

Market

# Trends

# Q2 2024

## Mpls/St Paul - Industrial



# REDI MOODY'S



# MARKET TRENDS

Q2 2024 | Mpls-St Paul | Industrial

## Employment

	Current	Y-o-Y
Employment	1,962,934	
Area Unemployment	2.6	
U.S. Unemployment	4.0	
Industrial Jobs	201,400	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	295,421,375
Total # of Bldgs (tracked)	3,309
Absorption	228,025
Vacancy	5.3%
Asking Rate Low (NNN)	\$8.43
Asking Rent High (NNN)	\$11.17
Under Construction	3,294,792

### Multi-tenant Properties

Total Inventory (sf)	154,706,162
Total # of Bldgs (tracked)	1,844
Absorption	(48,520)
Vacancy	8.0%
Asking Rate Low (NNN)	\$8.63
Asking Rent High (NNN)	\$11.38

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) decreased 30 basis points to 2.6% for May 2024 from 2.9% for May 2023. The unemployment rate for the US was at 4.0% in May 2024 increasing 30 basis points from last year. State of Minnesota unemployment rate was 2.8%. The Mpls-St Paul MSA saw an decrease in job growth while industrial specific jobs decreased in job growth in manufacturing by 1,000 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 295.4 msf in eight counties across the metro. Overall, there was 228,000 sf of positive absorption for Q2 2024, bringing the YTD to 1.1 msf positive absorption. Multi-tenant only properties posted (48,500) sf negative absorption bringing the YTD to 550,200 sf positive absorption. The overall vacancy rate for the quarter was 5.3% and multi-tenant properties vacancy rate was 8.0%. To date, there are 29 construction projects throughout the market totaling 3.3 msf and 30 properties have been delivered this year with 3.1 msf.

## Market Highlights

At the close of Q2 2024, the market experienced 2.3 msf of leasing activity in 159 transactions. The West market showed the lowest vacancy rate of 3.1% while the Southwest market is at the top with 6.8% for all properties. The Southeast bested all markets with 456,700 sf positive absorption led by the new delivery of Natural American Foods leasing 360,000 sf. The Southwest market posted the most negative absorption of (176,200) sf led by Cokem vacating 162,700 sf. One hundred properties sold totaling 6.9 msf for \$624.1 million.

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

## Total

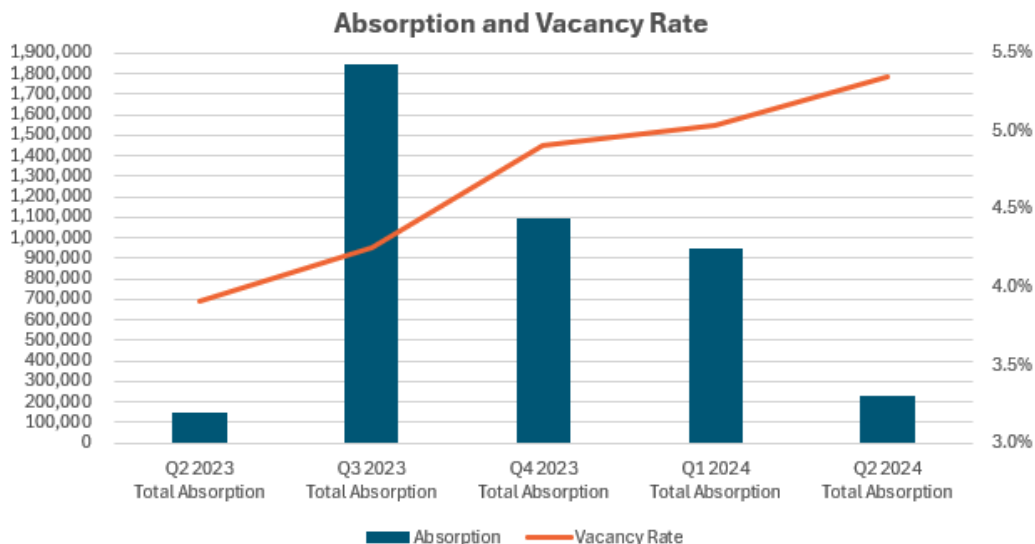
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,361,868	4,604,106	3,109,865	702	(105,501)	6.9%
Warehouse Distribution	656	118,632,906	10,446,437	8,008,714	218,700	1,185,702	6.8%
Warehouse Office	1,999	131,426,601	7,901,922	4,675,346	8,623	98,322	3.6%
<b>Grand Total</b>	<b>3,309</b>	<b>295,421,375</b>	<b>22,952,465</b>	<b>15,793,925</b>	<b>228,025</b>	<b>1,178,523</b>	<b>5.3%</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	45,361,868	4,020,078	2,890,276	(58,426)	(124,721)	6.4%
Warehouse Distribution	656	118,632,906	9,353,974	7,568,568	367,937	1,390,138	6.4%
Warehouse Office	1,999	131,426,601	6,787,844	4,016,125	108,917	101,754	3.1%
<b>Grand Total</b>	<b>3,309</b>	<b>295,421,375</b>	<b>20,161,896</b>	<b>14,474,969</b>	<b>418,428</b>	<b>1,367,171</b>	<b>4.9%</b>

