Market

Trends

Q1 2026

Mpls/St Paul - Industrial

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Market Trends

Q1 2026 l Mpls-St Paul l Industrial

Employment

	Current	Y-o-Y
Employment	1,996,395	▼
Area Unemployment	4.0%	▲
U.S. Unemployment	4.4%	▲
Industrial Jobs	204,200	▲

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	303,551,231
Total # of Bldgs (tracked)	3,385
Absorption (sf)	(1,218,337)
Vacancy	6.5%
Asking Rate Low (NNN)	$8.83
Asking Rent High (NNN)	$11.21
Under Construction (sf)	6,232,530

Multi-tenant Properties

Total Inventory (sf)	154,846,994
Total # of Bldgs (tracked)	1,862
Absorption (sf)	(378,495)
Vacancy	8.0%
Asking Rate Low (NNN)	$8.95
Asking Rent High (NNN)	$11.15

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 160 basis points to 4.0% for December 2025 from 2.4% for December 2024. The unemployment rate for the US was at 4.4% in December 2025 increasing 30 basis points from last year. State of Minnesota unemployment rate was 4.1%. The Mpls-St Paul MSA saw a decrease in job growth while industrial specific jobs increased in job growth in manufacturing by 4,700 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 303.5 msf in eight counties across the metro. Overall, there was (1.2) msf of negative absorption for Q1 2026 bringing the vacancy rate to 6.5%. Multi-tenant only properties posted (378,500) sf negative absorption bringing the vacancy rate to 8.5%. For multi-tenant only properties there was 455,000 sf in direct positive absorption and (834,000) in sublease negative absorption. To date, there are 30 construction projects throughout the market totaling 6.2 msf and 7 properties have been delivered this year with 693,000 sf.

Market Highlights

The Northeast and Northwest markets showed the lowest vacancy rate of 4.7% while the Southwest market is at the top with 9.9% for all properties. The Northwest was the only market with positive absorption of 94,700 sf led by Daedex leasing 503,900 sf. The Southwest market posted the most in negative absorption of (479,800) sf led by Danfoss Power vacating 290,100 sf. At the close of Q1 2026, the market experienced 2.7 msf of leasing activity in 183 transactions. Ninety eight properties sold totaling 3.5 msf for $353.3 million.

Statistics by Property Type (Multi and Single Tenant)

Total

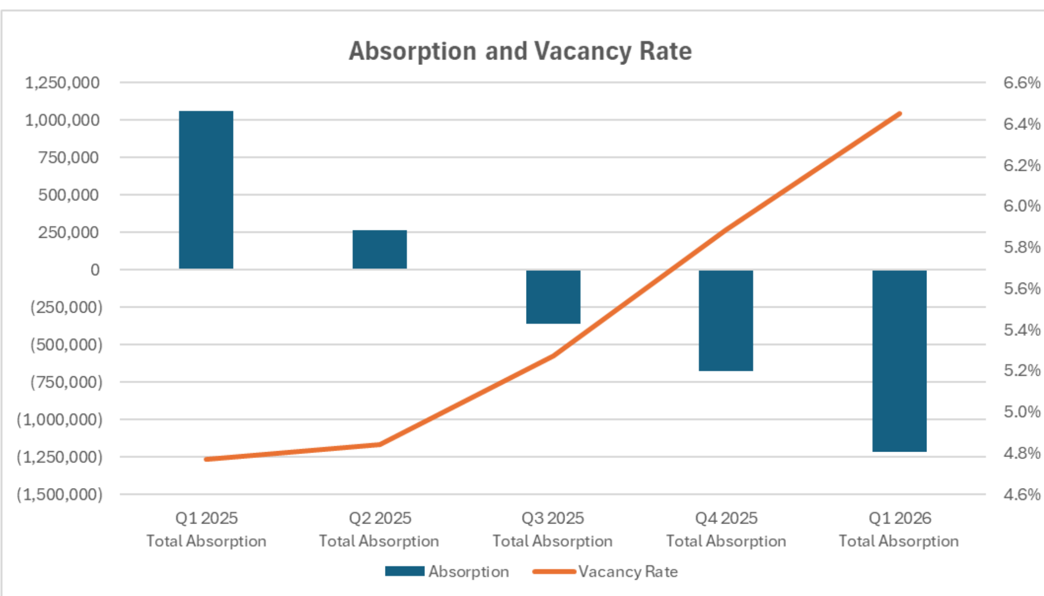
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	659	46,273,693	5,031,160	3,562,286	(379,539)	(379,539)	7.7%
Manufacturing	376	32,492,966	2,179,233	1,427,377	73,088	73,088	4.4%
Warehouse Distribution	659	118,776,457	9,831,876	7,384,251	724,295	724,295	6.2%
Warehouse Office	1,691	106,008,115	9,454,517	7,205,338	(1,636,181)	(1,636,181)	6.8%
Grand Total	**3,385**	**303,551,231**	**26,496,786**	**19,579,252**	**(1,218,337)**	**(1,218,337)**	**6.5%**

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	659	46,273,693	4,413,173	3,296,552	(358,826)	(358,826)	7.1%
Manufacturing	376	32,492,966	1,867,631	1,260,283	48,088	48,088	3.9%
Warehouse Distribution	659	118,776,457	8,437,253	6,601,427	771,998	771,998	5.6%
Warehouse Office	1,691	106,008,115	8,069,267	6,088,106	(914,667)	(914,667)	5.7%
Grand Total	**3,385**	**303,551,231**	**22,787,324**	**17,246,368**	**(453,407)**	**(453,407)**	**5.7%**

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	659	46,273,693	617,987	265,734	(20,713)	(20,713)	0.6%
Manufacturing	376	32,492,966	311,602	167,094	25,000	25,000	0.5%
Warehouse Distribution	659	118,776,457	1,394,623	782,824	(47,703)	(47,703)	0.7%
Warehouse Office	1,691	106,008,115	1,385,250	1,117,232	(721,514)	(721,514)	1.1%
Grand Total	**3,385**	**303,551,231**	**3,709,462**	**2,332,884**	**(764,930)**	**(764,930)**	**0.8%**

