

Market

Trends

Q2 2026

Mpls/St Paul - Industrial



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Market Trends

Q2 2026 | Mpls-St Paul | Industrial

Employment

	Current	Y-o-Y
Employment	1,996,987	
Area Unemployment	3.9%	
U.S. Unemployment	4.3%	
Industrial Jobs	199,100	

Source: BLS

*Employment figures and area unemployment are based on

Mpls-St Paul MSA data.

Market Recap

All Properties

Total Inventory (sf)	304,561,971
Total # of Bldgs (tracked)	3,394
Absorption (sf)	502,608
Vacancy	6.7%
Asking Rate Low (NNN)	\$8.65
Asking Rent High (NNN)	\$11.06
Under Construction (sf)	6,798,755

Multi-tenant Properties

Total Inventory (sf)	154,460,044
Total # of Bldgs (tracked)	1,862
Absorption (sf)	(313,541)
Vacancy	9.1%
Asking Rate Low (NNN)	\$8.76
Asking Rent High (NNN)	\$11.02

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 50 basis points to 3.9% for May 2026 from 3.4% for May 2025. The unemployment rate for the US was at 4.3% in May 2026 increasing 10 basis points from last year. State of Minnesota unemployment rate was 4.4%. The Mpls-St Paul MSA saw a decrease in job growth but industrial specific jobs increased in job growth in manufacturing by 3,200 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 304.5 msf in eight counties across the metro. Overall, there was 502,600 sf of positive absorption for Q2 2026. This brought the YTD to (757,400) sf negative absorption and a vacancy rate of 6.7%. Multi-tenant only properties posted (313,500) sf negative absorption, bringing the YTD to (734,100) sf negative absorption and a vacancy rate to 9.1%. To date, there are 31 construction projects throughout the market totaling 6.8 msf and 17 properties have been delivered YTD with 1.7 msf.

Market Highlights

The Northeast showed the lowest vacancy rate of 4.8% while the Southwest market is at the top with 10.3% for all properties. The Southeast posted the most positive absorption of 429,500 sf led by the new delivery of Project Wrangler with 225,500 sf. The Southwest market posted the most in negative absorption of (268,300) sf led by My Pillow vacating 374,700 sf while downsizing to 162,700 sf. At the close of Q2 2026, the market experienced 2.6 msf of leasing activity in 207 transactions. Ninety properties sold totaling 4.0 msf for \$433.7 million.

Statistics by Property Type (Multi and Single Tenant)

Total

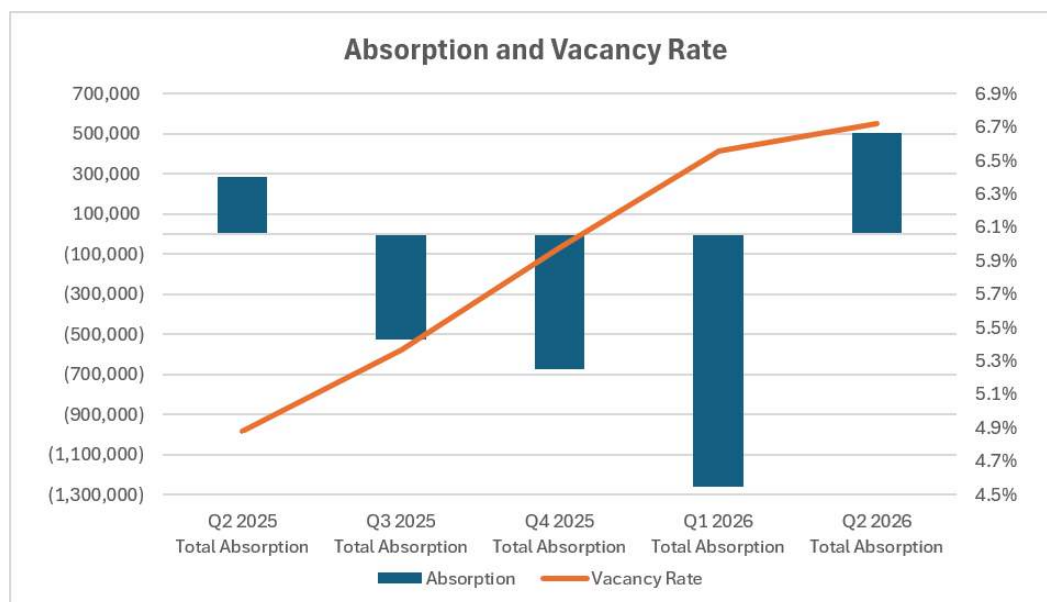
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	660	46,009,788	4,665,317	3,665,732	47,251	(330,236)	8.0%
Manufacturing	380	32,645,109	2,408,017	1,608,742	(174,836)	(101,748)	4.9%
Warehouse Distribution	667	120,287,685	11,208,490	8,674,338	409,810	1,134,105	7.2%
Warehouse Office	1,687	105,619,389	9,311,377	6,513,757	220,383	(1,459,609)	6.2%
Grand Total	3,394	304,561,971	27,593,201	20,462,569	502,608	(757,488)	6.7%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	660	46,009,788	4,108,237	3,335,620	111,629	(245,145)	7.2%
Manufacturing	380	32,645,109	2,184,862	1,408,225	(141,413)	(93,325)	4.3%
Warehouse Distribution	667	120,287,685	9,190,076	7,875,203	450,182	1,222,180	6.5%
Warehouse Office	1,687	105,619,389	7,948,912	5,848,012	(165,601)	(1,142,582)	5.5%
Grand Total	3,394	304,561,971	23,432,087	18,467,060	254,797	(258,872)	6.1%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	660	46,009,788	557,080	330,112	(64,378)	(85,091)	0.7%
Manufacturing	380	32,645,109	223,155	200,517	(33,423)	(8,423)	0.6%
Warehouse Distribution	667	120,287,685	2,018,414	799,135	(40,372)	(88,075)	0.7%
Warehouse Office	1,687	105,619,389	1,362,465	665,745	385,984	(317,027)	0.6%
Grand Total	3,394	304,561,971	4,161,114	1,995,509	247,811	(498,616)	0.7%



