

Market

# Trends

**Q3** 2022

Mpls/St Paul - Industrial



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# MARKET TRENDS

Q3 2022 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,990,221	▲
Area Unemployment	2.1	▼
U.S. Unemployment	3.6	▬
Industrial Jobs	210,000	▲

Source: BLS

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

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) decreased 110 basis points to 2.1% for August 2022 from 3.2% for August 2021. The unemployment rate for the US was the same compared to last year at 3.6% in August 2022. State of Minnesota unemployment rate was 1.9%. The Mpls-St Paul MSA saw an increase in job growth as well as an increase industrial job growth in manufacturing with 11,300 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 271 msf in eight counties across the metro. There was just shy of 2.2 msf of positive absorption overall for Q3 2022 increasing YTD to over 4.8 msf. Multi-tenant only properties posted 810,000 sf positive absorption with YTD of 2.8 msf. The overall vacancy rate for the market dropped to 3.3% and multi-tenant vacancy dropped to 5.0% for Q3 2022. To date, there are 54 construction projects throughout the market totaling 8.2 msf and 28 properties have been delivered YTD with 4.1 msf.

## Market Recap

### All Properties

Total Inventory (sf)	271,326,059
Total # of Bldgs (tracked)	3,117
Absorption	2,189,981
Vacancy	3.3%
Asking Rate Low (NNN)	\$7.37
Asking Rent High (NNN)	\$10.77
Under Construction	8,254,782

### Multi-tenant Properties

Total Inventory (sf)	143,019,275
Total # of Bldgs (tracked)	1,757
Absorption	810,520
Vacancy	5.0%
Asking Rate Low (NNN)	\$7.29
Asking Rent High (NNN)	\$10.73

## Market Highlights

At the close of Q3 2022, the market experienced over 3.8 msf of leasing activity in 176 transactions. The Northeast market shows the lowest vacancy rate of 2.4% while the West market is at the top with 5.2% for all properties. The Northwest market tops all markets with 1.4 msf positive absorption led by new delivery of 463,000 sf to Graco. The top single changes were in the Southeast market for the new delivery of Amazon with 517,000 sf while vacating 142,000 sf. The West market showed (33,000) sf negative absorption led by Jmark vacating 75,000 sf. One hundred three properties sold totaling 3.8 msf for \$437 million.

# Market Statistics by Property Type (Multi and Single Tenant)

## Total

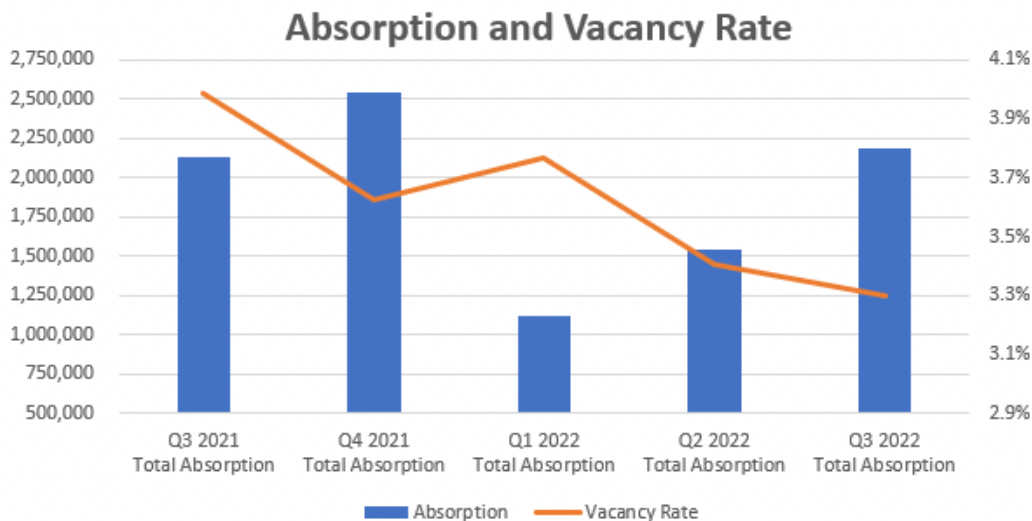
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	629	42,591,754	3,504,786	2,513,399	216,117	400,898	5.9%
Warehouse Distribution	614	108,844,933	3,806,958	2,775,124	1,736,360	3,929,875	2.5%
Warehouse Office	1,874	119,889,372	5,838,429	3,671,718	237,504	526,223	3.1%
<b>Grand Total</b>	<b>3,117</b>	<b>271,326,059</b>	<b>13,150,173</b>	<b>8,960,241</b>	<b>2,189,981</b>	<b>4,856,996</b>	<b>3.3%</b>

## 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	42,591,754	3,017,256	2,319,486	220,674	385,523	5.4%
Warehouse Distribution	614	108,844,933	3,261,323	2,531,972	1,784,177	4,062,904	2.3%
Warehouse Office	1,874	119,889,372	5,338,007	3,392,159	289,639	574,234	2.8%
<b>Grand Total</b>	<b>3,117</b>	<b>271,326,059</b>	<b>11,616,586</b>	<b>8,243,617</b>	<b>2,294,490</b>	<b>5,022,661</b>	<b>3.0%</b>

