

Market

Trends

Q4 2025

Mpls/St Paul - Industrial



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MARKET TRENDS

Q4 2025 | Mpls-St Paul | Industrial

Market Recap

All Properties

Total Inventory (sf)	303,792,276
Total # of Bldgs (tracked)	3,383
Absorption	(660,030)
Vacancy	6.0%
Asking Rate Low (NNN)	\$8.73
Asking Rent High (NNN)	\$11.27
Under Construction	6,756,727

Multi-tenant Properties

Total Inventory (sf)	155,625,472
Total # of Bldgs (tracked)	1,865
Absorption	(44,616)
Vacancy	8.5%
Asking Rate Low (NNN)	\$8.79
Asking Rent High (NNN)	\$11.21

Economic Overview

Historically, according to the U.S. Bureau of Labor Statistics (BLS), the Mpls-St Paul metropolitan statistical area (MSA) has experienced relatively stable unemployment and modest job growth trends. At the time of this publication, current BLS employment and unemployment data were unavailable. As a result, updated unemployment rates and job growth figures for the Mpls-St Paul MSA, the State of Minnesota, and the United States are not reported for this quarter.

Market Overview

The Mpls-St Paul industrial market consists of 303.8 msf in eight counties across the metro. Overall, there was (660,000) sf of negative absorption for Q4 2025, bringing the YTD to 250,300 sf positive absorption. Multi-tenant only properties posted (44,600) sf negative absorption bringing the YTD to 162,700 sf positive absorption. The overall vacancy rate for the quarter was 6.0% and multi-tenant properties vacancy rate was 8.5%. To date, there are 32 construction projects throughout the market totaling 6.7 msf and 35 properties have been delivered this year with 3.5 msf.

Market Highlights

The Northwest market showed the lowest vacancy rate of 4.6% while the Southwest market is at the top with 8.2% for all properties. The Southeast market posted the most positive absorption with 201,000 sf led by Livchartor purchasing a 212,400 sf property. The Southwest market posted the most in negative absorption of (346,500) sf led by Value Vision Media vacating 139,200 sf. At the close of Q4 2025, the market experienced 2.7 msf of leasing activity in 211 transactions. Ninety five properties sold totaling 4.9 msf for \$498.7 million.

Market Statistics by Property Type (Multi and Single Tenant)

Total

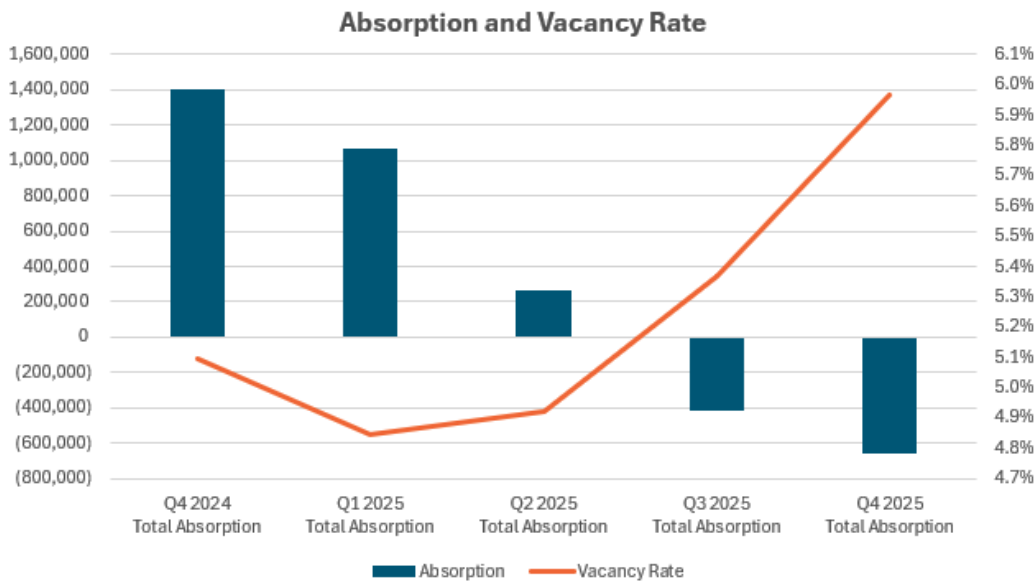
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	658	46,540,353	4,958,405	3,083,682	(246,622)	307,270	6.6%
Manufacturing	378	32,694,944	2,166,497	1,662,465	(428,581)	(868,805)	5.1%
Warehouse Distribution	658	118,591,968	10,596,878	8,040,355	346,256	1,563,866	6.8%
Warehouse Office	1,689	105,965,011	9,467,742	5,338,084	(331,083)	(752,035)	5.0%
Grand Total	3,383	303,792,276	27,189,522	18,124,586	(660,030)	250,296	6.0%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	658	46,540,353	4,235,007	2,838,661	(258,026)	312,296	6.1%
Manufacturing	378	32,694,944	1,829,895	1,470,371	(428,581)	(868,805)	4.5%
Warehouse Distribution	658	118,591,968	9,185,304	7,185,843	226,182	1,945,899	6.1%
Warehouse Office	1,689	105,965,011	7,879,175	4,942,366	(338,079)	(593,009)	4.7%
Grand Total	3,383	303,792,276	23,129,381	16,437,241	(798,504)	796,381	5.4%