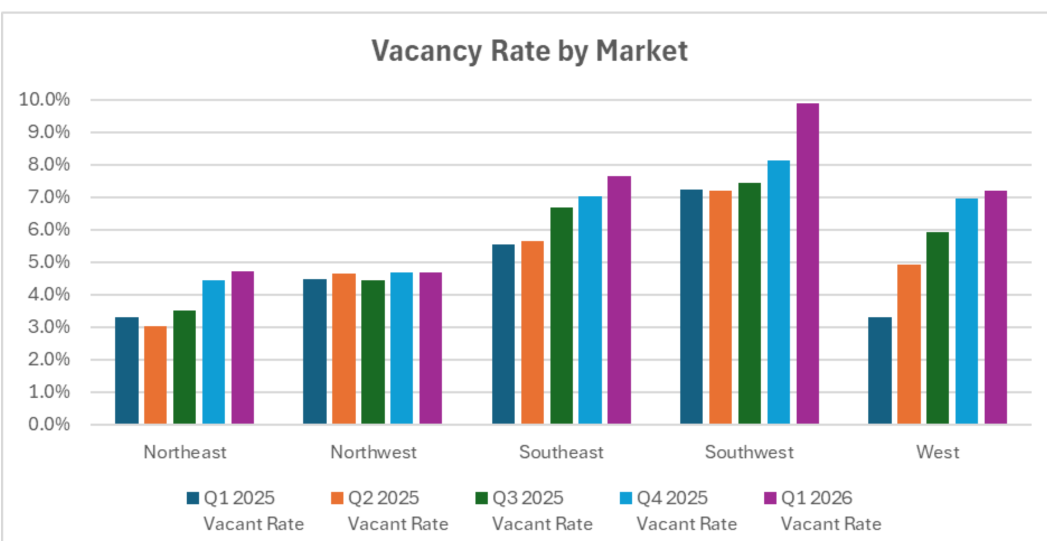


Market Statistics by Market (Multi and Single Tenant)

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	160	10,861,424	1,092,696	780,673	(43,892)	(43,892)	7.2%
	Manufacturing	174	14,384,984	1,132,087	879,111	0	0	6.1%
	Warehouse Distribution	181	30,995,317	1,617,069	808,394	122,093	122,093	2.6%
	Warehouse Office	597	37,790,137	3,106,624	1,955,875	(464,185)	(464,185)	5.2%
	Subtotal	**1,112**	**94,031,862**	**6,948,476**	**4,424,053**	**(385,984)**	**(385,984)**	**4.7%**
Northwest	Flex/R&D	109	8,810,452	451,405	283,191	15,540	15,540	3.2%
	Manufacturing	61	5,558,684	128,259	37,559	41,715	41,715	0.7%
	Warehouse Distribution	188	34,148,020	2,571,541	1,866,726	225,580	225,580	5.5%
	Warehouse Office	316	19,943,603	979,123	1,004,317	(188,099)	(188,099)	5.0%
	Subtotal	**674**	**68,460,759**	**4,130,328**	**3,191,793**	**94,736**	**94,736**	**4.7%**
Southeast	Flex/R&D	132	8,417,938	986,205	815,306	(52,433)	(52,433)	9.7%
	Manufacturing	76	6,762,671	583,691	355,998	31,373	31,373	5.3%
	Warehouse Distribution	150	29,057,998	2,457,458	2,299,768	5,362	5,362	7.9%
	Warehouse Office	355	21,400,158	1,896,909	1,538,965	(385,069)	(385,069)	7.2%
	Subtotal	**713**	**65,638,765**	**5,924,263**	**5,010,037**	**(400,767)**	**(400,767)**	**7.6%**
Southwest	Flex/R&D	195	13,656,075	2,007,418	1,417,795	(287,342)	(287,342)	10.4%
	Manufacturing	36	3,229,069	177,884	62,055	0	0	1.9%
	Warehouse Distribution	107	20,957,998	2,714,085	2,059,970	387,332	387,332	9.8%
	Warehouse Office	298	18,689,484	2,643,100	2,052,394	(579,858)	(579,858)	11.0%
	Subtotal	**636**	**56,532,626**	**7,542,487**	**5,592,214**	**(479,868)**	**(479,868)**	**9.9%**
West	Flex/R&D	63	4,527,804	493,436	265,321	(11,412)	(11,412)	5.9%
	Manufacturing	29	2,557,558	157,312	92,654	0	0	3.6%
	Warehouse Distribution	33	3,617,124	471,723	349,393	(16,072)	(16,072)	9.7%
	Warehouse Office	125	8,184,733	828,761	653,787	(18,970)	(18,970)	8.0%
	Subtotal	**250**	**18,887,219**	**1,951,232**	**1,361,155**	**(46,454)**	**(46,454)**	**7.2%**
Grand Total		**3,385**	**303,551,231**	**26,496,786**	**19,579,252**	**(1,218,337)**	**(1,218,337)**	**6.5%**

