

Market

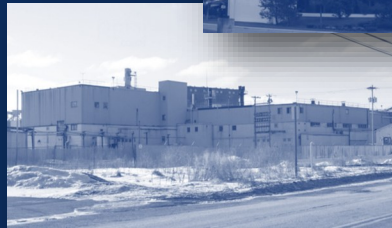
# Trends

# Q3 2024

## Mpls/St Paul - Industrial



# REDI MOODY'S



# MARKET TRENDS

Q3 2024 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,933,767	
Area Unemployment	3.9	
U.S. Unemployment	4.1	
Industrial Jobs	202,900	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	297,233,170
Total # of Bldgs (tracked)	3,323
Absorption	705,527
Vacancy	5.5%
Asking Rate Low (NNN)	\$9.95
Asking Rent High (NNN)	\$12.19
Under Construction	2,392,533

### Multi-tenant Properties

Total Inventory (sf)	154,296,458
Total # of Bldgs (tracked)	1,844
Absorption	(442,835)
Vacancy	8.2%
Asking Rate Low (NNN)	\$10.23
Asking Rent High (NNN)	\$12.37

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 70 basis points to 3.9% for August 2024 from 3.2% for August 2023. The unemployment rate for the US was at 4.1% in September 2024 increasing 30 basis points from last year. State of Minnesota unemployment rate was 3.3%. The Mpls-St Paul MSA saw an decrease in job growth while industrial specific jobs decreased in job growth in manufacturing by 3,600 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 297.2 msf in eight counties across the metro. Overall, there was 705,500 sf of positive absorption for Q3 2024, bringing the YTD to 1.9 msf positive absorption. Multi-tenant only properties posted (442,800) sf negative absorption bringing the YTD to 144,500 sf positive absorption. The overall vacancy rate for the quarter was 5.5% and multi-tenant properties vacancy rate was 8.2%. To date, there are 25 construction projects throughout the market totaling 2.4 msf and 37 properties have been delivered this year with 4.5 msf.

## Market Highlights

At the close of Q3 2024, the market experienced 3.1 msf of leasing activity in 203 transactions. The West market showed the lowest vacancy rate of 3.3% while the Southwest market is at the top with 7.8% for all properties. The Southeast bested all markets with 825,600 sf positive absorption led by the new delivery of Fedex with 557,000 sf. The Southwest market posted the most negative absorption of (456,400) sf led by Shutterfly vacating 217,700 sf. Eighty seven properties sold totaling 3.9 msf for \$402.6 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	654	45,436,670	4,588,431	2,987,839	203,367	136,225	6.6%
Warehouse Distribution	661	120,158,609	9,870,903	8,217,096	614,778	1,910,255	6.8%
Warehouse Office	2,008	131,637,891	8,647,395	5,069,262	(112,618)	(136,712)	3.9%
<b>Grand Total</b>	<b>3,323</b>	<b>297,233,170</b>	<b>23,106,729</b>	<b>16,274,197</b>	<b>705,527</b>	<b>1,909,768</b>	<b>5.5%</b>

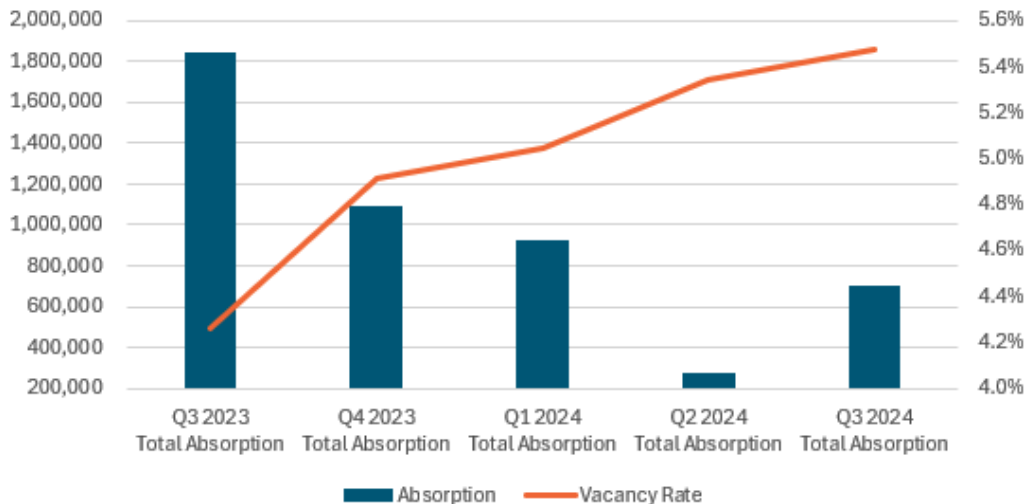
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,436,670	3,930,120	2,782,823	188,794	102,432	6.1%
Warehouse Distribution	661	120,158,609	8,546,140	7,797,359	594,369	2,094,282	6.5%
Warehouse Office	2,008	131,637,891	7,584,920	4,686,044	(377,885)	(398,547)	3.6%
<b>Grand Total</b>	<b>3,323</b>	<b>297,233,170</b>	<b>20,061,180</b>	<b>15,266,226</b>	<b>405,278</b>	<b>1,798,167</b>	<b>5.1%</b>

