



Brayton Lot Redevelopment

Answers to City Staff Questions

BRINK DEVELOPMENT

September 12, 2025



A rendering of the proposed plaza at Brayton Square

BLOCK 113 RFP

Response Questions

1. Payment to City

A. Please provide your calculation for the \$10,200,000 payment to the City. If this calculation includes payments over time, please provide the specifics behind this proposal.

Our proposal is to close on the land with the City of Madison for the sum of \$9M, from which date interest would begin to accrue. We anticipate that payments would begin to be made as individual condo units close, with periodic payments to the City starting from that date. Payment in full would be contingent on condo pre-sales and the final phasing schedule for the development, with a three-year timeframe being our most likely scenario. The timing may be impacted by the final terms required by the construction lender, but in any case, payments would amount to \$9M plus interest accrued on outstanding balances up through project completion and final payment.

2. Financing

A. How are the \$12,000,000 in TIF funds utilized?

See answer 2.B below.

B. Are these funds being proposed to assist the buyers of the affordable condos (targeted at households at 80% AMI)?

The TIF funds will be used as a subsidy to reduce the cost of units for households earning 80% or

less of AMI. They will be used in combination with any City down payment assistance and small cap TIF to ensure the housing expense for 56 families to purchase one of the units is no greater than 30% of their income.

C. If so, what are the expected loan or grant terms for the condo owners?

Although the exact details of the loan terms need to be finalized, the overarching concept is to qualify buyer households for a combination of City down payment assistance and zero interest TIF funds based upon meeting 80% of AMI income limits. The City down payment money could be incrementally forgivable over a period of 10 years, providing the buyer with growing equity. The TIF funds would subsidize the cost of the unit to be purchased within prescribed limits to cover the gap between the buyer's maximum borrowing limit and the unit price. TIF funds would be paid back to the City in full from the proceeds of any future sale without any interest accruing, allowing the buyer to retain any additional equity resulting from the balance after paying off the bank loan and repaying the City.

D. What is the market price of the owner-occupied condos targeted to households making 80% AMI?

The range of market prices for units deemed appropriate for affordability is from \$341,000 to



*The Eastern, a mixed-use project
on E. Wash by JLA Architects*

\$630,000. There are a total of 126 units combined for the two towers which we are considering as potential matches—1-BR units (49), 1-BR+ (57), and 2-BR (20). The complete list of units along with their size, location and price is located in **Chart 1** on the following page.

E. How much subsidy will the City have to provide to each owner of the affordable owner-occupied condos? Please break this down by:

F. Estimated overall average subsidy per unit

The overall average of subsidy per unit will vary depending upon the number of households of each family size and the specific 56 units which are purchased using funding assistance. In order to calculate the maximum loan amounts for each income level (as dictated by household size) we assumed the following:

1. Interest rate of 6.56% on a 30-yr fixed rate loan.
2. Income limits of \$72,700 (family of 1), \$83,120 (family of 2), \$93,520 (family of 3) and \$103,840 (family of 4).
3. 30% of monthly income (maximum housing cost): \$1,818 (family of 1), \$2,078 (family of 2), \$2,338 (family of 3), \$2,596 (family of 4).
4. Condo fees of \$400 per month (estimate).
5. Homeowners insurance of \$600/yr (estimate).
6. The subsidy amount listed is inclusive of all sources including down payment assistance and any TIF.

Please review the charts on the following pages:

Chart 1 shows a complete breakdown of the subsidy needed for each unit based upon price and number of occupants.

Chart 2 shows a sample scenario of 56 buyer households assuming a specific mix of 1, 2, 3, and 4 occupants households and a mix of 1, 1+ and 2 BR units. The total subsidy for this scenario would be \$17,944,000 and the average subsidy per unit would be \$320,429. The portion of subsidy needed from TIF funds would be decreased by the amount of any down payment made by the buyer from their own funds as well as any down payment assistance from any other sources.

CHART 1										
POTENTIAL UNITS TO APPROVE FOR AFFORDABILITY										
Estimated Subsidy Needed based on number of occupants (including assistance to reach 20% down payment)										
			1 Occupant		2 Occupants		3 Occupants		4 Occupants	
Tower - style - size	Potential Avail Units	List \$	Loan Limit	Subsidy	Loan Limit	Subsidy	Loan Limit	Subsidy	Loan Limit	Subsidy
N - B1 - 1 BR	5	\$ 396,000	\$ 123,000	\$ 273,000	\$ 164,000	\$ 232,000				
N - B2 - 1 BR	6	\$ 398,750	\$ 122,750	\$ 276,000	\$ 163,250	\$ 235,500				
N - B3 - 1 BR	12	\$ 401,500	\$ 122,000	\$ 279,500	\$ 162,500	\$ 239,000				
N - B4 - 1 BR	2	\$ 412,500	\$ 119,500	\$ 293,000	\$ 160,000	\$ 252,500				
N - C1 - 1 BR+	21	\$ 450,450	\$ 110,450	\$ 340,000	\$ 151,450	\$ 299,000				
N - C2 - 1 BR+	5	\$ 464,750	\$ 107,250	\$ 357,500	\$ 148,250	\$ 316,500				
N - C3 - 1 BR+	5	\$ 467,500	\$ 106,500	\$ 361,000	\$ 147,500	\$ 320,000				
N - D1 - 2 BR	1	\$ 495,000	\$ 100,500	\$ 394,500	\$ 141,000	\$ 354,000	\$ 182,000	\$ 313,000	\$ 222,000	\$ 273,000
N - D2 - 2 BR	1	\$ 510,400	\$ 96,900	\$ 413,500	\$ 137,400	\$ 373,000	\$ 178,400	\$ 332,000	\$ 218,900	\$ 291,500
N - D3 - 2 BR	1	\$ 589,050	\$ 78,550	\$ 510,500	\$ 119,050	\$ 470,000	\$ 160,050	\$ 429,000	\$ 200,550	\$ 388,500
N - D4 - 2 BR	5	\$ 630,850	\$ 68,850	\$ 562,000	\$ 109,350	\$ 521,500	\$ 150,350	\$ 480,500	\$ 190,850	\$ 440,000
S - B1 - 1 BR	6	\$ 341,000	\$ 136,000	\$ 205,000	\$ 177,000	\$ 164,000				
S - B2 - 1 BR	6	\$ 357,500	\$ 132,500	\$ 225,000	\$ 172,500	\$ 185,000				
S - B3 - 1 BR	6	\$ 385,000	\$ 126,000	\$ 259,000	\$ 166,500	\$ 218,500				
S - B4 - 1 BR	6	\$ 396,000	\$ 123,000	\$ 273,000	\$ 164,000	\$ 232,000				
S - C1 - 1 BR+	7	\$ 440,000	\$ 113,000	\$ 327,000	\$ 154,000	\$ 286,000				
S - C2 - 1 BR+	1	\$ 451,000	\$ 110,500	\$ 340,500	\$ 151,500	\$ 299,500				
S - C3 - 1 BR+	12	\$ 467,500	\$ 106,500	\$ 361,000	\$ 147,500	\$ 320,000				
S - C4 - 1 BR+	6	\$ 506,000	\$ 98,000	\$ 408,000	\$ 138,500	\$ 367,500				
S - D1 - 2 BR	6	\$ 577,500	\$ 81,500	\$ 496,000	\$ 122,000	\$ 455,500	\$ 163,000	\$ 414,500	\$ 203,500	\$ 374,000
S - D2 - 2 BR	6	\$ 596,200	\$ 76,700	\$ 519,500	\$ 117,700	\$ 478,500	\$ 158,700	\$ 437,500	\$ 199,200	\$ 397,000
*Blacked-out cells not likely feasible due to size.										

CHART 2			
SAMPLE SCENARIO OF SUBSIDIZED BUYERS			
<i>Sample Scenario: (20)-1 BR, (18) 1 BR+, (18) 2 BR, (15) 1 occup., (31) 2 occup., (5) 3 occup., (5) 4 occup.</i>			
Unit totals by size	# of units	tower - style – size - occupancy	Total subsidy by type
10 – 1 BR	5	N - B1 - 1 BR – 1 occupant	\$ 1,365,000
	5	N - B2 - 1 BR - 1	\$ 1,380,000
9 – 1 BR+	9	N - C1 - 1 BR+ - 2	\$ 2,691,000
8 – 2 BR	1	N - D1 - 2 BR - 2	\$ 354,000
	1	N - D2 - 2 BR - 2	\$ 373,000
	1	N - D3 - 2 BR - 2	\$ 510,500
	5	N - D4 - 2 BR - 3	\$ 2,402,500
10 – 1 BR	5	S - B1 - 1 BR - 1	\$ 1,025,000
	5	S - B2 - 1 BR - 2	\$ 925,000
9 – 1 BR+	6	S - C1 - 1 BR+ - 2	\$ 1,716,000
	1	S - C2 - 1 BR+ - 2	\$ 299,500
	2	S - C3 - 1 BR+ - 2	\$ 640,000
10 – 2 BR	5	S - D1 - 2 BR - 2	\$ 2,277,500
	5	S - D2 - 2 BR - 4	\$ 1,985,000
Overall	56	Overall Subsidy:	\$ 17,944,000
		Average per unit:	\$ 320,429

G. Estimated subsidy by unit type (1 Bdr, 2 Bdr, 3 Bdr, etc.)

The estimated subsidy by type in the scenario shown in Chart 2 is as follows: 1 bedroom units - \$4,695,000, 1+ bedroom units - \$5,346,500, and 2 bedroom units - \$7,548,500. **Chart 3** (below) shows the average subsidies overall for the 126 potentially suitable units broken down by size and number of occupants.

CHART 3 OVERALL POTENTIAL UNITS FOR 80% AMI 126	SUBSIDY BREAKDOWN BY SIZE & NUMBER OF OCCUPANTS			
	1 occupant	2 occ.	3 occ.	4occ
1 BR avg subsidy	\$ 260,438	\$ 219,813	N/A	N/A
1 BR+ avg subsidy	\$ 333,071	\$ 293,550	N/A	N/A
2 BR avg subsidy	\$ 482,667	\$ 442,083	\$ 401,083	\$ 360,667
Overall avg. subsidy	\$ 358,725	\$ 318,482	\$ 401,083	\$ 360,667

H. Who is committed to / interested in providing financing to construct this project?

Johnson Bank has reviewed our proposal and has expressed interest in funding the project. See the Appendix of this document for a Letter of Interest from Johnson Bank.

I. Do you have a lender(s) identified who will provide financing to buyers of the condos?

Due to the complex structure of the financing for this project, which will include TIF funds, land purchase post-closing, retail components and other elements, we anticipate having a smaller pool of qualified lenders for each condo buyer. At this point we have not identified lenders who would fill this role but we do not expect this to be a gating factor for the project.

J. How long do you anticipate it to take to achieve 50% pre-sales, to allow the project to secure financing and proceed?

We anticipate the project will be done in two phases: 1) the parking substructure and tower 1 (south building fronting Hancock St), and 2) tower 2 and commercial spaces. For each phase we will have a 50% presale requirement before construction can begin. For tower 1, that means 50% of 140 units, or 70 units to presell.

The rate of absorption in Madison for condos is currently around 44%, in other words 2.25 months of inventory with the 142 active listings as of 9/2/2025 (only 24 of which are downtown condos). This is a historically low inventory and represents a strong seller's market as any ratio over 20% is already considered a seller's market. While we can certainly expect that ratio to change when we put at least 70 units on the market on top of the existing inventory, it is not necessarily a directly proportional change. In other words, the inventory doubling will not necessarily mean doubling the time needed to sell, but even doubling the absorption rate would mean going up to 4.5 months of inventory with the addition of 70 units. Taking this one step further, the increase specific to the downtown market would be four times, which would potentially increase the absorption rate to 9 months. We need to consider several factors:

1. the expected increase in population,
2. excitement caused by a new project,
3. the ongoing retirement wave of Baby Boomers,
4. yearly average of downtown condo sales,
5. and the possibility that by the time presales start, the inventory may already have increased somewhat if sales slow at all due to economic circumstances.

For the previous five years (2020-2024), Madison has had on average 148 downtown condo sales each year. During this same timeframe, while the population has been rising considerably, the number of house and condo sales has been trending downward due to a downward-trending inventory (see report by [*The Center for American Progress*](#)). The data suggests that if the inventory goes up, the sales will increase with it. With the last two condo projects downtown, the Barracuda (19 units, sales starting in 2020) and the Starliner (43 units, beginning 2017), there is a noticeable increase in sales for two years. (See **Chart 4** at right).

With the population of Madison projected to increase by 9300 households in the next 5 years ([*City of Madison Housing Tracker*](#)), we can also project an increase in condo sales.

Over the last 21 years, downtown condo sales have represented a consistent average of 5% of the overall residential sales in Madison. That would mean we can reasonably expect that 465 of the new households would consider a condo, or approximately 93 per year for the next 5 years. (See **Chart 5** below).

CHART 5		
% of Housing Projection as Condos (by 2030)		
(based on MLS sales history since 2004)		
Total	Downtown Condos	Downtown/yr.
9300	465	93

This would be in addition to attracting a portion of the usual expected number of downtown condo sales of somewhere between 130 and 190 per

CHART 4				
Condo Sales: Overall, Downtown and as a % of Total Madison Sales				
Year	Condos	Dwntwn	Sngl Fam. & Condos	% Dwntwn Condo
2004	676	131	3577	4%
2005	1257	130	3833	3%
2006	1178	164	3502	5%
2007	1041	193	3249	6%
2008	741	135	2525	5%
2009	779	109	2695	4%
2010	674	106	2343	5%
2011	550	128	2196	6%
2012	741	144	2810	5%
2013	1021	202	3537	6%
2014	963	161	3215	5%
2015	1017	158	3700	4%
2016	1101	177	3707	5%
2017	1049	193	3718	5%
2018	1045	183	3714	5%
2019	967	152	3583	4%
2020	1039	167	3882	4%
2021	1048	193	3844	5%
2022	920	147	3348	4%
2023	745	125	2625	5%
2024	747	111	2626	4%
2025 thru 8/31	507	82	1733	5%
			Avg:	5%

Source: South Central MLS

year. We take into account that the sales are currently being affected by the population growth, to the extent allowed by inventory. The lack of inventory has resulted in what we consider to be a masked demand.

Another factor to consider, in addition to the general population increase, is the ongoing “Silver Wave” of retiring Baby Boomers. According to reports from the Wisconsin Department of Health Services, Dane County’s population of older adults has increased significantly and will continue to grow at a faster rate than most parts of the country well into the future. (Wisconsin Department of Administration Demographic Services Center). Not only will downtown condos with ready access to activities, services, and transit be appealing to many of these retirees, it would potentially provide a new choice in housing for “overhoused” couples or individuals which the City of Madison has recognized in its housing strategy report from November 2024 as another recommended approach to helping with the current housing shortage. (City of Madison Housing Strategy Committee Report). The demand from retirees is largely masked currently due to lack of inventory.

One final review focusing on the downtown condo sales from 2020 through present (Chart 4), we see an average of over 148 per year, which translates to just over 12 per month. Comparing this to the average number of new listings per year, 136 (assuming at least 130 for 2025; source: MLS), and adding in the 70 new units to pre-sell, we can calculate what we consider to be the most conservative estimate of time to sell 206 units as 17 months.

In conclusion, using the absorption rate as modified to take into account the new inventory, it would take 9 months, considering the average rate of sales for downtown condos it would take up to 17 months, and factoring the masked inventory due to population increase, retirees, and new project excitement, we anticipate the likely time to reach 50% presales to be 12 months.

K. The proposal offers affordable prices to the first generation of buyers, would you consider a deed restriction ensuring affordable sale prices to subsequent buyers?

We are proposing a new approach, which enables buyers with the resources to afford particular units rather than creating units which are preserved as “affordable”. Under this approach, the buyer may receive down payment assistance which is forgivable and TIF funds to pay down the unit price to cover the gap between the price and the loan for which they qualify. The TIF funds could be a zero interest loan from the City which the buyer pays back in full whenever they sell the unit, and as such, the TIF funds would be recorded as a lien against the property. We feel it would be necessary for this lien to be secondary to the primary mortgage from the buyer’s lender. The chart below shows a comparison of the “traditional” buyer with 20% versus the buyer getting \$250K assistance (see **Chart 6** on the following page).

In the end, at sale, the buyer has the opportunity to have earned equity in three forms: 1) down payment made by the buyer, 2) forgiven down payment from outside sources, and 3) equity from the balance left over after paying off their first mortgage and paying off the lien for any TIF funds they received. This results in creating enduring wealth for the individual households thus enabled, creating generational wealth for their descendants, and creating a pool of funds the City may then use again and again in subsequent projects to continue the process of enabling more buyers.

L. Would the development team maintain a controlling interest in the condo association, if so what percentage of voting rights would it maintain?

Unit-owner members typically desire to assume control of the condo association as soon as it is practical, while the

CHART 6	Traditional Buyer	Forgiving Subsidy & Downpayment – too much of a windfall	Only Downpayment Forgiven Subsidy Reverts to City
Value at Purchase	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
Down Payment	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Subsidy	\$ -	\$ 250,000.00	\$ 250,000.00
Equity at Purchase	\$ 80,000.00	minimal buyer \$	minimal buyer \$
Value at 10 yrs	\$ 651,558.00	\$ 651,558.00	\$ 651,558.00
Equity at 10 Yrs	\$ 383,212.00	\$ 550,928.00	\$ 300,928.00

developer needs to maintain control to a point where its ability to continue to move the development forward will not be impeded by the association.