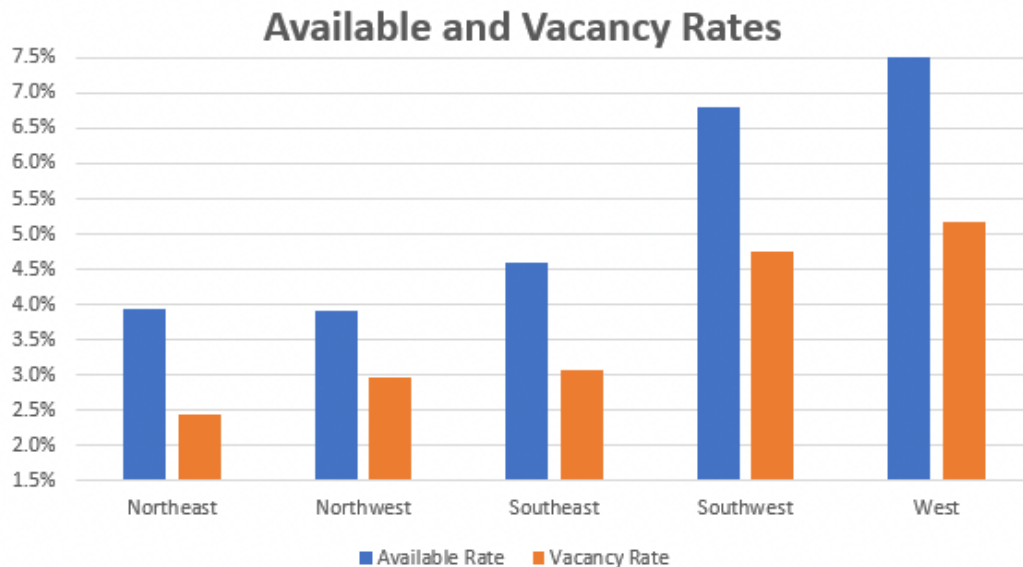
## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	629	42,591,754	487,530	193,913	(4,557)	15,375	0.5%
Warehouse Distribution	614	108,844,933	545,635	243,152	(47,817)	(133,029)	0.2%
Warehouse Office	1,874	119,889,372	500,422	279,559	(52,135)	(48,011)	0.2%
<b>Grand Total</b>	<b>3,117</b>	<b>271,326,059</b>	<b>1,533,587</b>	<b>716,624</b>	<b>(104,509)</b>	<b>(165,665)</b>	<b>0.3%</b>



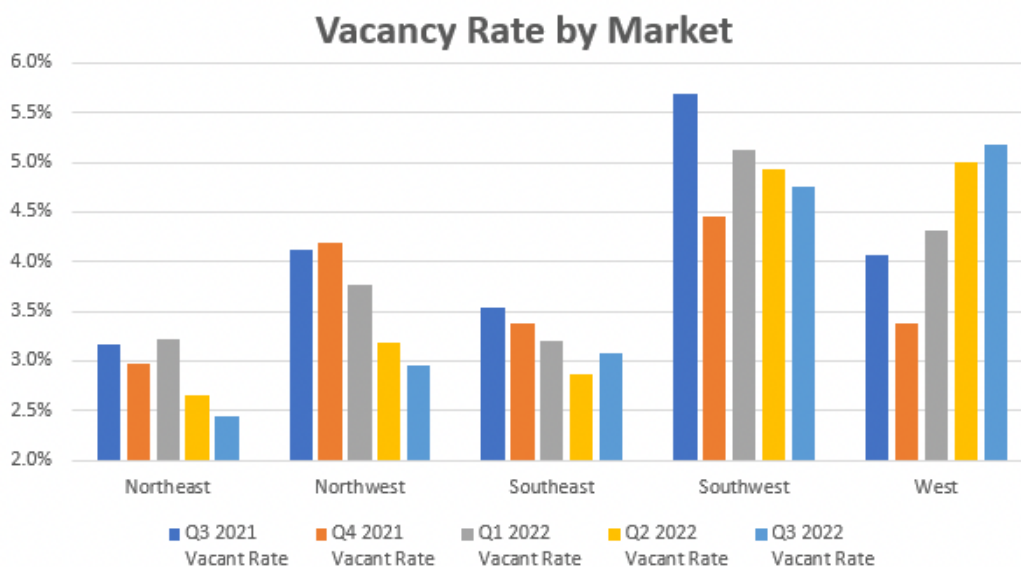
# Market Statistics by Market (Multi and Single Tenant)

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	11,349,439	919,487	707,656	35,809	236,135	6.2%
	Warehouse Distribution	187	31,055,545	831,092	415,099	236,211	730,427	1.3%
	Warehouse Office	711	46,069,696	1,738,686	1,036,762	174,633	353,789	2.3%
	<b>Subtotal</b>	<b>1,057</b>	<b>88,474,680</b>	<b>3,489,265</b>	<b>2,159,517</b>	<b>446,653</b>	<b>1,320,351</b>	<b>2.4%</b>
Northwest	Flex/R&D	97	6,945,897	316,424	174,072	35,455	123,361	2.5%
	Warehouse Distribution	167	29,226,875	876,561	778,075	921,181	1,651,938	2.7%
	Warehouse Office	333	21,610,752	1,064,375	755,582	106,839	419,114	3.5%
	<b>Subtotal</b>	<b>597</b>	<b>57,783,524</b>	<b>2,257,360</b>	<b>1,707,729</b>	<b>1,063,475</b>	<b>2,194,413</b>	<b>3.0%</b>
Southeast	Flex/R&D	127	7,393,734	985,882	662,756	(85,274)	(3,110)	9.0%
	Warehouse Distribution	130	24,632,620	554,213	411,482	416,865	1,099,191	1.7%
	Warehouse Office	384	23,586,551	1,006,595	636,368	25,531	(22,576)	2.7%
	<b>Subtotal</b>	<b>641</b>	<b>55,612,905</b>	<b>2,546,690</b>	<b>1,710,606</b>	<b>357,122</b>	<b>1,073,505</b>	<b>3.1%</b>
Southwest	Flex/R&D	185	12,757,765	995,497	725,146	86,674	53,009	5.7%
	Warehouse Distribution	94	19,719,814	1,358,147	1,021,467	242,761	528,977	5.2%
	Warehouse Office	301	19,263,113	1,172,329	717,598	26,790	5,215	3.7%
	<b>Subtotal</b>	<b>580</b>	<b>51,740,692</b>	<b>3,525,973</b>	<b>2,464,211</b>	<b>356,225</b>	<b>587,201</b>	<b>4.8%</b>
West	Flex/R&D	61	4,144,919	287,496	243,769	143,453	(8,497)	5.9%
	Warehouse Distribution	36	4,210,079	186,945	149,001	(80,658)	(80,658)	3.5%
	Warehouse Office	145	9,359,260	856,444	525,408	(96,289)	(229,319)	5.6%
	<b>Subtotal</b>	<b>242</b>	<b>17,714,258</b>	<b>1,330,885</b>	<b>918,178</b>	<b>(33,494)</b>	<b>(318,474)</b>	<b>5.2%</b>
<b>Grand Total</b>		<b>3,117</b>	<b>271,326,059</b>	<b>13,150,173</b>	<b>8,960,241</b>	<b>2,189,981</b>	<b>4,856,996</b>	<b>3.3%</b>