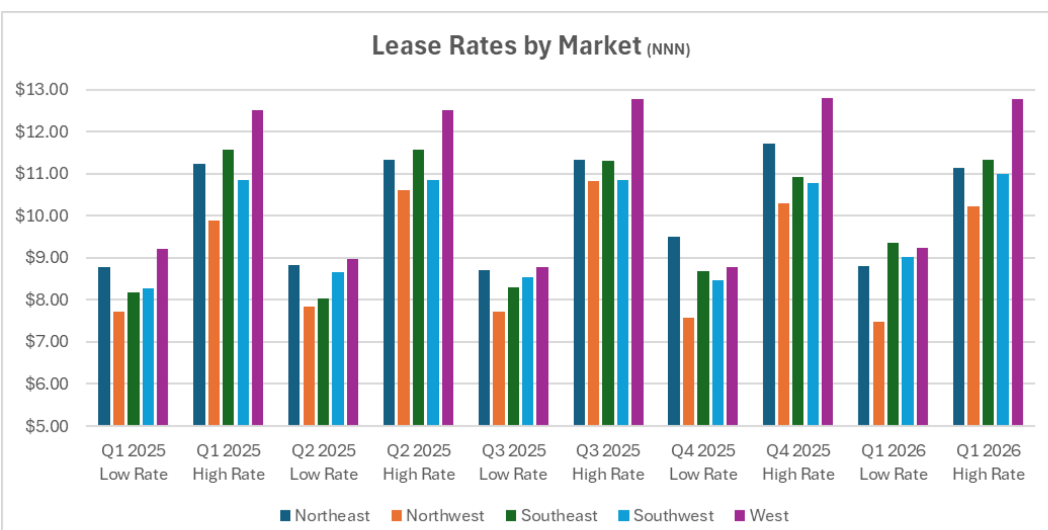
Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate	Q4 2025 Vacancy Rate	Q1 2026 Vacancy Rate
Northeast	Flex/R&D	6.2%	6.0%	7.2%	6.7%	7.2%
	Manufacturing	3.3%	2.9%	3.1%	7.2%	6.1%
	Warehouse Distribution	2.4%	2.4%	2.2%	3.0%	2.6%
	Warehouse Office	3.2%	2.6%	3.6%	3.9%	5.2%
	Subtotal	**3.3%**	**3.0%**	**3.5%**	**4.4%**	**4.7%**
Northwest	Flex/R&D	3.5%	3.6%	3.3%	3.4%	3.2%
	Manufacturing	0.8%	0.8%	0.8%	1.4%	0.7%
	Warehouse Distribution	5.4%	5.8%	5.4%	6.1%	5.5%
	Warehouse Office	4.3%	4.2%	4.3%	3.7%	5.0%
	Subtotal	**4.5%**	**4.7%**	**4.4%**	**4.7%**	**4.7%**
Southeast	Flex/R&D	8.8%	6.7%	6.7%	9.1%	9.7%
	Manufacturing	3.6%	7.5%	8.9%	5.7%	5.3%
	Warehouse Distribution	6.9%	6.7%	7.0%	7.9%	7.9%
	Warehouse Office	3.1%	3.3%	5.4%	5.4%	7.2%
	Subtotal	**5.5%**	**5.6%**	**6.7%**	**7.0%**	**7.6%**
Southwest	Flex/R&D	7.1%	6.3%	6.3%	7.1%	10.4%
	Manufacturing	0.3%	0.0%	2.0%	1.9%	1.9%
	Warehouse Distribution	8.7%	9.0%	10.2%	10.0%	9.8%
	Warehouse Office	6.8%	7.0%	6.2%	7.9%	11.0%
	Subtotal	**7.2%**	**7.2%**	**7.4%**	**8.1%**	**9.9%**
West	Flex/R&D	4.7%	5.6%	5.7%	5.6%	5.9%
	Manufacturing	0.0%	0.0%	3.6%	3.6%	3.6%
	Warehouse Distribution	4.5%	10.4%	10.4%	9.2%	9.7%
	Warehouse Office	3.0%	3.6%	4.8%	7.8%	8.0%
	Subtotal	**3.3%**	**4.9%**	**5.9%**	**7.0%**	**7.2%**
Grand Total		**4.8%**	**4.8%**	**5.3%**	**5.9%**	**6.5%**



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q1 2025 Ave Lease Rate Low	Q1 2025 Ave Lease Rate High	Q2 2025 Ave Lease Rate Low	Q2 2025 Ave Lease Rate High	Q3 2025 Ave Lease Rate Low	Q3 2025 Ave Lease Rate High	Q4 2025 Ave Lease Rate Low	Q4 2025 Ave Lease Rate High	Q1 2026 Ave Lease Rate Low	Q1 2026 Ave Lease Rate High
Northeast	Flex/R&D	$10.29	$11.96	$9.88	$12.18	$9.73	$12.40	$10.93	$13.06	$10.08	$12.22
	Manufacturing	$8.13	$10.13	$7.70	$10.50	$7.70	$10.50	$8.25	$10.50	$6.33	$9.33
	Warehouse Distribution	$11.25	$15.50	$18.00	$18.00	$13.25	$16.50	$14.67	$14.67	$14.88	$16.38
	Warehouse Office	$7.58	$10.51	$8.03	$10.67	$8.00	$10.49	$8.51	$10.91	$8.06	$10.48
	Subtotal	**$8.78**	**$11.25**	**$8.84**	**$11.32**	**$8.70**	**$11.33**	**$9.51**	**$11.71**	**$8.81**	**$11.15**
Northwest	Flex/R&D	$8.95	$11.80	$8.77	$11.87	$8.58	$12.00	$8.28	$12.09	$8.16	$11.63
	Manufacturing										
	Warehouse Distribution	$6.50	$6.50	$6.50	$6.50	$7.00	$9.75	$6.95	$7.00	$6.95	$7.00
	Warehouse Office	$6.81	$8.60	$6.95	$9.59	$7.00	$9.90	$6.98	$8.98	$6.80	$9.03
	Subtotal	**$7.73**	**$9.90**	**$7.84**	**$10.60**	**$7.72**	**$10.84**	**$7.57**	**$10.30**	**$7.49**	**$10.23**
Southeast	Flex/R&D	$8.94	$12.73	$8.95	$12.69	$8.69	$12.56	$9.30	$12.13	$10.34	$12.54
	Manufacturing	$6.75	$6.75	$6.75	$6.75	$9.00	$10.00	$8.44	$8.94	$8.25	$10.05
	Warehouse Distribution	$6.50	$6.50	$6.50	$6.50	$5.95	$5.95	$5.95	$5.95	$5.95	$5.95
	Warehouse Office	$6.50	$10.38	$6.14	$10.61	$7.93	$10.48	$7.96	$10.08	$8.35	$10.25
	Subtotal	**$8.17**	**$11.58**	**$8.04**	**$11.57**	**$8.30**	**$11.31**	**$8.69**	**$10.94**	**$9.35**	**$11.33**
Southwest	Flex/R&D	$8.88	$11.64	$9.27	$12.02	$9.18	$11.95	$9.40	$12.25	$9.45	$11.88
	Manufacturing										
	Warehouse Distribution	$6.00	$8.00	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75
	Warehouse Office	$7.79	$10.23	$8.03	$9.57	$7.97	$9.92	$7.64	$9.58	$8.92	$10.60
	Subtotal	**$8.26**	**$10.85**	**$8.66**	**$10.86**	**$8.53**	**$10.84**	**$8.47**	**$10.78**	**$9.03**	**$11.00**
West	Flex/R&D	$9.28	$12.73	$9.32	$13.04	$8.47	$13.18	$8.30	$13.31	$8.83	$13.86
	Manufacturing										
	Warehouse Distribution	$6.38	$8.25	$6.38	$8.25	$6.38	$8.25	$6.38	$8.25	$6.75	$8.00
	Warehouse Office	$10.08	$13.67	$9.22	$13.00	$9.93	$13.50	$10.00	$13.31	$11.08	$13.58
	Subtotal	**$9.21**	**$12.51**	**$8.96**	**$12.52**	**$8.78**	**$12.78**	**$8.79**	**$12.81**	**$9.24**	**$12.79**
Grand Total		**$8.39**	**$11.12**	**$8.48**	**$11.29**	**$8.43**	**$11.32**	**$8.73**	**$11.27**	**$8.83**	**$11.21**