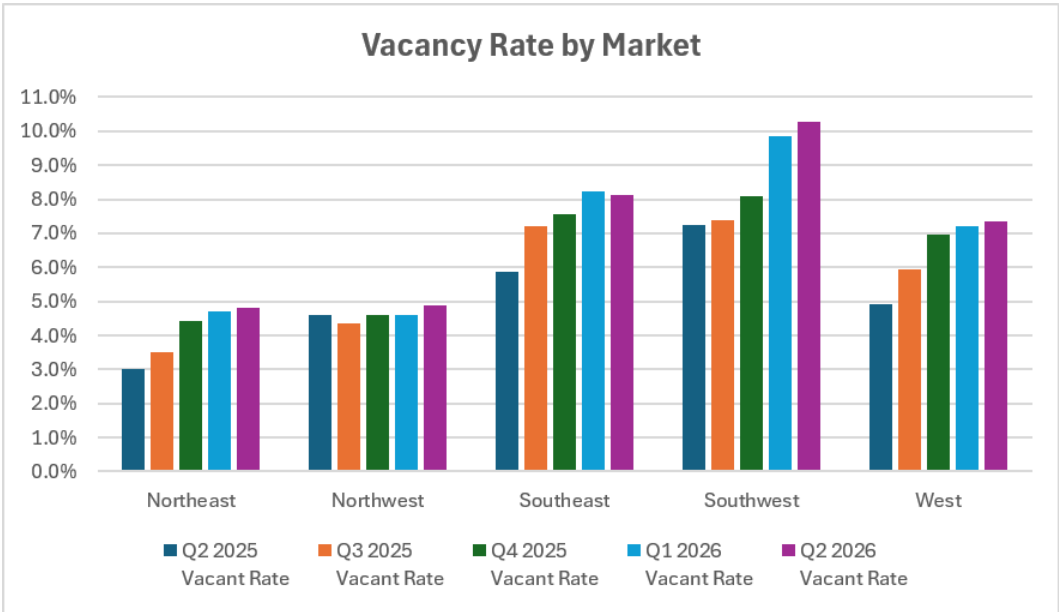
Market Statistics by Market (Multi and Single Tenant)