Sublease

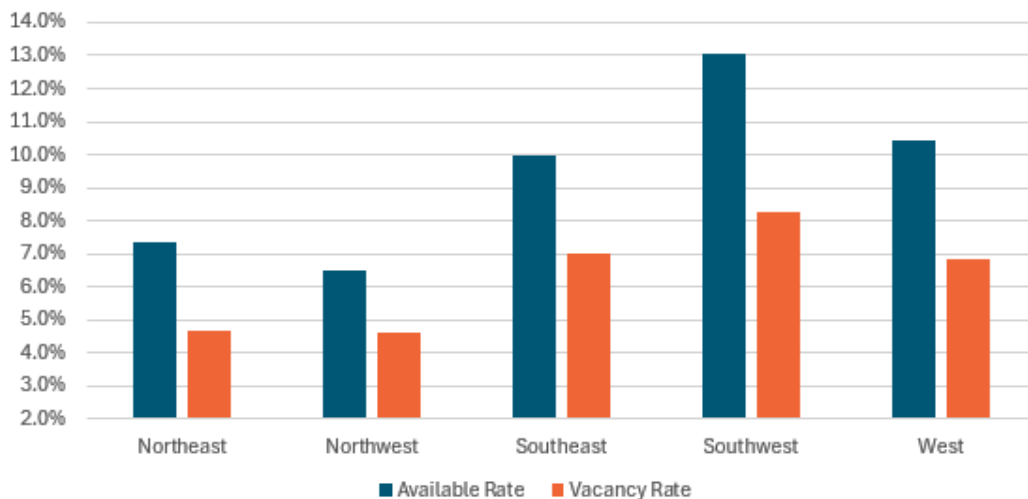
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	658	46,540,353	723,398	245,021	11,404	(5,026)	0.5%
Manufacturing	378	32,694,944	336,602	192,094	0	0	0.6%
Warehouse Distribution	658	118,591,968	1,411,574	854,512	120,074	(382,033)	0.7%
Warehouse Office	1,689	105,965,011	1,588,567	395,718	6,996	(159,026)	0.4%
Grand Total	3,383	303,792,276	4,060,141	1,687,345	138,474	(546,085)	0.6%



Market Statistics by Market (Multi and Single Tenant)

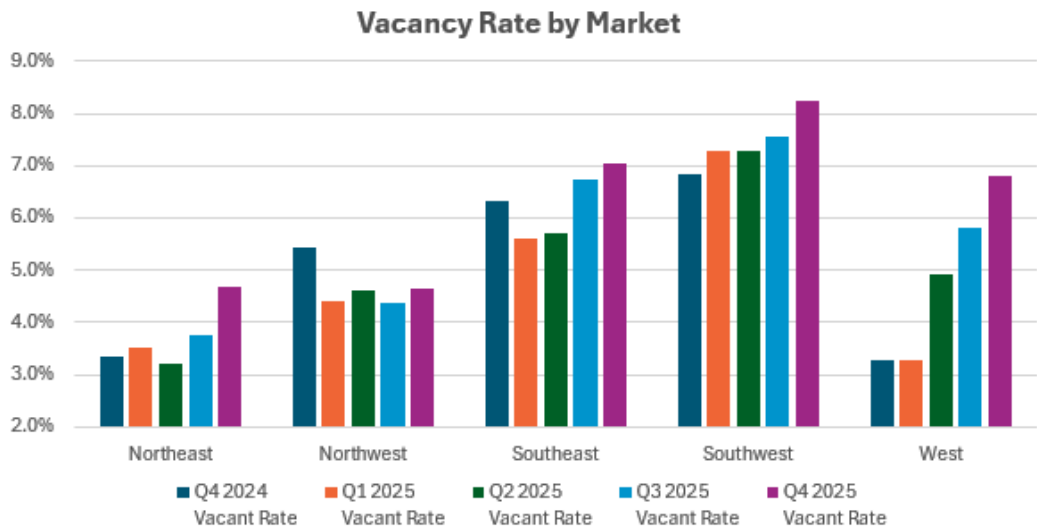
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	162	11,337,555	1,224,653	847,187	55,629	(162,212)	7.5%
	Manufacturing	175	14,546,984	1,114,279	1,041,111	(586,390)	(712,704)	7.2%
	Warehouse Distribution	182	31,207,315	1,927,870	1,221,442	110,272	48,740	3.9%
	Warehouse Office	595	37,629,079	2,683,946	1,321,190	83,029	271,955	3.5%
	Subtotal	1,114	94,720,933	6,950,748	4,430,930	(337,460)	(554,221)	4.7%
Northwest	Flex/R&D	108	8,775,211	432,151	263,490	(9,825)	253,895	3.0%
	Manufacturing	62	5,558,684	145,863	79,274	(35,293)	71,846	1.4%
	Warehouse Distribution	188	34,147,252	2,791,220	2,092,306	(62,551)	970,586	6.1%
	Warehouse Office	315	19,855,603	1,052,947	728,218	124,128	190,214	3.7%
	Subtotal	673	68,336,750	4,422,181	3,163,288	16,459	1,486,541	4.6%
Southeast	Flex/R&D	132	8,417,938	986,881	762,873	(195,301)	282,004	9.1%
	Manufacturing	76	6,802,649	571,159	387,371	193,102	(97,677)	5.7%
	Warehouse Distribution	150	29,057,998	2,793,810	2,315,130	196,914	1,145,330	8.0%
	Warehouse Office	355	21,399,871	2,182,374	1,153,896	6,426	(623,095)	5.4%
	Subtotal	713	65,678,456	6,534,224	4,619,270	201,141	706,562	7.0%
Southwest	Flex/R&D	193	13,481,845	1,886,237	956,223	(102,679)	(88,525)	7.1%
	Manufacturing	36	3,229,069	177,884	62,055	0	(50,616)	1.9%
	Warehouse Distribution	105	20,562,279	2,671,212	2,078,156	57,115	(398,480)	10.1%
	Warehouse Office	299	18,835,840	2,574,013	1,523,287	(300,947)	(268,201)	8.1%
	Subtotal	633	56,109,033	7,309,346	4,619,721	(346,511)	(805,822)	8.2%
West	Flex/R&D	63	4,527,804	428,483	253,909	5,554	22,108	5.6%
	Manufacturing	29	2,557,558	157,312	92,654	0	(79,654)	3.6%
	Warehouse Distribution	33	3,617,124	412,766	333,321	44,506	(202,310)	9.2%
	Warehouse Office	125	8,244,618	974,462	611,493	(243,719)	(322,908)	7.4%
	Subtotal	250	18,947,104	1,973,023	1,291,377	(193,659)	(582,764)	6.8%
Grand Total		3,383	303,792,276	27,189,522	18,124,586	(660,030)	250,296	6.0%