## Sublease

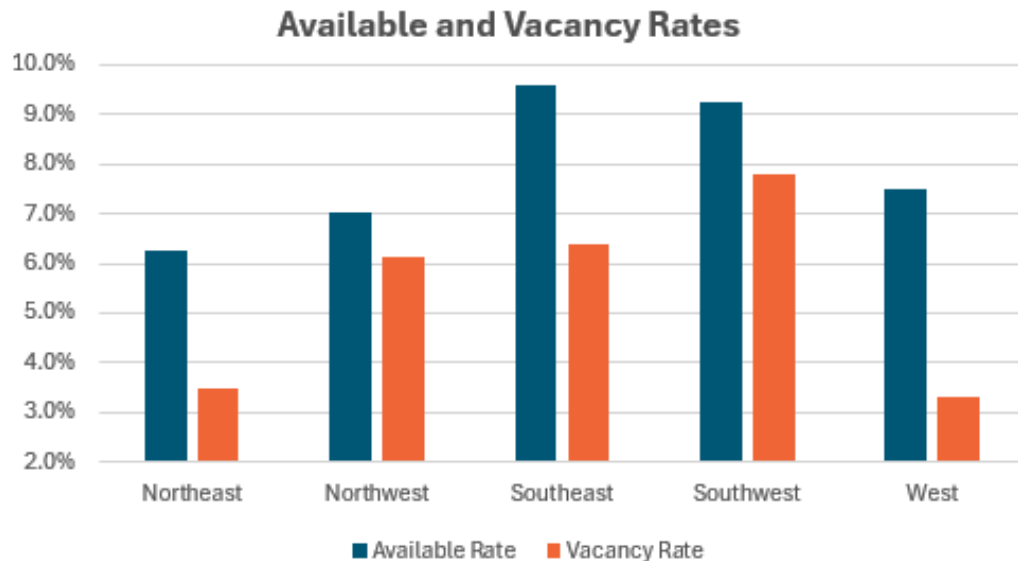
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,436,670	658,311	205,016	14,573	33,793	0.5%
Warehouse Distribution	661	120,158,609	1,324,763	419,737	20,409	(184,027)	0.3%
Warehouse Office	2,008	131,637,891	1,062,475	383,218	265,267	261,835	0.3%
<b>Grand Total</b>	<b>3,323</b>	<b>297,233,170</b>	<b>3,045,549</b>	<b>1,007,971</b>	<b>300,249</b>	<b>111,601</b>	<b>0.3%</b>

## Absorption and Vacancy Rate



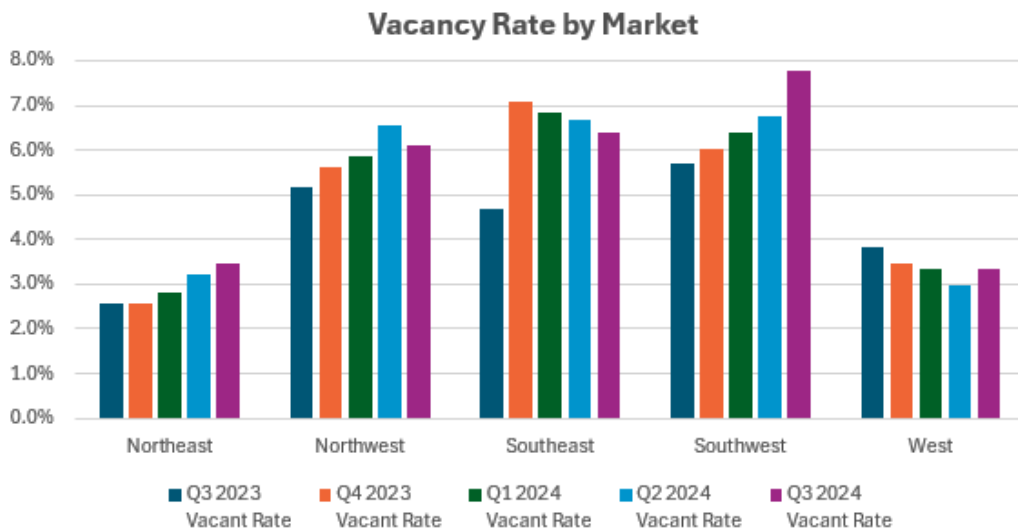
# Market Statistics by Market (Multi and Single Tenant)

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	162	11,348,797	1,280,596	668,658	(56,410)	(156,439)	5.9%
	Warehouse Distribution	195	33,635,961	1,967,763	984,365	3,065	236,351	2.9%
	Warehouse Office	744	48,488,787	2,597,832	1,602,605	(42,847)	(366,148)	3.3%
	<b>Subtotal</b>	<b>1,101</b>	<b>93,473,545</b>	<b>5,846,191</b>	<b>3,255,628</b>	<b>(96,192)</b>	<b>(286,236)</b>	<b>3.5%</b>
Northwest	Flex/R&D	105	8,170,331	489,581	272,616	133,679	85,442	3.3%
	Warehouse Distribution	186	33,489,362	2,869,520	2,682,759	140,686	587,049	8.0%
	Warehouse Office	366	24,757,965	1,313,636	1,103,827	137,966	40,125	4.5%
	<b>Subtotal</b>	<b>657</b>	<b>66,417,658</b>	<b>4,672,737</b>	<b>4,059,202</b>	<b>412,331</b>	<b>712,616</b>	<b>6.1%</b>
Southeast	Flex/R&D	132	8,058,622	1,238,906	737,132	146,153	130,000	9.1%
	Warehouse Distribution	147	29,158,340	2,848,247	2,582,927	799,230	1,385,342	8.9%
	Warehouse Office	421	26,283,196	2,004,214	732,285	(119,757)	212,421	2.8%
	<b>Subtotal</b>	<b>700</b>	<b>63,500,158</b>	<b>6,091,367</b>	<b>4,052,344</b>	<b>825,626</b>	<b>1,727,763</b>	<b>6.4%</b>
Southwest	Flex/R&D	192	13,331,116	1,222,328	1,012,251	(33,846)	33,535	7.6%
	Warehouse Distribution	99	20,121,652	2,074,254	1,922,743	(343,490)	(297,491)	9.6%
	Warehouse Office	326	21,597,823	1,788,080	1,346,904	(79,138)	(134,627)	6.2%
	<b>Subtotal</b>	<b>617</b>	<b>55,050,591</b>	<b>5,084,662</b>	<b>4,281,898</b>	<b>(456,474)</b>	<b>(398,583)</b>	<b>7.8%</b>
West	Flex/R&D	63	4,527,804	357,020	297,182	13,791	43,687	6.6%
	Warehouse Distribution	34	3,753,294	111,119	44,302	15,287	(996)	1.2%
	Warehouse Office	151	10,510,120	943,633	283,641	(8,842)	111,517	2.7%
	<b>Subtotal</b>	<b>248</b>	<b>18,791,218</b>	<b>1,411,772</b>	<b>625,125</b>	<b>20,236</b>	<b>154,208</b>	<b>3.3%</b>
<b>Grand Total</b>		<b>3,323</b>	<b>297,233,170</b>	<b>23,106,729</b>	<b>16,274,197</b>	<b>705,527</b>	<b>1,909,768</b>	<b>5.5%</b>



