

Market

# Trends

# Q3 2025

## Mpls/St Paul - Industrial



# REDI MOODY'S



# MARKET TRENDS

Q3 2025 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	2,003,787	
Area Unemployment	4.1	
U.S. Unemployment	4.3	
Industrial Jobs	203,600	

Source: BLS

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

## Market Recap

### All Properties

Total Inventory (sf)	302,055,052
Total # of Bldgs (tracked)	3,370
Absorption	(457,143)
Vacancy	5.4%
Asking Rate Low (NNN)	\$8.43
Asking Rent High (NNN)	\$11.32
Under Construction	7,468,973

### Multi-tenant Properties

Total Inventory (sf)	154,809,491
Total # of Bldgs (tracked)	1,856
Absorption	(824,843)
Vacancy	8.0%
Asking Rate Low (NNN)	\$8.53
Asking Rent High (NNN)	\$11.40

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 80 basis points to 4.1% for August 2025 from 3.3% for August 2024. The unemployment rate for the US was at 4.3% in May 2025 increasing 10 basis points from last year. State of Minnesota unemployment rate was 3.6%. The Mpls-St Paul MSA saw an increase in job growth while industrial specific jobs increased in job growth in manufacturing by 3,300 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 302.0 msf in eight counties across the metro. Overall, there was (457,000) sf of negative absorption for Q3 2025, bringing the YTD to 703,000 sf positive absorption. Multi-tenant only properties posted (824,800) sf negative absorption bringing the YTD to 49,000 sf positive absorption. The overall vacancy rate for the quarter was 5.4% and multi-tenant properties vacancy rate was 8.0%. To date, there are 38 construction projects throughout the market totaling 7.4 msf and 22 properties have been delivered this year with 2.2 msf.

## Market Highlights

The Northeast market showed the lowest vacancy rate of 3.8% while the Southwest market is at the top with 7.8% for all properties. The Northwest was the only market with positive absorption of 565,600 sf led by Binks leasing 148,000 sf in a new delivery. The Northeast market posted the most in negative absorption of (380,200) sf led by Kasota Distribution Center vacating 206,000 sf. At the close of Q3 2025, the market experienced 2.4 msf of leasing activity in 160 transactions. Eighty two properties sold totaling 3.5 msf for \$404.5 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	5,043,275	2,861,852	105,301	532,293	6.1%
Manufacturing	377	32,354,315	2,607,169	1,266,129	(191,039)	(472,469)	3.9%
Warehouse Distribution	652	117,797,042	10,614,111	7,329,953	280,728	1,217,610	6.2%
Warehouse Office	1,683	105,363,342	9,333,873	4,967,070	(652,133)	(574,404)	4.7%
<b>Grand Total</b>	<b>3,370</b>	<b>302,055,052</b>	<b>27,598,428</b>	<b>16,425,004</b>	<b>(457,143)</b>	<b>703,030</b>	<b>5.4%</b>

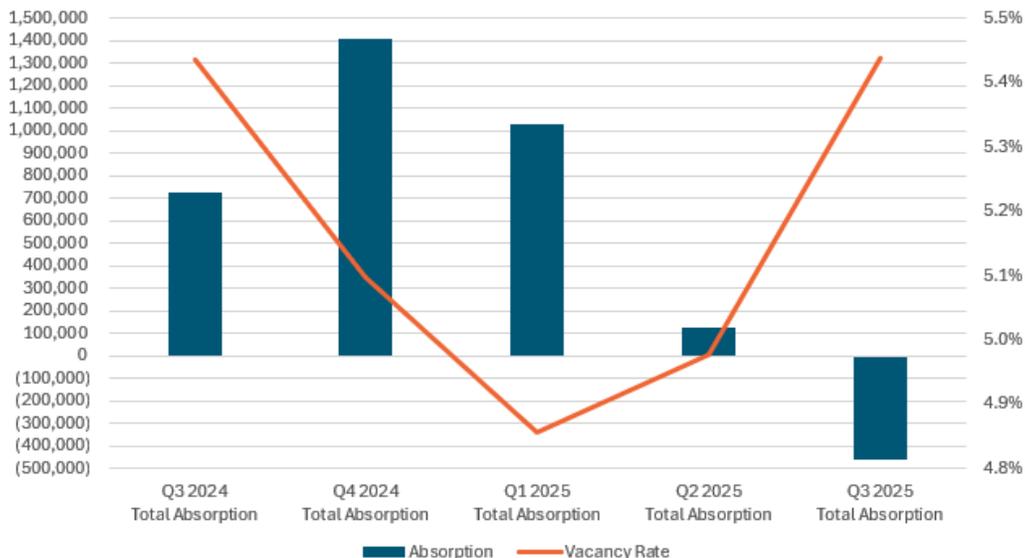
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	658	46,540,353	4,298,323	2,587,409	97,336	566,741	5.6%
Manufacturing	377	32,354,315	2,270,567	1,074,035	(191,039)	(472,469)	3.3%
Warehouse Distribution	652	117,797,042	8,775,831	6,355,367	559,529	1,719,717	5.4%
Warehouse Office	1,683	105,363,342	7,905,784	4,564,356	(391,790)	(408,382)	4.3%
<b>Grand Total</b>	<b>3,370</b>	<b>302,055,052</b>	<b>23,250,505</b>	<b>14,581,167</b>	<b>74,036</b>	<b>1,405,607</b>	<b>4.8%</b>

## Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	658	46,540,353	744,952	274,443	7,965	(34,448)	0.6%
Manufacturing	377	32,354,315	336,602	192,094	0	0	0.6%
Warehouse Distribution	652	117,797,042	1,838,280	974,586	(278,801)	(502,107)	0.8%
Warehouse Office	1,683	105,363,342	1,428,089	402,714	(260,343)	(166,022)	0.4%
<b>Grand Total</b>	<b>3,370</b>	<b>302,055,052</b>	<b>4,347,923</b>	<b>1,843,837</b>	<b>(531,179)</b>	<b>(702,577)</b>	<b>0.6%</b>

