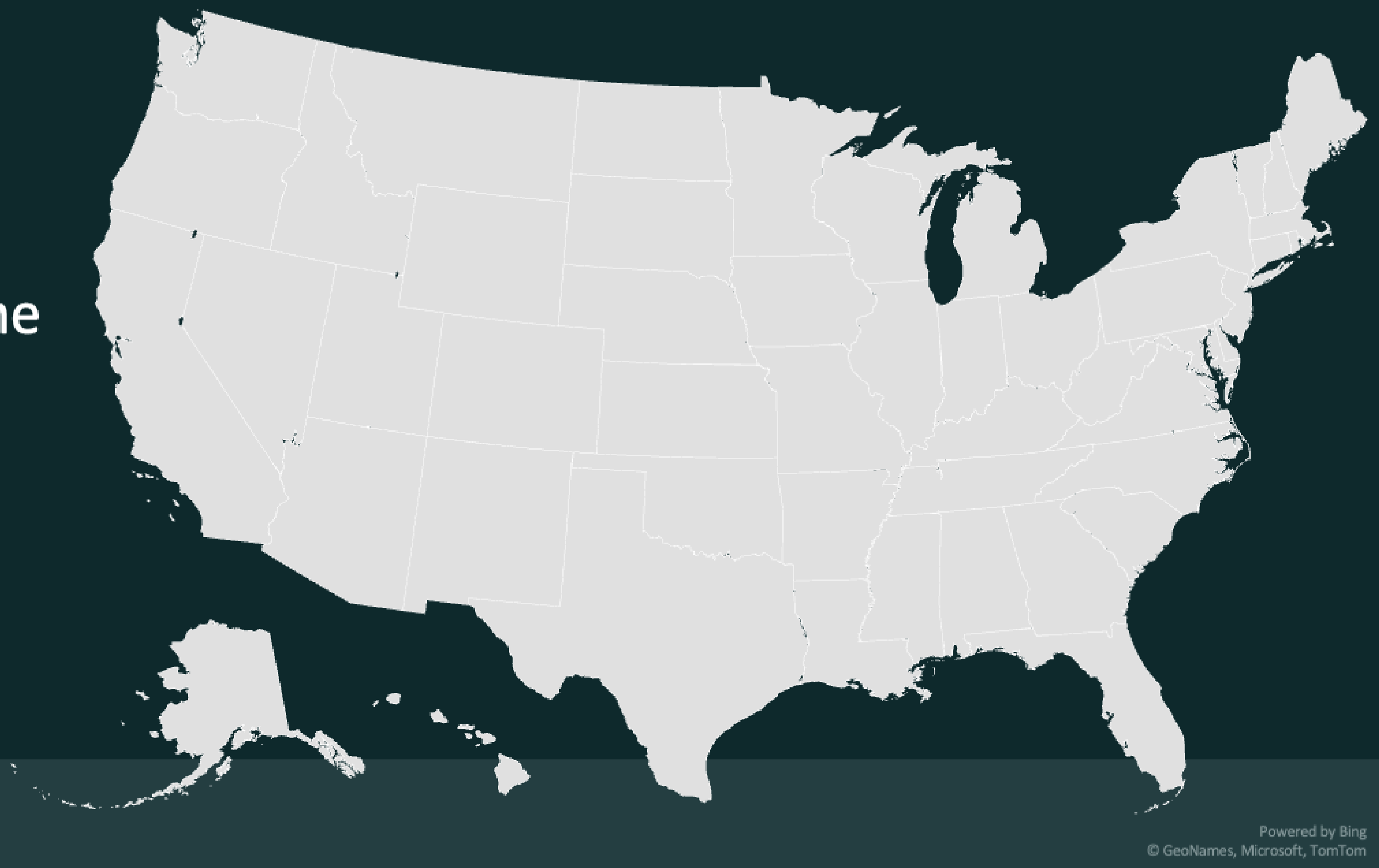
PRESENTED BY:
Gretchen Richards, CCIM

CBRE

National Trends Highlights

CAPITAL MARKETS

- Geopolitical dynamics
- Consumer confidence
- Interest rates
- Investment volume



Dane County

SNAPSHOT

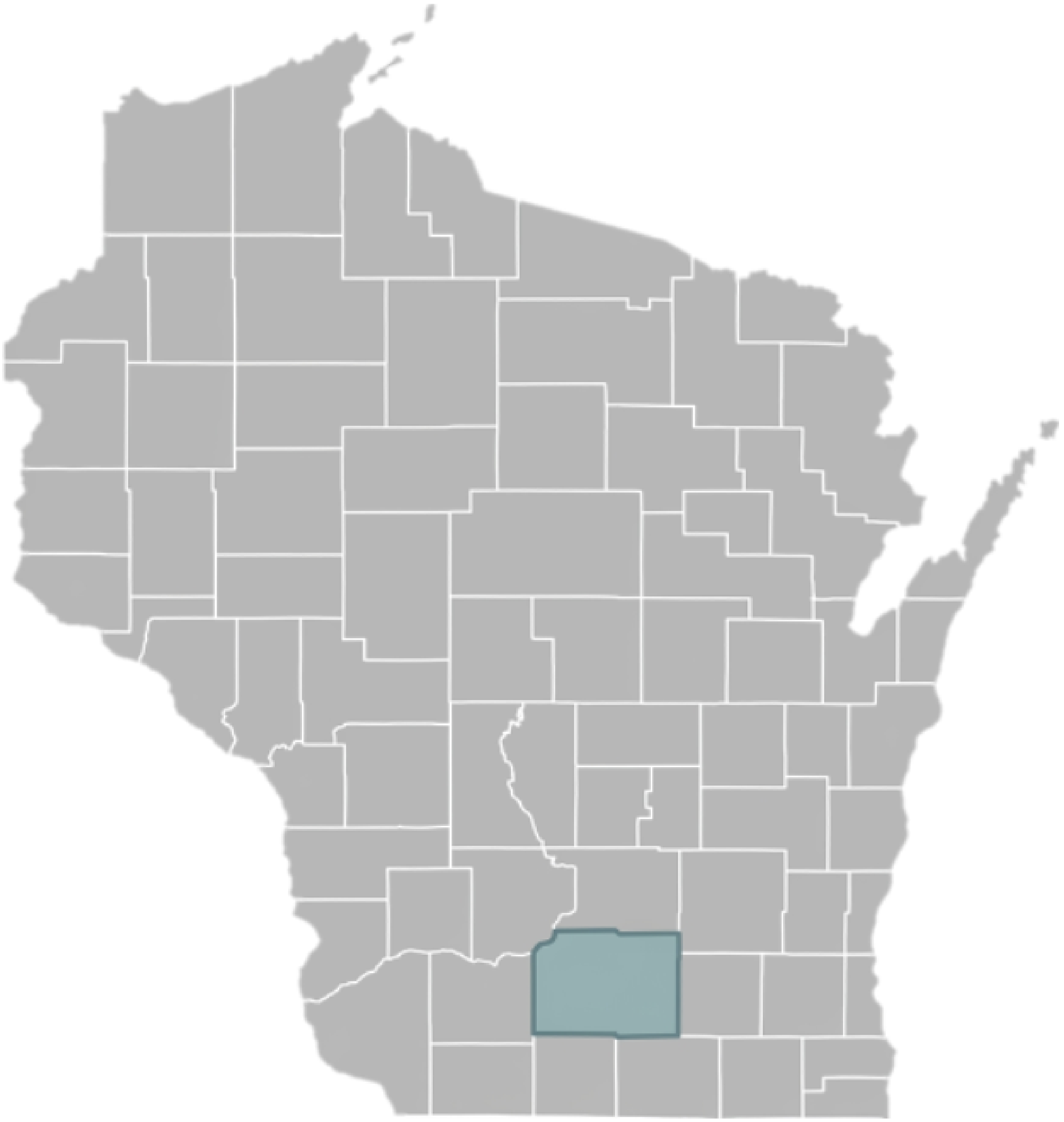
– Population growth

– Job growth

– Inventory

– Rent

– Vacancy

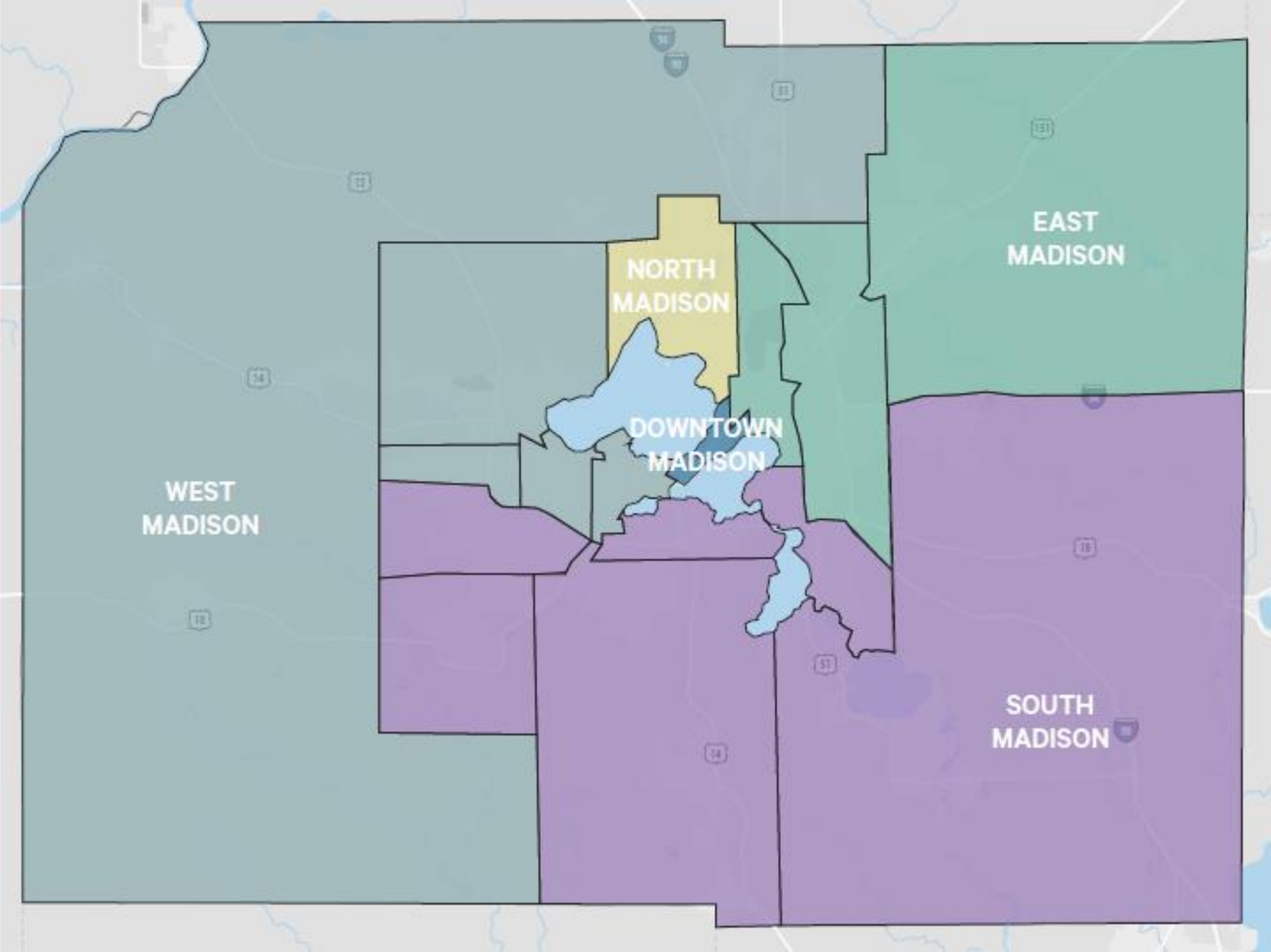


Drivers & Insights

- Structural housing
- undersupply
- Rent affordability advantage
- Job sector expansion