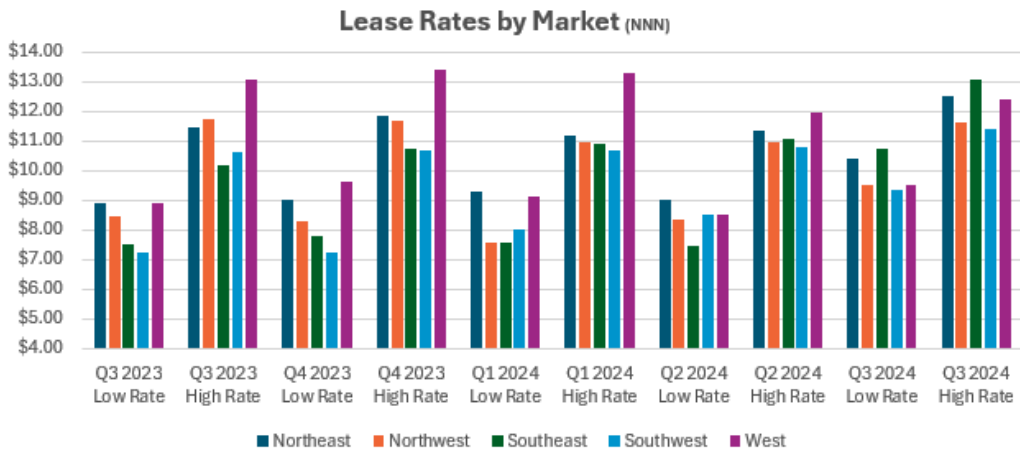
# Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	4.7%	4.5%	5.6%	5.4%	5.9%
	Warehouse Distribution	2.1%	2.3%	2.4%	3.0%	2.9%
	Warehouse Office	2.4%	2.2%	2.5%	2.9%	3.3%
	<b>Subtotal</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.5%</b>
Northwest	Flex/R&D	5.3%	3.0%	3.8%	3.6%	3.3%
	Warehouse Distribution	6.9%	7.4%	7.6%	8.4%	8.0%
	Warehouse Office	2.8%	4.0%	4.1%	5.0%	4.5%
	<b>Subtotal</b>	<b>5.2%</b>	<b>5.6%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>6.1%</b>
Southeast	Flex/R&D	11.1%	10.8%	10.7%	11.0%	9.1%
	Warehouse Distribution	4.8%	9.6%	9.4%	9.4%	8.9%
	Warehouse Office	2.5%	3.2%	2.8%	2.3%	2.8%
	<b>Subtotal</b>	<b>4.7%</b>	<b>7.1%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>
Southwest	Flex/R&D	7.0%	7.8%	7.7%	7.3%	7.6%
	Warehouse Distribution	5.0%	5.4%	6.2%	7.3%	9.6%
	Warehouse Office	5.6%	5.5%	5.8%	5.9%	6.2%
	<b>Subtotal</b>	<b>5.7%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.8%</b>	<b>7.8%</b>
West	Flex/R&D	8.0%	6.9%	5.9%	6.9%	6.6%
	Warehouse Distribution	1.1%	1.2%	2.1%	1.6%	1.2%
	Warehouse Office	3.2%	2.9%	2.7%	1.8%	2.7%
	<b>Subtotal</b>	<b>3.8%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.0%</b>	<b>3.3%</b>
<b>Grand Total</b>		<b>4.3%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.5%</b>