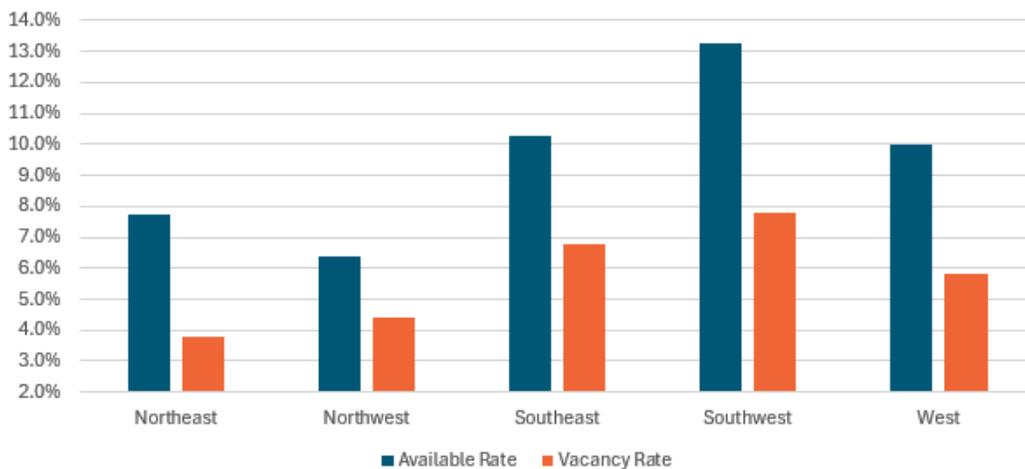
Absorption and Vacancy Rate



# Market Statistics by Market (Multi and Single Tenant)

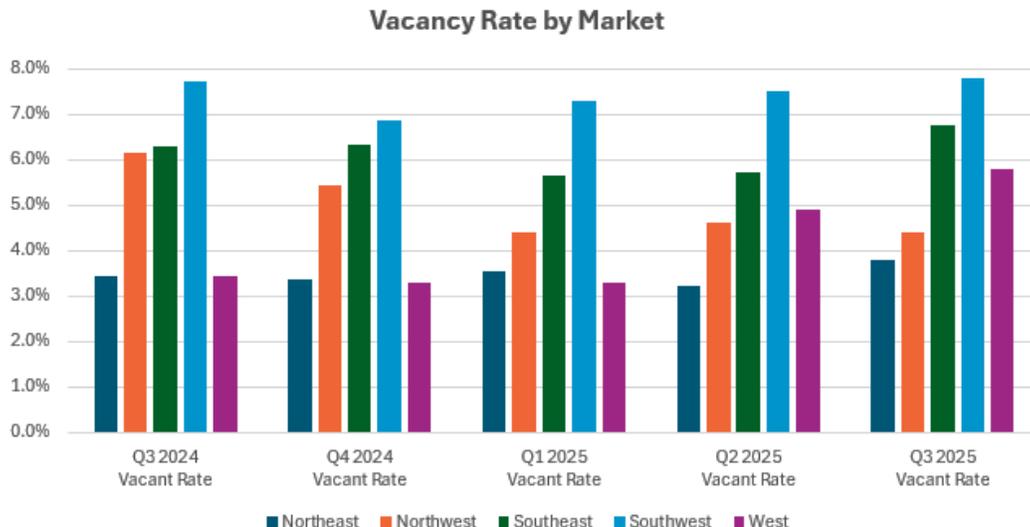
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	162	11,337,555	1,321,916	924,415	(128,926)	(239,440)	8.2%
	Manufacturing	175	14,546,984	1,249,316	454,721	(30,000)	(126,314)	3.1%
	Warehouse Distribution	179	30,955,576	2,064,177	974,694	2,424	(61,532)	3.1%
	Warehouse Office	591	37,271,136	2,669,467	1,211,524	(223,775)	183,301	3.3%
	<b>Subtotal</b>	<b>1,107</b>	<b>94,111,251</b>	<b>7,304,876</b>	<b>3,565,354</b>	<b>(380,277)</b>	<b>(243,985)</b>	<b>3.8%</b>
Northwest	Flex/R&D	108	8,775,211	460,684	253,665	249,998	263,720	2.9%
	Manufacturing	62	5,558,684	154,551	63,231	0	87,889	1.1%
	Warehouse Distribution	188	34,105,739	2,816,913	1,831,791	345,615	1,033,137	5.4%
	Warehouse Office	315	19,717,194	899,560	857,500	(29,951)	60,932	4.3%
	<b>Subtotal</b>	<b>673</b>	<b>68,156,828</b>	<b>4,331,708</b>	<b>3,006,187</b>	<b>565,662</b>	<b>1,445,678</b>	<b>4.4%</b>
Southeast	Flex/R&D	132	8,417,938	954,827	567,572	(5,746)	477,305	6.7%
	Manufacturing	76	6,578,125	1,048,593	593,468	(7,690)	(303,774)	9.0%
	Warehouse Distribution	148	28,608,320	2,387,217	2,062,366	164,548	948,416	7.2%
	Warehouse Office	354	21,359,633	2,268,683	1,168,432	(464,677)	(637,631)	5.5%
	<b>Subtotal</b>	<b>710</b>	<b>64,964,016</b>	<b>6,659,320</b>	<b>4,391,838</b>	<b>(313,565)</b>	<b>484,316</b>	<b>6.8%</b>
Southwest	Flex/R&D	193	13,481,845	1,860,669	856,737	(5,028)	14,154	6.4%
	Manufacturing	35	3,112,964	62,055	62,055	(60,695)	(50,616)	2.0%
	Warehouse Distribution	104	20,510,283	2,945,471	2,083,275	(231,859)	(455,595)	10.2%
	Warehouse Office	298	18,770,761	2,546,266	1,361,840	136,202	(101,817)	7.3%
	<b>Subtotal</b>	<b>630</b>	<b>55,875,853</b>	<b>7,414,461</b>	<b>4,363,907</b>	<b>(161,380)</b>	<b>(593,874)</b>	<b>7.8%</b>
West	Flex/R&D	63	4,527,804	445,179	259,463	(4,997)	16,554	5.7%
	Manufacturing	29	2,557,558	92,654	92,654	(92,654)	(79,654)	3.6%
	Warehouse Distribution	33	3,617,124	400,333	377,827	0	(246,816)	10.4%
	Warehouse Office	125	8,244,618	949,897	367,774	(69,932)	(79,189)	4.5%
	<b>Subtotal</b>	<b>250</b>	<b>18,947,104</b>	<b>1,888,063</b>	<b>1,097,718</b>	<b>(167,583)</b>	<b>(389,105)</b>	<b>5.8%</b>
<b>Grand Total</b>		<b>3,370</b>	<b>302,055,052</b>	<b>27,598,428</b>	<b>16,425,004</b>	<b>(457,143)</b>	<b>703,030</b>	<b>5.4%</b>