Statistics by Property Type (Multi-Tenant)

Total

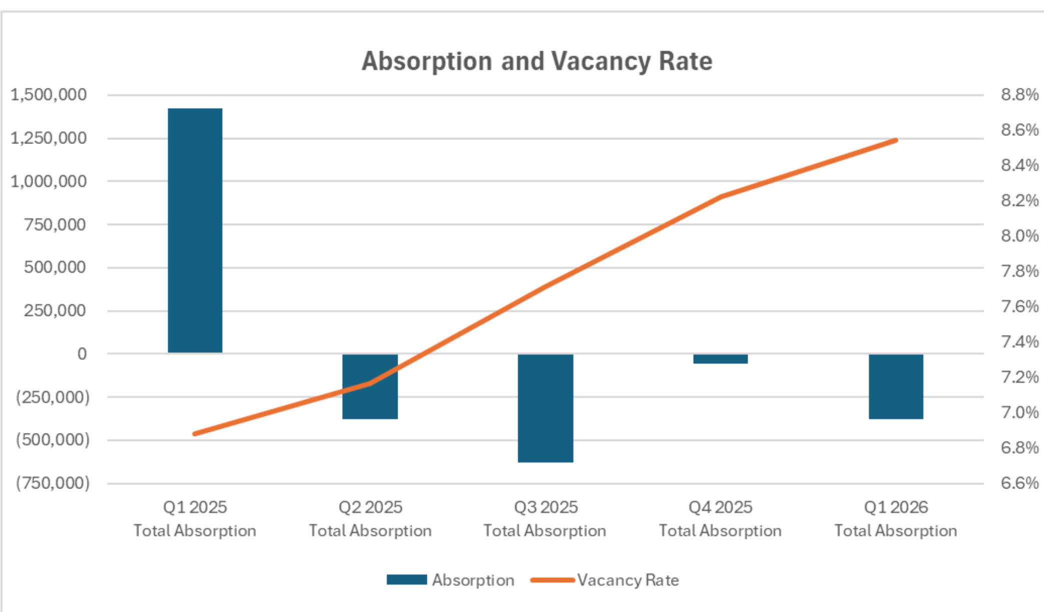
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	545	32,578,416	3,684,791	2,624,155	(140)	(140)	8.1%
Manufacturing	78	7,407,031	382,808	274,482	29,250	29,250	3.7%
Warehouse Distribution	355	59,781,728	7,039,660	5,577,681	351,866	351,866	9.3%
Warehouse Office	884	55,079,819	6,217,577	4,750,904	(759,471)	(759,471)	8.6%
Grand Total	**1,862**	**154,846,994**	**17,324,836**	**13,227,222**	**(378,495)**	**(378,495)**	**8.5%**

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	545	32,578,416	3,323,604	2,400,940	(21,946)	(21,946)	7.4%
Manufacturing	78	7,407,031	382,808	274,482	29,250	29,250	3.7%
Warehouse Distribution	355	59,781,728	6,100,466	4,847,082	536,158	536,158	8.1%
Warehouse Office	884	55,079,819	5,032,936	3,838,781	(87,842)	(87,842)	7.0%
Grand Total	**1,862**	**154,846,994**	**14,839,814**	**11,361,285**	**455,620**	**455,620**	**7.3%**

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	545	32,578,416	361,187	223,215	21,806	21,806	0.7%
Manufacturing	78	7,407,031			0	0	0.0%
Warehouse Distribution	355	59,781,728	939,194	730,599	(184,292)	(184,292)	1.2%
Warehouse Office	884	55,079,819	1,184,641	912,123	(671,629)	(671,629)	1.7%
Grand Total	**1,862**	**154,846,994**	**2,485,022**	**1,865,937**	**(834,115)**	**(834,115)**	**1.2%**

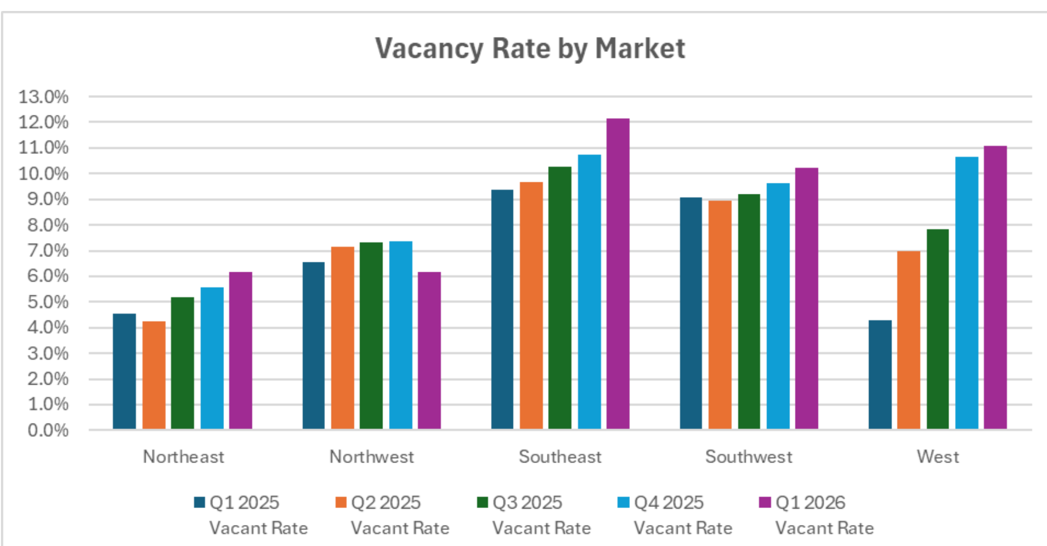


Market Statistics by Market (Multi-Tenant)