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

Market	Property Type	Q3 2023		Q4 2023		Q1 2024		Q2 2024		Q3 2024	
		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	\$10.40	\$12.34	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62	\$11.17	\$13.72
	Warehouse Distribution									\$13.50	\$13.50
	Warehouse Office	\$7.58	\$10.76	\$7.92	\$11.50	\$8.16	\$10.52	\$8.59	\$11.06	\$9.53	\$11.43
	<b>Subtotal</b>	<b>\$8.88</b>	<b>\$11.49</b>	<b>\$9.01</b>	<b>\$11.87</b>	<b>\$9.31</b>	<b>\$11.17</b>	<b>\$9.00</b>	<b>\$11.34</b>	<b>\$10.40</b>	<b>\$12.53</b>
Northwest	Flex/R&D	\$9.55	\$12.68	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76	\$10.42	\$12.23
	Warehouse Distribution					\$6.75	\$12.75	\$6.63	\$9.63	\$6.63	\$9.63
	Warehouse Office	\$7.32	\$10.84	\$6.25	\$10.31	\$6.71	\$10.71	\$7.61	\$10.28	\$9.07	\$11.38
	<b>Subtotal</b>	<b>\$8.43</b>	<b>\$11.76</b>	<b>\$8.30</b>	<b>\$11.66</b>	<b>\$7.56</b>	<b>\$10.94</b>	<b>\$8.35</b>	<b>\$10.96</b>	<b>\$9.49</b>	<b>\$11.63</b>
Southeast	Flex/R&D	\$8.24	\$10.71	\$8.91	\$11.99	\$8.20	\$12.17	\$8.32	\$12.16	\$11.86	\$14.51
	Warehouse Distribution	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$11.13	\$12.13
	Warehouse Office	\$5.65	\$9.45	\$5.10	\$8.21	\$5.81	\$8.06	\$6.17	\$9.81	\$8.00	\$9.80
	<b>Subtotal</b>	<b>\$7.49</b>	<b>\$10.17</b>	<b>\$7.80</b>	<b>\$10.76</b>	<b>\$7.56</b>	<b>\$10.93</b>	<b>\$7.46</b>	<b>\$11.08</b>	<b>\$10.76</b>	<b>\$13.09</b>
Southwest	Flex/R&D	\$7.72	\$11.37	\$7.74	\$11.45	\$8.66	\$11.68	\$9.51	\$11.99	\$9.43	\$12.05
	Warehouse Distribution	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63	\$7.70	\$8.90
	Warehouse Office	\$6.83	\$10.35	\$6.71	\$10.33	\$7.59	\$10.14	\$7.33	\$9.63	\$9.55	\$11.28
	<b>Subtotal</b>	<b>\$7.21</b>	<b>\$10.62</b>	<b>\$7.22</b>	<b>\$10.70</b>	<b>\$8.01</b>	<b>\$10.71</b>	<b>\$8.50</b>	<b>\$10.81</b>	<b>\$9.32</b>	<b>\$11.40</b>
West	Flex/R&D	\$9.29	\$13.28	\$9.92	\$13.72	\$8.51	\$13.21	\$8.98	\$12.35	\$8.46	\$12.16
	Warehouse Distribution	\$4.50	\$8.50	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25	\$7.58	\$8.83
	Warehouse Office	\$8.93	\$13.38	\$10.00	\$13.71	\$10.50	\$14.17	\$8.64	\$12.64	\$11.17	\$13.72
	<b>Subtotal</b>	<b>\$8.89</b>	<b>\$13.10</b>	<b>\$9.63</b>	<b>\$13.41</b>	<b>\$9.14</b>	<b>\$13.29</b>	<b>\$8.51</b>	<b>\$11.97</b>	<b>\$9.53</b>	<b>\$12.40</b>
<b>Grand Total</b>	<b>\$8.10</b>	<b>\$11.31</b>	<b>\$8.21</b>	<b>\$11.47</b>	<b>\$8.33</b>	<b>\$11.21</b>	<b>\$8.44</b>	<b>\$11.16</b>	<b>\$9.95</b>	<b>\$12.19</b>	



# Market Statistics by Property Type (Multi-Tenant)

## Total

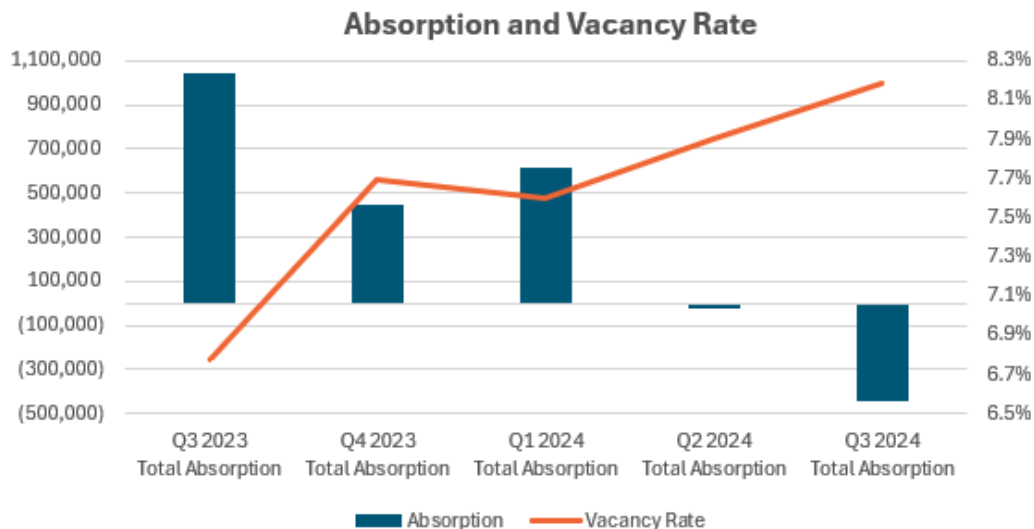
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	548	33,264,019	4,100,230	2,766,126	103,292	(27,795)	8.3%
Warehouse Distribution	349	59,698,106	7,195,358	6,156,454	13,454	810,132	10.3%
Warehouse Office	947	61,334,333	5,988,239	3,709,254	(559,581)	(637,837)	6.0%
<b>Grand Total</b>	<b>1,844</b>	<b>154,296,458</b>	<b>17,283,827</b>	<b>12,631,834</b>	<b>(442,835)</b>	<b>144,500</b>	<b>8.2%</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	548	33,264,019	3,559,903	2,561,110	88,719	(12,666)	7.7%
Warehouse Distribution	349	59,698,106	6,215,558	5,792,252	820	941,934	9.7%
Warehouse Office	947	61,334,333	5,132,579	3,393,886	(515,627)	(519,354)	5.5%
<b>Grand Total</b>	<b>1,844</b>	<b>154,296,458</b>	<b>14,908,040</b>	<b>11,747,248</b>	<b>(426,088)</b>	<b>409,914</b>	<b>7.6%</b>