Available and Vacancy Rates



Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	6.0%	7.0%	6.8%	8.0%	7.5%
	Manufacturing	2.3%	3.3%	2.9%	3.1%	7.2%
	Warehouse Distribution	2.4%	2.7%	2.7%	3.2%	3.9%
	Warehouse Office	3.7%	3.2%	2.6%	3.2%	3.5%
	Subtotal	3.4%	3.5%	3.2%	3.8%	4.7%
Northwest	Flex/R&D	3.2%	3.1%	3.1%	2.9%	3.0%
	Manufacturing	0.0%	0.8%	0.8%	0.8%	1.4%
	Warehouse Distribution	7.4%	5.4%	5.8%	5.4%	6.1%
	Warehouse Office	4.4%	4.3%	4.2%	4.3%	3.7%
	Subtotal	5.4%	4.4%	4.6%	4.4%	4.6%
Southeast	Flex/R&D	8.6%	8.8%	6.7%	6.7%	9.1%
	Manufacturing	3.2%	3.6%	7.5%	8.9%	5.7%
	Warehouse Distribution	9.3%	7.0%	6.8%	7.2%	8.0%
	Warehouse Office	2.5%	3.1%	3.3%	5.4%	5.4%
	Subtotal	6.3%	5.6%	5.7%	6.7%	7.0%
Southwest	Flex/R&D	6.6%	7.1%	6.3%	6.3%	7.1%
	Manufacturing	0.4%	0.3%	0.0%	2.0%	1.9%
	Warehouse Distribution	8.2%	8.7%	9.0%	10.2%	10.1%
	Warehouse Office	6.6%	7.0%	7.3%	6.5%	8.1%
	Subtotal	6.8%	7.3%	7.3%	7.6%	8.2%
West	Flex/R&D	6.1%	4.7%	5.6%	5.7%	5.6%
	Manufacturing	0.5%	0.0%	0.0%	3.6%	3.6%
	Warehouse Distribution	1.2%	4.5%	10.4%	10.4%	9.2%
	Warehouse Office	3.5%	3.0%	3.6%	4.5%	7.4%
	Subtotal	3.3%	3.3%	4.9%	5.8%	6.8%
Grand Total		5.1%	4.8%	4.9%	5.4%	6.0%



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q4 2024		Q1 2025		Q2 2025		Q3 2025		Q4 2025	
		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	\$10.60	\$12.93	\$10.29	\$11.96	\$9.88	\$12.18	\$9.73	\$12.40	\$10.93	\$13.06
	Manufacturing	\$5.25	\$9.25	\$8.13	\$10.13	\$7.70	\$10.50	\$7.70	\$10.50	\$8.25	\$10.50
	Warehouse Distribution	\$14.00	\$16.00	\$11.25	\$15.50	\$18.00	\$18.00	\$13.25	\$16.50	\$14.67	\$14.67
	Warehouse Office	\$7.90	\$10.60	\$7.58	\$10.51	\$8.03	\$10.67	\$8.00	\$10.49	\$8.51	\$10.91
	Subtotal	\$8.94	\$11.55	\$8.78	\$11.25	\$8.84	\$11.32	\$8.70	\$11.33	\$9.51	\$11.71
Northwest	Flex/R&D	\$9.63	\$11.58	\$8.95	\$11.80	\$8.77	\$11.87	\$8.58	\$12.00	\$8.28	\$12.09
	Manufacturing										
	Warehouse Distribution			\$6.50	\$6.50	\$6.50	\$6.50	\$7.00	\$9.75	\$6.95	\$7.00
	Warehouse Office	\$6.80	\$8.80	\$6.81	\$8.60	\$6.95	\$9.59	\$7.00	\$9.90	\$6.98	\$8.98
	Subtotal	\$8.27	\$10.25	\$7.73	\$9.90	\$7.84	\$10.60	\$7.72	\$10.84	\$7.57	\$10.30
Southeast	Flex/R&D	\$7.93	\$12.41	\$8.94	\$12.73	\$8.95	\$12.69	\$8.69	\$12.56	\$9.30	\$12.13
	Manufacturing	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$9.00	\$10.00	\$8.44	\$8.94
	Warehouse Distribution	\$6.25	\$6.25	\$6.50	\$6.50	\$6.50	\$6.50	\$5.95	\$5.95	\$5.95	\$5.95
	Warehouse Office	\$5.65	\$9.60	\$6.50	\$10.38	\$6.14	\$10.61	\$7.93	\$10.48	\$7.96	\$10.08
	Subtotal	\$7.31	\$11.15	\$8.17	\$11.58	\$8.04	\$11.57	\$8.30	\$11.31	\$8.69	\$10.94
Southwest	Flex/R&D	\$9.16	\$11.93	\$8.88	\$11.64	\$9.27	\$12.02	\$9.18	\$11.95	\$9.40	\$12.25
	Manufacturing	\$6.50	\$6.50								
	Warehouse Distribution	\$6.13	\$7.63	\$6.00	\$8.00	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
	Warehouse Office	\$7.58	\$9.71	\$7.79	\$10.23	\$8.03	\$9.57	\$7.97	\$9.92	\$7.64	\$9.58
	Subtotal	\$8.31	\$10.69	\$8.26	\$10.85	\$8.66	\$10.86	\$8.53	\$10.84	\$8.47	\$10.78
West	Flex/R&D	\$8.74	\$12.17	\$9.28	\$12.73	\$9.32	\$13.04	\$8.47	\$13.18	\$8.30	\$13.31
	Manufacturing										
	Warehouse Distribution	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25
	Warehouse Office	\$10.25	\$14.25	\$10.08	\$13.67	\$9.22	\$13.00	\$9.93	\$13.50	\$10.00	\$13.31
	Subtotal	\$8.83	\$12.20	\$9.21	\$12.51	\$8.96	\$12.52	\$8.78	\$12.78	\$8.79	\$12.81
Grand Total		\$8.35	\$11.10	\$8.39	\$11.12	\$8.48	\$11.29	\$8.43	\$11.32	\$8.73	\$11.27