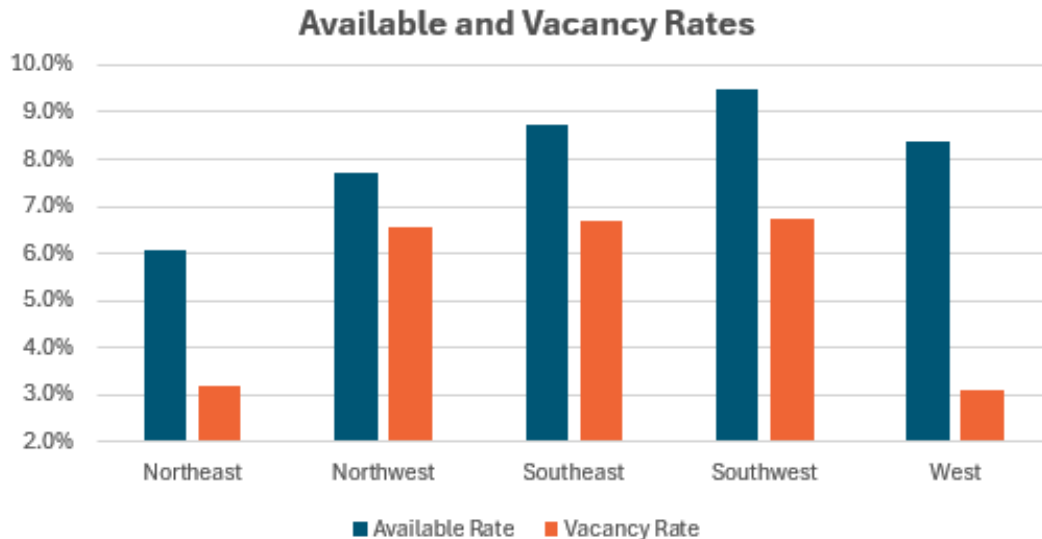
## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	654	45,361,868	584,028	219,589	59,128	19,220	0.5%
Warehouse Distribution	656	118,632,906	1,092,463	440,146	(149,237)	(204,436)	0.4%
Warehouse Office	1,999	131,426,601	1,114,078	659,221	(100,294)	(3,432)	0.5%
<b>Grand Total</b>	<b>3,309</b>	<b>295,421,375</b>	<b>2,790,569</b>	<b>1,318,956</b>	<b>(190,403)</b>	<b>(188,648)</b>	<b>0.4%</b>



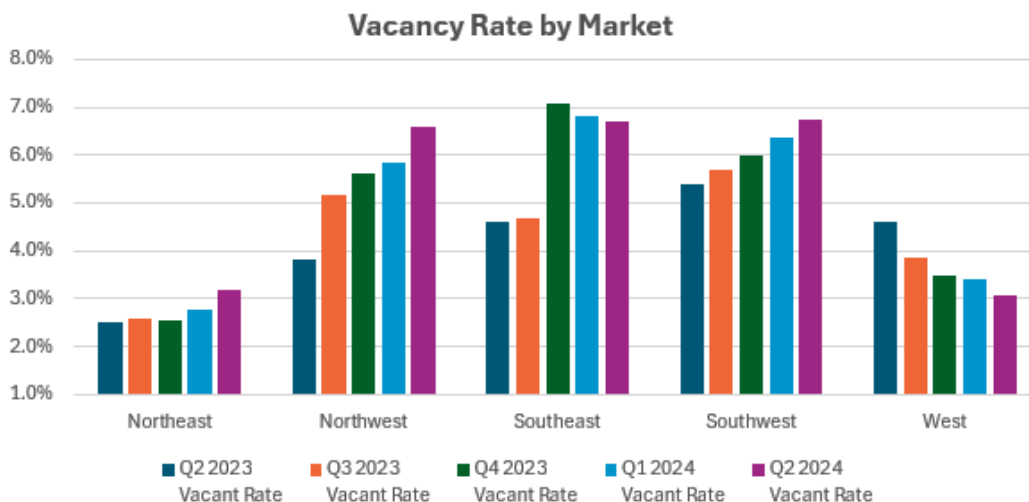
# Market Statistics by Market (Multi and Single Tenant)

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	1,125,062	612,248	22,828	(100,029)	5.4%
	Warehouse Distribution	194	33,238,837	2,117,431	987,430	93,620	233,286	3.0%
	Warehouse Office	739	48,249,587	2,376,751	1,347,094	(196,982)	(286,637)	2.8%
	<b>Subtotal</b>	<b>1,095</b>	<b>92,837,221</b>	<b>5,619,244</b>	<b>2,946,772</b>	<b>(80,534)</b>	<b>(153,380)</b>	<b>3.2%</b>
Northwest	Flex/R&D	104	8,050,631	535,007	286,595	15,584	(48,237)	3.6%
	Warehouse Distribution	185	33,189,047	3,032,573	2,823,445	(6,892)	336,588	8.5%
	Warehouse Office	366	24,946,857	1,526,152	1,241,793	(42,005)	11,934	5.0%
	<b>Subtotal</b>	<b>655</b>	<b>66,186,535</b>	<b>5,093,732</b>	<b>4,351,833</b>	<b>(33,313)</b>	<b>300,285</b>	<b>6.6%</b>
Southeast	Flex/R&D	132	8,058,622	1,337,070	908,559	(46,464)	(41,427)	11.3%
	Warehouse Distribution	145	28,456,236	2,880,908	2,685,157	325,708	586,112	9.4%
	Warehouse Office	419	26,233,039	1,254,682	612,528	177,510	332,178	2.3%
	<b>Subtotal</b>	<b>696</b>	<b>62,747,897</b>	<b>5,472,660</b>	<b>4,206,244</b>	<b>456,754</b>	<b>876,863</b>	<b>6.7%</b>
Southwest	Flex/R&D	193	13,376,014	1,225,573	978,405	51,445	67,381	7.3%
	Warehouse Distribution	98	19,995,492	2,211,974	1,453,093	(211,743)	45,999	7.3%
	Warehouse Office	325	21,577,814	1,764,511	1,281,310	(15,913)	(71,690)	5.9%
	<b>Subtotal</b>	<b>616</b>	<b>54,949,320</b>	<b>5,202,058</b>	<b>3,712,808</b>	<b>(176,211)</b>	<b>41,690</b>	<b>6.8%</b>
West	Flex/R&D	63	4,527,804	381,394	324,058	(42,691)	16,811	7.2%
	Warehouse Distribution	34	3,753,294	203,551	59,589	18,007	(16,283)	1.6%
	Warehouse Office	150	10,419,304	979,826	192,621	86,013	112,537	1.8%
	<b>Subtotal</b>	<b>247</b>	<b>18,700,402</b>	<b>1,564,771</b>	<b>576,268</b>	<b>61,329</b>	<b>113,065</b>	<b>3.1%</b>
<b>Grand Total</b>		<b>3,309</b>	<b>295,421,375</b>	<b>22,952,465</b>	<b>15,793,925</b>	<b>228,025</b>	<b>1,178,523</b>	<b>5.3%</b>