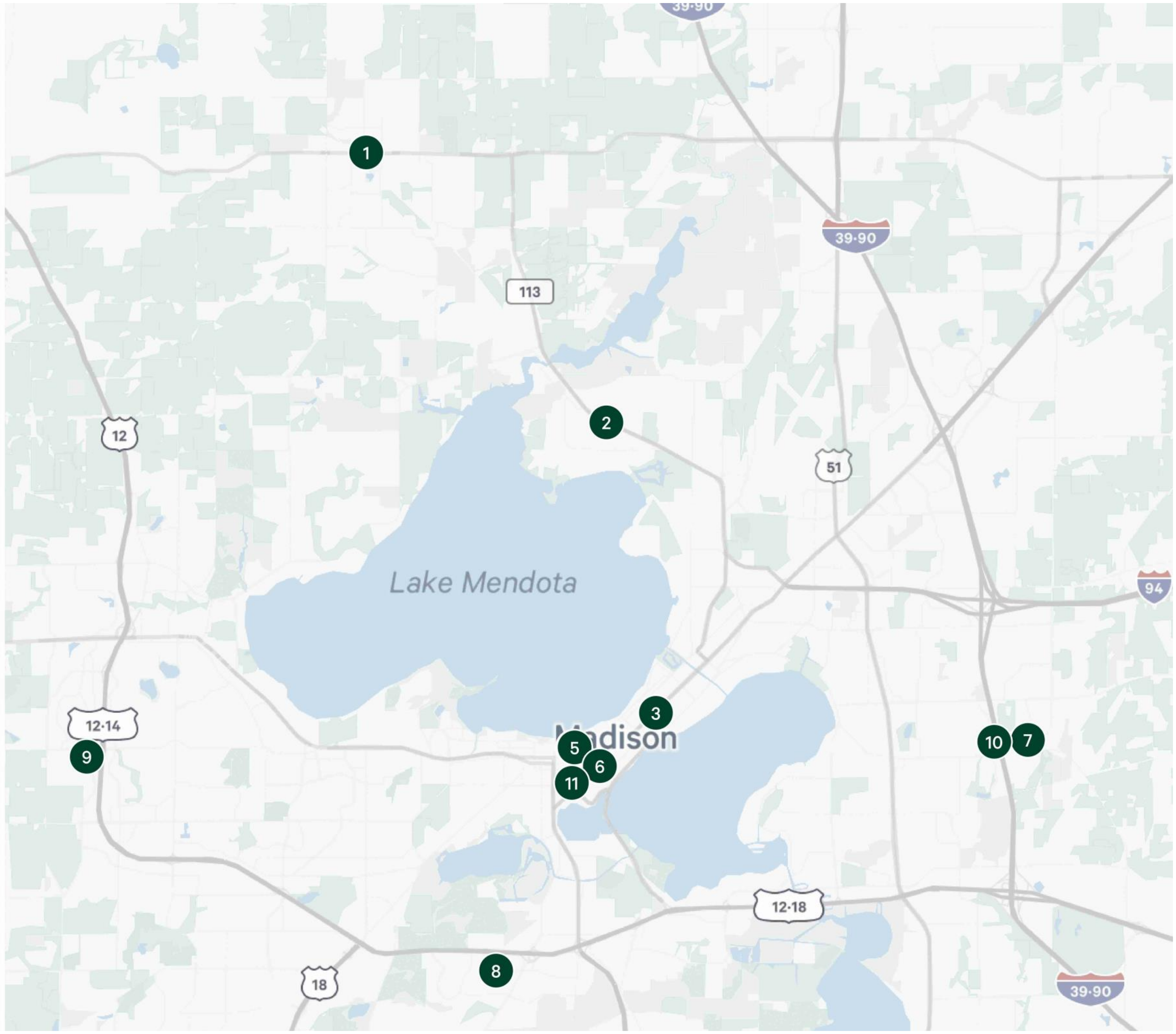
Development

Submarket	Units Under Construction
Downtown	513
East	210
South	1,094
North	50
West	1,286
Total	3,153



Notable Transactions

1. Madison And Main
   Waunakee, WI
2. Northridge Terrace
   Madison, WI
3. Bakers Place Apartments
   Madison, WI
4. The Towers on State Apartments
   Madison, WI
5. The Statesider
   Madison, WI
6. 18 South Bedford St.
   Madison, WI
7. Westminster Senior Apartments
   Madison, WI
8. Abbey Hills Apartments Portfolio
   Fitchburg, WI
9. City Center Junction Apartments
   Madison, WI
10. Richmond Hill Apartments
    Madison, WI
11. The Depot
    Madison, WI



Takeaways

- Concentrated softness
- Fundamentals remaining
- strong
- Yield matters

Gretchen Richards, CCIM

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CLIENTS REPRESENTED

- Arnel, Inc.
- Axoim Properties
- Boston Capital
- Continental Properties
- Dental Health Associates
- Dominium Apartments
- EJPlesko
- Fiduciary Real Estate Development
- Fowler Property Group Multifamily (FPA)
- Forward Development Group
- General Capital Group
- Gorman & Company
- Hallman Lindsay
- Hendricks Commercial Properties
- Herman & Kittle Development
- Johnson Financial Group
- Lokre Real Estate
- Monroe Investment Partners
- RDM Development
- SARA Investment Real Estate
- Terraco, Inc.
- Urban Land Interests

EXPERIENCE

Gretchen Richards is a First Vice President in the CBRE Madison office. Richards specializes in multifamily investment sales as a part of the Capital Markets Investments Property group. Since joining CBRE in 2016, Gretchen has participated in approximately $568 million in investment real estate transactions representing private equity and institutional clients.

Prior to joining CBRE Madison, Gretchen worked as a Commercial Real Estate Lender, a Leasing Director with a Real Estate Investment Trust (REIT) and sales professional with a Madison-based Berkshire Hathaway affiliate. Her clients value her attention to detail, creative solutions, and connections across a breadth and depth of industries.

Gretchen's experience within many aspects of multifamily investments – from operations to underwriting to sales – provide valuable context to fully understand assets and tell the story of each disposition.

SIGNIFICANT MULTIFAMILY TRANSACTIONS

- EJPlesko, 2302 High Ridge Trail, Fitchburg - 674 Units
- FPA Multifamily, 78 Kessel Court, Madison - 318 Units
- Gorman & Company, Various locations - 285 Units
- Boston Capital 1800 N 12 Street, Milwaukee - 143 Units
- Urban Land Interests, 806 Riverwalk Drive, Waukesha - 136 Units
- Continental Properties, N30W23861 Green Road, Pewaukee - 112 Units
- Dominium, 10901 W Donna Drive, Milwaukee - 96 Units

PROFESSIONAL AFFILIATIONS / ACCREDITATIONS

- Board of Directors, Commercial Association of REALTORS Wisconsin (CARW)
- Board of Directors, Neighborhood House Community Center
- Licensed Real Estate Broker
- Member, Commercial Brokers Group – Madison
- Member – Apartment Association of South Central Wisconsin (AASCW)
- "Rookie of the Year" award winner – Top producer based on first 3 years of brokerage experience (2017)
- CBRE Women's Network Field Delegate
- CARW NextGen Alumnus
- Leadership Greater Madison Alumnus

EDUCATION

- University of Wisconsin-Madison - Bachelor of Arts
- Certified Commercial Investment Member (CCIM)

Thank You

CAPITAL MARKETS

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CBRE

Industrial Market

Presented By:
Ben Filkouski, CCIM
Madison Commercial Real Estate

Presentation Overview

- National Industrial Trends
- Dane County Snapshot
- Drivers & Insights
- What We're Watching
- Key Takeaways

NATIONAL INDUSTRIAL MARKET OVERVIEW

Growth & opportunity hotspots for logistics, manufacturing, data centers & warehouse

PACIFIC NORTHWEST
Strong Logistics & Warehouse Demand

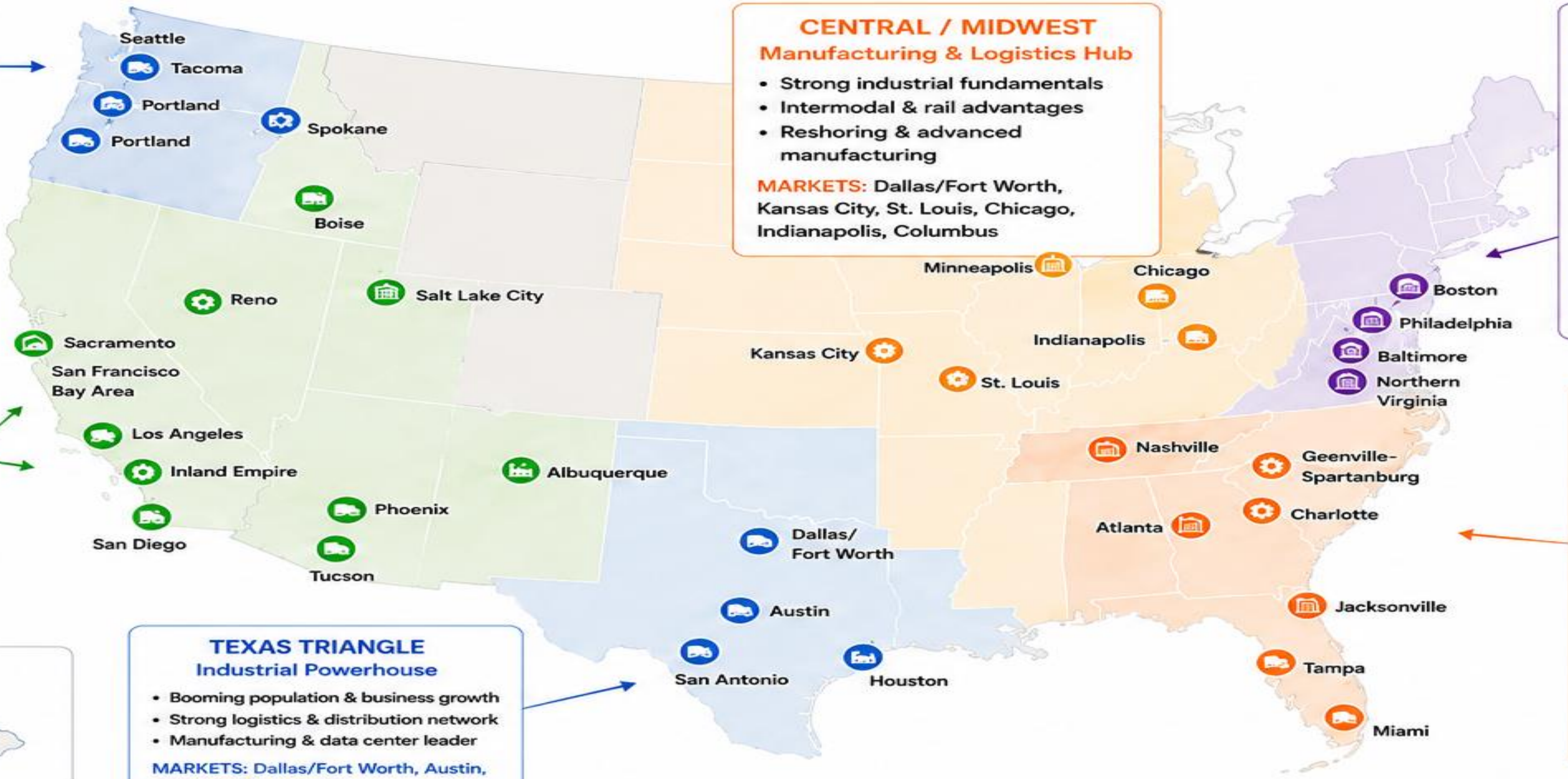
- E-commerce & retail distribution
- Population growth
- Port of Seattle & Vancouver trade

