

Market

Trends

Q2 2022

Mpls/St Paul - Industrial



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MARKET TRENDS

Q2 2022 | Mpls-St Paul | Industrial

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	2,004,878	
Area Unemployment	1.6	
U.S. Unemployment	3.6	
Industrial Jobs	205,900	

Source: BLS

*Employment figures and area unemployment are based on Mpls-St Paul MSA data.

Market Recap

All Properties

Total Inventory (sf)	269,000,289
Total # of Bldgs (tracked)	3,090
Absorption	1,391,072
Vacancy	3.5%
Asking Rate Low (NNN)	\$6.94
Asking Rent High (NNN)	\$10.47
Under Construction	7,156,531

Multi-tenant Properties

Total Inventory (sf)	141,931,509
Total # of Bldgs (tracked)	1,746
Absorption	843,051
Vacancy	5.2%
Asking Rate Low (NNN)	\$6.94
Asking Rent High (NNN)	\$10.57

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) decreased 210 basis points to 1.6% for May 2022 from 3.7% for May 2021. The unemployment rate for the US was 3.6% in May 2022 down from 6.1% last year. State of Minnesota unemployment rate was 2.0%. The Mpls-St Paul MSA saw an increase in job growth as well as an increase industrial job growth in manufacturing with 13,900 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 269 msf in eight counties across the metro. There was just shy of 1.4 msf of positive absorption overall for Q2 2022 increasing YTD to over 2.5 msf. Multi-tenant only properties posted 843,000 sf positive absorption with YTD of 1.9 msf. The overall vacancy rate for the market dropped to 3.5% and multi-tenant vacancy dropped to 5.2% for Q2 2022. To date, there are 44 construction projects throughout the market totaling 7.1 msf and 19 properties have been delivered YTD with 2.3 msf.

Market Highlights

At the close of Q2 2022, the market experienced over 2.8 msf of leasing activity in 202 transactions with Clark Equipment leasing the largest space of 225,000 sf in the Northwest market. The Northeast market shows the lowest vacancy rate of 2.7% while the West market is at the top with 5.0% for all properties. The Northwest market tops all markets with 566,000 sf positive absorption led by Alridge Electric leasing 150,000 sf. The top single changes were both in the Southeast market for the new delivery of the SICK building with 185,000 sf and Shop Jimmy vacating 140,000 sf. The West market shows (117,000) sf negative absorption led by Preferred One vacating 87,000 sf. Ninety four properties sold totaling 4.4 msf for \$442 million.

Market Statistics by Property Type (Multi and Single Tenant)

Total

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	629	43,193,896	3,272,290	2,629,242	107,992	177,926	6.1%
Warehouse Distribution	589	104,569,470	4,035,269	2,859,160	1,031,284	2,193,515	2.7%
Warehouse Office	1,872	121,236,923	5,824,296	3,803,353	251,796	156,125	3.1%
Grand Total	3,090	269,000,289	13,131,855	9,291,755	1,391,072	2,527,566	3.5%

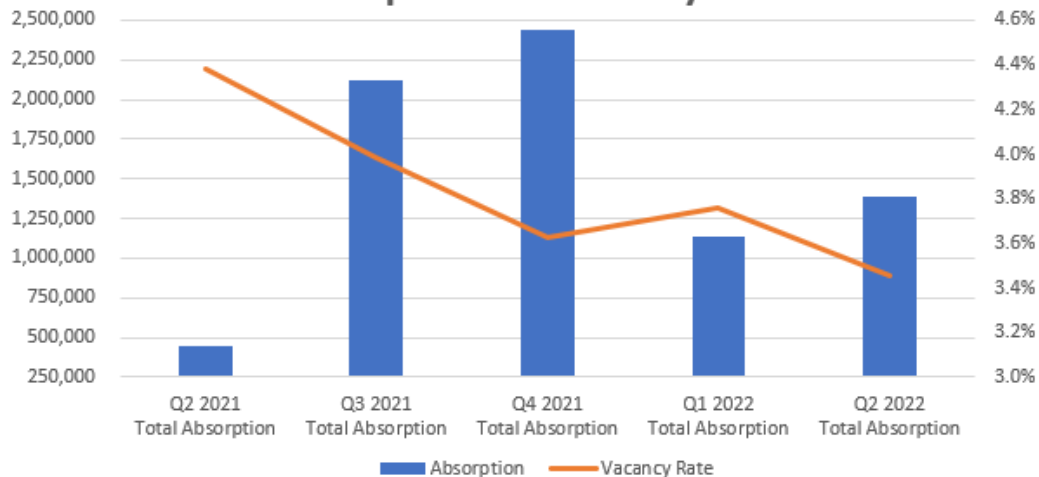
Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	629	43,193,896	2,781,278	2,429,191	129,082	168,689	5.6%
Warehouse Distribution	589	104,569,470	3,654,137	2,663,825	1,085,113	2,278,727	2.5%
Warehouse Office	1,872	121,236,923	5,382,549	3,575,929	264,701	152,001	2.9%
Grand Total	3,090	269,000,289	11,817,964	8,668,945	1,478,896	2,599,417	3.2%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	629	43,193,896	491,012	200,051	(21,090)	9,237	0.5%
Warehouse Distribution	589	104,569,470	381,132	195,335	(53,829)	(85,212)	0.2%
Warehouse Office	1,872	121,236,923	441,747	227,424	(12,905)	4,124	0.2%
Grand Total	3,090	269,000,289	1,313,891	622,810	(87,824)	(71,851)	0.2%