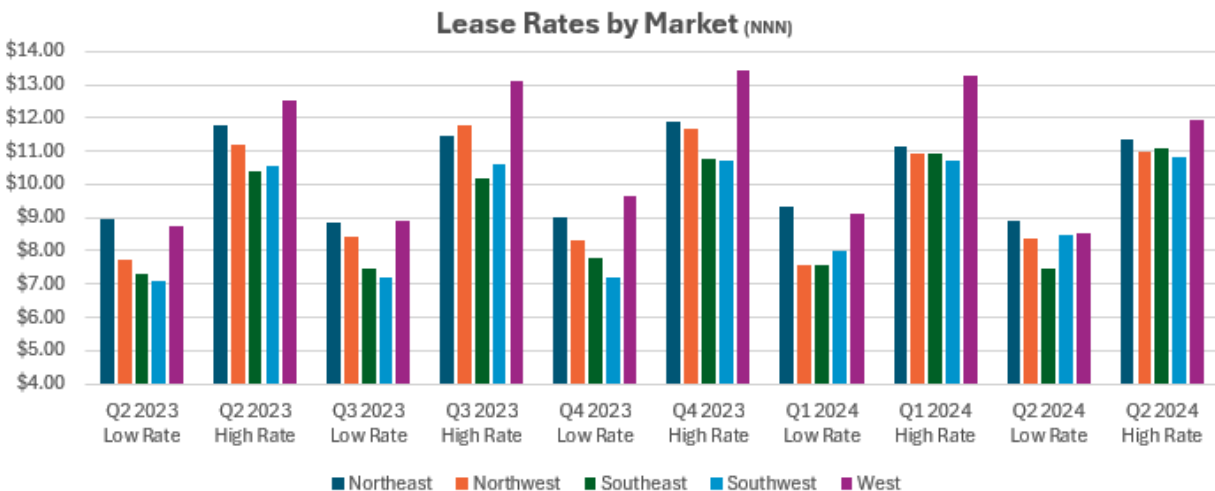
# Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate
Northeast	Flex/R&D	5.0%	4.7%	4.5%	5.6%	5.4%
	Warehouse Distribution	2.0%	2.1%	2.3%	2.4%	3.0%
	Warehouse Office	2.2%	2.4%	2.2%	2.4%	2.8%
	<b>Subtotal</b>	<b>2.5%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.2%</b>
Northwest	Flex/R&D	5.8%	5.3%	3.0%	3.8%	3.6%
	Warehouse Distribution	3.7%	6.6%	7.2%	7.6%	8.5%
	Warehouse Office	3.4%	3.2%	4.4%	4.2%	5.0%
	<b>Subtotal</b>	<b>3.8%</b>	<b>5.2%</b>	<b>5.6%</b>	<b>5.9%</b>	<b>6.6%</b>
Southeast	Flex/R&D	10.3%	11.1%	10.8%	10.7%	11.3%
	Warehouse Distribution	5.3%	4.8%	9.6%	9.4%	9.4%
	Warehouse Office	2.0%	2.5%	3.2%	2.8%	2.3%
	<b>Subtotal</b>	<b>4.6%</b>	<b>4.7%</b>	<b>7.1%</b>	<b>6.8%</b>	<b>6.7%</b>
Southwest	Flex/R&D	7.1%	7.0%	7.8%	7.7%	7.3%
	Warehouse Distribution	5.7%	5.0%	5.4%	6.2%	7.3%
	Warehouse Office	4.0%	5.5%	5.4%	5.7%	5.9%
	<b>Subtotal</b>	<b>5.4%</b>	<b>5.7%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.8%</b>
West	Flex/R&D	9.4%	8.0%	6.9%	6.2%	7.2%
	Warehouse Distribution	3.4%	1.1%	1.2%	2.1%	1.6%
	Warehouse Office	3.1%	3.2%	2.9%	2.7%	1.8%
	<b>Subtotal</b>	<b>4.6%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.1%</b>
<b>Grand Total</b>	<b>3.9%</b>	<b>4.3%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.3%</b>	



