



CUSHMAN &
WAKEFIELD

BOERKE

FOR SALE

MIXED-USE / FLEX BUILDING

WAUNAKEE, WI

OFFERING MEMORANDUM

PREPARED BY:

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**CUSHMAN &
WAKEFIELD**

BOERKE

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An aerial photograph of a suburban neighborhood, showing a mix of residential houses, green lawns, and mature trees. A paved road curves through the scene, with a few vehicles visible. The overall tone is dark and moody, with a blue tint.

01

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



**DIVERSE
TENANT MIX**

**77.7%
OCCUPIED**

**STRONG
LOCATION IN
MADISON MSA**

**0.1% MARKET
VACANCY
RATE**

1001 Arboretum Drive presents an outstanding opportunity to acquire a multi-tenant office/flex investment property in the high-income and rapidly growing Waunakee submarket of the Madison MSA. The ±25,440 square foot property features a diverse mix of 17 tenants and is currently 77.7% occupied. With an average tenant suite size of just over 1,100 square feet and many tenants having occupied the building for multiple lease terms, the asset demonstrates strong appeal among small business users and service providers.

With an average rent of \$14.40/SF gross and a WALT of 1.87 years, the asset benefits from short-term rollover opportunities to boost cash flow, while several leases include structured annual escalations. The property is ideally located just off Century Avenue near a dense residential base, offering ample parking, strong visibility, and long-term appeal to local service-oriented tenants.

INVESTMENT HIGHLIGHTS



DIVERSE TENANT MIX & VALUE-ADD POTENTIAL

The asset is 77.7% occupied with 17 tenants across healthcare, professional, personal service, and nonprofit sectors. Five vacant suites totaling ±5,669 SF present a clear opportunity for additional lease-up and income growth.



RENT GROWTH & MARK-TO-MARKET UPSIDE

Numerous tenants are paying below-market rents (as low as \$8-\$11/SF gross), while new leases are being signed near \$14/SF. Many in-place leases feature 2.5%-3.0% annual escalations or structured increases, creating near-term revenue upside.



SMALL-SUITE CONFIGURATION IN A FLEX BUILDING

Suites range from 190 to 5,235 SF and are well-suited to the local tenant base. The building includes 87 surface parking spaces (3.4/1,000 SF), strong signage visibility, and light industrial zoning, providing flexibility for office, medical, or light service use.



LOCATED IN A HIGH-GROWTH MADISON SUBMARKET

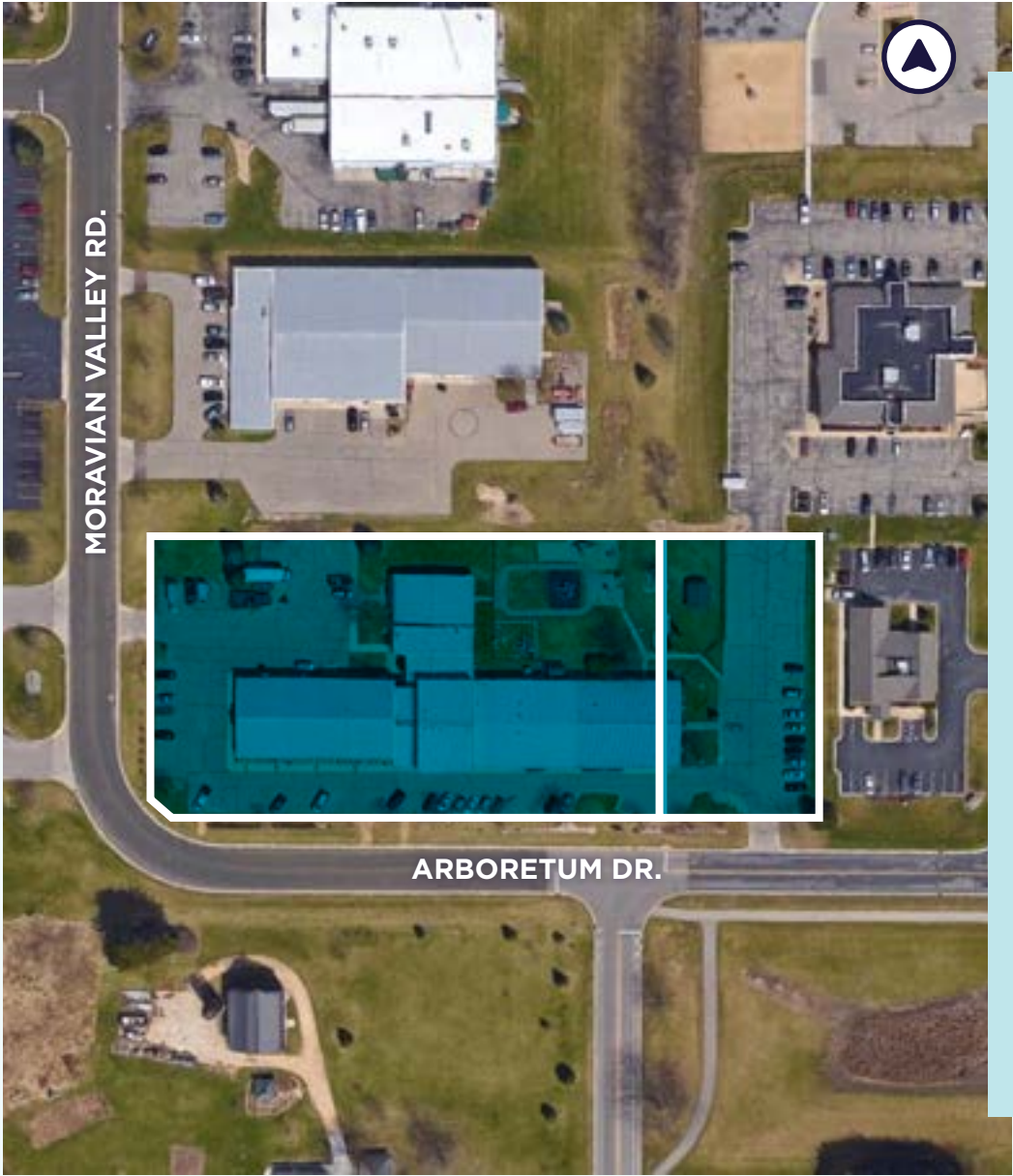
Situated in Waunakee, where average household income exceeds \$175,000 within a 3-mile radius, and population growth continues to outpace the Madison MSA. The submarket's limited flex/office supply and proximity to key thoroughfares support long-term tenant demand.