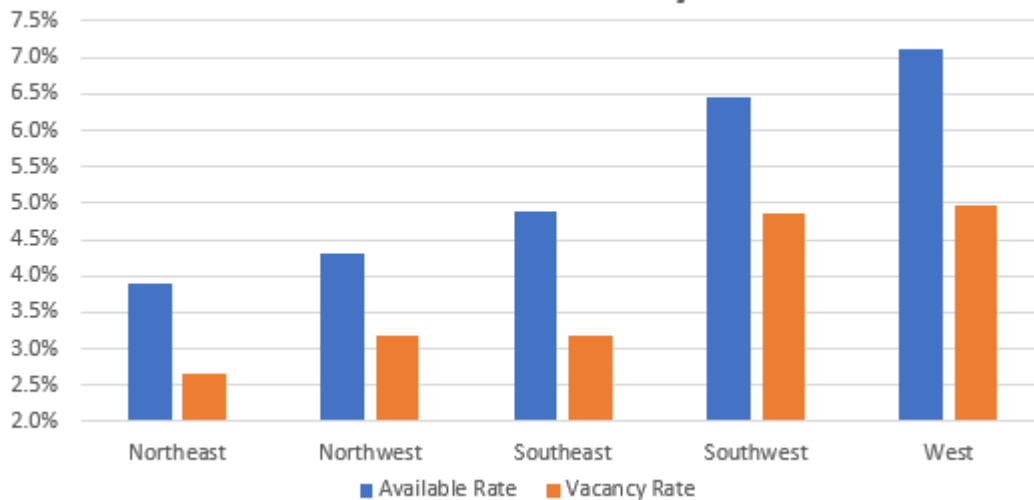
Absorption and Vacancy Rate



Market Statistics by Market (Multi and Single Tenant)

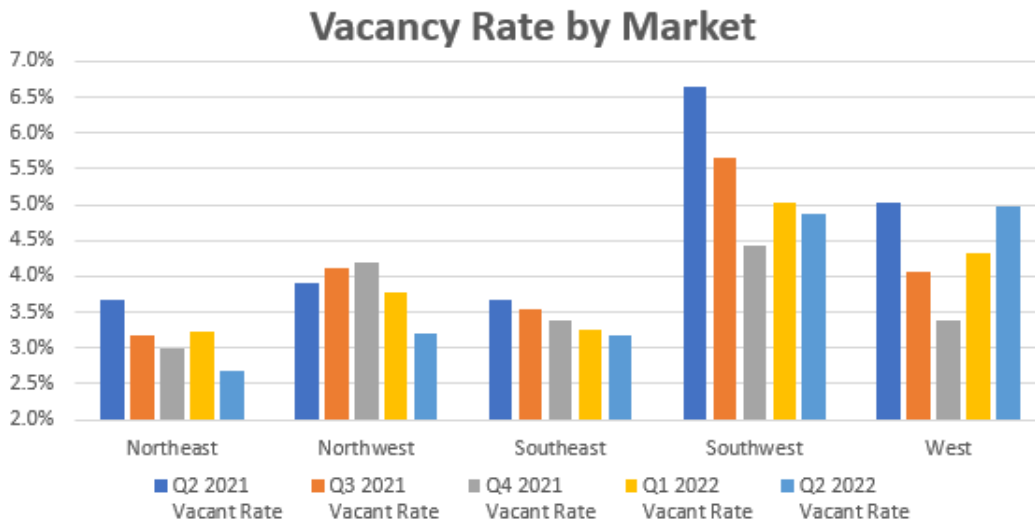
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	159	11,350,255	796,242	754,392	185,731	200,326	6.6%
	Warehouse Distribution	177	29,983,318	878,458	383,471	186,371	494,216	1.3%
	Warehouse Office	716	46,742,508	1,753,937	1,211,395	130,844	179,156	2.6%
	Subtotal	1,052	88,076,081	3,428,637	2,349,258	502,946	873,698	2.7%
Northwest	Flex/R&D	99	7,807,891	297,020	209,527	14,605	87,906	2.7%
	Warehouse Distribution	164	28,379,883	1,173,705	1,014,171	352,783	730,757	3.6%
	Warehouse Office	331	21,485,661	1,016,462	615,551	199,334	312,275	2.9%
	Subtotal	594	57,673,435	2,487,187	1,839,249	566,722	1,130,938	3.2%
Southeast	Flex/R&D	125	7,216,852	846,242	569,075	12,134	82,164	7.9%
	Warehouse Distribution	123	23,221,455	548,850	311,347	484,981	682,326	1.3%
	Warehouse Office	376	23,614,774	1,241,247	837,300	(137,095)	(215,101)	3.5%
	Subtotal	624	54,053,081	2,636,339	1,717,722	360,020	549,389	3.2%
Southwest	Flex/R&D	185	12,673,979	829,020	712,866	(27,473)	(44,360)	5.6%
	Warehouse Distribution	91	19,020,635	1,303,925	1,081,828	(9,854)	286,216	5.7%
	Warehouse Office	302	19,785,935	1,184,756	709,988	115,660	12,825	3.6%
	Subtotal	578	51,480,549	3,317,701	2,504,682	78,333	254,681	4.9%
West	Flex/R&D	61	4,144,919	503,766	383,382	(77,005)	(148,110)	9.2%
	Warehouse Distribution	34	3,964,179	130,331	68,343	17,003	0	1.7%
	Warehouse Office	147	9,608,045	627,894	429,119	(56,947)	(133,030)	4.5%
	Subtotal	242	17,717,143	1,261,991	880,844	(116,949)	(281,140)	5.0%
Grand Total		3,090	269,000,289	13,131,855	9,291,755	1,391,072	2,527,566	3.5%