We will be working with our legal team on determining the best point for this transition of association control to occur, considering project phasing, unit sales milestones, etc.

The developer will be retaining ownership of the commercial units until the development is completed. The development team does not intend to maintain a controlling interest in the condo association after the initial sale of all condo units.

3. Project / Program Design

A. What market studies have been conducted to prove the market and absorption rate for the 281 condo units?

No third-party market studies have been done to date. It is likely the lender will require a market study at some point. At this time, we are relying upon reports/studies from the City, data from the MLS, and team expertise in the real estate market. Current absorption rate for Madison condos is 44%, which translates to 2.25 months of inventory. Please refer back to the answer to Question 2.J for the complete analysis of the market data we used to prove buyer demand and absorption rate.

One piece of market research that we did independently is a survey which we conducted in January and February of 2024 as part of a bid to build a condo project in Stoughton, starting with two buildings totaling 78 units, ranging in price from \$246,000 to \$630,000. We reached out to almost 1,400 Realtors through direct email and MLS, and we put the survey out to the public generally through a storefront marketing center, local newspaper and cable access channel as well as a website. In that two-month timeframe, we received responses from both agents and potential buyers which indicated a total 79 parties interested in purchasing a condo if it were to get built. Approximately half of the buyers were in the 55+ age range. While we recognize that this information does not definitively prove buyer demand, we see it as evidence which supports the conclusions we are making based upon real estate sales data along with publicly available data.



A rendering of Brayton Square

B. Do you have a market study? Please provide.

See above answer to 3.A.

C. Only half of the condos will have a parking space. Do you have market study information that shows condos can be successful in Madison without any parking?

It is our contention that parking is needed for most of the condo units. There is no market data in Madison showing demand for condo units without parking. However, there are growing trends anecdotally and some research showing that various segments of society are opting to live car-free, especially young people. Reference the following articles:

- “1 in 10 Americans rarely or never drive a car” ([Pew Research Center](#))
- “Is Gen Z Driving Less?” ([The Zebra](#))
- “Younger Drivers most likely to favor a subscription service for cars over ownership” ([Deloitte](#))

We intend to provide resources to help make this a reality for those interested. For the significant majority of the units – we estimate at least 220 – parking will be needed. We will partly be relying on assistance from the City as intimated in the presentation at the public meeting on Aug. 22 & 23, 2023. Slide 14 references the availability of parking in City ramps. We intend to make a request for long-term leases to be made available in those ramps for the new condo owners who do not have parking associated with their unit but who would like to have a place to keep a car even if

they only use it intermittently.

We also need to correct an error in our original proposal: The parking is not to be divided 140/130 between residential and commercial. We are looking at something more like 50 for commercial, which gives us 220 spaces for residential. We may modify the overall design to reduce the number of units as well as work with the City to arrange for ramp parking for any remaining gap.

D. Are you willing to work collaboratively with City staff to make changes to the design of the building(s) to comply with Staff input, public comments, policymaker feedback, and adopted design guidelines and requirements?

With our vast experience in delivering quality projects in the City of Madison, we not only expect, but value, a highly collaborative design process with all City of Madison stakeholders including departmental staff, elected officials, Urban Design Commission, Plan Commission, and Neighborhood Organizations.

Our entire Team has a proven track-record of successfully engaging Madison stakeholders early & often through ‘co-creation’—listening to, and addressing their respective goals, criteria, requirements, and concerns.

This approach helps make the design & entitlement processes more effective & efficient, reducing potential problems, identifying them early, and effectively solving them with minimal negative impact to the project & schedule.

Altogether, our collective team has contributed to the creation of 22 mixed-use developments within the City of Madison.

In the end, our experience in Madison has proven that this approach of 'co-creation' results in a better overall project for the City; one that will not only be aesthetically attractive, but also operates in a manner that is complementary to its context and becomes a proud part of Madison's rich fabric.

E. The site plan shows improvements in the public right-of-way for angled parking. Is this parking needed to serve the project or attain financing?

We understand the desire to increase usage of public transportation, but at the same time we believe that maximizing parking availability on the site will make the development stronger.

F. Given the grade of the site, can they explain a little more about their vision for how the building will be meeting the ground on all four sides? There is a large stair at the Hancock/E. Washington which will really separate the building from the street.

With almost two stories of elevation change across the site, our design team explored various options on how to effectively address this challenge. The resulting design concept is an effective solution to activate each street side of the development, as well as to create a unique sense-of-place & identity for the project.

EAST WASHINGTON

With the greatest elevation change along the street, our concept accommodates this by providing varying finished floor heights to allow substantial glazing for the street-fronting commercial spaces. The zone between the sidewalk and building will be enhanced with planters and other streetscape elements to help make up grade transitions and to provide a pleasant pedestrian experience.

SOUTH HANCOCK

The transition of uses from commercial near East Washington to two-story walk-up residential units going south, allows the entire street to be lined with 'activated' uses with a dynamic streetscape.

EAST MAIN

The grade change along East Main Street allows for a grand residential lobby (with high ceilings) closer to Butler Street and the two-story walk-up units that wrap around the corner of South Hancock.

SOUTH BUTLER

South Butler contains a mix of commercial & residential uses as well as multiple access points to the interior courtyard plaza.

ESTABLISHING A SENSE OF PLACE: THE INTERIOR COURTYARD PLAZA

As a result of how we have placed the buildings on the site in relation to the surrounding grades, we are able to incorporate a meaningful interior courtyard into the project. This courtyard is conceived to be multi-functional with ample



access from the public realm as well as from the interior spaces of the project, itself. This courtyard is conceived to give the Project a unique sense-of-place and to serve as a well-known local destination.

CREATING AN IDENTITY: THE GRAND STAIR

The opportunity for this design element was also a result of how the buildings are organized in relation to the surrounding grades. A large, unique, and thoughtfully designed monumental stair such as the one that we propose does not separate the project from the street, but rather serves to provide greater openness & connectivity - inviting pedestrians to access the interior courtyard plaza or enjoy the stair, itself, which is conceived to be a quasi-public place where people can spend time.

G. Has consideration been given to creating more interest in the mass and bulk to better aid in transitions and create variation in the roof line?

In developing the design concept, we focused on creating a concept that has a sense of movement while also balancing the complexity of the neighborhood's context. To do this, we put careful thought into the massing, variation of materials, and material placement while incorporating impactful detailing.

That being said, our design team looks forward to refining the design based on City & stakeholder feedback.

H. The common courtyard is noted as having hours of operation – how is that going to be managed and programmed?

This early in the development process, there is room for flexibility in planning for the management and programming of the common courtyard. The condo documents and rules will have some basic details about shared use of the courtyard, hours of operation, and managing expectations. The mix of commercial uses could impact on the final hours of operation and how the courtyard is managed, with resident enjoyment being a primary consideration. The association will have final oversight of courtyard management but, under the right circumstances, could choose to allow a commercial owner/tenant to manage the courtyard for the benefit of all owners. The association may choose to address management of the courtyard with a licensing right and an attorney versed in condos can assist us in developing this process.

I. The exterior common areas are quite large. Has an analysis been completed regarding how much it will cost to maintain this space annually and over time, and what this will translate into for monthly HOA fees?

There will clearly be an impact on HOA fees to maintain the courtyard for the enjoyment of all unit owners. The mix of commercial uses could also influence cost-allocation between residential and commercial units for maintaining the courtyard. For example, if a restaurant were to occupy one of the commercial spaces and wish to have dedicated outdoor seating, the association should have the flexibility to provide them with that space and assess them for the cost of maintaining the space.



A rendering of Brayton Square

J. Has any consideration been given to what elements of the design would fall victim to value engineering – there are a lot of unique features that add cost (i.e., rounded building corners, water features, material palette, etc)?

At this point in the design process, there are a number of options open for value engineering. The items listed—such as rounded building corners, water features, and the material palette—are certainly areas that could be considered, as they do contribute to overall cost. That said, the level of value engineering required will need to be evaluated once we have a clearer understanding of budget constraints and project priorities.

We are also fully committed to working collaboratively with City staff to ensure the design aligns with adopted guidelines and reflects community input. As part of that process, we’re open to making thoughtful adjustments that balance cost efficiency with design integrity. Our goal is to preserve the core character of the project while remaining responsive to feedback from staff, policymakers, and the public.

K. How do the project’s commercial lease rates compare with those of other occupied spaces in the downtown area?

In the following pages, we’ve included a leasing evaluation from Heather Ewing, President of ABSTRACT Commercial Real Estate LLC. For further

information, reference the Appendix for the market reports referenced in the evaluation.

City of Madison – Brayton Lot Development

Commercial Leasing (at Grade) Evaluation

Broker Overview

Providing realistic lease targets is crucial for the return on investment for the developer and City planning.

In providing our guidance, we factored in commute profiles, retail and office trends, demographics, and spending patterns. This creates lease rate projections we can deliver for the developer. Sources include the Commute Profile (Drive and Walk), Retail Market Profile, Office Market Profile, and Retail Demand by Industry reports.

Market Overview

Retail Demand: Within a 10-minute drive, retail trade demand is approximately \$1.0B and food & beverage demand is \$156M. At a 15-minute drive, retail trade demand increases to \$2.2B and food & beverage demand to \$335M, representing a combined consumer spend approaching \$2.5B (Retail Demand by Industry; Retail-Drive rings and Walk rings).

Office Base: The Madison MSA supports 96,900 office jobs with short commute times (10–20 minutes), providing a strong daytime customer base for ground-floor retail and restaurants (Office-Drive rings and Walk rings; Economic Development Profile).

Q2 2025 Market Conditions per REDIComps

Office: Dane County office inventory totals 17.4M SF with a 15.7% vacancy rate. Average asking rents are \$22.13 FSG, with the Madison Central submarket averaging \$25.75 FSG (2025 Q2-Madison Market Report-Office).

Retail: The retail market includes 21.2M SF with a 6.3% vacancy rate. Average asking rents are \$19.63/RSF NNN, while Madison Central mixed-use retail commands \$30.17/RSF NNN, highlighting strong downtown lease potential (2025 Q2-Madison Market Report-Retail).

Tenanting Strategy Alignment

Retail Categories Supported: Fast casual dining, coffee/juice, restaurant, boutique fitness, personal services, upgraded convenience, and retail experiences (Retail Market Profile).

Office Worker Support: Within walk rings, households earn \$64K–\$70K median incomes, fueling demand for convenience and food services (Office Market Profile; Commute Profile-Drive and Walk).

Demographics: ~70% renters within 1-mile, median age 27–31, with strong educational attainment. This favors experiential and service-oriented retail (Shopping and Spending Trends; Economic Development Profile).

Brokerage Lease Comps

Brokerage demonstrates local expertise in downtown Madison mixed-use leasing:

Central Madison mixed-use projects recently negotiated by our firm have consistently achieved lease rates above published averages for Madison Central. Transactions demonstrate sustained demand from both national and local tenants in the \$28–\$45 RSF NNN range for at-grade space (1100–5000 SF), depending on frontage, visibility, and size. (Internal ABSTRACT data; supported by 2025 Q2-Madison Market Report-Retail).

Lease rate strategy aligns ABSTRACT negotiated transactions balanced with Q2 2025 REDIComps market data. Proposed tenant mix fits surrounding demographics and regional spending patterns.

Brokerage Recommendation for Lease Rates

Office (Class A, New Construction): \$28–\$35/SF FSG

Positioned at market with premium for new construction, flexible layouts, and walkable location. (2025 Q2-Madison Market Report-Office)

Retail (Street-Level, Prime Frontage): \$38–\$45/RSF NNN

Reflective of the hard-corner(s), strong regional or national restaurant(s), boutique retailers, and experiential concepts including abundant outdoor area and unique features/amenities which increase value for both tenant and landlord in new mixed-use downtown settings. (2025 Q2-Madison Market Report-Retail; Shopping and Spending Trends)

Retail (Secondary/Inline Space): \$30–\$37/RSF NNN (2025 Q2-Madison Market Report-Retail; Internal ABSTRACT proprietary data).

Lease ranges are supported by both proprietary transactions and Q2 2025 REDIComps data. Proprietary transactions have been anonymized for confidentiality but can be verified upon request by City staff in closed session.

Traffic & Visibility: East Washington Ave offers significant vehicle counts (43,600 within two blocks) and brokerage has niche experience in Central Madison which allows us to attract local to national operators, negotiate increased rents, and deliver on leasing projections (Economic Development Profile).

Supporting Reports

- 2025 Q2-Madison Market Report-Retail
- 2025 Q2-Madison Market Report-Office
- Commute Profile-Drive and Walk
- Retail Market Profile
- Office Market Profile
- Retail Demand by Industry
- Retail-Drive rings and Walk rings
- Office-Drive rings and Walk rings
- Shopping and Spending Trends
- Economic Development Profile

Credentials

Thank you for your consideration. We are proud to be a Madison-based brokerage firm and I personally have lived in the East Capitol Corridor and First Settlement District for the past decade/currently.

I have more than a decade of embedded experience in the City's central and surrounding neighborhoods. I serve on the Downtown BID Board for the past six+ years, the CCIM Wisconsin Board for the past five+ years, and have been trusted by local developers to execute successful projects of \$151M across Dane County.

While our CCIM network provides us with national reach when needed, it is our local roots and relationships that deliver unmatched leasing results.

Heather Ewing, CCIM

Founder | President

ABSTRACT Commercial Real Estate LLC





*A rendering of the townhomes
at Brayton Square*

L. Do you have a goal for the number of registered apprentices that will work on the site? If so, what is that goal?

We do not have a stated goal for apprentices but believe that for this project we could achieve 10%–15% of the workforce to be apprentices.

M. Your proposal mentions aligning with a Green Communities certification. Is it correct to interpret this to mean you do not intend to certify the building? If that is correct, why not certify, and how will you measure and document your alignment?

The term “alignment” was used in the original response as many credits are tied to design elements which have not been fully detailed and/or analyzed. While the exact credits being pursued are still unknown, the intent is to pursue Enterprise Green Communities Certification.

4. Transportation / Engineering

A. How does this proposal intend to meet redevelopment stormwater management requirements?

Our proposal will meet the City of Madison’s redevelopment stormwater management requirements through the use of green infrastructure integrated into the building design, specifically via green roof systems. Given that the entire site is planned for building coverage,

redevelopment stormwater requirements will be accommodated at the rooftop level.

Vierbicher has successfully implemented similar solutions for multiple urban redevelopment projects within the City of Madison, including The Dylin, Chapter at Madison, and both Core Spaces HUB Madison developments. These projects incorporated a variety of green roof systems and rooftop amenity spaces designed to capture, detain, and manage stormwater runoff in compliance with city regulations.

We will coordinate closely with the City’s Engineering and Stormwater staff throughout the design process to ensure full compliance with redevelopment stormwater performance standards, utilizing proven practices such as:

- Blue-green roof systems to maximize stormwater storage and slow discharge rates.
- Potential integration of rainwater harvesting or reuse systems, depending on the final program and sustainability goals.
- Collaboration with City review agencies to optimize design for both performance and long-term maintenance.

Our team’s extensive experience with Madison’s stormwater requirements positions us to deliver a compliant and innovative stormwater management strategy for this project.



APPENDIX

SUPPLEMENTAL INFORMATION

Supplemental Information for 2.H



September 10, 2025

Mr Curt Brink
Brink Development
701 E Washington Ave #105
Madison , WI 53703
Via electronic mail

Re: Letter of interest in financing for the redevelopment of The Brayton Lot, City of Madison RFP #1400-0-2025-AH

Dear Curt,

Thank you for providing us with the preliminary development concept and copy of the RFP #1400-0-2025-AH for the redevelopment of the Brayton Lot that was submitted to the City of Madison. It is a visually appealing plan delivering housing to the CBD of Madison, helping to keep downtown vibrant for years to come.

Please see the following terms/conditions, which are meant to serve as a basis for further discussion and are therefore subject to change in our sole discretion, for any reason. This letter shall not be regarded as a commitment to lend, nor should the terms herein be regarded as a commitment to specific terms and conditions. Any commitment to lend or to specific terms and conditions must be formally approved by Johnson Financial Group's loan committee, which has not yet occurred.

Loan: Up to 65% of eligible cost

Rate: TBD, but generally in the range of One-month SOFR plus 250 bps.

Fee: 50 bps of the loan amount

Amortization: Interest only

Term: 36 months

Phasing: The loan proceeds shall be limited to be used for Phase I construction. Future phasing shall require sales (closed or hard sales contracts) of at least 85% of the phase I units prior to beginning Phase II.

Presales: at least 55% of Phase I units shall be presold at minimum gross sales proceeds equal to 55% of the approved proforma total gross sales revenue for phase I. Eligible presales must be demonstrated by at least 10-20% security deposit and proof of closing funds or mortgage approval for the balance of the contract.

Release Price: A minimum of 93% of gross sales price per unit, and no less than 93% of the proforma gross sales price for the specific unit as agreed upon by Bank and Borrower prior to closing.

Equity Requirement: all equity shall be fully funded prior to the first loan dollar funded.

Acceleration: The phase I loan shall be retired in full prior to or at the sale of the 92nd unit of the first Phase.