Market Statistics by Property Type (Multi-Tenant)

Total

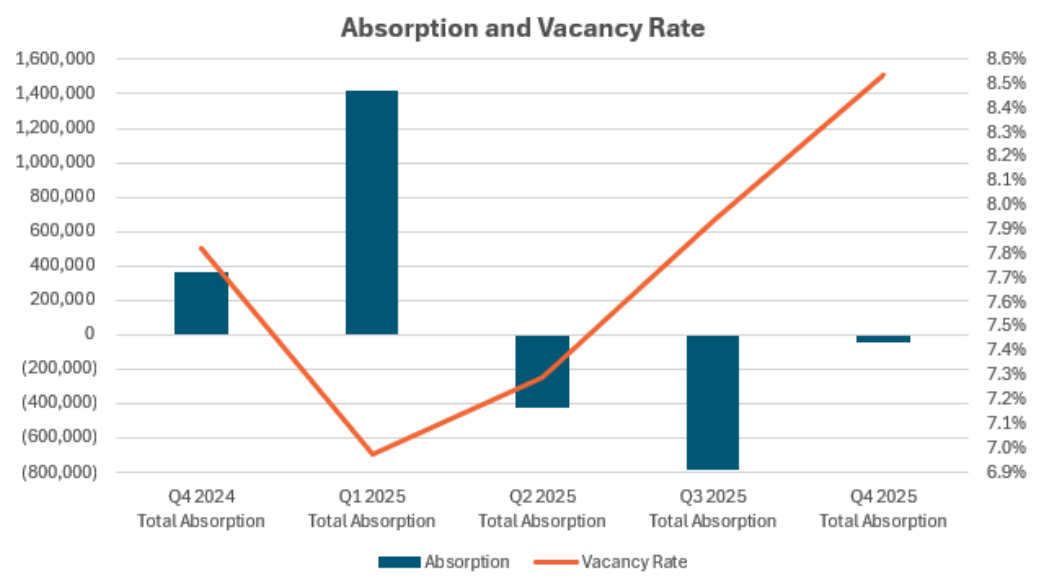
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	546	32,983,630	3,657,845	2,652,415	(9,732)	(107,219)	8.0%
Manufacturing	78	7,447,009	335,769	303,732	177,977	84,009	4.1%
Warehouse Distribution	357	60,111,018	7,441,679	6,479,904	91,233	495,387	10.8%
Warehouse Office	884	55,083,815	6,464,331	3,848,360	(304,094)	(309,394)	7.0%
Grand Total	1,865	155,625,472	17,899,624	13,284,411	(44,616)	162,783	8.5%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	546	32,983,630	3,191,247	2,407,394	(21,136)	(102,193)	7.3%
Manufacturing	78	7,447,009	335,769	303,732	177,977	84,009	4.1%
Warehouse Distribution	357	60,111,018	6,560,923	5,814,206	(28,841)	766,071	9.7%
Warehouse Office	884	55,083,815	5,157,386	3,607,866	(311,090)	(222,563)	6.5%
Grand Total	1,865	155,625,472	15,245,325	12,133,198	(183,090)	525,324	7.8%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	546	32,983,630	466,598	245,021	11,404	(5,026)	0.7%
Manufacturing	78	7,447,009			0	0	0.0%
Warehouse Distribution	357	60,111,018	880,756	665,698	120,074	(270,684)	1.1%
Warehouse Office	884	55,083,815	1,306,945	240,494	6,996	(86,831)	0.4%
Grand Total	1,865	155,625,472	2,654,299	1,151,213	138,474	(362,541)	0.7%



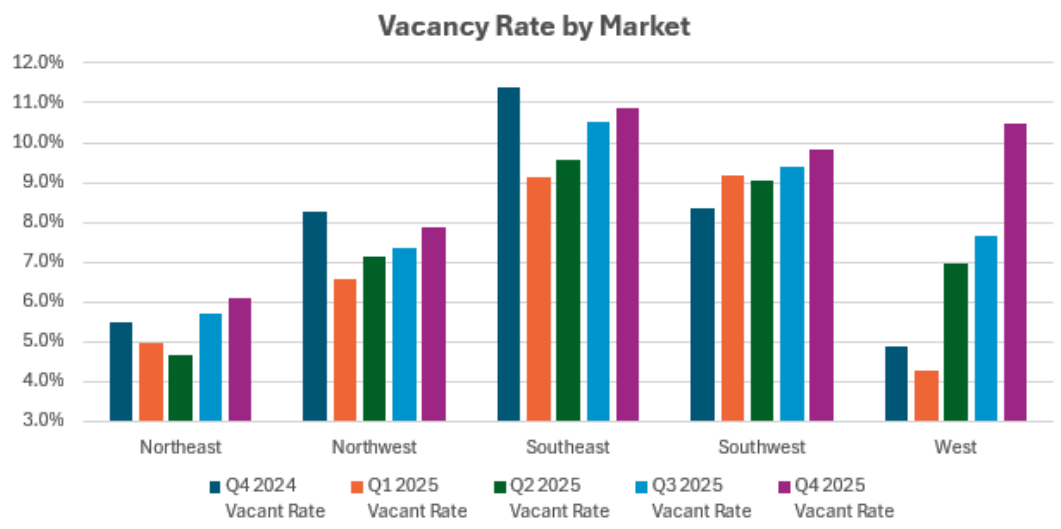
Market Statistics by Market (Multi-Tenant)

