

Market

# Trends

# Q4 2024

## Mpls/St Paul - Industrial



# REDI MOODY'S



# MARKET TRENDS

Q4 2024 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,943,298	
Area Unemployment	2.9	
U.S. Unemployment	4.2	
Industrial Jobs	202,500	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	298,257,898
Total # of Bldgs (tracked)	3,338
Absorption	1,362,766
Vacancy	5.2%
Asking Rate Low (NNN)	\$8.35
Asking Rent High (NNN)	\$11.10
Under Construction	3,009,469

### Multi-tenant Properties

Total Inventory (sf)	153,756,980
Total # of Bldgs (tracked)	1,842
Absorption	351,423
Vacancy	7.9%
Asking Rate Low (NNN)	\$8.50
Asking Rent High (NNN)	\$11.12

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 100 basis points to 2.9% for November 2024 from 1.9% for November 2023. The unemployment rate for the US was at 4.2% in November 2024 increasing 50 basis points from last year. State of Minnesota unemployment rate was 3.5%. The Mpls-St Paul MSA saw an decrease in job growth while industrial specific jobs decreased in job growth in manufacturing by 2,800 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 298.2 msf in eight counties across the metro. Overall, there was 1.3 msf of positive absorption for Q4 2024, bringing the YTD to 3.2 msf positive absorption. Multi-tenant only properties posted 351,400 sf positive absorption bringing the YTD to 113,300 sf positive absorption. The overall vacancy rate for the quarter was 5.2% and multi-tenant properties vacancy rate was 7.9%. To date, there are 27 construction projects throughout the market totaling 3.0 msf and 46 properties have been delivered this year with 4.9 msf.

## Market Highlights

The West market showed the lowest vacancy rate of 3.2% while the Southwest market is at the top with 6.9% for all properties. The Northwest bested all markets with 843,400 sf positive absorption led by NFI leasing 334,700 sf. The Southeast market was the only market to post negative absorption of (53,500) sf led by Dart vacating 80,400 sf. At the close of Q4 2024, the market experienced 3.4 msf of leasing activity in 167 transactions. One hundred five properties sold totaling 6.7 msf for \$685.4 million.

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

## Total

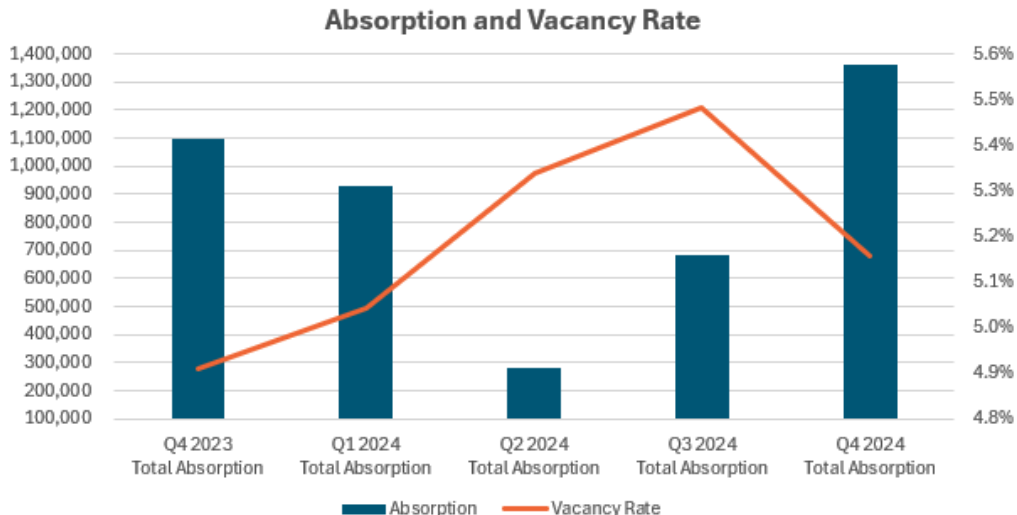
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,442,552	4,720,799	2,937,932	76,846	174,805	6.5%
Warehouse Distribution	670	120,964,490	9,480,107	7,520,433	1,154,502	3,049,218	6.2%
Warehouse Office	2,014	131,850,856	8,499,957	4,928,045	131,418	25,901	3.7%
<b>Grand Total</b>	<b>3,338</b>	<b>298,257,898</b>	<b>22,700,863</b>	<b>15,386,410</b>	<b>1,362,766</b>	<b>3,249,924</b>	<b>5.2%</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	654	45,442,552	4,055,880	2,697,937	120,637	187,318	5.9%
Warehouse Distribution	670	120,964,490	8,187,753	7,027,954	1,202,004	3,280,747	5.8%
Warehouse Office	2,014	131,850,856	7,698,086	4,498,032	37,758	(146,302)	3.4%
<b>Grand Total</b>	<b>3,338</b>	<b>298,257,898</b>	<b>19,941,719</b>	<b>14,223,923</b>	<b>1,360,399</b>	<b>3,321,763</b>	<b>4.8%</b>