An aerial photograph of a property featuring several large industrial buildings with flat roofs. A paved road curves through the scene, with a white truck visible on it. The property is surrounded by green fields and trees. The image is overlaid with a dark blue semi-transparent layer.

02

PROPERTY DETAILS

PROPERTY OVERVIEW



Address	1001 Arboretum Drive
Municipality	Village of Waunakee
County	Dane County
Tax Key(s)	0809-093-7295-6 & 0809-094-9190-7
Square Footage	25,440 SF
# of Tenants	17
Lot Size	2.65 Combined Acres
Zoning	I-1 (Light Industrial District)
Year Built	1980 / 1992
Power	800 Amp, 3 Phase Service
Parking	87 Surface Spaces





PROPERTY PHOTOS



PROPERTY PHOTOS



SELECT TENANT SUMMARIES



LOURE AESTHETICS, LLC SUITE 139

A luxury aesthetics clinic offering skincare, wellness, and cosmetic services. The largest tenant in the building with a long-term lease through June 2030 and 3% annual rent escalations.

SQUARE FEET	5,235 SF
LEASE START	4/1/2023
LEASE EXPIRATION	6/30/2030
LEASE TYPE	GROSS
ANNUAL RENT	\$78,002

AG ACADEMY

AG ACADEMY SUITE 100

A childcare and early learning facility providing hands-on agricultural and nature-based education programs for young children. Occupied since 2020 with options to extend.

SQUARE FEET	2,436 SF
LEASE START	8/1/2020
LEASE EXPIRATION	1/31/2026
LEASE TYPE	GROSS
ANNUAL RENT	\$34,584



WAUNAKEE AREA SOCCER CLUB SUITE 115

Local sports organization operating its administrative offices in the building, providing youth soccer programming and community engagement.

SQUARE FEET	850 SF
LEASE START	4/1/2021
LEASE EXPIRATION	2/29/2028
LEASE TYPE	GROSS
ANNUAL RENT	\$6,900

HARMONY CONSERVATORY OF MUSIC

MARGARET MILFORD HARMONY CONSERVATORY OF MUSIC SUITE 3A & 4A

A music education studio offering private lessons and group instruction across a variety of instruments and disciplines.

SQUARE FEET	2,307 SF
LEASE START	6/1/2023
LEASE EXPIRATION	4/30/2028
LEASE TYPE	GROSS
ANNUAL RENT	\$18,600

An aerial photograph of a suburban neighborhood, overlaid with a dark blue semi-transparent filter. The image shows a mix of residential houses, green lawns, and mature trees. A paved road curves through the lower right portion of the frame. In the background, rolling hills are visible under a clear sky. A vertical white line is positioned to the left of the main title text.

