

Market

Trends

Q2 2023

Mpls/St Paul - Industrial



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MARKET TRENDS

Q2 2023 | Mpls-St Paul | Industrial

Employment

	Current	Y-o-Y
Employment	1,989,122	
Area Unemployment	2.9	
U.S. Unemployment	3.6	
Industrial Jobs	204,800	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	281,519,679
Total # of Bldgs (tracked)	3,225
Absorption	304,037
Vacancy	3.9%
Asking Rate Low (NNN)	\$7.92
Asking Rent High (NNN)	\$11.20
Under Construction	10,388,195

Multi-tenant Properties

Total Inventory (sf)	148,547,333
Total # of Bldgs (tracked)	1,813
Absorption	208,782
Vacancy	5.8%
Asking Rate Low (NNN)	\$7.94
Asking Rent High (NNN)	\$11.28

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 80 basis points to 2.9% for May 2023 from 2.1% for May 2022. The unemployment rate for the US was at 3.6% in June 2023 which is the same as last year. State of Minnesota unemployment rate was 2.9%. The Mpls-St Paul MSA saw an increase in job growth and industrial also increased in job growth specifically in manufacturing by 2,600 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 281.5 msf in eight counties across the metro. Overall there was 304,000 sf of positive absorption for Q2 2023 and bringing the YTD to 1.5 msf positive absorption. Multi-tenant only properties posted 208,000 sf positive absorption bringing the YTD to 857,000 sf positive absorption. The overall vacancy rate for the quarter was 3.9% and multi-tenant properties vacancy rate was 5.8%. To date, there are 58 construction projects throughout the market totaling 10.3 msf and 14 properties have been delivered YTD with 2.66 msf.

Market Highlights

At the close of Q2 2023, the market experienced over 4.0 msf of leasing activity in 201 transactions. The Northeast market shows the lowest vacancy rate of 2.4% while the Southwest market is at the top with 5.3% for all properties. The Northwest bested all markets with 432,000 sf positive absorption led by the new delivery of 401,000 sf for Blu Dot while they vacated 266,000 sf. The Southwest market posted the highest drop with (166,000) sf negative absorption led by IWCO vacating 151,600 sf for sublease. Sixty five properties sold totaling 3.8 msf for \$329.6 million.

Market Statistics by Property Type (Multi and Single Tenant)

Total

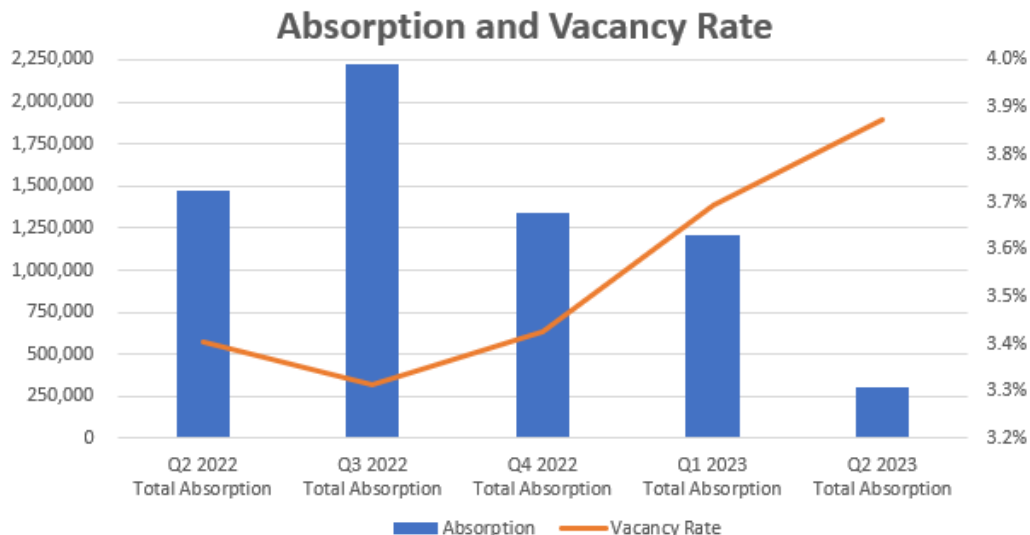
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	650	44,099,416	4,218,804	3,175,795	(260,608)	(348,999)	7.2%
Warehouse Distribution	618	110,648,302	5,350,481	4,327,061	709,651	1,509,445	3.9%
Warehouse Office	1,957	126,771,961	5,779,195	3,400,453	(145,006)	353,598	2.7%
Grand Total	3,225	281,519,679	15,348,480	10,903,309	304,037	1,514,044	3.9%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	650	44,099,416	3,751,533	2,961,166	(257,050)	(341,340)	6.7%
Warehouse Distribution	618	110,648,302	4,994,669	4,135,219	761,660	1,394,523	3.7%
Warehouse Office	1,957	126,771,961	4,875,621	2,891,496	2,445	589,481	2.3%
Grand Total	3,225	281,519,679	13,621,823	9,987,881	507,055	1,642,664	3.5%