Available and Vacancy Rates



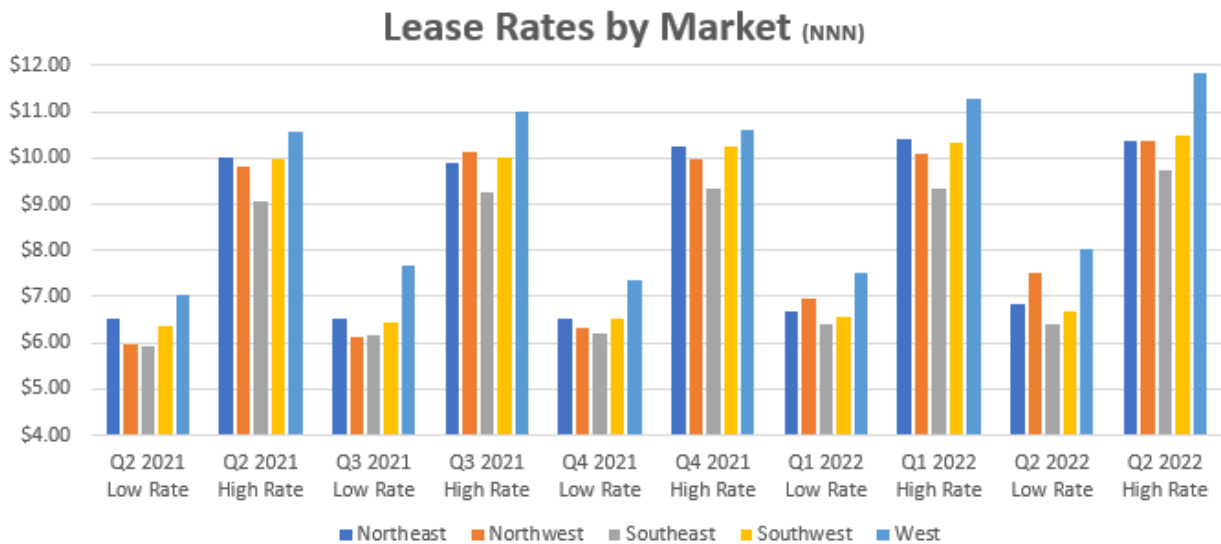
Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	7.3%	9.1%	8.4%	8.3%	6.6%
	Warehouse Distribution	2.8%	2.1%	1.8%	1.9%	1.3%
	Warehouse Office	3.3%	2.4%	2.4%	2.8%	2.6%
	Subtotal	3.7%	3.2%	3.0%	3.2%	2.7%
Northwest	Flex/R&D	5.0%	4.2%	3.8%	2.9%	2.7%
	Warehouse Distribution	3.3%	3.9%	4.5%	4.2%	3.6%
	Warehouse Office	4.3%	4.4%	3.9%	3.5%	2.9%
	Subtotal	3.9%	4.1%	4.2%	3.8%	3.2%
Southeast	Flex/R&D	8.2%	8.5%	9.2%	8.2%	7.9%
	Warehouse Distribution	2.9%	2.9%	2.3%	2.0%	1.3%
	Warehouse Office	3.1%	2.6%	2.6%	3.0%	3.5%
	Subtotal	3.7%	3.5%	3.4%	3.2%	3.2%
Southwest	Flex/R&D	6.1%	5.9%	5.3%	5.5%	5.6%
	Warehouse Distribution	8.8%	7.1%	4.7%	5.6%	5.7%
	Warehouse Office	5.0%	4.2%	3.7%	4.2%	3.6%
	Subtotal	6.6%	5.7%	4.4%	5.0%	4.9%
West	Flex/R&D	9.1%	7.4%	5.7%	7.4%	9.2%
	Warehouse Distribution	3.4%	1.7%	1.7%	2.2%	1.7%
	Warehouse Office	3.9%	3.6%	3.1%	3.9%	4.5%
	Subtotal	5.0%	4.1%	3.4%	4.3%	5.0%
Grand Total		4.4%	4.0%	3.6%	3.8%	3.5%