03

LOCATION & MARKET

MADISON REGION

 **1.1M**
RESIDENTS

 **618K**
JOBS

 **36K**
BUSINESSES

 **38**
MEDIAN AGE

MADISON RANKINGS

#1

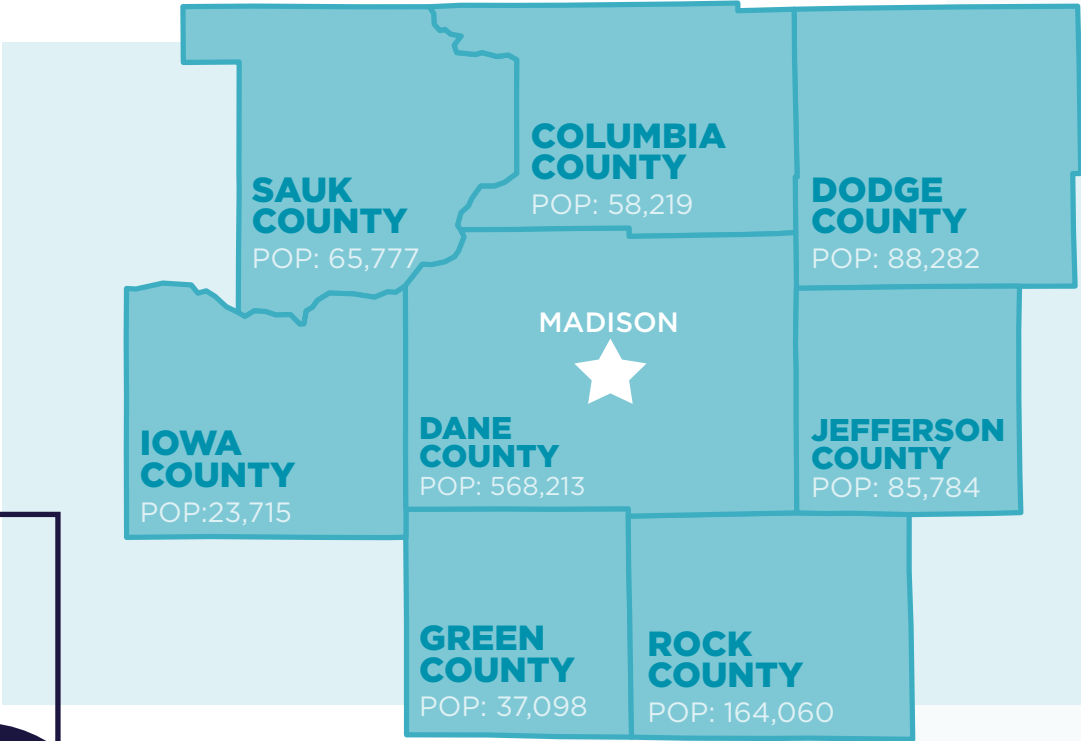
BEST CITY TO LIVE IN THE USA
2021 & 2022 | LIVABILITY