Available and Vacancy Rates



# Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate
Northeast	Flex/R&D	5.8%	6.0%	7.2%	7.0%	8.2%
	Manufacturing	2.4%	2.3%	3.3%	2.9%	3.1%
	Warehouse Distribution	3.1%	2.4%	2.7%	2.7%	3.1%
	Warehouse Office	3.4%	3.8%	3.2%	2.7%	3.3%
	<b>Subtotal</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>3.8%</b>
Northwest	Flex/R&D	3.2%	3.2%	3.1%	3.1%	2.9%
	Manufacturing	0.0%	0.0%	0.8%	1.1%	1.1%
	Warehouse Distribution	8.0%	7.4%	5.3%	5.8%	5.4%
	Warehouse Office	5.8%	4.4%	4.4%	4.2%	4.3%
	<b>Subtotal</b>	<b>6.1%</b>	<b>5.4%</b>	<b>4.4%</b>	<b>4.6%</b>	<b>4.4%</b>
Southeast	Flex/R&D	9.0%	8.6%	8.8%	6.7%	6.7%
	Manufacturing	3.3%	3.2%	3.8%	7.6%	9.0%
	Warehouse Distribution	9.3%	9.3%	7.0%	6.8%	7.2%
	Warehouse Office	2.2%	2.5%	3.1%	3.3%	5.5%
	<b>Subtotal</b>	<b>6.3%</b>	<b>6.3%</b>	<b>5.6%</b>	<b>5.7%</b>	<b>6.8%</b>
Southwest	Flex/R&D	6.7%	6.6%	7.1%	6.3%	6.4%
	Manufacturing	0.5%	0.4%	0.3%	0.0%	2.0%
	Warehouse Distribution	10.1%	8.2%	8.7%	9.0%	10.2%
	Warehouse Office	7.0%	6.6%	7.0%	7.9%	7.3%
	<b>Subtotal</b>	<b>7.7%</b>	<b>6.9%</b>	<b>7.3%</b>	<b>7.5%</b>	<b>7.8%</b>
West	Flex/R&D	7.2%	6.1%	4.7%	5.6%	5.7%
	Manufacturing	0.5%	0.5%	0.0%	0.0%	3.6%
	Warehouse Distribution	1.3%	1.2%	4.5%	10.4%	10.4%
	Warehouse Office	3.3%	3.5%	3.0%	3.6%	4.5%
	<b>Subtotal</b>	<b>3.4%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>4.9%</b>	<b>5.8%</b>
<b>Grand Total</b>	<b>5.4%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.4%</b>	