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	161	10,597,519	1,028,671	772,901	164,772	120,880	7.3%
	Manufacturing	174	14,384,984	1,169,379	972,695	(87,055)	(87,055)	6.8%
	Warehouse Distribution	183	31,202,773	1,876,839	841,415	174,435	296,528	2.7%
	Warehouse Office	596	37,757,765	3,114,481	1,931,132	24,743	(439,442)	5.1%
	Subtotal	1,114	93,943,041	7,189,370	4,518,143	276,895	(109,089)	4.8%
Northwest	Flex/R&D	109	8,810,452	569,658	282,955	(4,015)	11,525	3.2%
	Manufacturing	61	5,558,684	104,665	13,965	23,594	65,309	0.3%
	Warehouse Distribution	189	34,641,394	3,054,361	2,265,738	(142,892)	82,688	6.5%
	Warehouse Office	315	19,858,031	1,006,527	793,477	213,900	22,741	4.0%
	Subtotal	674	68,868,561	4,735,211	3,356,135	90,587	182,263	4.9%
Southeast	Flex/R&D	132	8,417,938	1,011,272	794,750	18,504	(31,877)	9.4%
	Manufacturing	78	6,837,918	873,930	477,868	(121,870)	(90,497)	7.0%
	Warehouse Distribution	153	29,505,880	2,804,136	2,783,631	399,467	404,829	9.4%
	Warehouse Office	354	21,352,132	2,182,285	1,309,643	133,440	(292,380)	6.1%
	Subtotal	717	66,113,868	6,871,623	5,365,892	429,541	(9,925)	8.1%
Southwest	Flex/R&D	195	13,656,075	1,590,183	1,521,704	(103,909)	(391,251)	11.1%
	Manufacturing	38	3,305,965	167,389	51,560	10,495	10,495	1.6%
	Warehouse Distribution	109	21,320,514	3,061,974	2,461,894	(48,933)	338,399	11.5%
	Warehouse Office	297	18,466,728	2,168,119	1,799,972	(125,954)	(705,812)	9.7%
	Subtotal	639	56,749,282	6,987,665	5,835,130	(268,301)	(748,169)	10.3%
West	Flex/R&D	63	4,527,804	465,533	293,422	(28,101)	(39,513)	6.5%
	Manufacturing	29	2,557,558	92,654	92,654	0	0	3.6%
	Warehouse Distribution	33	3,617,124	411,180	321,660	27,733	11,661	8.9%
	Warehouse Office	125	8,184,733	839,965	679,533	(25,746)	(44,716)	8.3%
	Subtotal	250	18,887,219	1,809,332	1,387,269	(26,114)	(72,568)	7.3%
Grand Total		3,394	304,561,971	27,593,201	20,462,569	502,608	(757,488)	6.7%



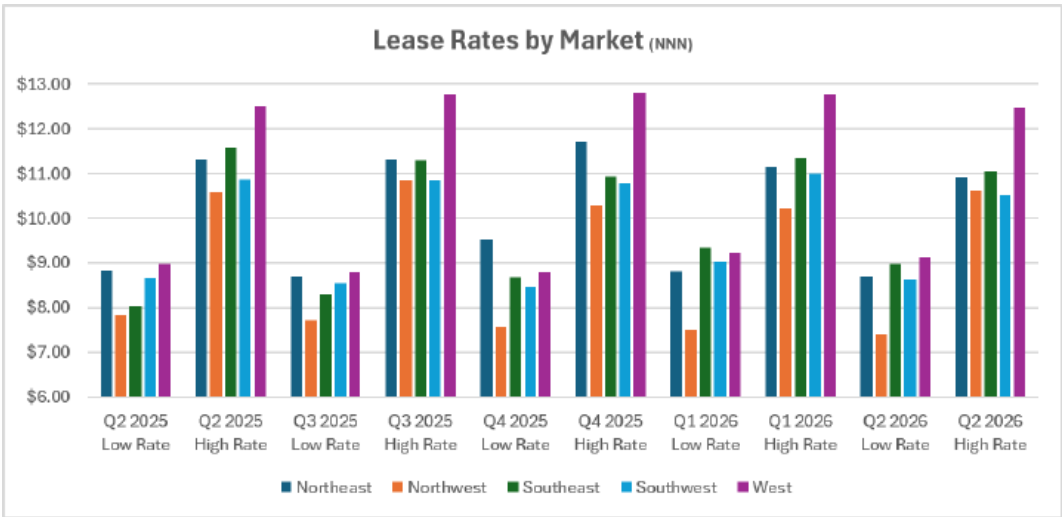
Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	6.0%	7.2%	6.7%	7.2%	7.3%
	Manufacturing	3.0%	3.2%	7.2%	6.2%	6.8%
	Warehouse Distribution	2.4%	2.2%	3.0%	2.6%	2.7%
	Warehouse Office	2.6%	3.6%	3.9%	5.2%	5.1%
	Subtotal	3.0%	3.5%	4.4%	4.7%	4.8%
Northwest	Flex/R&D	3.5%	3.2%	3.3%	3.2%	3.2%
	Manufacturing	0.8%	0.8%	1.4%	0.7%	0.3%
	Warehouse Distribution	5.7%	5.3%	6.0%	5.3%	6.5%
	Warehouse Office	4.2%	4.3%	3.7%	5.1%	4.0%
	Subtotal	4.6%	4.4%	4.6%	4.6%	4.9%
Southeast	Flex/R&D	6.7%	6.7%	9.1%	9.7%	9.4%
	Manufacturing	7.5%	8.9%	5.7%	5.3%	7.0%
	Warehouse Distribution	7.2%	8.7%	9.6%	9.6%	9.4%
	Warehouse Office	3.3%	4.8%	4.8%	6.8%	6.1%
	Subtotal	5.9%	7.2%	7.6%	8.2%	8.1%
Southwest	Flex/R&D	6.3%	6.3%	7.1%	10.4%	11.1%
	Manufacturing	0.0%	2.0%	1.9%	1.9%	1.6%
	Warehouse Distribution	10.8%	11.7%	11.5%	11.3%	11.5%
	Warehouse Office	5.1%	4.2%	6.0%	9.1%	9.7%
	Subtotal	7.2%	7.4%	8.1%	9.8%	10.3%
West	Flex/R&D	5.6%	5.7%	5.6%	5.9%	6.5%
	Manufacturing	0.0%	3.6%	3.6%	3.6%	3.6%
	Warehouse Distribution	10.4%	10.4%	9.2%	9.7%	8.9%
	Warehouse Office	3.6%	4.8%	7.8%	8.0%	8.3%
	Subtotal	4.9%	5.9%	7.0%	7.2%	7.3%
Grand Total		4.9%	5.4%	6.0%	6.6%	6.7%