MIDWEST CITY FOR TECH WORKERS
2023 | COMMERCIALCAFE

BEST PLACES FOR YOUNG PROFESSIONALS TO LIVE IN THE U.S.
2022 | SMARTASSET

BEST METRO AREAS FOR STEM PROFESSIONALS
2025 | WALLETHUB

TOP
10



THE UNIVERSITY
of
WISCONSIN
MADISON

#13

BEST PUBLIC UNIVERSITY
2024-2025

\$30.8B

ECONOMIC IMPACT
ON WISCONSIN

\$1.52B

RESEARCH EXPENDITURES
2021

#1

BEST HOSPITAL IN WISCONSIN
2024-2025

52K

STUDENT POPULATION
2024

89.5%

GRADUATION RATE
6 YEAR

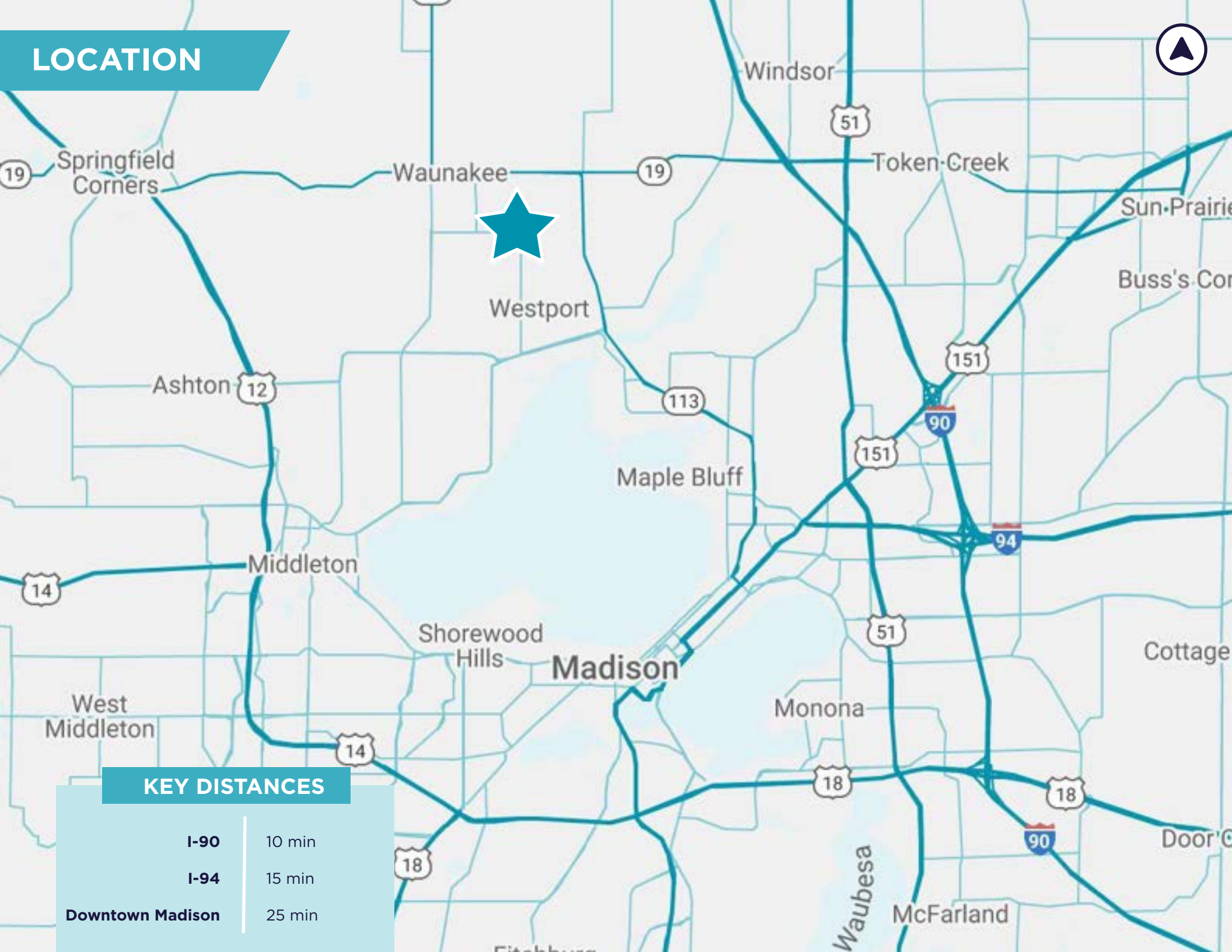
REGION'S LARGEST EMPLOYERS

LOCATION

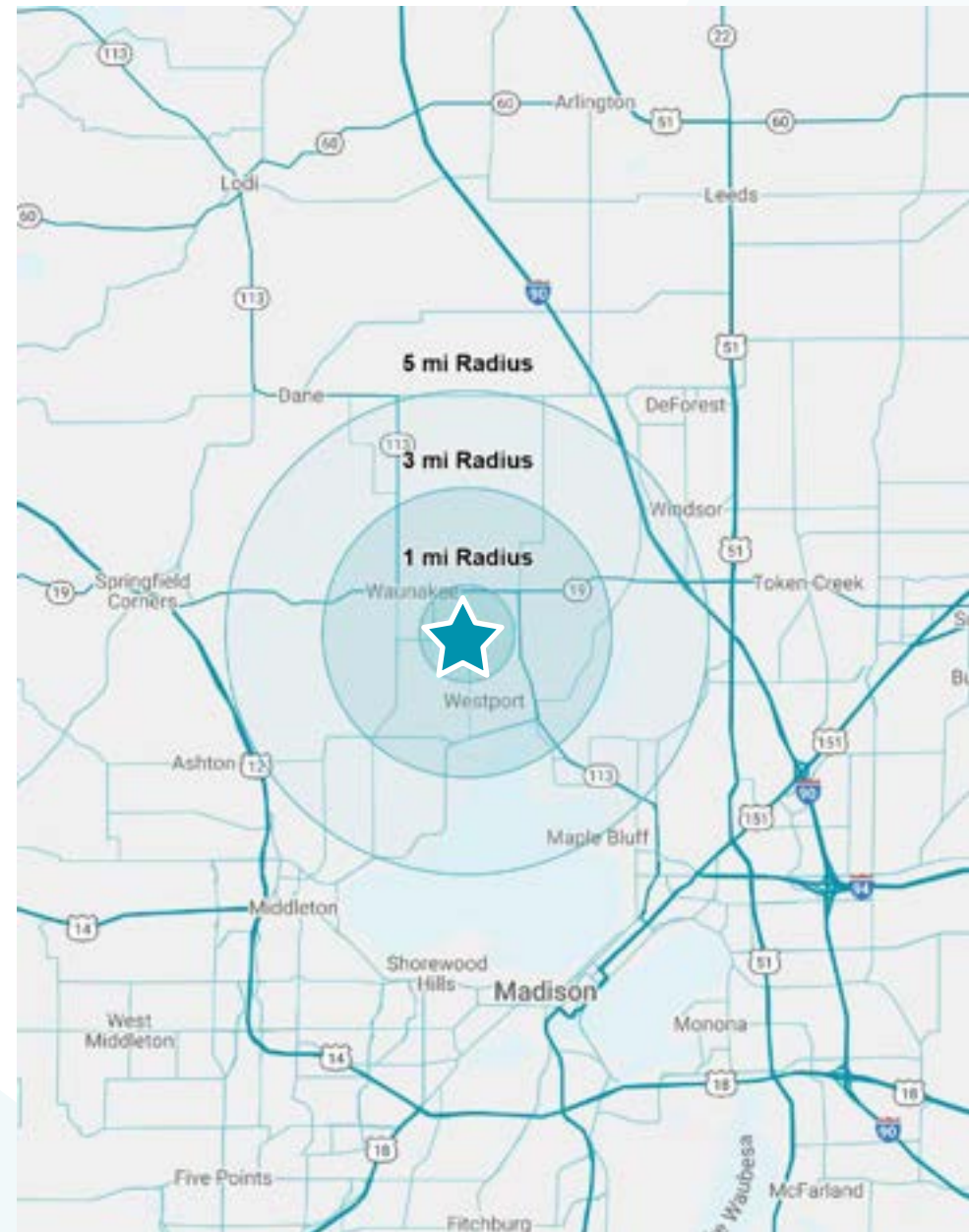


KEY DISTANCES

I-90	10 min
I-94	15 min
Downtown Madison	25 min

AREA DEMOGRAPHICS

POPULATION	1 MI	3 MI	5 MI
Estimated Population (2025)	4,593	18,894	39,478
Median Age (2025)	41.3	42.0	41.4
Any College (Some College or Higher)	2,776 90.2%	10,771 82.8%	21,922 79.2%
College Degree + (Bachelor Degree or Higher)	2,087 67.8%	7,636 58.7%	14,908 53.9%
HOUSEHOLDS	1 MI	3 MI	5 MI
Estimated Households (2025)	1,655	7,185	15,973
Estimated Average Household Income (2025)	\$196,100	\$176,440	\$149,449
White Collar Workers	\$1,839 77.6%	\$7,313 76.5%	\$14,852 73.2%
Blue Collar Workers	\$530 22.4%	\$2,247 23.5%	\$5,442 26.8%
DAYTIME DEMOGRAPHICS	1 MI	3 MI	5 MI
Total Businesses (2025)	202	599	1,011
Total Employees (2025)	2,708	6,723	13,750



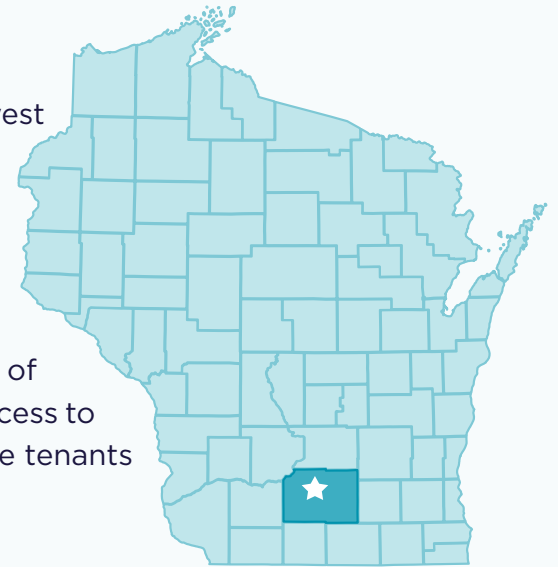
ABOUT THE AREA



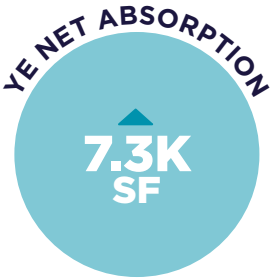
WAUNAKEE, WISCONSIN