Other: Any loan shall be subject to Lender's acceptance in our sole discretion with respect to:

Supplemental Information for 2.H

- Parking ratio of stalls to units.
- Condo declarations
- Condo plat
- Contracts
- Plans/Specs
- Equity stack and any conditions of equity funding
- HOA structure, fees, management
- Ongoing Municipal rights and interests in the project site
- Any stated contractual delivery date (with respect to buyers)
- Acceptable “waterfall” payment schedule to parties including Madison Metro or City of Madison.
- Security deposits to be held with Lender in a trust account.
- Acceptable appraisal, environmental reports, broker’s opinion and market study
- Acceptable listing/sales contract with selling broker
- 3rd party plan and cost review
- Acceptable buyer’s subsidies programs with respect to any affordable units
- Any on going deed restrictions with respect to affordable units

Security: Including but not limited to :

- First mortgage
- Assignment of any leases/rents
- Assignment of Contracts
- Assignment of Equity agreements including TIF or municipal subsidies
- Assignment of Presales
- Assignment of condo declarations
- Assignment of developer rights in the development agreement
- Assignment of developer’s rights with respect to easements

3rd party costs: All third party costs including but not limited to appraisal, lender legal, lender title, environmental, insurance, fees, shall be the responsibility of Borrower, whether or not engaged by Borrower. All project funding shall be paid through the title company with hard cost draws funded upon 3rd party inspector of completed work.

Please let me know if you have any questions.

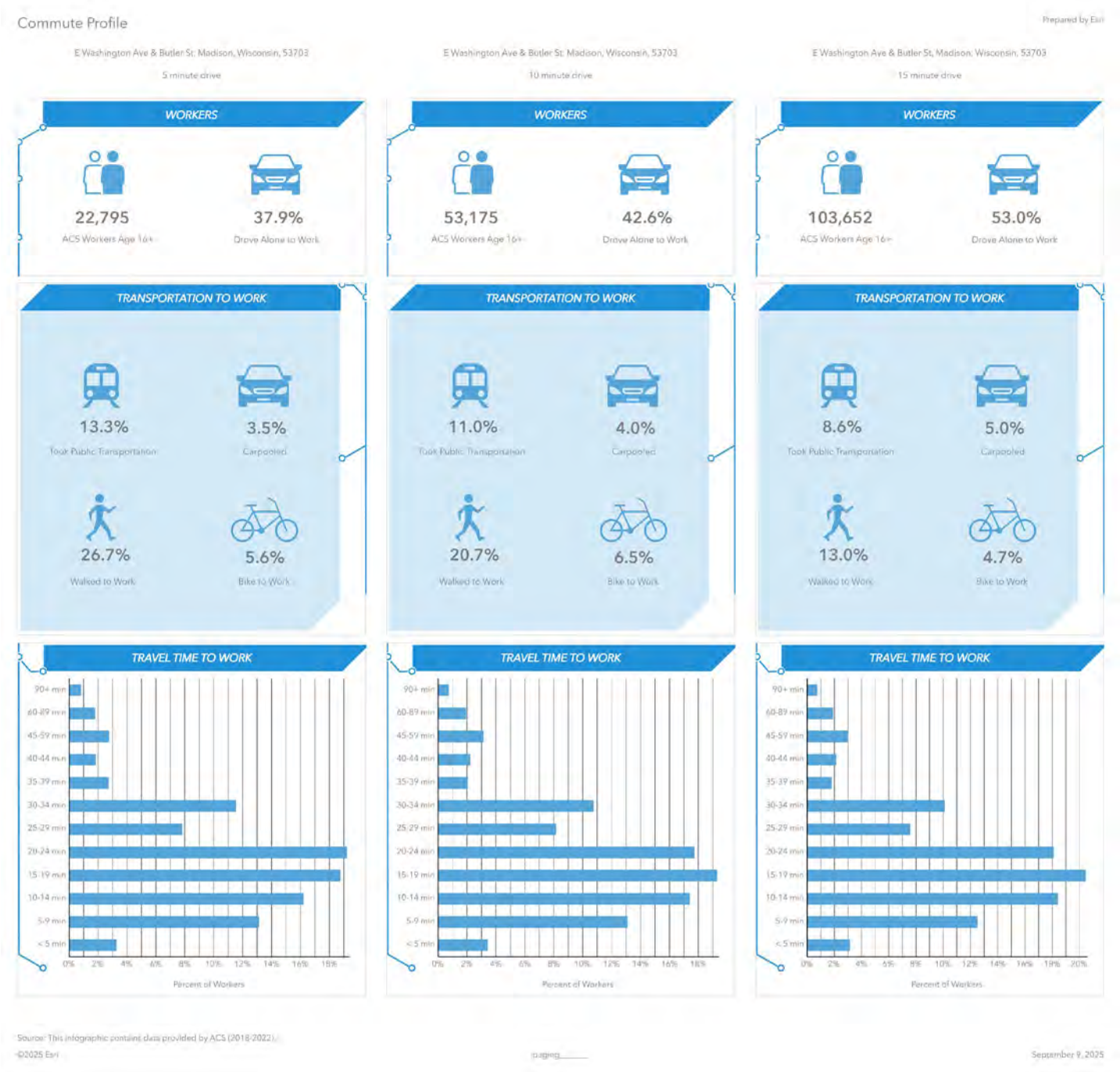
Sincerely,

A handwritten signature in black ink, appearing to read 'SS', with a long horizontal line extending to the right.

Steve Sosnowski
Senior Vice President
Commercial Real Estate Specialty Group
Direct: 608.250.7164

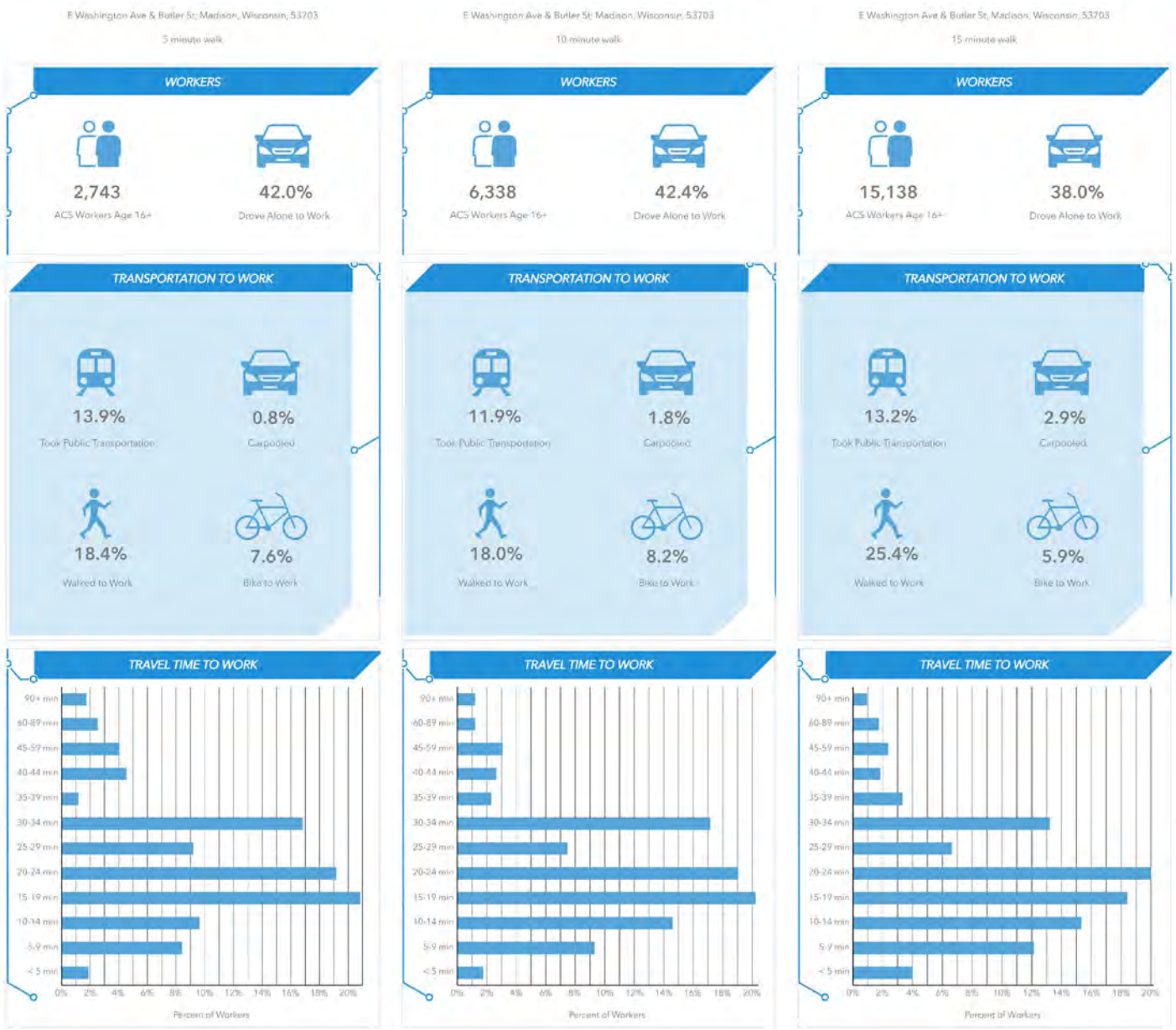
Supplemental Information for 3.K

Commute Profile: Drive



Supplemental Information for 3.K

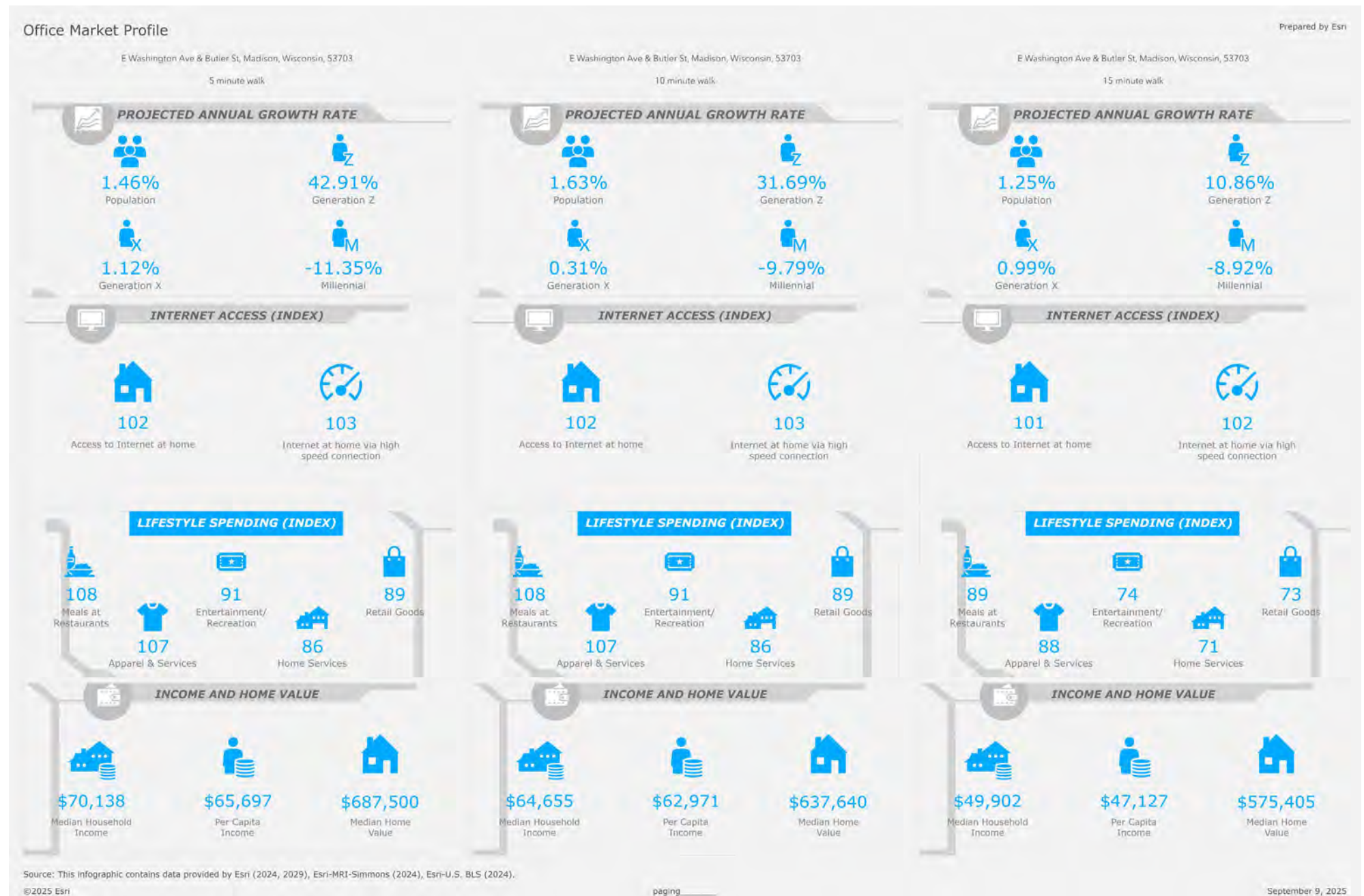
Commute Profile: Walk



Source: This infographic contains data provided by ACS (2018-2022).
©2025 Esri

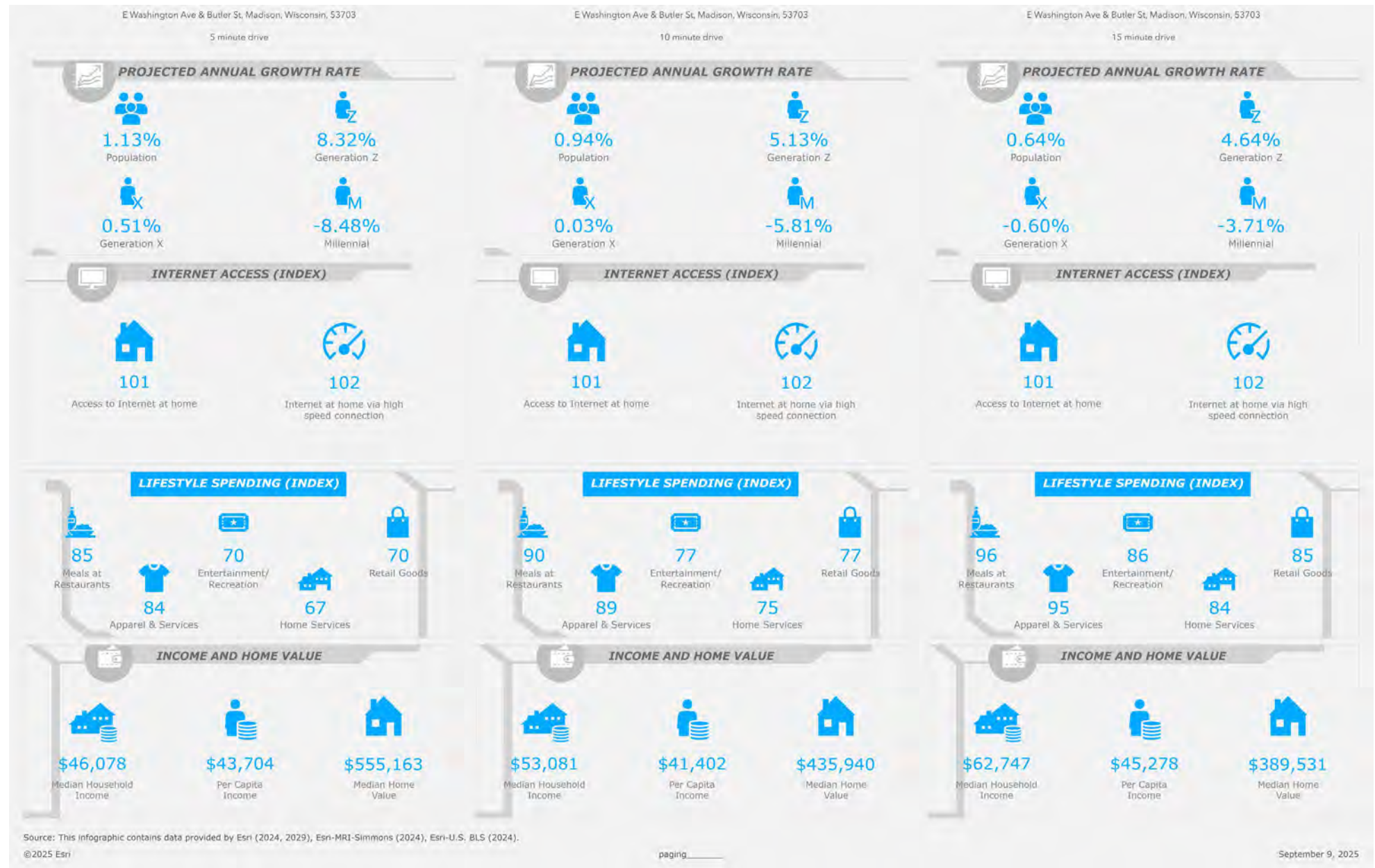
Supplemental Information for 3.K

Office Market Profile: Walk



Supplemental Information for 3.K

Office Market Profile: Drive



Supplemental Information for 3.K

Retail Demand by Industry (Tabular)