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q2 2025		Q3 2025		Q4 2025		Q1 2026		Q2 2026	
		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	\$9.88	\$12.18	\$9.73	\$12.40	\$10.93	\$13.06	\$10.08	\$12.22	\$10.78	\$12.71
	Manufacturing	\$7.70	\$10.50	\$7.70	\$10.50	\$8.25	\$10.50	\$6.33	\$9.33	\$4.50	\$6.00
	Warehouse Distribution	\$18.00	\$18.00	\$13.25	\$16.50	\$14.67	\$14.67	\$14.88	\$16.38	\$14.27	\$14.47
	Warehouse Office	\$8.03	\$10.67	\$8.00	\$10.49	\$8.51	\$10.91	\$8.06	\$10.48	\$7.91	\$10.38
	Subtotal	\$8.84	\$11.32	\$8.70	\$11.33	\$9.51	\$11.71	\$8.81	\$11.15	\$8.70	\$10.91
Northwest	Flex/R&D	\$8.77	\$11.87	\$8.58	\$12.00	\$8.28	\$12.09	\$8.16	\$11.63	\$7.58	\$11.39
	Manufacturing									\$11.20	\$11.60
	Warehouse Distribution	\$6.50	\$6.50	\$7.00	\$9.75	\$6.95	\$7.00	\$6.95	\$7.00	\$7.23	\$10.00
	Warehouse Office	\$6.95	\$9.59	\$7.00	\$9.90	\$6.98	\$8.98	\$6.80	\$9.03	\$6.13	\$8.75
	Subtotal	\$7.84	\$10.60	\$7.72	\$10.84	\$7.57	\$10.30	\$7.49	\$10.23	\$7.41	\$10.62
Southeast	Flex/R&D	\$8.95	\$12.69	\$8.69	\$12.56	\$9.30	\$12.13	\$10.34	\$12.54	\$9.71	\$12.15
	Manufacturing	\$6.75	\$6.75	\$9.00	\$10.00	\$8.44	\$8.94	\$8.25	\$10.05	\$8.30	\$10.10
	Warehouse Distribution	\$6.50	\$6.50	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$7.48	\$7.48
	Warehouse Office	\$6.14	\$10.61	\$7.93	\$10.48	\$7.96	\$10.08	\$8.35	\$10.25	\$7.39	\$9.19
	Subtotal	\$8.04	\$11.57	\$8.30	\$11.31	\$8.69	\$10.94	\$9.35	\$11.33	\$8.97	\$11.04
Southwest	Flex/R&D	\$9.27	\$12.02	\$9.18	\$11.95	\$9.40	\$12.25	\$9.45	\$11.88	\$9.38	\$11.38
	Manufacturing										
	Warehouse Distribution	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.50	\$6.00
	Warehouse Office	\$8.03	\$9.57	\$7.97	\$9.92	\$7.64	\$9.58	\$8.92	\$10.60	\$7.90	\$9.96
	Subtotal	\$8.66	\$10.86	\$8.53	\$10.84	\$8.47	\$10.78	\$9.03	\$11.00	\$8.63	\$10.53
West	Flex/R&D	\$9.32	\$13.04	\$8.47	\$13.18	\$8.30	\$13.31	\$8.83	\$13.86	\$8.89	\$13.61
	Manufacturing										
	Warehouse Distribution	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.75	\$8.00	\$6.58	\$7.83
	Warehouse Office	\$9.22	\$13.00	\$9.93	\$13.50	\$10.00	\$13.31	\$11.08	\$13.58	\$10.38	\$12.94
	Subtotal	\$8.96	\$12.52	\$8.78	\$12.78	\$8.79	\$12.81	\$9.24	\$12.79	\$9.14	\$12.48
Grand Total		\$8.48	\$11.29	\$8.43	\$11.32	\$8.73	\$11.27	\$8.83	\$11.21	\$8.65	\$11.06