MARKETS: Seattle/Tacoma, Portland, Spokane, Boise

SOUTHWEST
Logistics, Manufacturing & Data Center Growth

- Strong population & job growth
- Pro-business climate
- Nearshoring to Mexico
- Data center expansion in Phoenix & Las Vegas

MARKETS: Phoenix, Las Vegas, Salt Lake City, Albuquerque, Tucson



CENTRAL / MIDWEST
Manufacturing & Logistics Hub

- Strong industrial fundamentals
- Intermodal & rail advantages
- Reshoring & advanced manufacturing

MARKETS: Dallas/Fort Worth, Kansas City, St. Louis, Chicago, Indianapolis, Columbus

NORTHEAST MEGA CORRIDOR
Logistics, Last-Mile & Data Center Expansion

- Dense population & high consumption
- E-commerce & last-mile demand
- Data center growth in Northern Virginia & PA

MARKETS: Boston, New York Metro, Philadelphia, Baltimore, Northern Virginia

SOUTHEAST
Top Growth Region Across All Sectors

- Population boom
- Corporate relocations
- Logistics & distribution expansion
- Large-scale manufacturing
- investments
- Data center surge

MARKETS: Atlanta, Charlotte, Nashville, Greenville-Spartanburg, Jacksonville, Tampa, Miami

TEXAS TRIANGLE
Industrial Powerhouse

- Booming population & business growth
- Strong logistics & distribution network
- Manufacturing & data center leader

MARKETS: Dallas/Fort Worth, Austin, San Antonio, Houston

GROWTH OUTLOOK (2026–2030)

- VERY HIGH GROWTH
- HIGH GROWTH
- MODERATE GROWTH
- STEADY GROWTH
- EMERGING GROWTH

INDUSTRIAL REAL ESTATE SECTORS

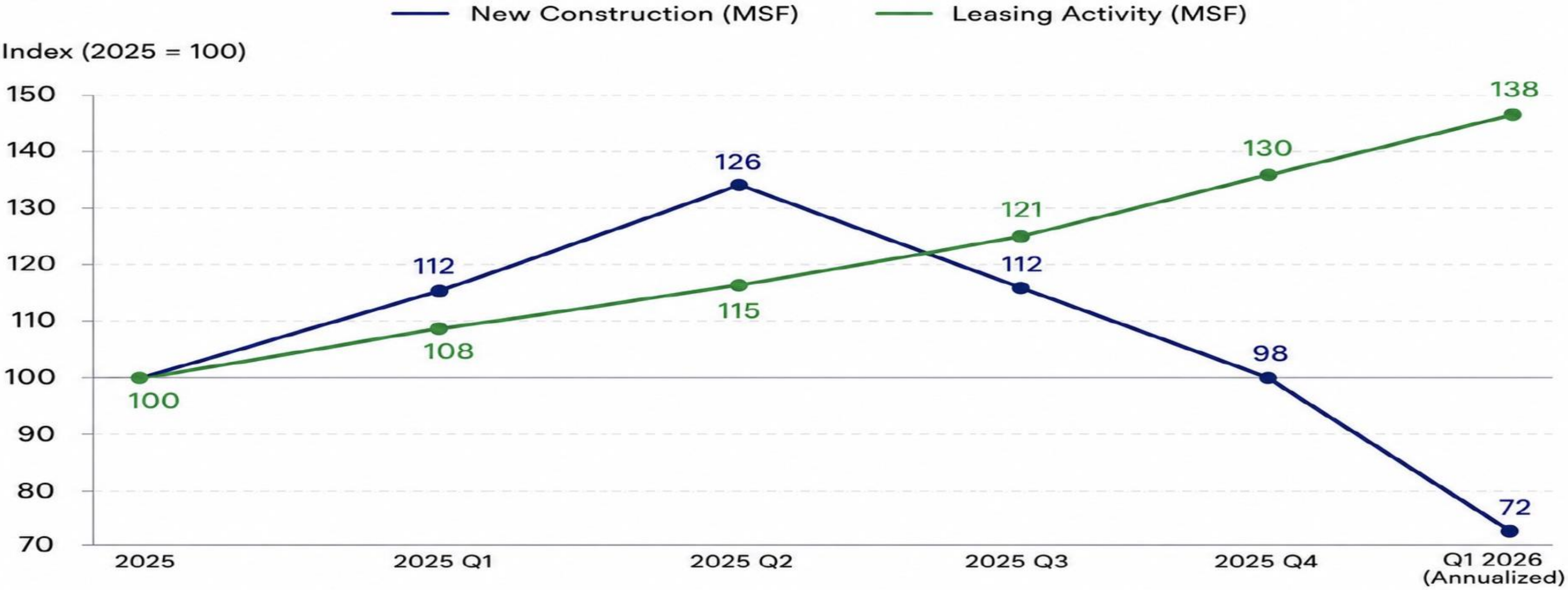
- LOGISTICS / DISTRIBUTION
- MANUFACTURING
- DATA CENTERS
- WAREHOUSE / FLEX

KEY TAKEAWAYS

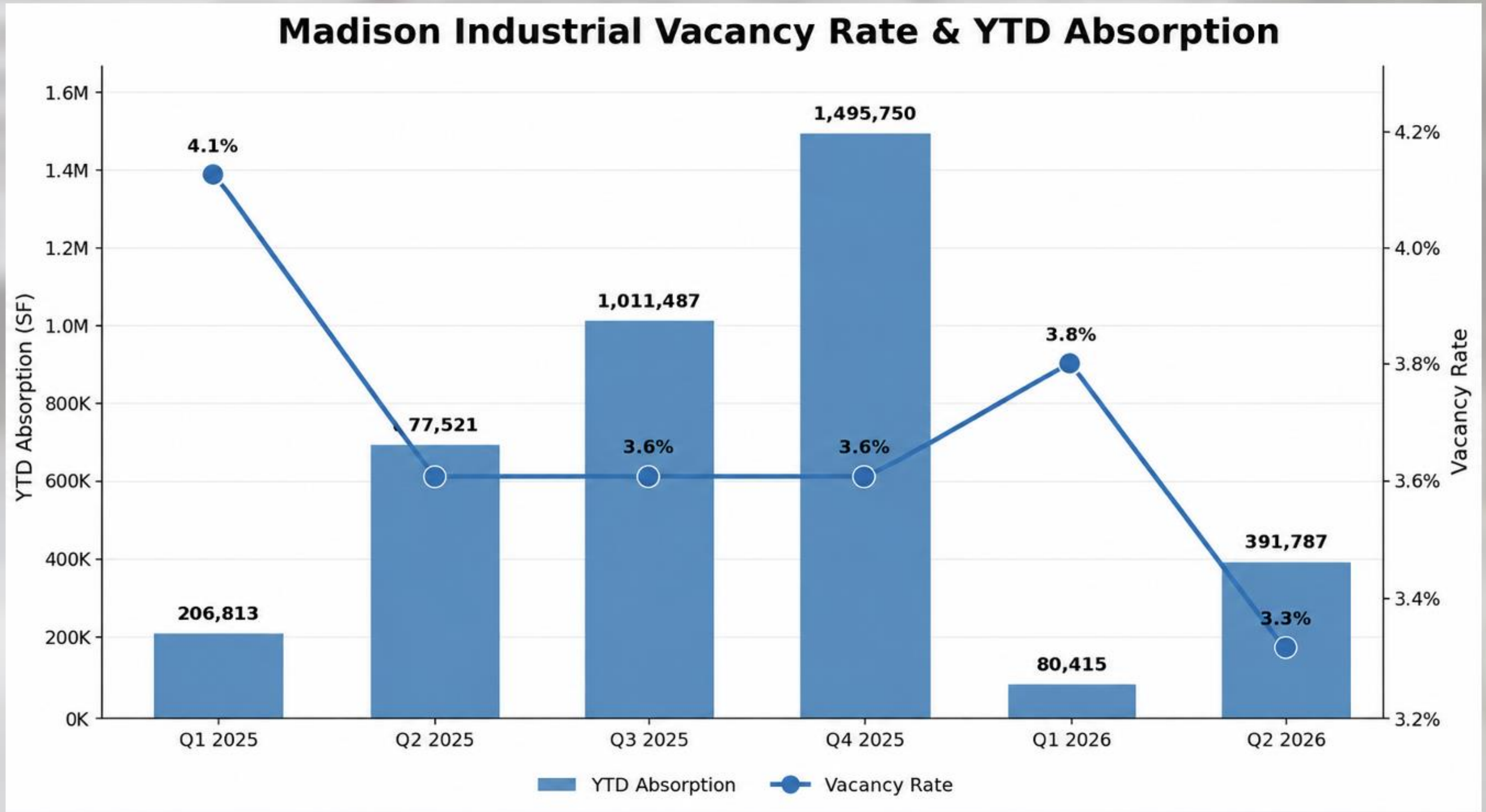
- Strong demand fundamentals across all major industrial sectors
- Southeast, Texas Triangle and Southwest lead national growth
- Manufacturing reshoring & supply chain diversification continue to drive expansion
- Data centers are accelerating in every major market

U.S. INDUSTRIAL TRENDS

New construction has declined since 2025 while leasing activity has increased through Q1 2026.