Prepared by Esri

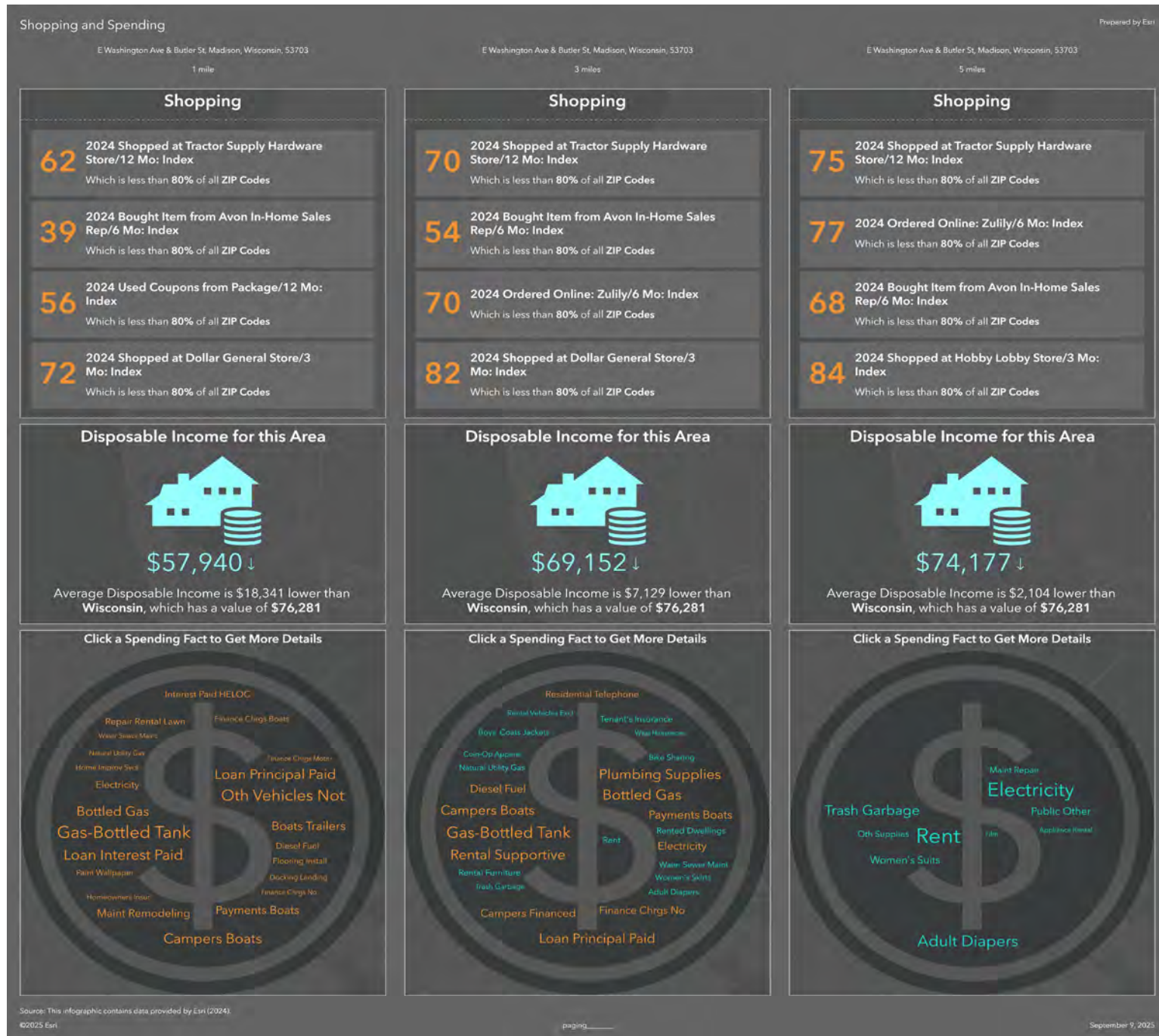
E Washington Ave & Butler St, Madison, Wisconsin, 53703				
5 minute walk				
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
44-45, 722	Retail Trade, Food Services & Drinking Places	97	\$28,979.73	\$49,033,697
44-45	Retail Trade	95	\$24,352.51	\$41,204,447
722	Food Services & Drinking Places	105	\$4,627.22	\$7,829,250
NAICS Code	Industry Subsector & Group	Index	Average Spending	Total
441	Motor Vehicle & Parts Dealers	90	\$2,805.95	\$4,747,674
4411	Automobile Dealers	94	\$2,424.04	\$4,101,476
4412	Other Motor Vehicle Dealers	56	\$138.84	\$234,910
4413	Auto Parts, Accessories & Tire Stores	91	\$243.08	\$411,288
442	Furniture and Home Furnishings Stores	88	\$968.56	\$1,638,804
4421	Furniture Stores	94	\$677.46	\$1,146,263
4422	Home Furnishings Stores	77	\$291.10	\$492,540
443, 4431	Electronics and Appliance Stores	110	\$354.27	\$599,426
444	Bldg Material & Garden Equipment & Supplies Dealers	67	\$1,024.72	\$1,733,831
4441	Building Material and Supplies Dealers	66	\$920.98	\$1,558,296
4442	Lawn and Garden Equipment and Supplies Stores	73	\$103.74	\$175,535
445	Food and Beverage Stores	99	\$5,610.75	\$9,493,382
4451	Grocery Stores	99	\$5,244.43	\$8,873,582
4452	Specialty Food Stores	100	\$177.69	\$300,653
4453	Beer, Wine, and Liquor Stores	99	\$188.62	\$319,146
446, 4461	Health and Personal Care Stores	91	\$719.41	\$1,217,248
447, 4471	Gasoline Stations	97	\$3,533.90	\$5,979,367
448	Clothing and Clothing Accessories Stores	107	\$1,287.79	\$2,178,942
4481	Clothing Stores	106	\$1,020.20	\$1,726,176
4482	Shoe Stores	110	\$248.98	\$421,282
4483	Jewelry, Luggage, and Leather Goods Stores	101	\$18.61	\$31,484
451	Sporting Goods, Hobby, Musical Inst., and Book Stores	100	\$472.36	\$799,235
4511	Sporting Goods, Hobby, and Musical Inst Stores	98	\$372.72	\$630,638
4512	Book Stores and News Dealers	109	\$99.64	\$168,598
452	General Merchandise Stores	99	\$4,352.41	\$7,364,286
4522	Department Stores	106	\$410.07	\$693,838
4523	Merch. Stores, incl. Warehouse Clubs, Supercenters	98	\$3,942.34	\$6,670,447
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
453	Miscellaneous Store Retailers	92	\$552.07	\$934,104
4531	Florists	71	\$21.62	\$36,580
4532	Office Supplies, Stationery, and Gift Stores	101	\$97.14	\$164,367
4533	Used Merchandise Stores	93	\$74.87	\$126,678
4539	Other Miscellaneous Store Retailers	91	\$358.44	\$606,478
454	Nonstore Retailers	95	\$2,670.30	\$4,518,148
4541	Electronic Shopping and Mail-Order Houses	98	\$2,358.75	\$3,991,010
4542	Vending Machine Operators	100	\$39.49	\$66,825
4543	Direct Selling Establishments	77	\$272.05	\$460,312
722	Food Services & Drinking Places	105	\$4,627.22	\$7,829,250
7223	Special Food Services	107	\$16.83	\$28,468
7224	Drinking Places (Alcoholic Beverages)	119	\$125.15	\$211,748
7225	Restaurants and Other Eating Places	105	\$4,485.25	\$7,589,035

E Washington Ave & Butler St, Madison, Wisconsin, 53703				
10 minute walk				
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
44-45, 722	Retail Trade, Food Services & Drinking Places	97	\$29,039.03	\$144,788,620
44-45	Retail Trade	95	\$24,407.92	\$121,697,900
722	Food Services & Drinking Places	105	\$4,631.11	\$23,090,721
NAICS Code	Industry Subsector & Group	Index	Average Spending	Total
441	Motor Vehicle & Parts Dealers	91	\$2,835.54	\$14,138,008
4411	Automobile Dealers	95	\$2,451.39	\$12,222,650
4412	Other Motor Vehicle Dealers	56	\$139.67	\$696,407
4413	Auto Parts, Accessories & Tire Stores	92	\$244.47	\$1,218,952
442	Furniture and Home Furnishings Stores	88	\$967.40	\$4,823,439
4421	Furniture Stores	95	\$678.28	\$3,381,900
4422	Home Furnishings Stores	76	\$289.12	\$1,441,539
443, 4431	Electronics and Appliance Stores	111	\$357.20	\$1,781,012
444	Bldg Material & Garden Equipment & Supplies Dealers	66	\$1,015.44	\$5,062,992
4441	Building Material and Supplies Dealers	66	\$912.57	\$4,550,084
4442	Lawn and Garden Equipment and Supplies Stores	73	\$102.87	\$512,907
445	Food and Beverage Stores	99	\$5,607.05	\$27,956,742
4451	Grocery Stores	99	\$5,241.49	\$26,134,077
4452	Specialty Food Stores	100	\$177.39	\$884,466
4453	Beer, Wine, and Liquor Stores	99	\$188.17	\$938,199
446, 4461	Health and Personal Care Stores	91	\$718.94	\$3,584,652
447, 4471	Gasoline Stations	98	\$3,561.07	\$17,755,497
448	Clothing and Clothing Accessories Stores	107	\$1,288.83	\$6,426,098
4481	Clothing Stores	106	\$1,021.45	\$5,092,953
4482	Shoe Stores	110	\$248.76	\$1,240,311
4483	Jewelry, Luggage, and Leather Goods Stores	101	\$18.62	\$92,833
451	Sporting Goods, Hobby, Musical Inst., and Book Stores	101	\$476.36	\$2,375,135
4511	Sporting Goods, Hobby, and Musical Inst Stores	99	\$374.95	\$1,869,488
4512	Book Stores and News Dealers	111	\$101.41	\$505,647
452	General Merchandise Stores	99	\$4,355.19	\$21,714,964
4522	Department Stores	106	\$410.13	\$2,044,918
4523	Merch. Stores, incl. Warehouse Clubs, Supercenters	98	\$3,945.06	\$19,670,046
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
453	Miscellaneous Store Retailers	92	\$551.50	\$2,749,802
4531	Florists	70	\$21.40	\$106,707
4532	Office Supplies, Stationery, and Gift Stores	101	\$97.15	\$484,409
4533	Used Merchandise Stores	93	\$74.69	\$372,408
4539	Other Miscellaneous Store Retailers	91	\$358.26	\$1,786,278
454	Nonstore Retailers	95	\$2,673.40	\$13,329,559
4541	Electronic Shopping and Mail-Order Houses	98	\$2,363.33	\$11,783,546
4542	Vending Machine Operators	100	\$39.55	\$197,216
4543	Direct Selling Establishments	77	\$270.52	\$1,348,798
722	Food Services & Drinking Places	105	\$4,631.11	\$23,090,721
7223	Special Food Services	107	\$16.85	\$84,025
7224	Drinking Places (Alcoholic Beverages)	119	\$125.93	\$627,875
7225	Restaurants and Other Eating Places	105	\$4,488.33	\$22,378,821

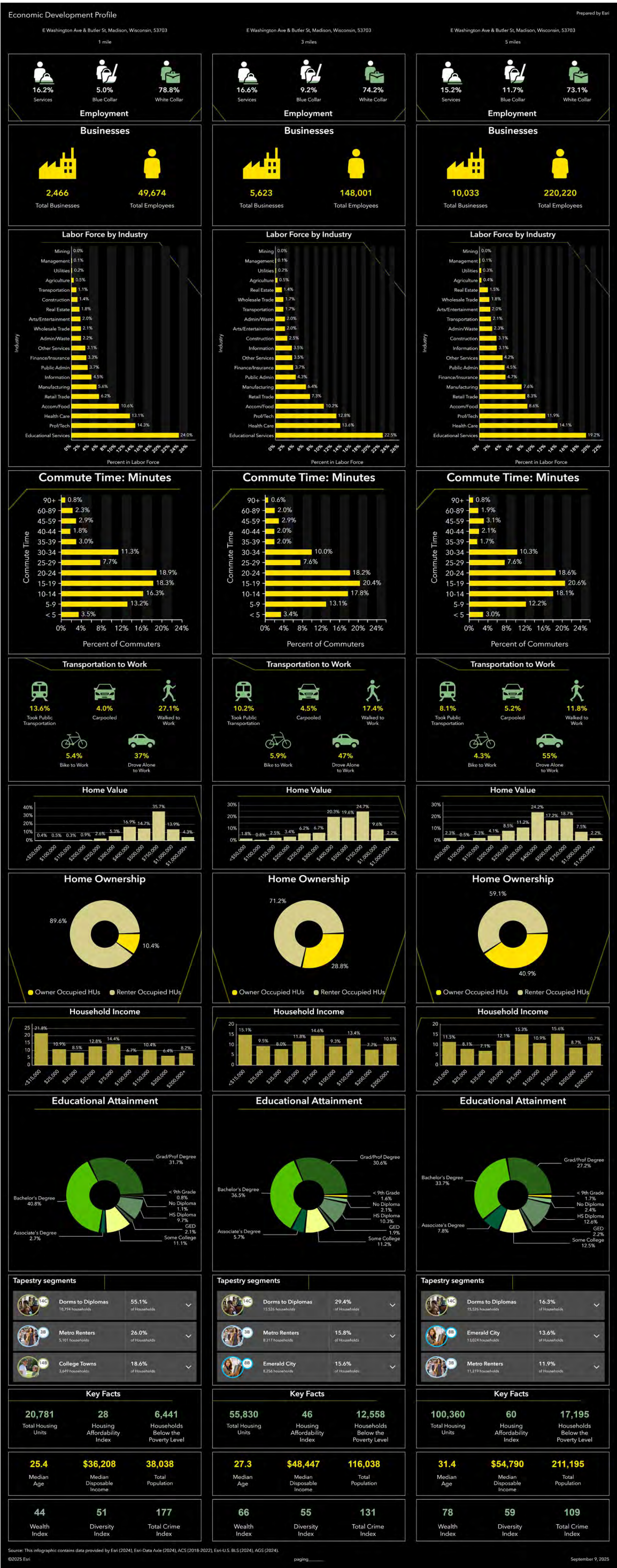
E Washington Ave & Butler St, Madison, Wisconsin, 53703				
15 minute walk				
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
44-45, 722	Retail Trade, Food Services & Drinking Places	79	\$23,769.76	\$297,573,660
44-45	Retail Trade	78	\$19,998.62	\$250,362,700
722	Food Services & Drinking Places	86	\$3,771.14	\$47,210,960
NAICS Code	Industry Subsector & Group	Index	Average Spending	Total
441	Motor Vehicle & Parts Dealers	76	\$2,350.18	\$29,421,964
4411	Automobile Dealers	79	\$2,034.79	\$25,473,509
4412	Other Motor Vehicle Dealers	46	\$114.29	\$1,430,772
4413	Auto Parts, Accessories & Tire Stores	75	\$201.11	\$2,517,683
442	Furniture and Home Furnishings Stores	72	\$785.23	\$9,830,281
4421	Furniture Stores	77	\$552.54	\$6,917,231
4422	Home Furnishings Stores	61	\$232.69	\$2,913,050
443, 4431	Electronics and Appliance Stores	92	\$294.41	\$3,685,734
444	Bldg Material & Garden Equipment & Supplies Dealers	53	\$815.60	\$10,210,527
4441	Building Material and Supplies Dealers	53	\$732.75	\$9,173,323
4442	Lawn and Garden Equipment and Supplies Stores	59	\$82.85	\$1,037,203
445	Food and Beverage Stores	81	\$4,586.80	\$57,422,111
4451	Grocery Stores	81	\$4,288.74	\$53,690,686
4452	Specialty Food Stores	82	\$144.95	\$1,814,666
4453	Beer, Wine, and Liquor Stores	81	\$153.11	\$1,916,759
446, 4461	Health and Personal Care Stores	74	\$588.71	\$7,370,068
447, 4471	Gasoline Stations	81	\$2,938.35	\$36,785,213
448	Clothing and Clothing Accessories Stores	87	\$1,050.44	\$13,150,450
4481	Clothing Stores	87	\$833.39	\$10,433,173
4482	Shoe Stores	89	\$201.88	\$2,527,337
4483	Jewelry, Luggage, and Leather Goods Stores	83	\$15.17	\$189,939
451	Sporting Goods, Hobby, Musical Inst., and Book Stores	83	\$392.29	\$4,911,046
4511	Sporting Goods, Hobby, and Musical Inst Stores	81	\$307.34	\$3,847,531
4512	Book Stores and News Dealers	93	\$84.95	\$1,063,515
452	General Merchandise Stores	81	\$3,560.49	\$44,573,829
4522	Department Stores	87	\$334.02	\$4,181,645
4523	Merch. Stores, incl. Warehouse Clubs, Supercenters	80	\$3,226.47	\$40,392,183
NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
453	Miscellaneous Store Retailers	75	\$448.72	\$5,617,512
4531	Florists	56	\$17.19	\$215,170
4532	Office Supplies, Stationery, and Gift Stores	82	\$79.08	\$989,974
4533	Used Merchandise Stores	75	\$60.41	\$756,250
4539	Other Miscellaneous Store Retailers	74	\$292.05	\$3,656,118
454	Nonstore Retailers	78	\$2,187.39	\$27,383,965
4541	Electronic Shopping and Mail-Order Houses	80	\$1,934.38	\$24,216,448
4542	Vending Machine Operators	82	\$32.45	\$406,266
4543	Direct Selling Establishments	63	\$220.56	\$2,761,252
722	Food Services & Drinking Places	86	\$3,771.14	\$47,210,960
7223	Special Food Services	87	\$13.74	\$172,035
7224	Drinking Places (Alcoholic Beverages)	98	\$103.36	\$1,293,996
7225	Restaurants and Other Eating Places	85	\$3,654.04	\$45,744,928

Source: This infographic contains data provided by Esri-U.S. BLS (2024).