## Sublease

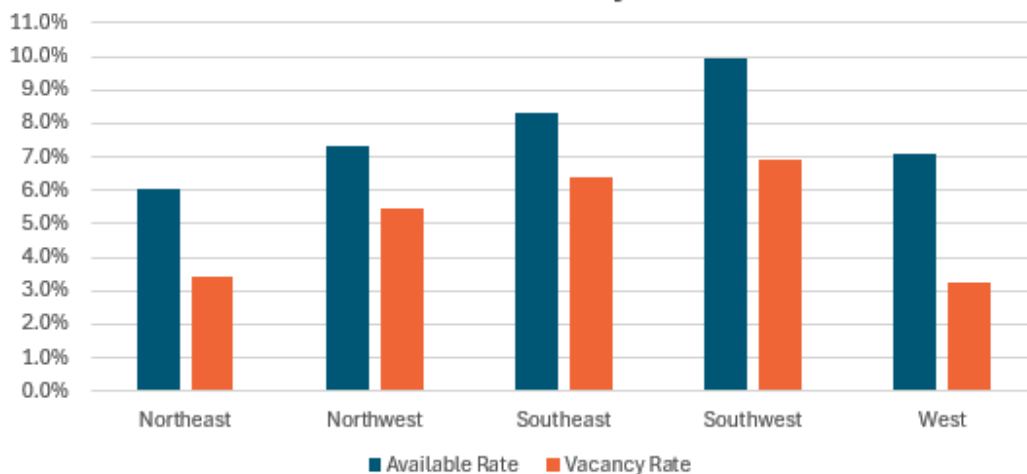
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,442,552	664,919	239,995	(43,791)	(12,513)	0.5%
Warehouse Distribution	670	120,964,490	1,292,354	492,479	(47,502)	(231,529)	0.4%
Warehouse Office	2,014	131,850,856	801,871	430,013	93,660	172,203	0.3%
<b>Grand Total</b>	<b>3,338</b>	<b>298,257,898</b>	<b>2,759,144</b>	<b>1,162,487</b>	<b>2,367</b>	<b>(71,839)</b>	<b>0.4%</b>



# Market Statistics by Market (Multi and Single Tenant)

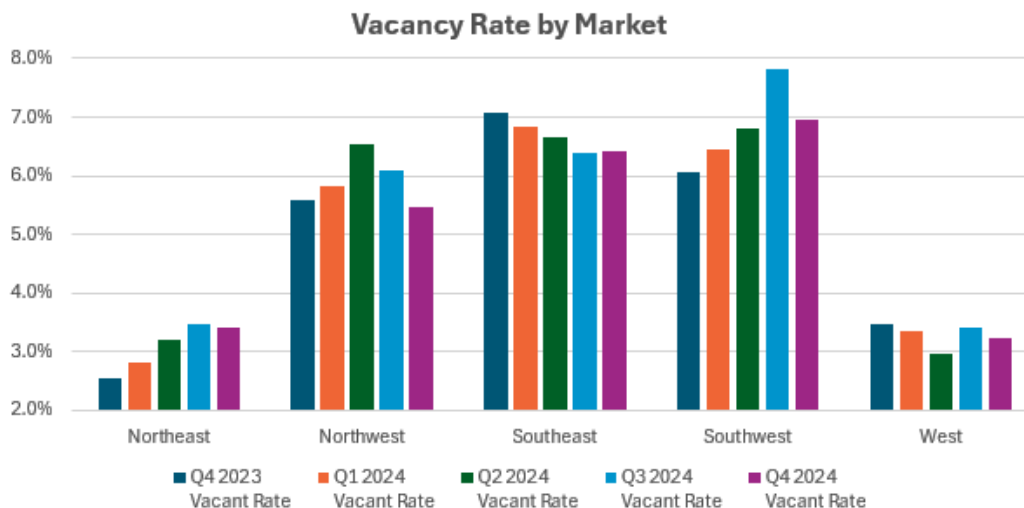
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	162	11,348,797	1,259,530	705,528	(26,129)	(202,121)	6.2%
	Warehouse Distribution	197	33,735,926	1,865,881	769,670	214,081	456,893	2.3%
	Warehouse Office	743	48,419,108	2,531,743	1,725,856	(129,311)	(495,246)	3.6%
	<b>Subtotal</b>	<b>1,102</b>	<b>93,503,831</b>	<b>5,657,154</b>	<b>3,201,054</b>	<b>58,641</b>	<b>(240,474)</b>	<b>3.4%</b>
Northwest	Flex/R&D	105	8,170,331	493,242	267,944	9,620	90,114	3.3%
	Warehouse Distribution	189	33,900,575	2,955,042	2,521,640	572,332	1,159,381	7.4%
	Warehouse Office	368	24,793,638	1,450,645	858,292	261,503	301,628	3.5%
	<b>Subtotal</b>	<b>662</b>	<b>66,864,544</b>	<b>4,898,929</b>	<b>3,647,876</b>	<b>843,455</b>	<b>1,551,123</b>	<b>5.5%</b>
Southeast	Flex/R&D	132	8,064,504	1,115,698	701,568	33,049	163,049	8.7%
	Warehouse Distribution	150	29,427,803	2,569,782	2,629,743	(24,816)	1,338,526	8.9%
	Warehouse Office	425	26,514,005	1,641,590	772,054	(61,769)	172,652	2.9%
	<b>Subtotal</b>	<b>707</b>	<b>64,006,312</b>	<b>5,327,070</b>	<b>4,103,365</b>	<b>(53,536)</b>	<b>1,674,227</b>	<b>6.4%</b>
Southwest	Flex/R&D	192	13,331,116	1,594,396	1,000,931	11,320	44,855	7.5%
	Warehouse Distribution	100	20,146,892	1,949,449	1,558,388	389,595	92,104	7.7%
	Warehouse Office	327	21,613,985	1,941,316	1,266,874	82,323	(43,322)	5.9%
	<b>Subtotal</b>	<b>619</b>	<b>55,091,993</b>	<b>5,485,161</b>	<b>3,826,193</b>	<b>483,238</b>	<b>93,637</b>	<b>6.9%</b>
West	Flex/R&D	63	4,527,804	257,933	261,961	48,986	78,908	5.8%
	Warehouse Distribution	34	3,753,294	139,953	40,992	3,310	2,314	1.1%
	Warehouse Office	151	10,510,120	934,663	304,969	(21,328)	90,189	2.9%
	<b>Subtotal</b>	<b>248</b>	<b>18,791,218</b>	<b>1,332,549</b>	<b>607,922</b>	<b>30,968</b>	<b>171,411</b>	<b>3.2%</b>
<b>Grand Total</b>		<b>3,338</b>	<b>298,257,898</b>	<b>22,700,863</b>	<b>15,386,410</b>	<b>1,362,766</b>	<b>3,249,924</b>	<b>5.2%</b>