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

Property Type	Q3 2024		Q4 2024		Q1 2025		Q2 2025		Q3 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
Flex/R&D	\$11.17	\$13.72	\$10.60	\$12.93	\$10.29	\$11.96	\$9.88	\$12.18	\$9.73	\$12.40
Manufacturing	\$6.63	\$8.63	\$5.25	\$9.25	\$8.13	\$10.13	\$7.70	\$10.50	\$7.70	\$10.50
Warehouse Distribution	\$13.67	\$14.33	\$14.00	\$16.00	\$11.25	\$15.50	\$18.00	\$18.00	\$13.25	\$16.50
Warehouse Office	\$9.83	\$11.71	\$7.90	\$10.60	\$7.58	\$10.51	\$8.03	\$10.67	\$8.00	\$10.49
<b>Subtotal</b>	<b>\$10.40</b>	<b>\$12.53</b>	<b>\$8.94</b>	<b>\$11.55</b>	<b>\$8.78</b>	<b>\$11.25</b>	<b>\$8.84</b>	<b>\$11.32</b>	<b>\$8.70</b>	<b>\$11.33</b>
Flex/R&D	\$10.42	\$12.23	\$9.63	\$11.58	\$8.95	\$11.80	\$8.77	\$11.87	\$8.58	\$12.00
Manufacturing										
Warehouse Distribution	\$6.63	\$9.63			\$6.50	\$6.50	\$6.50	\$6.50	\$7.00	\$9.75
Warehouse Office	\$9.07	\$11.38	\$6.80	\$8.80	\$6.81	\$8.60	\$6.95	\$9.59	\$7.00	\$9.90
<b>Subtotal</b>	<b>\$9.49</b>	<b>\$11.63</b>	<b>\$8.27</b>	<b>\$10.25</b>	<b>\$7.73</b>	<b>\$9.90</b>	<b>\$7.84</b>	<b>\$10.60</b>	<b>\$7.72</b>	<b>\$10.84</b>
Flex/R&D	\$11.86	\$14.51	\$7.93	\$12.41	\$8.94	\$12.73	\$8.95	\$12.69	\$8.69	\$12.56
Manufacturing	\$8.58	\$8.58	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$9.00	\$10.00
Warehouse Distribution	\$11.13	\$12.13	\$6.25	\$6.25	\$6.50	\$6.50	\$6.50	\$6.50	\$5.95	\$5.95
Warehouse Office	\$7.78	\$10.25	\$5.65	\$9.60	\$6.50	\$10.38	\$6.14	\$10.61	\$7.93	\$10.48
<b>Subtotal</b>	<b>\$10.76</b>	<b>\$13.09</b>	<b>\$7.31</b>	<b>\$11.15</b>	<b>\$8.17</b>	<b>\$11.58</b>	<b>\$8.04</b>	<b>\$11.57</b>	<b>\$8.30</b>	<b>\$11.31</b>
Flex/R&D	\$9.43	\$12.05	\$9.16	\$11.93	\$8.88	\$11.64	\$9.27	\$12.02	\$9.18	\$11.95
Manufacturing	\$11.50	\$11.50	\$6.50	\$6.50						
Warehouse Distribution	\$7.70	\$8.90	\$6.13	\$7.63	\$6.00	\$8.00	\$5.75	\$5.75	\$5.75	\$5.75
Warehouse Office	\$9.38	\$11.26	\$7.58	\$9.71	\$7.79	\$10.23	\$8.03	\$9.57	\$7.97	\$9.92
<b>Subtotal</b>	<b>\$9.32</b>	<b>\$11.40</b>	<b>\$8.31</b>	<b>\$10.69</b>	<b>\$8.26</b>	<b>\$10.85</b>	<b>\$8.66</b>	<b>\$10.86</b>	<b>\$8.53</b>	<b>\$10.84</b>
Flex/R&D	\$8.47	\$12.15	\$8.74	\$12.17	\$9.28	\$12.73	\$9.32	\$13.04	\$8.47	\$13.18
Manufacturing										
Warehouse Distribution	\$7.58	\$8.83	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25
Warehouse Office	\$11.17	\$13.72	\$10.25	\$14.25	\$10.08	\$13.67	\$9.22	\$13.00	\$9.93	\$13.50
<b>Subtotal</b>	<b>\$9.53</b>	<b>\$12.40</b>	<b>\$8.83</b>	<b>\$12.20</b>	<b>\$9.21</b>	<b>\$12.51</b>	<b>\$8.96</b>	<b>\$12.52</b>	<b>\$8.78</b>	<b>\$12.78</b>
	<b>\$9.95</b>	<b>\$12.19</b>	<b>\$8.35</b>	<b>\$11.10</b>	<b>\$8.39</b>	<b>\$11.12</b>	<b>\$8.48</b>	<b>\$11.29</b>	<b>\$8.43</b>	<b>\$11.32</b>



# Market Statistics by Property Type (Multi-Tenant)

## Total

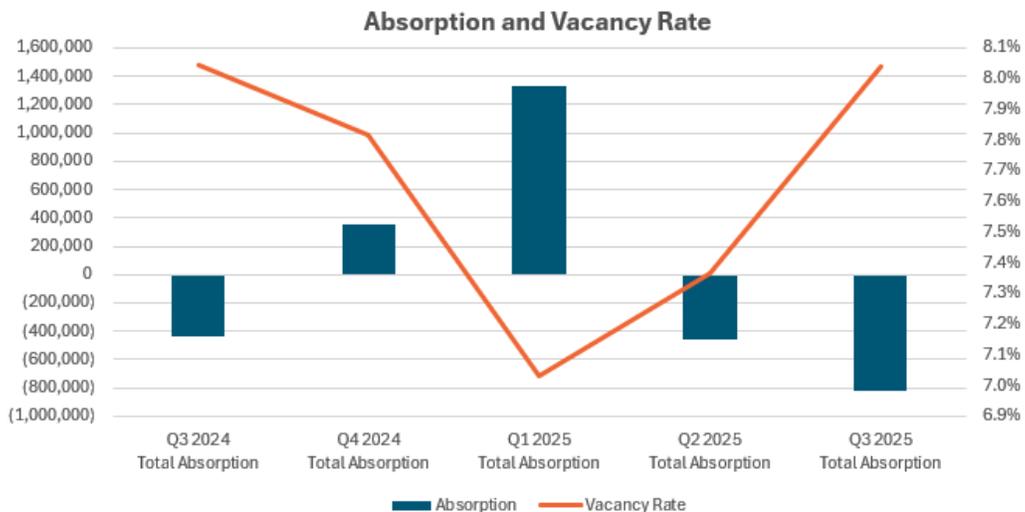
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	546	32,983,630	3,937,475	2,667,475	(94,098)	(119,086)	8.1%
Manufacturing	78	7,447,009	517,048	501,119	(53,785)	(113,378)	6.7%
Warehouse Distribution	353	59,630,259	7,203,019	5,738,962	(289,872)	329,671	9.6%
Warehouse Office	879	54,748,593	6,231,207	3,533,683	(387,088)	(48,100)	6.5%
<b>Grand Total</b>	<b>1,856</b>	<b>154,809,491</b>	<b>17,888,749</b>	<b>12,441,239</b>	<b>(824,843)</b>	<b>49,107</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	546	32,983,630	3,434,761	2,393,032	(102,063)	(84,638)	7.3%
Manufacturing	78	7,447,009	517,048	501,119	(53,785)	(113,378)	6.7%
Warehouse Distribution	353	59,630,259	5,895,557	4,953,190	(122,420)	720,429	8.3%
Warehouse Office	879	54,748,593	5,100,240	3,286,193	(264,359)	45,727	6.0%
<b>Grand Total</b>	<b>1,856</b>	<b>154,809,491</b>	<b>14,947,606</b>	<b>11,133,534</b>	<b>(542,627)</b>	<b>568,140</b>	<b>7.2%</b>