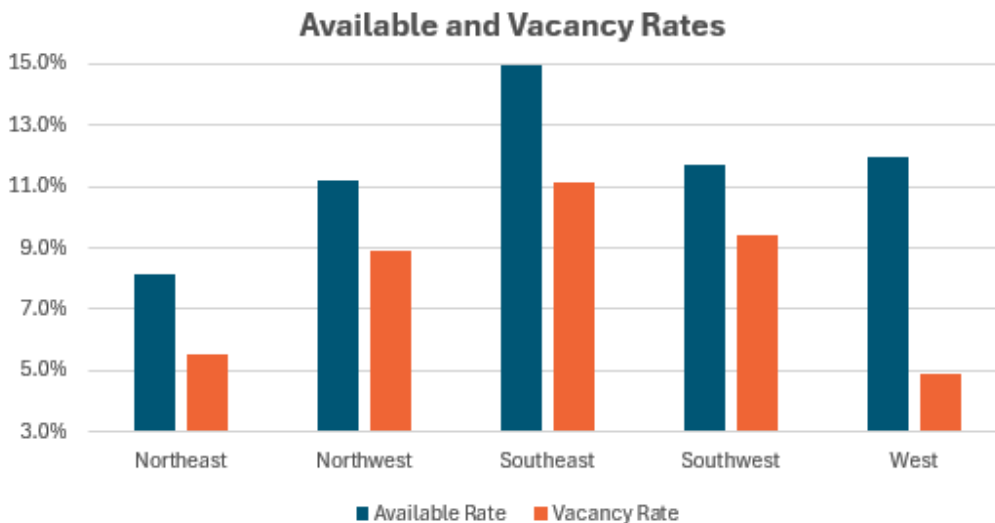
## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	548	33,264,019	540,327	205,016	14,573	(15,129)	0.6%
Warehouse Distribution	349	59,698,106	979,800	364,202	12,634	(131,802)	0.6%
Warehouse Office	947	61,334,333	855,660	315,368	(43,954)	(118,483)	0.5%
<b>Grand Total</b>	<b>1,844</b>	<b>154,296,458</b>	<b>2,375,787</b>	<b>884,586</b>	<b>(16,747)</b>	<b>(265,414)</b>	<b>0.6%</b>



# Market Statistics by Market (Multi-Tenant)

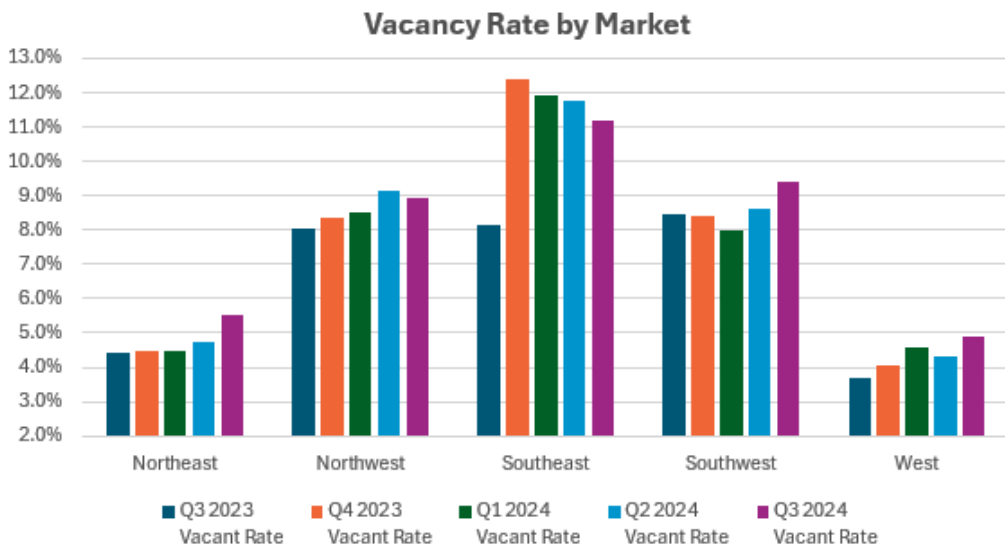
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	<b>Subtotal</b>	<b>248</b>	<b>18,791,218</b>	<b>1,411,772</b>	<b>625,125</b>	<b>20,236</b>	<b>154,208</b>	<b>3.3%</b>
<b>Grand Total</b>		<b>3,323</b>	<b>297,233,170</b>	<b>23,106,729</b>	<b>16,274,197</b>	<b>705,527</b>	<b>1,909,768</b>	<b>5.5%</b>





