



FOR IMMEDIATE RELEASE
OCTOBER 2026

MARKET REPORT

Commercial Real Estate Q3 2026

Madison · Wisconsin

OFFICE

17.5% vacancy

Q3 net absorption (208,094) sf
YTD net absorption (263,135) sf
Inventory 17,634,457 sf

INDUSTRIAL

2.8% vacancy

Q3 net absorption 387,995 sf
YTD net absorption 779,782 sf
Inventory 63,705,279 sf

RETAIL

5.3% vacancy

Q3 net absorption 111,586 sf
YTD net absorption 249,365 sf
Inventory 21,358,697 sf

FOR MORE INFORMATION, PLEASE CONTACT

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RESEARCHED AND POWERED BY

MOODY'S

— OFFICE

Madison Office Overview

ECONOMIC OVERVIEW

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 30 basis points to 2.9% compared to 2.6% in August 2025. The unemployment rate for the US was at 4.1% in August 2026 decreasing 20 basis points from last year. State of Wisconsin unemployment was 3.2% for this quarter. Madison MSA saw an increase in job growth but office specific jobs decreased by 400 jobs during the same period.

EMPLOYMENT	AREA UNEMPLOYMENT	U.S. UNEMPLOYMENT	OFFICE-USING JOBS
398,610 Madison MSA	2.9% +30 bps vs. Aug 2025	4.1% -20 bps vs. last year	97,500 -400 office jobs

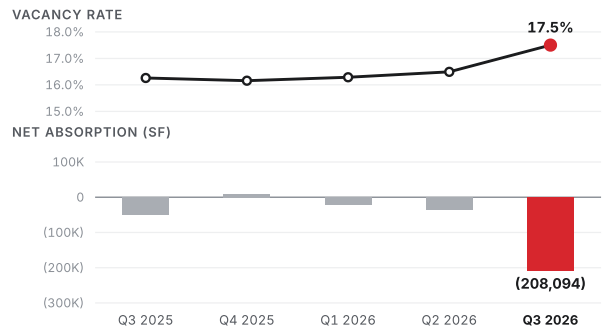
OFFICE SUMMARY

BLDG CLASS	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
A	61	7,171,229	1,572,156	1,478,146	(204,372)	(279,746)	20.6%
B	199	7,496,541	1,261,642	1,149,704	(2,752)	39,968	15.3%
C	134	2,966,687	526,146	450,552	(970)	(23,357)	15.2%
Grand Total	394	17,634,457	3,359,944	3,078,402	(208,094)	(263,135)	17.5%

MADISON OVERVIEW

- Madison office market had overall vacancy rate of 17.5% with (208,000) sf negative absorption bringing the YTD to (263,100) sf negative absorption. The vacancy rate for multi-tenant only properties was 16.5% with (220,000) sf negative absorption bringing the YTD to (188,700) sf negative absorption.
- Madison Southwest market had the largest gain of 20,000 sf positive absorption led by Cultivate Behavioral Health leasing 6,900 sf. Madison North posted the largest loss of (218,700) sf negative absorption led by QBE vacating 207,500 sf in three buildings.
- The Madison office market recorded 29 lease transactions totaling 130,800 sf. Eleven properties sold with 85,500 sf for \$21.9 million this quarter.
- There are no properties under construction and three properties have been delivered year to date with 54,800 sf.

ABSORPTION AND VACANCY RATE



UNDER CONSTRUCTION

0 sf No office properties are under construction. Three properties totaling 54,800 sf have been delivered year to date.

Note: Net absorption is based on occupancy and the net change in when a new lease is occupied or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

