

Market

Trends

Q1 2025

Mpls/St Paul - Retail



REDI
MOODY'S



MARKET TRENDS

Q1 2025 | Mpls-St Paul | Retail

Employment

| | <u>Current</u> | <u>Y-o-Y</u> |
|-------------------|----------------|---|
| Employment | 2,007,217 |  |
| Area Unemployment | 3.5 |  |
| U.S. Unemployment | 4.1 |  |
| Retail Jobs | 169,500 |  |

Source: BLS

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

Market Recap

| | |
|----------------------------|------------|
| Total Inventory (sf) | 93,706,616 |
| Total # of Bldgs (tracked) | 1,941 |
| Absorption | (177,852) |
| Vacancy | 7.2% |
| Asking Rate (NNN) | \$19.43 |
| Under Construction | 368,870 |

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 20 basis points to 3.5% for February 2025 from 3.3% for February 2024. The unemployment rate for the US was at 4.1% in February 2025 increasing 20 basis points from last year. State of Minnesota unemployment rate was 3.0%. The Mpls-St Paul MSA saw an increase in job growth while retail decreased in job growth in leisure and hospitality by 6,200 during the same period.

Market Overview

The Mpls-St Paul retail market consists of over 93.7 msf of space in seven metro counties. This region posted (177,800) sf negative absorption for Q1 2025 and the YTD of (177,800) sf negative absorption. Multi-tenant properties had (34,000) sf negative absorption this quarter and the YTD of (34,000) sf negative absorption. The vacancy rate for the overall market was 7.2% and multi-tenant only properties showed 10.2%. To date there are 29 construction projects throughout the market totaling 368,800 sf.

Market Highlights

The Northwest market posted the lowest vacancy rate at 4.8% for all properties while Mpls CBD was the highest at 28.6%. All the suburban markets posted 6.3% vacancy rate. The Southeast market led all markets posting positive absorption of 109,600 sf led by new delivery of Best Buy with 45,600 sf. Northeast market had the largest negative absorption of (155,200) sf led by At Home vacating 114,000 sf. During Q1 2025, 95 properties sold with 811,800 sf totaling \$116.4 million. At the close of Q1 2025, the market experienced over 457,400 sf of leasing activity from 156 transactions.

Market Statistics by Property Type

Total

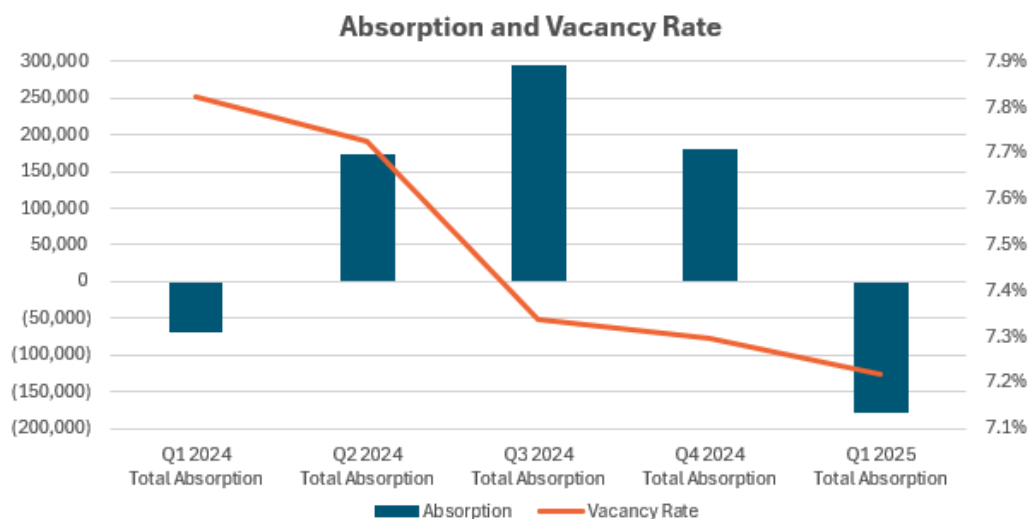
| Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|----------------------|--------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Community Center | 68 | 11,094,785 | 1,344,924 | 1,365,740 | (10,099) | (10,099) | 12.3% |
| Freestanding/Big Box | 601 | 38,199,388 | 928,519 | 1,132,377 | (143,755) | (143,755) | 3.0% |
| Mixed Use | 200 | 7,216,094 | 1,079,890 | 1,379,348 | (4,680) | (4,680) | 19.1% |
| Neighborhood Center | 337 | 19,019,185 | 1,314,383 | 1,282,150 | (4,016) | (4,016) | 6.7% |
| Regional Center | 9 | 7,018,869 | 924,624 | 922,891 | (7,754) | (7,754) | 13.1% |
| Strip Center | 726 | 11,158,295 | 869,461 | 682,313 | (7,548) | (7,548) | 6.1% |
| Grand Total | 1,941 | 93,706,616 | 6,461,801 | 6,764,819 | (177,852) | (177,852) | 7.2% |