### Available and Vacancy Rates



# Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate
Northeast	Flex/R&D	4.4%	5.5%	5.3%	6.0%	6.2%
	Warehouse Distribution	2.3%	2.4%	2.9%	2.9%	2.3%
	Warehouse Office	2.2%	2.5%	2.9%	3.3%	3.6%
	<b>Subtotal</b>	<b>2.5%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.5%</b>	<b>3.4%</b>
Northwest	Flex/R&D	3.0%	3.8%	3.6%	3.4%	3.3%
	Warehouse Distribution	7.4%	7.6%	8.4%	8.0%	7.4%
	Warehouse Office	3.9%	4.0%	5.0%	4.4%	3.5%
	<b>Subtotal</b>	<b>5.6%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>6.1%</b>	<b>5.5%</b>
Southeast	Flex/R&D	10.8%	10.7%	10.9%	9.1%	8.7%
	Warehouse Distribution	9.5%	9.4%	9.5%	8.9%	8.9%
	Warehouse Office	3.2%	2.8%	2.3%	2.7%	2.9%
	<b>Subtotal</b>	<b>7.1%</b>	<b>6.8%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>6.4%</b>
Southwest	Flex/R&D	7.8%	7.7%	7.3%	7.6%	7.5%
	Warehouse Distribution	5.5%	6.3%	7.4%	9.7%	7.7%
	Warehouse Office	5.5%	5.8%	5.9%	6.2%	5.9%
	<b>Subtotal</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.8%</b>	<b>7.8%</b>	<b>6.9%</b>
West	Flex/R&D	6.9%	5.9%	6.9%	6.9%	5.8%
	Warehouse Distribution	1.2%	2.1%	1.6%	1.2%	1.1%
	Warehouse Office	2.9%	2.7%	1.8%	2.7%	2.9%
	<b>Subtotal</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>3.2%</b>
<b>Grand Total</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.2%</b>	