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	134	8,938,635	923,257	738,561	(21,780)	(21,780)	8.3%
	Manufacturing	32	2,704,096	133,659	91,894	0	0	3.4%
	Warehouse Distribution	86	12,936,337	824,070	556,647	5,143	5,143	4.3%
	Warehouse Office	294	19,392,994	1,782,927	1,329,758	(219,430)	(219,430)	6.9%
	Subtotal	**546**	**43,972,062**	**3,663,913**	**2,716,860**	**(236,067)**	**(236,067)**	**6.2%**
Northwest	Flex/R&D	84	4,952,066	451,405	283,191	(19,701)	(19,701)	5.7%
	Manufacturing	14	1,939,373	44,991	17,391	41,715	41,715	0.9%
	Warehouse Distribution	113	20,095,534	1,862,198	1,383,180	511,162	511,162	6.9%
	Warehouse Office	162	9,832,387	761,018	586,559	(92,662)	(92,662)	6.0%
	Subtotal	**373**	**36,819,360**	**3,119,612**	**2,270,321**	**440,514**	**440,514**	**6.2%**
Southeast	Flex/R&D	111	5,891,666	705,611	517,814	(9,914)	(9,914)	8.8%
	Manufacturing	19	1,410,446	202,798	163,837	(12,465)	(12,465)	11.6%
	Warehouse Distribution	75	12,335,085	2,174,233	1,918,000	(4,863)	(4,863)	15.5%
	Warehouse Office	175	10,347,102	1,324,409	1,038,638	(394,690)	(394,690)	10.0%
	Subtotal	**380**	**29,984,299**	**4,407,051**	**3,638,289**	**(421,932)**	**(421,932)**	**12.1%**
Southwest	Flex/R&D	160	8,937,465	1,111,082	819,268	62,667	62,667	9.2%
	Manufacturing	8	939,342	1,360	1,360	0	0	0.1%
	Warehouse Distribution	62	12,179,627	1,731,697	1,370,461	(143,504)	(143,504)	11.3%
	Warehouse Office	184	10,591,688	1,637,147	1,146,462	(33,719)	(33,719)	10.8%
	Subtotal	**414**	**32,648,122**	**4,481,286**	**3,337,551**	**(114,556)**	**(114,556)**	**10.2%**
West	Flex/R&D	56	3,858,584	493,436	265,321	(11,412)	(11,412)	6.9%
	Manufacturing	5	413,774			0	0	0.0%
	Warehouse Distribution	19	2,235,145	447,462	349,393	(16,072)	(16,072)	15.6%
	Warehouse Office	69	4,915,648	712,076	649,487	(18,970)	(18,970)	13.2%
	Subtotal	**149**	**11,423,151**	**1,652,974**	**1,264,201**	**(46,454)**	**(46,454)**	**11.1%**
Grand Total		**1,862**	**154,846,994**	**17,324,836**	**13,227,222**	**(378,495)**	**(378,495)**	**8.5%**

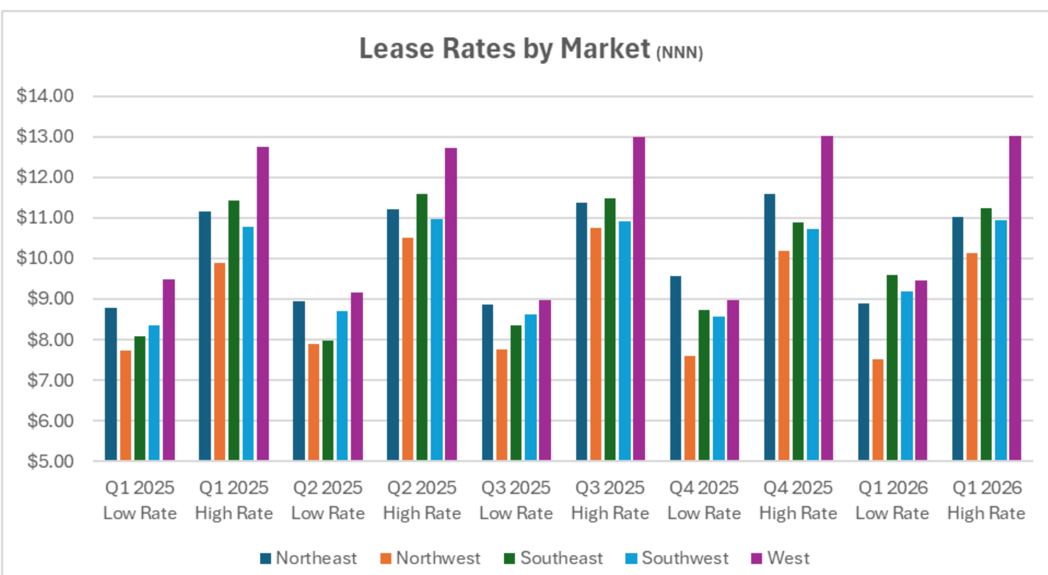
Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate	Q4 2025 Vacancy Rate	Q1 2026 Vacancy Rate
Northeast	Flex/R&D	7.6%	7.3%	8.6%	7.9%	8.3%
	Manufacturing	3.3%	3.4%	3.4%	3.4%	3.4%
	Warehouse Distribution	2.9%	2.9%	3.0%	4.3%	4.3%
	Warehouse Office	4.4%	3.8%	5.3%	5.6%	6.9%
	Subtotal	**4.6%**	**4.3%**	**5.2%**	**5.6%**	**6.2%**
Northwest	Flex/R&D	5.1%	5.2%	5.1%	5.3%	5.7%
	Manufacturing	2.3%	2.3%	2.3%	3.0%	0.9%
	Warehouse Distribution	7.1%	8.5%	9.0%	9.4%	6.9%
	Warehouse Office	7.2%	6.3%	6.0%	5.0%	6.0%
	Subtotal	**6.6%**	**7.1%**	**7.3%**	**7.4%**	**6.2%**
Southeast	Flex/R&D	9.4%	8.1%	8.2%	8.6%	8.8%
	Manufacturing	2.7%	20.6%	24.4%	10.7%	11.6%
	Warehouse Distribution	14.5%	14.1%	13.5%	15.5%	15.5%
	Warehouse Office	4.1%	4.0%	5.9%	6.2%	10.0%
	Subtotal	**9.4%**	**9.7%**	**10.3%**	**10.7%**	**12.1%**
Southwest	Flex/R&D	9.8%	8.9%	8.6%	9.0%	9.2%
	Manufacturing	0.9%	0.1%	0.1%	0.1%	0.1%
	Warehouse Distribution	8.3%	8.8%	9.9%	10.1%	11.3%
	Warehouse Office	10.0%	9.8%	9.7%	10.5%	10.8%
	Subtotal	**9.1%**	**8.9%**	**9.2%**	**9.6%**	**10.2%**
West	Flex/R&D	5.6%	6.6%	6.7%	6.6%	6.9%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	3.3%	12.9%	12.9%	14.9%	15.6%
	Warehouse Office	4.1%	5.2%	7.1%	12.8%	13.2%
	Subtotal	**4.3%**	**7.0%**	**7.8%**	**10.7%**	**11.1%**
Grand Total		**6.9%**	**7.2%**	**7.7%**	**8.2%**	**8.5%**