Sublease

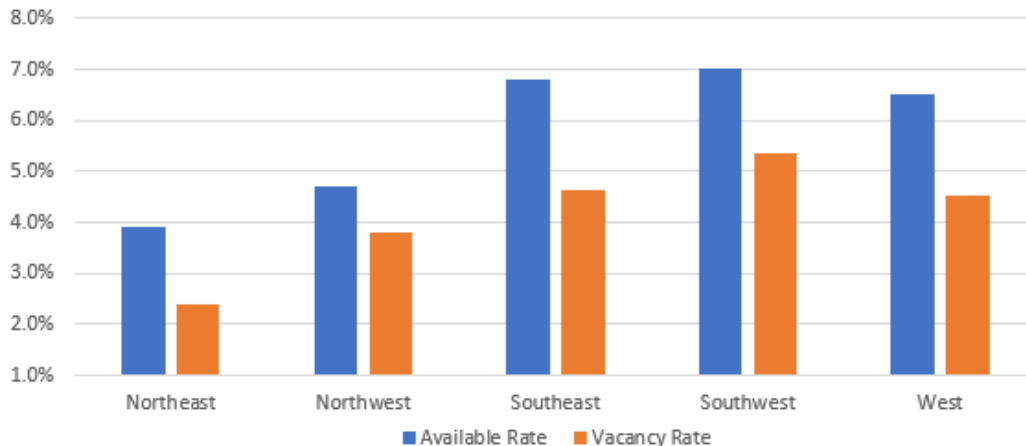
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	650	44,099,416	467,271	214,629	(3,558)	(7,659)	0.5%
Warehouse Distribution	618	110,648,302	355,812	191,842	(52,009)	114,922	0.2%
Warehouse Office	1,957	126,771,961	903,574	508,957	(147,451)	(235,883)	0.4%
Grand Total	3,225	281,519,679	1,726,657	915,428	(203,018)	(128,620)	0.3%



Market Statistics by Market (Multi and Single Tenant)

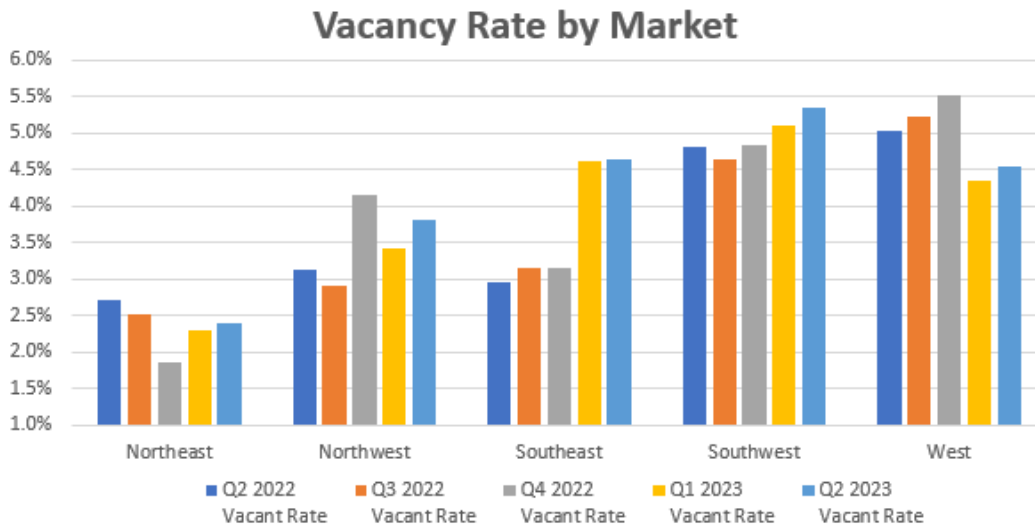
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	162	11,333,169	857,872	571,490	(29,646)	8,258	5.0%
	Warehouse Distribution	184	31,143,287	883,785	603,490	181,160	69,444	1.9%
	Warehouse Office	735	47,411,024	1,791,806	982,389	(63,284)	(254,594)	2.1%
	Subtotal	1,081	89,887,480	3,533,463	2,157,369	88,230	(176,892)	2.4%
Northwest	Flex/R&D	102	7,173,456	513,526	410,762	(58,466)	(214,270)	5.7%
	Warehouse Distribution	173	30,380,575	1,091,587	1,098,414	472,813	742,627	3.6%
	Warehouse Office	355	23,099,722	1,247,378	798,293	18,251	463,835	3.5%
	Subtotal	630	60,653,753	2,852,491	2,307,469	432,598	992,192	3.8%
Southeast	Flex/R&D	131	8,016,285	1,126,575	825,630	(128,794)	(74,568)	10.3%
	Warehouse Distribution	132	25,875,780	2,012,486	1,385,406	70,027	524,927	5.4%
	Warehouse Office	403	24,938,769	854,808	521,288	42,462	127,978	2.1%
	Subtotal	666	58,830,834	3,993,869	2,732,324	(16,305)	578,337	4.6%
Southwest	Flex/R&D	192	13,324,534	1,267,756	973,007	6,264	(14,687)	7.3%
	Warehouse Distribution	95	19,495,366	1,155,291	1,112,347	(14,349)	150,850	5.7%
	Warehouse Office	316	20,814,033	1,337,453	779,656	(157,916)	(146,598)	3.7%
	Subtotal	603	53,633,933	3,760,500	2,865,010	(166,001)	(10,435)	5.3%
West	Flex/R&D	63	4,251,972	453,075	394,906	(49,966)	(53,732)	9.3%
	Warehouse Distribution	34	3,753,294	207,332	127,404	0	21,597	3.4%
	Warehouse Office	148	10,508,413	547,750	318,827	15,481	162,977	3.0%
	Subtotal	245	18,513,679	1,208,157	841,137	(34,485)	130,842	4.5%
Grand Total		3,225	281,519,679	15,348,480	10,903,309	304,037	1,514,044	3.9%