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q2 2021		Q3 2021		Q4 2021		Q1 2022		Q2 2022	
		Ave Lease Rate Low	Ave Lease Rate High	Ave Lease Rate Low	Ave Lease Rate High	Ave Lease Rate Low	Ave Lease Rate High	Ave Lease Rate Low	Ave Lease Rate High	Ave Lease Rate Low	Ave Lease Rate High
Northeast	Flex/R&D	\$7.03	\$10.59	\$6.96	\$10.46	\$7.06	\$10.97	\$6.97	\$10.99	\$7.48	\$10.85
	Warehouse Distribution	\$5.59	\$9.57	\$5.71	\$9.56	\$5.70	\$9.30	\$6.07	\$8.66	\$4.95	\$7.87
	Warehouse Office	\$6.28	\$9.39	\$6.32	\$9.35	\$6.29	\$9.91	\$6.58	\$10.41	\$6.28	\$10.10
	Subtotal	\$6.52	\$10.01	\$6.51	\$9.90	\$6.52	\$10.26	\$6.68	\$10.42	\$6.83	\$10.36
Northwest	Flex/R&D	\$6.73	\$10.98	\$6.86	\$11.45	\$7.39	\$11.42	\$7.94	\$11.63	\$8.61	\$12.25
	Warehouse Distribution	\$5.35	\$9.61	\$5.42	\$9.97	\$5.81	\$9.59	\$6.17	\$9.47	\$6.33	\$9.15
	Warehouse Office	\$5.83	\$9.06	\$6.16	\$9.36	\$5.82	\$9.13	\$6.64	\$9.16	\$7.32	\$9.43
	Subtotal	\$5.97	\$9.80	\$6.11	\$10.14	\$6.31	\$9.99	\$6.96	\$10.09	\$7.53	\$10.39
Southeast	Flex/R&D	\$6.18	\$9.47	\$6.66	\$9.66	\$6.92	\$10.21	\$6.89	\$10.42	\$6.73	\$10.81
	Warehouse Distribution	\$5.01	\$6.21	\$5.03	\$6.53	\$5.12	\$7.12	\$5.27	\$6.47	\$5.53	\$7.03
	Warehouse Office	\$5.86	\$9.16	\$5.82	\$9.41	\$5.72	\$9.13	\$6.17	\$9.00	\$6.39	\$9.57
	Subtotal	\$5.93	\$9.05	\$6.15	\$9.27	\$6.19	\$9.34	\$6.39	\$9.34	\$6.42	\$9.75
Southwest	Flex/R&D	\$6.72	\$10.78	\$6.99	\$10.79	\$6.99	\$10.83	\$7.03	\$10.90	\$7.08	\$10.84
	Warehouse Distribution	\$5.02	\$7.05	\$5.06	\$7.31	\$5.33	\$8.33	\$5.33	\$8.33	\$5.43	\$8.99
	Warehouse Office	\$6.31	\$9.68	\$6.15	\$9.70	\$6.10	\$9.83	\$6.22	\$10.04	\$6.45	\$10.50
	Subtotal	\$6.38	\$9.96	\$6.46	\$10.01	\$6.53	\$10.26	\$6.58	\$10.35	\$6.67	\$10.50
West	Flex/R&D	\$6.50	\$11.30	\$7.25	\$12.00	\$6.53	\$10.56	\$7.50	\$12.00	\$8.50	\$12.81
	Warehouse Distribution	\$6.20	\$10.30	\$6.67	\$9.67	\$6.50	\$10.25	\$5.21	\$10.21	\$3.61	\$6.61
	Warehouse Office	\$7.77	\$10.10	\$8.11	\$10.77	\$8.16	\$10.75	\$8.16	\$11.35	\$8.86	\$12.59
	Subtotal	\$7.04	\$10.57	\$7.66	\$11.00	\$7.34	\$10.60	\$7.50	\$11.29	\$8.01	\$11.85
Grand Total		\$6.30	\$9.82	\$6.45	\$9.97	\$6.51	\$10.09	\$6.73	\$10.25	\$6.94	\$10.47



Market Statistics by Property Type (Multi-Tenant)

Total

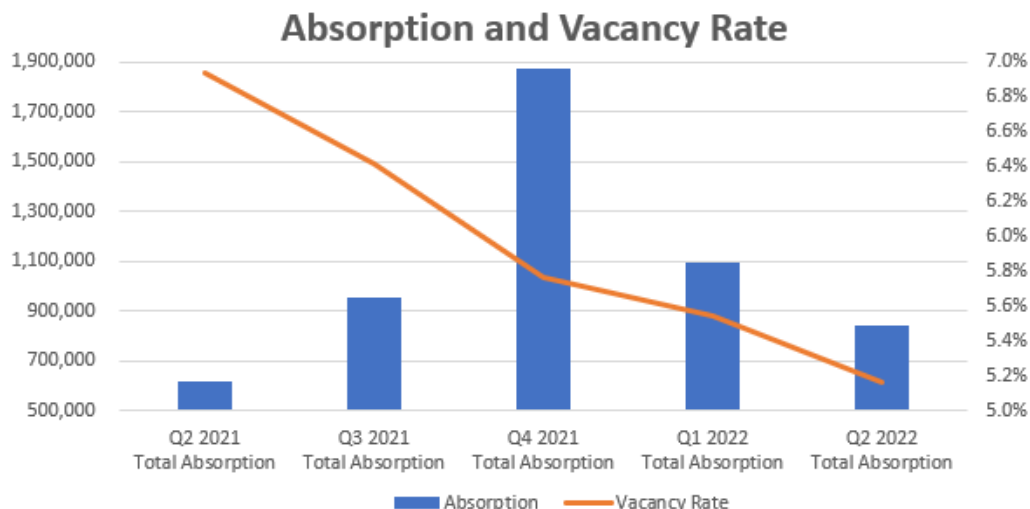
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	539	32,651,252	2,989,351	2,459,487	195,448	265,382	7.5%
Warehouse Distribution	318	52,357,272	2,976,906	1,902,336	577,485	1,533,473	3.6%
Warehouse Office	889	56,922,985	4,677,065	2,972,304	70,118	136,725	5.2%
Grand Total	1,746	141,931,509	10,643,322	7,334,127	843,051	1,935,580	5.2%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	539	32,651,252	2,657,263	2,305,176	216,538	256,145	7.1%
Warehouse Distribution	318	52,357,272	2,599,084	1,710,311	631,314	1,618,685	3.3%
Warehouse Office	889	56,922,985	4,313,818	2,823,380	83,023	132,601	5.0%
Grand Total	1,746	141,931,509	9,570,165	6,838,867	930,875	2,007,431	4.8%