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	9,425,855	1,055,214	827,187	55,629	(142,212)	8.8%
	Manufacturing	32	2,704,096	101,351	91,894	0	132,288	3.4%
	Warehouse Distribution	87	13,148,335	1,196,071	852,745	27,384	(119,716)	6.5%
	Warehouse Office	293	19,250,634	1,567,432	939,828	(6,944)	133,891	4.9%
	Subtotal	548	44,528,920	3,920,068	2,711,654	76,069	4,251	6.1%
Northwest	Flex/R&D	84	4,952,066	432,151	263,490	(9,825)	5,895	5.3%
	Manufacturing	14	1,939,373	42,725	59,106	(15,125)	72,414	3.0%
	Warehouse Distribution	114	20,293,498	2,081,877	2,092,306	(62,551)	411,522	10.3%
	Warehouse Office	162	9,832,387	818,626	493,897	91,420	268,361	5.0%
	Subtotal	374	37,017,324	3,375,379	2,908,799	3,919	758,192	7.9%
Southeast	Flex/R&D	111	5,891,666	706,287	507,900	(25,849)	27,136	8.6%
	Manufacturing	19	1,450,424	190,333	151,372	193,102	(143,772)	10.4%
	Warehouse Distribution	75	12,255,885	2,154,495	1,949,474	172,914	847,321	15.9%
	Warehouse Office	175	10,347,102	1,475,615	643,948	(39,394)	(213,516)	6.2%
	Subtotal	380	29,945,077	4,526,730	3,252,694	300,773	517,169	10.9%
Southwest	Flex/R&D	159	8,855,459	1,035,710	799,929	(35,241)	(1,920)	9.0%
	Manufacturing	8	939,342	1,360	1,360	0	10,079	0.1%
	Warehouse Distribution	62	12,178,155	1,596,470	1,252,058	(1,001)	(351,411)	10.3%
	Warehouse Office	185	10,738,044	1,632,496	1,163,494	(66,757)	(136,522)	10.8%
	Subtotal	414	32,711,000	4,266,036	3,216,841	(102,999)	(479,774)	9.8%
West	Flex/R&D	56	3,858,584	428,483	253,909	5,554	3,882	6.6%
	Manufacturing	5	413,774			0	13,000	0.0%
	Warehouse Distribution	19	2,235,145	412,766	333,321	(45,513)	(292,329)	14.9%
	Warehouse Office	69	4,915,648	970,162	607,193	(282,419)	(361,608)	12.4%
	Subtotal	149	11,423,151	1,811,411	1,194,423	(322,378)	(637,055)	10.5%
Grand Total		1,865	155,625,472	17,899,624	13,284,411	(44,616)	162,783	8.5%



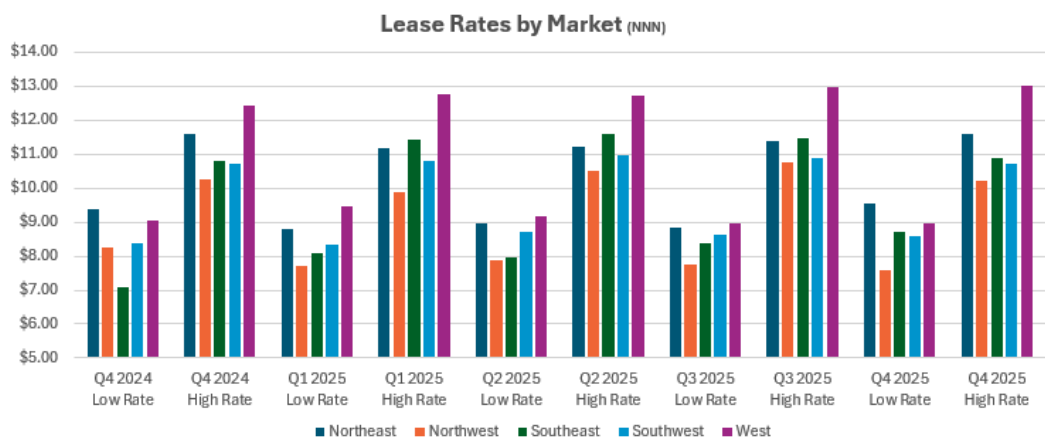
Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q4 2024 Vacancy Rate	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate	Q4 2025 Vacancy Rate
Northeast	Flex/R&D	7.3%	8.4%	8.2%	9.4%	8.8%
	Manufacturing	8.5%	3.3%	3.4%	3.4%	3.4%
	Warehouse Distribution	3.8%	3.5%	3.5%	5.2%	6.5%
	Warehouse Office	5.3%	4.5%	3.9%	4.6%	4.9%
	Subtotal	5.5%	5.0%	4.7%	5.7%	6.1%
Northwest	Flex/R&D	5.3%	5.1%	5.2%	5.1%	5.3%
	Manufacturing	0.0%	2.3%	2.3%	2.3%	3.0%
	Warehouse Distribution	10.2%	7.1%	8.5%	9.0%	10.3%
	Warehouse Office	7.3%	7.2%	6.3%	6.0%	5.0%
	Subtotal	8.2%	6.6%	7.1%	7.3%	7.9%
Southeast	Flex/R&D	9.1%	9.4%	8.1%	8.2%	8.6%
	Manufacturing	0.6%	2.6%	20.0%	23.7%	10.4%
	Warehouse Distribution	19.9%	14.0%	13.9%	14.2%	15.9%
	Warehouse Office	4.2%	4.1%	4.0%	5.9%	6.2%
	Subtotal	11.4%	9.1%	9.6%	10.5%	10.9%
Southwest	Flex/R&D	9.0%	9.8%	8.9%	8.6%	9.0%
	Manufacturing	1.2%	0.9%	0.1%	0.1%	0.1%
	Warehouse Distribution	7.4%	8.3%	8.8%	9.9%	10.3%
	Warehouse Office	9.4%	10.4%	10.2%	10.3%	10.8%
	Subtotal	8.3%	9.2%	9.1%	9.4%	9.8%
West	Flex/R&D	6.7%	5.6%	6.6%	6.7%	6.6%
	Manufacturing	3.1%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	1.8%	3.3%	12.9%	12.9%	14.9%
	Warehouse Office	5.0%	4.1%	5.2%	6.6%	12.4%
	Subtotal	4.9%	4.3%	7.0%	7.6%	10.5%
Grand Total		7.8%	7.0%	7.3%	7.9%	8.5%