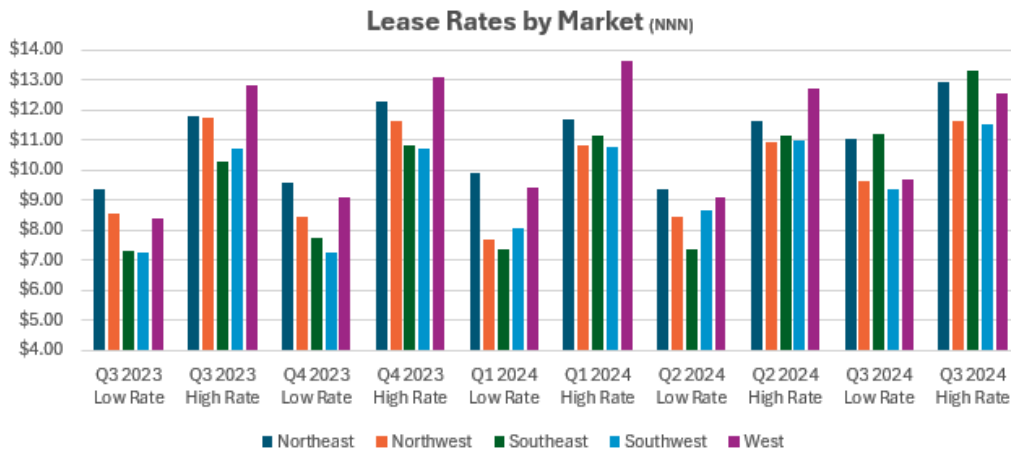
# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	5.6%	5.4%	6.8%	6.5%	7.1%
	Warehouse Distribution	4.7%	5.2%	4.2%	4.2%	4.8%
	Warehouse Office	3.8%	3.6%	3.7%	4.3%	5.3%
	<b>Subtotal</b>	<b>4.4%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>5.5%</b>
Northwest	Flex/R&D	8.7%	4.8%	6.1%	5.8%	5.5%
	Warehouse Distribution	9.8%	10.9%	10.7%	11.5%	11.0%
	Warehouse Office	4.7%	5.5%	5.7%	6.3%	6.7%
	<b>Subtotal</b>	<b>8.1%</b>	<b>8.4%</b>	<b>8.5%</b>	<b>9.1%</b>	<b>8.9%</b>
Southeast	Flex/R&D	12.0%	11.5%	11.5%	12.3%	9.8%
	Warehouse Distribution	10.5%	20.7%	20.4%	19.7%	18.9%
	Warehouse Office	3.9%	4.2%	3.3%	2.9%	3.6%
	<b>Subtotal</b>	<b>8.1%</b>	<b>12.4%</b>	<b>11.9%</b>	<b>11.7%</b>	<b>11.2%</b>
Southwest	Flex/R&D	10.0%	11.2%	10.9%	10.4%	10.6%
	Warehouse Distribution	7.5%	6.2%	5.2%	7.0%	8.0%
	Warehouse Office	8.3%	8.4%	8.6%	8.9%	9.9%
	<b>Subtotal</b>	<b>8.5%</b>	<b>8.4%</b>	<b>8.0%</b>	<b>8.6%</b>	<b>9.4%</b>
West	Flex/R&D	7.0%	6.3%	6.5%	7.6%	7.2%
	Warehouse Distribution	1.7%	1.8%	3.3%	2.5%	1.8%
	Warehouse Office	2.3%	3.5%	3.8%	2.7%	4.5%
	<b>Subtotal</b>	<b>3.7%</b>	<b>4.1%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.9%</b>
<b>Grand Total</b>	<b>6.8%</b>	<b>7.7%</b>	<b>7.6%</b>	<b>7.9%</b>	<b>8.2%</b>	



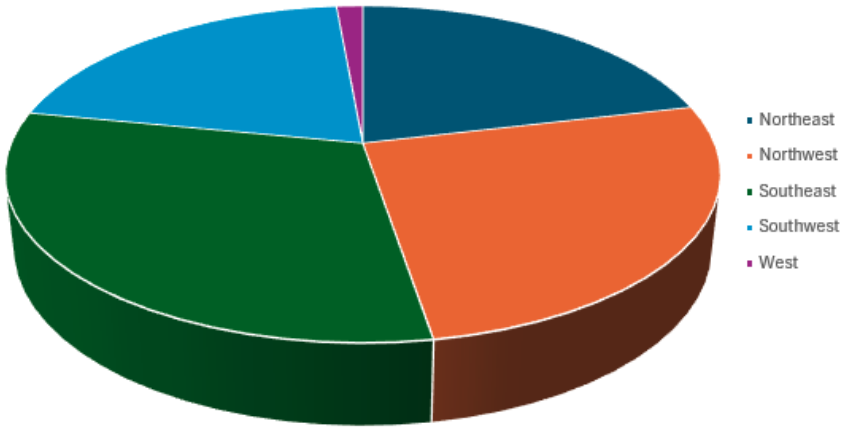
# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q3 2023		Q4 2023		Q1 2024		Q2 2024		Q3 2024	
		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	\$10.40	\$12.34	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62	\$11.35	\$13.71
	Warehouse Distribution									\$12.00	\$12.00
	Warehouse Office	\$8.21	\$11.22	\$8.66	\$12.20	\$8.97	\$11.29	\$9.32	\$11.60	\$10.68	\$12.12
	<b>Subtotal</b>	<b>\$9.37</b>	<b>\$11.82</b>	<b>\$9.58</b>	<b>\$12.30</b>	<b>\$9.91</b>	<b>\$11.67</b>	<b>\$9.37</b>	<b>\$11.61</b>	<b>\$11.06</b>	<b>\$12.95</b>
Northwest	Flex/R&D	\$9.55	\$12.68	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76	\$10.42	\$12.23
	Warehouse Distribution					\$6.75	\$12.75	\$6.63	\$9.63	\$6.63	\$9.63
	Warehouse Office	\$7.45	\$10.72	\$6.29	\$10.07	\$6.83	\$10.50	\$7.81	\$10.06	\$9.29	\$11.34
	<b>Subtotal</b>	<b>\$8.55</b>	<b>\$11.75</b>	<b>\$8.44</b>	<b>\$11.64</b>	<b>\$7.69</b>	<b>\$10.85</b>	<b>\$8.46</b>	<b>\$10.91</b>	<b>\$9.61</b>	<b>\$11.62</b>
Southeast	Flex/R&D	\$7.89	\$10.55	\$8.77	\$11.87	\$7.83	\$12.12	\$8.08	\$12.05	\$12.46	\$14.78
	Warehouse Distribution	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$11.13	\$12.13
	Warehouse Office	\$5.75	\$10.50	\$5.07	\$8.80	\$6.00	\$9.00	\$6.28	\$10.38	\$8.28	\$10.25
	<b>Subtotal</b>	<b>\$7.32</b>	<b>\$10.30</b>	<b>\$7.72</b>	<b>\$10.82</b>	<b>\$7.39</b>	<b>\$11.17</b>	<b>\$7.34</b>	<b>\$11.18</b>	<b>\$11.19</b>	<b>\$13.33</b>
Southwest	Flex/R&D	\$7.72	\$11.37	\$7.74	\$11.45	\$8.66	\$11.68	\$9.65	\$12.23	\$9.56	\$12.29
	Warehouse Distribution	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
	Warehouse Office	\$6.79	\$10.72	\$6.68	\$10.53	\$7.63	\$10.43	\$7.34	\$9.84	\$9.65	\$11.45
	<b>Subtotal</b>	<b>\$7.23</b>	<b>\$10.74</b>	<b>\$7.24</b>	<b>\$10.74</b>	<b>\$8.09</b>	<b>\$10.76</b>	<b>\$8.64</b>	<b>\$10.98</b>	<b>\$9.39</b>	<b>\$11.51</b>
West	Flex/R&D	\$8.26	\$12.69	\$8.85	\$13.13	\$8.51	\$13.21	\$8.98	\$12.35	\$8.46	\$12.16
	Warehouse Distribution	\$4.50	\$8.50	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25	\$7.58	\$8.83
	Warehouse Office	\$8.93	\$13.38	\$10.00	\$13.71	\$11.50	\$15.20	\$10.30	\$15.00	\$11.80	\$14.25
	<b>Subtotal</b>	<b>\$8.41</b>	<b>\$12.83</b>	<b>\$9.08</b>	<b>\$13.09</b>	<b>\$9.44</b>	<b>\$13.65</b>	<b>\$9.08</b>	<b>\$12.71</b>	<b>\$9.71</b>	<b>\$12.56</b>
<b>Grand Total</b>	<b>\$8.14</b>	<b>\$11.41</b>	<b>\$8.27</b>	<b>\$11.54</b>	<b>\$8.50</b>	<b>\$11.42</b>	<b>\$8.65</b>	<b>\$11.37</b>	<b>\$10.23</b>	<b>\$12.37</b>	