Waunakee is the fastest-growing community in Wisconsin, located just 25 minutes northwest of downtown Madison. With a projected population exceeding 18,000 by 2025 and a median household income of over \$175,000 within a 3-mile radius, Waunakee is highly desirable for both residents and businesses. The area boasts a highly educated population, strong school system, and consistent new housing development.

Known for its small-town charm, excellent parks, and trail systems, Waunakee offers a high quality of life while being well-connected to major employment centers. The property benefits from direct access to Century Avenue and proximity to I-90/I-94, serving as a strategic location for professional service tenants catering to the local community.



OUTLYING DANE WEST - OFFICE MARKET STATS



MARKET FUNDAMENTALS

ECONOMIC INDICATORS

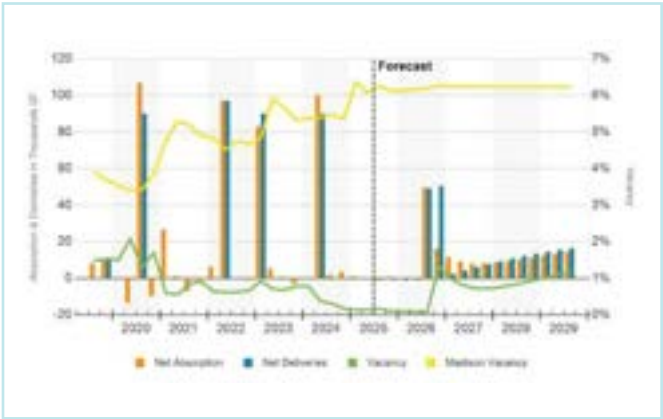
MARKET OVERVIEW

The Outlying Dane West office submarket—home to 1001 Arboretum Drive—is among the most supply-constrained and stable office environments in the greater Madison MSA. As of Q3 2025, the submarket’s vacancy rate sits at just 0.1%, significantly outperforming both its five-year (0.6%) and ten-year (1.9%) historical averages. Availability remains extremely limited at just 0.5%, reinforcing the durability of tenant demand.

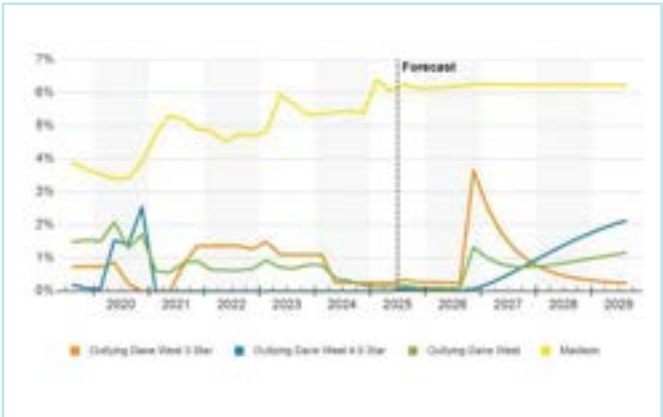
Asking rents average \$22.20/SF, supported by consistent occupancy and near-zero speculative development. Net absorption totaled 7,300 SF over the past 12 months, with no new product delivered to the market. A modest 100,000 SF of office space is currently under construction, aligning with long-term averages and reflecting disciplined growth.