Direct

| Property Type | # of Bldgs | Inventory | Direct Available (sf) | Direct Vacant (sf) | Direct Absorption (sf) | YTD Direct Absorption (sf) | Vacancy Rate |
|----------------------|--------------|-------------------|-----------------------|--------------------|------------------------|----------------------------|--------------|
| Community Center | 68 | 11,094,785 | 1,245,320 | 1,311,520 | (10,099) | (10,099) | 11.8% |
| Freestanding/Big Box | 601 | 38,199,388 | 762,413 | 1,006,697 | (178,255) | (178,255) | 2.6% |
| Mixed Use | 200 | 7,216,094 | 1,015,501 | 1,328,040 | (15,797) | (15,797) | 18.4% |
| Neighborhood Center | 337 | 19,019,185 | 1,212,733 | 1,183,477 | (4,016) | (4,016) | 6.2% |
| Regional Center | 9 | 7,018,869 | 924,624 | 922,891 | (7,754) | (7,754) | 13.1% |
| Strip Center | 726 | 11,158,295 | 853,102 | 680,968 | (9,437) | (9,437) | 6.1% |
| Grand Total | 1,941 | 93,706,616 | 6,013,693 | 6,433,593 | (225,358) | (225,358) | 6.9% |

Sublease

| Property Type | # of Bldgs | Inventory | Sublease Available (sf) | Sublease Vacant (sf) | Sublease Absorption (sf) | YTD Sublease Absorption (sf) | Vacancy Rate |
|----------------------|--------------|-------------------|-------------------------|----------------------|--------------------------|------------------------------|--------------|
| Community Center | 68 | 11,094,785 | 99,604 | 54,220 | 0 | 0 | 0.5% |
| Freestanding/Big Box | 601 | 38,199,388 | 166,106 | 125,680 | 34,500 | 34,500 | 0.3% |
| Mixed Use | 200 | 7,216,094 | 64,389 | 51,308 | 11,117 | 11,117 | 0.7% |
| Neighborhood Center | 337 | 19,019,185 | 101,650 | 98,673 | 0 | 0 | 0.5% |
| Regional Center | 9 | 7,018,869 | | | 0 | 0 | 0.0% |
| Strip Center | 726 | 11,158,295 | 16,359 | 1,345 | 1,889 | 1,889 | 0.0% |
| Grand Total | 1,941 | 93,706,616 | 448,108 | 331,226 | 47,506 | 47,506 | 0.4% |