Statistics by Property Type (Multi-Tenant)

Total

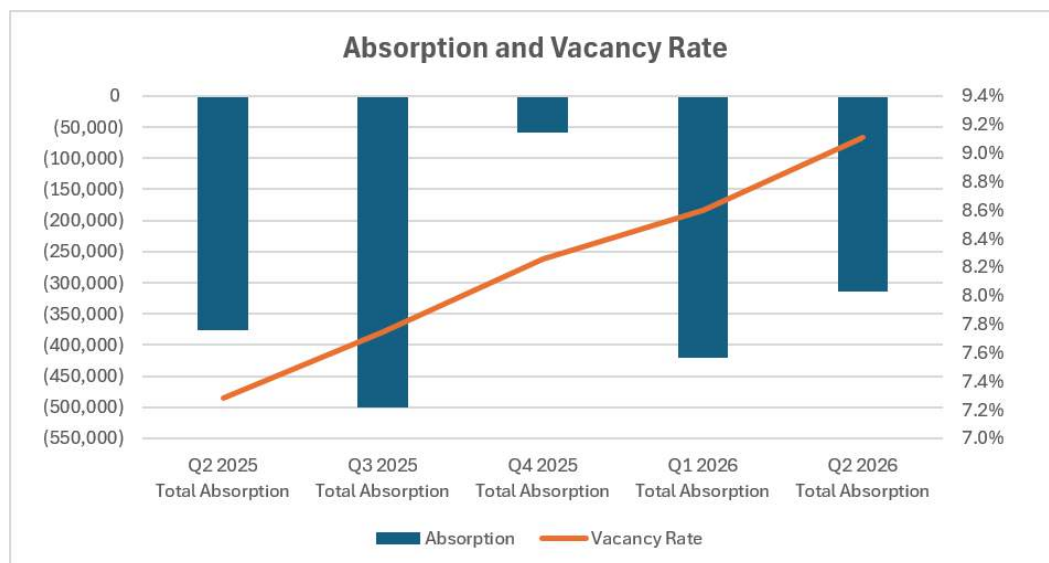
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	544	32,126,023	3,623,513	2,655,792	(37,940)	(36,028)	8.3%
Manufacturing	76	6,994,039	456,976	311,008	(29,997)	(747)	4.4%
Warehouse Distribution	360	60,652,678	7,778,176	6,615,097	(62,543)	289,323	10.9%
Warehouse Office	882	54,687,304	6,327,065	4,482,470	(183,061)	(986,722)	8.2%
Grand Total	1,862	154,460,044	18,185,730	14,064,367	(313,541)	(734,174)	9.1%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	544	32,126,023	3,323,233	2,450,199	(55,562)	(75,456)	7.6%
Manufacturing	76	6,994,039	423,553	277,585	3,426	32,676	4.0%
Warehouse Distribution	360	60,652,678	6,440,188	5,815,962	30,054	566,212	9.6%
Warehouse Office	882	54,687,304	5,441,095	4,021,834	(569,045)	(719,580)	7.4%
Grand Total	1,862	154,460,044	15,628,069	12,565,580	(591,127)	(196,148)	8.1%