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

Market	Property Type	Q4 2023		Q1 2024		Q2 2024		Q3 2024		Q4 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	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62	\$11.17	\$13.72	\$10.60	\$12.93
	Warehouse Distribution	\$12.67	\$16.00	\$12.67	\$15.33	\$12.67	\$15.33	\$13.67	\$14.33	\$14.00	\$16.00
	Warehouse Office	\$7.67	\$11.26	\$7.81	\$10.14	\$8.39	\$10.85	\$9.37	\$11.27	\$7.66	\$10.47
	<b>Subtotal</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>	<b>\$8.94</b>	<b>\$11.55</b>
Northwest	Flex/R&D	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76	\$10.42	\$12.23	\$9.63	\$11.58
	Warehouse Distribution			\$6.75	\$12.75	\$6.63	\$9.63	\$6.63	\$9.63		
	Warehouse Office	\$6.25	\$10.31	\$6.71	\$10.71	\$7.61	\$10.28	\$9.07	\$11.38	\$6.80	\$8.80
	<b>Subtotal</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>	<b>\$8.27</b>	<b>\$10.25</b>
Southeast	Flex/R&D	\$8.91	\$11.99	\$8.20	\$12.17	\$8.32	\$12.16	\$11.86	\$14.51	\$7.93	\$12.41
	Warehouse Distribution	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$11.13	\$12.13	\$6.25	\$6.25
	Warehouse Office	\$5.10	\$8.21	\$5.81	\$8.06	\$6.17	\$9.81	\$8.00	\$9.80	\$5.96	\$8.79
	<b>Subtotal</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>	<b>\$7.31</b>	<b>\$11.15</b>
Southwest	Flex/R&D	\$7.74	\$11.45	\$8.66	\$11.68	\$9.51	\$11.99	\$9.43	\$12.05	\$9.16	\$11.93
	Warehouse Distribution	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63	\$7.70	\$8.90	\$6.13	\$7.63
	Warehouse Office	\$6.71	\$10.33	\$7.59	\$10.14	\$7.33	\$9.63	\$9.55	\$11.28	\$7.49	\$9.44
	<b>Subtotal</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>	<b>\$8.31</b>	<b>\$10.69</b>
West	Flex/R&D	\$9.92	\$13.72	\$8.55	\$13.30	\$9.02	\$12.41	\$8.50	\$12.20	\$8.77	\$12.22
	Warehouse Distribution	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25	\$7.58	\$8.83	\$6.38	\$8.25
	Warehouse Office	\$10.00	\$13.71	\$10.50	\$14.17	\$8.64	\$12.64	\$11.17	\$13.72	\$10.25	\$14.25
	<b>Subtotal</b>	<b>\$9.63</b>	<b>\$13.41</b>	<b>\$9.16</b>	<b>\$13.33</b>	<b>\$8.53</b>	<b>\$11.99</b>	<b>\$9.54</b>	<b>\$12.42</b>	<b>\$8.85</b>	<b>\$12.23</b>
<b>Grand Total</b>		<b>\$8.21</b>	<b>\$11.47</b>	<b>\$8.33</b>	<b>\$11.22</b>	<b>\$8.44</b>	<b>\$11.17</b>	<b>\$9.95</b>	<b>\$12.20</b>	<b>\$8.35</b>	<b>\$11.10</b>



# Market Statistics by Property Type (Multi-Tenant)

## Total

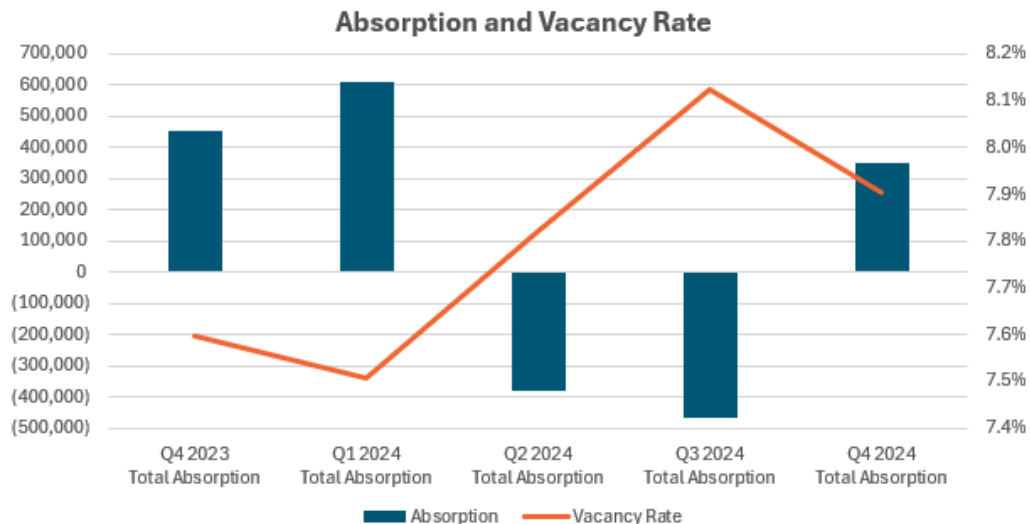
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	548	33,264,019	3,902,322	2,726,419	66,646	585	8.2%
Warehouse Distribution	349	59,221,067	6,687,505	5,720,953	308,123	742,716	9.7%
Warehouse Office	945	61,271,894	5,627,163	3,705,558	(23,346)	(629,988)	6.0%
<b>Grand Total</b>	<b>1,842</b>	<b>153,756,980</b>	<b>16,216,990</b>	<b>12,152,930</b>	<b>351,423</b>	<b>113,313</b>	<b>7.9%</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	3,412,203	2,486,424	110,437	62,020	7.5%
Warehouse Distribution	349	59,221,067	5,741,430	5,305,939	358,935	925,330	9.0%
Warehouse Office	945	61,271,894	5,006,867	3,551,895	(182,425)	(673,210)	5.8%
<b>Grand Total</b>	<b>1,842</b>	<b>153,756,980</b>	<b>14,160,500</b>	<b>11,344,258</b>	<b>286,947</b>	<b>314,140</b>	<b>7.4%</b>