Market Statistics by Market

| Market | Property Type | # of Bldgs | Inventory | Total Available (sf) | Total Vacant (sf) | Total Absorption (sf) | YTD Total Absorption (sf) | Vacancy Rate |
|--------------------|----------------------|--------------|-------------------|----------------------|-------------------|-----------------------|---------------------------|--------------|
| Mpls CBD | Community Center | 1 | 147,643 | | | 0 | 0 | 0.0% |
| | Freestanding/Big Box | 3 | 356,182 | | | 0 | 0 | 0.0% |
| | Mixed Use | 63 | 2,789,817 | 646,149 | 944,026 | 8,552 | 8,552 | 33.8% |
| | Strip Center | 2 | 18,520 | 2,269 | 2,269 | 0 | 0 | 12.3% |
| | Subtotal | 69 | 3,312,162 | 648,418 | 946,295 | 8,552 | 8,552 | 28.6% |
| Northeast | Community Center | 23 | 3,823,340 | 488,885 | 464,282 | (53,934) | (53,934) | 12.1% |
| | Freestanding/Big Box | 198 | 12,871,913 | 428,047 | 657,741 | (93,520) | (93,520) | 5.1% |
| | Mixed Use | 23 | 602,868 | 45,803 | 31,173 | 4,841 | 4,841 | 5.2% |
| | Neighborhood Center | 95 | 5,555,955 | 424,415 | 452,467 | (16,077) | (16,077) | 8.1% |
| | Regional Center | 4 | 2,725,830 | 299,779 | 299,779 | (7,588) | (7,588) | 11.0% |
| | Strip Center | 216 | 3,354,694 | 194,924 | 186,011 | 11,025 | 11,025 | 5.5% |
| | Subtotal | 559 | 28,934,600 | 1,881,853 | 2,091,453 | (155,253) | (155,253) | 7.2% |
| Northwest | Community Center | 8 | 1,331,047 | 34,313 | 144,298 | 0 | 0 | 10.8% |
| | Freestanding/Big Box | 84 | 5,358,198 | 136,159 | 118,159 | (90,000) | (90,000) | 2.2% |
| | Mixed Use | 22 | 844,122 | 28,233 | 22,062 | 302 | 302 | 2.6% |
| | Neighborhood Center | 56 | 3,192,974 | 232,400 | 156,554 | 15,240 | 15,240 | 4.9% |
| | Strip Center | 129 | 1,969,305 | 267,539 | 169,526 | (15,750) | (15,750) | 8.6% |
| | Subtotal | 299 | 12,695,646 | 698,644 | 610,599 | (90,208) | (90,208) | 4.8% |
| Saint Paul CBD | Mixed Use | 15 | 567,043 | 148,078 | 117,009 | (25,952) | (25,952) | 20.6% |
| | Subtotal | 15 | 567,043 | 148,078 | 117,009 | (25,952) | (25,952) | 20.6% |
| Southeast | Community Center | 20 | 3,342,689 | 355,945 | 450,412 | 43,768 | 43,768 | 13.5% |
| | Freestanding/Big Box | 187 | 12,293,733 | 261,204 | 225,470 | 39,765 | 39,765 | 1.8% |
| | Mixed Use | 30 | 1,005,408 | 74,201 | 80,137 | 4,988 | 4,988 | 8.0% |
| | Neighborhood Center | 110 | 6,051,601 | 422,884 | 341,865 | 5,435 | 5,435 | 5.6% |
| | Regional Center | 1 | 609,991 | 206,374 | 206,374 | 0 | 0 | 33.8% |
| | Strip Center | 210 | 3,056,517 | 178,201 | 139,079 | 15,638 | 15,638 | 4.6% |
| | Subtotal | 558 | 26,359,939 | 1,498,809 | 1,443,337 | 109,594 | 109,594 | 5.5% |
| Southwest | Community Center | 13 | 2,054,657 | 301,395 | 171,408 | 67 | 67 | 8.3% |
| | Freestanding/Big Box | 98 | 5,643,218 | 103,109 | 103,109 | 0 | 0 | 1.8% |
| | Mixed Use | 29 | 882,683 | 31,690 | 85,769 | 693 | 693 | 9.7% |
| | Neighborhood Center | 47 | 2,695,714 | 101,154 | 198,055 | (5,672) | (5,672) | 7.3% |
| | Regional Center | 2 | 2,087,941 | 379,642 | 379,642 | 271 | 271 | 18.2% |
| | Strip Center | 114 | 1,813,544 | 120,801 | 90,155 | (8,769) | (8,769) | 5.0% |
| | Subtotal | 303 | 15,177,757 | 1,037,791 | 1,028,138 | (13,410) | (13,410) | 6.8% |
| West | Community Center | 3 | 395,409 | 164,386 | 135,340 | 0 | 0 | 34.2% |
| | Freestanding/Big Box | 31 | 1,676,144 | | 27,898 | 0 | 0 | 1.7% |
| | Mixed Use | 18 | 524,153 | 105,736 | 99,172 | 1,896 | 1,896 | 18.9% |
| | Neighborhood Center | 29 | 1,522,941 | 133,530 | 133,209 | (2,942) | (2,942) | 8.7% |
| | Regional Center | 2 | 1,595,107 | 38,829 | 37,096 | (437) | (437) | 2.3% |
| | Strip Center | 55 | 945,715 | 105,727 | 95,273 | (9,692) | (9,692) | 10.1% |
| | Subtotal | 138 | 6,659,469 | 548,208 | 527,988 | (11,175) | (11,175) | 7.9% |
| Suburban | Community Center | 67 | 10,947,142 | 1,344,924 | 1,365,740 | (10,099) | (10,099) | 12.5% |
| | Freestanding/Big Box | 598 | 37,843,206 | 928,519 | 1,132,377 | (143,755) | (143,755) | 3.0% |
| | Mixed Use | 122 | 3,859,234 | 285,663 | 318,313 | 12,720 | 12,720 | 8.2% |
| | Neighborhood Center | 337 | 19,019,185 | 1,314,383 | 1,282,150 | (4,016) | (4,016) | 6.7% |
| | Regional Center | 9 | 7,018,869 | 924,624 | 922,891 | (7,754) | (7,754) | 13.1% |
| | Strip Center | 724 | 11,139,775 | 867,192 | 680,044 | (7,548) | (7,548) | 6.1% |
| | Subtotal | 1,857 | 89,827,411 | 5,665,305 | 5,701,515 | (160,452) | (160,452) | 6.3% |
| Grand Total | | 1,941 | 93,706,616 | 6,461,801 | 6,764,819 | (177,852) | (177,852) | 7.2% |

