

# MARKET TRENDS

Q2 2021 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,913,798	
Area Unemployment	3.8	
U.S. Unemployment	5.8	
Industrial Jobs	192,400	

Source: BLS

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

## Market Recap

Total Inventory (sf)	264,162,200
Total # of Bldgs (tracked)	3,062
Absorption	306,157
Vacancy	4.4%
Asking Rate Low (NNN)	\$6.30
Asking Rent High (NNN)	\$9.82
Under Construction	4,390,765

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) decreased 800 basis points to 3.8% for May 2021 from 11.8% for May 2020. The unemployment rate for the US was 5.8% in May 2021 down from 13.3% last year. State of Minnesota unemployment rate was 4.0%. The Mpls-St Paul MSA saw an increase in job growth as well as an increase in industrial job growth in manufacturing with 7,100 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 264 msf in eight counties across the metro. There was over 306,000 sf of positive absorption for Q2 2021 bringing the year to date total to 1,587,000 sf positive absorption. Multi-tenant properties posted 479,000 sf positive absorption with year to date 1,277,000 sf positive absorption. The overall vacancy rate for the market stands at 4.4% and multi-tenant vacancy dropped to 6.9% for Q2 2021. The average asking lease low rate was \$6.30 and high rate was \$9.82 NNN for Mpls-St Paul. To date, there are 31 construction projects throughout the market totaling 4.3 msf and 5 properties were delivered year to date with 759,000 sf.

## Market Highlights

At the close of Q2 2021, the market experienced over 3.12 msf of leasing activity in 220 transactions with State of MN leasing the largest space of 179,000 sf in the West market. The Southeast and Northeast markets vacancy rate being the tightest at 3.6% while the Southwest market topped at 7.0%. The Northwest market top all the markets with 302,730 sf positive absorption led by Archway Marketing leasing the largest space with 95,000 sf. The Southwest market experienced the largest vacancy of Polaris vacating 316,000 sf. One hundred properties sold totaling more than 5.5 msf for \$443 million.

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

## Total

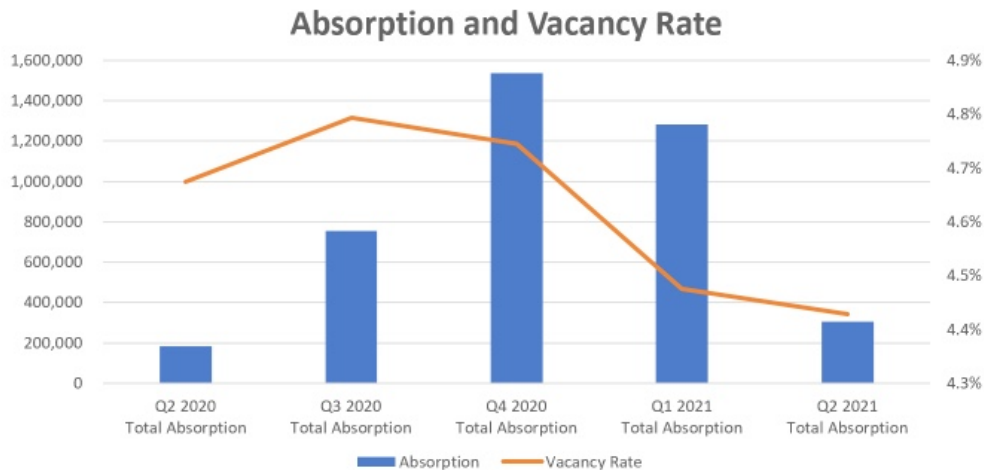
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	620	41,961,799	4,368,740	2,908,382	101,792	204,293	6.9%
Warehouse Distribution	511	91,939,494	5,967,757	3,542,355	115,538	941,129	3.9%
Warehouse Office	1,931	130,260,907	7,620,899	5,249,084	88,827	442,467	4.0%
<b>Grand Total</b>	<b>3,062</b>	<b>264,162,200</b>	<b>17,957,396</b>	<b>11,699,821</b>	<b>306,157</b>	<b>1,587,889</b>	<b>4.4%</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	620	41,961,799	3,923,031	2,634,047	162,933	270,781	6.3%
Warehouse Distribution	511	91,939,494	5,403,691	3,346,349	122,944	887,371	3.6%
Warehouse Office	1,931	130,260,907	6,896,940	4,971,942	(5,965)	428,089	3.8%
<b>Grand Total</b>	<b>3,062</b>	<b>264,162,200</b>	<b>16,223,662</b>	<b>10,952,338</b>	<b>279,912</b>	<b>1,586,241</b>	<b>4.1%</b>