## Sublease

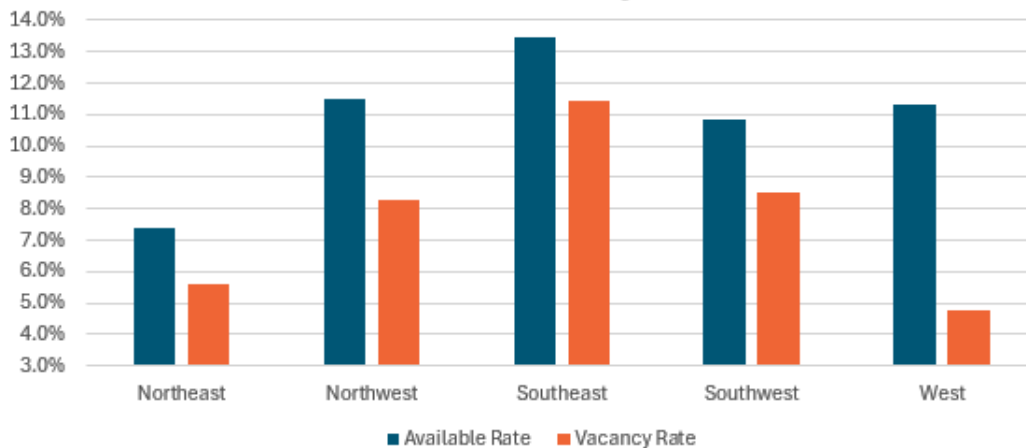
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	548	33,264,019	490,119	239,995	(43,791)	(61,435)	0.7%
Warehouse Distribution	349	59,221,067	946,075	415,014	(50,812)	(182,614)	0.7%
Warehouse Office	945	61,271,894	620,296	153,663	159,079	43,222	0.3%
<b>Grand Total</b>	<b>1,842</b>	<b>153,756,980</b>	<b>2,056,490</b>	<b>808,672</b>	<b>64,476</b>	<b>(200,827)</b>	<b>0.5%</b>



# 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	9,431,532	1,112,203	705,528	(26,129)	(202,121)	7.5%
	Warehouse Distribution	86	13,156,358	680,321	490,909	0	63,108	3.7%
	Warehouse Office	319	21,537,557	1,475,229	1,281,813	(142,573)	(510,922)	6.0%
	<b>Subtotal</b>	<b>541</b>	<b>44,125,447</b>	<b>3,267,753</b>	<b>2,478,250</b>	<b>(168,702)</b>	<b>(649,935)</b>	<b>5.6%</b>
Northwest	Flex/R&D	83	4,955,186	493,242	267,944	9,620	(29,586)	5.4%
	Warehouse Distribution	113	20,177,961	2,717,135	2,062,576	161,119	390,524	10.2%
	Warehouse Office	174	11,447,753	1,003,369	691,383	74,416	(67,459)	6.0%
	<b>Subtotal</b>	<b>370</b>	<b>36,580,900</b>	<b>4,213,746</b>	<b>3,021,903</b>	<b>245,155</b>	<b>293,479</b>	<b>8.3%</b>
Southeast	Flex/R&D	112	5,911,856	808,647	546,047	33,049	137,815	9.2%
	Warehouse Distribution	73	11,811,329	2,228,320	2,347,117	(24,816)	197,976	19.9%
	Warehouse Office	189	11,290,918	864,817	425,883	(42,941)	39,736	3.8%
	<b>Subtotal</b>	<b>374</b>	<b>29,014,103</b>	<b>3,901,784</b>	<b>3,319,047</b>	<b>(34,708)</b>	<b>375,527</b>	<b>11.4%</b>
Southwest	Flex/R&D	161	9,106,861	1,230,297	963,165	1,120	62,479	10.6%
	Warehouse Distribution	58	11,840,274	921,776	779,359	171,820	92,104	6.6%
	Warehouse Office	190	11,689,457	1,392,085	1,044,510	109,080	(16,565)	8.9%
	<b>Subtotal</b>	<b>409</b>	<b>32,636,592</b>	<b>3,544,158</b>	<b>2,787,034</b>	<b>282,020</b>	<b>138,018</b>	<b>8.5%</b>
West	Flex/R&D	56	3,858,584	257,933	243,735	48,986	31,998	6.3%
	Warehouse Distribution	19	2,235,145	139,953	40,992	0	(996)	1.8%
	Warehouse Office	73	5,306,209	891,663	261,969	(21,328)	(74,778)	4.9%
	<b>Subtotal</b>	<b>148</b>	<b>11,399,938</b>	<b>1,289,549</b>	<b>546,696</b>	<b>27,658</b>	<b>(43,776)</b>	<b>4.8%</b>
<b>Grand Total</b>		<b>1,842</b>	<b>153,756,980</b>	<b>16,216,990</b>	<b>12,152,930</b>	<b>351,423</b>	<b>113,313</b>	<b>7.9%</b>