— OFFICE

Madison Office Market Stats

MARKET	CLASS	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
Madison Central	A	16	2,031,765	224,087	212,495	2,948	6,755	10.5%
	B	41	1,856,966	266,146	212,459	(11,536)	11,964	11.4%
	C	30	796,405	186,394	177,448	(720)	(923)	22.3%
	Subtotal	87	4,685,136	676,627	602,402	(9,308)	17,796	12.9%
Madison East	A	2	168,921	19,467	7,882	0	(2,759)	4.7%
	B	16	573,300	153,894	154,380	(6,201)	3,072	26.9%
	C	5	118,136	7,529	7,127	(1,109)	1,460	6.0%
	Subtotal	23	860,357	180,890	169,389	(7,310)	1,773	19.7%
Madison North	A	10	972,773	383,290	301,893	(220,694)	(164,962)	31.0%
	B	16	470,047	42,169	75,366	1,948	(3,929)	16.0%
	C	14	342,877	93,418	38,064	0	(301)	11.1%
	Subtotal	40	1,785,697	518,877	415,323	(218,746)	(169,192)	23.3%
Madison Southeast	A	1	112,428	—	—	0	0	0.0%
	B	13	558,245	171,708	171,708	(3,831)	(5,808)	30.8%
	C	11	239,039	51,063	28,774	1,694	(18,941)	12.0%
	Subtotal	25	909,712	222,771	200,482	(2,137)	(24,749)	22.0%
Madison Southwest	A	9	996,556	54,859	52,930	3,428	4,629	5.3%
	B	59	2,094,646	262,938	215,444	11,792	21,621	10.3%
	C	53	1,028,414	65,938	83,540	4,771	11,391	8.1%
	Subtotal	121	4,119,616	383,735	351,914	19,991	37,641	8.5%
Madison West	A	23	2,888,786	890,453	902,946	9,946	(123,409)	31.3%
	B	54	1,943,337	364,787	320,347	5,076	13,048	16.5%
	C	21	441,816	121,804	115,599	(5,606)	(16,043)	26.2%
	Subtotal	98	5,273,939	1,377,044	1,338,892	9,416	(126,404)	25.4%
Grand Total		394	17,634,457	3,359,944	3,078,402	(208,094)	(263,135)	17.5%

INDUSTRIAL

Madison Industrial Overview

ECONOMIC OVERVIEW

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 30 basis points to 2.9% compared to 2.6% in August 2025. The unemployment rate for the US was at 4.1% in August 2026 decreasing 20 basis points from last year. State of Wisconsin unemployment was 3.2% for this quarter. Madison MSA saw an increase in job growth but industrial specific jobs in manufacturing decreased by 500 jobs during the same period.

EMPLOYMENT	AREA UNEMPLOYMENT	U.S. UNEMPLOYMENT	INDUSTRIAL - USING JOBS
398,610 Madison MSA	2.9% +30 bps vs. Aug 2025	4.1% -20 bps vs. last year	37,200 -500 manufacturing jobs

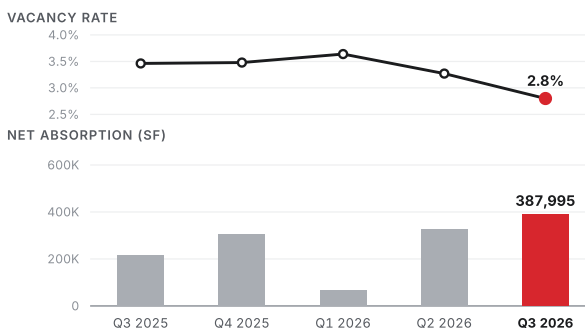
INDUSTRIAL SUMMARY

PROPERTY TYPE	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
Flex/R&D	150	6,311,947	179,188	148,671	23,490	104,727	2.4%
Manufacturing	242	21,934,000	308,565	382,501	22,500	171,642	1.7%
Warehouse Distribution	120	15,702,650	1,028,531	958,006	219,614	391,658	6.1%
Warehouse Office	698	19,756,682	352,685	314,390	122,391	111,755	1.6%
Grand Total	1,210	63,705,279	1,868,969	1,803,568	387,995	779,782	2.8%

MADISON OVERVIEW

- Madison industrial market posted 388,000 sf of positive absorption bringing the YTD to 779,800 sf positive absorption. This resulted in the vacancy rate of 2.8% for Q3 2026. Multi-tenant only properties had 92,400 sf of positive absorption bringing the YTD to 274,600 sf positive absorption. This brought the vacancy rate to 8.0% for Q3 2026.
- Madison Northeast market saw the most gain with 169,200 sf positive absorption led by Oakhouse Bakery leasing 138,000 sf. Madison West led all markets with (7,000) sf negative absorption.
- Madison market saw 33 lease transactions totaling over 574,400 sf. Twenty-one properties sold totaling 331,600 sf for \$34 million.
- Currently there are 6 projects under construction totaling over 3.9 msf. Five properties have been delivered YTD with 179,600 sf.