## Sublease

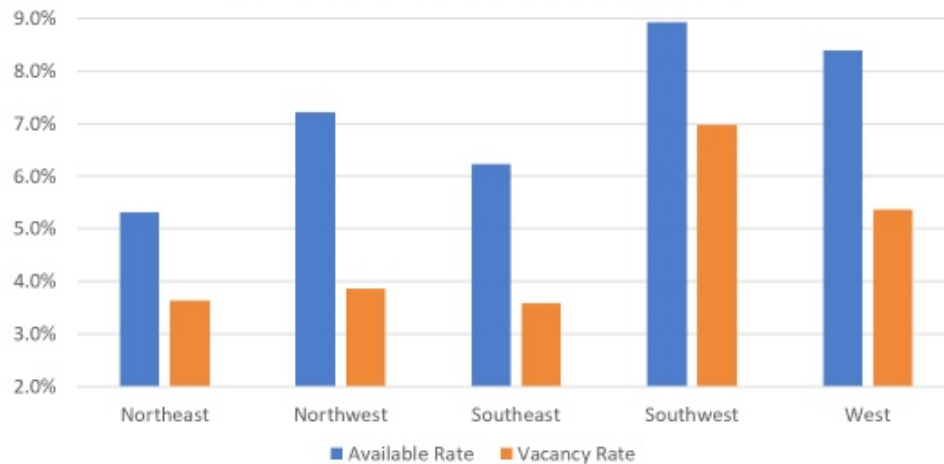
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	620	41,961,799	445,709	274,335	(61,141)	(66,488)	0.7%
Warehouse Distribution	511	91,939,494	564,066	196,006	(7,406)	53,758	0.2%
Warehouse Office	1,931	130,260,907	723,959	277,142	94,792	14,378	0.2%
<b>Grand Total</b>	<b>3,062</b>	<b>264,162,200</b>	<b>1,733,734</b>	<b>747,483</b>	<b>26,245</b>	<b>1,648</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	157	10,923,088	785,364	716,762	179,466	257,521	6.6%
	Warehouse Distribution	153	25,963,688	1,553,675	695,400	125,605	142,885	2.7%
	Warehouse Office	739	50,768,875	2,323,741	1,773,764	(48,755)	(178,375)	3.5%
	<b>Subtotal</b>	<b>1,049</b>	<b>87,655,651</b>	<b>4,662,780</b>	<b>3,185,926</b>	<b>256,316</b>	<b>222,031</b>	<b>3.6%</b>
Northwest	Flex/R&D	97	7,609,070	626,515	357,809	8,889	28,293	4.7%
	Warehouse Distribution	147	25,785,283	1,864,814	955,852	222,626	333,580	3.7%
	Warehouse Office	335	22,340,752	1,531,209	836,737	71,215	154,453	3.7%
	<b>Subtotal</b>	<b>579</b>	<b>55,735,105</b>	<b>4,022,538</b>	<b>2,150,398</b>	<b>302,730</b>	<b>516,326</b>	<b>3.9%</b>
Southeast	Flex/R&D	123	7,053,703	867,395	592,276	28,252	56,065	8.4%
	Warehouse Distribution	100	19,233,723	979,546	308,789	28,398	692,235	1.6%
	Warehouse Office	395	26,202,186	1,423,325	980,141	26,357	140,399	3.7%
	<b>Subtotal</b>	<b>618</b>	<b>52,489,612</b>	<b>3,270,266</b>	<b>1,881,206</b>	<b>83,007</b>	<b>888,699</b>	<b>3.6%</b>
Southwest	Flex/R&D	184	12,451,285	1,575,825	857,846	(110,480)	(128,727)	6.9%
	Warehouse Distribution	78	17,045,176	1,360,542	1,448,329	(264,796)	(231,276)	8.5%
	Warehouse Office	312	21,071,896	1,579,243	1,225,131	151,044	362,588	5.8%
	<b>Subtotal</b>	<b>574</b>	<b>50,568,357</b>	<b>4,515,610</b>	<b>3,531,306</b>	<b>(224,232)</b>	<b>2,585</b>	<b>7.0%</b>
West	Flex/R&D	59	3,924,653	513,641	383,689	(4,335)	(8,859)	9.8%
	Warehouse Distribution	33	3,911,624	209,180	133,985	3,705	3,705	3.4%
	Warehouse Office	150	9,877,198	763,381	433,311	(111,034)	(36,598)	4.4%
	<b>Subtotal</b>	<b>242</b>	<b>17,713,475</b>	<b>1,486,202</b>	<b>950,985</b>	<b>(111,664)</b>	<b>(41,752)</b>	<b>5.4%</b>
<b>Grand Total</b>		<b>3,062</b>	<b>264,162,200</b>	<b>17,957,396</b>	<b>11,699,821</b>	<b>306,157</b>	<b>1,587,889</b>	<b>4.4%</b>