Sublease

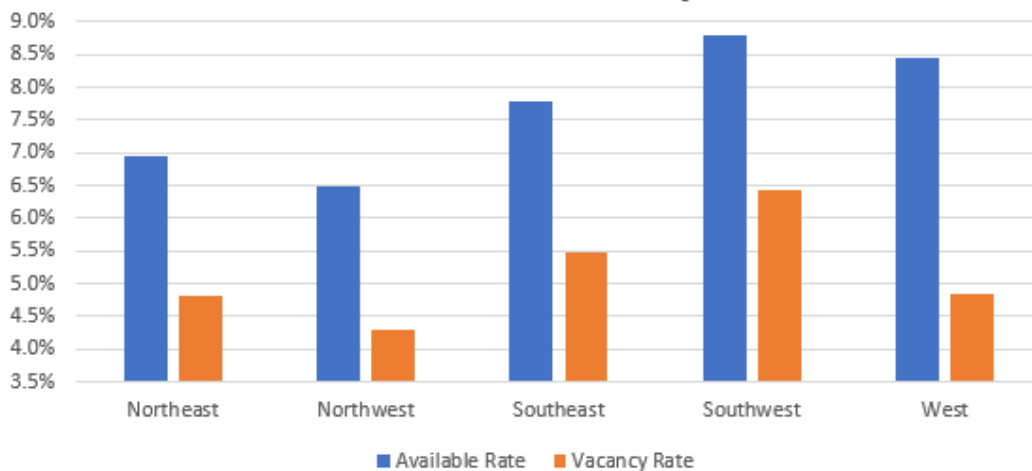
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	539	32,651,252	332,088	154,311	(21,090)	9,237	0.5%
Warehouse Distribution	318	52,357,272	377,822	192,025	(53,829)	(85,212)	0.4%
Warehouse Office	889	56,922,985	363,247	148,924	(12,905)	4,124	0.3%
Grand Total	1,746	141,931,509	1,073,157	495,260	(87,824)	(71,851)	0.3%



Market Statistics by Market (Multi-Tenant)

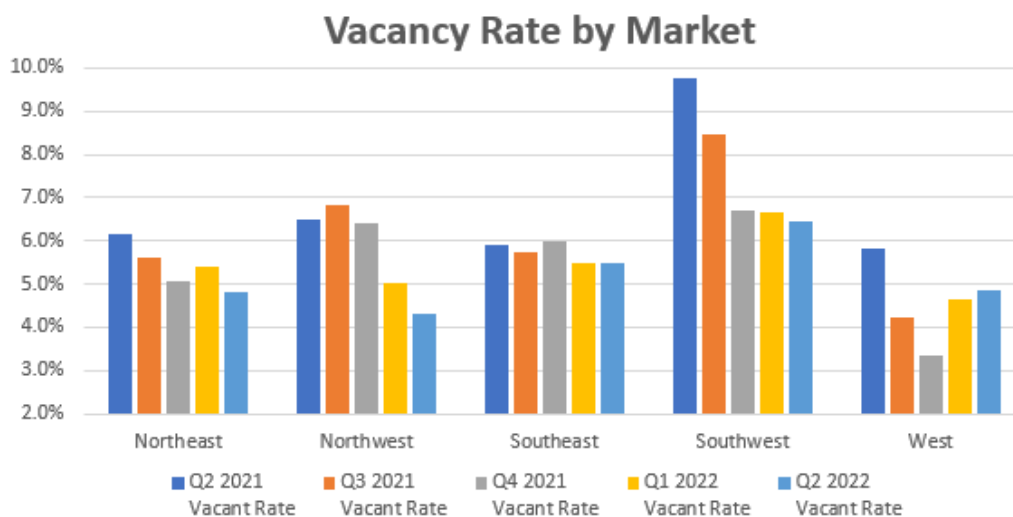
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	136	9,653,108	750,502	708,652	185,731	200,326	7.3%
	Warehouse Distribution	80	12,278,610	756,652	377,951	104,997	302,842	3.1%
	Warehouse Office	313	21,328,770	1,497,351	999,102	(36,252)	75,769	4.7%
	Subtotal	529	43,260,488	3,004,505	2,085,705	254,476	578,937	4.8%
Northwest	Flex/R&D	79	4,738,632	297,020	209,527	14,605	87,906	4.4%
	Warehouse Distribution	102	17,391,377	907,441	627,447	246,619	824,593	3.6%
	Warehouse Office	155	10,202,910	895,704	550,851	199,334	312,275	5.4%
	Subtotal	336	32,332,919	2,100,165	1,387,825	460,558	1,224,774	4.3%
Southeast	Flex/R&D	111	6,001,225	696,499	532,516	12,134	82,164	8.9%
	Warehouse Distribution	62	9,314,229	548,850	311,347	242,981	277,466	3.3%
	Warehouse Office	177	10,369,354	756,394	566,290	(162,069)	(141,506)	5.5%
	Subtotal	350	25,684,808	2,001,743	1,410,153	93,046	218,124	5.5%
Southwest	Flex/R&D	159	8,782,588	829,020	712,866	(27,473)	(44,360)	8.1%
	Warehouse Distribution	54	10,865,062	636,942	520,558	(9,854)	128,572	4.8%
	Warehouse Office	175	10,525,227	1,184,756	709,988	90,660	(12,175)	6.7%
	Subtotal	388	30,172,877	2,650,718	1,943,412	53,333	72,037	6.4%
West	Flex/R&D	54	3,475,699	416,310	295,926	10,451	(60,654)	8.5%
	Warehouse Distribution	20	2,507,994	127,021	65,033	(7,258)	0	2.6%
	Warehouse Office	69	4,496,724	342,860	146,073	(21,555)	(97,638)	3.2%
	Subtotal	143	10,480,417	886,191	507,032	(18,362)	(158,292)	4.8%
Grand Total		1,746	141,931,509	10,643,322	7,334,127	843,051	1,935,580	5.2%

Available and Vacancy Rates



Vacancy Rates by Market (Multi-Tenant)