# New Developments by Market

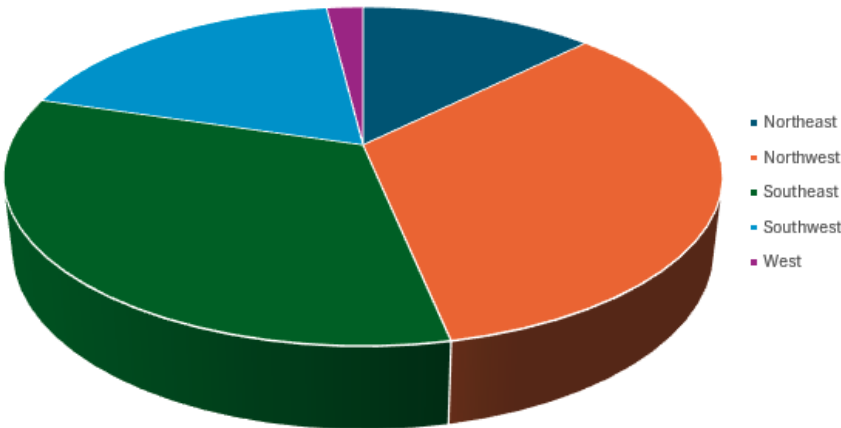
Under Construction (sf)



Market	Bldg (sf)
Northeast	509,793
Northwest	623,541
Southeast	734,608
Southwest	490,591
West	34,000
<b>Grand Total</b>	<b>2,392,533</b>

# YTD Deliveries by Market

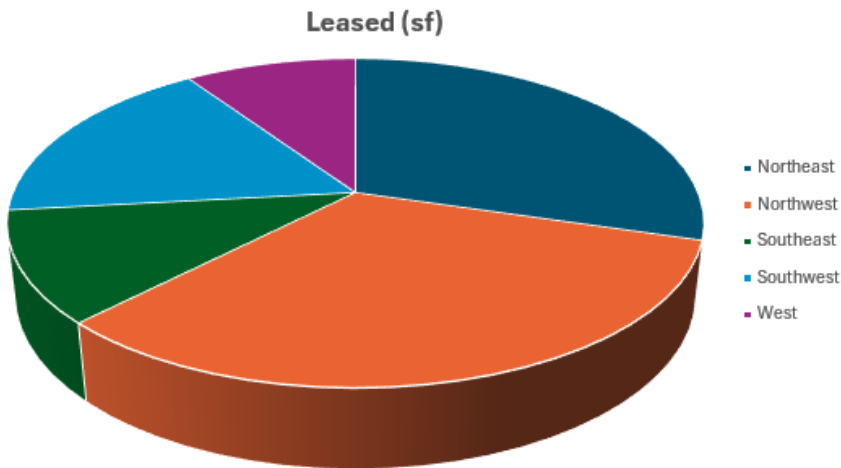
YTD Delivered (sf)



Market	Bldg (sf)
Northeast	577,592
Northwest	1,566,177
Southeast	1,508,589
Southwest	844,826
West	90,000
<b>Grand Total</b>	<b>4,587,184</b>

# Leasing Activity

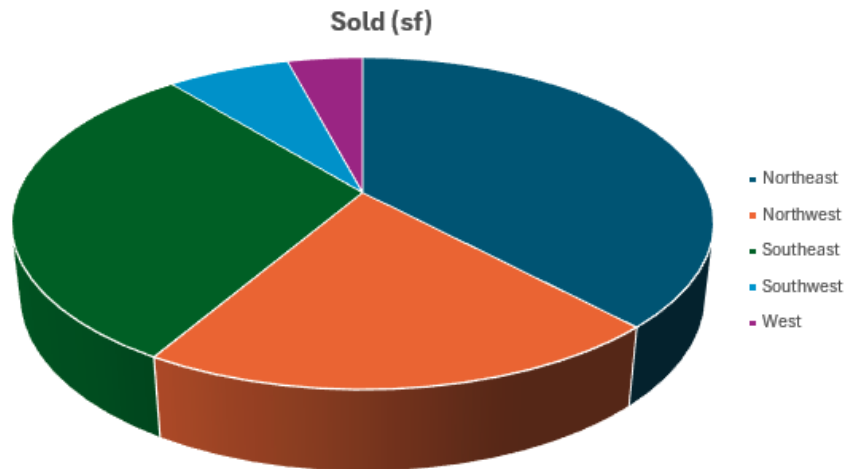
Property	Size (sf)	Market	Tenant	Landlord
Dayton 94 18150 County Rd 81	334,750	Northwest	NFI	IDP Dayton 94, LLC
Diamond Lake Distribution Ctr 13225 Brockton Ln N	227,054	Northwest	Heliene Solar	CIVF VI - MN1M01-M02, LLC
5005 Dean Lakes Blvd	217,775	Southwest	GN Hearing Care Corp	Broadstone Sf Minnesota LLC
Royalston City Market 415 Royalston Ave N	121,272	Northeast	MN Event Center	U C I D S LLC
Seven Lakes Shoreview Park Rd	120,000	Northeast	Carlisle Fluid Technologies	Scannell Properties 452 LLC