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

Market	Property Type	Q2 2023		Q3 2023		Q4 2023		Q1 2024		Q2 2024	
		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	\$10.10	\$12.58	\$10.40	\$12.34	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62
	Warehouse Distribution										
	Warehouse Office	\$7.54	\$10.76	\$7.58	\$10.76	\$7.92	\$11.50	\$8.16	\$10.52	\$8.47	\$11.10
	<b>Subtotal</b>	<b>\$8.97</b>	<b>\$11.78</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>\$8.93</b>	<b>\$11.36</b>
Northwest	Flex/R&D	\$7.98	\$12.13	\$9.55	\$12.68	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76
	Warehouse Distribution	\$10.25	\$10.25					\$6.75	\$12.75	\$6.63	\$9.63
	Warehouse Office	\$7.31	\$10.54	\$7.32	\$10.84	\$6.25	\$10.31	\$6.71	\$10.71	\$7.61	\$10.28
	<b>Subtotal</b>	<b>\$7.73</b>	<b>\$11.22</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>
Southeast	Flex/R&D	\$7.97	\$10.92	\$8.24	\$10.71	\$8.91	\$11.99	\$8.20	\$12.17	\$8.32	\$12.16
	Warehouse Distribution	\$6.75	\$6.75	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
	Warehouse Office	\$5.54	\$9.54	\$5.65	\$9.45	\$5.10	\$8.21	\$5.81	\$8.06	\$6.17	\$9.81
	<b>Subtotal</b>	<b>\$7.28</b>	<b>\$10.38</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>
Southwest	Flex/R&D	\$6.96	\$11.05	\$7.72	\$11.37	\$7.74	\$11.45	\$8.66	\$11.68	\$9.51	\$11.99
	Warehouse Distribution	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63	\$6.13	\$7.63
	Warehouse Office	\$7.47	\$10.51	\$6.83	\$10.35	\$6.71	\$10.33	\$7.59	\$10.14	\$7.33	\$9.63
	<b>Subtotal</b>	<b>\$7.10</b>	<b>\$10.56</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>
West	Flex/R&D	\$8.25	\$13.02	\$9.29	\$13.28	\$9.92	\$13.72	\$8.51	\$13.21	\$8.98	\$12.35
	Warehouse Distribution	\$4.50	\$8.50	\$4.50	\$8.50	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25
	Warehouse Office	\$9.96	\$12.34	\$8.93	\$13.38	\$10.00	\$13.71	\$10.50	\$14.17	\$8.64	\$12.64
	<b>Subtotal</b>	<b>\$8.75</b>	<b>\$12.52</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>Grand Total</b>		<b>\$7.92</b>	<b>\$11.20</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>\$8.43</b>	<b>\$11.17</b>



# Market Statistics by Property Type (Multi-Tenant)

## Total

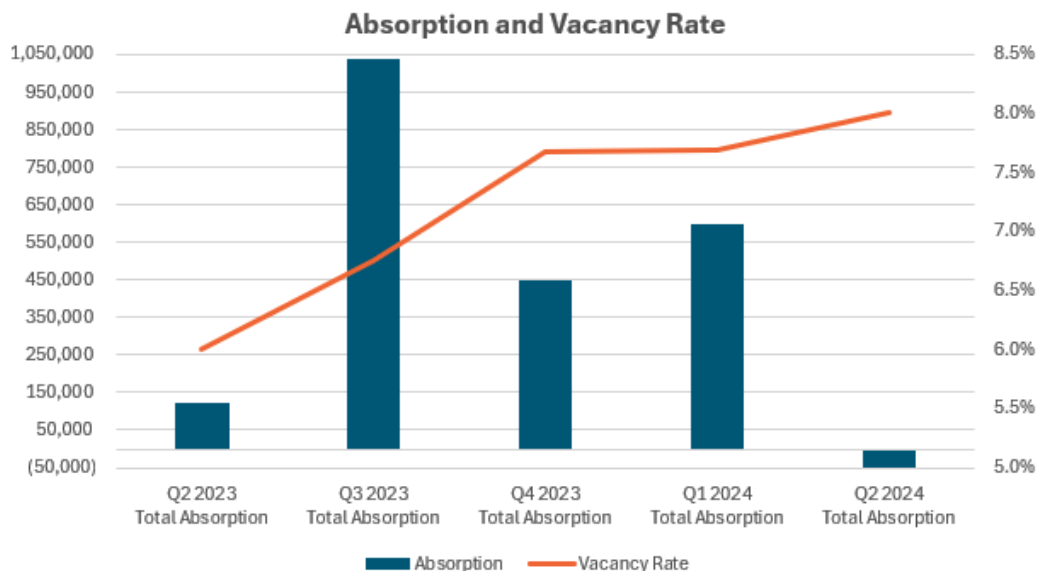
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	549	33,308,917	4,197,484	2,882,503	742	(144,172)	8.7%
Warehouse Distribution	351	59,987,882	7,575,638	6,351,908	40,521	686,903	10.6%
Warehouse Office	944	61,409,363	5,669,873	3,160,303	(89,783)	7,496	5.1%
<b>Grand Total</b>	<b>1,844</b>	<b>154,706,162</b>	<b>17,442,995</b>	<b>12,394,714</b>	<b>(48,520)</b>	<b>550,227</b>	<b>8.0%</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	549	33,308,917	3,726,640	2,662,914	(9,464)	(114,470)	8.0%
Warehouse Distribution	351	59,987,882	6,795,299	5,975,072	129,758	831,339	10.0%
Warehouse Office	944	61,409,363	4,859,834	2,888,889	10,511	82,025	4.7%
<b>Grand Total</b>	<b>1,844</b>	<b>154,706,162</b>	<b>15,381,773</b>	<b>11,526,875</b>	<b>130,805</b>	<b>798,894</b>	<b>7.5%</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	549	33,308,917	470,844	219,589	10,206	(29,702)	0.7%
Warehouse Distribution	351	59,987,882	780,339	376,836	(89,237)	(144,436)	0.6%
Warehouse Office	944	61,409,363	810,039	271,414	(100,294)	(74,529)	0.4%
<b>Grand Total</b>	<b>1,844</b>	<b>154,706,162</b>	<b>2,061,222</b>	<b>867,839</b>	<b>(179,325)</b>	<b>(248,667)</b>	<b>0.6%</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	1,125,062	612,248	22,828	(100,029)	6.5%
	Warehouse Distribution	88	13,588,244	1,061,055	747,052	(7,784)	131,882	5.5%
	Warehouse Office	318	21,442,942	1,442,664	916,977	(125,011)	(140,239)	4.3%
	<b>Subtotal</b>	<b>542</b>	<b>44,462,718</b>	<b>3,628,781</b>	<b>2,276,277</b>	<b>(109,967)</b>	<b>(108,386)</b>	<b>5.1%</b>
Northwest	Flex/R&D	83	4,955,186	535,007	286,595	15,584	(48,237)	5.8%
	Warehouse Distribution	113	20,175,395	2,605,909	2,328,357	(132,892)	14,968	11.5%
	Warehouse Office	174	11,642,551	1,169,020	721,765	(42,005)	11,934	6.2%
	<b>Subtotal</b>	<b>370</b>	<b>36,773,132</b>	<b>4,309,936</b>	<b>3,336,717</b>	<b>(159,313)</b>	<b>(21,335)</b>	<b>9.1%</b>
Southeast	Flex/R&D	112	5,911,856	978,414	727,764	(46,424)	(41,387)	12.3%
	Warehouse Distribution	73	12,148,824	2,590,507	2,394,756	374,933	510,337	19.7%
	Warehouse Office	191	11,360,213	626,578	331,698	42,333	133,921	2.9%
	<b>Subtotal</b>	<b>376</b>	<b>29,420,893</b>	<b>4,195,499</b>	<b>3,454,218</b>	<b>370,842</b>	<b>602,871</b>	<b>11.7%</b>
Southwest	Flex/R&D	162	9,151,759	1,177,607	950,064	51,445	75,580	10.4%
	Warehouse Distribution	58	11,840,274	1,117,926	825,464	(211,743)	45,999	7.0%
	Warehouse Office	188	11,657,448	1,559,443	1,040,242	(15,913)	(35,690)	8.9%
	<b>Subtotal</b>	<b>408</b>	<b>32,649,481</b>	<b>3,854,976</b>	<b>2,815,770</b>	<b>(176,211)</b>	<b>85,889</b>	<b>8.6%</b>
West	Flex/R&D	56	3,858,584	381,394	305,832	(42,691)	(30,099)	7.9%
	Warehouse Distribution	19	2,235,145	200,241	56,279	18,007	(16,283)	2.5%
	Warehouse Office	73	5,306,209	872,168	149,621	50,813	37,570	2.8%
	<b>Subtotal</b>	<b>148</b>	<b>11,399,938</b>	<b>1,453,803</b>	<b>511,732</b>	<b>26,129</b>	<b>(8,812)</b>	<b>4.5%</b>
<b>Grand Total</b>		<b>1,844</b>	<b>154,706,162</b>	<b>17,442,995</b>	<b>12,394,714</b>	<b>(48,520)</b>	<b>550,227</b>	<b>8.0%</b>