Available and Vacancy Rates



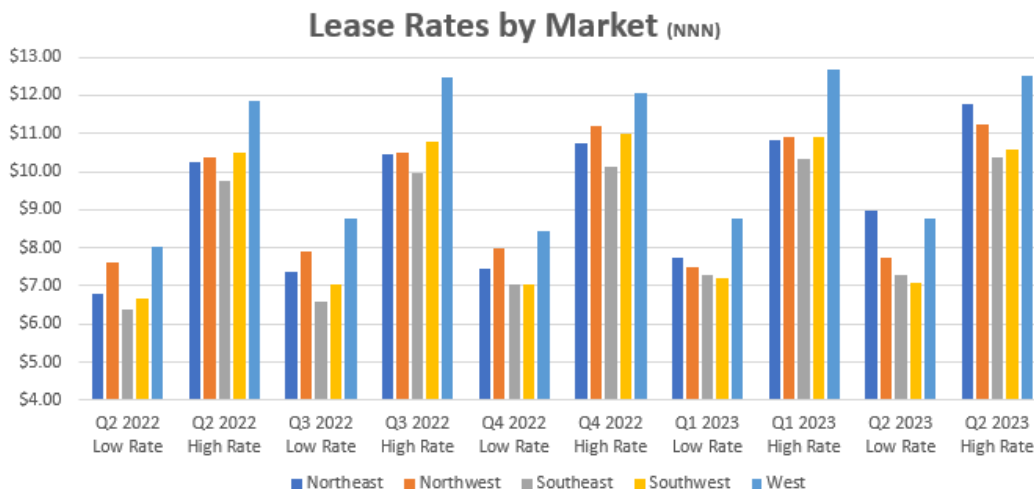
Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate
Northeast	Flex/R&D	6.6%	6.3%	5.1%	4.8%	5.0%
	Warehouse Distribution	1.3%	1.5%	1.6%	1.9%	1.9%
	Warehouse Office	2.7%	2.3%	1.3%	1.9%	2.1%
	Subtotal	2.7%	2.5%	1.9%	2.3%	2.4%
Northwest	Flex/R&D	2.7%	2.5%	2.4%	4.9%	5.7%
	Warehouse Distribution	3.5%	2.6%	3.8%	3.2%	3.6%
	Warehouse Office	2.8%	3.4%	5.2%	3.2%	3.5%
	Subtotal	3.1%	2.9%	4.1%	3.4%	3.8%
Southeast	Flex/R&D	8.1%	9.1%	10.0%	8.7%	10.3%
	Warehouse Distribution	1.3%	1.7%	1.7%	5.6%	5.4%
	Warehouse Office	3.0%	2.8%	2.5%	2.3%	2.1%
	Subtotal	3.0%	3.2%	3.2%	4.6%	4.6%
Southwest	Flex/R&D	5.4%	5.5%	6.0%	7.4%	7.3%
	Warehouse Distribution	5.8%	5.3%	5.9%	5.7%	5.7%
	Warehouse Office	3.6%	3.4%	3.1%	3.1%	3.7%
	Subtotal	4.8%	4.6%	4.8%	5.1%	5.3%
West	Flex/R&D	9.3%	5.9%	8.2%	8.3%	9.3%
	Warehouse Distribution	1.8%	4.0%	4.0%	3.3%	3.4%
	Warehouse Office	4.4%	5.4%	5.0%	3.2%	3.0%
	Subtotal	5.0%	5.2%	5.5%	4.4%	4.5%
Grand Total	3.4%	3.3%	3.4%	3.7%	3.9%	