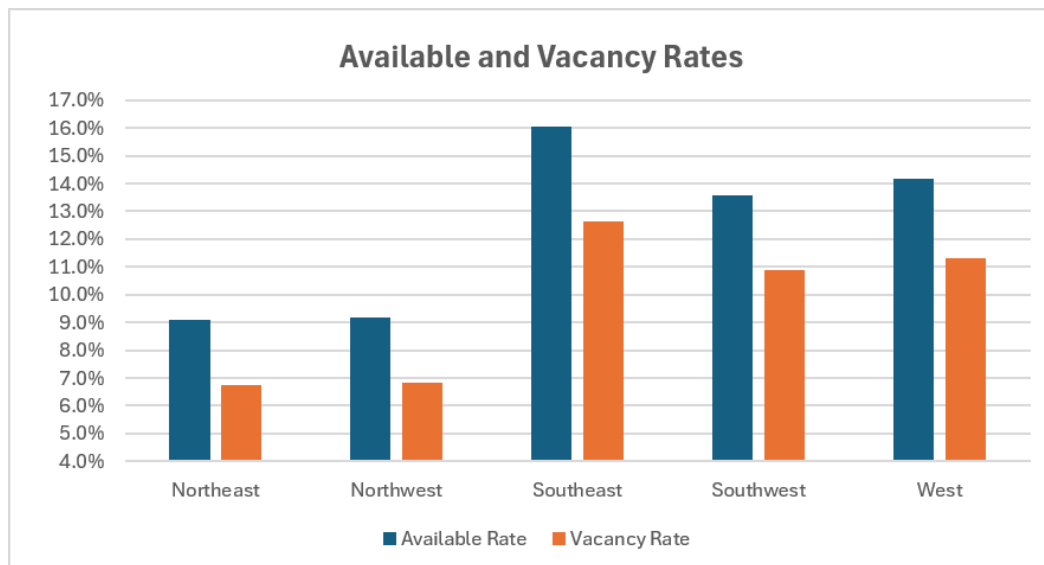
Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	544	32,126,023	300,280	205,593	17,622	39,428	0.6%
Manufacturing	76	6,994,039	33,423	33,423	(33,423)	(33,423)	0.5%
Warehouse Distribution	360	60,652,678	1,337,988	799,135	(92,597)	(276,889)	1.3%
Warehouse Office	882	54,687,304	885,970	460,636	385,984	(267,142)	0.8%
Grand Total	1,862	154,460,044	2,557,661	1,498,787	277,586	(538,026)	1.0%



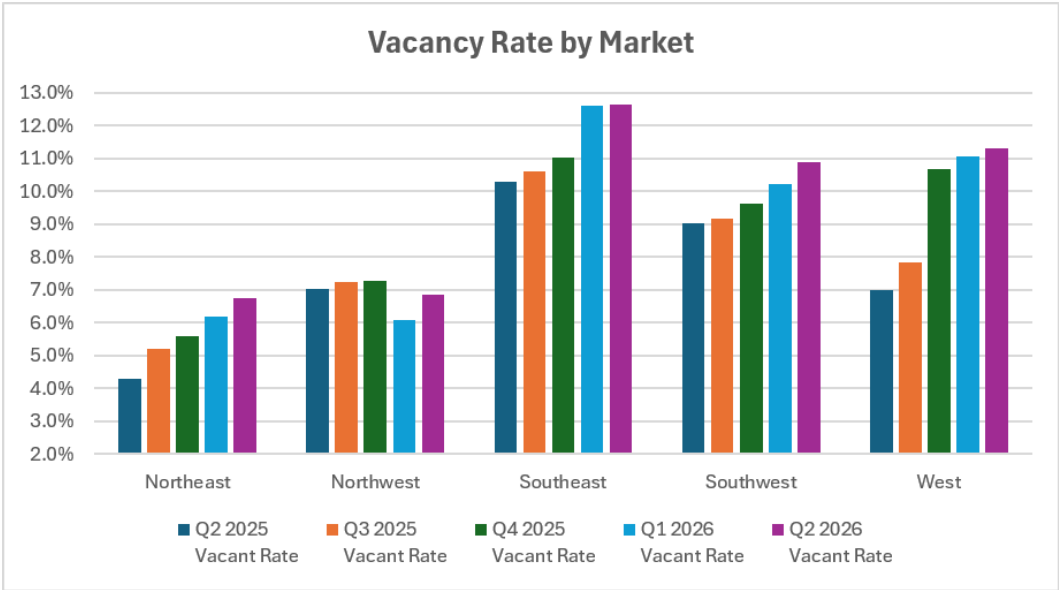
Market Statistics by Market (Multi-Tenant)