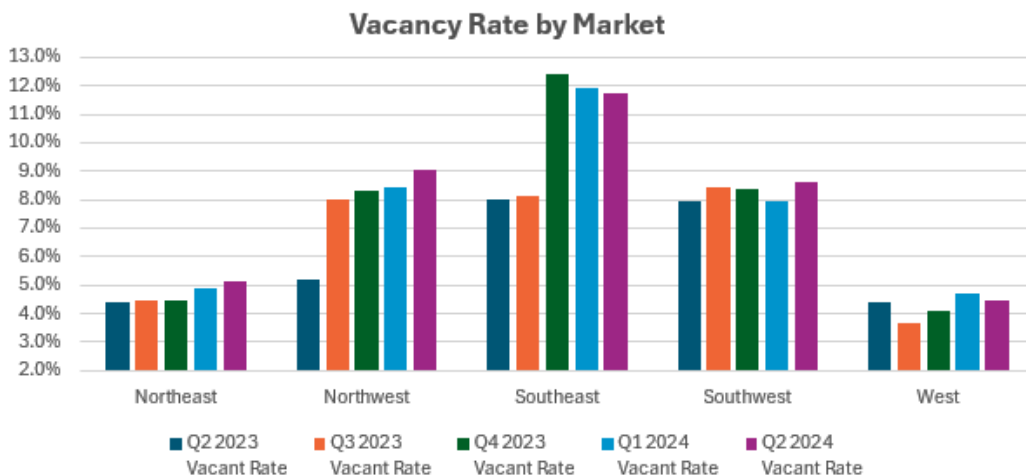
Available and Vacancy Rates





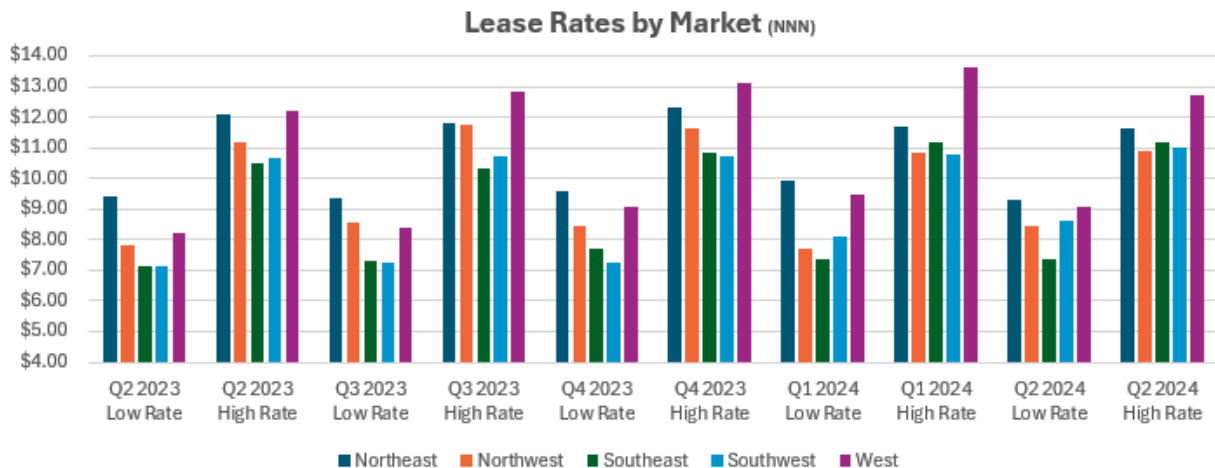
# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q2 2023 Vacancy Rate	Q3 2023 Vacancy Rate	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate
Northeast	Flex/R&D	6.1%	5.6%	5.4%	6.8%	6.5%
	Warehouse Distribution	4.5%	4.7%	5.2%	5.4%	5.5%
	Warehouse Office	3.7%	3.8%	3.6%	3.7%	4.3%
	<b>Subtotal</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.5%</b>	<b>4.9%</b>	<b>5.1%</b>
Northwest	Flex/R&D	8.5%	8.7%	4.8%	6.1%	5.8%
	Warehouse Distribution	3.8%	9.2%	10.3%	10.5%	11.5%
	Warehouse Office	5.9%	5.6%	6.3%	5.8%	6.2%
	<b>Subtotal</b>	<b>5.2%</b>	<b>8.0%</b>	<b>8.3%</b>	<b>8.4%</b>	<b>9.1%</b>
Southeast	Flex/R&D	10.8%	12.0%	11.5%	11.5%	12.3%
	Warehouse Distribution	11.7%	10.5%	20.7%	20.4%	19.7%
	Warehouse Office	2.9%	3.9%	4.2%	3.3%	2.9%
	<b>Subtotal</b>	<b>8.0%</b>	<b>8.1%</b>	<b>12.4%</b>	<b>11.9%</b>	<b>11.7%</b>
Southwest	Flex/R&D	10.2%	10.0%	11.2%	10.9%	10.4%
	Warehouse Distribution	8.6%	7.5%	6.2%	5.2%	7.0%
	Warehouse Office	5.4%	8.2%	8.3%	8.5%	8.9%
	<b>Subtotal</b>	<b>8.0%</b>	<b>8.4%</b>	<b>8.4%</b>	<b>8.0%</b>	<b>8.6%</b>
West	Flex/R&D	8.7%	7.0%	6.3%	6.8%	7.9%
	Warehouse Distribution	2.8%	1.7%	1.8%	3.3%	2.5%
	Warehouse Office	2.1%	2.3%	3.5%	3.8%	2.8%
	<b>Subtotal</b>	<b>4.4%</b>	<b>3.7%</b>	<b>4.1%</b>	<b>4.7%</b>	<b>4.5%</b>
<b>Grand Total</b>		<b>6.0%</b>	<b>6.8%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>8.0%</b>



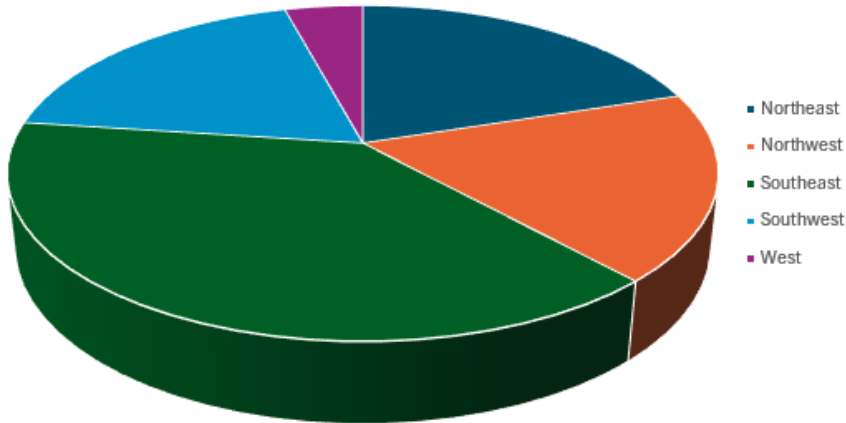
# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q2 2023		Q3 2023		Q4 2023		Q1 2024		Q2 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	\$10.10	\$12.58	\$10.40	\$12.34	\$10.56	\$12.40	\$10.93	\$12.08	\$9.41	\$11.62
	Warehouse Distribution										