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q2 2022		Q3 2022		Q4 2022		Q1 2023		Q2 2023	
		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	\$7.48	\$10.85	\$7.47	\$10.63	\$8.08	\$11.37	\$8.55	\$11.67	\$10.10	\$12.58
	Warehouse Distribution	\$4.95	\$7.87	\$6.50	\$6.50	\$5.13	\$7.13	\$6.50	\$6.50		
	Warehouse Office	\$6.18	\$9.83	\$7.20	\$10.50	\$6.96	\$10.32	\$7.03	\$10.19	\$7.54	\$10.76
	Subtotal	\$6.77	\$10.24	\$7.35	\$10.46	\$7.46	\$10.72	\$7.74	\$10.81	\$8.97	\$11.78
Northwest	Flex/R&D	\$8.61	\$12.25	\$9.46	\$12.66	\$9.03	\$13.16	\$7.09	\$12.27	\$7.98	\$12.13
	Warehouse Distribution	\$6.53	\$8.96	\$7.70	\$7.70	\$10.25	\$10.25	\$8.55	\$8.55	\$10.25	\$10.25
	Warehouse Office	\$7.32	\$9.43	\$6.95	\$9.90	\$7.26	\$10.22	\$7.64	\$10.21	\$7.31	\$10.54
	Subtotal	\$7.62	\$10.38	\$7.89	\$10.51	\$7.99	\$11.20	\$7.50	\$10.90	\$7.73	\$11.22
Southeast	Flex/R&D	\$6.64	\$10.79	\$6.91	\$10.95	\$7.35	\$10.94	\$7.65	\$11.00	\$7.97	\$10.92
	Warehouse Distribution	\$5.53	\$7.03	\$5.71	\$7.21	\$6.25	\$6.25	\$6.75	\$6.75	\$6.75	\$6.75
	Warehouse Office	\$6.38	\$9.55	\$6.61	\$9.96	\$6.77	\$9.60	\$6.56	\$9.38	\$5.54	\$9.54
	Subtotal	\$6.39	\$9.76	\$6.60	\$9.96	\$7.05	\$10.12	\$7.28	\$10.34	\$7.28	\$10.38
Southwest	Flex/R&D	\$7.12	\$10.84	\$6.62	\$10.73	\$6.95	\$11.10	\$7.24	\$11.04	\$6.93	\$10.98
	Warehouse Distribution	\$5.43	\$8.99	\$8.10	\$10.10	\$5.99	\$8.99	\$6.09	\$8.49	\$6.13	\$7.63
	Warehouse Office	\$6.45	\$10.50	\$7.23	\$11.16	\$7.51	\$11.40	\$7.49	\$11.39	\$7.54	\$10.57
	Subtotal	\$6.68	\$10.50	\$7.03	\$10.78	\$7.04	\$10.97	\$7.22	\$10.92	\$7.10	\$10.56
West	Flex/R&D	\$8.50	\$12.81	\$8.93	\$13.14	\$10.07	\$13.43	\$8.05	\$12.78	\$8.25	\$13.02
	Warehouse Distribution	\$3.61	\$6.61	\$4.50	\$8.50	\$3.67	\$6.67	\$4.50	\$8.50	\$4.50	\$8.50
	Warehouse Office	\$8.86	\$12.59	\$9.11	\$12.39	\$8.79	\$12.92	\$10.16	\$13.03	\$9.96	\$12.34
	Subtotal	\$8.01	\$11.85	\$8.76	\$12.47	\$8.44	\$12.07	\$8.75	\$12.66	\$8.75	\$12.52
Grand Total	\$6.93	\$10.44	\$7.36	\$10.72	\$7.42	\$10.90	\$7.59	\$11.00	\$7.92	\$11.20	



Market Statistics by Property Type (Multi-Tenant)

Total

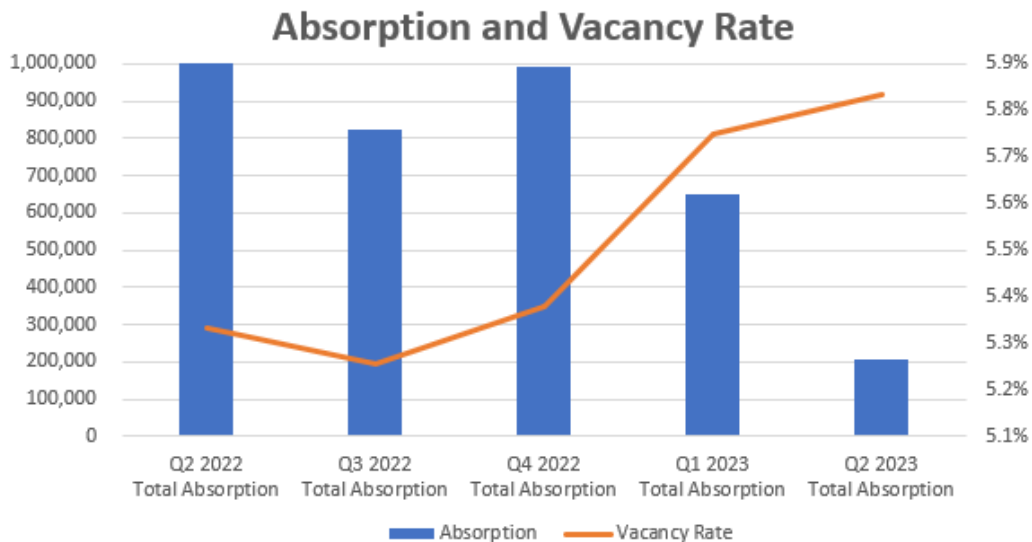
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	547	32,867,754	3,662,653	2,887,442	(190,608)	(324,739)	8.8%
Warehouse Distribution	330	55,112,700	3,753,873	3,375,196	454,214	836,572	6.1%
Warehouse Office	936	60,566,879	4,343,654	2,405,420	(54,824)	345,864	4.0%
Grand Total	1,813	148,547,333	11,760,180	8,668,058	208,782	857,697	5.8%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	547	32,867,754	3,357,488	2,721,735	(187,050)	(317,080)	8.3%
Warehouse Distribution	330	55,112,700	3,401,371	3,186,664	506,223	721,650	5.8%
Warehouse Office	936	60,566,879	3,731,204	2,164,949	(45,441)	404,871	3.6%
Grand Total	1,813	148,547,333	10,490,063	8,073,348	273,732	809,441	5.4%