ABSORPTION AND VACANCY RATE



INDUSTRIAL NEW DEVELOPMENTS

MARKET	BLDG SIZE (SF)	SHARE
Madison East	3,421,573	86%
Madison Northeast	195,000	5%
Madison Northwest	182,000	5%
Madison Southeast	174,800	4%
Total	3,973,373	100%

Note: Net absorption is based on occupancy and the net change in when a new lease is occupied or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

— INDUSTRIAL

Madison Industrial Market Stats

MARKET	PROPERTY TYPE	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
Madison Central	Manufacturing	16	1,045,029	—	352,117	0	0	33.7%
	Warehouse Distribution	1	250,000	91,530	228,695	0	0	91.5%
	Warehouse Office	31	1,089,961	11,500	11,500	0	8,186	1.1%
	Subtotal	48	2,384,990	103,030	592,312	0	8,186	24.8%
Madison East	Flex/R&D	50	1,390,756	45,957	39,282	2,681	17,191	2.8%
	Manufacturing	49	3,424,000	6,967	—	0	0	0.0%
	Warehouse Distribution	18	2,569,638	116,807	116,807	0	52,437	4.5%
	Warehouse Office	149	3,960,646	117,716	63,800	92,879	71,041	1.6%
	Subtotal	266	11,345,040	287,447	219,889	95,560	140,669	1.9%
Madison Northeast	Flex/R&D	28	960,938	26,203	6,828	4,348	(3,478)	0.7%
	Manufacturing	52	4,556,866	59,434	16,864	0	162,662	0.4%
	Warehouse Distribution	56	7,622,914	90,177	90,177	168,012	201,619	1.2%
	Warehouse Office	118	3,553,395	80,512	87,762	(3,100)	(13,000)	2.5%
	Subtotal	254	16,694,113	256,326	201,631	169,260	347,803	1.2%
Madison Northwest	Flex/R&D	6	217,209	—	—	4,500	0	0.0%
	Manufacturing	15	1,838,603	43,921	—	0	0	0.0%
	Warehouse Distribution	5	658,188	90,350	90,350	39,650	91,650	13.7%
	Warehouse Office	34	1,093,132	—	—	0	0	0.0%
	Subtotal	60	3,807,132	134,271	90,350	44,150	91,650	2.4%
Madison Southeast	Flex/R&D	24	1,000,739	13,233	13,233	10,344	6,924	1.3%
	Manufacturing	39	2,837,582	13,520	13,520	22,500	8,980	0.5%
	Warehouse Distribution	14	1,161,649	—	—	11,952	11,952	0.0%
	Warehouse Office	170	4,373,951	27,116	10,116	21,216	55,116	0.2%
	Subtotal	247	9,373,921	53,869	36,869	66,012	82,972	0.4%
Madison Southwest	Flex/R&D	28	1,943,446	49,421	44,954	1,617	2,326	2.3%
	Manufacturing	23	3,376,667	—	—	0	0	0.0%
	Warehouse Distribution	8	816,498	—	—	0	0	0.0%
	Warehouse Office	80	2,243,370	101,151	121,103	18,427	(14,557)	5.4%
	Subtotal	139	8,379,981	150,572	166,057	20,044	(12,231)	2.0%
Madison West	Flex/R&D	14	798,859	44,374	44,374	0	81,764	5.6%
	Manufacturing	14	1,512,543	—	—	0	0	0.0%
	Warehouse Distribution	10	1,466,815	482,486	308,796	0	0	21.1%
	Warehouse Office	82	2,389,857	14,690	20,109	(7,031)	4,969	0.8%
	Subtotal	120	6,168,074	541,550	373,279	(7,031)	86,733	6.1%
Outlying Dane County	Manufacturing	34	3,342,710	184,723	—	0	0	0.0%
	Warehouse Distribution	8	1,156,948	157,181	123,181	0	34,000	10.6%
	Warehouse Office	34	1,052,370	—	—	0	0	0.0%
	Subtotal	76	5,552,028	341,904	123,181	0	34,000	2.2%
Grand Total		1,210	63,705,279	1,868,969	1,803,568	387,995	779,782	2.8%