## Sublease

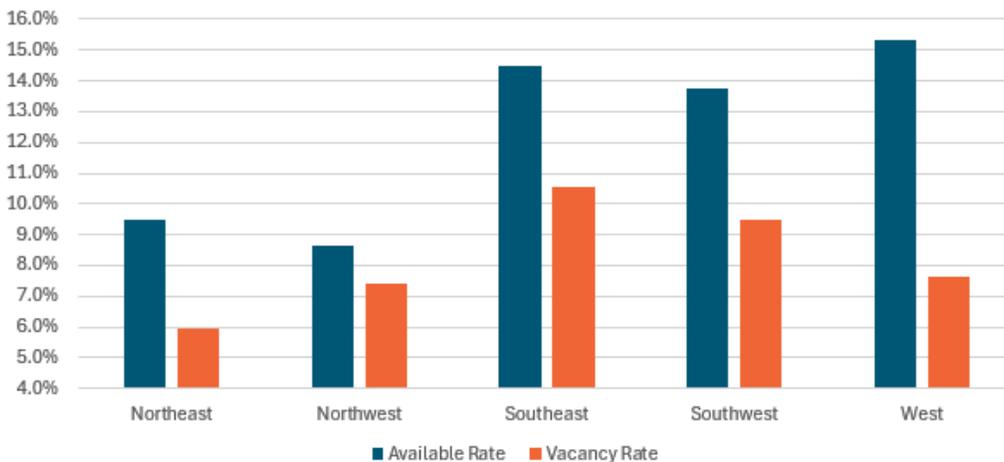
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	546	32,983,630	502,714	274,443	7,965	(34,448)	0.8%
Manufacturing	78	7,447,009			0	0	0.0%
Warehouse Distribution	353	59,630,259	1,307,462	785,772	(167,452)	(390,758)	1.3%
Warehouse Office	879	54,748,593	1,130,967	247,490	(122,729)	(93,827)	0.5%
<b>Grand Total</b>	<b>1,856</b>	<b>154,809,491</b>	<b>2,941,143</b>	<b>1,307,705</b>	<b>(282,216)</b>	<b>(519,033)</b>	<b>0.8%</b>



# Market Statistics by Market (Multi-Tenant)

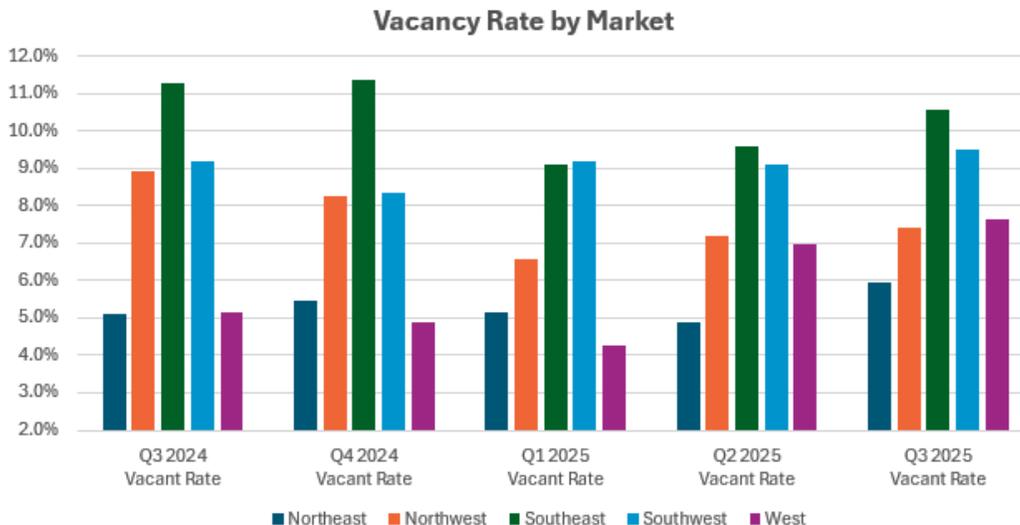
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	136	9,425,855	1,152,564	904,415	(108,926)	(219,440)	9.6%
	Manufacturing	32	2,704,096	101,351	91,894	0	132,288	3.4%
	Warehouse Distribution	85	13,016,123	1,332,378	747,592	(215,097)	(221,583)	5.7%
	Warehouse Office	290	19,115,235	1,601,084	880,189	(140,780)	135,210	4.6%
	<b>Subtotal</b>	<b>543</b>	<b>44,261,309</b>	<b>4,187,377</b>	<b>2,624,090</b>	<b>(464,803)</b>	<b>(173,525)</b>	<b>5.9%</b>
Northwest	Flex/R&D	84	4,952,066	460,684	253,665	1,998	15,720	5.1%
	Manufacturing	14	1,939,373	71,581	63,231	0	68,289	3.3%
	Warehouse Distribution	115	20,446,625	1,980,090	1,831,791	79,351	474,073	9.0%
	Warehouse Office	162	9,694,325	686,691	590,471	30,589	171,787	6.1%
	<b>Subtotal</b>	<b>375</b>	<b>37,032,389</b>	<b>3,199,046</b>	<b>2,739,158</b>	<b>111,938</b>	<b>729,869</b>	<b>7.4%</b>
Southeast	Flex/R&D	111	5,891,666	786,906	482,051	(5,746)	52,985	8.2%
	Manufacturing	19	1,450,424	342,756	344,634	(53,785)	(337,034)	23.8%
	Warehouse Distribution	73	11,806,207	1,772,702	1,672,710	(27,452)	674,407	14.2%
	Warehouse Office	174	10,306,864	1,359,175	612,664	(202,267)	(182,232)	5.9%
	<b>Subtotal</b>	<b>377</b>	<b>29,455,161</b>	<b>4,261,539</b>	<b>3,112,059</b>	<b>(289,250)</b>	<b>208,126</b>	<b>10.6%</b>
Southwest	Flex/R&D	159	8,855,459	1,092,142	767,881	23,573	33,321	8.7%
	Manufacturing	8	939,342	1,360	1,360	0	10,079	0.1%
	Warehouse Distribution	61	12,126,159	1,717,516	1,199,061	(126,674)	(350,410)	9.9%
	Warehouse Office	184	10,716,521	1,677,360	1,125,585	(4,698)	(93,676)	10.5%
	<b>Subtotal</b>	<b>412</b>	<b>32,637,481</b>	<b>4,488,378</b>	<b>3,093,887</b>	<b>(107,799)</b>	<b>(400,686)</b>	<b>9.5%</b>
West	Flex/R&D	56	3,858,584	445,179	259,463	(4,997)	(1,672)	6.7%
	Manufacturing	5	413,774			0	13,000	0.0%
	Warehouse Distribution	19	2,235,145	400,333	287,808	0	(246,816)	12.9%
	Warehouse Office	69	4,915,648	906,897	324,774	(69,932)	(79,189)	6.6%
	<b>Subtotal</b>	<b>149</b>	<b>11,423,151</b>	<b>1,752,409</b>	<b>872,045</b>	<b>(74,929)</b>	<b>(314,677)</b>	<b>7.6%</b>
<b>Grand Total</b>		<b>1,856</b>	<b>154,809,491</b>	<b>17,888,749</b>	<b>12,441,239</b>	<b>(824,843)</b>	<b>49,107</b>	<b>8.0%</b>