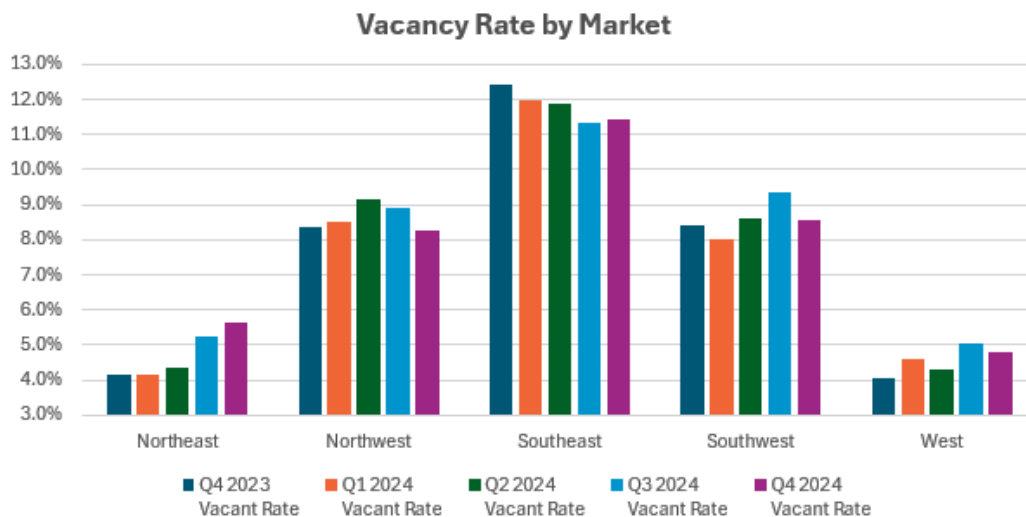
Available and Vacancy Rates





# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate
Northeast	Flex/R&D	5.3%	6.7%	6.4%	7.2%	7.5%
	Warehouse Distribution	4.2%	3.1%	3.1%	3.7%	3.7%
	Warehouse Office	3.6%	3.7%	4.2%	5.3%	6.0%
	<b>Subtotal</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.4%</b>	<b>5.2%</b>	<b>5.6%</b>
Northwest	Flex/R&D	4.8%	6.1%	5.9%	5.6%	5.4%
	Warehouse Distribution	10.9%	10.7%	11.5%	11.0%	10.2%
	Warehouse Office	5.5%	5.7%	6.3%	6.7%	6.0%
	<b>Subtotal</b>	<b>8.4%</b>	<b>8.5%</b>	<b>9.2%</b>	<b>8.9%</b>	<b>8.3%</b>
Southeast	Flex/R&D	11.5%	11.5%	12.3%	9.8%	9.2%
	Warehouse Distribution	20.7%	20.4%	20.5%	19.7%	19.9%
	Warehouse Office	4.2%	3.3%	2.7%	3.4%	3.8%
	<b>Subtotal</b>	<b>12.4%</b>	<b>12.0%</b>	<b>11.9%</b>	<b>11.3%</b>	<b>11.4%</b>
Southwest	Flex/R&D	11.2%	10.9%	10.4%	10.6%	10.6%
	Warehouse Distribution	6.2%	5.2%	7.0%	8.0%	6.6%
	Warehouse Office	8.4%	8.6%	8.9%	9.8%	8.9%
	<b>Subtotal</b>	<b>8.4%</b>	<b>8.0%</b>	<b>8.6%</b>	<b>9.4%</b>	<b>8.5%</b>
West	Flex/R&D	6.3%	6.5%	7.6%	7.6%	6.3%
	Warehouse Distribution	1.8%	3.3%	2.5%	1.8%	1.8%
	Warehouse Office	3.5%	3.8%	2.7%	4.5%	4.9%
	<b>Subtotal</b>	<b>4.1%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>4.8%</b>
<b>Grand Total</b>		<b>7.6%</b>	<b>7.5%</b>	<b>7.8%</b>	<b>8.1%</b>	<b>7.9%</b>