Market	Leased (sf)
Northeast	931,357
Northwest	1,030,592
Southeast	343,368
Southwest	541,868
West	298,768
<b>Grand Total</b>	<b>3,145,953</b>

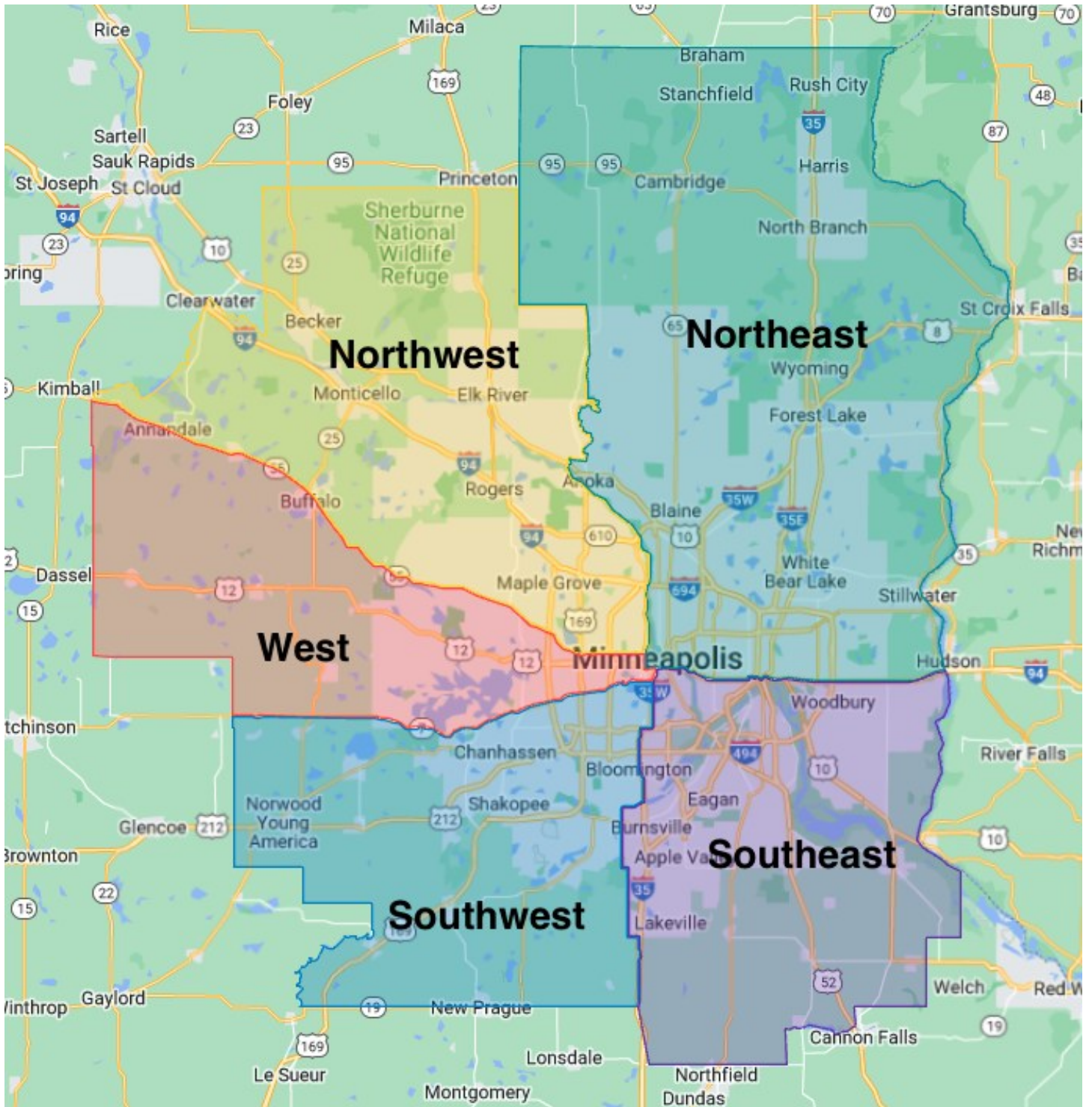
# Sales Activity

Property	Price	Market	Buyer	Seller
Eagan Innovation Center 1000 Blue Gentian Rd	\$44,000,000	Southeast	Huntcor Properties Eagan LLC	WSP Eagan ,LLC
I-94 Logistics Center 12195 Brockton Ln	\$28,500,000	Northwest	MDH F2 MSP Brockton, LLC	Endeavor Investments X LLC
The Broadway 755 Industrial Blvd NE	\$26,500,000	Northeast	Metropolitan Council	Alcat Broadway
Zachary Distribution Center 9450 Zachary Ln N	\$21,625,000	Northwest	Altus ZDC, LLC	ZDC Partners, LLC
Blaine 35 8611 W 35W Service Dr NE	\$17,320,000	Northeast	Exeter 8611 35W Service, L.P.	AX Blaine 35 LP



Market	Sold (sf)
Northeast	1,487,717
Northwest	803,988
Southeast	1,200,566
Southwest	265,192
West	161,948
<b>Grand Total</b>	<b>3,919,411</b>

# Market Map



Images courtesy of Google maps

# 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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