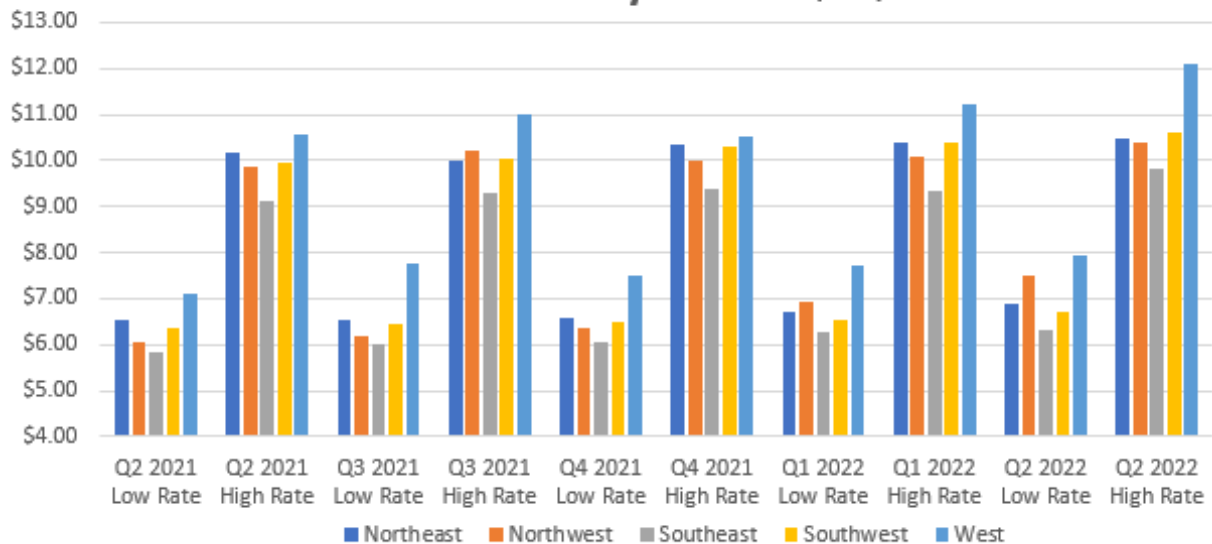
Market	Property Type	Q2 2021 Vacancy Rate	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate
Northeast	Flex/R&D	8.5%	10.2%	9.4%	9.3%	7.3%
	Warehouse Distribution	6.5%	4.8%	3.7%	3.9%	3.1%
	Warehouse Office	4.9%	3.9%	3.9%	4.5%	4.7%
	Subtotal	6.2%	5.6%	5.1%	5.4%	4.8%
Northwest	Flex/R&D	8.3%	6.9%	6.3%	4.8%	4.4%
	Warehouse Distribution	4.8%	5.8%	5.7%	4.1%	3.6%
	Warehouse Office	8.3%	8.5%	7.7%	6.7%	5.4%
	Subtotal	6.5%	6.8%	6.4%	5.0%	4.3%
Southeast	Flex/R&D	9.3%	9.6%	10.4%	9.2%	8.9%
	Warehouse Distribution	4.2%	4.6%	5.2%	4.8%	3.3%
	Warehouse Office	5.5%	4.5%	4.1%	3.9%	5.5%
	Subtotal	5.9%	5.7%	6.0%	5.5%	5.5%
Southwest	Flex/R&D	8.9%	8.5%	7.7%	7.9%	8.1%
	Warehouse Distribution	12.5%	10.2%	6.0%	4.7%	4.8%
	Warehouse Office	7.7%	6.7%	6.6%	7.6%	6.7%
	Subtotal	9.8%	8.5%	6.7%	6.6%	6.4%
West	Flex/R&D	10.8%	8.8%	6.8%	8.8%	8.5%
	Warehouse Distribution	5.2%	2.6%	2.6%	2.3%	2.6%
	Warehouse Office	2.3%	1.6%	1.1%	2.8%	3.2%
	Subtotal	5.8%	4.2%	3.3%	4.7%	4.8%
Grand Total	6.9%	6.4%	5.8%	5.5%	5.2%	



Lease Rates by Market (Multi-Tenant NNN)