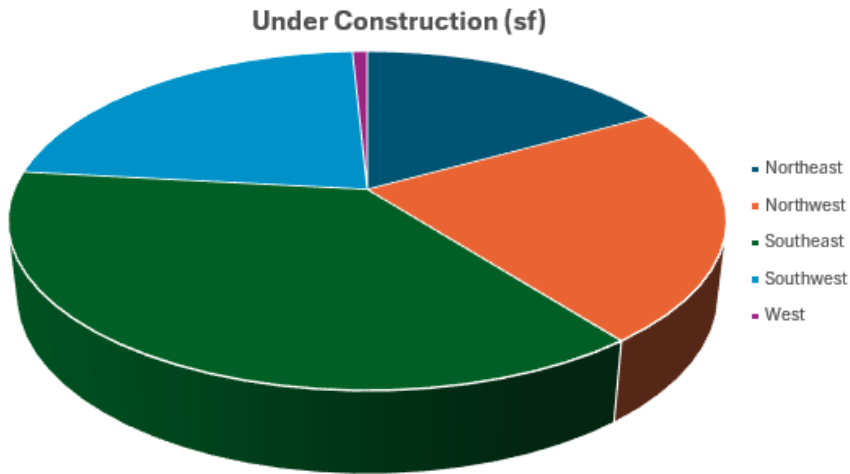


# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q4 2023		Q1 2024		Q2 2024		Q3 2024		Q4 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	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62	\$11.35	\$13.71	\$10.60	\$12.93
	Warehouse Distribution	\$12.67	\$16.00	\$12.67	\$15.33	\$12.67	\$15.33	\$13.00	\$14.00	\$14.00	\$16.00
	Warehouse Office	\$8.38	\$11.93	\$8.61	\$10.89	\$9.11	\$11.37	\$10.52	\$11.93	\$8.09	\$10.26
	<b>Subtotal</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>	<b>\$9.37</b>	<b>\$11.61</b>
Northwest	Flex/R&D	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76	\$10.42	\$12.23	\$9.63	\$11.58
	Warehouse Distribution			\$6.75	\$12.75	\$6.63	\$9.63	\$6.63	\$9.63		
	Warehouse Office	\$6.29	\$10.07	\$6.83	\$10.50	\$7.81	\$10.06	\$9.29	\$11.34	\$6.80	\$8.80
	<b>Subtotal</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>	<b>\$8.27</b>	<b>\$10.25</b>
Southeast	Flex/R&D	\$8.77	\$11.87	\$7.83	\$12.12	\$8.08	\$12.05	\$12.46	\$14.78	\$7.78	\$12.24
	Warehouse Distribution	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$11.13	\$12.13	\$6.25	\$6.25
	Warehouse Office	\$5.07	\$8.80	\$6.00	\$9.00	\$6.28	\$10.38	\$8.28	\$10.25	\$6.04	\$9.33
	<b>Subtotal</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>	<b>\$7.18</b>	<b>\$11.07</b>
Southwest	Flex/R&D	\$7.74	\$11.45	\$8.66	\$11.68	\$9.65	\$12.23	\$9.56	\$12.29	\$9.16	\$11.93
	Warehouse Distribution	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
	Warehouse Office	\$6.68	\$10.53	\$7.63	\$10.43	\$7.34	\$9.84	\$9.65	\$11.45	\$7.51	\$9.64
	<b>Subtotal</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>	<b>\$8.39</b>	<b>\$10.74</b>
West	Flex/R&D	\$8.85	\$13.13	\$8.55	\$13.30	\$9.02	\$12.41	\$8.50	\$12.20	\$8.77	\$12.22
	Warehouse Distribution	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25	\$7.58	\$8.83	\$6.38	\$8.25
	Warehouse Office	\$10.00	\$13.71	\$11.50	\$15.20	\$10.30	\$15.00	\$11.80	\$14.25	\$11.83	\$16.00
	<b>Subtotal</b>	<b>\$9.08</b>	<b>\$13.09</b>	<b>\$9.46</b>	<b>\$13.69</b>	<b>\$9.10</b>	<b>\$12.74</b>	<b>\$9.72</b>	<b>\$12.58</b>	<b>\$9.09</b>	<b>\$12.46</b>
<b>Grand Total</b>		<b>\$8.27</b>	<b>\$11.54</b>	<b>\$8.50</b>	<b>\$11.42</b>	<b>\$8.66</b>	<b>\$11.38</b>	<b>\$10.23</b>	<b>\$12.37</b>	<b>\$8.50</b>	<b>\$11.12</b>

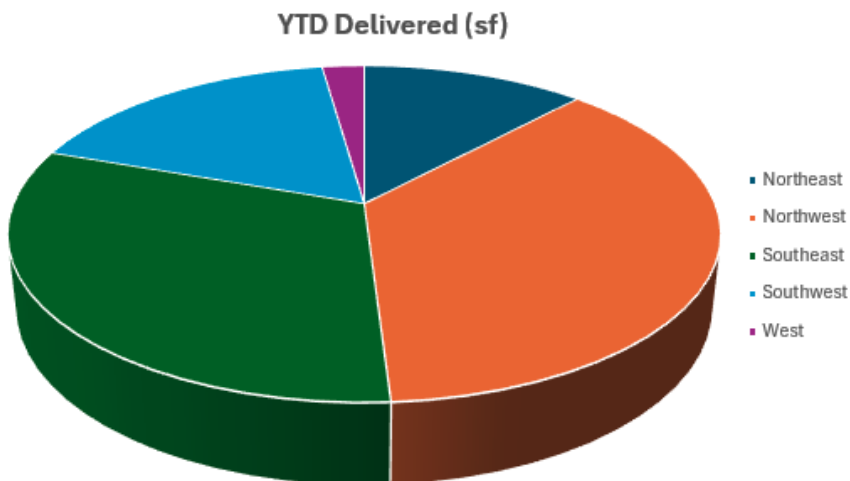


# New Developments by Market



Market	Bldg (sf)
Northeast	508,708
Northwest	679,528
Southeast	1,120,909
Southwest	676,324
West	24,000
<b>Grand Total</b>	<b>3,009,469</b>