Available and Vacancy Rates



# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate
Northeast	Flex/R&D	7.0%	7.3%	8.6%	8.4%	9.6%
	Manufacturing	6.3%	8.5%	3.3%	3.4%	3.4%
	Warehouse Distribution	3.8%	3.8%	4.1%	4.1%	5.7%
	Warehouse Office	4.9%	5.3%	4.5%	3.9%	4.6%
	<b>Subtotal</b>	<b>5.1%</b>	<b>5.5%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>5.9%</b>
Northwest	Flex/R&D	5.3%	5.3%	5.1%	5.2%	5.1%
	Manufacturing	0.0%	0.0%	2.3%	3.3%	3.3%
	Warehouse Distribution	11.0%	10.1%	7.0%	8.4%	9.0%
	Warehouse Office	8.1%	7.4%	7.3%	6.4%	6.1%
	<b>Subtotal</b>	<b>8.9%</b>	<b>8.2%</b>	<b>6.6%</b>	<b>7.2%</b>	<b>7.4%</b>
Southeast	Flex/R&D	9.6%	9.1%	9.4%	8.1%	8.2%
	Manufacturing	0.6%	0.6%	2.6%	20.1%	23.8%
	Warehouse Distribution	19.7%	19.9%	14.0%	13.9%	14.2%
	Warehouse Office	3.8%	4.2%	4.1%	4.0%	5.9%
	<b>Subtotal</b>	<b>11.3%</b>	<b>11.4%</b>	<b>9.1%</b>	<b>9.6%</b>	<b>10.6%</b>
Southwest	Flex/R&D	9.0%	9.0%	9.9%	8.9%	8.7%
	Manufacturing	1.6%	1.2%	0.9%	0.1%	0.1%
	Warehouse Distribution	8.9%	7.4%	8.3%	8.8%	9.9%
	Warehouse Office	10.3%	9.4%	10.4%	10.3%	10.5%
	<b>Subtotal</b>	<b>9.2%</b>	<b>8.3%</b>	<b>9.2%</b>	<b>9.1%</b>	<b>9.5%</b>
West	Flex/R&D	8.0%	6.7%	5.6%	6.6%	6.7%
	Manufacturing	3.1%	3.1%	0.0%	0.0%	0.0%
	Warehouse Distribution	1.8%	1.8%	3.3%	12.9%	12.9%
	Warehouse Office	4.6%	5.0%	4.1%	5.2%	6.6%
	<b>Subtotal</b>	<b>5.1%</b>	<b>4.9%</b>	<b>4.3%</b>	<b>7.0%</b>	<b>7.6%</b>
<b>Grand Total</b>		<b>8.0%</b>	<b>7.8%</b>	<b>7.0%</b>	<b>7.4%</b>	<b>8.0%</b>