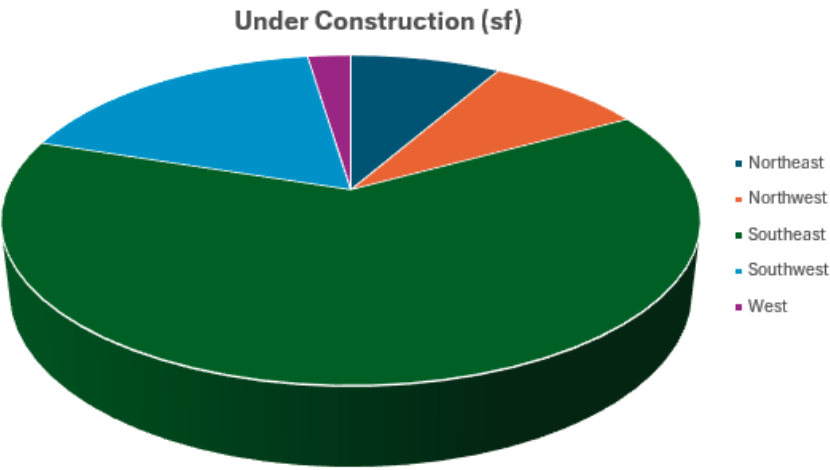


Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q4 2024		Q1 2025		Q2 2025		Q3 2025		Q4 2025	
		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	\$10.60	\$12.93	\$10.29	\$11.96	\$9.88	\$12.18	\$9.73	\$12.40	\$11.17	\$13.08
	Manufacturing	\$5.00	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00
	Warehouse Distribution	\$14.00	\$16.00	\$11.25	\$15.50	\$18.00	\$18.00	\$13.25	\$16.50	\$14.67	\$14.67
	Warehouse Office	\$8.28	\$10.40	\$7.64	\$10.42	\$8.12	\$10.59	\$8.15	\$10.61	\$8.60	\$10.86
	Subtotal	\$9.37	\$11.61	\$8.79	\$11.16	\$8.96	\$11.21	\$8.85	\$11.37	\$9.57	\$11.57
Northwest	Flex/R&D	\$9.63	\$11.58	\$8.95	\$11.80	\$8.77	\$11.87	\$8.58	\$12.00	\$8.28	\$12.09
	Manufacturing										
	Warehouse Distribution			\$6.50	\$6.50	\$6.50	\$6.50	\$7.00	\$9.75	\$6.95	\$7.00
	Warehouse Office	\$6.80	\$8.80	\$6.81	\$8.60	\$6.95	\$9.30	\$7.00	\$9.61	\$6.98	\$8.63
	Subtotal	\$8.27	\$10.25	\$7.73	\$9.90	\$7.88	\$10.52	\$7.75	\$10.76	\$7.59	\$10.20
Southeast	Flex/R&D	\$7.78	\$12.24	\$8.94	\$12.70	\$8.91	\$12.60	\$8.57	\$12.41	\$9.32	\$11.93
	Manufacturing	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$9.00	\$10.00	\$8.44	\$8.94
	Warehouse Distribution	\$6.25	\$6.25	\$6.50	\$6.50	\$6.50	\$6.50				
	Warehouse Office	\$5.65	\$9.60	\$6.50	\$10.38	\$6.08	\$11.29	\$8.05	\$10.81	\$7.96	\$10.08
	Subtotal	\$7.10	\$10.81	\$8.08	\$11.42	\$7.96	\$11.58	\$8.36	\$11.49	\$8.73	\$10.88
Southwest	Flex/R&D	\$9.16	\$11.93	\$8.92	\$11.47	\$9.27	\$12.02	\$9.18	\$11.95	\$9.47	\$12.11
	Manufacturing	\$6.50	\$6.50								
	Warehouse Distribution	\$6.00	\$6.00	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
	Warehouse Office	\$7.61	\$9.96	\$7.84	\$10.48	\$8.10	\$9.78	\$8.17	\$9.93	\$7.75	\$9.54
	Subtotal	\$8.39	\$10.74	\$8.35	\$10.79	\$8.70	\$10.96	\$8.63	\$10.90	\$8.57	\$10.72
West	Flex/R&D	\$8.74	\$12.17	\$9.28	\$12.73	\$9.32	\$13.04	\$8.47	\$13.18	\$8.30	\$13.31
	Manufacturing										
	Warehouse Distribution	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25
	Warehouse Office	\$11.83	\$16.00	\$11.00	\$14.60	\$9.69	\$13.50	\$10.67	\$14.25	\$10.64	\$13.93
	Subtotal	\$9.07	\$12.43	\$9.48	\$12.76	\$9.16	\$12.71	\$8.97	\$12.99	\$8.96	\$13.01
Grand Total		\$8.48	\$11.07	\$8.42	\$11.06	\$8.53	\$11.30	\$8.53	\$11.40	\$8.79	\$11.21