Despite its size—only 2.65 million SF across the submarket—Outlying Dane West has outperformed nearly all surrounding office submarkets on occupancy and rent stability. Investment sales remain sparse due to tight ownership, with pricing holding firm around \$126/SF and cap rates averaging 11.6%, suggesting significant value opportunity relative to the broader metro.

NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



An aerial photograph of a suburban neighborhood, showing a mix of residential houses, green lawns, and mature trees. A paved road curves through the scene, with a few vehicles visible. The overall tone is dark and moody, with a blue tint.

04

FINANCIAL OVERVIEW

ASSUMPTIONS

GLOBAL

Analysis Period

Commencement Date	6/1/2025
End Date	5/31/2035
Term	10 Years

Growth Rates

Consumer Price Index (CPI)	3.00%
Other Income Growth Rate	3.00%
Operating Expenses	3.00%
Real Estate Taxes	3.00%
Market Rent Growth	3.00%

Area Measures (NRSF)

Rentable Square Feet	25,440 SF
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Notes:

- Real Estate Taxes in this analysis have not been reassessed and are equal to the most recent available tax bills. It is the responsibility of the investor to reassess taxes.
- Free Rent is modeled inside the stated lease term.
- Analysis assumes 1 year of lease term on MTM leases

SECOND GENERATION LEASING

MLA

Retention Ratio

75%

Financial Terms

Annual Market Rent	\$14.00 PSF
Rent Adjustment	3.00% Annually
Lease Term	5 Years, 0 Months
Expense Reimbursement Type	Gross

Tenancing Costs

Free Rent	
New	1.00 Month(s)
Renewal	0.00 Month(s)
Weighted Average	0.25 Month(s)

Tenant Improvements (\$/NRSF)

New	\$3.00 PSF
Renewal	\$1.50 PSF
Weighted Average	\$1.88 PSF

Leasing Commissions

New	6.00%
Renewal	4.00%
Weighted Average	4.50%

Downtime

New	9.00 Month(s)
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RENT ROLL

Tenant	Suite	Size (SF)	% Building Share	Lease Start Date	Lease Exp.	Base Rent PSF	Monthly Base Rent	Annual Base Rent	Annual Rental Escalations	Escalation Dates	Escalated Annual Rent PSF	Lease Type	Options	Renewal Assumption
AG Academy	100	2,436	9.58%	8/1/2020	1/31/2026	\$14.20	\$2,882	\$34,584	2.5%			Gross	(2) - 3 YR @ 2.5%	Option
Shear Image	104	675	2.65%	9/15/2020	9/30/2026	\$11.63	\$654	\$7,848	---	Oct-2025	\$11.97	Gross	(1) - 1 YR @ 3.0%	Option
Waunakee Area Soccer Club	115	850	3.34%	4/1/2021	2/29/2028	\$8.12	\$575	\$6,900	See Schedule (\$20/month per year increase)	Mar-2026 Mar-2027	\$8.40 \$8.68	Gross		Market - 75.00%
National Motorists Association	120	2,000	7.86%	8/1/2020	7/31/2025	\$16.22	\$2,703	\$32,436	---			Gross	Assumed (1) - 1 YR @ 3.0%	Option
Randy Adler Insurance Agency	130	1,050	4.13%	11/1/2019	10/31/2025	\$13.55	\$1,186	\$14,229	---			Gross	Assumed (1) - 1 YR @ 3.0%	Option
Scullion Builders, LLC	136	264	1.04%	11/1/2021	5/31/2026	\$30.68	\$675	\$8,100	---			Gross		Market - 75.00%
Ebb and Flow Massage	137 & 138	905	3.56%	11/1/2024	10/31/2027	\$13.92	\$1,050	\$12,600	3.0%	Nov-2026	\$14.35	Gross		Market - 75.00%
Loure Aesthetics, LLC	139	5,235	20.58%	4/1/2023	6/30/2030	\$14.90	\$6,500	\$78,002	3.0%	Jul-2026 Jul-2027 Jul-2028 Jul-2029	\$15.35 \$15.81 \$16.28 \$16.77	Gross	(1) - 1 YR @ 3.0%	Option
Kirk & Graves LLC - 60 Day Termination	1A	873	3.43%	6/1/2022	5/31/2029	\$14.16	\$1,030	\$12,360	3.0%	Jun-2026 Jun-2027 June-2028	\$14.58 \$15.02 \$15.47	Gross		Market - 75.00%
Golf Leaf Financial	1B	873	3.43%	12/1/2014	11/30/2025	\$12.03	\$875	\$10,500	---			Gross		Market - 75.00%
Hair Be Gone Electrolysis	201	650	2.56%	5/1/2025	4/30/2027	\$16.62	\$900	\$10,800	3.0%	May-2026	\$17.11	Gross	(1) - 1 YR @ 3.0%	Option
Steve Aydelott	204	280	1.10%	10/1/2024	9/30/2025	\$17.14	\$400	\$4,800	---			Gross		Market - 75.00%
The Alan Group	206	300	1.18%	11/1/2022	10/31/2025	\$14.00	\$350	\$4,200	---			Gross	(1) - 1 YR @ \$375/Month	Option
Todd Maersch - MTM	208A	190	0.75%	12/1/2021	5/31/2026	\$6.63	\$105	\$1,260	---			Gross		Market - 75.00%