Supplemental Information for 3.K



Supplemental Information for 3.K



Market

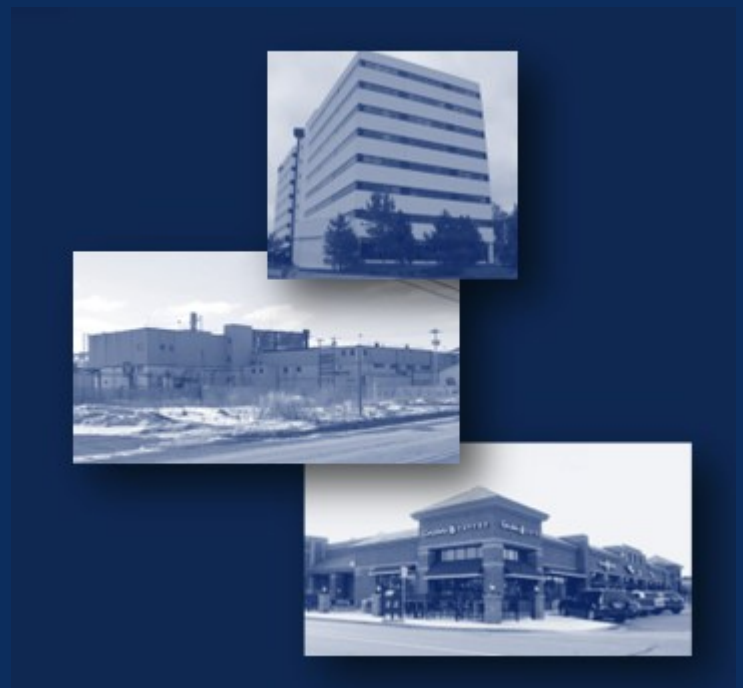
Trends

Q2 2025

Madison - Retail



REDI
MOODY'S



MARKET TRENDS

Q2 2025 | Madison | Retail

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	390,666	
Area Unemployment	2.8	
U.S. Unemployment	4.2	
Retail Jobs	40,500	

Source: BLS

*Employment figures and area unemployment are based on Madison MSA data.

Market Recap

All Properties

Total Inventory (sf)	21,206,275
Total # of Bldgs (tracked)	824
Absorption	(161,984)
Vacancy	6.3%
Asking Rate (NNN)	\$19.63
Under Construction	105,182

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 40 basis points to 2.8% compared to 2.4% in May 2024. The unemployment rate for the US was at 4.2% in May 2025 increasing 20 basis points from last year. State of Wisconsin unemployment was 3.3% for this quarter. Madison MSA saw an decrease in job growth but retail specific jobs of leisure and hospitality increased by 600 jobs during the same period.

Market Overview

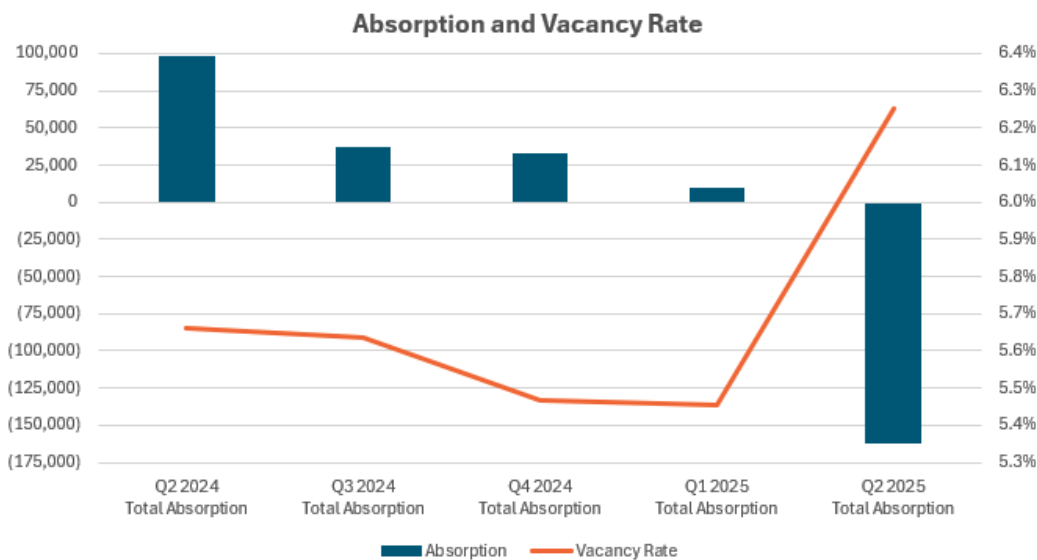
The Madison retail market consists of 21.2 msf throughout Dane County. The market showed (162,000) sf negative absorption this quarter. This brought YTD to (152,300) sf negative absorption and a vacancy rate of 6.3% for both multi and single tenant properties. Multi-tenant only properties recorded (80,700) sf negative absorption, bringing YTD to (67,200) sf negative absorption and an 8.9% vacancy rate. Currently there are eight projects under construction totaling 105,100 sf. Four properties have been delivered this year in Madison totaling 19,500 sf.

Market Highlights

At the close of Q2 2025, the Madison market saw 32 lease transactions totaling 117,100 sf. Twenty two properties totaling 194,300 sf sold for \$37.3 million. Madison Central market posting the most positive absorption of 6,700 sf. Madison Southwest had the largest loss of (52,600) sf negative absorption led by JoAnn Fabrics vacating 35,000 sf. For Madison primary markets, Madison North achieved the lowest vacancy rate at 2.5%, while Madison East was the highest with a 10.0% vacancy rate. The overall vacancy rate has increased to 6.3% this quarter compared to 5.7% last year.

Market Overview by Property Type

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	6	627,287	96,894	124,961	(34,343)	(48,274)	19.9%
Freestanding/Big Box	238	9,220,997	266,579	252,604	(70,035)	(73,849)	2.7%
Mixed Use	134	1,852,018	122,400	174,241	11,382	26,318	9.4%
Neighborhood Center	72	3,464,618	242,389	246,302	(40,414)	(39,103)	7.1%
Regional Center	3	1,883,319	288,036	288,036	695	(92)	15.3%
Restaurant	96	674,657	42,072	31,575	(11,193)	(11,193)	4.7%
Strip Center	275	3,483,379	281,212	208,408	(18,076)	(6,113)	6.0%
Grand Total	824	21,206,275	1,339,582	1,326,127	(161,984)	(152,306)	6.3%



Market Statistics by Market

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Madison Central	Freestanding/Big Box	20	311,712	8,719	8,719	(4,905)	(8,719)	2.8%
	Mixed Use	60	789,857	52,210	65,207	1,012	(327)	8.3%
	Neighborhood Center	4	250,675	18,705	18,705	10,618	15,118	7.5%
	Restaurant	13	104,366			0	0	0.0%
	Strip Center	20	259,918	9,438	9,438	0	(2,000)	3.6%
	Subtotal	117	1,716,528	89,072	102,069	6,725	4,072	5.9%
Madison East	Community Center	2	168,796	45,634	45,634	(20,000)	(33,931)	27.0%
	Freestanding/Big Box	49	2,331,209	192,730	178,755	0	0	7.7%
	Mixed Use	9	143,392	7,099	4,593	4,000	4,000	3.2%
	Neighborhood Center	15	715,008	31,680	51,535	(3,000)	(2,500)	7.2%
	Regional Center	1	787,809	152,816	152,816	(3,531)	(3,531)	19.4%
	Restaurant	16	125,170	11,775	11,775	(5,693)	(5,693)	9.4%
	Strip Center	50	746,358	83,061	58,834	(11,583)	(7,228)	7.9%
	Subtotal	142	5,017,742	524,795	503,942	(39,807)	(48,883)	10.0%
Madison North	Freestanding/Big Box	45	1,996,874			0	0	0.0%
	Mixed Use	16	177,652	16,340	14,571	6,370	12,874	8.2%
	Neighborhood Center	10	505,255	36,872	32,770	(11,453)	(10,185)	6.5%
	Restaurant	10	57,907	5,500	5,500	(5,500)	(5,500)	9.5%
	Strip Center	47	528,014	44,914	28,218	(5,878)	1,055	5.3%
	Subtotal	128	3,265,702	103,626	81,059	(16,461)	(1,756)	2.5%
Madison Southeast	Freestanding/Big Box	15	462,411			0	0	0.0%
	Mixed Use	7	241,481	10,017	35,876	0	5,575	14.9%
	Neighborhood Center	2	76,671			0	0	0.0%
	Restaurant	5	39,884			0	0	0.0%
	Strip Center	7	87,927	11,989	10,629	0	0	12.1%
	Subtotal	36	908,374	22,006	46,505	0	5,575	5.1%
Madison Southwest	Community Center	1	135,107	7,525	7,525	0	0	5.6%
	Freestanding/Big Box	57	2,180,797	17,520	17,520	(17,520)	(17,520)	0.8%
	Mixed Use	19	197,321	21,270	21,270	0	0	10.8%
	Neighborhood Center	25	1,123,595	124,981	131,854	(36,350)	(43,276)	11.7%
	Regional Center	1	411,508	100,485	100,485	(600)	(1,387)	24.4%
	Restaurant	20	131,044	14,300	14,300	0	0	10.9%
	Strip Center	84	1,059,063	65,782	43,854	1,885	10,286	4.1%
	Subtotal	207	5,238,435	351,863	336,808	(52,585)	(51,897)	6.4%
Madison West	Community Center	3	323,384	43,735	71,802	(14,343)	(14,343)	22.2%
	Freestanding/Big Box	36	1,472,720	22,385	22,385	(22,385)	(22,385)	1.5%
	Mixed Use	16	230,885	15,464	30,304	0	4,196	13.1%
	Neighborhood Center	14	662,217	30,151	11,438	(229)	1,740	1.7%
	Regional Center	1	684,002	34,735	34,735	4,826	4,826	5.1%
	Restaurant	21	152,088	10,497		0	0	0.0%
	Strip Center	48	557,076	38,503	34,634	0	0	6.2%
	Subtotal	139	4,082,372	195,470	205,298	(32,131)	(25,966)	5.0%
Outlying Dane County	Freestanding/Big Box	16	465,274	25,225	25,225	(25,225)	(25,225)	5.4%
	Mixed Use	7	71,430		2,420	0	0	3.4%
	Neighborhood Center	2	131,197			0	0	0.0%
	Restaurant	11	64,198			0	0	0.0%
	Strip Center	19	245,023	27,525	22,801	(2,500)	(8,226)	9.3%
	Subtotal	55	977,122	52,750	50,446	(27,725)	(33,451)	5.2%
Grand Total		824	21,206,275	1,339,582	1,326,127	(161,984)	(152,306)	6.3%

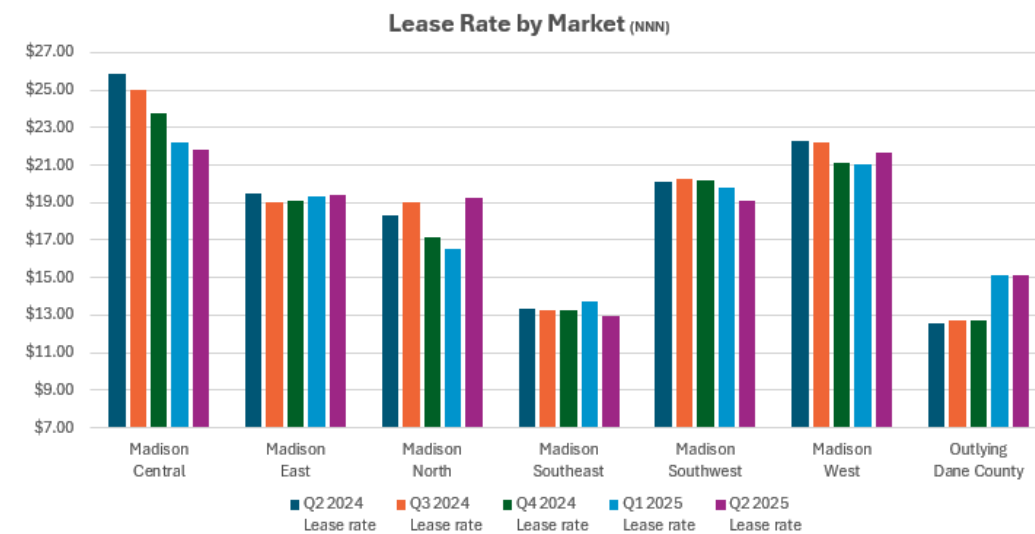
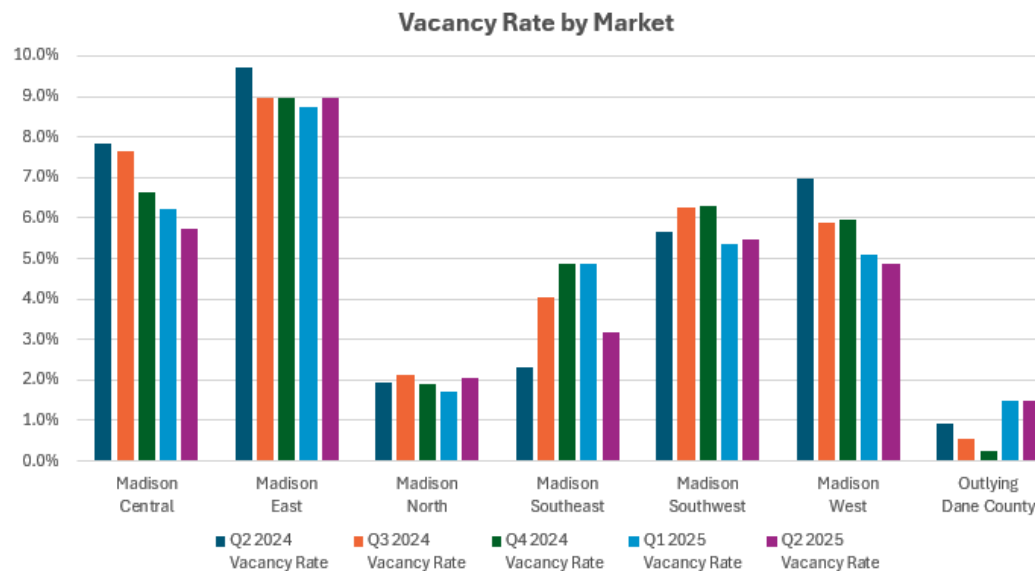
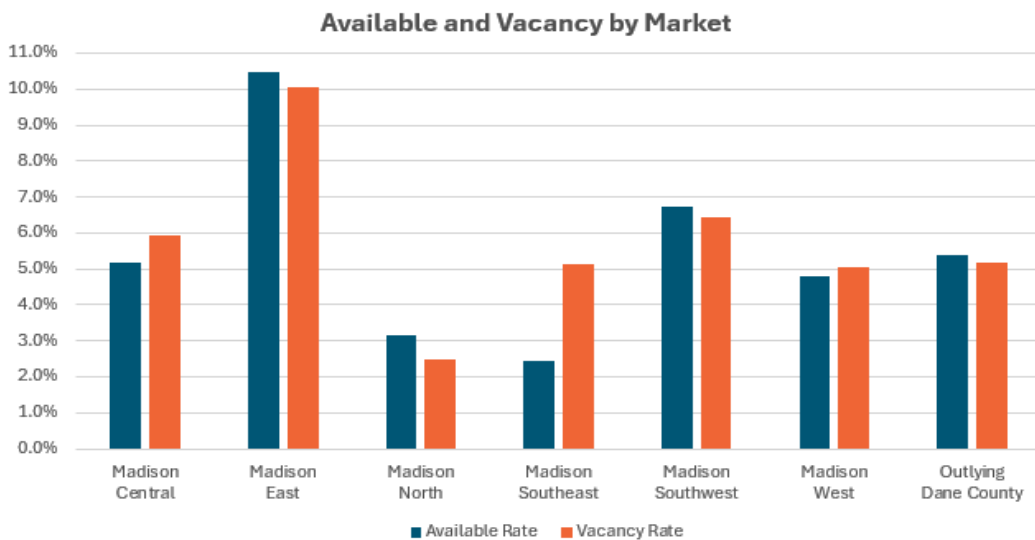
Vacancy Rates by Market