# Vacancy Rates by Market (Multi and Single Tenant)

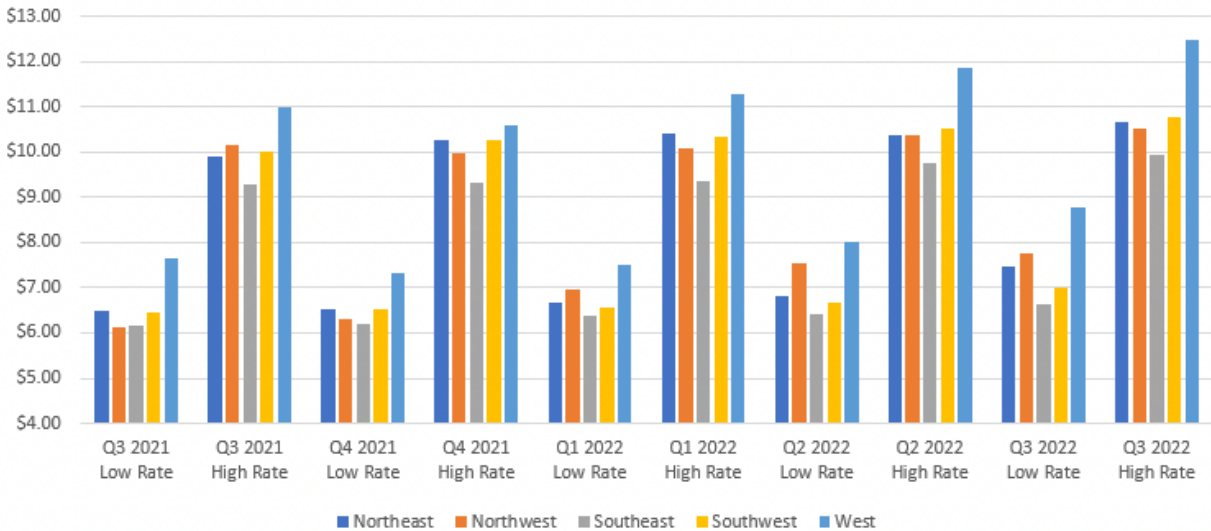
Market	Property Type	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Northeast	Flex/R&D	9.0%	8.3%	8.2%	6.6%	6.2%
	Warehouse Distribution	2.1%	1.7%	1.9%	1.2%	1.3%
	Warehouse Office	2.4%	2.5%	2.9%	2.6%	2.3%
	<b>Subtotal</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.2%</b>	<b>2.7%</b>	<b>2.4%</b>
Northwest	Flex/R&D	4.2%	3.8%	2.9%	2.7%	2.5%
	Warehouse Distribution	3.9%	4.5%	4.2%	3.6%	2.7%
	Warehouse Office	4.4%	4.0%	3.5%	2.9%	3.5%
	<b>Subtotal</b>	<b>4.1%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>3.2%</b>	<b>3.0%</b>
Southeast	Flex/R&D	8.7%	9.3%	8.3%	8.0%	9.0%
	Warehouse Distribution	2.8%	2.2%	1.9%	1.3%	1.7%
	Warehouse Office	2.6%	2.7%	2.9%	2.9%	2.7%
	<b>Subtotal</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>3.1%</b>
Southwest	Flex/R&D	5.9%	5.3%	5.5%	5.6%	5.7%
	Warehouse Distribution	7.0%	4.6%	5.6%	5.6%	5.2%
	Warehouse Office	4.3%	3.7%	4.5%	3.9%	3.7%
	<b>Subtotal</b>	<b>5.7%</b>	<b>4.5%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.8%</b>
West	Flex/R&D	7.4%	5.7%	7.4%	9.3%	5.9%
	Warehouse Distribution	1.6%	1.6%	2.0%	1.6%	3.5%
	Warehouse Office	3.7%	3.2%	4.0%	4.6%	5.6%
	<b>Subtotal</b>	<b>4.1%</b>	<b>3.4%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>5.2%</b>
<b>Grand Total</b>		<b>4.0%</b>	<b>3.6%</b>	<b>3.8%</b>	<b>3.4%</b>	<b>3.3%</b>



# Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q3 2021		Q4 2021		Q1 2022		Q2 2022		Q3 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	\$6.96	\$10.46	\$7.06	\$10.97	\$6.97	\$10.99	\$7.48	\$10.85	\$7.47	\$10.63
	Warehouse Distribution	\$5.71	\$9.56	\$5.70	\$9.30	\$6.07	\$8.66	\$4.95	\$7.87	\$6.50	\$6.50
	Warehouse Office	\$6.32	\$9.35	\$6.29	\$9.91	\$6.58	\$10.41	\$6.28	\$10.10	\$7.56	\$11.22
	Subtotal	\$6.51	\$9.90	\$6.52	\$10.26	\$6.68	\$10.42	\$6.83	\$10.36	\$7.47	\$10.67
Northwest	Flex/R&D	\$6.86	\$11.45	\$7.39	\$11.42	\$7.94	\$11.63	\$8.61	\$12.25	\$9.46	\$12.66
	Warehouse Distribution	\$5.42	\$9.97	\$5.81	\$9.59	\$6.17	\$9.47	\$6.33	\$9.15	\$7.01	\$8.40
	Warehouse Office	\$6.16	\$9.36	\$5.82	\$9.13	\$6.64	\$9.16	\$7.32	\$9.43	\$6.95	\$9.90
	Subtotal	\$6.11	\$10.14	\$6.31	\$9.99	\$6.96	\$10.09	\$7.53	\$10.39	\$7.76	\$10.51
Southeast	Flex/R&D	\$6.61	\$9.70	\$6.85	\$10.23	\$6.82	\$10.42	\$6.64	\$10.79	\$6.91	\$10.95
	Warehouse Distribution	\$5.03	\$6.53	\$5.12	\$7.12	\$5.27	\$6.47	\$5.53	\$7.03	\$5.71	\$7.21
	Warehouse Office	\$5.84	\$9.35	\$5.74	\$9.04	\$6.22	\$8.90	\$6.45	\$9.50	\$6.73	\$9.94
	Subtotal	\$6.15	\$9.27	\$6.19	\$9.34	\$6.39	\$9.34	\$6.42	\$9.75	\$6.65	\$9.95
Southwest	Flex/R&D	\$6.99	\$10.79	\$6.99	\$10.83	\$7.03	\$10.90	\$7.08	\$10.84	\$6.59	\$10.73
	Warehouse Distribution	\$5.06	\$7.31	\$5.33	\$8.33	\$5.33	\$8.33	\$5.43	\$8.99	\$8.10	\$10.10
	Warehouse Office	\$6.15	\$9.70	\$6.10	\$9.83	\$6.22	\$10.04	\$6.45	\$10.50	\$7.23	\$11.16
	Subtotal	\$6.46	\$10.01	\$6.53	\$10.26	\$6.58	\$10.35	\$6.67	\$10.50	\$7.00	\$10.78
West	Flex/R&D	\$7.25	\$12.00	\$6.53	\$10.56	\$7.50	\$12.00	\$8.50	\$12.81	\$8.93	\$13.14
	Warehouse Distribution	\$6.67	\$9.67	\$6.50	\$10.25	\$5.21	\$10.21	\$3.61	\$6.61	\$4.50	\$8.50
	Warehouse Office	\$8.11	\$10.77	\$8.16	\$10.75	\$8.16	\$11.35	\$8.86	\$12.59	\$9.11	\$12.39
	Subtotal	\$7.66	\$11.00	\$7.34	\$10.60	\$7.50	\$11.29	\$8.01	\$11.85	\$8.76	\$12.47
Grand Total		\$6.45	\$9.97	\$6.51	\$10.09	\$6.73	\$10.25	\$6.94	\$10.47	\$7.37	\$10.77

Lease Rates by Market (NNN)



# Market Statistics by Property Type (Multi-Tenant)

## Total

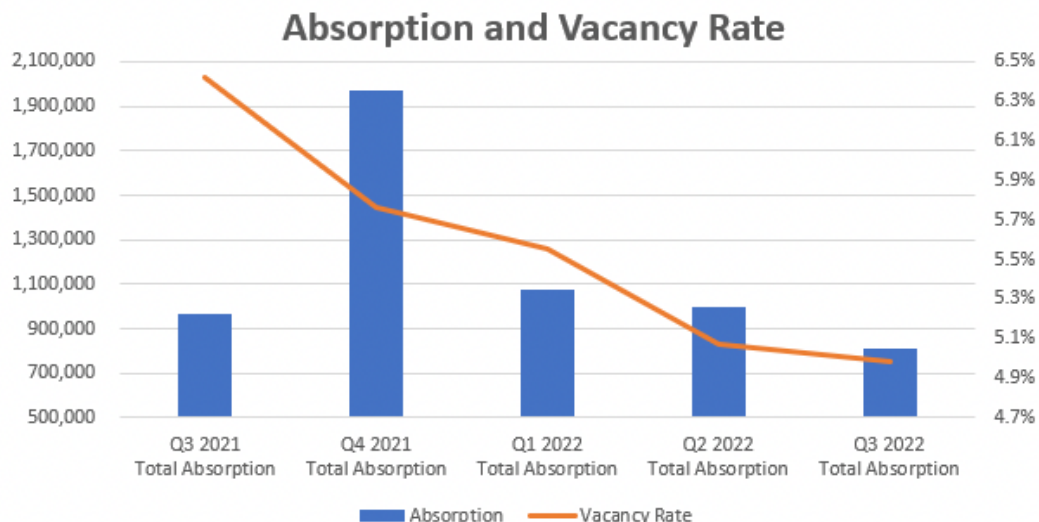
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	538	32,572,630	3,147,651	2,269,448	290,313	562,550	7.0%
Warehouse Distribution	326	53,832,999	2,650,413	2,106,842	329,882	1,863,355	3.9%
Warehouse Office	893	56,613,646	4,537,854	2,753,548	190,325	459,644	4.9%
<b>Grand Total</b>	<b>1,757</b>	<b>143,019,275</b>	<b>10,335,918</b>	<b>7,129,838</b>	<b>810,520</b>	<b>2,885,549</b>	<b>5.0%</b>

## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	538	32,572,630	2,867,967	2,170,197	245,948	498,253	6.7%
Warehouse Distribution	326	53,832,999	2,108,088	1,867,000	377,699	1,996,384	3.5%
Warehouse Office	893	56,613,646	4,115,932	2,552,489	242,460	507,655	4.5%
<b>Grand Total</b>	<b>1,757</b>	<b>143,019,275</b>	<b>9,091,987</b>	<b>6,589,686</b>	<b>866,107</b>	<b>3,002,292</b>	<b>4.6%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	538	32,572,630	279,684	99,251	44,365	64,297	0.3%
Warehouse Distribution	326	53,832,999	542,325	239,842	(47,817)	(133,029)	0.4%
Warehouse Office	893	56,613,646	421,922	201,059	(52,135)	(48,011)	0.4%
<b>Grand Total</b>	<b>1,757</b>	<b>143,019,275</b>	<b>1,243,931</b>	<b>540,152</b>	<b>(55,587)</b>	<b>(116,743)</b>	<b>0.4%</b>