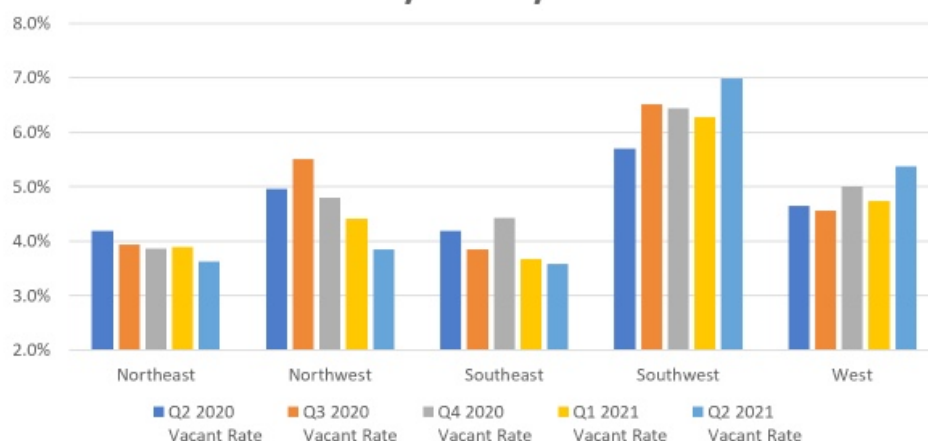
## Available and Vacancy Rates



# Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q2 2020 Vacant Rate	Q3 2020 Vacant Rate	Q4 2020 Vacant Rate	Q1 2021 Vacant Rate	Q2 2021 Vacant Rate
Northeast	Flex/R&D	8.3%	9.8%	8.9%	8.2%	6.6%
	Warehouse Distribution	4.5%	3.2%	3.2%	3.2%	2.7%
	Warehouse Office	3.1%	3.0%	3.1%	3.3%	3.5%
	<b>Subtotal</b>	<b>4.2%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.6%</b>
Northwest	Flex/R&D	5.3%	5.0%	5.1%	4.8%	4.7%
	Warehouse Distribution	5.6%	6.1%	5.0%	4.6%	3.7%
	Warehouse Office	4.2%	5.0%	4.5%	4.1%	3.7%
	<b>Subtotal</b>	<b>5.0%</b>	<b>5.5%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>3.9%</b>
Southeast	Flex/R&D	6.3%	6.8%	9.2%	8.8%	8.4%
	Warehouse Distribution	2.8%	3.0%	3.1%	1.8%	1.6%
	Warehouse Office	4.6%	3.6%	4.1%	3.7%	3.7%
	<b>Subtotal</b>	<b>4.2%</b>	<b>3.9%</b>	<b>4.4%</b>	<b>3.7%</b>	<b>3.6%</b>
Southwest	Flex/R&D	6.3%	6.2%	5.8%	6.0%	6.9%
	Warehouse Distribution	5.2%	6.4%	5.7%	6.2%	8.5%
	Warehouse Office	5.7%	6.8%	7.4%	6.5%	5.8%
	<b>Subtotal</b>	<b>5.7%</b>	<b>6.5%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>7.0%</b>
West	Flex/R&D	9.7%	9.6%	9.6%	9.7%	9.8%
	Warehouse Distribution	2.3%	1.9%	3.6%	3.5%	3.4%
	Warehouse Office	3.5%	3.5%	3.7%	3.3%	4.4%
	<b>Subtotal</b>	<b>4.6%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>4.7%</b>	<b>5.4%</b>
<b>Grand Total</b>	<b>4.7%</b>	<b>4.8%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.4%</b>	

Vacancy Rate by Market



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

Market	Property Type	Q2 2020		Q3 2020		Q4 2020		Q1 2021		Q2 2021	
		Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High	Ave Lease Rate	Lease Rate High
Northeast	Flex/R&D	\$6.61	\$10.90	\$6.57	\$10.89	\$6.75	\$10.72	\$6.90	\$10.89	\$6.96	\$10.60
	Warehouse Distribution	\$5.51	\$10.29	\$5.61	\$10.36	\$5.61	\$10.36	\$5.68	\$10.43	\$5.72	\$10.25
	Warehouse Office	\$6.10	\$9.53	\$6.14	\$9.73	\$5.76	\$9.47	\$5.93	\$9.53	\$6.26	\$9.30
	<b>Subtotal</b>	<b>\$6.21</b>	<b>\$10.15</b>	<b>\$6.26</b>	<b>\$10.30</b>	<b>\$6.16</b>	<b>\$10.10</b>	<b>\$6.33</b>	<b>\$10.24</b>	<b>\$6.52</b>	<b>\$10.01</b>
Northwest	Flex/R&D	\$6.22	\$10.42	\$6.39	\$10.46	\$6.31	\$10.57	\$6.20	\$10.56	\$6.73	\$10.98
	Warehouse Distribution	\$5.18	\$9.13	\$5.18	\$9.20	\$5.26	\$9.09	\$5.45	\$9.21	\$5.45	\$9.42
	Warehouse Office	\$5.86	\$9.02	\$5.69	\$8.67	\$5.60	\$9.10	\$5.59	\$9.16	\$5.76	\$9.19
	<b>Subtotal</b>	<b>\$5.77</b>	<b>\$9.48</b>	<b>\$5.73</b>	<b>\$9.35</b>	<b>\$5.70</b>	<b>\$9.53</b>	<b>\$5.73</b>	<b>\$9.61</b>	<b>\$5.97</b>	<b>\$9.80</b>
Southeast	Flex/R&D	\$6.06	\$9.53	\$5.97	\$9.36	\$6.15	\$9.73	\$6.08	\$9.82	\$6.18	\$9.47
	Warehouse Distribution	\$5.07	\$9.05	\$5.01	\$8.68	\$5.08	\$8.49	\$5.04	\$8.22	\$4.83	\$7.58
	Warehouse Office	\$5.38	\$8.67	\$5.54	\$8.57	\$5.72	\$8.57	\$6.01	\$8.87	\$5.86	\$8.87
	<b>Subtotal</b>	<b>\$5.53</b>	<b>\$9.00</b>	<b>\$5.63</b>	<b>\$8.89</b>	<b>\$5.78</b>	<b>\$9.01</b>	<b>\$5.93</b>	<b>\$9.19</b>	<b>\$5.93</b>	<b>\$9.05</b>
Southwest	Flex/R&D	\$6.23	\$10.20	\$6.51	\$10.17	\$6.89	\$10.47	\$6.85	\$10.39	\$6.72	\$10.78
	Warehouse Distribution	\$4.91	\$9.52	\$4.74	\$8.24	\$4.96	\$8.28	\$4.80	\$7.61	\$4.93	\$7.09
	Warehouse Office	\$5.76	\$9.06	\$5.57	\$8.69	\$6.10	\$9.39	\$6.22	\$9.49	\$6.30	\$9.60
	<b>Subtotal</b>	<b>\$5.91</b>	<b>\$9.66</b>	<b>\$5.96</b>	<b>\$9.38</b>	<b>\$6.36</b>	<b>\$9.80</b>	<b>\$6.41</b>	<b>\$9.78</b>	<b>\$6.38</b>	<b>\$9.96</b>
West	Flex/R&D	\$6.59	\$10.94	\$6.53	\$11.18	\$6.43	\$11.35	\$6.53	\$11.33	\$6.50	\$11.30
	Warehouse Distribution	\$4.75	\$9.50	\$4.75	\$9.50	\$4.90	\$9.80	\$6.04	\$10.29	\$6.20	\$10.30
	Warehouse Office	\$7.46	\$9.81	\$7.56	\$9.34	\$7.50	\$9.76	\$7.31	\$9.73	\$7.77	\$10.10
	<b>Subtotal</b>	<b>\$6.77</b>	<b>\$10.35</b>	<b>\$6.77</b>	<b>\$10.24</b>	<b>\$6.65</b>	<b>\$10.33</b>	<b>\$6.85</b>	<b>\$10.28</b>	<b>\$7.04</b>	<b>\$10.57</b>
<b>Grand Total</b>		<b>\$5.96</b>	<b>\$9.68</b>	<b>\$5.99</b>	<b>\$9.59</b>	<b>\$6.08</b>	<b>\$9.71</b>	<b>\$6.19</b>	<b>\$9.79</b>	<b>\$6.30</b>	<b>\$9.82</b>