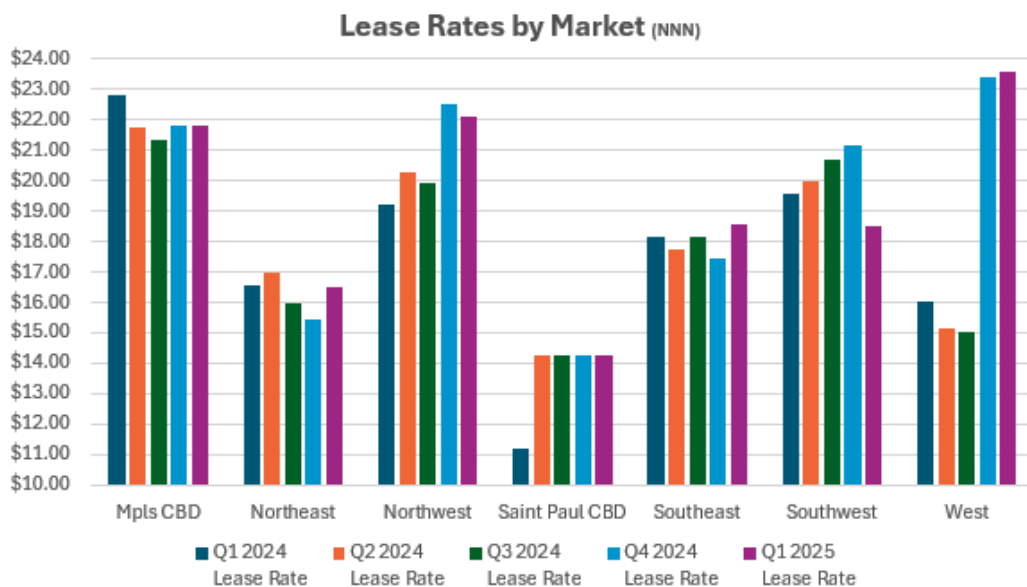
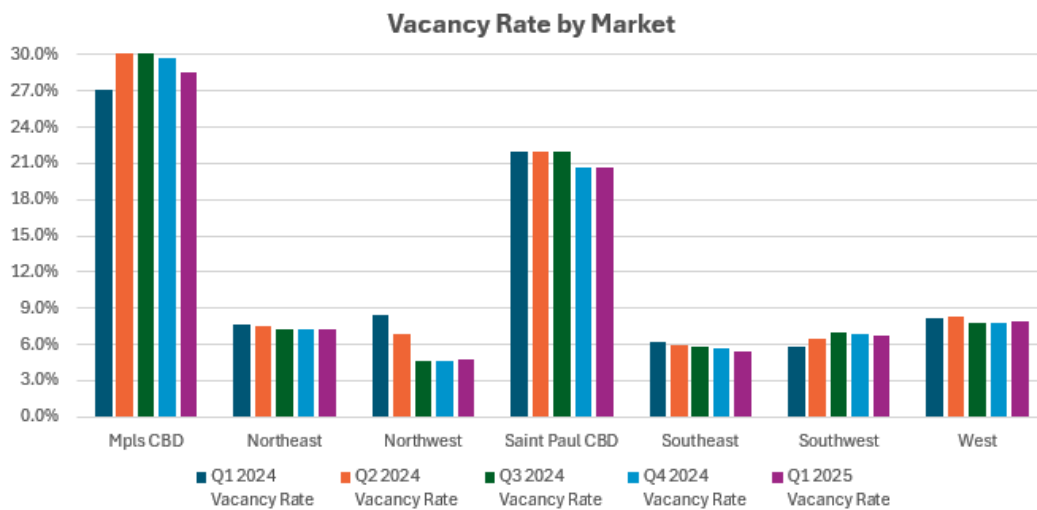
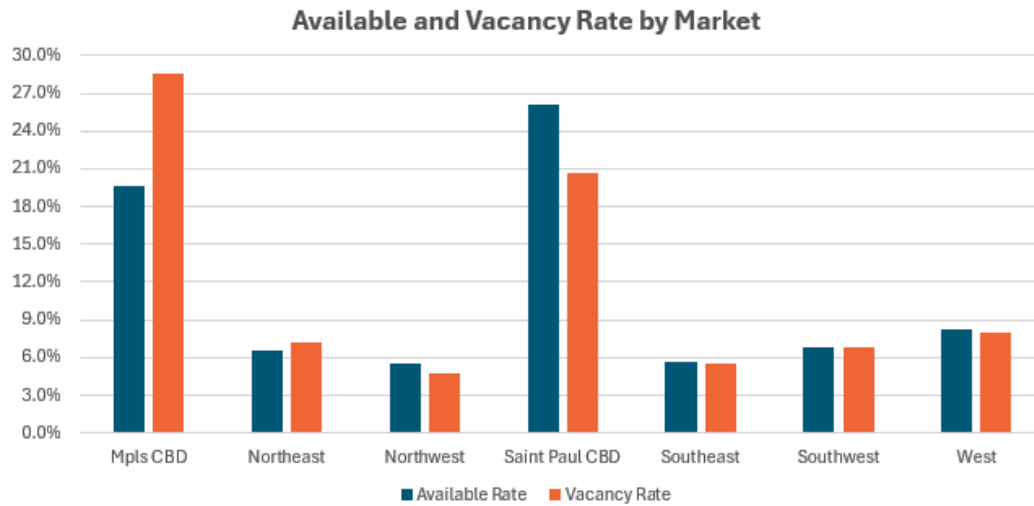
Vacancy Rates