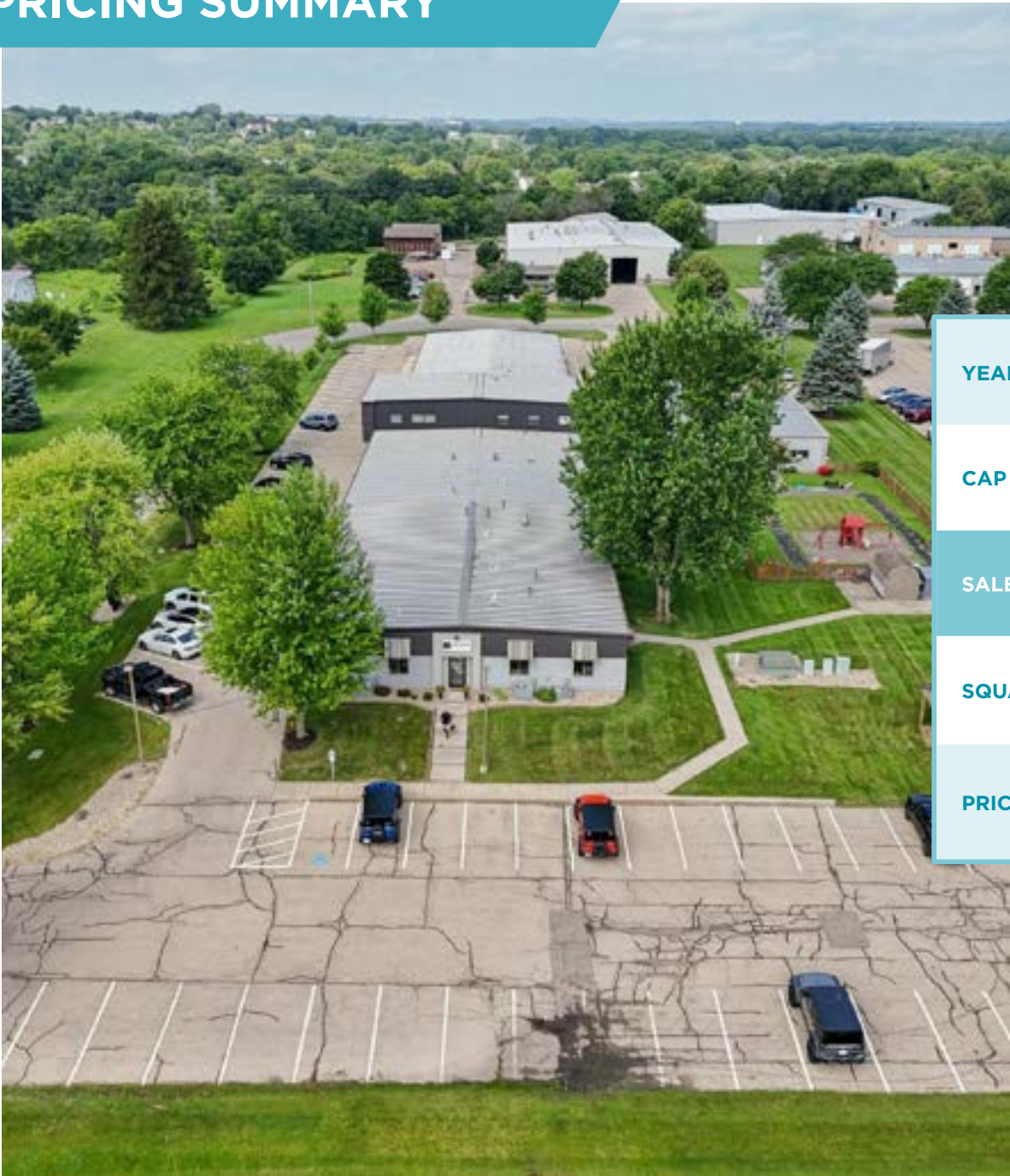
RENT ROLL

Tenant	Suite	Size (SF)	% Building Share	Lease Start Date	Lease Exp.	Base Rent PSF	Monthly Base Rent	Annual Base Rent	Annual Rental Escalations	Escalation Dates	Escalated Annual Rent PSF	Lease Type	Options	Renewal Assumption
Anna Alethia Photography	2C/2D	0	0.00%	2/22/2019	2/28/2026	N/A	\$1,581	\$18,972	---			Gross		Market - 75.00%
Margaret Milford Harmony Conservatory of Music LLC	3A & 4A	2,307	9.07%	6/1/2023	4/30/2028	\$8.06	\$1,550	\$18,600	See Schedule (\$50/mo per year increase)	May-2026 May-2027	\$8.32 \$8.58	Gross		Market - 75.00%
Rural Mutual Insurance Company	4B	883	3.47%	3/1/2020	2/28/2026	\$9.54	\$702	\$8,424	---			Gross	(1) - 1 YR @ 3%	Option
Vacant*	101	1,122	4.41%	6/1/2026	5/31/2031	\$14.42						Gross		Market - 75.00%
Vacant*	110	2,307	9.07%	3/1/2026	2/28/2031	\$14.00						Gross		Market - 75.00%
Static Vacant	138	640	2.52%	12/1/2025	11/30/2030	\$14.00								
Vacant*	208B	280	1.10%	12/1/2025	11/30/2030	\$14.00						Gross		Market-75.00%
Vacant*	2AB	1,320	5.19%	12/1/2025	11/30/2030	\$14.00						Gross		Market - 75.00%
Rentable Square Feet: 25,440 77.7% Occupied WALT: 1.87 Years \$14.40 Avg. Total: \$284,615														

CASH FLOW

FOR THE YEARS ENDING	YEAR 1 MAY-2026	YEAR 2 MAY-2027	YEAR 3 MAY-2028	YEAR 4 MAY-2029	YEAR 5 MAY-2030	YEAR 6 MAY-2031	YEAR 7 MAY-2032	YEAR 8 MAY-2033	YEAR 9 MAY-2034	YEAR 10 MAY-2035
Rental Revenue										
Potential Base Rent	\$352,422	\$340,084	\$354,951	\$381,557	\$392,548	\$404,057	\$410,281	\$421,084	\$433,945	\$446,663
Absorption & Turnover Vacancy	\$(53,822)	\$(11,264)	\$(9,675)	\$(3,770)	\$(2,293)	\$(13,687)	\$(36,327)	\$(7,021)	\$(9,997)	\$(2,658)
Free Rent	\$(4,894)	\$(2,756)	\$(752)	\$(942)	\$(287)	\$(1,711)	\$(4,387)	\$(884)	\$(1,407)	\$(332)
Total Tenant Revenue	\$293,706	\$326,063	\$344,524	\$376,845	\$389,969	\$388,659	\$369,567	\$413,179	\$422,541	\$443,673