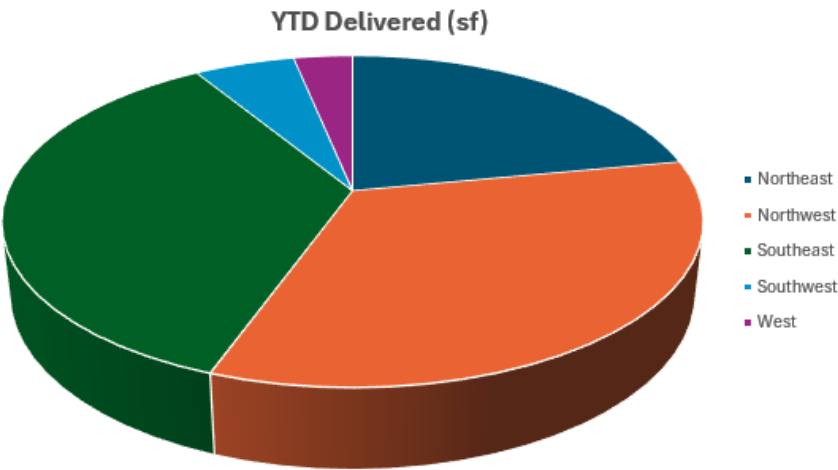


New Developments by Market



Market	Bldg (sf)
Northeast	561,456
Northwest	587,726
Southeast	4,255,723
Southwest	1,190,822
West	161,000
Grand Total	6,756,727

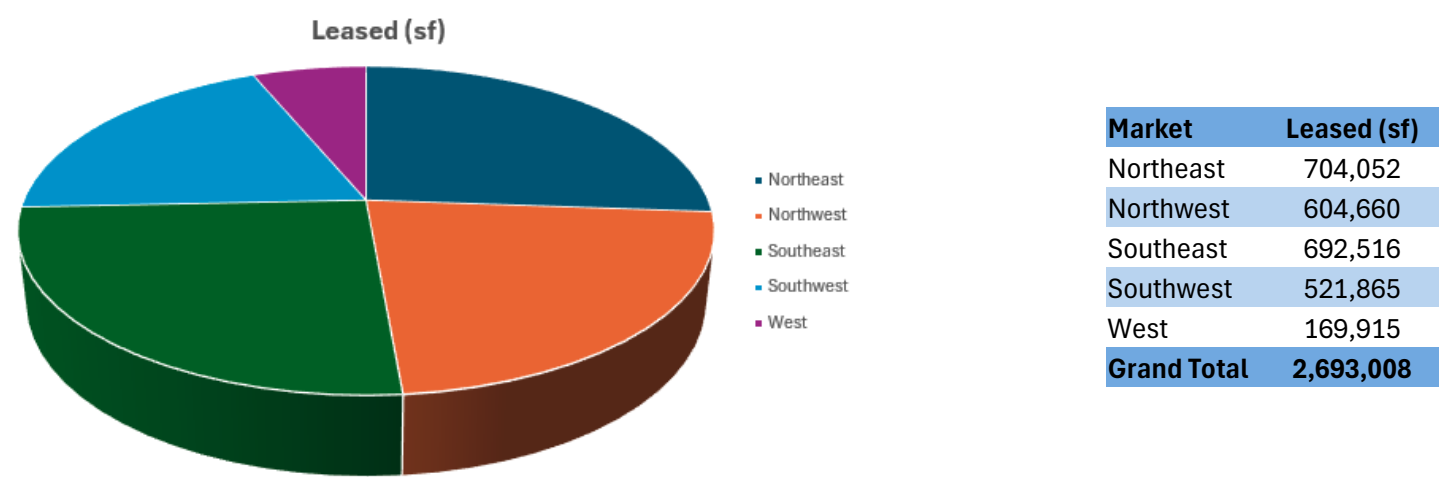
YTD Deliveries by Market



Market	Bldg (sf)
Northeast	774,048
Northwest	1,178,780
Southeast	1,255,037
Southwest	194,385
West	114,039
Grand Total	3,516,289