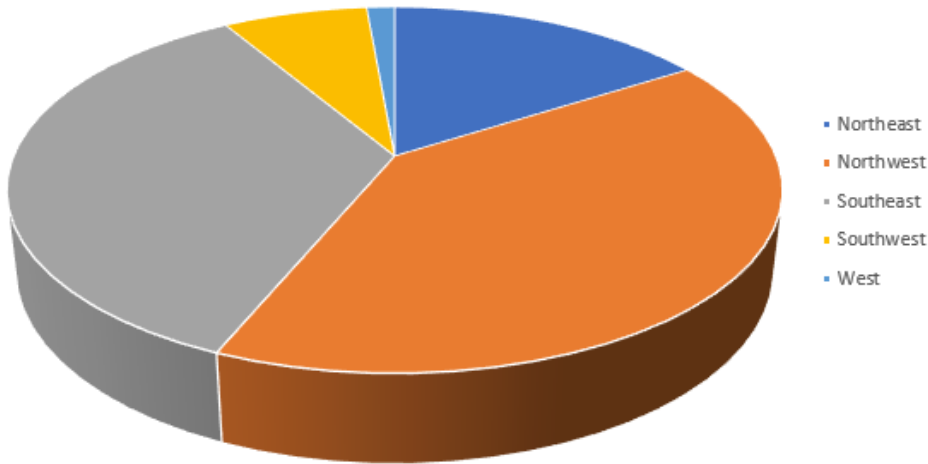
Market	Property Type	Q2 2021		Q3 2021		Q4 2021		Q1 2022		Q2 2022	
		Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High
Northeast	Flex/R&D	\$7.03	\$10.59	\$6.96	\$10.46	\$7.06	\$10.97	\$6.97	\$10.99	\$7.48	\$10.85
	Warehouse Distribution	\$5.59	\$9.57	\$5.71	\$9.56	\$5.70	\$9.30	\$6.07	\$8.66	\$4.95	\$7.87
	Warehouse Office	\$6.30	\$9.79	\$6.40	\$9.54	\$6.45	\$10.03	\$6.61	\$10.32	\$6.30	\$10.33
	Subtotal	\$6.54	\$10.16	\$6.54	\$9.99	\$6.60	\$10.35	\$6.70	\$10.39	\$6.89	\$10.47
Northwest	Flex/R&D	\$6.73	\$10.98	\$6.86	\$11.45	\$7.39	\$11.42	\$7.94	\$11.63	\$8.61	\$12.25
	Warehouse Distribution	\$5.46	\$9.76	\$5.54	\$10.15	\$5.91	\$9.53	\$6.24	\$9.36	\$6.45	\$8.96
	Warehouse Office	\$5.87	\$9.04	\$6.22	\$9.35	\$5.82	\$9.13	\$6.40	\$9.11	\$7.06	\$9.37
	Subtotal	\$6.03	\$9.85	\$6.21	\$10.21	\$6.36	\$9.98	\$6.91	\$10.08	\$7.51	\$10.40
Southeast	Flex/R&D	\$5.94	\$9.37	\$6.39	\$9.54	\$6.60	\$10.07	\$6.54	\$10.28	\$6.23	\$10.65
	Warehouse Distribution	\$4.53	\$6.53	\$4.53	\$6.53	\$5.12	\$7.12	\$5.27	\$6.47	\$5.53	\$7.03
	Warehouse Office	\$5.85	\$9.17	\$5.88	\$9.54	\$5.79	\$9.43	\$6.38	\$9.24	\$6.66	\$9.97
	Subtotal	\$5.82	\$9.12	\$6.03	\$9.31	\$6.06	\$9.37	\$6.30	\$9.36	\$6.31	\$9.84
Southwest	Flex/R&D	\$6.55	\$10.70	\$6.81	\$10.71	\$6.82	\$10.75	\$6.83	\$10.81	\$7.08	\$10.84
	Warehouse Distribution	\$5.17	\$6.92	\$5.24	\$7.24	\$5.59	\$9.19	\$5.59	\$9.19	\$5.56	\$9.64
	Warehouse Office	\$6.36	\$9.68	\$6.19	\$9.69	\$6.14	\$9.83	\$6.27	\$10.05	\$6.45	\$10.50
	Subtotal	\$6.36	\$9.97	\$6.43	\$10.02	\$6.48	\$10.30	\$6.52	\$10.40	\$6.70	\$10.59
West	Flex/R&D	\$6.50	\$11.30	\$7.25	\$12.00	\$6.53	\$10.56	\$7.50	\$12.00	\$7.07	\$12.00
	Warehouse Distribution	\$6.20	\$10.30	\$6.67	\$9.67	\$6.67	\$9.67	\$4.94	\$9.61	\$4.67	\$9.17
	Warehouse Office	\$7.96	\$10.03	\$8.33	\$10.75	\$8.40	\$10.73	\$8.52	\$11.29	\$9.20	\$12.75
	Subtotal	\$7.09	\$10.55	\$7.76	\$11.00	\$7.49	\$10.52	\$7.73	\$11.21	\$7.94	\$12.09
Grand Total		\$6.30	\$9.89	\$6.46	\$10.03	\$6.51	\$10.12	\$6.72	\$10.25	\$6.94	\$10.57

Lease Rates by Market (NNN)



New Developments by Market

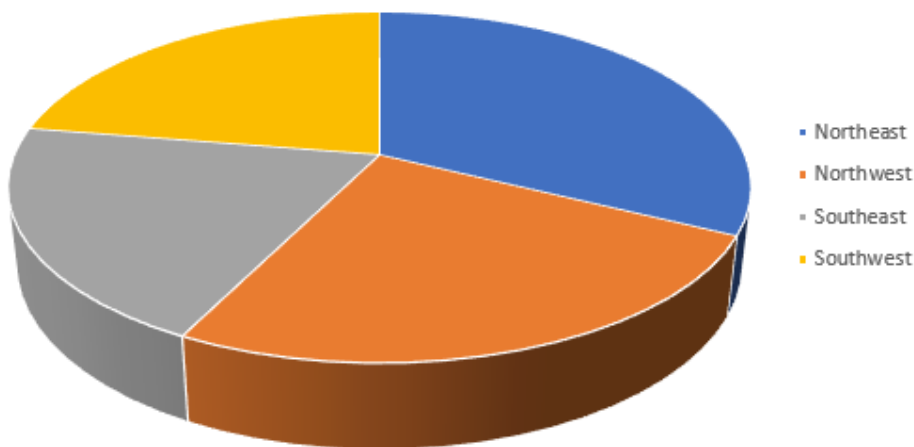
Under Construction (sf)



Market	Bldg (sf)
Northeast	1,144,500
Northwest	2,886,566
Southeast	2,510,980
Southwest	514,485
West	100,000
Grand Total	7,156,531

YTD Deliveries by Market

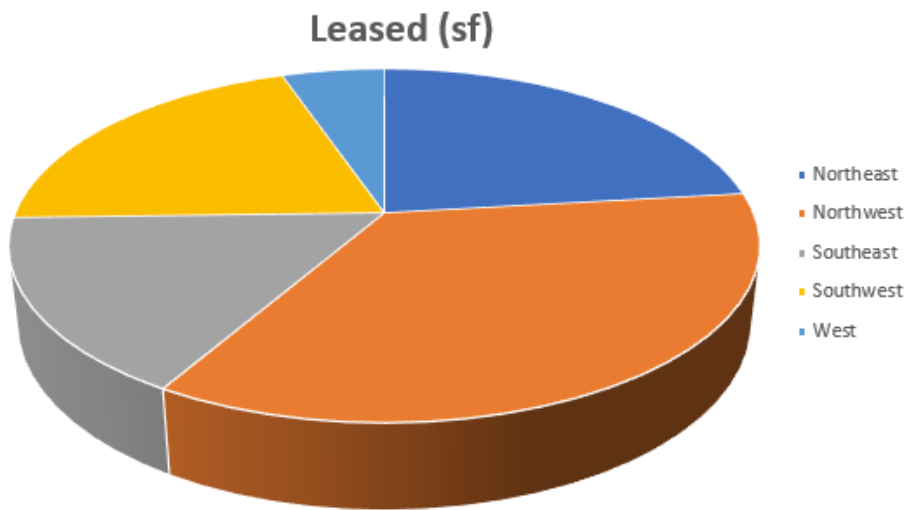
YTD Deliveries (sf)