Dane County Snapshot

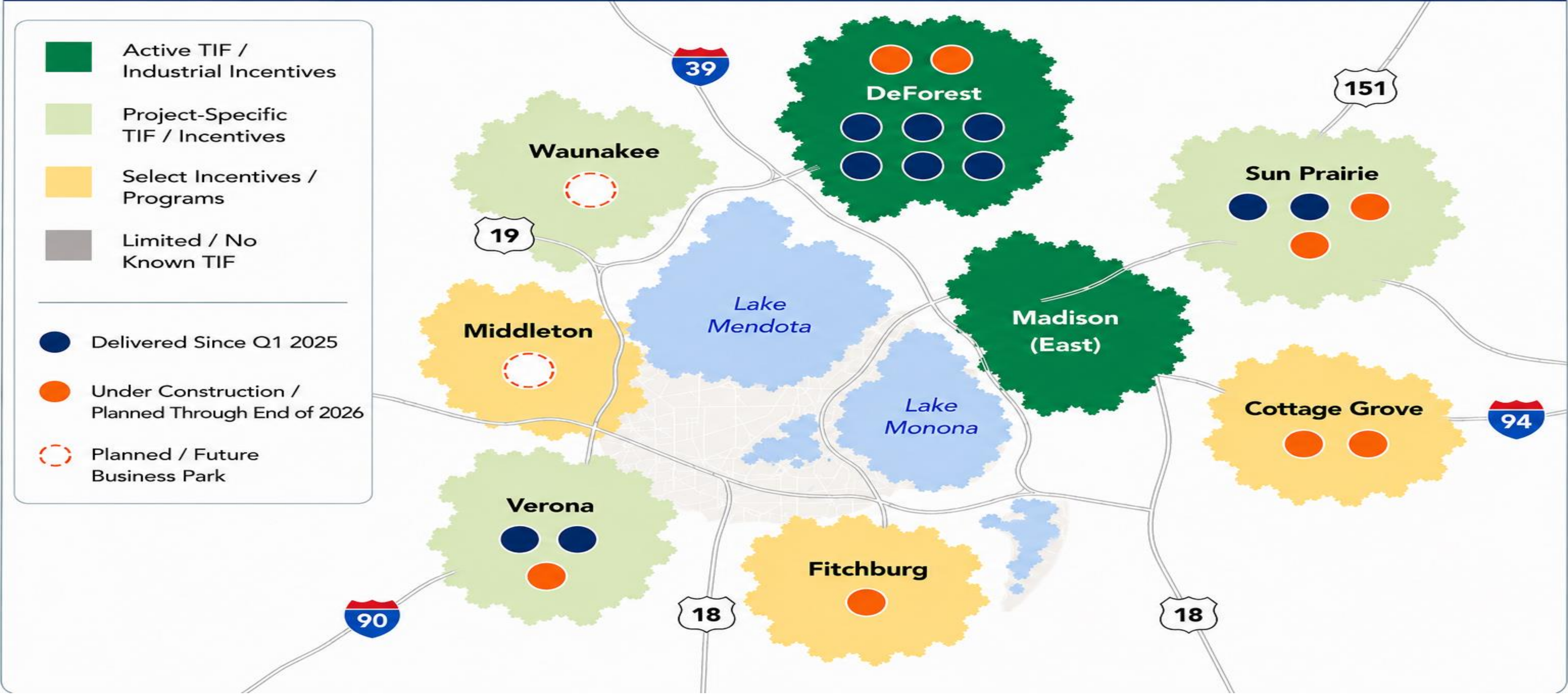


(NNN) Q1 2026

-$8.36/SF (Moody's)

- Vacancy remains below the long-term healthy equilibrium.
- Nearly 1.5 million SF was absorbed during 2025.

INDUSTRIAL DEVELOPMENT MAP



2026 Madison Market Update

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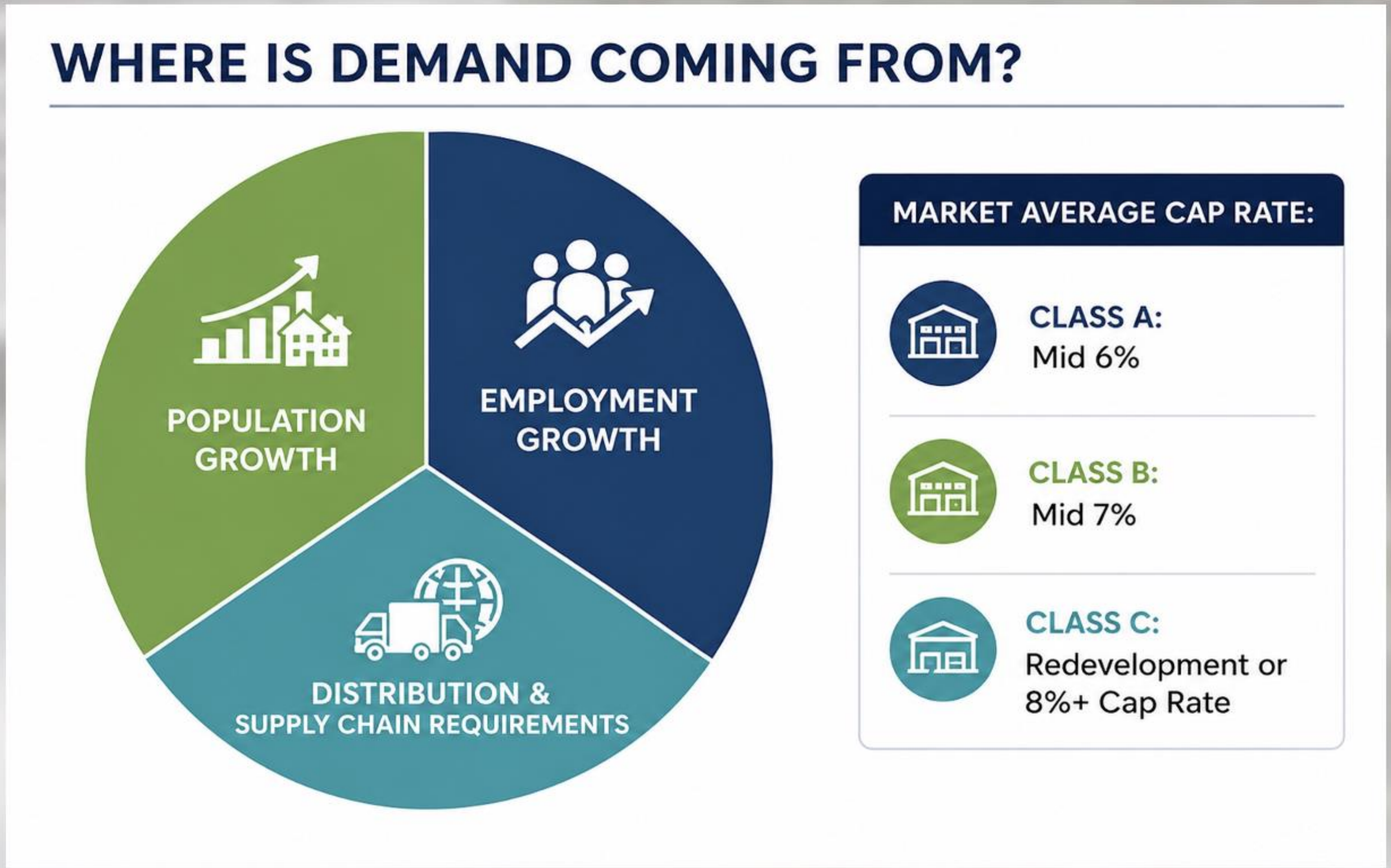
Drivers & Insights



What We're Watching

Risks & Wildcards

- Rising construction costs
- Limited spec development pipeline
- Power availability at future sites
- Interest Rates

Indicators to Track

- Electrical Capacity Availability
- Shovel-Ready Land Inventory
- Construction Lead Times
- Building Permit Activity

Key Takeaways

- Infrastructure Investment (Power & Utilities)
- Small Bay Industrial
- Northeast/East Madison Growth

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MADISON COMMERCIAL REAL ESTATE LLC

Office Market

Presented By:
Craig Stanley
Broadwing Advisors

MARKET DESCRIPTORS

MEH.

ANEMIC

FLOUNDERING

STAGNANT

SELECTIVE

CHOPPY

HOPEFUL

TEPID

UNPREDICTABLE

LACKLUSTER

FRAGMENTED

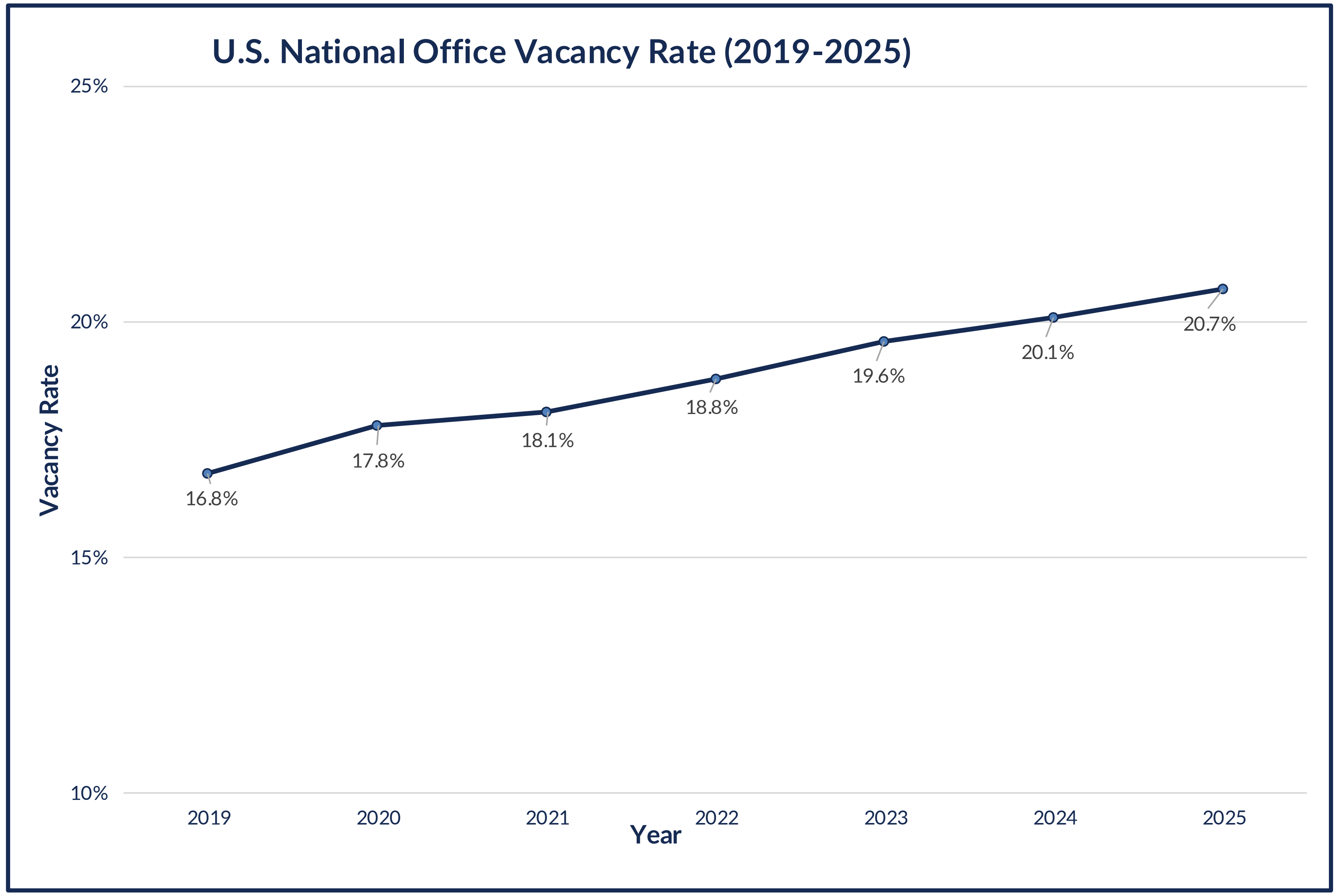
NATIONAL PERSPECTIVE

BROADWING advisors

- National vacancy at **19%,** nearly doubled from pandemic
- Construction down **86%** from pandemic peak, Q1 26 totals lowest in 14 years
- Vacancy decline stabilizing