# Market Statistics by Property Type (Multi-Tenant)

## Total

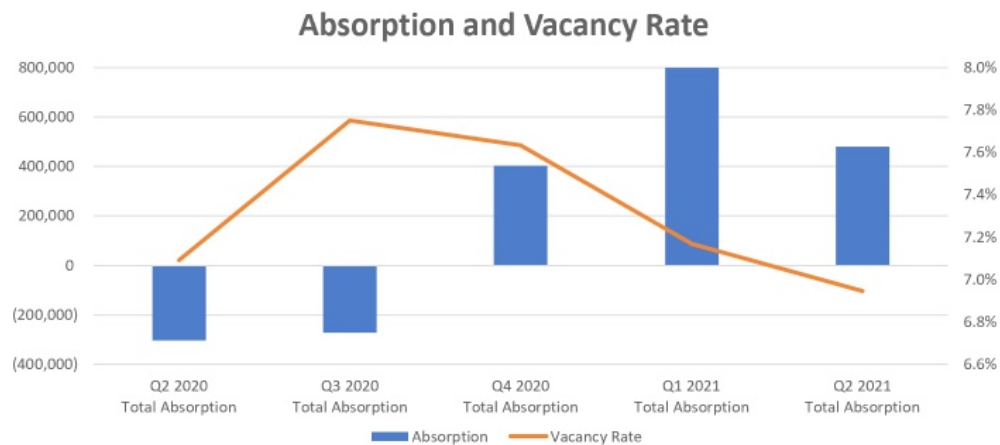
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	537	32,516,556	3,984,229	2,871,102	94,561	197,062	8.8%
Warehouse Distribution	278	45,949,232	5,177,439	3,172,291	59,538	637,123	6.9%
Warehouse Office	903	59,684,486	5,507,158	3,552,289	324,992	443,204	6.0%
<b>Grand Total</b>	<b>1,718</b>	<b>138,150,274</b>	<b>14,668,826</b>	<b>9,595,682</b>	<b>479,091</b>	<b>1,277,389</b>	<b>6.9%</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	537	32,516,556	3,538,520	2,596,767	155,702	308,061	8.0%
Warehouse Distribution	278	45,949,232	4,722,663	3,060,575	66,944	583,365	6.7%
Warehouse Office	903	59,684,486	4,841,415	3,300,747	230,200	428,826	5.5%
<b>Grand Total</b>	<b>1,718</b>	<b>138,150,274</b>	<b>13,102,598</b>	<b>8,958,089</b>	<b>452,846</b>	<b>1,320,252</b>	<b>6.5%</b>