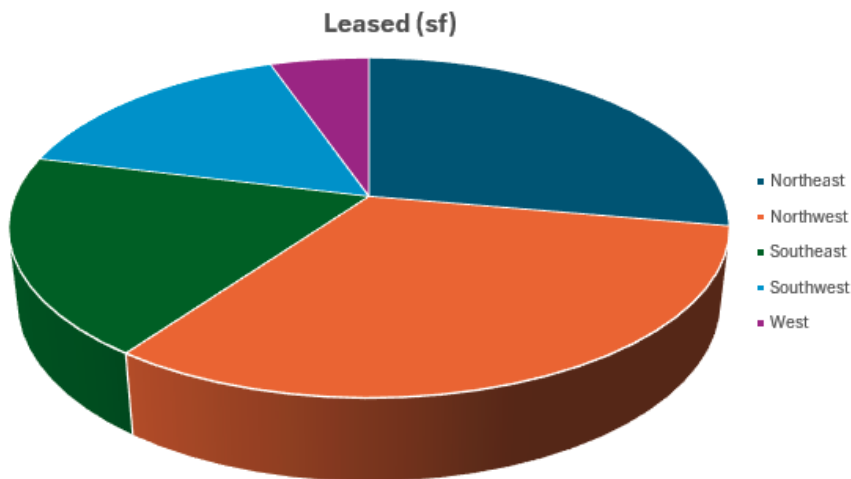
# YTD Deliveries by Market



Market	Bldg (sf)
Northeast	593,720
Northwest	1,822,918
Southeast	1,546,608
Southwest	856,826
West	111,699
<b>Grand Total</b>	<b>4,931,771</b>

# Leasing Activity

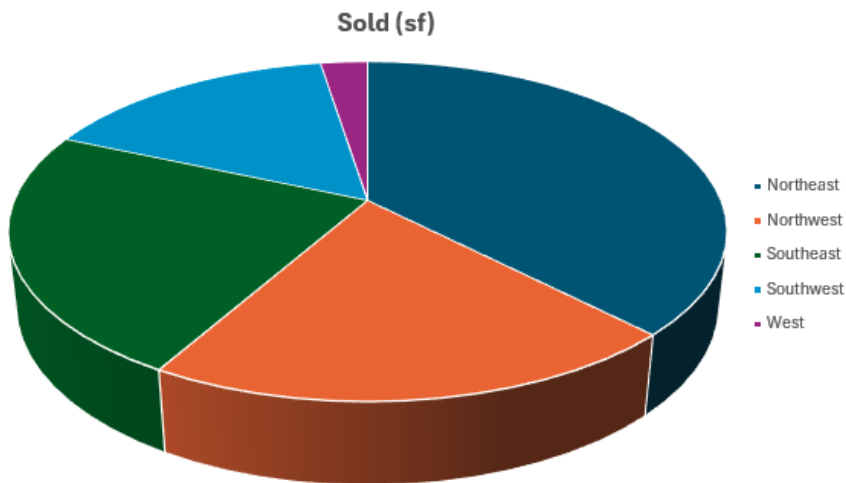
Property	Size (sf)	Market	Tenant	Landlord
The Cubes at French Lake 11500 Dayton Pkwy N	503,440	Northwest	States Manufacturing Corp	The Cubes at French Lake LLC
Gateway North Business Center 6301 Queens Ave NE	266,264	Northwest	Circle K	Exeter 6301 Queens LLC
Royal Gateway Commerce Center 11600 Hudson Rd	171,100	Southeast	Sparks Marketing	Royal Gateway Property Owner LLC
Seven Lakes Shoreview Park Rd	148,000	Northeast	MN Health Fairview	Scannell Properties 452 LLC
Rubus Station 10900 Red Circle Dr	98,371	Southwest	Legrand	Rubus Station LLC



Market	Leased (sf)
Northeast	956,958
Northwest	1,105,513
Southeast	651,452
Southwest	546,459
West	182,489
<b>Grand Total</b>	<b>3,442,871</b>

# Sales Activity

Property	Price	Market	Buyer	Seller
MSP Midway Portfolio	\$82,508,000	Northeast	MSP Midway LL, LLC	G&I IX Midway Vandalia LLC
Home Depot Distribution Center 15401 Boulder Ave	\$70,150,000	Southeast	Seefried PSO Rosemount LLC	Bel Rosemount LLC
Arbor Lakes Business Park 10901 Elm Creek Blvd	\$66,501,470	Northwest	LIPT Arbor Lakes LLC	Arbor Lakes Industrial Owner LLC
Lakeville Logistics Center 21558 Cedar Ave	\$43,125,000	Southeast	STAG Industrial Holdings LLC	KTJ 388 LLC
6870 21st Ave S	\$30,750,000	Northeast	TREFCM CCD OWNER LLC	OIVF III Clearwater LLC



Market	Sold (sf)
Northeast	2,549,631
Northwest	1,398,581
Southeast	1,577,398
Southwest	1,079,279
West	171,021
<b>Grand Total</b>	<b>6,775,910</b>



## 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.

# Advisory Board Members

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