— RETAIL

Madison Retail Overview

ECONOMIC OVERVIEW

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 30 basis points to 2.9% compared to 2.6% in August 2025. The unemployment rate for the US was at 4.1% in August 2026 decreasing 20 basis points from last year. State of Wisconsin unemployment was 3.2% for this quarter. Madison MSA saw an increase in job growth but retail specific jobs decreased by 1,600 jobs during the same period.

EMPLOYMENT	AREA UNEMPLOYMENT	U.S. UNEMPLOYMENT	RETAIL - USING JOBS
398,610 Madison MSA	2.9% +30 bps vs. Aug 2025	4.1% -20 bps vs. last year	40,200 -1,600 retail jobs

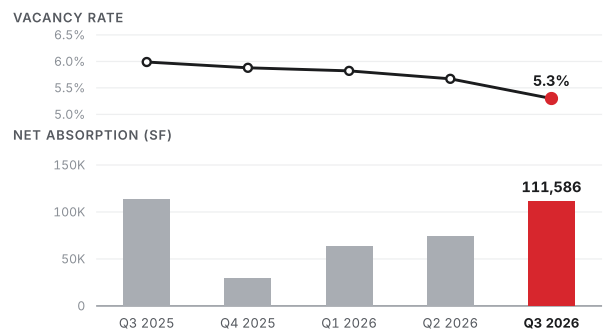
RETAIL SUMMARY

PROPERTY TYPE	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
Community Center	6	627,287	68,428	34,228	62,390	74,666	5.5%
Freestanding/Big Box	248	9,585,721	261,719	329,071	7,000	118,457	3.4%
Mixed Use	136	1,886,422	85,952	98,533	10,450	30,404	5.2%
Neighborhood Center	62	3,065,798	290,245	177,910	(6,505)	(21,318)	5.8%
Regional Center	3	1,883,319	273,058	273,058	9,007	692	14.5%
Restaurant	98	692,453	21,629	17,557	0	12,582	2.5%
Strip Center	285	3,617,697	232,205	202,073	29,244	33,882	5.6%
Grand Total	838	21,358,697	1,233,236	1,132,430	111,586	249,365	5.3%

MADISON OVERVIEW

- Madison retail market ended Q3 2026 with 5.3% vacancy rate. The market posted 111,500 sf positive absorption bringing the YTD to 249,300 sf positive absorption for both multi and single tenant properties. Multi-tenant only properties ended Q3 2026 with 7.1% vacancy rate. The market posted 104,500 sf positive absorption bringing the YTD to 118,300 sf positive absorption.
- Madison West topped all markets and realized positive absorption of 65,600 sf led by Ikea leasing 54,000 sf. No markets posted negative absorption this quarter.
- The Madison retail market saw 26 lease transactions totaling 73,300 sf. Twenty-three properties totaling 229,500 sf sold for \$39.8 million.
- Currently there are 9 projects under construction totaling 46,800 sf. Eleven properties were delivered YTD in Madison totaling 129,100 sf.

ABSORPTION AND VACANCY RATE



RETAIL NEW DEVELOPMENTS

MARKET	BLDG SIZE (SF)	SHARE
Madison Central	15,077	32%
Madison Southwest	14,291	30%
Madison North	9,200	20%
Madison Southeast	5,900	13%
Outlying Dane County	2,396	5%
Total	46,864	100%

Note: Net absorption is based on occupancy and the net change in when a new lease is occupied or space is vacated from quarter to quarter expressed in square feet. For new construction the new lease will be captured when the construction has been completed.