Sublease

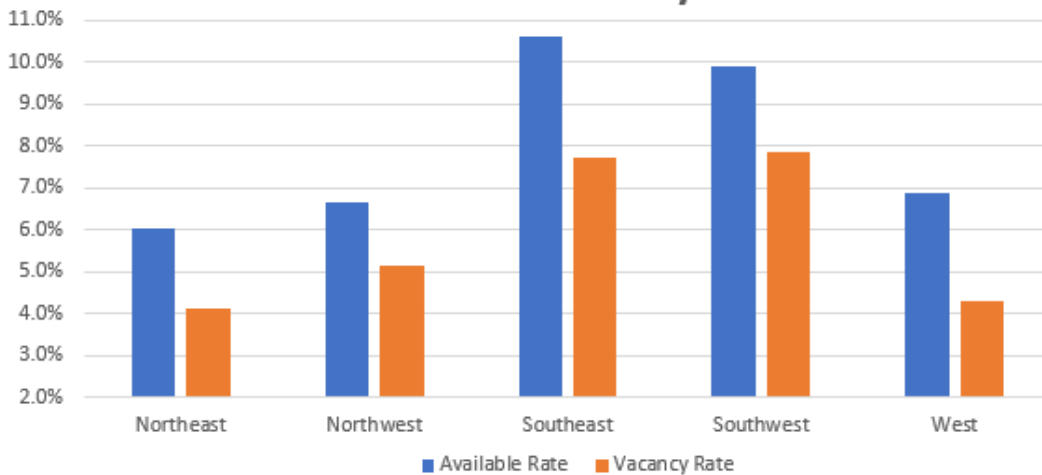
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	547	32,867,754	305,165	165,707	(3,558)	(7,659)	0.5%
Warehouse Distribution	330	55,112,700	352,502	188,532	(52,009)	114,922	0.3%
Warehouse Office	936	60,566,879	612,450	240,471	(9,383)	(59,007)	0.4%
Grand Total	1,813	148,547,333	1,270,117	594,710	(64,950)	48,256	0.4%



Market Statistics by Market (Multi-Tenant)

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	136	9,415,904	731,336	571,490	(29,646)	(37,482)	6.1%
	Warehouse Distribution	85	13,110,629	641,453	536,808	71,178	(40,538)	4.1%
	Warehouse Office	319	21,427,615	1,288,278	711,348	(52,843)	(200,704)	3.3%
	Subtotal	540	43,954,148	2,661,067	1,819,646	(11,311)	(278,724)	4.1%
Northwest	Flex/R&D	82	4,900,005	513,526	410,762	(58,466)	(214,270)	8.4%
	Warehouse Distribution	105	17,927,196	702,923	676,038	337,533	607,511	3.8%
	Warehouse Office	172	11,493,782	1,063,250	677,265	1,279	446,863	5.9%
	Subtotal	359	34,320,983	2,279,699	1,764,065	280,346	840,104	5.1%
Southeast	Flex/R&D	112	5,951,645	804,558	644,875	(58,794)	(4,568)	10.8%
	Warehouse Distribution	64	10,148,256	1,438,566	1,093,586	(45,861)	(8,561)	10.8%
	Warehouse Office	189	11,038,888	641,890	356,588	(865)	7,471	3.2%
	Subtotal	365	27,138,789	2,885,014	2,095,049	(105,520)	(5,658)	7.7%
Southwest	Flex/R&D	161	9,017,448	1,247,614	952,865	6,264	(14,687)	10.6%
	Warehouse Distribution	57	11,691,474	828,873	1,006,634	91,364	256,563	8.6%
	Warehouse Office	185	11,211,276	1,085,349	549,552	(17,876)	43,718	4.9%
	Subtotal	403	31,920,198	3,161,836	2,509,051	79,752	285,594	7.9%
West	Flex/R&D	56	3,582,752	365,619	307,450	(49,966)	(53,732)	8.6%
	Warehouse Distribution	19	2,235,145	142,058	62,130	0	21,597	2.8%
	Warehouse Office	71	5,395,318	264,887	110,667	15,481	48,516	2.1%
	Subtotal	146	11,213,215	772,564	480,247	(34,485)	16,381	4.3%
Grand Total		1,813	148,547,333	11,760,180	8,668,058	208,782	857,697	5.8%

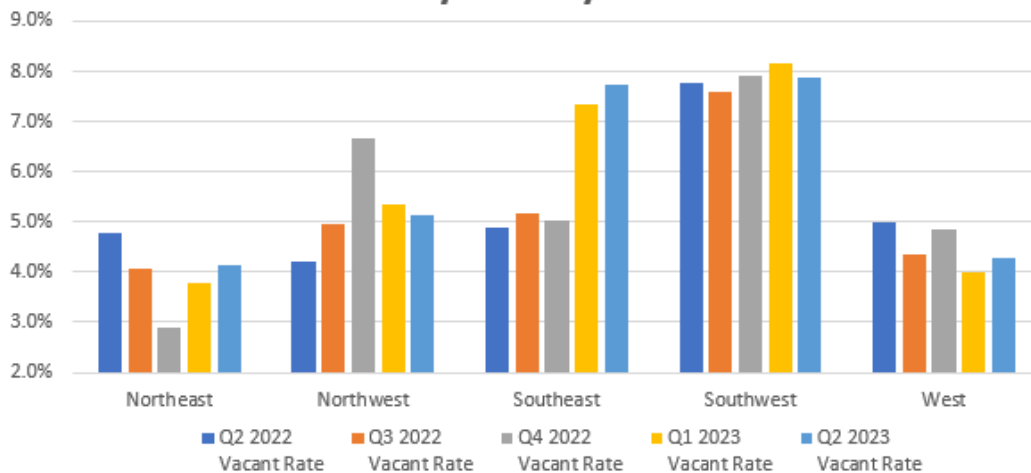
Available and Vacancy Rates



Vacancy Rates by Market (Multi-Tenant)