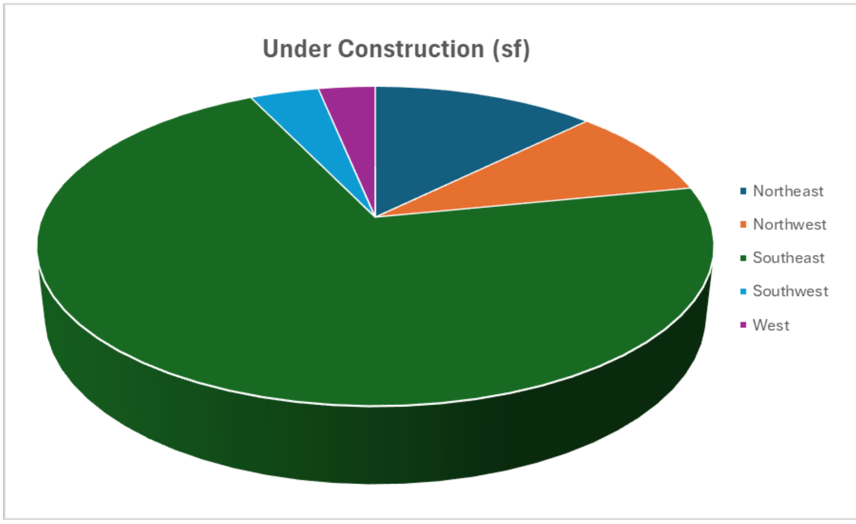


Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q1 2025 Ave Lease Rate Low	Q1 2025 Ave Lease Rate High	Q2 2025 Ave Lease Rate Low	Q2 2025 Ave Lease Rate High	Q3 2025 Ave Lease Rate Low	Q3 2025 Ave Lease Rate High	Q4 2025 Ave Lease Rate Low	Q4 2025 Ave Lease Rate High	Q1 2026 Ave Lease Rate Low	Q1 2026 Ave Lease Rate High
Northeast	Flex/R&D	$10.29	$11.96	$9.88	$12.18	$9.73	$12.40	$11.17	$13.08	$10.17	$12.09
	Manufacturing	$6.50	$8.00	$6.50	$8.00	$6.50	$8.00	$6.50	$8.00	$6.50	$8.00
	Warehouse Distribution	$11.25	$15.50	$18.00	$18.00	$13.25	$16.50	$14.67	$14.67	$14.88	$16.38
	Warehouse Office	$7.64	$10.42	$8.12	$10.59	$8.15	$10.61	$8.60	$10.86	$8.11	$10.43
	Subtotal	**$8.79**	**$11.16**	**$8.96**	**$11.21**	**$8.85**	**$11.37**	**$9.57**	**$11.57**	**$8.89**	**$11.03**
Northwest	Flex/R&D	$8.95	$11.80	$8.77	$11.87	$8.58	$12.00	$8.28	$12.09	$8.16	$11.63
	Manufacturing										
	Warehouse Distribution	$6.50	$6.50	$6.50	$6.50	$7.00	$9.75	$6.95	$7.00	$6.95	$7.00
	Warehouse Office	$6.81	$8.60	$6.95	$9.30	$7.00	$9.61	$6.98	$8.63	$6.78	$8.64
	Subtotal	**$7.73**	**$9.90**	**$7.88**	**$10.52**	**$7.75**	**$10.76**	**$7.59**	**$10.20**	**$7.51**	**$10.13**
Southeast	Flex/R&D	$8.94	$12.70	$8.91	$12.60	$8.57	$12.41	$9.32	$11.93	$10.60	$12.40
	Manufacturing	$6.75	$6.75	$6.75	$6.75	$9.00	$10.00	$8.44	$8.94	$8.56	$9.06
	Warehouse Distribution	$6.50	$6.50	$6.50	$6.50						
	Warehouse Office	$6.50	$10.38	$6.08	$11.29	$8.05	$10.81	$7.96	$10.08	$8.35	$10.25
	Subtotal	**$8.08**	**$11.42**	**$7.96**	**$11.58**	**$8.36**	**$11.49**	**$8.73**	**$10.88**	**$9.59**	**$11.23**
Southwest	Flex/R&D	$8.92	$11.47	$9.27	$12.02	$9.18	$11.95	$9.47	$12.11	$9.53	$11.70
	Manufacturing										
	Warehouse Distribution	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75	$5.75
	Warehouse Office	$7.84	$10.48	$8.10	$9.78	$8.17	$9.93	$7.75	$9.54	$9.23	$10.71
	Subtotal	**$8.35**	**$10.79**	**$8.70**	**$10.96**	**$8.63**	**$10.90**	**$8.57**	**$10.72**	**$9.19**	**$10.95**
West	Flex/R&D	$9.28	$12.73	$9.32	$13.04	$8.47	$13.18	$8.30	$13.31	$8.83	$13.86
	Manufacturing										
	Warehouse Distribution	$6.38	$8.25	$6.38	$8.25	$6.38	$8.25	$6.38	$8.25	$6.75	$8.00
	Warehouse Office	$11.00	$14.60	$9.69	$13.50	$10.67	$14.25	$10.64	$13.93	$12.20	$14.50
	Subtotal	**$9.48**	**$12.76**	**$9.16**	**$12.71**	**$8.97**	**$12.99**	**$8.96**	**$13.01**	**$9.45**	**$13.01**
Grand Total		**$8.42**	**$11.06**	**$8.53**	**$11.30**	**$8.53**	**$11.40**	**$8.79**	**$11.21**	**$8.95**	**$11.15**