## Sublease

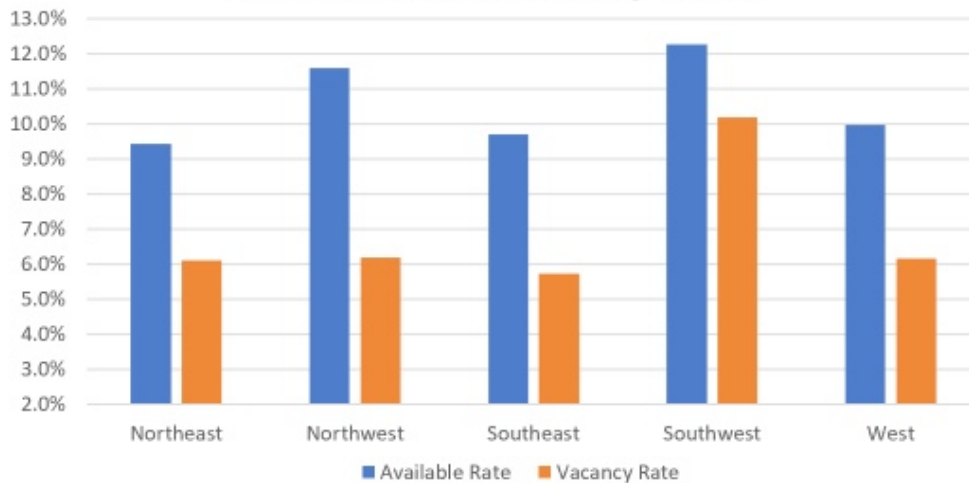
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	537	32,516,556	445,709	274,335	(61,141)	(110,999)	0.8%
Warehouse Distribution	278	45,949,232	454,776	111,716	(7,406)	53,758	0.2%
Warehouse Office	903	59,684,486	665,743	251,542	94,792	14,378	0.4%
<b>Grand Total</b>	<b>1,718</b>	<b>138,150,274</b>	<b>1,566,228</b>	<b>637,593</b>	<b>26,245</b>	<b>(42,863)</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	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	136	9,563,589	785,364	716,762	179,466	257,521	7.5%
	Warehouse Distribution	64	9,807,099	1,417,365	559,090	66,205	83,485	5.7%
	Warehouse Office	322	22,943,974	1,787,384	1,306,394	23,632	(109,946)	5.7%
	<b>Subtotal</b>	<b>522</b>	<b>42,314,662</b>	<b>3,990,113</b>	<b>2,582,246</b>	<b>269,303</b>	<b>231,060</b>	<b>6.1%</b>
Northwest	Flex/R&D	79	4,874,870	626,515	357,809	8,889	28,293	7.3%
	Warehouse Distribution	91	15,489,280	1,792,464	933,502	222,626	355,930	6.0%
	Warehouse Office	153	10,249,618	1,134,696	599,829	20,026	103,264	5.9%
	<b>Subtotal</b>	<b>323</b>	<b>30,613,768</b>	<b>3,553,675</b>	<b>1,891,140</b>	<b>251,541</b>	<b>487,487</b>	<b>6.2%</b>
Southeast	Flex/R&D	110	5,927,228	822,884	554,996	21,021	48,834	9.4%
	Warehouse Distribution	53	7,773,077	712,386	258,429	28,398	264,235	3.3%
	Warehouse Office	175	10,891,079	847,831	596,419	68,616	68,762	5.5%
	<b>Subtotal</b>	<b>338</b>	<b>24,591,384</b>	<b>2,383,101</b>	<b>1,409,844</b>	<b>118,035</b>	<b>381,831</b>	<b>5.7%</b>
Southwest	Flex/R&D	158	8,675,170	1,235,825	857,846	(110,480)	(128,727)	9.9%
	Warehouse Distribution	49	10,237,032	1,049,444	1,290,685	(264,796)	(73,632)	12.6%
	Warehouse Office	183	11,160,549	1,403,925	914,402	84,286	181,256	8.2%
	<b>Subtotal</b>	<b>390</b>	<b>30,072,751</b>	<b>3,689,194</b>	<b>3,062,933</b>	<b>(290,990)</b>	<b>(21,103)</b>	<b>10.2%</b>
West	Flex/R&D	54	3,475,699	513,641	383,689	(4,335)	(8,859)	11.0%
	Warehouse Distribution	21	2,642,744	205,780	130,585	7,105	7,105	4.9%
	Warehouse Office	70	4,439,266	333,322	135,245	128,432	199,868	3.0%
	<b>Subtotal</b>	<b>145</b>	<b>10,557,709</b>	<b>1,052,743</b>	<b>649,519</b>	<b>131,202</b>	<b>198,114</b>	<b>6.2%</b>
<b>Grand Total</b>		<b>1,718</b>	<b>138,150,274</b>	<b>14,668,826</b>	<b>9,595,682</b>	<b>479,091</b>	<b>1,277,389</b>	<b>6.9%</b>