	Warehouse Office	\$8.25	\$11.29	\$8.21	\$11.22	\$8.66	\$12.20	\$8.97	\$11.29	\$9.13	\$11.62
	<b>Subtotal</b>	<b>\$9.43</b>	<b>\$12.11</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>\$9.28</b>	<b>\$11.62</b>
Northwest	Flex/R&D	\$7.98	\$12.13	\$9.55	\$12.68	\$9.94	\$12.74	\$8.90	\$10.89	\$9.27	\$11.76
	Warehouse Distribution	\$10.25	\$10.25					\$6.75	\$12.75	\$6.63	\$9.63
	Warehouse Office	\$7.43	\$10.41	\$7.45	\$10.72	\$6.29	\$10.07	\$6.83	\$10.50	\$7.81	\$10.06
	<b>Subtotal</b>	<b>\$7.81</b>	<b>\$11.18</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>
Southeast	Flex/R&D	\$7.65	\$10.80	\$7.89	\$10.55	\$8.77	\$11.87	\$7.83	\$12.12	\$8.08	\$12.05
	Warehouse Distribution	\$6.75	\$6.75	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
	Warehouse Office	\$5.60	\$10.40	\$5.75	\$10.50	\$5.07	\$8.80	\$6.00	\$9.00	\$6.28	\$10.38
	<b>Subtotal</b>	<b>\$7.12</b>	<b>\$10.51</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>
Southwest	Flex/R&D	\$6.96	\$11.05	\$7.72	\$11.37	\$7.74	\$11.45	\$8.66	\$11.68	\$9.65	\$12.23
	Warehouse Distribution	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
	Warehouse Office	\$7.50	\$10.88	\$6.79	\$10.72	\$6.68	\$10.53	\$7.63	\$10.43	\$7.34	\$9.84
	<b>Subtotal</b>	<b>\$7.11</b>	<b>\$10.66</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>
West	Flex/R&D	\$7.23	\$12.48	\$8.26	\$12.69	\$8.85	\$13.13	\$8.51	\$13.21	\$8.98	\$12.35
	Warehouse Distribution	\$4.50	\$8.50	\$4.50	\$8.50	\$4.50	\$8.50	\$4.75	\$8.50	\$6.38	\$8.25
	Warehouse Office	\$9.96	\$12.34	\$8.93	\$13.38	\$10.00	\$13.71	\$11.50	\$15.20	\$10.30	\$15.00
	<b>Subtotal</b>	<b>\$8.23</b>	<b>\$12.21</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>Grand Total</b>		<b>\$7.94</b>	<b>\$11.28</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>\$8.63</b>	<b>\$11.38</b>