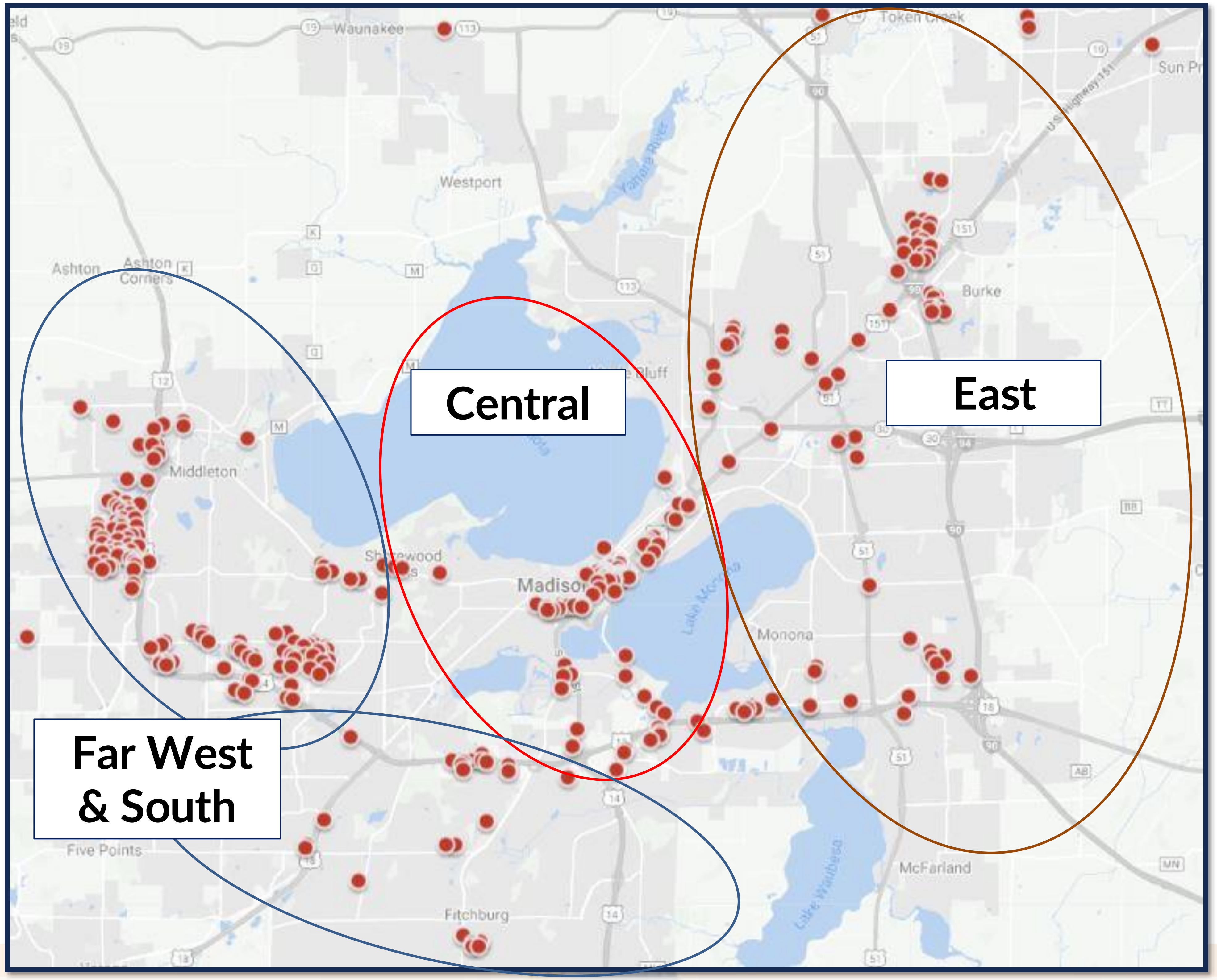
National Market Influences

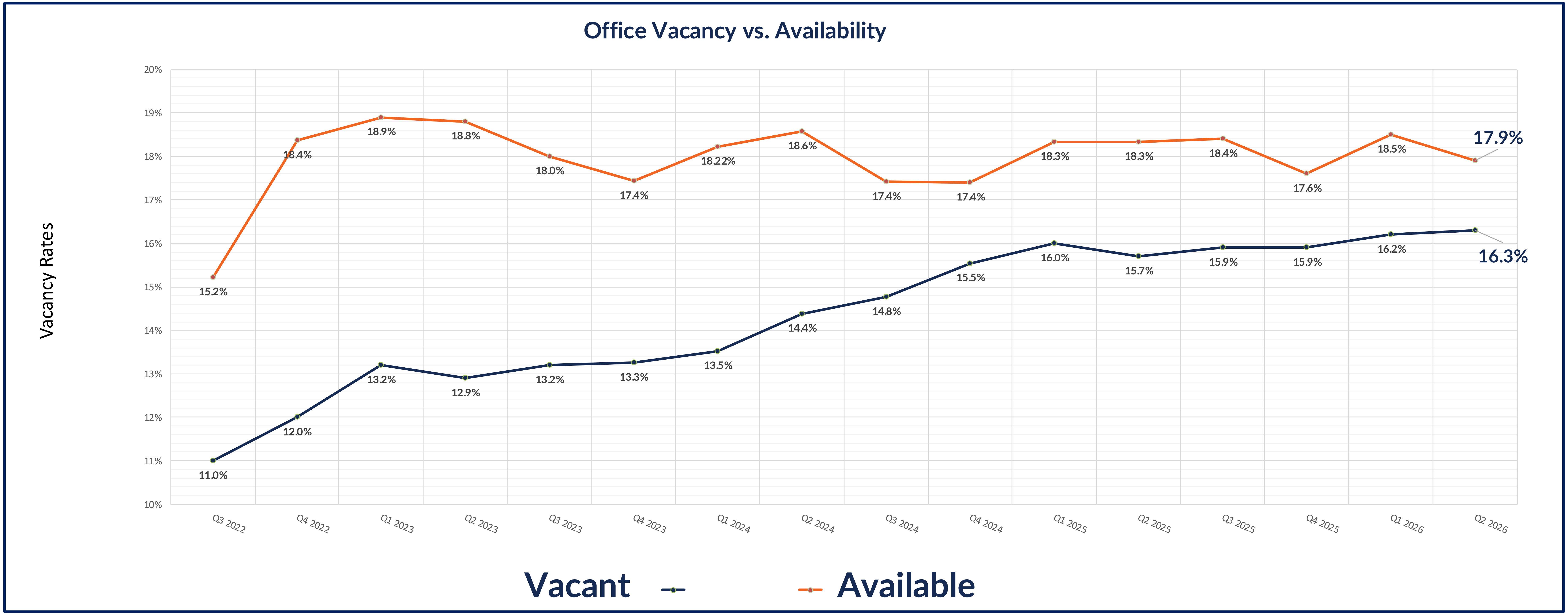
- **Flight to quality**– Class C sitting vacant with Class A demand
- Slight drop in vacancy could be positive sign



MADISON OFFICE MARKET

BROADWING advisors




Office Vacancy vs. Availability
Vacancy Rates
20%
19%
18%
17%
16%
15%
14%
13%
12%
11%
10%
15.2%
18.4%
18.9%
18.8%
18.0%
17.4%
18.22%
18.6%
17.4%
17.4%
18.3%
18.3%
18.4%
17.6%
18.5%
17.9%
11.0%
12.0%
13.2%
12.9%
13.2%
13.3%
13.5%
14.4%
14.8%
15.5%
16.0%
15.7%
15.9%
15.9%
16.2%
16.3%
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Q1 2024
Q2 2024
Q3 2024
Q4 2024
Q1 2025
Q2 2025
Q3 2025
Q4 2025
Q1 2026
Q2 2026
Vacant
Available

MADISON OFFICE MARKET

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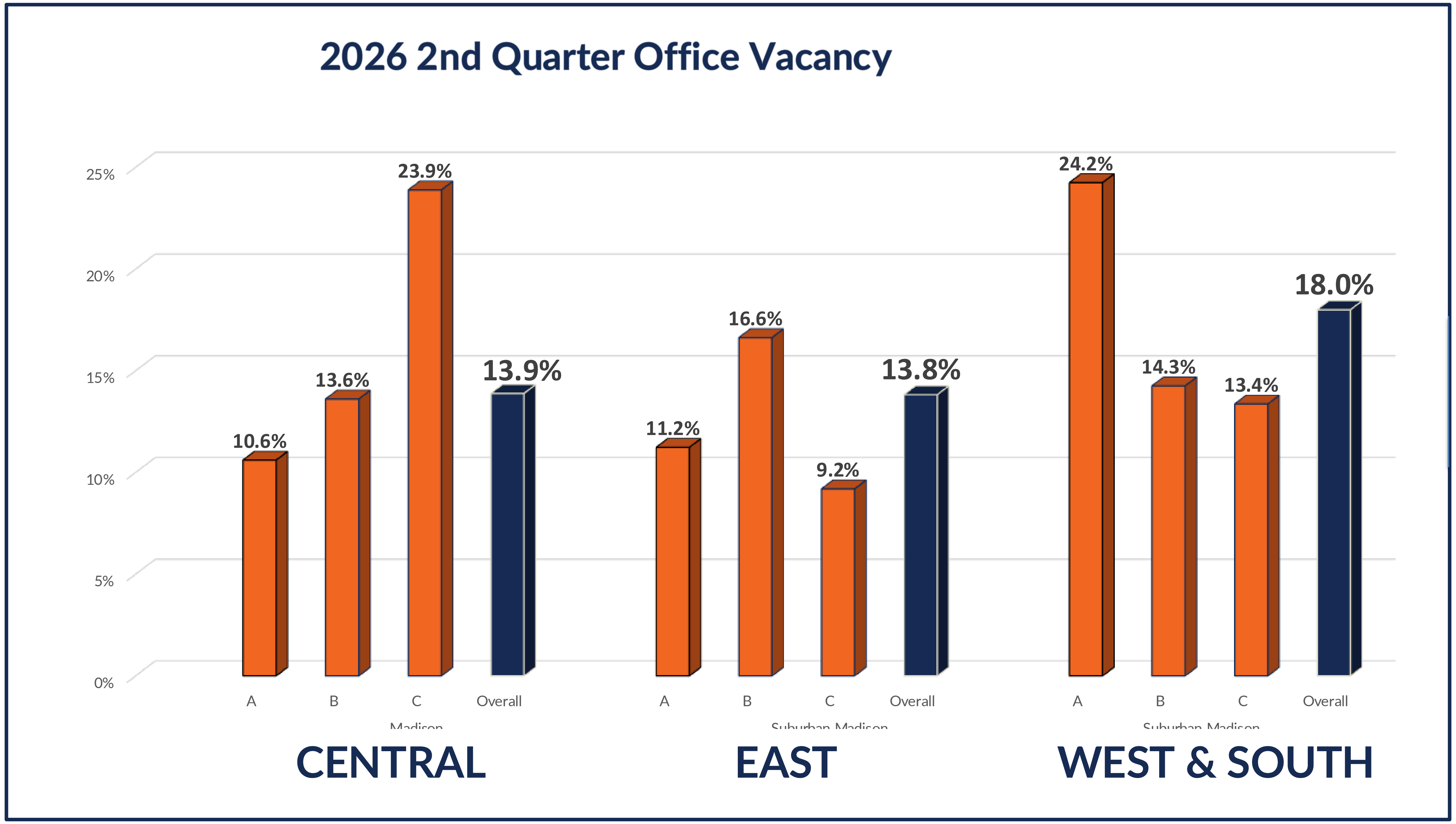

- **Downtown** – Flight to quality
- **Suburban**– Large corporate vacancy with additional shadow vacancy