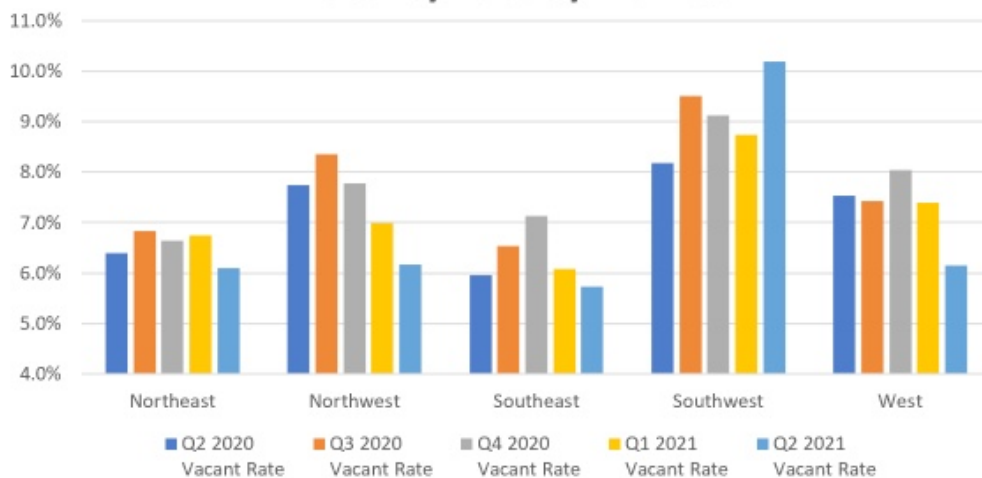
## Available and Vacancy Rates



## Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q2 2020 Vacant Rate	Q3 2020 Vacant Rate	Q4 2020 Vacant Rate	Q1 2021 Vacant Rate	Q2 2021 Vacant Rate
Northeast	Flex/R&D	9.4%	11.2%	10.1%	9.4%	7.5%
	Warehouse Distribution	5.8%	6.4%	6.6%	6.4%	5.7%
	Warehouse Office	5.4%	5.2%	5.2%	5.8%	5.7%
	<b>Subtotal</b>	<b>6.4%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.1%</b>
Northwest	Flex/R&D	8.2%	7.9%	7.9%	7.5%	7.3%
	Warehouse Distribution	7.9%	8.8%	8.3%	7.5%	6.0%
	Warehouse Office	7.3%	7.9%	6.9%	6.0%	5.9%
	<b>Subtotal</b>	<b>7.7%</b>	<b>8.4%</b>	<b>7.8%</b>	<b>7.0%</b>	<b>6.2%</b>
Southeast	Flex/R&D	6.7%	7.4%	10.2%	9.7%	9.4%
	Warehouse Distribution	5.9%	6.9%	6.7%	3.7%	3.3%
	Warehouse Office	5.5%	5.8%	5.8%	5.8%	5.5%
	<b>Subtotal</b>	<b>6.0%</b>	<b>6.5%</b>	<b>7.1%</b>	<b>6.1%</b>	<b>5.7%</b>
Southwest	Flex/R&D	8.8%	8.6%	8.4%	8.6%	9.9%
	Warehouse Distribution	9.0%	10.8%	9.6%	8.9%	12.6%
	Warehouse Office	7.0%	9.1%	9.3%	8.7%	8.2%
	<b>Subtotal</b>	<b>8.2%</b>	<b>9.5%</b>	<b>9.1%</b>	<b>8.7%</b>	<b>10.2%</b>
West	Flex/R&D	10.9%	10.9%	10.8%	10.9%	11.0%
	Warehouse Distribution	3.2%	2.5%	5.2%	5.2%	4.9%
	Warehouse Office	7.5%	7.6%	7.6%	5.9%	3.0%
	<b>Subtotal</b>	<b>7.5%</b>	<b>7.4%</b>	<b>8.0%</b>	<b>7.4%</b>	<b>6.2%</b>
<b>Grand Total</b>	<b>7.1%</b>	<b>7.8%</b>	<b>7.6%</b>	<b>7.2%</b>	<b>6.9%</b>	