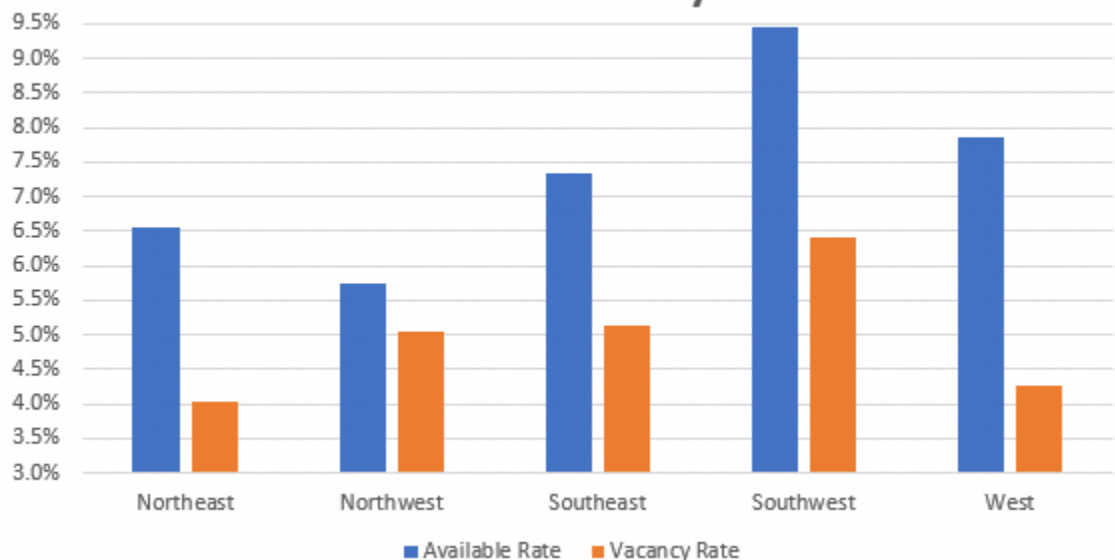




# Market Statistics by Market (Multi-Tenant)

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	9,652,292	873,747	661,916	35,809	236,135	6.9%
	Warehouse Distribution	84	12,903,787	617,750	318,043	190,347	493,189	2.5%
	Warehouse Office	311	20,929,020	1,364,842	774,223	224,879	300,648	3.7%
	<b>Subtotal</b>	<b>531</b>	<b>43,485,099</b>	<b>2,856,339</b>	<b>1,754,182</b>	<b>451,035</b>	<b>1,029,972</b>	<b>4.0%</b>
Northwest	Flex/R&D	78	4,698,632	316,424	174,072	35,455	123,361	3.7%
	Warehouse Distribution	103	17,613,054	610,297	778,075	70,921	895,514	4.4%
	Warehouse Office	158	10,380,377	946,317	693,582	(30,161)	282,114	6.7%
	<b>Subtotal</b>	<b>339</b>	<b>32,692,063</b>	<b>1,873,038</b>	<b>1,645,729</b>	<b>76,215</b>	<b>1,300,989</b>	<b>5.0%</b>
Southeast	Flex/R&D	111	5,896,836	761,943	552,001	(11,078)	71,086	9.4%
	Warehouse Distribution	64	9,517,854	554,213	411,482	(100,135)	177,331	4.3%
	Warehouse Office	179	10,445,401	579,923	365,358	25,531	51,019	3.5%
	<b>Subtotal</b>	<b>354</b>	<b>25,860,091</b>	<b>1,896,079</b>	<b>1,328,841</b>	<b>(85,682)</b>	<b>299,436</b>	<b>5.1%</b>
Southwest	Flex/R&D	159	8,849,171	995,497	725,146	86,674	53,009	8.2%
	Warehouse Distribution	56	11,355,159	746,482	515,515	187,443	316,015	4.5%
	Warehouse Office	176	10,362,124	1,150,329	717,598	26,790	(19,785)	6.9%
	<b>Subtotal</b>	<b>391</b>	<b>30,566,454</b>	<b>2,892,308</b>	<b>1,958,259</b>	<b>300,907</b>	<b>349,239</b>	<b>6.4%</b>
West	Flex/R&D	54	3,475,699	200,040	156,313	143,453	78,959	4.5%
	Warehouse Distribution	19	2,443,145	121,671	83,727	(18,694)	(18,694)	3.4%
	Warehouse Office	69	4,496,724	496,443	202,787	(56,714)	(154,352)	4.5%
	<b>Subtotal</b>	<b>142</b>	<b>10,415,568</b>	<b>818,154</b>	<b>442,827</b>	<b>68,045</b>	<b>(94,087)</b>	<b>4.3%</b>
<b>Grand Total</b>		<b>1,757</b>	<b>143,019,275</b>	<b>10,335,918</b>	<b>7,129,838</b>	<b>810,520</b>	<b>2,885,549</b>	<b>5.0%</b>