MADISON LIFE SCIENCE SUBMARKET

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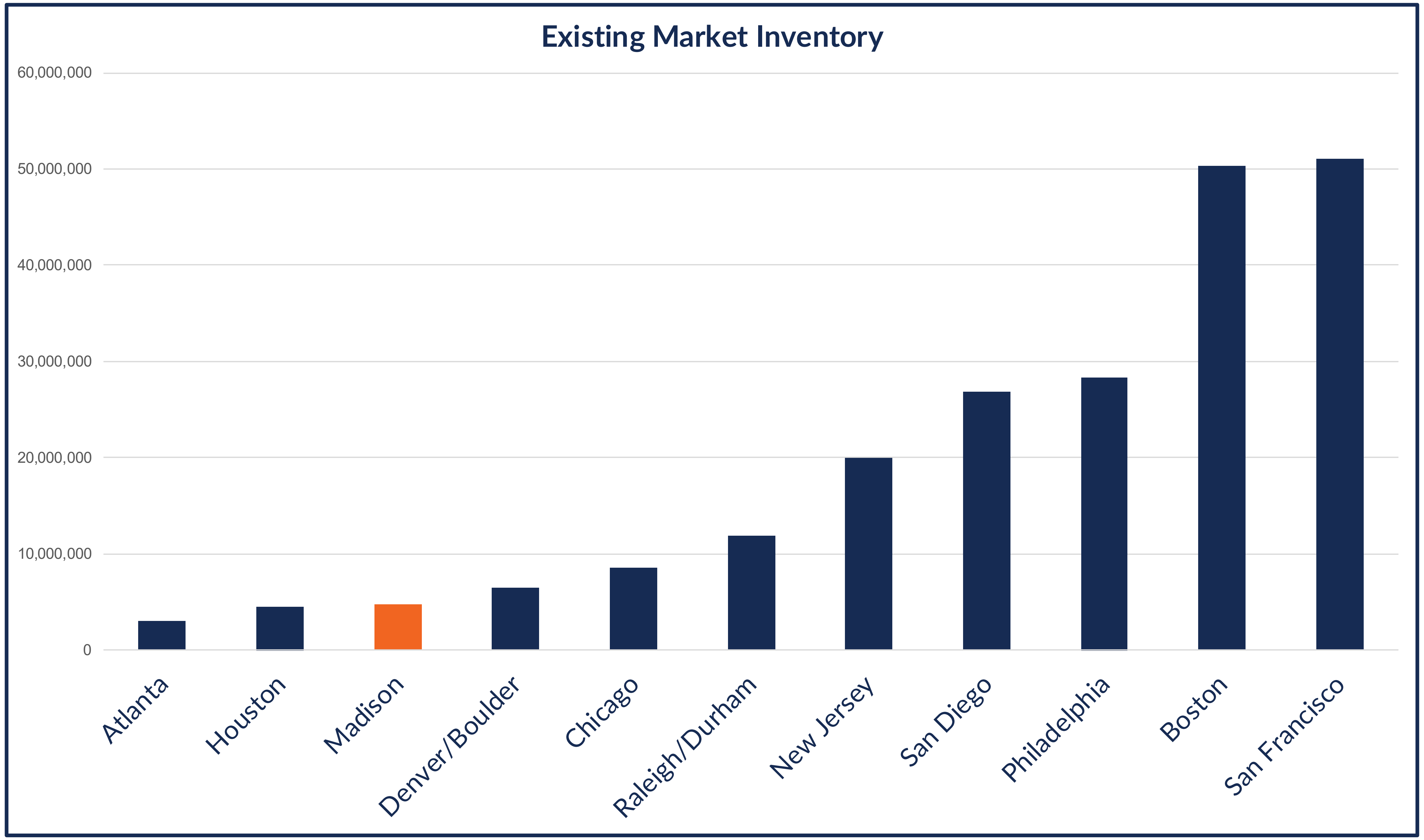
City	Vacancy
Madison	2.3%
San Diego	26%
Raleigh/Durham	28%
San Francisco	29%
Boston	34%

45% of Life Science SF in Madison has been converted

Previous Use

- 13% Office
- 18% Flex
- 13% Industrial
- 1% Retail



TRANSACTION NOTES

Downsizing has dominated the Market

- QBE
- John Deere
- TDS

Activity focused on 2,500 – 10,000sf users

- **~44** Transactions in the last 24 months

SCANNING THE HORIZON

BROADWING advisors

- **Shadow Vacancy** remains high
- Shrinking Market – **4.4 % decrease** in square feet since 2020
- **Redevelopment, Demolition or Reuse of office properties will continue**

FUTURE OUTLOOK

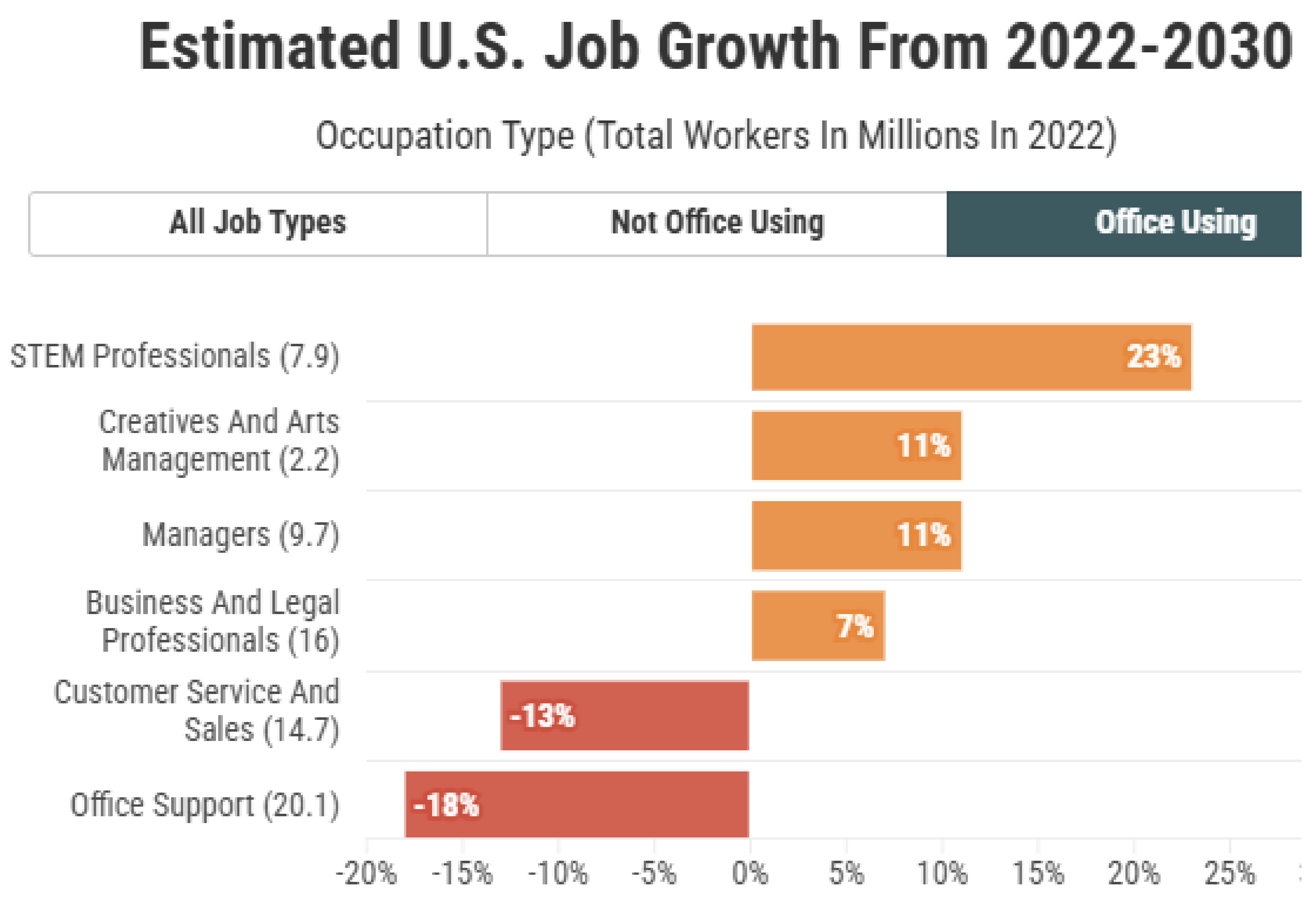
BROADWING advisors

Hybrid Impact

- Office attendance has stabilized at **30-40% below** pre-pandemic levels. *(Forbes)*
- **22.3%** of all US workers continue to work remote. Only **1% less** than the 2024 peak. *(Fortune)*

AI Impact

- **31% reduction** in office support, customer service, and sales jobs expected by 2029. *(McKinsey)*
- Expect **continued downsizing** and delayed growth.



Source: McKinsey Global Institute, Bisnow

QUESTIONS

BROADWING advisors

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Thank you!

Retail Market

Presented By:
Aziah Backus
Colliers

CARW Mid-Year Market Update

Madison Retail

July 30, 2026 • Madison, WI
Presented by Aziah Backus • Colliers | Madison

Accelerating success.

INTRODUCTION

About Today's Session

Aziah Backus
Real Estate Advisor, Retail
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WHAT TO EXPECT

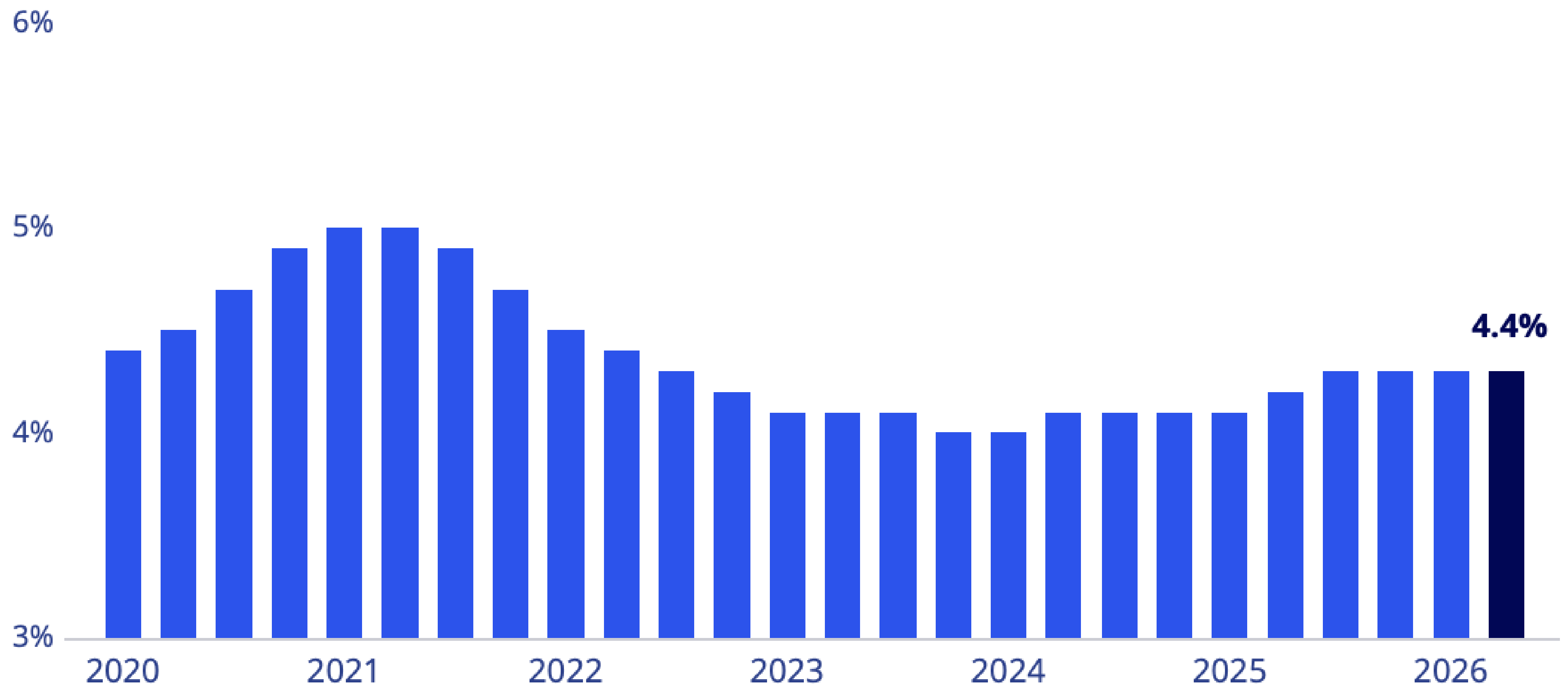
- The national retail backdrop and how it filters into Madison
- A data-driven local snapshot: vacancy, absorption, rents, and supply
- Policies influencing retail in Madison.
- Notable transactions that illustrate the trends
- What we're watching over the next 12–18 months, and key takeaways