### Vacancy Rate by Market





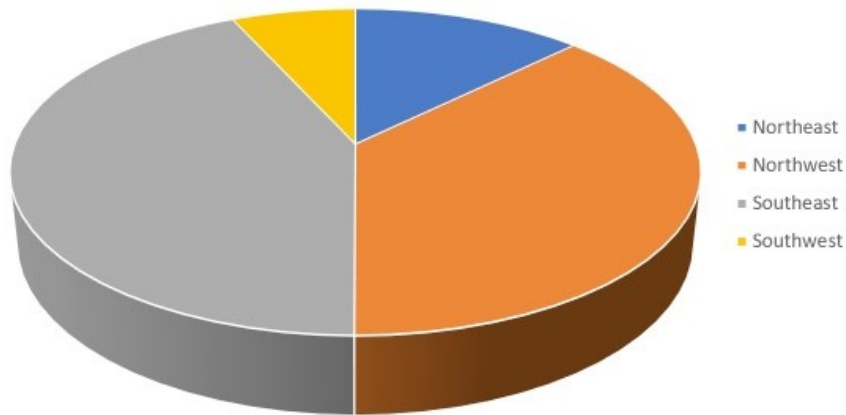
# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q2 2020		Q3 2020		Q4 2020		Q1 2021		Q2 2021	
		Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate	Ave Lease Rate
Northeast	Flex/R&D	\$6.61	\$10.90	\$6.57	\$10.89	\$6.79	\$10.86	\$6.90	\$10.89	\$6.96	\$10.60
	Warehouse Distribution	\$5.58	\$10.21	\$5.60	\$10.20	\$5.60	\$10.20	\$5.67	\$10.25	\$5.72	\$10.25
	Warehouse Office	\$6.12	\$9.51	\$6.13	\$9.69	\$5.73	\$9.45	\$5.88	\$9.52	\$6.25	\$9.44
	<b>Subtotal</b>	<b>\$6.25</b>	<b>\$10.16</b>	<b>\$6.27</b>	<b>\$10.29</b>	<b>\$6.18</b>	<b>\$10.15</b>	<b>\$6.34</b>	<b>\$10.24</b>	<b>\$6.53</b>	<b>\$10.09</b>
Northwest	Flex/R&D	\$6.22	\$10.42	\$6.39	\$10.46	\$6.31	\$10.57	\$6.20	\$10.56	\$6.73	\$10.98
	Warehouse Distribution	\$5.22	\$9.07	\$5.21	\$9.16	\$5.26	\$9.01	\$5.51	\$9.23	\$5.53	\$9.55
	Warehouse Office	\$5.90	\$9.01	\$5.75	\$8.77	\$5.68	\$9.22	\$5.68	\$9.29	\$5.87	\$9.13
	<b>Subtotal</b>	<b>\$5.80</b>	<b>\$9.47</b>	<b>\$5.77</b>	<b>\$9.39</b>	<b>\$5.75</b>	<b>\$9.57</b>	<b>\$5.80</b>	<b>\$9.68</b>	<b>\$6.05</b>	<b>\$9.85</b>
Southeast	Flex/R&D	\$6.06	\$9.53	\$5.97	\$9.36	\$5.93	\$9.66	\$5.87	\$9.75	\$5.94	\$9.37
	Warehouse Distribution	\$5.07	\$9.05	\$5.01	\$8.68	\$5.06	\$8.81	\$5.06	\$8.77	\$4.78	\$8.45
	Warehouse Office	\$5.46	\$8.62	\$5.57	\$8.73	\$5.74	\$8.91	\$6.07	\$9.15	\$5.87	\$9.13
	<b>Subtotal</b>	<b>\$5.59</b>	<b>\$9.01</b>	<b>\$5.65</b>	<b>\$8.98</b>	<b>\$5.71</b>	<b>\$9.19</b>	<b>\$5.87</b>	<b>\$9.37</b>	<b>\$5.84</b>	<b>\$9.20</b>
Southwest	Flex/R&D	\$6.25	\$10.20	\$6.53	\$10.16	\$6.77	\$10.39	\$6.73	\$10.32	\$6.55	\$10.70
	Warehouse Distribution	\$4.90	\$9.34	\$4.71	\$7.90	\$4.96	\$8.01	\$4.78	\$7.18	\$4.92	\$6.53
	Warehouse Office	\$5.88	\$9.42	\$5.68	\$9.02	\$6.20	\$9.61	\$6.33	\$9.64	\$6.41	\$9.76
	<b>Subtotal</b>	<b>\$5.98</b>	<b>\$9.80</b>	<b>\$6.03</b>	<b>\$9.50</b>	<b>\$6.35</b>	<b>\$9.83</b>	<b>\$6.40</b>	<b>\$9.78</b>	<b>\$6.36</b>	<b>\$9.97</b>
West	Flex/R&D	\$6.59	\$10.94	\$6.53	\$11.18	\$6.43	\$11.35	\$6.53	\$11.33	\$6.50	\$11.30
	Warehouse Distribution	\$4.75	\$9.50	\$4.75	\$9.50	\$4.90	\$9.80	\$6.04	\$10.29	\$6.20	\$10.30
	Warehouse Office	\$7.46	\$9.81	\$7.56	\$9.34	\$7.50	\$9.76	\$7.57	\$9.62	\$7.96	\$10.03
	<b>Subtotal</b>	<b>\$6.77</b>	<b>\$10.35</b>	<b>\$6.77</b>	<b>\$10.24</b>	<b>\$6.65</b>	<b>\$10.33</b>	<b>\$6.95</b>	<b>\$10.27</b>	<b>\$7.09</b>	<b>\$10.55</b>
<b>Grand Total</b>		<b>\$6.01</b>	<b>\$9.73</b>	<b>\$6.03</b>	<b>\$9.65</b>	<b>\$6.08</b>	<b>\$9.78</b>	<b>\$6.20</b>	<b>\$9.85</b>	<b>\$6.31</b>	<b>\$9.89</b>



# New Developments by Market

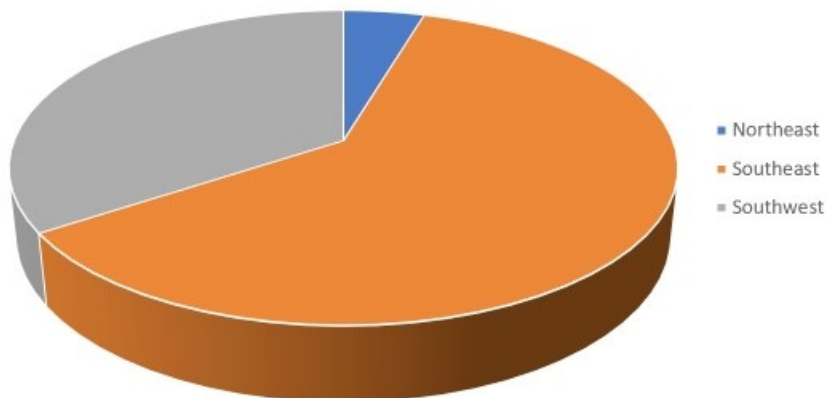
Under Construction SF



Market	Bldg SF
Northeast	558,860
Northwest	1,638,536
Southeast	1,892,884
Southwest	300,485
<b>Grand Total</b>	<b>4,390,765</b>