Effective Gross Revenue	\$293,706	\$326,063	\$344,524	\$376,845	\$389,969	\$388,659	\$369,567	\$413,179	\$422,541	\$443,673
Operating Expenses										
Management Fee	\$11,748	\$13,043	\$13,781	\$15,074	\$15,599	\$15,546	\$14,783	\$16,527	\$16,902	\$17,747
Electricity	\$25,679	\$26,450	\$27,243	\$28,060	\$28,902	\$29,769	\$30,662	\$31,582	\$32,530	\$33,506
Garbage & Recycling	\$2,847	\$2,932	\$3,020	\$3,111	\$3,204	\$3,300	\$3,399	\$3,501	\$3,606	\$3,714
Repairs & Maintenance	\$4,110	\$4,233	\$4,360	\$4,491	\$4,626	\$4,765	\$4,907	\$5,055	\$5,206	\$5,363
Cleaning & Maintenance	\$10,400	\$10,712	\$11,033	\$11,364	\$11,705	\$12,056	\$12,418	\$12,791	\$13,174	\$13,570
Lawn & Snow	\$12,297	\$12,666	\$13,046	\$13,437	\$13,840	\$14,255	\$14,683	\$15,124	\$15,577	\$16,045
Real Estate Taxes	\$37,238	\$38,356	\$39,506	\$40,691	\$41,912	\$43,169	\$44,465	\$45,798	\$47,172	\$48,588
Insurance	\$17,087	\$17,600	\$18,127	\$18,671	\$19,231	\$19,808	\$20,403	\$21,015	\$21,645	\$22,295
Total Operating Expenses	\$121,406	\$125,990	\$130,117	\$134,900	\$139,020	\$142,670	\$145,720	\$151,393	\$155,813	\$160,826
Net Operating Income	\$172,300	\$200,073	\$214,406	\$241,944	\$250,949	\$245,989	\$223,847	\$261,787	\$266,728	\$282,847
Leasing Costs										
Tenant Improvements	\$13,883	\$12,519	\$4,834	\$6,058	\$1,842	\$10,999	\$28,203	\$5,680	\$9,042	\$2,136
Leasing Commissions	\$20,992	\$21,157	\$8,589	\$10,765	\$3,274	\$19,543	\$50,113	\$10,092	\$16,067	\$3,795
Total Leasing Costs	\$34,875	\$33,676	\$13,423	\$16,824	\$5,116	\$30,542	\$78,315	\$15,772	\$25,109	\$5,931
Cash Flow Before Debt Service	\$137,425	\$166,397	\$200,984	\$225,121	\$245,833	\$215,447	\$145,532	\$246,015	\$241,619	\$276,916

PRICING SUMMARY



YEAR 1 NOI \$172,300

CAP RATE 7.66%

SALE PRICE **\$2,250,000**

SQUARE FOOTAGE 25,440 SF

PRICE PER SF \$88.44

CONTACT

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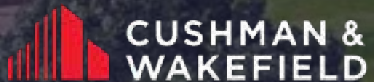
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