MADISON
MULTIFAMILY REPORT

FIRST QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE
97.9%
Up **50 bps** since 1Q19

EFFECTIVE RENT
$1,197
Up **2.6%** since 1Q19

DELIVERIES
66
Units YTD

MARKET IMPACT ANALYSIS

FURLOUGHS HIT MADISON DUE TO PANDEMIC

The disruption the COVID-19 pandemic is having on the Madison market is exemplified with the University of Wisconsin-Madison, the economic and the cultural base of the region. With the Wisconsin governor declaring a public health emergency in March, UW-Madison restricted campus access solely to essential personnel and switched to virtual instruction. As a result, the university ordered furloughs for most employees and cut leaders' pay 15% ahead of an estimated $100 million shortfall resulting from the coronavirus outbreak. Madison also projects $30 million budget shortfall due to the pandemic, though the city has yet to furlough employees as of April. The Madison, Sun Prairie, and Middleton-Cross Plains school districts followed a similar path, keeping all employees on regular wages. In the private sector, losses have been greater. SSM Health placed 2,000 employees on furlough, while Lands' End did the same with 1,000 corporate employees. These moves, along with losses across many employment sectors, contributed to approximately 512,000 people in the state filing unemployment claims since the outbreak began. With many facing economic hardships, the state issued an emergency ruling prohibiting evictions, foreclosures, and late fees or penalties for missed rent through May. Even with the ruling, most renters continued to make payments as statewide landlords collected more 80% of rent due in April, according to the Wisconsin Apartment Association.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.8%	1.1%
Finance and insurance	6.5%	4.7%
Health care and social assistance	14.3%	16.0%
Information	6.0%	2.2%
Transportation and warehousing	2.5%	4.4%
Utilities	0.4%	0.4%
Wholesale trade	4.6%	4.7%
Total	**35.1%**	**33.4%**
MEDIUM		
Administrative and waste services	6.3%	7.4%
Educational services	1.3%	2.3%
Manufacturing	9.3%	10.1%
Mining, quarrying, and oil and gas extraction	0.0%	0.5%
Other services, except public administration	4.0%	3.6%
Professional and technical services	8.7%	7.5%
Retail trade	11.4%	12.2%
Total	**41.0%**	**43.6%**
HIGH		
Accommodation and food services	10.6%	11.1%
Arts, entertainment, and recreation	1.9%	1.9%
Construction	6.1%	6.1%
Management of companies and enterprises	3.4%	1.9%
Real estate and rental and leasing	1.8%	1.8%
Unclassified	0.0%	0.1%
Total	**23.8%**	**23.0%**

JOBS EXPOSURE

Legend: Low | Medium | High

23.8%
35.1%
41.0%
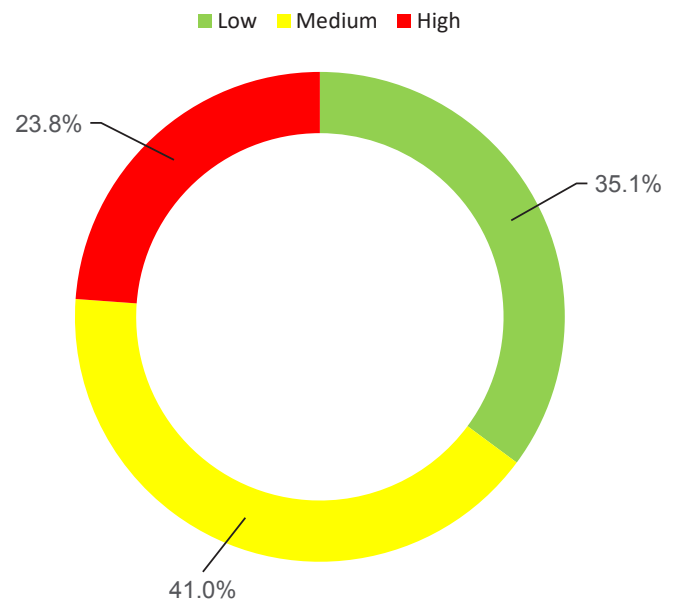
Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.

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