# YTD Deliveries by Market

YTD Delivered SF

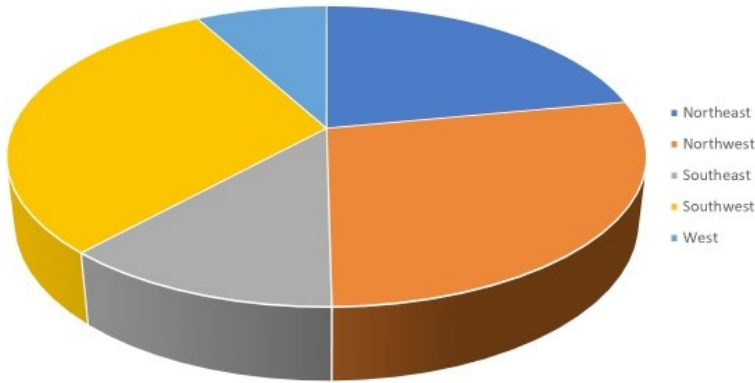


Market	Bldg SF
Northeast	35,000
Southeast	464,000
Southwest	260,100
<b>Grand Total</b>	<b>759,100</b>

# Leasing Activity

Property	Size (sf)	Market	Tenant	Landlord
Plymouth Distribution Center 13120 Cty Rd 6	179,614	West	State of MN	Wayzata Village Shoppes, LLP
Bloomington Distribution Center 5501 Old Shakopee Rd	172,655	Southwest	Anagram	Onward Investors, LLC
Canterbury Distribution Center 3200 4th Ave E	155,000	Southwest	Bernard Group	Shakopee Distribution Center, LLC
7500 Meridian Cir N	120,716	Northwest	Room & Board	MIP 7500 Meridian, LLC
8701 Evergreen Blvd	105,900	Northeast	Magnum Companies	Coon Rapids Evergreen 23, LLC

Leased SF

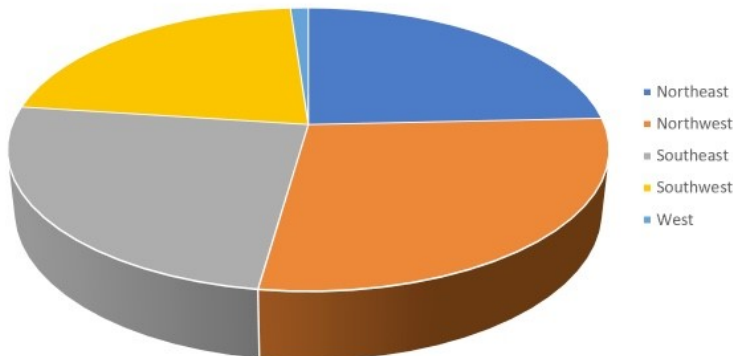


Market	Leased SF
Northeast	688,774
Northwest	868,981
Southeast	373,965
Southwest	949,217
West	247,992
<b>Grand Total</b>	<b>3,128,929</b>

# Sales Activity

Property	Price	Market	Buyer	Seller
Roberts Commercial Portfolio	\$48,175,000	Northeast	MIP LL, LLLC c/o Investcorp	Roberts Commercial Properties c/o Scott and Nicholas Roberts
Valley Park Business Center 5651 Innovation Blvd	\$22,500,000	Southwest	B9 MN Core Logistics Propco c/o The Blackstone Group	Liberty Property LP c/o Prologis
Diamond Lake Distribution Center 13225 Brockton Ln N	\$20,150,000	Northwest	CIVF VI - MN1M01-M02, LLC c/o Cabot Properties	Liberty Property LP c/o Prologis
Dayton Distribution Center I 11010 Holly Ln N	\$19,800,000	Northwest	B9 MN Core Logistics Propco c/o The Blackstone Group	Liberty Property LP c/o Prologis
Shady Oak Business Center 10301 70th St W	\$19,030,000	Southwest	SOT A-F Owner, LLC c/o Eagle Ridge Partners	Liberty Property LP c/o Prologis

Sold SF



Market	Sold SF
Northeast	1,355,118
Northwest	1,561,164
Southeast	1,387,066
Southwest	1,215,485
West	63,402
<b>Grand Total</b>	<b>5,582,235</b>

# Market Map



- |          |                  |          |                  |
|----------|------------------|----------|------------------|
| <b>1</b> | <b>Northeast</b> | <b>3</b> | <b>Southwest</b> |
| <b>2</b> | <b>Northwest</b> | <b>4</b> | <b>Southeast</b> |
|          |                  | <b>5</b> | <b>West</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.

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