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	133	8,486,242	859,232	730,789	7,772	(14,008)	8.6%
	Manufacturing	32	2,704,096	195,550	131,846	(33,423)	(33,423)	4.9%
	Warehouse Distribution	86	12,936,337	1,009,358	589,668	(33,021)	(27,878)	4.6%
	Warehouse Office	294	19,392,994	1,891,428	1,474,766	(145,008)	(364,438)	7.6%
	Subtotal	545	43,519,669	3,955,568	2,927,069	(203,680)	(439,747)	6.7%
Northwest	Flex/R&D	84	4,952,066	569,658	282,955	(4,015)	(23,716)	5.7%
	Manufacturing	14	1,939,373	41,565	13,965	3,426	45,141	0.7%
	Warehouse Distribution	114	20,381,654	1,940,574	1,710,609	(71,309)	439,853	8.4%
	Warehouse Office	161	9,746,815	841,088	524,259	65,360	(30,362)	5.4%
	Subtotal	373	37,019,908	3,392,885	2,531,788	(6,538)	430,916	6.8%
Southeast	Flex/R&D	111	5,891,666	730,678	497,258	18,504	10,642	8.4%
	Manufacturing	17	997,454	218,501	163,837	0	(12,465)	16.4%
	Warehouse Distribution	77	12,557,399	2,327,694	2,237,605	46,157	41,294	17.8%
	Warehouse Office	175	10,379,123	1,512,410	867,259	75,876	(359,944)	8.4%
	Subtotal	380	29,825,642	4,789,283	3,765,959	140,537	(320,473)	12.6%
Southwest	Flex/R&D	160	8,937,465	998,412	851,368	(32,100)	30,567	9.5%
	Manufacturing	8	939,342	1,360	1,360	0	0	0.1%
	Warehouse Distribution	64	12,542,143	2,113,631	1,755,555	(32,103)	(175,607)	14.0%
	Warehouse Office	183	10,252,724	1,316,757	940,953	(153,543)	(187,262)	9.2%
	Subtotal	415	32,671,674	4,430,160	3,549,236	(217,746)	(332,302)	10.9%
West	Flex/R&D	56	3,858,584	465,533	293,422	(28,101)	(39,513)	7.6%
	Manufacturing	5	413,774			0	0	0.0%
	Warehouse Distribution	19	2,235,145	386,919	321,660	27,733	11,661	14.4%
	Warehouse Office	69	4,915,648	765,382	675,233	(25,746)	(44,716)	13.7%
	Subtotal	149	11,423,151	1,617,834	1,290,315	(26,114)	(72,568)	11.3%
Grand Total		1,862	154,460,044	18,185,730	14,064,367	(313,541)	(734,174)	9.1%



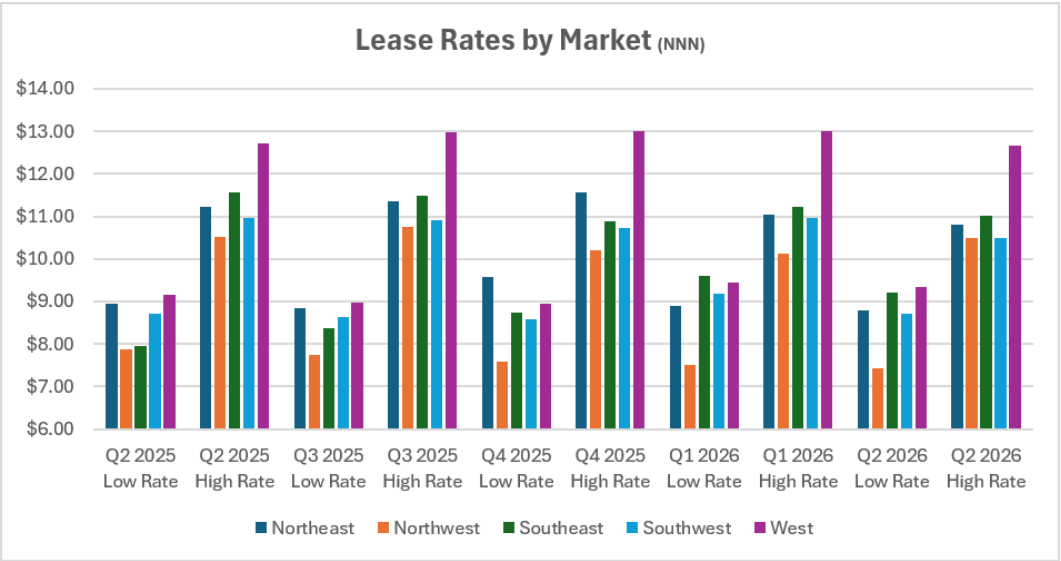
Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	7.3%	8.6%	7.9%	8.3%	8.6%
	Manufacturing	3.6%	3.6%	3.6%	3.6%	4.9%
	Warehouse Distribution	2.9%	3.0%	4.3%	4.3%	4.6%
	Warehouse Office	3.8%	5.3%	5.6%	6.9%	7.6%
	Subtotal	4.3%	5.2%	5.6%	6.2%	6.7%
Northwest	Flex/R&D	5.1%	5.0%	5.2%	5.6%	5.7%
	Manufacturing	2.3%	2.3%	3.0%	0.9%	0.7%
	Warehouse Distribution	8.3%	8.9%	9.3%	6.7%	8.4%
	Warehouse Office	6.3%	6.0%	5.0%	6.0%	5.4%
	Subtotal	7.0%	7.2%	7.3%	6.1%	6.8%
Southeast	Flex/R&D	8.1%	8.2%	8.6%	8.8%	8.4%
	Manufacturing	29.1%	34.5%	15.2%	16.4%	16.4%
	Warehouse Distribution	15.2%	15.0%	17.0%	17.0%	17.8%
	Warehouse Office	4.0%	4.5%	4.9%	9.1%	8.4%
	Subtotal	10.3%	10.6%	11.0%	12.6%	12.6%
Southwest	Flex/R&D	8.9%	8.6%	9.0%	9.2%	9.5%
	Manufacturing	0.1%	0.1%	0.1%	0.1%	0.1%
	Warehouse Distribution	11.7%	12.4%	12.6%	13.7%	14.0%
	Warehouse Office	6.6%	6.5%	7.4%	7.7%	9.2%
	Subtotal	9.0%	9.2%	9.6%	10.2%	10.9%
West	Flex/R&D	6.6%	6.7%	6.6%	6.9%	7.6%
	Manufacturing	0.0%	0.0%	0.0%	0.0%	0.0%
	Warehouse Distribution	12.9%	12.9%	14.9%	15.6%	14.4%
	Warehouse Office	5.2%	7.1%	12.8%	13.2%	13.7%
	Subtotal	7.0%	7.8%	10.7%	11.1%	11.3%
Grand Total		7.3%	7.7%	8.3%	8.6%	9.1%