| Market | Property Type | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 |
|----------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| | | Vacancy Rate | Vacancy Rate | Vacancy Rate | Vacancy Rate | Vacancy Rate |
| Mpls CBD | Community Center | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Freestanding/Big Box | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Mixed Use | 31.3% | 34.7% | 34.9% | 34.3% | 33.8% |
| | Strip Center | 28.1% | 28.1% | 12.3% | 12.3% | 12.3% |
| | Subtotal | 27.1% | 30.1% | 30.2% | 29.7% | 28.6% |
| Northeast | Community Center | 14.0% | 13.0% | 12.3% | 13.5% | 12.1% |
| | Freestanding/Big Box | 5.2% | 5.2% | 5.2% | 5.1% | 5.1% |
| | Mixed Use | 7.7% | 7.4% | 6.8% | 6.0% | 5.2% |
| | Neighborhood Center | 8.6% | 8.6% | 7.8% | 7.9% | 8.1% |
| | Regional Center | 10.4% | 10.9% | 10.8% | 10.7% | 11.0% |
| | Strip Center | 6.1% | 5.7% | 5.6% | 5.2% | 5.5% |
| | Subtotal | 7.6% | 7.5% | 7.2% | 7.3% | 7.2% |
| Northwest | Community Center | 11.8% | 11.8% | 10.8% | 10.8% | 10.8% |
| | Freestanding/Big Box | 9.1% | 5.9% | 0.5% | 0.5% | 2.2% |
| | Mixed Use | 4.6% | 4.0% | 4.2% | 2.6% | 2.6% |
| | Neighborhood Center | 7.7% | 7.6% | 7.2% | 7.4% | 4.9% |
| | Strip Center | 7.0% | 6.6% | 7.2% | 7.8% | 8.6% |
| | Subtotal | 8.4% | 6.9% | 4.6% | 4.6% | 4.8% |
| Saint Paul CBD | Mixed Use | 22.0% | 22.0% | 22.0% | 20.6% | 20.6% |
| | Subtotal | 22.0% | 22.0% | 22.0% | 20.6% | 20.6% |
| Southeast | Community Center | 14.7% | 13.9% | 15.1% | 14.8% | 13.5% |
| | Freestanding/Big Box | 2.0% | 2.0% | 2.0% | 1.8% | 1.8% |
| | Mixed Use | 8.1% | 9.5% | 8.1% | 8.5% | 8.0% |
| | Neighborhood Center | 7.1% | 6.3% | 5.7% | 5.7% | 5.6% |
| | Regional Center | 33.8% | 33.8% | 33.8% | 33.8% | 33.8% |
| | Strip Center | 5.6% | 5.8% | 5.0% | 5.0% | 4.6% |
| | Subtotal | 6.2% | 6.0% | 5.8% | 5.7% | 5.5% |
| Southwest | Community Center | 6.2% | 11.6% | 8.3% | 8.3% | 8.3% |
| | Freestanding/Big Box | 1.3% | 1.3% | 1.7% | 2.4% | 1.8% |
| | Mixed Use | 10.2% | 9.7% | 9.8% | 9.8% | 9.7% |
| | Neighborhood Center | 4.5% | 6.5% | 6.1% | 7.1% | 7.3% |
| | Regional Center | 17.9% | 15.4% | 22.3% | 18.2% | 18.2% |
| | Strip Center | 4.5% | 4.2% | 3.8% | 4.5% | 5.0% |
| | Subtotal | 5.7% | 6.5% | 7.0% | 6.9% | 6.8% |
| West | Community Center | 34.2% | 34.2% | 34.2% | 34.2% | 34.2% |
| | Freestanding/Big Box | 1.7% | 1.7% | 1.7% | 1.7% | 1.7% |
| | Mixed Use | 19.5% | 19.7% | 18.4% | 19.3% | 18.9% |
| | Neighborhood Center | 9.5% | 9.6% | 9.0% | 8.6% | 8.7% |
| | Regional Center | 2.7% | 2.8% | 2.3% | 2.3% | 2.3% |
| | Strip Center | 9.4% | 9.7% | 9.5% | 9.0% | 10.1% |
| | Subtotal | 8.2% | 8.3% | 7.8% | 7.8% | 7.9% |
| Suburban | Community Center | 13.2% | 13.7% | 13.0% | 13.4% | 12.5% |
| | Freestanding/Big Box | 4.0% | 3.5% | 2.8% | 2.8% | 3.0% |
| | Mixed Use | 9.3% | 9.4% | 8.8% | 8.6% | 8.2% |
| | Neighborhood Center | 7.5% | 7.5% | 6.9% | 7.1% | 6.7% |
| | Regional Center | 12.9% | 12.4% | 14.3% | 13.0% | 13.1% |
| | Strip Center | 6.1% | 6.0% | 5.7% | 5.8% | 6.1% |
| | Subtotal | 7.1% | 6.8% | 6.4% | 6.4% | 6.3% |
| Grand Total | | 7.8% | 7.7% | 7.3% | 7.3% | 7.2% |

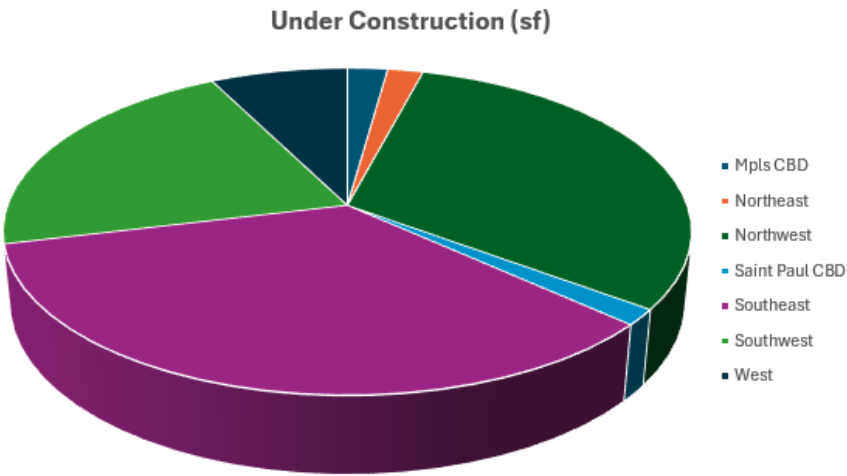
Lease Rates (NNN)