Market	Property Type	Q2 2024 Vacancy Rate	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate
Madison Central	Freestanding/Big Box	0.0%	0.0%	0.0%	1.2%	2.8%
	Mixed Use	10.3%	8.3%	8.1%	8.2%	8.3%
	Neighborhood Center	11.7%	13.5%	13.5%	11.7%	7.5%
	Restaurant	0.0%	0.0%	0.0%	0.0%	0.0%
	Strip Center	2.9%	3.4%	2.9%	3.6%	3.6%
	Subtotal	6.9%	6.4%	6.2%	6.3%	5.9%
Madison East	Community Center	17.1%	17.1%	6.9%	15.2%	27.0%
	Freestanding/Big Box	7.3%	7.3%	7.2%	7.7%	7.7%
	Mixed Use	5.4%	6.0%	6.0%	6.0%	3.2%
	Neighborhood Center	6.9%	6.9%	6.9%	6.8%	7.2%
	Regional Center	18.1%	18.1%	18.9%	18.9%	19.4%
	Restaurant	5.4%	5.4%	4.9%	4.9%	9.4%
	Strip Center	5.2%	6.2%	6.9%	6.3%	7.9%
	Subtotal	8.8%	8.9%	8.8%	9.2%	10.0%
Madison North	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	7.6%	12.1%	12.3%	8.5%	8.2%
	Neighborhood Center	4.6%	4.2%	4.5%	4.2%	6.5%
	Restaurant	0.0%	0.0%	0.0%	0.0%	9.5%
	Strip Center	5.5%	6.4%	5.5%	4.2%	5.3%
	Subtotal	2.0%	2.3%	2.2%	1.8%	2.5%
Madison Southeast	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	18.6%	16.8%	16.8%	14.9%	14.9%
	Neighborhood Center	0.0%	0.0%	0.0%	0.0%	0.0%
	Restaurant	25.1%	0.0%	0.0%	0.0%	0.0%
	Strip Center	12.8%	12.8%	12.1%	12.1%	12.1%
	Subtotal	7.7%	6.0%	5.9%	5.2%	5.1%
Madison Southwest	Community Center	5.6%	5.6%	5.6%	5.6%	5.6%
	Freestanding/Big Box	0.3%	0.3%	0.0%	0.0%	0.8%
	Mixed Use	12.0%	11.4%	10.8%	10.8%	10.8%
	Neighborhood Center	8.2%	7.9%	7.9%	8.5%	11.7%
	Regional Center	22.1%	23.0%	24.1%	24.3%	24.4%
	Restaurant	0.0%	10.9%	10.9%	10.9%	10.9%
	Strip Center	5.7%	5.1%	5.1%	4.3%	4.1%
	Subtotal	5.3%	5.5%	5.4%	5.4%	6.4%
Madison West	Community Center	17.8%	17.8%	17.8%	17.8%	22.2%
	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	1.5%
	Mixed Use	22.9%	20.2%	14.9%	13.1%	13.1%
	Neighborhood Center	2.9%	2.0%	2.0%	1.7%	1.7%
	Regional Center	5.4%	6.0%	5.8%	5.8%	5.1%
	Restaurant	0.0%	0.0%	0.0%	0.0%	0.0%
	Strip Center	6.9%	6.8%	6.2%	6.2%	6.2%
	Subtotal	5.0%	4.8%	4.4%	4.2%	5.0%
Outlying Dane County	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	5.4%
	Mixed Use	3.4%	3.4%	3.4%	3.4%	3.4%
	Neighborhood Center	0.0%	0.0%	0.0%	0.0%	0.0%
	Restaurant	0.0%	0.0%	0.0%	0.0%	0.0%
	Strip Center	5.9%	5.9%	5.9%	8.3%	9.3%
	Subtotal	1.8%	1.8%	1.7%	2.3%	5.2%
Grand Total		5.7%	5.6%	5.5%	5.5%	6.3%

Lease Rates by Market

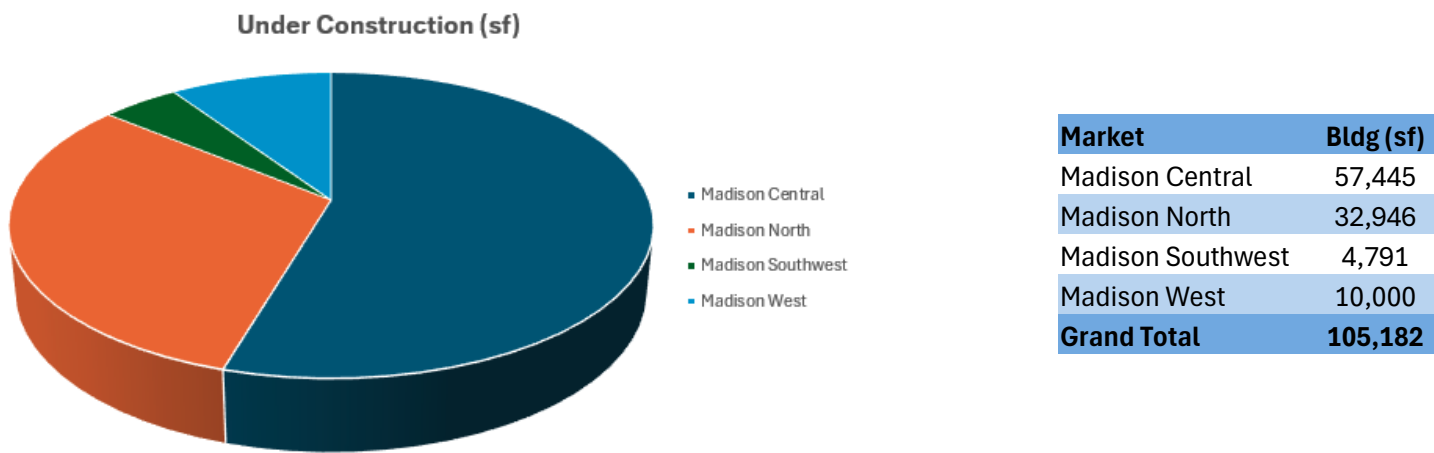
Market	Property Type	Q2 2024 Lease rate	Q3 2024 Lease rate	Q4 2024 Lease rate	Q1 2025 Lease rate	Q2 2025 Lease rate
Madison Central	Freestanding/Big Box					\$22.50
	Mixed Use	\$28.73	\$28.84	\$26.08	\$26.71	\$30.17
	Neighborhood Center					
	Restaurant					
	Strip Center	\$18.33	\$17.25	\$18.33	\$13.33	\$13.33
	Subtotal	\$25.89	\$24.98	\$23.76	\$22.25	\$21.86
Madison East	Community Center	\$21.50	\$21.50	\$21.50	\$21.50	
	Freestanding/Big Box					
	Mixed Use	\$21.75	\$21.75	\$21.75	\$21.75	\$23.00
	Neighborhood Center	\$18.44	\$18.88	\$18.88	\$18.88	\$18.88
	Regional Center					
	Restaurant					
	Strip Center	\$19.03	\$17.90	\$17.89	\$18.07	\$18.89
	Subtotal	\$19.48	\$19.02	\$19.12	\$19.36	\$19.40
Madison North	Freestanding/Big Box					
	Mixed Use	\$23.00	\$24.40	\$24.75	\$24.50	\$24.33
	Neighborhood Center	\$13.69	\$13.35	\$13.79	\$13.25	\$14.17
	Restaurant	\$26.50	\$26.50			\$25.00
	Strip Center	\$17.78	\$17.95	\$14.68	\$16.54	\$20.71
	Subtotal	\$18.35	\$19.00	\$17.18	\$16.50	\$19.29
Madison Southeast	Freestanding/Big Box					
	Mixed Use	\$13.38	\$13.38	\$13.38	\$14.50	
	Neighborhood Center					
	Restaurant					
	Strip Center		\$12.95	\$12.95	\$12.95	\$12.95
	Subtotal	\$13.38	\$13.23	\$13.23	\$13.73	\$12.95
Madison Southwest	Community Center					
	Freestanding/Big Box					\$12.50
	Mixed Use	\$22.59	\$20.74	\$20.74	\$20.74	\$22.79
	Neighborhood Center	\$17.13	\$17.50	\$17.50	\$16.33	\$16.33
	Regional Center					
	Restaurant			\$16.95	\$16.95	\$16.95
	Strip Center	\$20.13	\$20.50	\$20.68	\$20.63	\$18.94
	Subtotal	\$20.14	\$20.23	\$20.21	\$19.82	\$19.10
Madison West	Community Center					
	Freestanding/Big Box					
	Mixed Use	\$23.33	\$22.50	\$18.50	\$22.00	\$20.67
	Neighborhood Center	\$19.25	\$19.75	\$19.00	\$18.00	\$19.25
	Regional Center					
	Restaurant					
	Strip Center	\$23.25	\$24.00	\$24.00	\$24.00	\$24.75
	Subtotal	\$22.28	\$22.23	\$21.11	\$21.08	\$21.64
Outlying Dane County	Freestanding/Big Box					
	Mixed Use	\$12.20				
	Neighborhood Center					
	Restaurant					
	Strip Center	\$12.75	\$12.75	\$12.75	\$15.17	\$15.17
	Subtotal	\$12.57	\$12.75	\$12.75	\$15.17	\$15.17
Grand Total		\$20.45	\$20.40	\$19.55	\$19.35	\$19.63

Vacancy and Lease Rates by Market



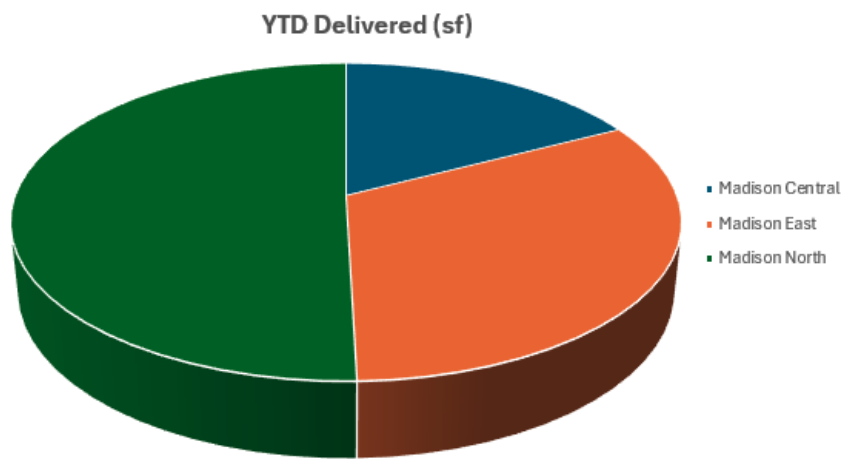
New Developments

Property	Size (sf)	City	Market	Occupancy	Property Type
Madison Public Market					
202 N 1st St	45,000	Madison	Madison Central	Multi Tenant	Big Box
DeForest Yards					
Young Blood Beer Company	19,246	DeForest	Madison North	Single Tenant	Restaurant
8309 Greenway Blvd	10,000	Middleton	Madison West	Multi Tenant	Mixed Use
The Windsor					
4237 Deere Crossing	9,700	Windsor	Madison North	Single Tenant	Restaurant
One 09					
109 E Wilson St	9,445	Madison	Madison Central	Multi Tenant	Mixed Use
6706 Odana Rd	4,791	Madison	Madison Southwest	Multi Tenant	Mixed Use
108 W Main St	4,000	Sun Prairie	Madison North	Multi Tenant	Mixed Use
802 Regent St	3,000	Madison	Madison Central	Multi Tenant	Mixed Use



YTD Deliveries

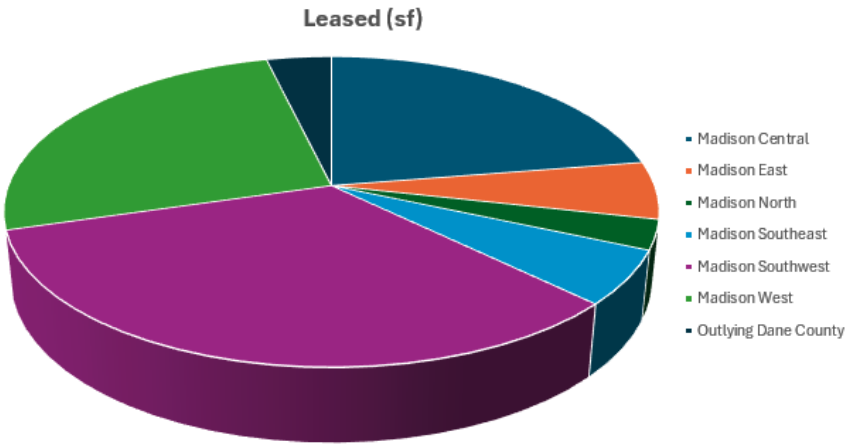
Property	Size (sf)	City	Market	Occupancy	Property Type
DeForest Yards Lot 2 Bldg H Savannah Dr & Monticello Dr	6,370	DeForest	Madison North	Multi Tenant	Mixed Use
3914 Monona Dr	6,300	Madison	Madison East	Multi Tenant	Mixed Use
4522 E Washington Ave	3,510	Madison	Madison North	Single Tenant	Freestanding
Bakers Place 849 E Washington Ave	3,408	Madison	Madison Central	Multi Tenant	Mixed Use



Market	Bldg (sf)
Madison Central	3,408
Madison East	6,300
Madison North	9,880
Grand Total	19,588

Leasing Activity

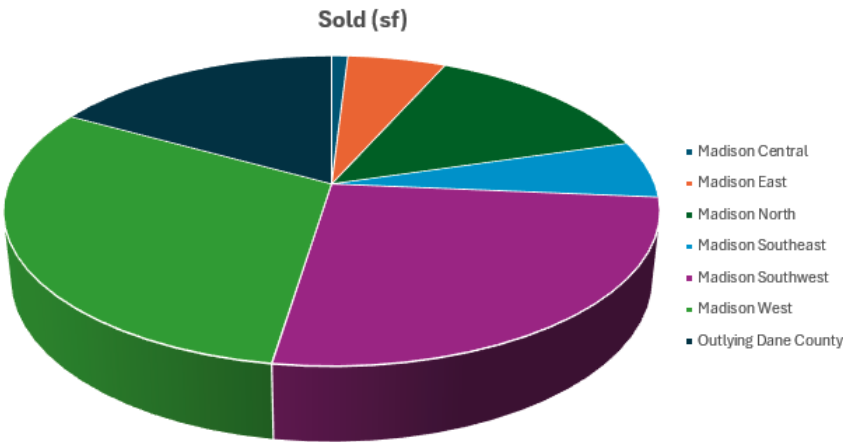
Property	Size (sf)	Market	Tenant	Landlord
5302 Verona Rd	24,040	Madison Southwest	Blue Plate	MPS2P LLC
High Point Centre	19,215	Madison West	Goodwill	Marc Madison LLC
Oakbridge Retail Center 7940 Tree Ln	6,813	Madison West	Kids Play Place	RL Tree Lane LLC
The Hub At Madison 435 N Frances St	4,495	Madison Central	Frank & Andrea	Education Realty Trust
6730-6754 Odana Rd	3,879	Madison Southwest	Qamaria Madison	ROHD LLC



Market	Leased (sf)
Madison Central	26,341
Madison East	7,012
Madison North	3,614
Madison Southeast	6,600
Madison Southwest	38,993
Madison West	30,207
Outlying Dane County	4,410
Grand Total	117,177

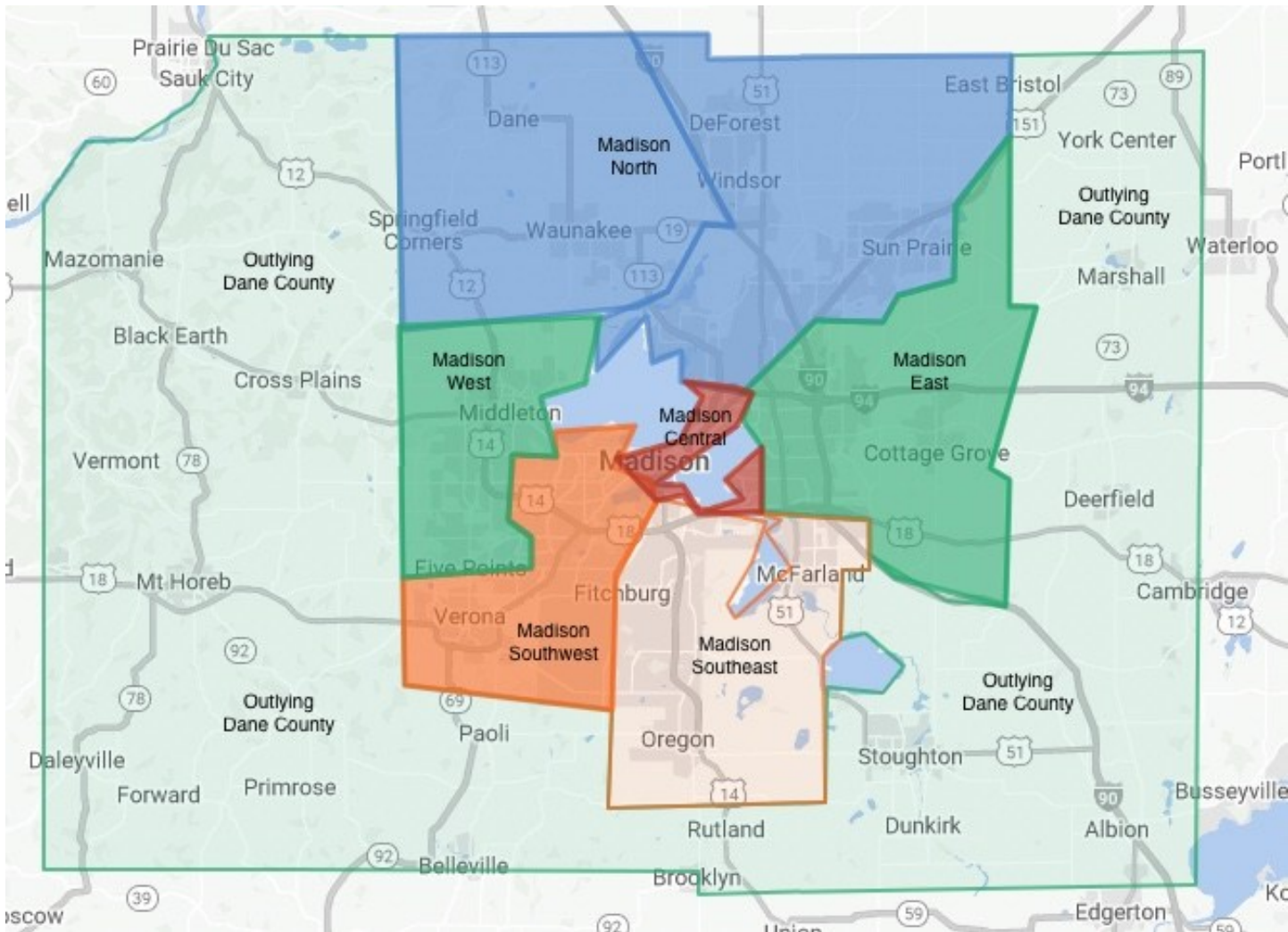
Sales Activity

Property	Price	Market	Buyer	Seller
Oakbridge Retail Center 7940 Tree Ln	\$8,625,000	Madison West	RL Tree Lane, LLC	AGM LLC
Christian Brothers 2820 Sarah Ln	\$4,600,000	Madison North	Gagliardi Trust	CBH Properties Waunakee LLC
2118-2134 W Beltline Hwy	\$4,000,000	Madison Southwest	Madison Lesco LLC	Beltline Investment LLC
4520 E Towne Blvd	\$2,400,000	Madison East	JPMorgan Chase Bank	Kimberlee Burris
839 - 977 N Page St	\$1,900,000	Outlying Dane County	IR Holdings LLC	AIM 1 Holdings LLC