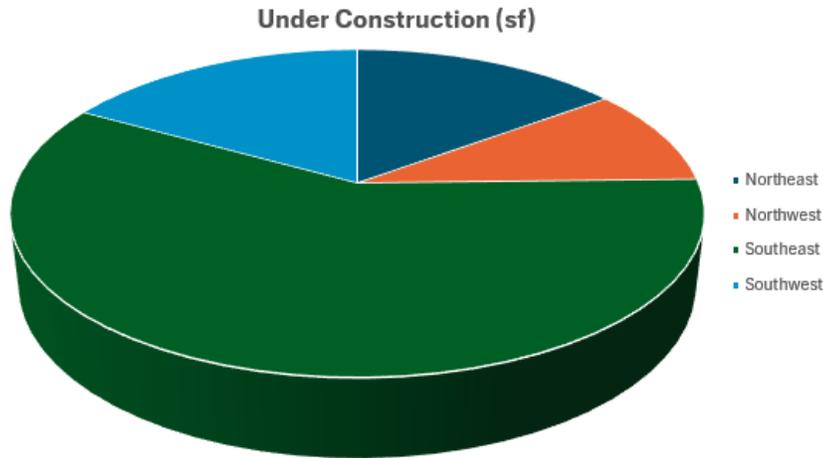


# Lease Rates by Market (Multi-Tenant NNN)

Property Type	Q3 2024		Q4 2024		Q1 2025		Q2 2025		Q3 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
Flex/R&D	\$11.35	\$13.71	\$10.60	\$12.93	\$10.29	\$11.96	\$9.88	\$12.18	\$9.73	\$12.40
Manufacturing	\$8.50	\$10.00	\$5.00	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00
Warehouse Distribution	\$13.00	\$14.00	\$14.00	\$16.00	\$11.25	\$15.50	\$18.00	\$18.00	\$13.25	\$16.50
Warehouse Office	\$10.74	\$12.14	\$8.28	\$10.40	\$7.64	\$10.42	\$8.12	\$10.59	\$8.15	\$10.61
<b>Subtotal</b>	<b>\$11.06</b>	<b>\$12.95</b>	<b>\$9.37</b>	<b>\$11.61</b>	<b>\$8.79</b>	<b>\$11.16</b>	<b>\$8.96</b>	<b>\$11.21</b>	<b>\$8.85</b>	<b>\$11.37</b>
Flex/R&D	\$10.42	\$12.23	\$9.63	\$11.58	\$8.95	\$11.80	\$8.77	\$11.87	\$8.58	\$12.00
Manufacturing										
Warehouse Distribution	\$6.63	\$9.63			\$6.50	\$6.50	\$6.50	\$6.50	\$7.00	\$9.75
Warehouse Office	\$9.29	\$11.34	\$6.80	\$8.80	\$6.81	\$8.60	\$6.95	\$9.30	\$7.00	\$9.61
<b>Subtotal</b>	<b>\$9.61</b>	<b>\$11.62</b>	<b>\$8.27</b>	<b>\$10.25</b>	<b>\$7.73</b>	<b>\$9.90</b>	<b>\$7.88</b>	<b>\$10.52</b>	<b>\$7.75</b>	<b>\$10.76</b>
Flex/R&D	\$12.46	\$14.78	\$7.78	\$12.24	\$8.94	\$12.70	\$8.91	\$12.60	\$8.57	\$12.41
Manufacturing	\$8.58	\$8.58	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$6.75	\$9.00	\$10.00
Warehouse Distribution	\$11.13	\$12.13	\$6.25	\$6.25	\$6.50	\$6.50	\$6.50	\$6.50		
Warehouse Office	\$7.78	\$10.25	\$5.65	\$9.60	\$6.50	\$10.38	\$6.08	\$11.29	\$8.05	\$10.81
<b>Subtotal</b>	<b>\$11.02</b>	<b>\$13.11</b>	<b>\$7.10</b>	<b>\$10.81</b>	<b>\$8.08</b>	<b>\$11.42</b>	<b>\$7.96</b>	<b>\$11.58</b>	<b>\$8.36</b>	<b>\$11.49</b>
Flex/R&D	\$9.56	\$12.29	\$9.16	\$11.93	\$8.92	\$11.47	\$9.27	\$12.02	\$9.18	\$11.95
Manufacturing	\$11.50	\$11.50	\$6.50	\$6.50						
Warehouse Distribution	\$6.00	\$6.00	\$6.00	\$6.00	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75
Warehouse Office	\$9.48	\$11.45	\$7.61	\$9.96	\$7.84	\$10.48	\$8.10	\$9.78	\$8.17	\$9.93
<b>Subtotal</b>	<b>\$9.39</b>	<b>\$11.51</b>	<b>\$8.39</b>	<b>\$10.74</b>	<b>\$8.35</b>	<b>\$10.79</b>	<b>\$8.70</b>	<b>\$10.96</b>	<b>\$8.63</b>	<b>\$10.90</b>
Flex/R&D	\$8.47	\$12.15	\$8.74	\$12.17	\$9.28	\$12.73	\$9.32	\$13.04	\$8.47	\$13.18
Manufacturing										
Warehouse Distribution	\$7.58	\$8.83	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25
Warehouse Office	\$11.80	\$14.25	\$11.83	\$16.00	\$11.00	\$14.60	\$9.69	\$13.50	\$10.67	\$14.25
<b>Subtotal</b>	<b>\$9.71</b>	<b>\$12.56</b>	<b>\$9.07</b>	<b>\$12.43</b>	<b>\$9.48</b>	<b>\$12.76</b>	<b>\$9.16</b>	<b>\$12.71</b>	<b>\$8.97</b>	<b>\$12.99</b>
	<b>\$10.20</b>	<b>\$12.33</b>	<b>\$8.48</b>	<b>\$11.07</b>	<b>\$8.42</b>	<b>\$11.06</b>	<b>\$8.53</b>	<b>\$11.30</b>	<b>\$8.53</b>	<b>\$11.40</b>