NATIONAL PERSPECTIVE

U.S. Retail: The National Backdrop

U.S. RETAIL VACANCY RATE (%)

National vacancy 4.4% in Q2 2026 — held steady vs. Q1



Net Absorption, Q2 2026

+10.2M SF, rebounded on tenant demand

Under Construction

56.1M SF, 8.7M SF delivered in Q2

Avg. Asking Rent, NNN

$26.02 /SF, +0.50% from Q1 2026

Sources: Colliers Research, CoStar Analytics — 390 U.S. retail markets, Q2 2026

NATIONAL PERSPECTIVE

How the National Picture Shapes Madison

NATIONAL FORCES

- Interest-rate and cap-rate pressure on transaction volume
- Limited new construction; elevated build costs
- Resilient consumer spending on necessity retail
- Retailer footprint shifts: right-sizing and drive-thru demand
- Consumer Behavior continues to evolve towards “loyalty” and “fanfare”

MADISON IMPLICATIONS

- Fewer deals, but pricing has held for quality assets
- Tight supply keeps vacancy low and favors landlords
- Grocery-anchored and daily-needs centers stay in demand
- Backfill of vacated big boxes creates repositioning plays

MADISON MARKET SNAPSHOT

Vacancy, Availability & Absorption

Core Vacancy	Total Retail Vacancy	Q2 Net Absorption	Under Construction
4.4%	5.6%	+88K	79K
Stable over last 2-3 quarters	↓ 80 bps YoY	SF this quarter; 152K SF YTD	SF across 15 projects

What this tells us: Vacancy tightened 80 bps YoY to 5.6% as absorption stayed positive at +88K SF, while a thin 79K SF construction pipeline keeps new supply in check.

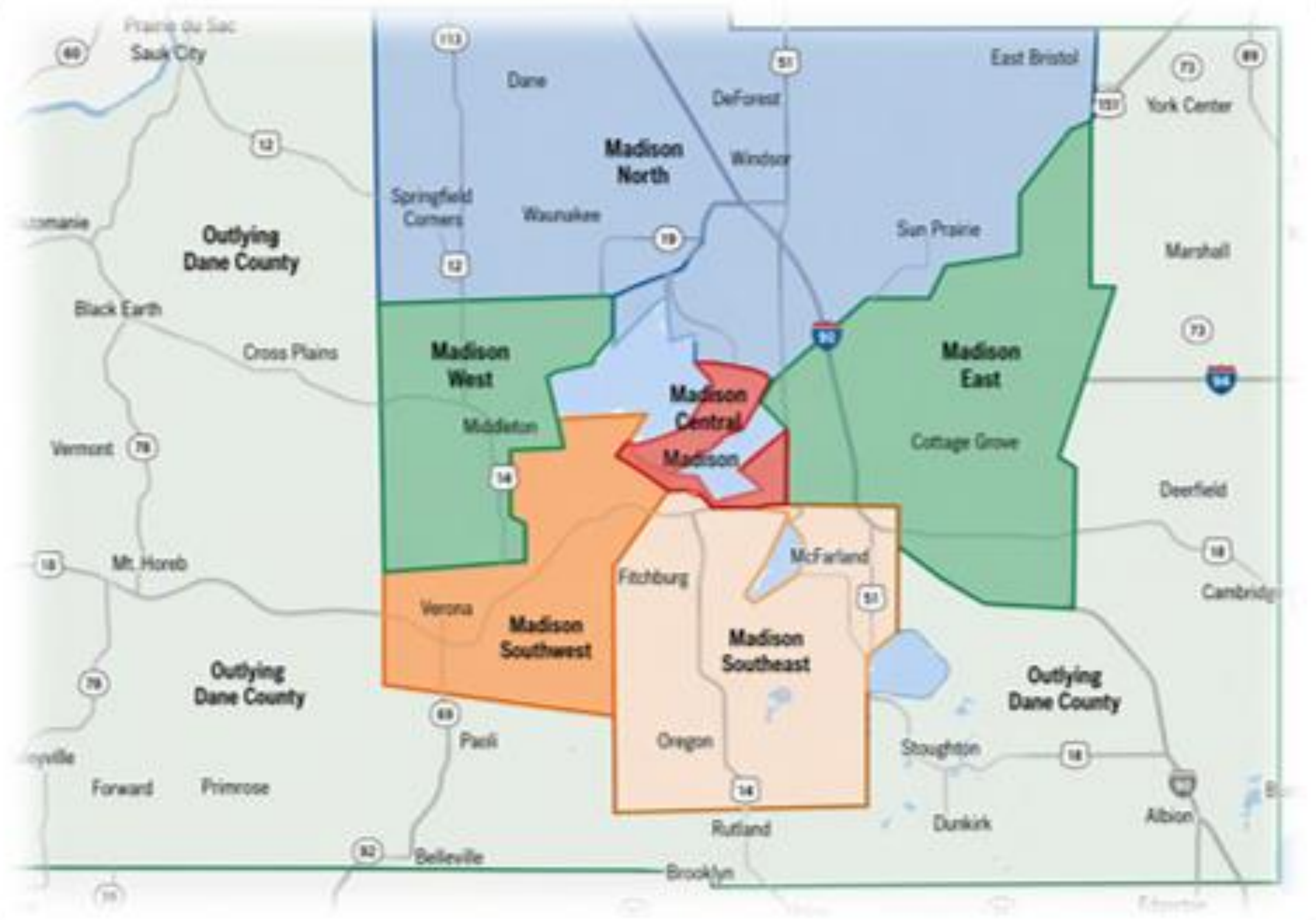
Source: REDI CRE / CARW Market Trends — Madison Retail (Dane County), Q2 2026

MADISON MARKET SNAPSHOT

Madison Submarket Overview

Submarket Highlights

- **North:** Strongest occupancy – income driven.
- **East:** Softest, with the most vacancy to backfill.
- **Central:** Tight, high-rent core.
- **West:** Steady mid-market occupancy.
- **Southeast:** Strong demand and thin supply
- **Southwest:** Gaining ground, with pockets of vacancy.



MADISON MARKET SNAPSHOT

Madison Submarket Breakdown

Submarket	Vacancy	Asking Rent (PSF)	Net Absorption	Read
Central	4.2%	$25.56	+11K SF	Tightest; rents lead
East	9.4%	$20.12	+7K SF	Softest; 9.4% vacancy
North	2.3%	$17.17	+34K SF	Hottest; +34K absorbed
Southeast	2.7%	$12.95	0 SF	Tight, thin supply
Southwest	5.8%	$18.08	+21K SF	Steady demand
West	4.9%	$20.54	+15K SF	Solid absorption

Source: REDI CRE / CARW Market Trends — Madison Retail (Dane County), Q2 2026

Madison North leads on absorption (+34K SF) at a 2.3% vacancy, while Madison East remains the softest submarket at 9.4%.

MADISON MARKET SNAPSHOT

Breakdown by Property Type

Property Type	Vacancy	Net Absorption	Inventory	What It Is
Community Center	15.4%	-7K SF	0.63M	Open-air center anchored by discount or grocery
Freestanding/Big Box	3.4%	+62K SF	9.59M	Single-tenant standalone or large-format stores
Mixed Use	5.6%	+21K SF	1.89M	Retail blended with office or residential
Neighborhood Center	5.7%	+2K SF	3.07M	Grocery-anchored center for daily needs
Regional Center	15.0%	-7K SF	1.88M	Enclosed mall with department-store anchors
Restaurant	1.7%	+16K SF	0.72M	Standalone food-service and dining sites
Strip Center	5.7%	-1K SF	3.57M	Small unanchored row of storefronts

Source: REDI CRE / CARW Market Trends — Madison Retail (Dane County), Q2 2026

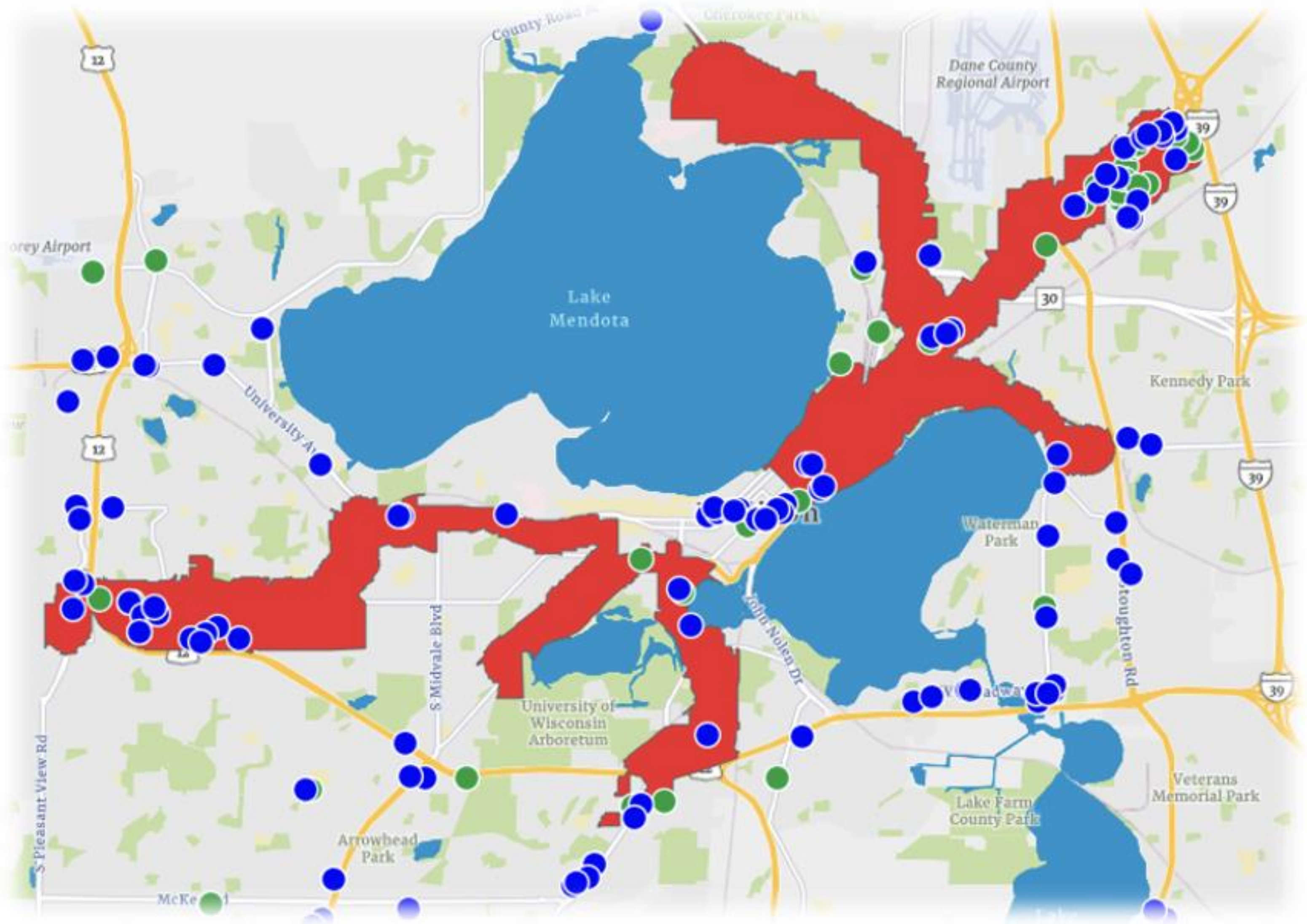
Freestanding/big-box space dominates inventory at a tight 3.4% vacancy, while community and regional centers stay soft near 15%.

