



### MARKET AT A GLANCE



**OCCUPANCY RATE** **98.0%**  
Up **40 bps** since 2Q19



**EFFECTIVE RENT** **\$1,199**  
Up **1.9%** since 2Q19



**TOTAL INVENTORY** **70,535**

### OCCUPANCY AND RENT TRENDS

#### SUSTAINED APARTMENT DEMAND LEADS TO RISING OCCUPANCY

With higher education, government, and tech serving as the pillars of the economy, the Madison multifamily market posted improving apartment fundamentals during the second quarter. The local economy was affected by Governor Tony Evers's stay-at-home order as employment contracted by approximately 67,700 jobs in April, primarily in the leisure and hospitality industry. Since then, employers rehired approximately 22,300 workers as the governor's order ended in May. This overall rebound in employment benefited the apartment market as absorption was positive in the second quarter. Leasing activity outpaced deliveries to elevate occupancy 20 basis points to 98.0% in the second quarter. At the same time, monthly effective rent advanced 0.4% to \$1,199. The health of the apartment market was not limited to operations. By mid-2020, no surveyed CMBS and Fannie Mae loans were in forbearance or delinquent, outperforming similar secondary markets. Apartment fundamentals will be tested in the near term as more than 800 units are scheduled to come online during the second half of 2020. One factor expected to help sustain apartment demand will be the University of Wisconsin-Madison resuming in-person classes in the fall.



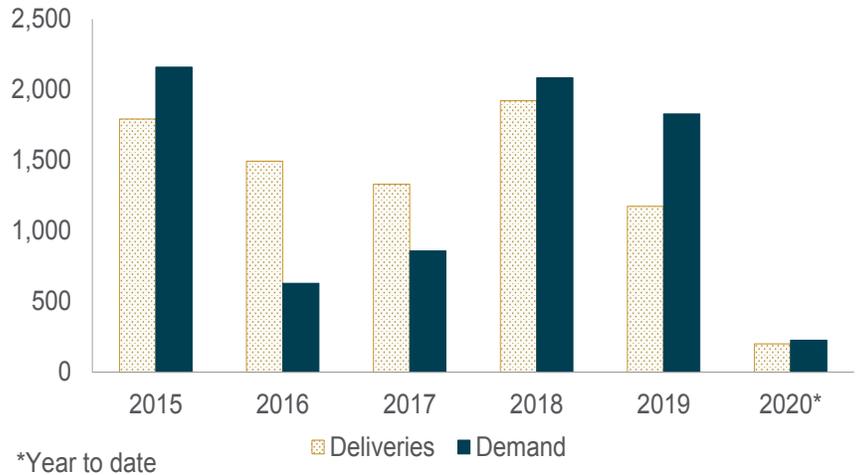
**DELIVERIES AND DEMAND**



**DELIVERIES** 200  
Units YTD



**NET ABSORPTION** 226  
Units YTD



**ECONOMIC TRENDS**

2019 **2.7%** ..... **UNEMPLOYMENT\*** ..... 2020 **9.8%**  
**710 BPS CHANGE**

2019 **409.4k** ..... **EMPLOYMENT\*\*** ..... 2020 **364.5k**  
**-11.0% CHANGE**

2019 **7.9k** ..... **EXISTING SFH SALES\*\*** ..... 2020 **10.4k**  
**31.6% CHANGE**

2019 **665.2k** ..... **POPULATION\*\*** ..... 2020 **668.9k**  
**0.6% CHANGE**

2019 **2.07%** ..... **10-YEAR TREASURY\*\*** ..... 2020 **0.73%**  
**-130 BPS CHANGE**

\*May; \*\*June



**SUBMARKET BREAKDOWN**

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
East Madison	97.9%	40	50	\$1,206	0.5%	1.3%	92	330	77	304
South Central Madison	97.9%	0	40	\$1,206	0.3%	2.0%	12	188	0	150
West Madison	98.4%	20	40	\$1,182	0.5%	2.5%	89	455	57	380
<b>TOTALS</b>	<b>98.0%</b>	<b>20</b>	<b>40</b>	<b>\$1,199</b>	<b>0.4%</b>	<b>1.9%</b>	<b>193</b>	<b>972</b>	<b>134</b>	<b>834</b>



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