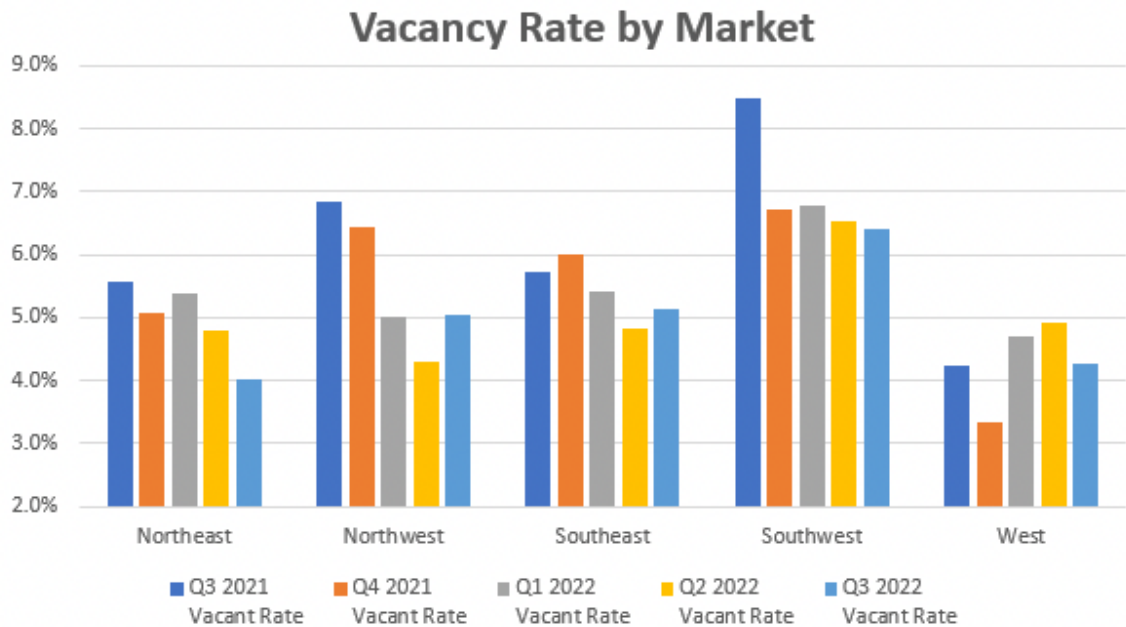
## Available and Vacancy Rates





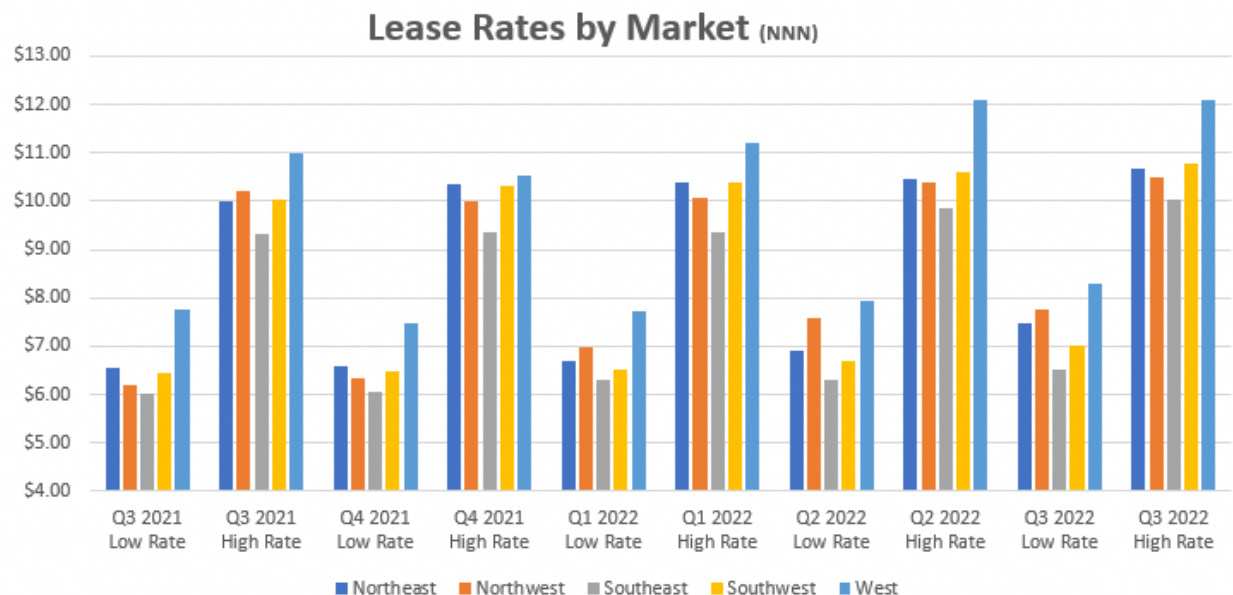
# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q3 2021 Vacancy Rate	Q4 2021 Vacancy Rate	Q1 2022 Vacancy Rate	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate
Northeast	Flex/R&D	10.1%	9.3%	9.2%	7.2%	6.9%
	Warehouse Distribution	4.6%	3.5%	3.8%	3.0%	2.5%
	Warehouse Office	4.0%	4.0%	4.6%	4.8%	3.7%
	<b>Subtotal</b>	<b>5.6%</b>	<b>5.1%</b>	<b>5.4%</b>	<b>4.8%</b>	<b>4.0%</b>
Northwest	Flex/R&D	6.9%	6.4%	4.8%	4.5%	3.7%
	Warehouse Distribution	5.8%	5.7%	4.1%	3.6%	4.4%
	Warehouse Office	8.5%	7.7%	6.7%	5.4%	6.7%
	<b>Subtotal</b>	<b>6.8%</b>	<b>6.4%</b>	<b>5.0%</b>	<b>4.3%</b>	<b>5.0%</b>
Southeast	Flex/R&D	9.8%	10.5%	9.3%	9.0%	9.4%
	Warehouse Distribution	4.5%	5.2%	4.8%	3.3%	4.3%
	Warehouse Office	4.4%	4.1%	3.7%	3.8%	3.5%
	<b>Subtotal</b>	<b>5.7%</b>	<b>6.0%</b>	<b>5.4%</b>	<b>4.8%</b>	<b>5.1%</b>
Southwest	Flex/R&D	8.5%	7.7%	7.9%	8.0%	8.2%
	Warehouse Distribution	10.0%	5.9%	4.7%	4.8%	4.5%
	Warehouse Office	6.8%	6.7%	8.0%	7.2%	6.9%
	<b>Subtotal</b>	<b>8.5%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>6.5%</b>	<b>6.4%</b>
West	Flex/R&D	8.8%	6.8%	8.8%	8.6%	4.5%
	Warehouse Distribution	2.7%	2.7%	2.4%	2.7%	3.4%
	Warehouse Office	1.6%	1.1%	2.8%	3.2%	4.5%
	<b>Subtotal</b>	<b>4.2%</b>	<b>3.3%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>4.3%</b>
<b>Grand Total</b>		<b>6.4%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>5.1%</b>	<b>5.0%</b>