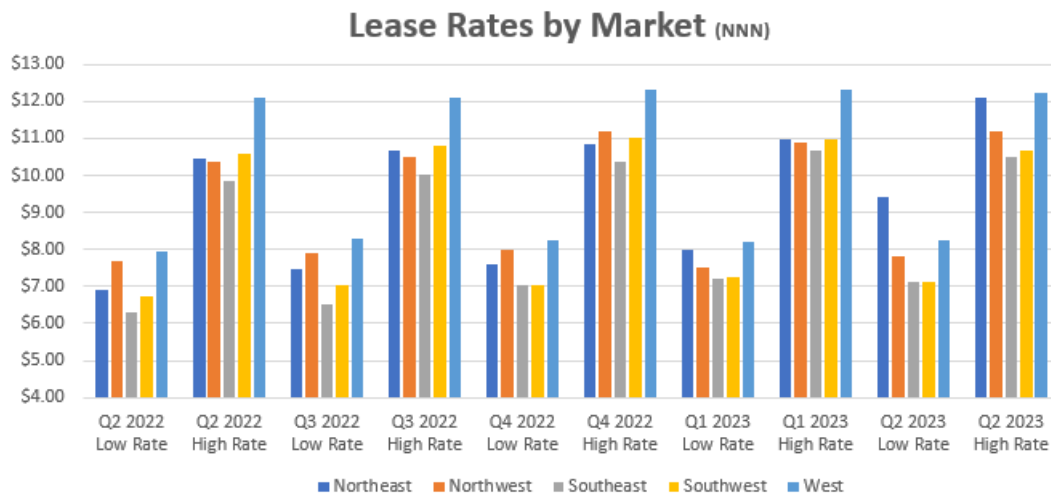
Market	Property Type	Q2 2022 Vacancy Rate	Q3 2022 Vacancy Rate	Q4 2022 Vacancy Rate	Q1 2023 Vacancy Rate	Q2 2023 Vacancy Rate
Northeast	Flex/R&D	7.3%	7.0%	5.6%	5.8%	6.1%
	Warehouse Distribution	3.0%	2.5%	2.7%	3.5%	4.1%
	Warehouse Office	4.7%	3.7%	1.8%	3.1%	3.3%
	Subtotal	4.8%	4.1%	2.9%	3.8%	4.1%
Northwest	Flex/R&D	4.4%	3.6%	3.6%	7.2%	8.4%
	Warehouse Distribution	3.6%	4.4%	5.5%	4.5%	3.8%
	Warehouse Office	5.2%	6.5%	9.9%	5.9%	5.9%
	Subtotal	4.2%	5.0%	6.7%	5.4%	5.1%
Southeast	Flex/R&D	9.1%	9.5%	10.8%	9.8%	10.8%
	Warehouse Distribution	3.4%	4.4%	3.3%	10.3%	10.8%
	Warehouse Office	3.8%	3.5%	3.4%	3.2%	3.2%
	Subtotal	4.9%	5.2%	5.0%	7.3%	7.7%
Southwest	Flex/R&D	7.9%	8.0%	8.5%	10.5%	10.6%
	Warehouse Distribution	9.1%	8.8%	9.8%	9.4%	8.6%
	Warehouse Office	6.2%	6.0%	5.5%	4.9%	4.9%
	Subtotal	7.8%	7.6%	7.9%	8.2%	7.9%
West	Flex/R&D	8.6%	4.5%	7.3%	7.4%	8.6%
	Warehouse Distribution	2.9%	3.7%	3.7%	2.8%	2.8%
	Warehouse Office	3.2%	4.5%	3.5%	2.3%	2.1%
	Subtotal	5.0%	4.3%	4.8%	4.0%	4.3%
Grand Total	5.3%	5.3%	5.4%	5.7%	5.8%	