Market	Bldg (sf)
Northeast	742,060
Northwest	579,224
Southeast	462,500
Southwest	516,493
West	516,493
Grand Total	2,300,277

Leasing Activity

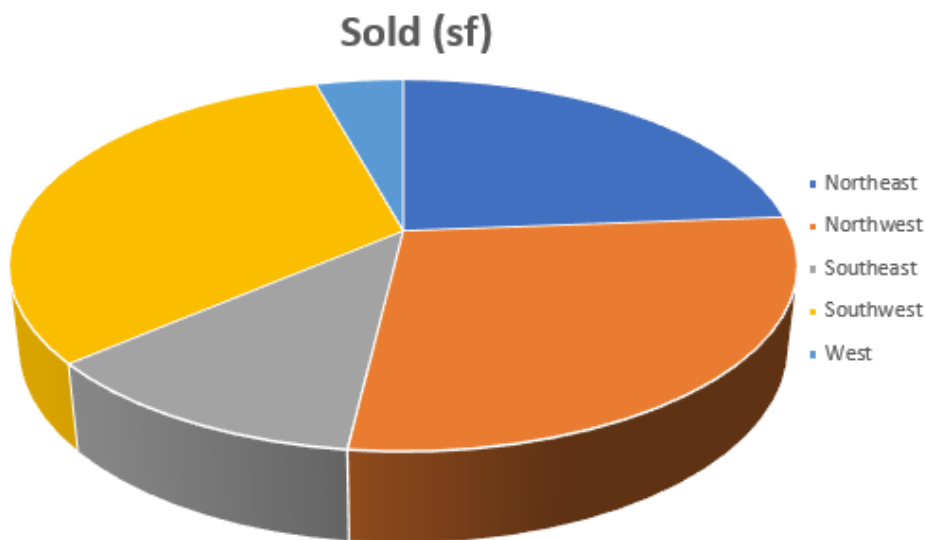
Property	Size (sf)	Market	Tenant	Landlord
19850 Diamond Lake Rd S	225,348	Northwest	Clark Equipment	Diamond Lake Rd Ind Own LLC
1080 Park Pl	172,400	Southwest	Murphy Warehouse	Meritex Shakopee LLC
19850 Diamond Lake Rd S	161,376	Northwest	Myplas Recycling	Diamond Lake Rd Ind Own LLC
1885-1985 Douglas Dr N	150,000	Northwest	Alridge Electric	Ademco Inc
Business Parkway Building				Rosemount LLC &
15100 Business Pkwy	99,683	Southeast	Stonebrook Equipment	Bigos-Rosemount II LLC



Market	Leased (sf)
Northeast	655,601
Northwest	996,877
Southeast	457,708
Southwest	570,325
West	149,387
Grand Total	2,829,898

Sales Activity

Property	Price	Market	Buyer	Seller
Braemar Cecilia 5595 W 78th St	\$35,300,294	Southwest	Big River Braemar LLC	Carpenter Land Company LLP
Bloomington Distribution Center 5501 Old Shakopee Rd W	\$35,060,000	Southwest	MNJV BDC, LLC	OIVF II BDC, LLC
7075 Flying Cloud Dr	\$27,000,000	Southwest	Aldevron, L.L.C.	Golden Triangle Station LLC
Northland Interstate Bus Ctr IV 9300 75th Ave N	\$20,870,000	Northwest	MNJV Northland IV, LLC	MIP Northland IV, LLC
Northland Interstate Bus Ctr V 7601 Northland Dr	\$14,140,000	Northwest	MNJV Northland V, LLC	MIP Northland V, LLC



Market	Sold (sf)
Northeast	1,055,087
Northwest	1,249,490
Southeast	525,336
Southwest	1,422,169
West	190,241
Grand Total	4,442,323

Market Map



- | | | | |
|----------|------------------|----------|------------------|
| 1 | Northeast | 3 | Southwest |
| 2 | Northwest | 4 | Southeast |
| | | 5 | West |

Methodology

The Mpls-St Paul market consists of single and multi-tenant industrial buildings 20,000 sf or larger or part of a complex larger than 20,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington and Wright counties. The tracked set does not include self-storage facilities and non-conforming property types such as grain elevators or fuel storage facilities. All tracked properties are existing. Statistically, net absorption will be calculated based on occupancy change during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

The Mpls-St Paul tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Terminology

Inventory	The total square feet (sf) of existing single and multi-tenant buildings greater than 20,000 sf or are part of a complex that totals greater than 20,000 sf located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington and Wright Counties.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant (sf)	The total of all the vacant square feet within a building including both direct and sublease space.
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease Space	Space that is offered for lease by a current tenant, or their agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in occupancy from quarter to quarter, expressed in square feet.
Average Asking Rate	The average low and high asking lease rate expressed as a per square foot value in NNN terms.
Warehouse Distribution	Higher clear height and typically over 24 foot clear.
Warehouse Office	More office build out compared to warehouse distribution and clear heights less than 24 foot clear
Warehouse Flex	Higher end finishing and landscaping. More office build out compared to warehouse office.

Advisory Board Members

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Colliers	Andrew Odney Peter Fooshe	Lee & Associates Newmark Transwestern	Duane Poppe Brian Netz Alex Baron Nate Erickson

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