— RETAIL

Madison Retail Market Stats

MARKET	PROPERTY TYPE	BLDGS	INVENTORY (SF)	AVAILABLE (SF)	VACANT (SF)	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	VACANCY
Madison Central	Freestanding/Big Box	23	373,060	6,905	6,905	0	45,000	1.9%
	Mixed Use	59	791,341	47,727	47,536	3,138	16,454	6.0%
	Neighborhood Center	4	250,675	21,083	19,283	(2,578)	(2,578)	7.7%
	Restaurant	13	104,366	—	—	0	0	0.0%
	Strip Center	19	257,918	4,138	4,138	0	960	1.6%
	Subtotal	118	1,777,360	79,853	77,862	560	59,836	4.4%
Madison East	Community Center	2	168,796	53,903	26,703	0	18,931	15.8%
	Freestanding/Big Box	48	2,370,712	216,204	206,650	0	(13,920)	8.7%
	Mixed Use	9	143,392	—	1,300	3,293	3,293	0.9%
	Neighborhood Center	13	645,594	32,645	32,645	0	(4,906)	5.1%
	Regional Center	1	787,809	133,077	133,077	0	11,695	16.9%
	Restaurant	17	139,297	5,632	5,632	0	6,082	4.0%
	Strip Center	53	782,019	61,625	63,879	1,274	1,493	8.2%
	Subtotal	143	5,037,619	503,086	469,886	4,567	22,668	9.3%
Madison North	Freestanding/Big Box	45	1,927,303	—	—	0	28,249	0.0%
	Mixed Use	15	174,979	6,581	6,581	1,500	(596)	3.8%
	Neighborhood Center	10	505,255	52,269	31,959	(3,288)	(5,760)	6.3%
	Restaurant	12	74,107	5,500	5,500	0	6,500	7.4%
	Strip Center	50	555,079	57,892	27,037	18,836	16,649	4.9%
	Subtotal	132	3,236,723	122,242	71,077	17,048	45,042	2.2%
Madison Southeast	Freestanding/Big Box	15	464,889	15,000	—	7,000	7,000	0.0%
	Mixed Use	7	241,481	11,934	11,934	0	(1,900)	4.9%
	Neighborhood Center	2	76,671	—	—	0	0	0.0%
	Restaurant	6	46,094	—	—	0	0	0.0%
	Strip Center	9	115,355	3,064	12,789	11,200	11,200	11.1%
	Subtotal	39	944,490	29,998	24,723	18,200	16,300	2.6%
Madison Southwest	Community Center	1	135,107	7,525	7,525	0	0	5.6%
	Freestanding/Big Box	60	2,372,724	17,520	84,201	0	35,833	3.5%
	Mixed Use	20	205,076	5,868	13,493	0	4,610	6.6%
	Neighborhood Center	21	925,902	55,092	63,592	(2,100)	1,584	6.9%
	Regional Center	1	411,508	95,827	95,827	9,007	(546)	23.3%
	Restaurant	19	126,044	—	—	0	0	0.0%
	Strip Center	84	1,066,928	35,044	33,736	(2,340)	(3,708)	3.2%
	Subtotal	206	5,243,289	216,876	298,374	4,567	37,773	5.7%
Madison West	Community Center	3	323,384	7,000	—	62,390	55,735	0.0%
	Freestanding/Big Box	41	1,611,759	6,090	6,090	0	16,295	0.4%
	Mixed Use	18	253,553	12,922	16,769	2,519	7,649	6.6%
	Neighborhood Center	10	530,504	84,795	30,431	1,461	(9,658)	5.7%
	Regional Center	1	684,002	44,154	44,154	0	(10,457)	6.5%
	Restaurant	22	158,513	10,497	6,425	0	0	4.1%
	Strip Center	50	585,482	36,407	35,452	(726)	(364)	6.1%
	Subtotal	145	4,147,197	201,865	139,321	65,644	59,200	3.4%
Outlying Dane County	Freestanding/Big Box	16	465,274	—	25,225	0	0	5.4%
	Mixed Use	8	76,600	920	920	0	894	1.2%
	Neighborhood Center	2	131,197	44,361	—	0	0	0.0%
	Restaurant	9	44,032	—	—	0	0	0.0%
	Strip Center	20	254,916	34,035	25,042	1,000	7,652	9.8%
	Subtotal	55	972,019	79,316	51,187	1,000	8,546	5.3%
Grand Total		838	21,358,697	1,233,236	1,132,430	111,586	249,365	5.3%

— ACKNOWLEDGMENTS

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