# New Developments by Market

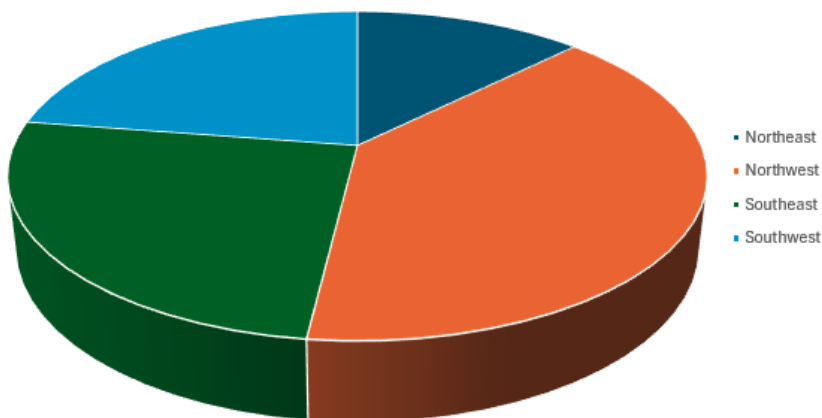
Under Construction (sf)



Market	Bldg (sf)
Northeast	660,693
Northwest	597,809
Southeast	1,280,639
Southwest	616,751
West	138,900
<b>Grand Total</b>	<b>3,294,792</b>

# YTD Deliveries by Market

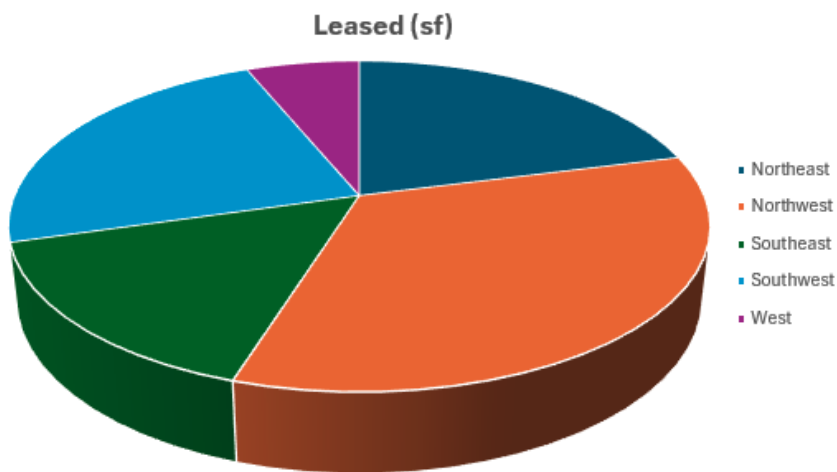
YTD Delivered (sf)



Market	Bldg (sf)
Northeast	401,592
Northwest	1,251,464
Southeast	811,589
Southwest	718,666
<b>Grand Total</b>	<b>3,183,311</b>

# Leasing Activity

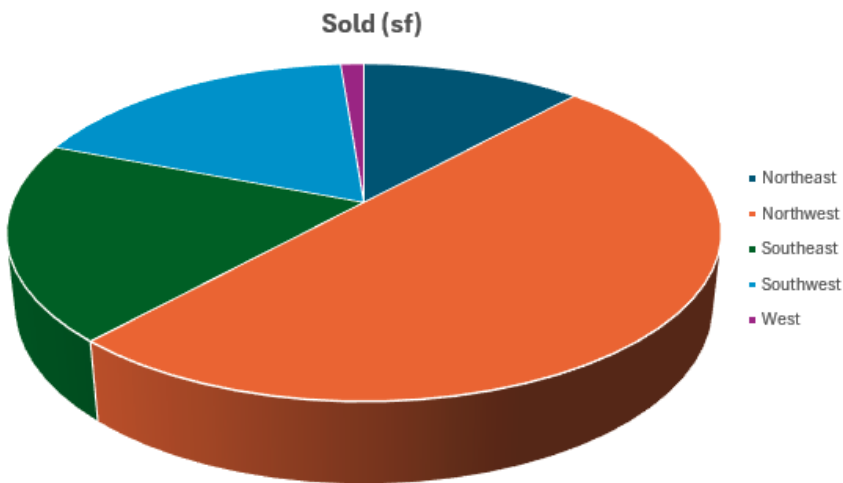
Property	Size (sf)	Market	Tenant	Landlord
Audubon Business Park Audubon Rd & Coulter Blvd	229,688	Southwest	Bernard Group	New Development by Cushman & Wakefield
Golden Valley Business Center 751 Douglas Dr N	182,000	Northwest	Amazon	6300 Olson Memorial Highway Owner
Audubon Business Park Audubon Rd & Coulter Blvd	164,559	Southwest	Bernard Group	New Development by Cushman & Wakefield
10700 165th Ave NW	131,300	Northwest	Vireo Health	DM Enterprises, LLC
Golden Valley Business Center 651 Douglas Dr N	123,718	Northwest	Shippers Supply	6300 Olson Memorial Highway Owner