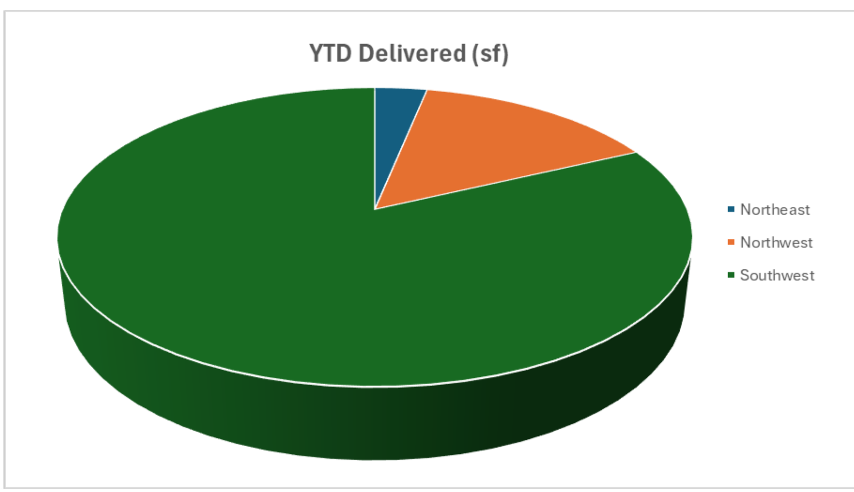


New Developments by Market



Market	Bldg (sf)
Northeast	789,573
Northwest	573,190
Southeast	4,424,103
Southwest	244,344
West	201,320
Grand Total	**6,232,530**

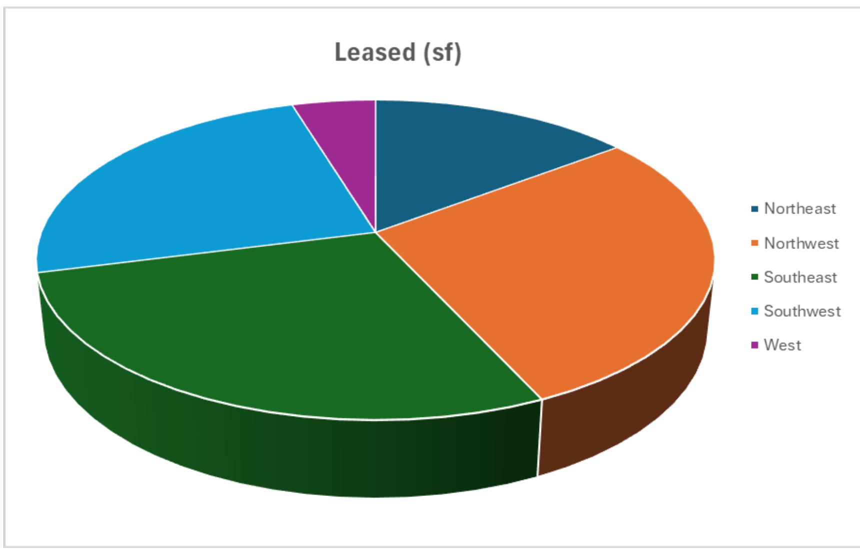
YTD Deliveries by Market



Market	Bldg (sf)
Northeast	22,000
Northwest	102,536
Southwest	568,477
Grand Total	**693,013**

Leasing Activity

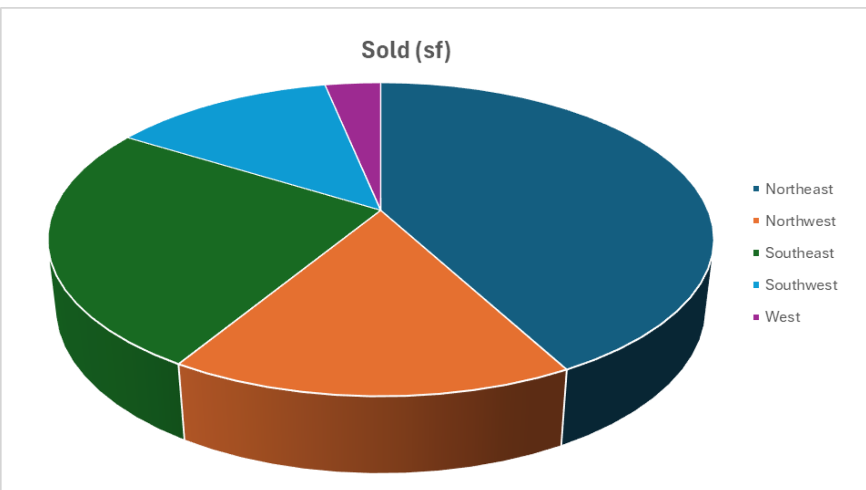
Property	Size (sf)	Market	Tenant	Landlord
Arbor Lakes Business Park 10675 73rd Pl N	197,964	Northwest	Boston Scientific	Arbor Lakes Building 9 LLC
Valley Park Business Center 5651 Innovation Blvd	162,753	Southwest	My Pillow	B9 MN Core Logistics Propco LLC
1451 Dean Lakes Trl	136,589	Southwest	DTI	Stag Industrial Holdings LLC
American Bottling 270 Bridgepoint Dr	124,800	Southeast	American Bottling Company	WPT Bridgepoint Way LP
France Avenue Business Park 4837 Azelia Ave N	116,000	Northwest	Omni Logistics	ERG-CP France Ave BP Owner LLC



Market	Leased (sf)
Northeast	399,585
Northwest	773,904
Southeast	759,083
Southwest	661,714
West	127,847
Grand Total	**2,722,133**