Market	Sold (sf)
Madison Central	1,832
Madison East	11,107
Madison North	26,747
Madison Southeast	11,576
Madison Southwest	50,670
Madison West	59,484
Outlying Dane County	32,929
Grand Total	194,345

Market Map



Images courtesy of Google maps

Methodology

The Madison market consists of all retail buildings 3,000 sf or larger in Dane County. Property types included in the tracked set consist of regional, community, neighborhood, strip centers plus freestanding/big box, mixed use and restaurants. The tracked set does not include auto dealerships, gas stations, day care and freestanding banks. All tracked properties are existing. Statistically, net absorption will be calculated based on when a tenant occupies their new space or vacated date during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

Terminology

Direct Vacant (sf)	The total vacant square footage in a building marketed by an agent representing the landlord
Inventory	The total square footage (sf) of all tracked single and multi-tenant retail buildings 5,000 sf or larger
Net Absorption	The net change in tenant occupies their space or vacated date from quarter to quarter, expressed in square feet
Property Type	The classification of a property based on the specific use
Sublease (sf)	Space available for lease by a tenant for part or all of a leased premises, with the original tenant retaining some right or interest under the original lease. Space is only considered vacant if unoccupied
Total Available (sf)	Total of all space within a building marketed for lease, which can be occupied or vacant, direct or sublease
Total Vacant (sf)	Total of all unoccupied space within a building marketed for lease, which can be direct or sublease
Average Asking Rate	The average asking lease rate expressed as a per square foot value in NNN terms

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	Emily Mehl		Daniel Toennies
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IA Management	Ben Hurd	Park Towne Development	Mike Ring
	Travis Bouzek	Slaby and Associates	Victor Baeten
Jacobson CRE	Max Jacobson	ULI	Mark Binkowski

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Market

Trends

Q2 2025

Madison - Office



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MARKET TRENDS

Q2 2025 | Madison | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	390,666	▼
Area Unemployment	2.8	▲
U.S. Unemployment	4.2	▲
Office Jobs	96,900	▲

Source: BLS

*Employment figures and area unemployment are based on Madison MSA data.

Market Recap

Total Inventory (sf)	17,465,472
Total # of Bldgs (tracked)	395
Absorption	67,681
Vacancy	15.7%
Asking Rate (FSG)	\$22.13
Under Construction	102,000

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Madison metropolitan statistical area (MSA) increased 40 basis points to 2.8% compared to 2.4% in May 2024. The unemployment rate for the US was at 4.2% in May 2025 increasing 20 basis points from last year. State of Wisconsin unemployment was 3.3% for this quarter. Madison MSA saw an decrease in job growth but office specific jobs information, financial and professional services increased by 500 jobs during the same period.

Market Overview

The Madison office market consists of 17.4 msf of space throughout Dane County. Overall there was a vacancy rate of 15.7% with 67,600 sf positive absorption, bringing the YTD to (20,900) sf negative absorption. The vacancy rate for multi-tenant only properties was 15.5% with 67,600 sf positive absorption, bringing the YTD to 22,600 sf positive absorption. Currently there are two properties under construction totaling 102,000 sf in the Madison market. The average asking lease rate for all tracked properties increased to \$22.13 psf FSG compared to \$21.97 from last year.

Market Highlights

Leasing activity during Q2 2025 recorded 41 transactions totaling 148,800 sf in the Madison market. Madison West posted the largest positive absorption of 28,800 sf led by Electronics Arts leasing 14,700 sf. Madison East had the largest negative absorption of (10,100) sf led by Entegral Holdings vacating 20,500 sf. Madison Southwest market still has the lowest vacancy rate of 9.5%, while Madison West market ended Q2 2025 with the highest vacancy rate of 21.8%. Five properties sold with 143,000 sf for \$11.8 million this quarter.

Market Overview by Class

Total

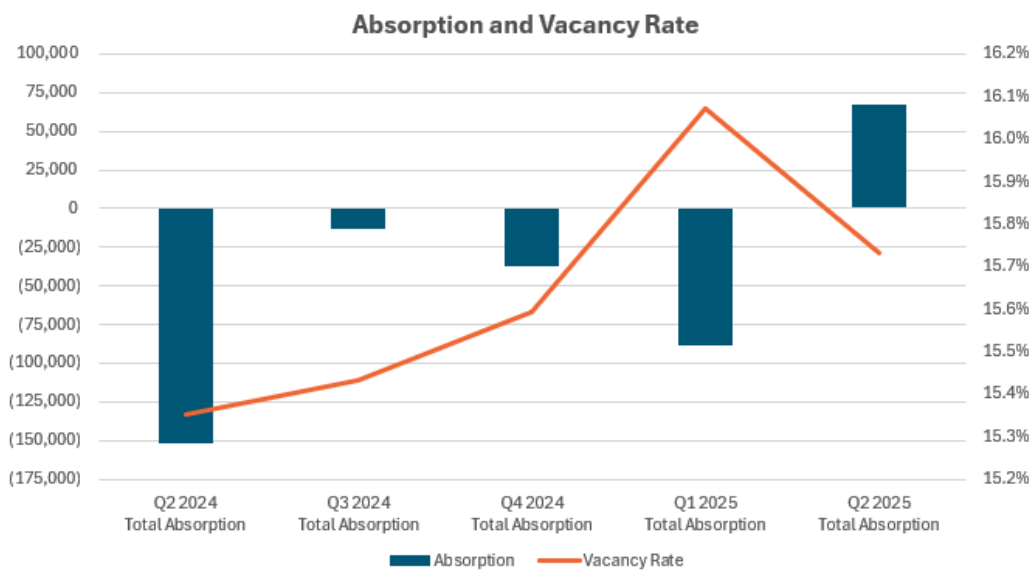
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	58	6,822,623	1,453,357	1,249,935	34,054	(44,015)	18.3%
B	200	7,634,696	1,280,537	1,098,438	36,572	17,250	14.4%
C	137	3,008,153	465,837	399,383	(2,945)	5,796	13.3%
Grand Total	395	17,465,472	3,199,731	2,747,756	67,681	(20,969)	15.7%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	58	6,822,623	892,717	802,200	(9,207)	(61,294)	11.8%
B	200	7,634,696	1,211,828	1,038,436	40,529	(32,678)	13.6%
C	137	3,008,153	453,293	386,839	(2,945)	5,796	12.9%
Grand Total	395	17,465,472	2,557,838	2,227,475	28,377	(88,176)	12.8%

Sublease

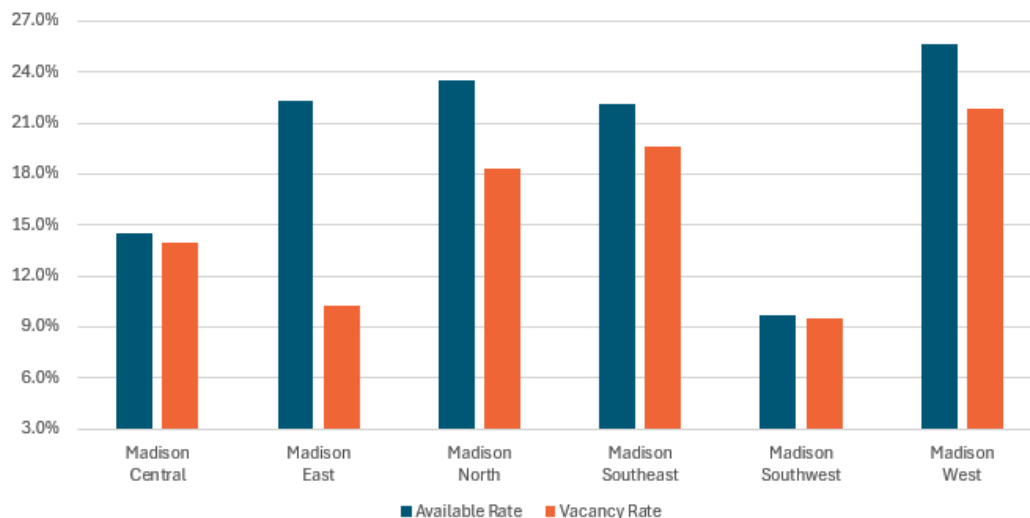
Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	58	6,822,623	560,640	447,735	43,261	17,279	6.6%
B	200	7,634,696	68,709	60,002	(3,957)	49,928	0.8%
C	137	3,008,153	12,544	12,544	0	0	0.4%
Grand Total	395	17,465,472	641,893	520,281	39,304	67,207	3.0%



Market Statistics by Market

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Madison Central	A	16	2,031,765	254,676	219,406	11,433	(2,842)	10.8%
	B	42	1,901,288	250,091	270,906	9,023	(13,106)	14.2%
	C	30	796,405	180,321	171,125	(2,482)	(2,482)	21.5%
	Subtotal	88	4,729,458	685,088	661,437	17,974	(18,430)	14.0%
Madison East	A	2	168,921	5,123	26,675	(14,989)	(14,989)	15.8%
	B	17	701,471	207,623	67,595	4,271	(10,905)	9.6%
	C	6	133,686	10,839	8,820	532	(2,885)	6.6%
	Subtotal	25	1,004,078	223,585	103,090	(10,186)	(28,779)	10.3%
Madison North	A	7	624,167	191,756	140,707	5,520	3,314	22.5%
	B	16	470,047	79,043	78,103	14,626	15,790	16.6%
	C	14	342,841	66,640	44,272	0	5,166	12.9%
	Subtotal	37	1,437,055	337,439	263,082	20,146	24,270	18.3%
Madison Southeast	A	1	112,428			0	0	0.0%
	B	13	558,245	163,508	170,664	(3,146)	15,466	30.6%
	C	12	251,359	40,150	9,833	(1,694)	5,672	3.9%
	Subtotal	26	922,032	203,658	180,497	(4,840)	21,138	19.6%
Madison Southwest	A	9	996,556	82,321	85,892	13,803	6,707	8.6%
	B	58	2,062,485	234,185	225,013	2,818	10,049	10.9%
	C	54	1,042,046	80,202	77,648	(916)	84	7.5%
	Subtotal	121	4,101,087	396,708	388,553	15,705	16,840	9.5%
Madison West	A	23	2,888,786	919,481	777,255	18,287	(36,205)	26.9%
	B	54	1,941,160	346,087	286,157	8,980	(44)	14.7%
	C	21	441,816	87,685	87,685	1,615	241	19.8%
	Subtotal	98	5,271,762	1,353,253	1,151,097	28,882	(36,008)	21.8%
Grand Total		395	17,465,472	3,199,731	2,747,756	67,681	(20,969)	15.7%

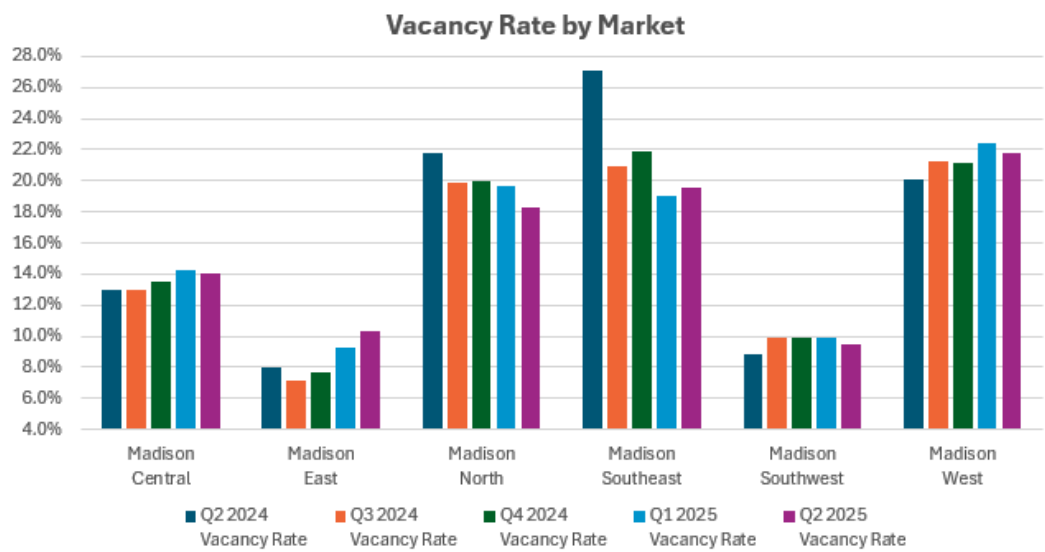
Available and Vacancy by Market



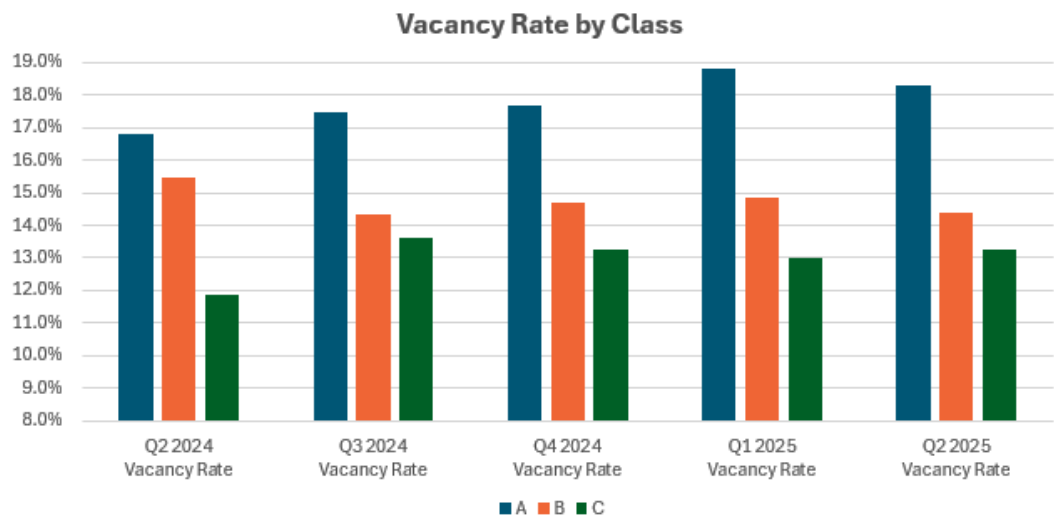
Vacancy Rates by Market

Market	Bldg Class	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Madison Central	A	10.2%	9.7%	10.7%	11.4%	10.8%
	B	12.6%	12.9%	13.6%	14.7%	14.2%
	C	19.9%	20.6%	19.7%	19.7%	21.5%
	Subtotal	12.9%	13.0%	13.5%	14.2%	14.0%
Madison East	A	5.1%	6.9%	6.9%	6.9%	15.8%
	B	9.5%	7.6%	8.4%	10.2%	9.6%
	C	4.3%	4.9%	4.4%	7.0%	6.6%
	Subtotal	8.0%	7.1%	7.6%	9.3%	10.3%
Madison North	A	29.3%	23.2%	23.1%	23.4%	22.5%
	B	20.6%	20.2%	20.0%	19.7%	16.6%
	C	9.6%	13.2%	14.4%	12.9%	12.9%
	Subtotal	21.8%	19.8%	20.0%	19.7%	18.3%
Madison Southeast	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	40.0%	31.0%	33.3%	30.0%	30.6%
	C	7.7%	6.2%	6.2%	3.2%	3.9%
	Subtotal	27.0%	21.0%	21.9%	19.1%	19.6%
Madison Southwest	A	4.7%	9.3%	9.3%	10.0%	8.6%
	B	11.4%	11.1%	11.4%	11.0%	10.9%
	C	7.8%	8.0%	7.5%	7.4%	7.5%
	Subtotal	8.9%	9.9%	9.9%	9.9%	9.5%
Madison West	A	24.2%	25.8%	25.7%	27.5%	26.9%
	B	15.6%	14.6%	14.7%	15.2%	14.7%
	C	11.7%	19.9%	19.9%	20.2%	19.8%
	Subtotal	20.0%	21.3%	21.2%	22.4%	21.8%
Grand Total		15.4%	15.4%	15.6%	16.1%	15.7%