| Market | Property Type | Q1 2024 Lease Rate | Q2 2024 Lease Rate | Q3 2024 Lease Rate | Q4 2024 Lease Rate | Q1 2025 Lease Rate |
|----------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Mpls CBD | Community Center | | | | | |
| | Freestanding/Big Box | | | | | |
| | Mixed Use | \$22.80 | \$21.78 | \$21.34 | \$21.82 | \$21.82 |
| | Strip Center | | | | | |
| | Subtotal | \$22.80 | \$21.78 | \$21.34 | \$21.82 | \$21.82 |
| Northeast | Community Center | \$8.00 | \$8.00 | \$8.00 | \$8.00 | \$8.00 |
| | Freestanding/Big Box | | | | | \$10.00 |
| | Mixed Use | \$17.25 | \$17.25 | \$17.25 | \$17.67 | \$17.67 |
| | Neighborhood Center | \$11.25 | \$12.65 | \$11.63 | \$11.50 | \$11.50 |
| | Regional Center | | | | | |
| | Strip Center | \$18.42 | \$19.31 | \$18.39 | \$16.65 | \$19.50 |
| | Subtotal | \$16.55 | \$17.00 | \$15.99 | \$15.41 | \$16.53 |
| Northwest | Community Center | \$15.00 | | | | |
| | Freestanding/Big Box | | | | \$28.00 | \$28.00 |
| | Mixed Use | \$15.00 | \$15.00 | \$15.00 | \$15.00 | \$16.25 |
| | Neighborhood Center | \$19.00 | \$19.00 | \$17.00 | \$17.00 | \$15.50 |
| | Strip Center | \$20.15 | \$21.33 | \$21.11 | \$24.00 | \$24.22 |
| | Subtotal | \$19.23 | \$20.31 | \$19.92 | \$22.54 | \$22.11 |
| Saint Paul CBD | Mixed Use | \$11.17 | \$14.25 | \$14.25 | \$14.25 | \$14.25 |
| | Subtotal | \$11.17 | \$14.25 | \$14.25 | \$14.25 | \$14.25 |
| Southeast | Community Center | | | | | |
| | Freestanding/Big Box | \$11.00 | \$11.00 | \$11.00 | \$11.00 | \$11.00 |
| | Mixed Use | \$15.63 | \$15.63 | \$16.68 | \$16.68 | \$17.30 |
| | Neighborhood Center | \$15.33 | \$15.43 | \$14.83 | \$14.83 | \$16.75 |
| | Regional Center | | | | | |
| | Strip Center | \$20.99 | \$20.64 | \$21.65 | \$20.05 | \$21.19 |
| | Subtotal | \$18.15 | \$17.76 | \$18.18 | \$17.45 | \$18.56 |
| Southwest | Community Center | | | | | |
| | Freestanding/Big Box | | | | | |
| | Mixed Use | \$17.50 | \$17.50 | \$17.50 | \$20.00 | \$25.00 |
| | Neighborhood Center | \$16.50 | \$17.67 | \$16.50 | \$18.50 | \$17.00 |
| | Regional Center | | | | | |
| | Strip Center | \$20.84 | \$21.71 | \$22.50 | \$22.28 | \$12.75 |
| | Subtotal | \$19.56 | \$20.00 | \$20.67 | \$21.19 | \$18.50 |
| West | Community Center | | | | | |
| | Freestanding/Big Box | | | | | |
| | Mixed Use | | | | \$35.50 | \$35.50 |
| | Neighborhood Center | \$12.33 | \$12.33 | \$12.00 | \$12.00 | \$12.50 |
| | Regional Center | | | | | |
| | Strip Center | \$18.50 | \$18.00 | \$18.00 | \$22.00 | \$22.00 |
| | Subtotal | \$16.03 | \$15.17 | \$15.00 | \$23.40 | \$23.60 |
| Grand Total | | \$18.35 | \$18.49 | \$18.49 | \$19.11 | \$19.43 |

Vacancy and Lease Rates

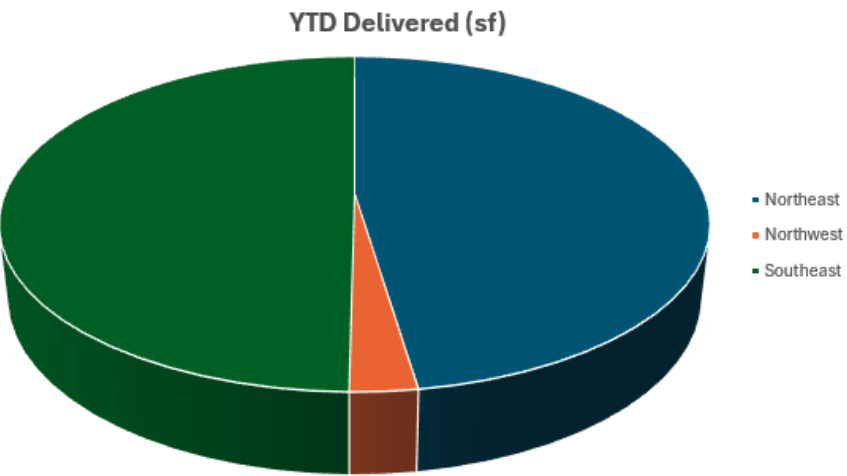


Construction by Market



| Market | Bldg (sf) |
|----------------|-----------|
| Mpls CBD | 8,120 |
| Northeast | 7,170 |
| Northwest | 114,158 |
| Saint Paul CBD | 5,800 |
| Southeast | 127,535 |
| Southwest | 78,382 |
| West | 27,705 |
| Grand Total | 368,870 |