Vacancy Rate by Market



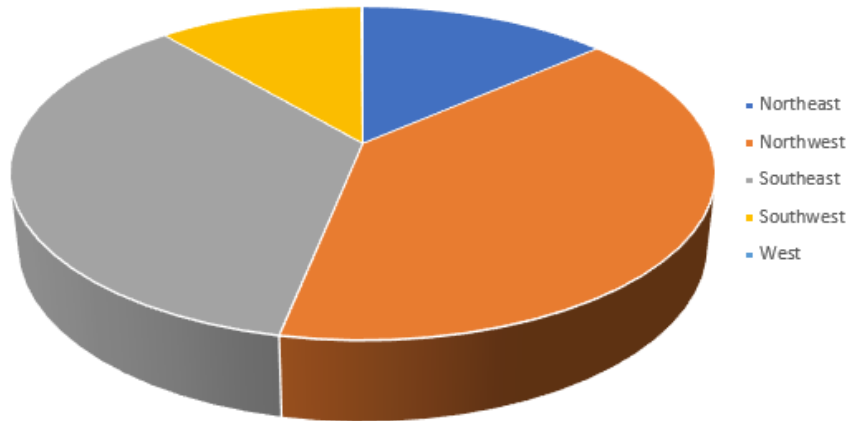
Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q2 2022		Q3 2022		Q4 2022		Q1 2023		Q2 2023	
		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	\$7.48	\$10.85	\$7.47	\$10.63	\$8.08	\$11.37	\$8.55	\$11.67	\$10.10	\$12.58
	Warehouse Distribution	\$4.95	\$7.87	\$6.50	\$6.50	\$5.13	\$7.13	\$6.50	\$6.50		
	Warehouse Office	\$6.30	\$10.33	\$7.56	\$11.22	\$7.26	\$10.59	\$7.43	\$10.43	\$8.25	\$11.29
	Subtotal	\$6.89	\$10.47	\$7.47	\$10.67	\$7.62	\$10.86	\$8.01	\$10.99	\$9.43	\$12.11
Northwest	Flex/R&D	\$8.61	\$12.25	\$9.46	\$12.66	\$9.03	\$13.16	\$7.09	\$12.27	\$7.98	\$12.13
	Warehouse Distribution	\$6.70	\$8.70	\$7.70	\$7.70	\$10.25	\$10.25	\$8.55	\$8.55	\$10.25	\$10.25
	Warehouse Office	\$7.32	\$9.43	\$6.95	\$9.90	\$7.26	\$10.22	\$7.64	\$10.21	\$7.43	\$10.41
	Subtotal	\$7.70	\$10.38	\$7.89	\$10.51	\$7.99	\$11.20	\$7.50	\$10.90	\$7.81	\$11.18
Southeast	Flex/R&D	\$6.17	\$10.63	\$6.33	\$10.78	\$7.02	\$10.83	\$7.33	\$10.89	\$7.65	\$10.80
	Warehouse Distribution	\$5.53	\$7.03	\$5.71	\$7.21	\$6.25	\$6.25	\$6.75	\$6.75	\$6.75	\$6.75
	Warehouse Office	\$6.76	\$9.92	\$7.10	\$10.46	\$7.30	\$10.52	\$7.04	\$10.79	\$5.60	\$10.40
	Subtotal	\$6.31	\$9.84	\$6.52	\$10.03	\$7.05	\$10.39	\$7.23	\$10.68	\$7.12	\$10.51
Southwest	Flex/R&D	\$7.12	\$10.84	\$6.62	\$10.73	\$6.95	\$11.10	\$7.24	\$11.04	\$6.93	\$10.98
	Warehouse Distribution	\$5.56	\$9.64	\$8.10	\$10.10	\$5.89	\$8.29	\$5.99	\$7.49	\$6.00	\$6.00
	Warehouse Office	\$6.45	\$10.50	\$7.23	\$11.16	\$7.53	\$11.64	\$7.51	\$11.63	\$7.59	\$10.97
	Subtotal	\$6.72	\$10.59	\$7.03	\$10.78	\$7.05	\$11.02	\$7.24	\$10.97	\$7.11	\$10.66
West	Flex/R&D	\$7.07	\$12.00	\$7.33	\$12.25	\$8.67	\$12.58	\$6.89	\$12.14	\$7.23	\$12.48
	Warehouse Distribution	\$4.67	\$9.17	\$4.50	\$8.50	\$4.75	\$9.25	\$4.50	\$8.50	\$4.50	\$8.50
	Warehouse Office	\$9.20	\$12.75	\$9.50	\$12.44	\$8.79	\$12.92	\$10.16	\$13.03	\$9.96	\$12.34
	Subtotal	\$7.94	\$12.09	\$8.30	\$12.10	\$8.24	\$12.33	\$8.21	\$12.33	\$8.23	\$12.21
Grand Total		\$6.97	\$10.57	\$7.32	\$10.73	\$7.44	\$11.03	\$7.59	\$11.08	\$7.94	\$11.28



New Developments by Market

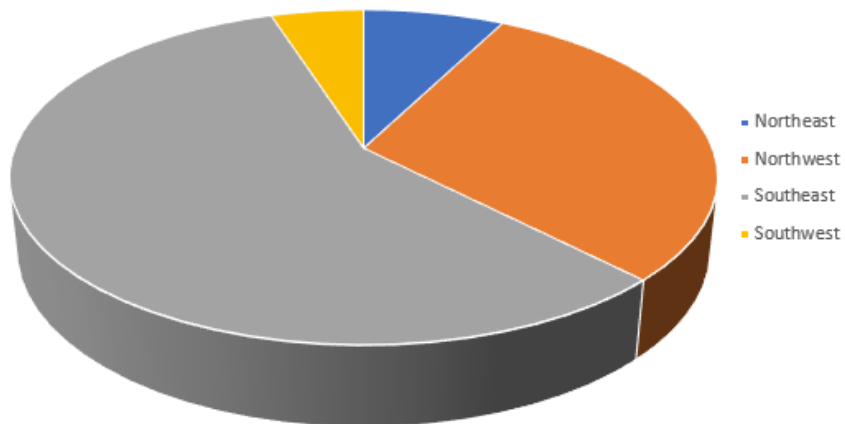
Under Construction (sf)