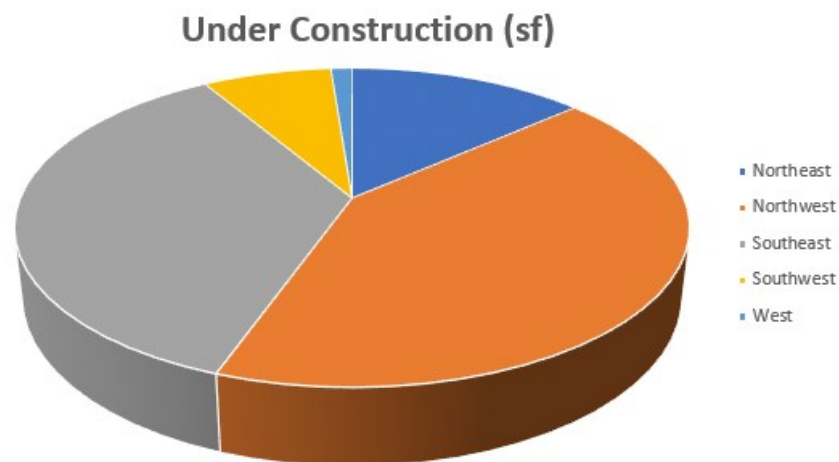


# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q3 2021		Q4 2021		Q1 2022		Q2 2022		Q3 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	\$6.96	\$10.46	\$7.06	\$10.97	\$6.97	\$10.99	\$7.48	\$10.85	\$7.47	\$10.63
	Warehouse Distribution	\$5.71	\$9.56	\$5.70	\$9.30	\$6.07	\$8.66	\$4.95	\$7.87	\$6.50	\$6.50
	Warehouse Office	\$6.40	\$9.54	\$6.45	\$10.03	\$6.61	\$10.32	\$6.30	\$10.33	\$7.56	\$11.22
	Subtotal	\$6.54	\$9.99	\$6.60	\$10.35	\$6.70	\$10.39	\$6.89	\$10.47	\$7.47	\$10.67
Northwest	Flex/R&D	\$6.86	\$11.45	\$7.39	\$11.42	\$7.94	\$11.63	\$8.61	\$12.25	\$9.46	\$12.66
	Warehouse Distribution	\$5.54	\$10.15	\$5.91	\$9.53	\$6.24	\$9.36	\$6.45	\$8.96	\$7.01	\$8.40
	Warehouse Office	\$6.22	\$9.35	\$5.82	\$9.13	\$6.64	\$9.16	\$7.32	\$9.43	\$6.95	\$9.90
	Subtotal	\$6.21	\$10.21	\$6.36	\$9.98	\$7.00	\$10.08	\$7.60	\$10.38	\$7.76	\$10.51
Southeast	Flex/R&D	\$6.35	\$9.58	\$6.54	\$10.09	\$6.49	\$10.29	\$6.17	\$10.63	\$6.33	\$10.78
	Warehouse Distribution	\$4.53	\$6.53	\$5.12	\$7.12	\$5.27	\$6.47	\$5.53	\$7.03	\$5.71	\$7.21
	Warehouse Office	\$5.90	\$9.48	\$5.81	\$9.35	\$6.47	\$9.12	\$6.76	\$9.92	\$7.10	\$10.46
	Subtotal	\$6.03	\$9.31	\$6.06	\$9.37	\$6.30	\$9.36	\$6.31	\$9.84	\$6.52	\$10.03
Southwest	Flex/R&D	\$6.81	\$10.71	\$6.82	\$10.75	\$6.83	\$10.81	\$7.08	\$10.84	\$6.59	\$10.73
	Warehouse Distribution	\$5.24	\$7.24	\$5.59	\$9.19	\$5.59	\$9.19	\$5.56	\$9.64	\$8.10	\$10.10
	Warehouse Office	\$6.19	\$9.69	\$6.14	\$9.83	\$6.27	\$10.05	\$6.45	\$10.50	\$7.23	\$11.16
	Subtotal	\$6.43	\$10.02	\$6.48	\$10.30	\$6.52	\$10.40	\$6.70	\$10.59	\$7.00	\$10.78
West	Flex/R&D	\$7.25	\$12.00	\$6.53	\$10.56	\$7.50	\$12.00	\$7.07	\$12.00	\$7.33	\$12.25
	Warehouse Distribution	\$6.67	\$9.67	\$6.67	\$9.67	\$4.94	\$9.61	\$4.67	\$9.17	\$4.50	\$8.50
	Warehouse Office	\$8.33	\$10.75	\$8.40	\$10.73	\$8.52	\$11.29	\$9.20	\$12.75	\$9.50	\$12.44
	Subtotal	\$7.76	\$11.00	\$7.49	\$10.52	\$7.73	\$11.21	\$7.94	\$12.09	\$8.30	\$12.10
Grand Total		\$6.46	\$10.03	\$6.51	\$10.12	\$6.73	\$10.25	\$6.95	\$10.57	\$7.29	\$10.73

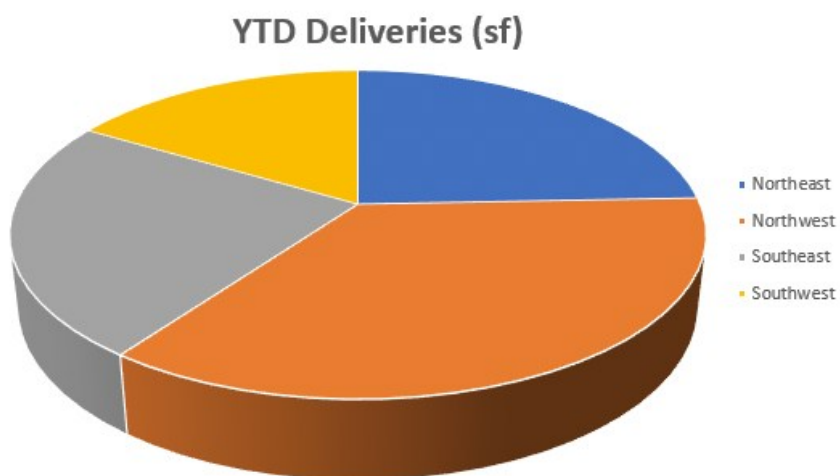


## New Developments by Market



Market	Bldg (sf)
Northeast	1,119,700
Northwest	3,460,803
Southeast	2,965,795
Southwest	608,484
West	100,000
<b>Grand Total</b>	<b>8,254,782</b>

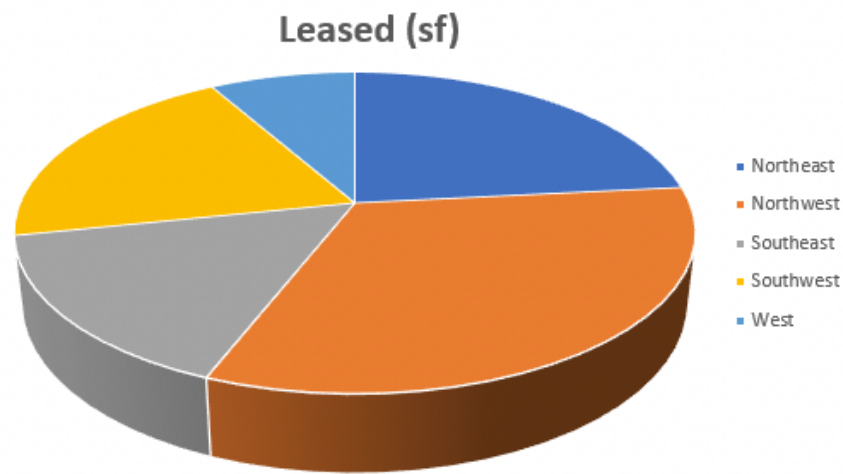
## YTD Deliveries by Market



Market	Bldg (sf)
Northeast	1,018,499
Northwest	1,490,179
Southeast	979,500
Southwest	690,677
<b>Grand Total</b>	<b>4,178,855</b>