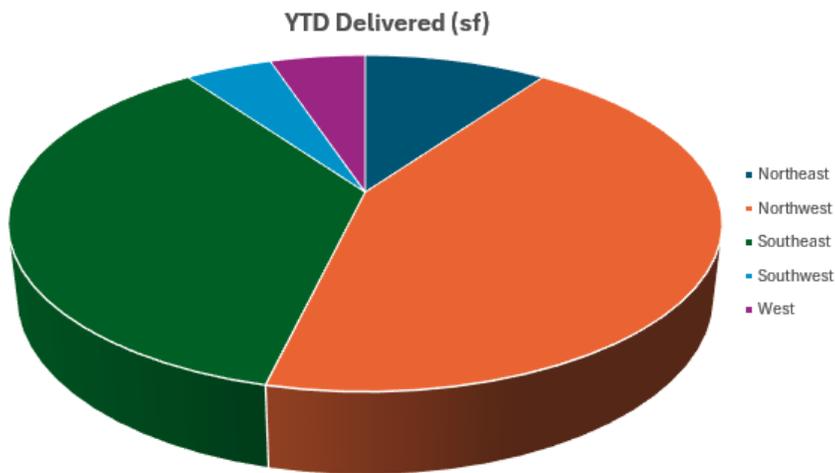


# New Developments by Market



Market	Bldg (sf)
Northeast	1,116,796
Northwest	721,620
Southeast	4,366,216
Southwest	1,264,341
<b>Grand Total</b>	<b>7,468,973</b>

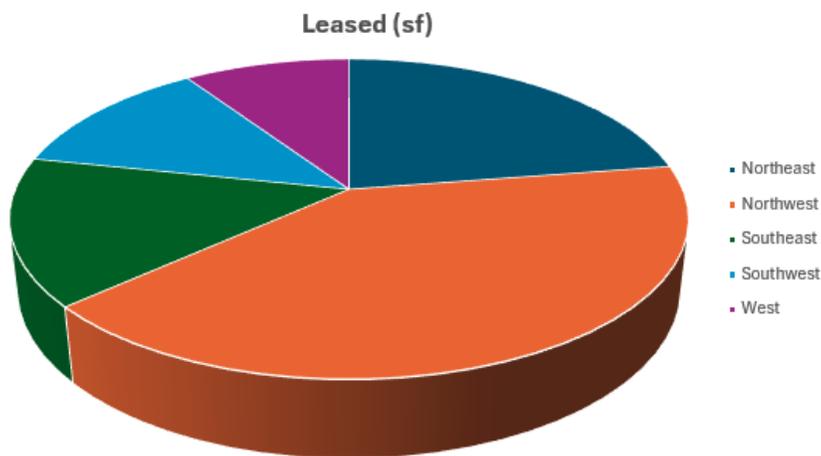
# YTD Deliveries by Market



Market	Bldg (sf)
Northeast	218,708
Northwest	970,816
Southeast	805,359
Southwest	104,640
West	114,039
<b>Grand Total</b>	<b>2,213,562</b>

# Leasing Activity

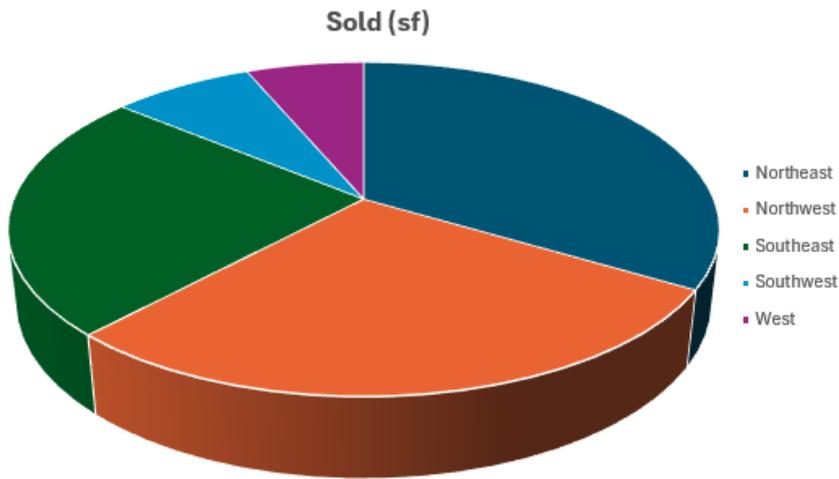
Property	Size (sf)	Market	Tenant	Landlord
The Cubes at French Lake 11500 Dayton Pkwy N	503,902	Northwest	Daedex	The Cubes at French Lake
Naples II Industrial Center 10400 Naples St NE	116,950	Northeast	Hoffman Enclosures (nVent)	ERG-CP Naples South Owner LLC
Park 35E Centerville Rd	104,000	Northeast	St Paul Beverage Solutions	WBT Holdings LLC
Jet 6 Tech Center 13135 County Rd 6	90,019	West	White Cap Supply	MN JET LLC & SIRO JET LLC
6464 N Sycamore Ct	79,937	Northwest	Laborie Medical Technologies	Hempel RE



Market	Leased (sf)
Northeast	560,075
Northwest	1,012,216
Southeast	369,292
Southwest	305,229
West	234,121
<b>Grand Total</b>	<b>2,480,933</b>

# Sales Activity

Property	Price	Market	Buyer	Seller
J.J. Taylor Distribution 701 Industrial Blvd NE	\$53,802,850	Northeast	ERCOR BB, LLC	ALCAT Industrial, LLC
Boulder Lakes Business 2999 Ames Crossing Rd	\$22,500,000	Southeast	HM SE Ames Industrial Owner LLC	Boulder Lakes Industrial Owner, LLC
NorthPark IX 10700 Xylon Ave N	\$20,950,000	Northwest	Metro Land Ownership, LLC	Scannell Properties #579, LLC
InverPoint Business Park 8210 Courthouse Blvd	\$20,000,000	Southeast	HM SE 8210 Industrial Owner LLC	Inverpoint 4 Industrial Owner, LLC
NorthPark VIII 10695 Winnetka Ave N	\$19,700,000	Northwest	PW Fund B, LP	Scannell Properties #579, LLC



Market	Sold (sf)
Northeast	1,177,815
Northwest	998,439
Southeast	844,085
Southwest	268,731
West	223,181
<b>Grand Total</b>	<b>3,512,251</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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