Vacancy Rates by Market



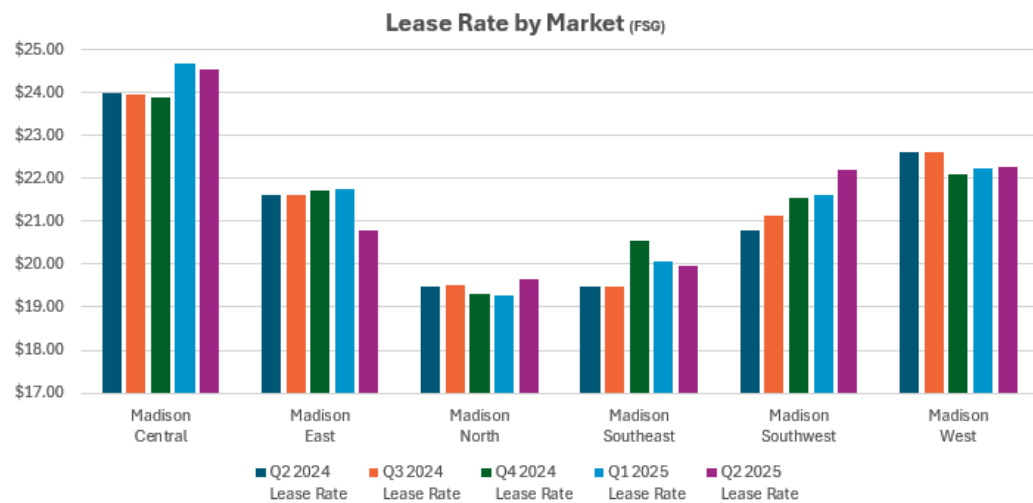
Vacancy Rates by Class



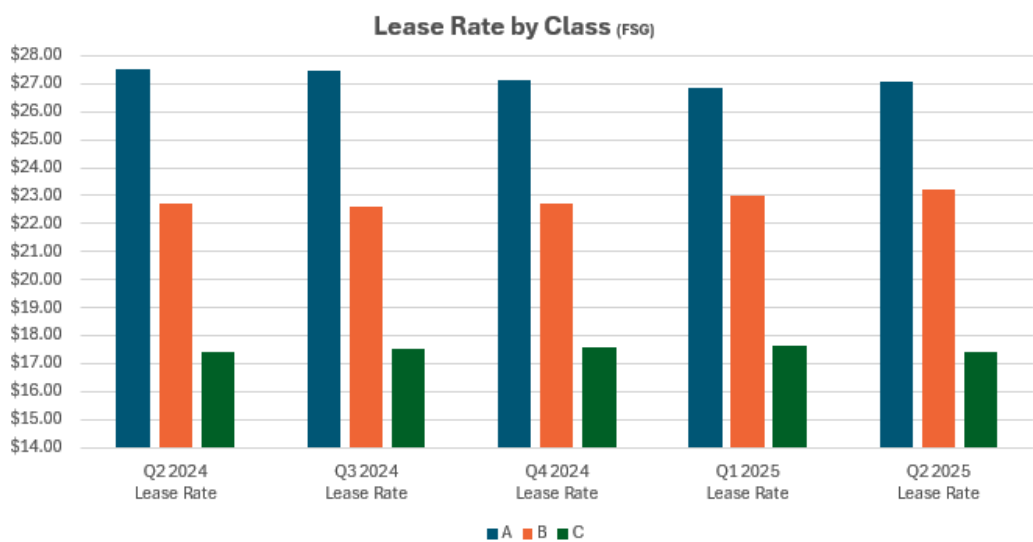
Lease Rates by Market

Market	Bldg Class	Q2 2024 Lease Rate	Q3 2024 Lease Rate	Q4 2024 Lease Rate	Q1 2025 Lease Rate	Q2 2025 Lease Rate
Madison Central	A	\$29.20	\$29.60	\$29.57	\$28.98	\$29.58
	B	\$23.54	\$23.75	\$24.19	\$24.46	\$25.94
	C	\$19.52	\$19.08	\$20.42	\$20.42	\$20.42
	Subtotal	\$23.98	\$23.91	\$24.78	\$24.55	\$25.75
Madison East	A	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
	B	\$21.26	\$21.12	\$21.17	\$20.37	\$20.90
	C	\$21.76	\$22.83	\$22.82	\$21.01	\$21.11
	Subtotal	\$21.62	\$21.73	\$21.77	\$20.80	\$21.21
Madison North	A	\$22.69	\$22.55	\$22.45	\$22.40	\$22.40
	B	\$20.05	\$21.08	\$21.08	\$21.78	\$22.58
	C	\$14.73	\$15.38	\$15.38	\$15.63	\$15.63
	Subtotal	\$19.51	\$19.32	\$19.28	\$19.65	\$20.03
Madison Southeast	A					
	B	\$22.62	\$23.65	\$22.27	\$23.65	\$23.12
	C	\$15.55	\$16.40	\$16.40	\$16.30	\$17.14
	Subtotal	\$19.48	\$20.54	\$20.07	\$19.98	\$20.13
Madison Southwest	A	\$28.35	\$28.26	\$28.26	\$28.01	\$28.01
	B	\$21.79	\$21.59	\$21.83	\$22.68	\$22.32
	C	\$16.75	\$17.38	\$17.27	\$17.39	\$16.95
	Subtotal	\$21.14	\$21.53	\$21.76	\$22.20	\$21.61
Madison West	A	\$28.47	\$28.50	\$28.51	\$28.51	\$28.51
	B	\$24.51	\$23.65	\$23.91	\$23.95	\$24.02
	C	\$17.23	\$16.77	\$17.25	\$17.25	\$16.77
	Subtotal	\$22.63	\$22.09	\$22.24	\$22.26	\$22.28
Grand Total		\$21.97	\$21.99	\$22.04	\$22.04	\$22.13

Lease Rates by Market

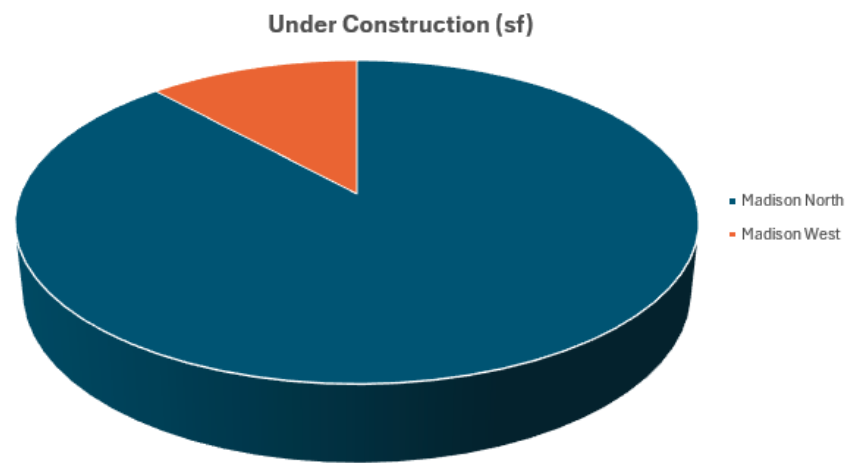


Lease Rates by Class



New Developments

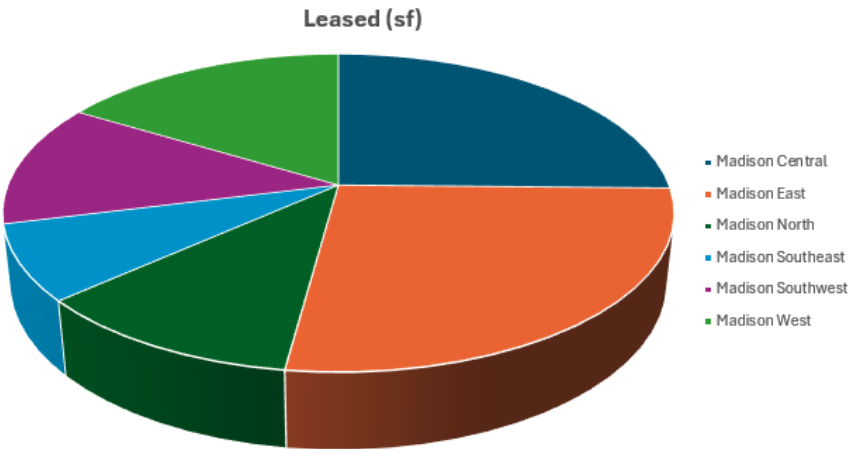
Property	Size (sf)	City	Market	Occupancy	Bldg Class
2750 O Keeffe Ave	90,000	Sun Prairie	Madison North	Single Tenant	B
8124 Forsythia Street	12,000	Stoughton	Madison West	Single Tenant	B



Market	Bldg (sf)
Madison North	90,000
Madison West	12,000
Grand Total	102,000

Leasing Activity

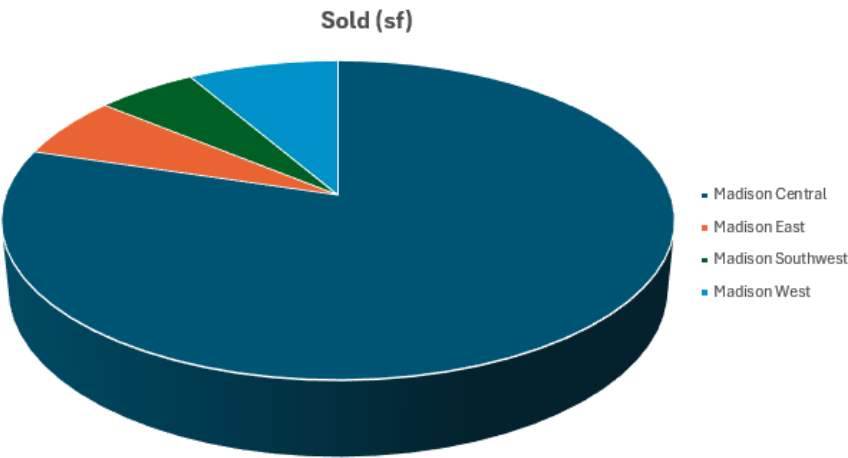
Property	Size (sf)	Market	Tenant	Landlord
316 W Washington Ave	22,023	Madison Central	Rehabpath	316 WWA LLC
2323 Crossroads Dr	20,494	Madison East	Urus	IA City View LLC
4901 Eastpark Blvd	13,075	Madison North	Regus	IA Terrace Drive, LLC
City Center West				
525 Junction Rd	9,356	Madison West	FindHelp	Artis REIT
2310 Crossroads Dr	5,505	Madison East	Entegral Holdings	IA High Crossing LLC



Market	Leased (sf)
Madison Central	37,665
Madison East	39,939
Madison North	16,806
Madison Southeast	11,422
Madison Southwest	18,630
Madison West	24,377
Grand Total	148,839

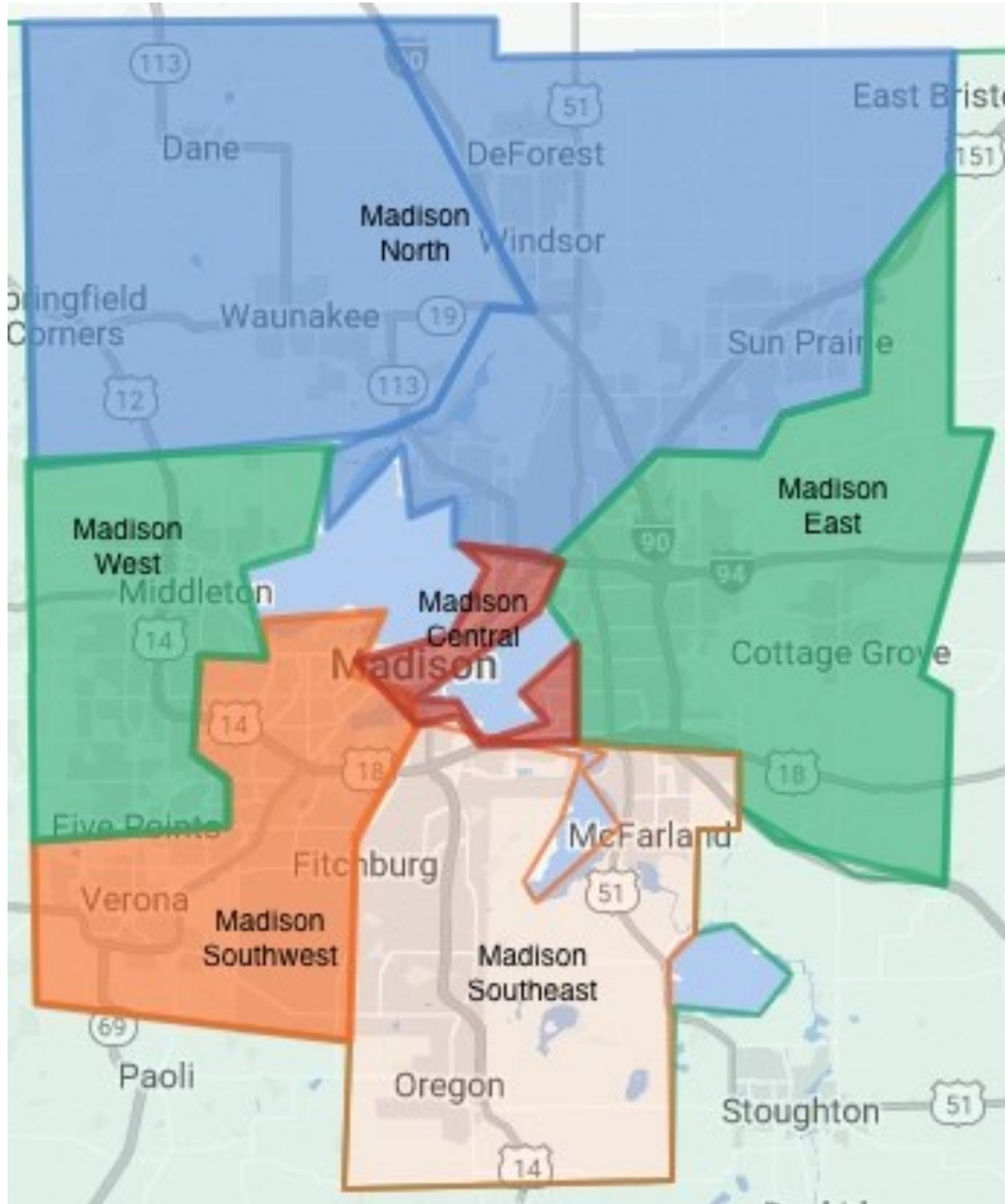
Sales Activity

Property	Price	Market	Buyer	Seller
437 S Junction Rd	\$3,982,900	Madison West	Paw Partners, LLC	Network Partners LLC
WPS Health Solutions 1751 W Broadway	\$3,577,700	Madison Central	TG Monona Land, LLC	Wisconsin Physician Service Insurance Corporation
6315-6317 Odana Rd	\$2,765,000	Madison Southwest	6317 Odana Rd, LLC	3DS Resort LLC
4706 Cottage Grove Rd	\$900,000	Madison East	Rolling Meadows Shopping Center, LLC	Upward Properties LLC
2000 Fordem Ave	\$650,000	Madison Central	Prime Property Rentals LLC	Family Service Inc



Market	Sold (sf)
Madison Central	114,024
Madison East	8,940
Madison Southwest	8,050
Madison West	12,053
Grand Total	143,067

Market Maps



Images courtesy of Google maps

Methodology

The Madison market consists of all multi-tenant and single-tenant leased office buildings 10,000 sf or larger in Dane County. Property types included in the tracked set consist of general office and corporate facilities. The tracked set does not include owner occupied, medical office and government-owned buildings. All tracked properties are existing. Statistically, net absorption will be calculated based on tenant occupying their new space or space vacated during the current quarter. Asking lease rates are based on an average asking rate and noted on a Full-Service Gross (FSG) basis.

Terminology

Direct Vacant (sf)	The total vacant square footage in a building marketed by an agent representing the landlord
Inventory	The total square footage (sf) of all tracked single and multi-tenant office buildings 10,000 sf or larger
Net Absorption	The net change in tenant occupying their space or space vacated from quarter to quarter, expressed in square feet
Property Type	The classification of a property based on the specific use
Sublease (sf)	Space available for lease by a tenant for part or all of a leased premises, with the original tenant retaining some right or interest under the original lease. Space is only considered vacant if unoccupied
Total Available (sf)	Total of all space within a building marketed for lease, which can be occupied or vacant, direct or sublease
Total Vacant (sf)	Total of all unoccupied space within a building marketed for lease, which can be direct or sublease
Average Asking Rate	The average asking lease rate expressed as a per square foot value in full service gross (FSG) terms

Advisory Board Members

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Altus	Mitch Marty		Ben Filkouski
Artis REIT	Kyle Robb	Madison Commercial	Mike Herl
Broadwing Advisors	Craig Stanley		Eric Slifer
	Emily Mehl		Daniel Toennies
CBRE	Chase Brieman	MIG Commercial	Brandi Zander
	James West	Newmark	Charles Redjinski
Colliers	Chris Richards		Chris Caulum
Cushman & Wakefield Boerke	Robert Fulford	Oakbrook	Tony Keuntjes
	Nick Unger		Bryant Meyer
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IA Management	Ben Hurd	Park Towne Development	Mike Ring
	Travis Bouzek	Slaby and Associates	Victor Baeten
Jacobson CRE	Max Jacobson	ULI	Mark Binkowski

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