# Leasing Activity

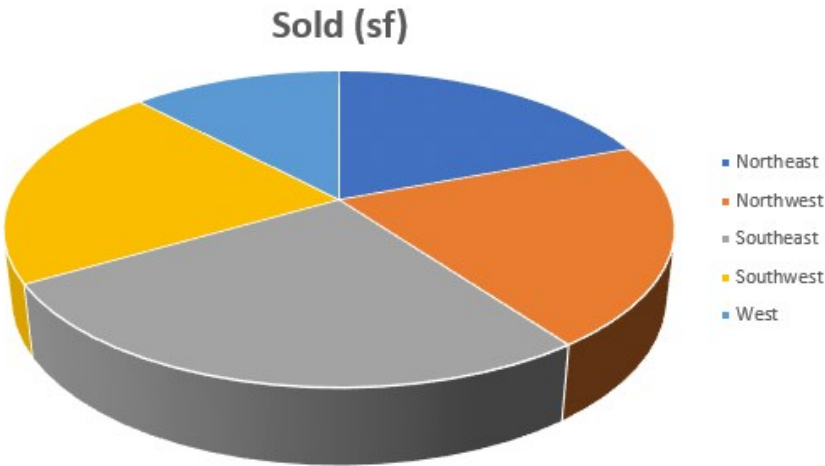
Property	Size (sf)	Market	Tenant	Landlord
Bloomington Distribution Center 5501 Old Shakopee Rd W	218,643	Southwest	Anagram	MNJV BDC LLC
Roseville Distribution Center 2929 Long Lake Rd	172,057	Northeast	FedEx	Auni Holdings LLC
Parkers Lake Commerce Center 14600 21st Ave N	168,100	West	Stratasys	Meritex Plymouth LLC
Zachary Distribution Center 9450 Zachary Ln N	125,112	Northwest	Border States Electric	ZDC Partners LLC
RE Sound 8001 E Bloomington Fwy	122,177	Southeast	GN Resound	GNMN002 LLC



Market	Leased (sf)
Northeast	890,970
Northwest	1,242,511
Southeast	601,406
Southwest	761,791
West	314,594
Grand Total	3,811,272

# Sales Activity

Property	Price	Market	Buyer	Seller
3700-3790 Williston Rd	\$53,025,000	West	Virtus Minnetonka LS, LLC	SE Minnetonka Sm-15 LLC et al
Water Business Center III				
2945 Lone Oak Dr	\$37,100,000	Southeast	The Waters HM LLC	B9 Polar Waters LLC
4835 White Bear Pkwy	\$21,500,000	Northeast	Norman White Bear MN LLC	CSM White Bear Parkway LLC
1313 Lone Oak Rd	\$14,530,000	Southeast	AIC TIC A DE LLC	NL Ventures XI Lone Oak LLC
Ricsons Corporation				
333 Harrison St NE	\$13,575,869	Northeast	East Hennepin Holding LLC	The Sam Miller Corporation



Market	Sold (sf)
Northeast	748,160
Northwest	804,589
Southeast	1,037,742
Southwest	828,340
West	469,357
Grand Total	3,888,188

## Market Map



**1** Northeast

**2** Northwest

**3** Southwest

**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

<b>Inventory</b>	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.
<b>Total Available (sf)</b>	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.
<b>Total Vacant (sf)</b>	The total of all the vacant square feet within a building including both direct and sublease space.
<b>Direct Vacant (sf)</b>	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
<b>Sublease Space</b>	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.
<b>Net Absorption</b>	The net change in occupancy from quarter to quarter, expressed in square feet.
<b>Average Asking Rate</b>	The average low and high asking lease rate expressed as a per square foot value in NNN terms.
<b>Warehouse Distribution</b>	Higher clear height and typically over 24 foot clear.
<b>Warehouse Office</b>	More office build out compared to warehouse distribution and clear heights less than 24 foot clear
<b>Warehouse Flex</b>	Higher end finishing and landscaping. More office build out compared to warehouse office.



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Caspian	Patrick Corbett	Forte	Dan Lofgren Phil Simonet
CBRE	Jonathan Juris Matt Oelschlager Jack Tornquist	JLL	Eric Batiza Chris Hickok
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		Newmark	Brian Netz
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	Mason Hardacre	Transwestern	Maurice Harris
Colliers	Jesse Tollison		

## REDIComps Team

Chris Allen	Regional Director of Analytics	<a href="mailto:chris@redicomps.com">chris@redicomps.com</a>	952-456-1669
Jeremy Bengtson	CEO	<a href="mailto:jeremy@redicomps.com">jeremy@redicomps.com</a>	
Lisa Bengtson	Regional Director of Sale Comps	<a href="mailto:lisa@redicomps.com">lisa@redicomps.com</a>	
Kim Platz	Regional Director of Research	<a href="mailto:kim@redicomps.com">kim@redicomps.com</a>	816-651-6686
Beth Downey	Minnesota Listing Specialist	<a href="mailto:beth@redicomps.com">beth@redicomps.com</a>	816-536-1202
Emma Fonte	Minnesota Listing Specialist	<a href="mailto:emma@redicomps.com">emma@redicomps.com</a>	786-247-2174
Michelle Siegert	Minnesota Listing Specialist	<a href="mailto:michelle@redicomps.com">michelle@redicomps.com</a>	816-230-0116
Molly Bengtson	Director of Client Services	<a href="mailto:molly@redicomps.com">molly@redicomps.com</a>	715-475-9876