Market	Leased (sf)
Northeast	490,446
Northwest	791,398
Southeast	365,121
Southwest	543,056
West	145,606
<b>Grand Total</b>	<b>2,335,627</b>

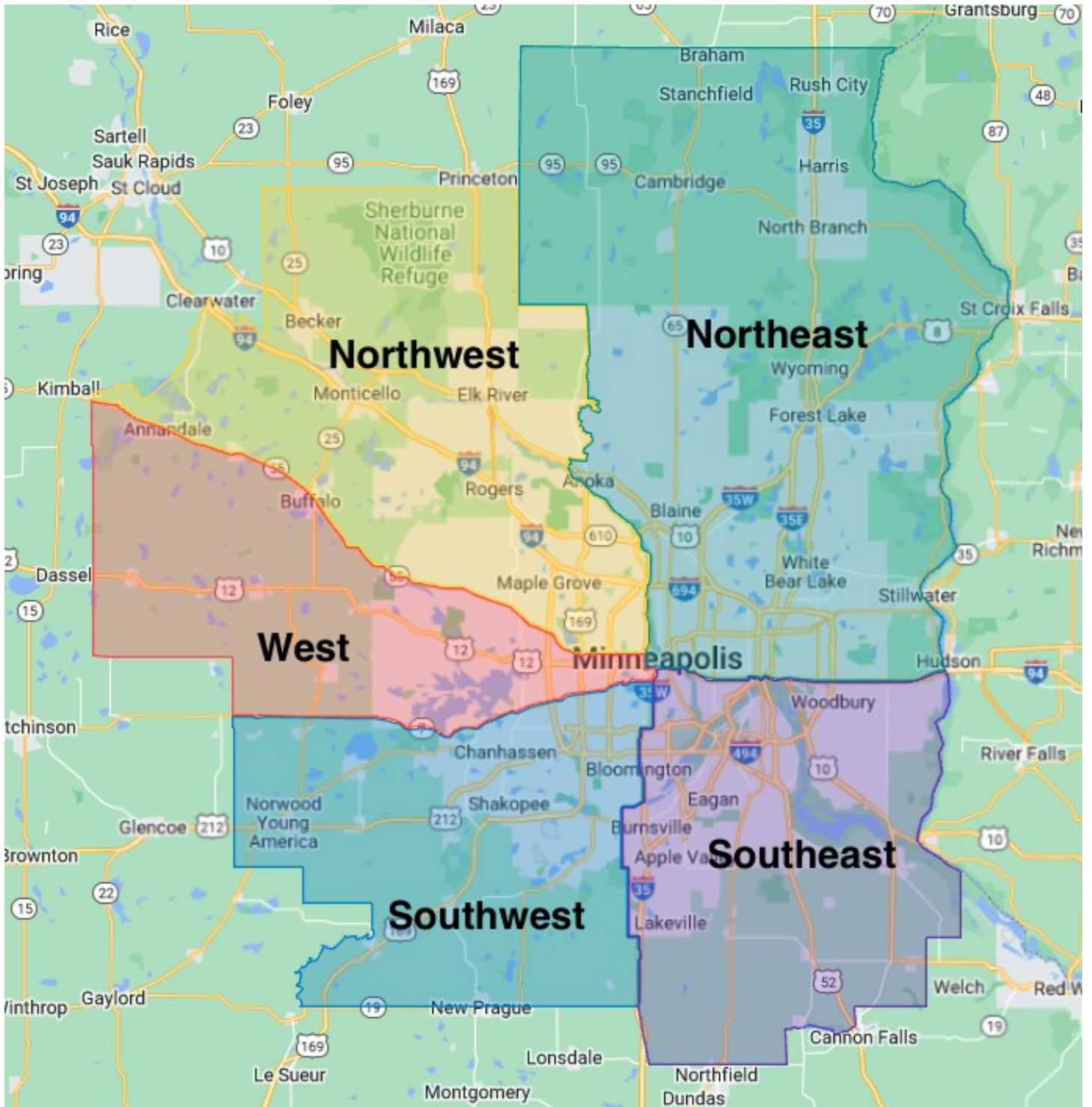
# Sales Activity

Property	Price	Market	Buyer	Seller
Gateway North Bus Center 6651 Queens Ave NE	\$41,100,000	Northwest	Exeter Property Group/ EQT Exeter	Prologis
Crosstown North Bus Center 7601 Setzler Pkwy N	\$31,110,000	Northwest	Exeter Property Group	Prologis
Arbor Lakes Business Park 10693 Elm Creek Blvd N	\$31,000,000	Northwest	Exeter Property Group	Prologis
Gateway South 2101 4th Ave E	\$30,600,000	Southwest	EQT Exeter	Prologis
Arbor Lakes Business Park 10500 Fountains Dr	\$27,000,000	Northwest	EQT Exeter Real Estate Income Trust	Prologis



Market	Sold (sf)
Northeast	825,158
Northwest	3,483,117
Southeast	1,328,323
Southwest	1,250,029
West	86,776
<b>Grand Total</b>	<b>6,973,403</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.

# Advisory Board Members

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	Jack Tornquist		Duane Poppe
Colliers	Andrew Odney	Newmark	Brian Netz
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