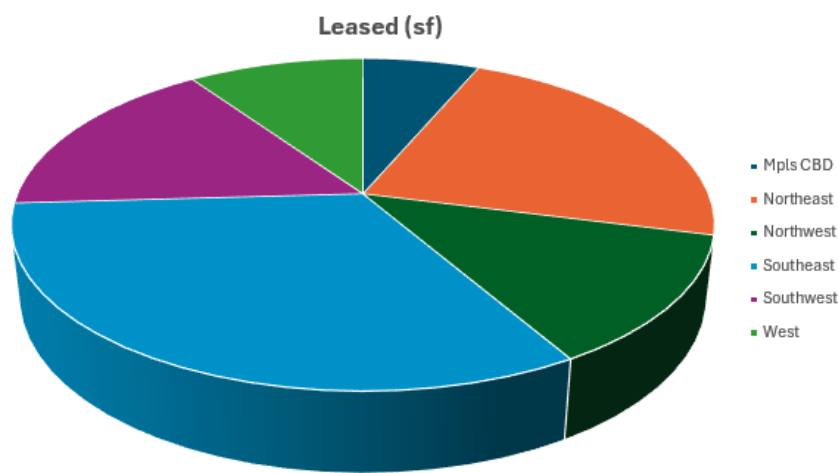
YTD Delivered by Market



| Market | Bldg (sf) |
|-------------|-----------|
| Northeast | 43,649 |
| Northwest | 2,371 |
| Southeast | 45,650 |
| Grand Total | 91,670 |

Leasing Activity

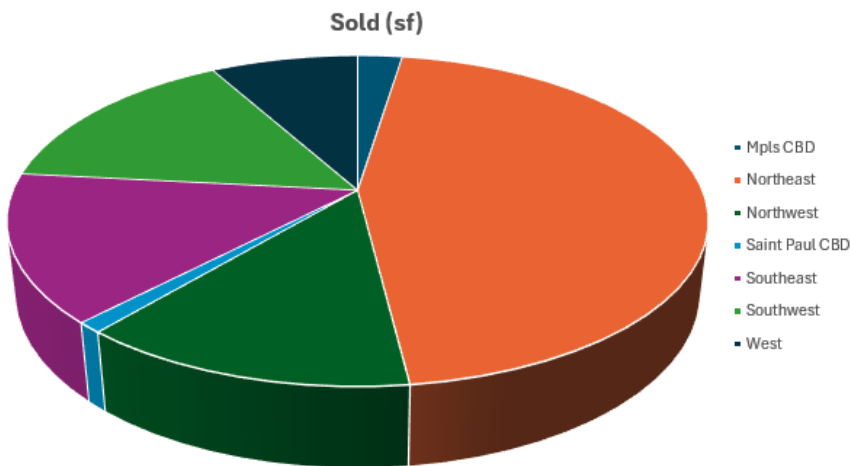
| Property | Size (sf) | Market | Tenant | Landlord |
|-------------------------|-----------|-----------|---------------------|---------------------------------|
| 1270 Yankee Doodle Rd | 34,500 | Southeast | Acme Tool | Ryan Companies |
| Tamarack Village | | | | Tamarack Village |
| 8194 Tamarack Village | 26,786 | Southeast | Ross Dress For Less | Shopping Center |
| West Ridge Shopping Ctr | | | | |
| 11450 Wayzata Blvd | 18,520 | West | Barnes & Noble | CSM West Ridge Inc |
| Carbon 31 | | | | |
| 8100 31st Ave S | 15,000 | Southeast | Colonial Market | Bloomington Central Station LLC |
| 2501 Cty Rd 10 | 12,403 | Northwest | GSA | KKMBA Brooklyn Center LLC |



| Market | Leased (sf) |
|-------------|-------------|
| Mpls CBD | 29,294 |
| Northeast | 103,180 |
| Northwest | 57,770 |
| Southeast | 148,698 |
| Southwest | 74,370 |
| West | 44,146 |
| Grand Total | 457,458 |

Sales Activity

| Property | Price | Market | Buyer | Seller |
|-------------------------|-------------|-----------|---|--|
| 9910 Norma Ln | \$5,900,000 | Southeast | ACR Properties Woodbury, LLC | PAC Holdings, LLC |
| 11401 Marketplace Dr N | \$4,300,000 | Northwest | The Pama-Ghuman Family Trust | Cardinal Green Investments LLC |
| 5565 Credit River Rd SE | \$4,282,071 | Southwest | Alan Ludwig, Judith Ludwig & Ludwig Associates II | EIG14T KCE 4 MN PRIOR LAKE LLC |
| 1710 Crossings Blvd | \$4,014,620 | Southwest | Shakopee Investments LLC | Shakopee Crossings Limited Partnership |
| 3120 130th St W | \$4,000,000 | Southwest | Dem-Con Properties LLC | Renee L Van Tassel Trust |



| Market | Sold (sf) |
|--------------------|----------------|
| Mpls CBD | 19,841 |
| Northeast | 370,028 |
| Northwest | 106,878 |
| Saint Paul CBD | 8,350 |
| Southeast | 117,308 |
| Southwest | 123,532 |
| West | 65,892 |
| Grand Total | 811,829 |