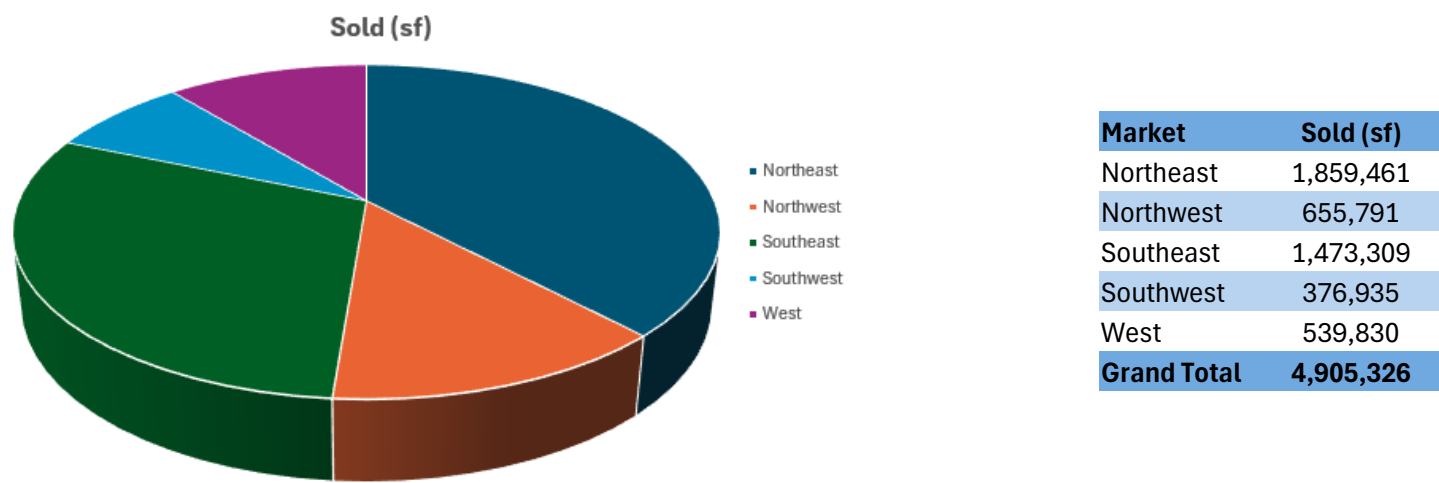
Leasing Activity

Property	Size (sf)	Market	Tenant	Landlord
Midway Mile Campus 2228 Territorial Rd	186,174	Northeast	Estes Transportation	MSP Midway LL LLC
Southwest Logistics Center 7400 Hentges Way	140,400	Southwest	Apex International	Southwest Logistics Center LLC
Lone Oak Distribution Center 2985 Commers Dr	100,000	Southeast	Buske Logistics	AG-HRE Eagan I Owner LLC
Suddath Relocation Systems 7100 Washington Ave S	95,097	Southwest	Suddath Moving and Storage	CPIG Eden Prairie; Badger Holdings LLC
Brockton Business Park 10585 County Rd 101	91,163	Northwest	PHS West	AG-HRE Brockton I Owner LLC

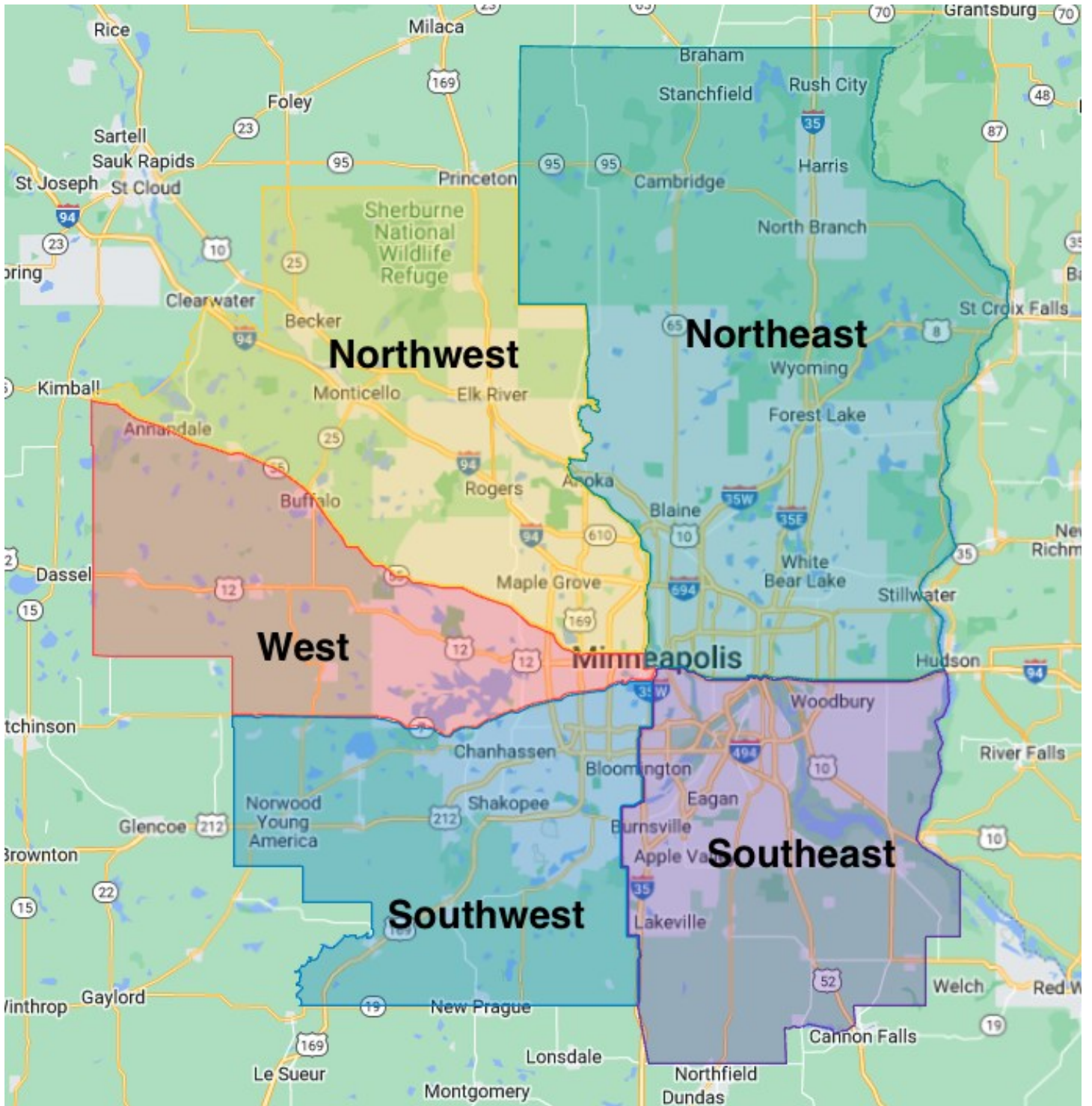


Sales Activity

Property	Price	Market	Seller	Buyer
BAE Systems 10000 Mission Dr	\$92,000,000	Northwest	1694 Industrial LLC	10000 Mission Drive (MN) LLC
Park Industrial Village 2000 E Center Cir	\$26,000,000	West	MSP Plymouth Park Industrial LLC	UP PIV LLC; UP PIV TIC A LLC; UP PIV TIC B LLC; UP PIV C LLC
Rubus Station 10900 Red Circle Dr	\$23,069,000	Southwest	Rubus Station, LLC	SE 10900 Red Circle (Minnetonka) Transitory, LLC
4Front Industrial Park 3490 Hayward Ave N	\$23,000,000	Northeast	4Front Industrial Property LLC	OLP Oakdale MN, LLC
Eastridge Business Center 587 Settlers Ridge Pkway	\$23,000,000	Southeast	MSP Commercial	Altus Properties



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

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.

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JLL	Sam Newberg	Transwestern	Maurice Harris

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