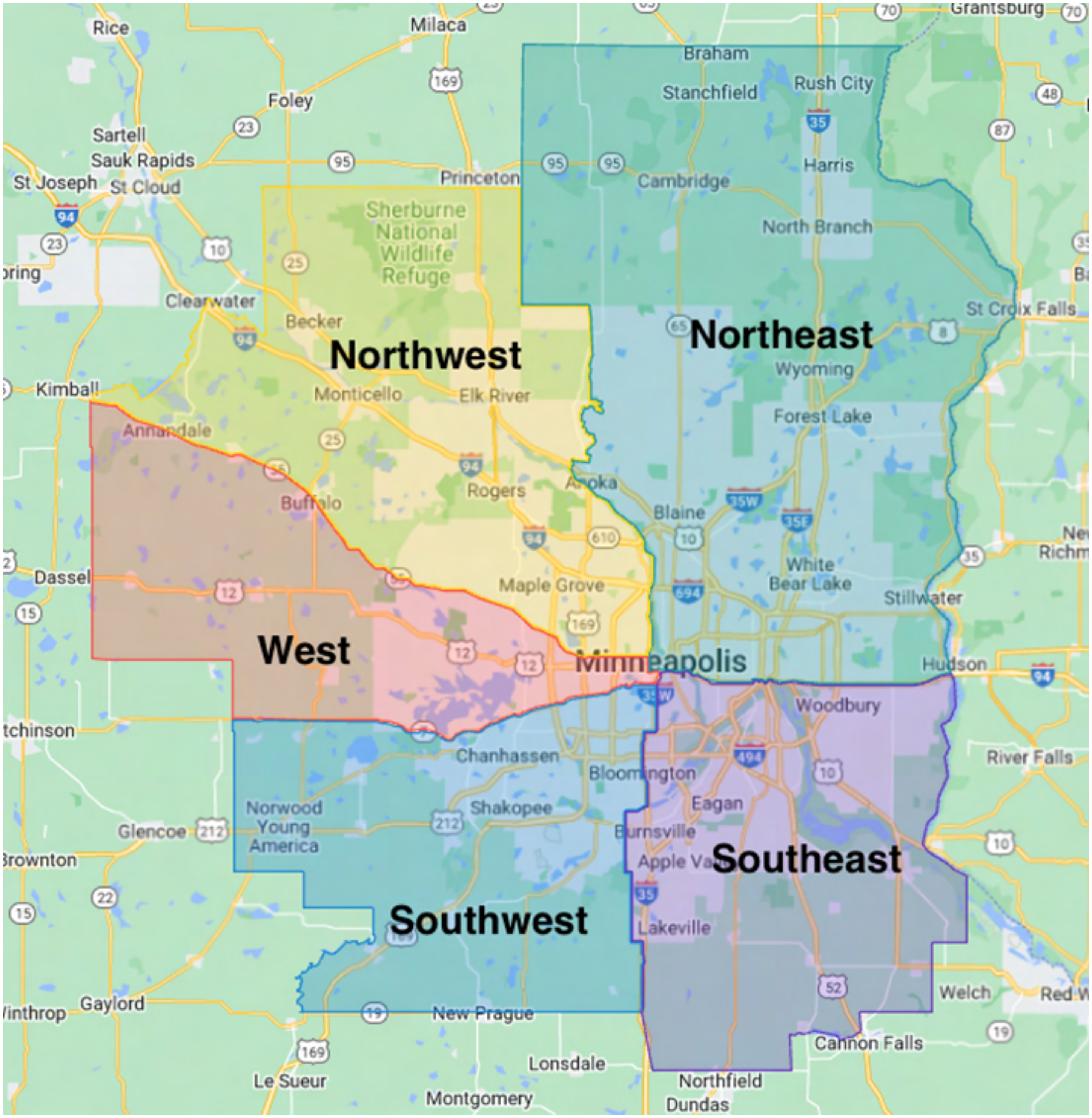
Sales Activity

Property	Price	Market	Seller	Buyer
River Tech I-IV 5155-5301 East River Rd NE	$29,625,000	Northeast	River Road Plaza Q LLC; River Road Plaza T LLC	RTW Ventures LLC
Gateway Business Park 500-510 Lone Oak Rd	$26,350,000	Southeast	Wyatt Sharing & Caring LLC	FIF MN Eagan LLC
Twin Lakes Corporate Center 2770 N Cleveland Ave	$14,800,000	Northeast	Twin Lakes Four-QT LLC; Twin Lakes Four-TP LLC	Twin Lakes Four LLC
Extra Space Storage 2845 Harriet Ave	$13,680,000	West	JBLM Properties LLC	MNU2305NE LP
1720 Alexander Rd	$12,275,000	Southeast	Essendant Co	Scannell Properties #778 LLC



Market	Sold (sf)
Northeast	1,512,852
Northwest	595,167
Southeast	903,392
Southwest	464,365
West	115,886
Grand Total	**3,591,662**

Market Map



Images courtesy of Google maps

Methodology

The Mpls-St Paul market consists of single and multi-tenant industrial buildings 20,000 sf or larger or part of a complex larger than 20,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington and Wright counties. The tracked set does not include self-storage facilities and non-conforming property types such as grain elevators or fuel storage facilities. All tracked properties are existing. Statistically, net absorption will be calculated based on occupancy change during the current quarter. Asking lease rates are based on an average asking rate and noted on a NNN basis.

The Mpls-St Paul tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

Terminology

Inventory	The total square feet (sf) of existing single and multi-tenant buildings greater than 20,000 sf or are part of a complex that totals greater than 20,000 sf located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington and Wright Counties.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant (sf)	The total of all the vacant square feet within a building including both direct and sublease space.
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease Space	Space that is offered for lease by a current tenant, or their agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in occupancy from quarter to quarter, expressed in square feet.
Average Asking Rate	The average low and high asking lease rated expressed as a per square foot value in NNN terms.
Warehouse Distribution	Higher clear height and typically over 24 foot clear.
Warehouse Office	More office build out compared to warehouse distribution and clear heights less than 24 foot clear
Warehouse Flex	Higher end finishing and landscaping. More office build out compared to warehouse office.

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