Methodology

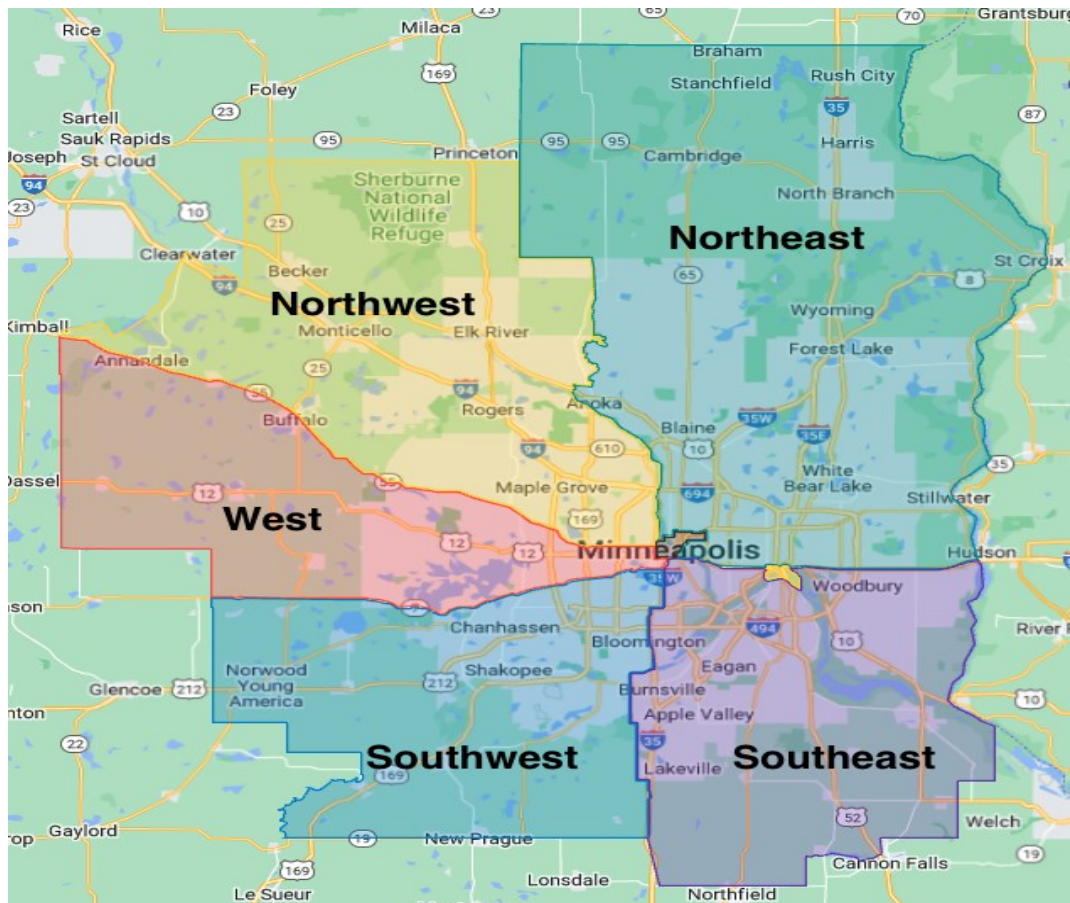
The Mpls-St Paul market consists of multi-tenant and single tenant retail buildings 15,000 sf or larger or are part of a complex larger than 15,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. The tracked set does include mixed use properties with less than 15,000 sf of retail space. 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 NNN terms.

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.

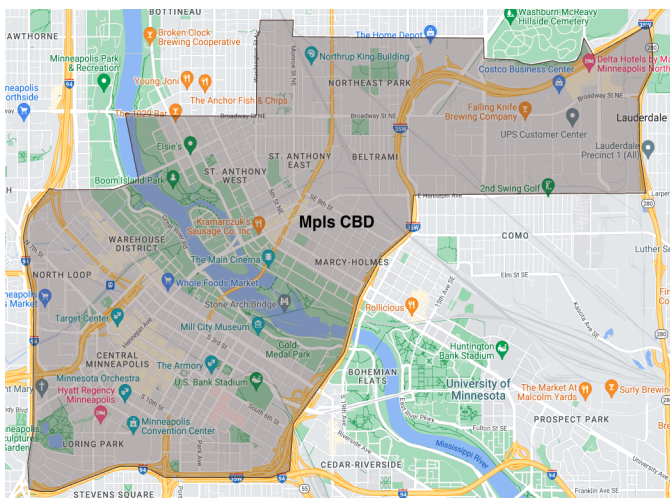
Terminology

| | |
|-----------------------------|---|
| Inventory | The total square feet (sf) of existing multi-tenant and single tenant buildings greater than 15,000 sf or are part of a complex that totals greater than 15,000 sf located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington 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 lease rate expressed as a per square foot value in NNN terms. |
| Community Specialty | Multi-tenant properties between 100,000-400,000 sf |
| Freestanding/Big Box | Single tenant properties |
| Mixed Use | Properties with retail and other uses like office and/or multi-family |
| Neighborhood Center | Multi-tenant properties between 30,000-100,000 sf |
| Regional | Multi-tenant properties over 400,000 sf |
| Strip Center | Multi-tenant properties less than 30,000 sf |

Market Map



Mpls CBD



St Paul CBD



Images courtesy of Google maps

Advisory Board Members

| | | | |
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