MADISON MARKET SNAPSHOT

Traffic Overlay District

Intended to

- Promote higher-density development
- Support transit investment and mobility
- Reduce reliance on automobile-oriented development
- Increase long-term economic value of key corridor

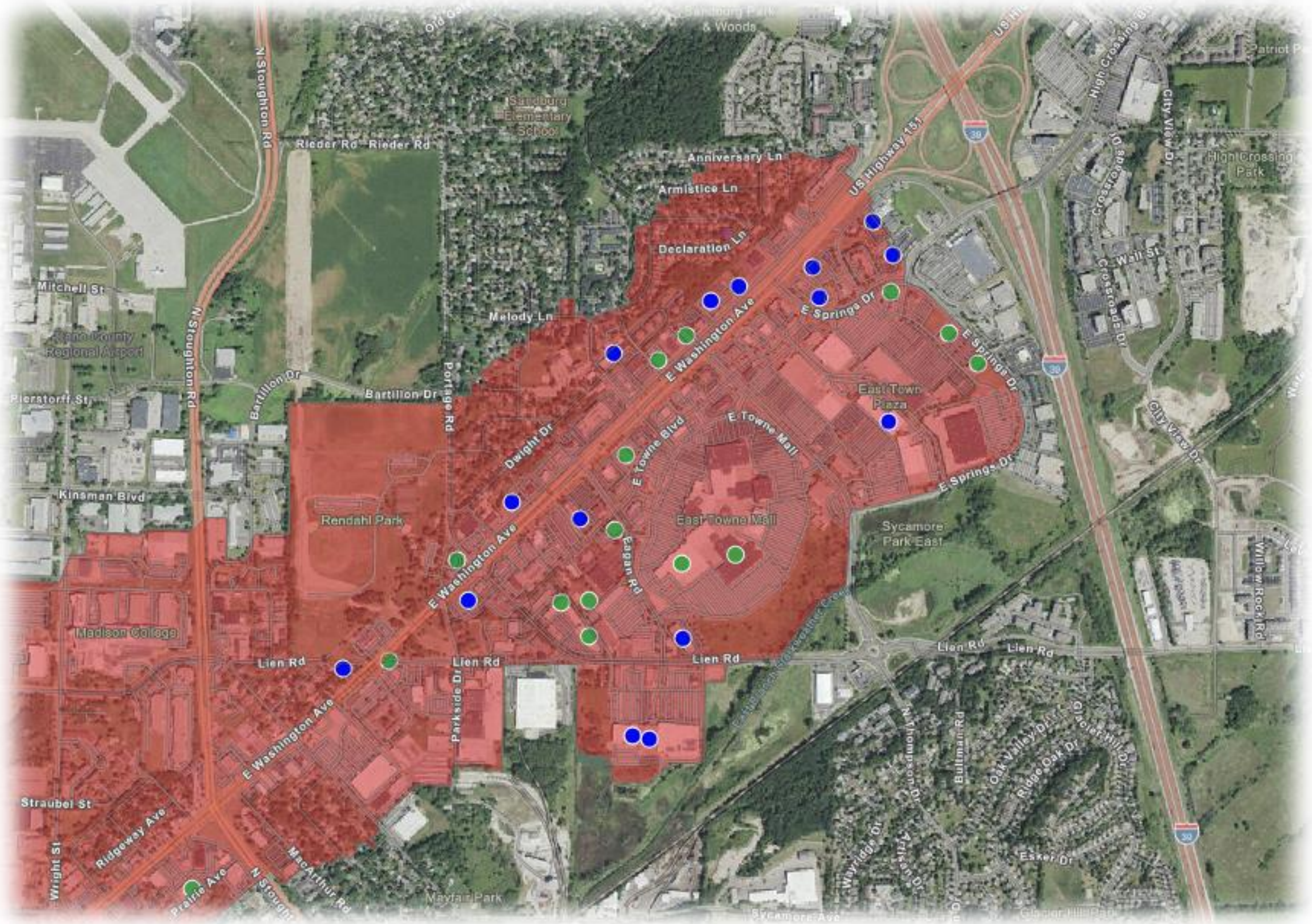


MADISON MARKET SNAPSHOT

Traffic Overlay District

Real consequences (for retail)

- Reduced retail supply – and reuse potential
- Forced shift toward mixed-use eliminating traditional retail development
- More entitlement and design requirements including mandated second floors
- Reduced flexibility for auto-oriented uses
- Properties in retail notes are stuck in limbo because they cannot get meaningful capital improvements and cannot be mixed-use.



NOTABLE MADISON TRANSACTIONS

Deals That Illustrate the Trends

GROCERY • NEW STORES

Aldi – Waunakee & Verona

Kilkenny Farms West, Wanakee & Liberty Business Park, Verona

22,000 + 19,957 SF | 2 new stores | 2026

SALE • INVESTMENT

Pier 37

Monona, WI • East Madison submarket

117,078 SF | $21.95M | $187 PSF

SALE • REDEVELOPMENT

Topgolf

6400 Gisholt Dr, Monona • East Madison submarket

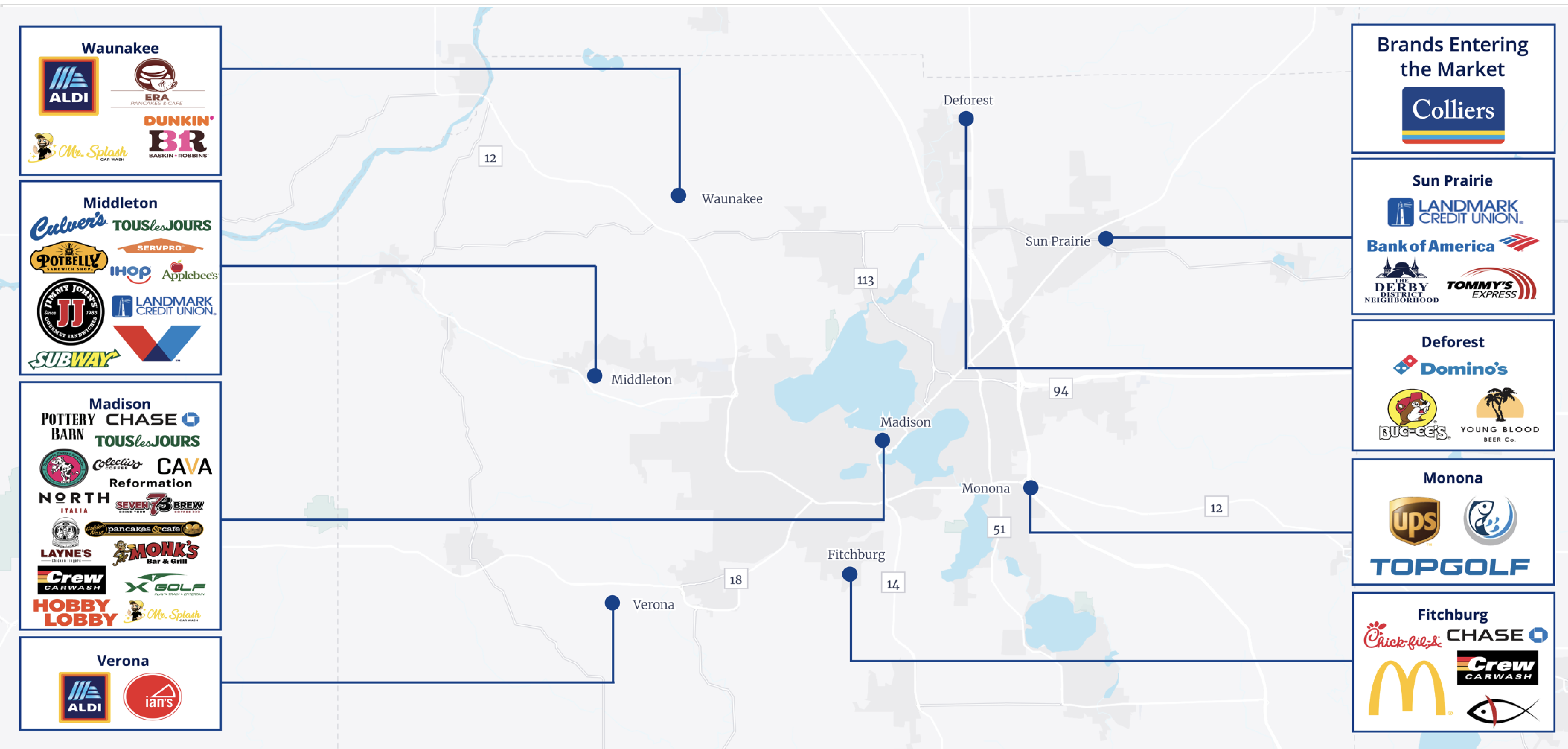
~$30M development cost | $4.2M in TIF | opens 2026

LEASE • BIG-BOX BACKFILL

IKEA

201-255 Junction Rd, Middleton • Southwest Madison submarket

54,000 SF | new lease | big-box backfill



2026 Madison Market Update

CARW COMMERCIAL ASSOCIATION OF REALTORS®

THE CCIM INSTITUTE Wisconsin Chapter

WHAT WE'RE WATCHING

The Next 12–18 Months

RISKS & WILDCARDS

- Rate path and financing costs
- Retailer bankruptcies and store closures
- Consumer spending softening (or strengthening)

OPPORTUNITIES

- Backfill and repositioning of vacated big boxes
- Necessity and daily-needs tenant expansion
- Pad and QSR development on strong corridors

OVERALL TRENDS TO WATCH

- Consolidation in discretionary sectors
- Tenant mix evolution in single & multi-tenant assets
- Changes in policy to allow for more retail development
- Evolving deal structures.

TAKEAWAYS

What to Take Away

1. **Macro numbers are tight.** Low vacancy and limited new supply keep leverage with landlords.
2. **Quality continues to win.** Solid retail real estate continues to command attention and good prices.
3. **Opportunity is in repositioning.** Big-box backfill and pad development are the plays to watch.
4. **Consumer behavior is king.** The brands earning loyalty consumer loyalty will define their sectors into the future.

Let's talk strategy. Reach out to explore how these trends affect your portfolio — Aziah Backus, +1 608 515 3383.

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