Market	Bldg (sf)
Northeast	1,411,553
Northwest	4,112,505
Southeast	3,696,941
Southwest	1,157,196
West	10,000
Grand Total	10,388,195

YTD Deliveries by Market

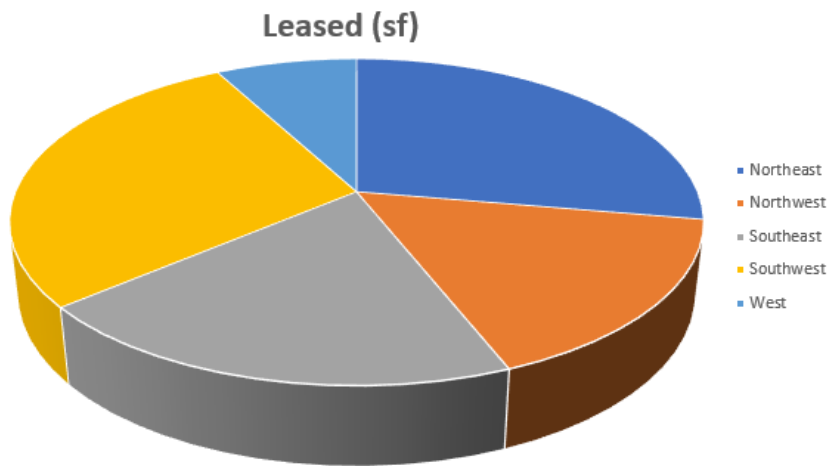
YTD Delivered (sf)



Market	Bldg (sf)
Northeast	202,414
Northwest	799,093
Southeast	1,527,665
Southwest	133,000
Grand Total	2,662,172

Leasing Activity

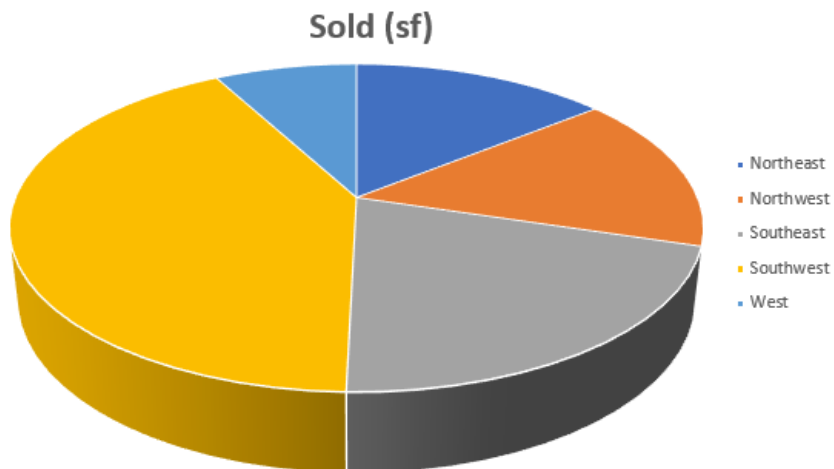
Property	Size (sf)	Market	Tenant	Landlord
Japs-Olson 7500 Excelsior Blvd	692,969	Southwest	Japs-Olson	AGNL Press, LLC
Lakeville Logistics Center 21558 Cedar Ave	360,000	Southeast	Natural American Foods	KTJ 388, LLC
Midway Mile Industrial Campus 489 Prior Ave N	250,493	Northeast	SBS Transportation	Capital Partners Industrial Fund
Plymouth Distribution Center 13120 Cty Rd 6	179,614	West	State of Minnesota	Wayzata Village Shoppes LLP
610 Junction West Hwy 610 & Jefferson Hwy	126,000	Northwest	Tesla	RE-Load Investments LLC



Market	Leased (sf)
Northeast	1,116,812
Northwest	654,743
Southeast	799,633
Southwest	1,141,250
West	316,696
Grand Total	4,029,134

Sales Activity

Property	Price	Market	Buyer	Seller
Japs-Olson 7500 Excelsior Blvd	\$71,200,000	Southwest	AGNL Press, L.L.C	Japs-Olson
6870 21st Ave S	\$28,900,000	Northeast	OIVF III Clearwater, LLC	AX Lino Lakes L.P.
2800 Northwest Blvd	\$19,000,000	Northwest	Not reported	Keystone Propertys of MN LLC
Eagle Creek 8641 Eagle Creek Pkwy	\$16,295,464	Southwest	FAH-501 LLC	AX TC INDUSTRIAL LP
Penn Ave Business Center 7500 Excelsior Blvd	\$15,350,000	Southwest	9231 PENN AVE HOLDING LLC	9231 PENN LLC



Market	Sold (sf)
Northeast	553,145
Northwest	599,649
Southeast	802,107
Southwest	1,617,235
West	307,251
Grand Total	3,879,387

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

Avison Young	Phil Kluesner Jeff Swanson	Cushman & Wakefield	Brent Masica Chris Weirens
Caspian	Patrick Corbett	JLL	Eric Batiza
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Research Advisory Board Members

Avison Young	Max Nolan	Colliers	Jesse Tollison
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