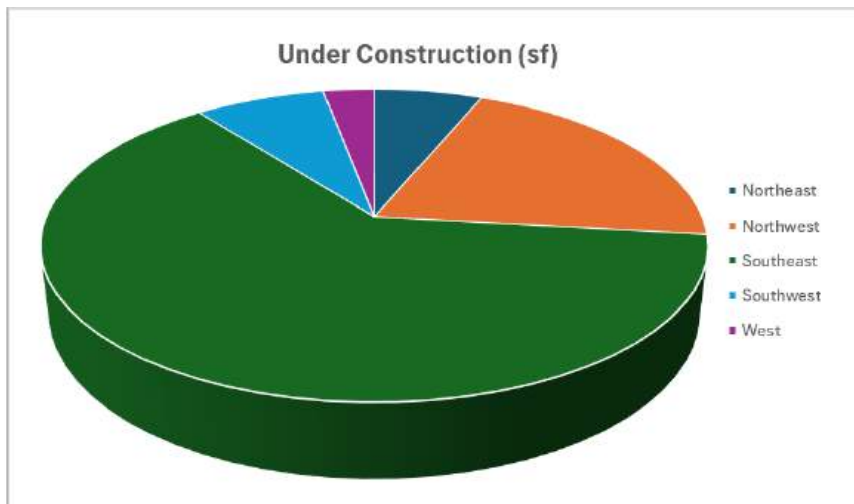


Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q2 2025		Q3 2025		Q4 2025		Q1 2026		Q2 2026	
		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	\$9.88	\$12.18	\$9.73	\$12.40	\$11.17	\$13.08	\$10.17	\$12.09	\$11.39	\$12.69
	Manufacturing	\$6.50	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00	\$6.50	\$8.00	\$4.50	\$6.00
	Warehouse Distribution	\$18.00	\$18.00	\$13.25	\$16.50	\$14.67	\$14.67	\$14.88	\$16.38	\$14.27	\$14.47
	Warehouse Office	\$8.12	\$10.59	\$8.15	\$10.61	\$8.60	\$10.86	\$8.11	\$10.43	\$7.95	\$10.33
	Subtotal	\$8.96	\$11.21	\$8.85	\$11.37	\$9.57	\$11.57	\$8.89	\$11.03	\$8.79	\$10.80
Northwest	Flex/R&D	\$8.77	\$11.87	\$8.58	\$12.00	\$8.28	\$12.09	\$8.16	\$11.63	\$7.58	\$11.39
	Manufacturing									\$11.20	\$11.60
	Warehouse Distribution	\$6.50	\$6.50	\$7.00	\$9.75	\$6.95	\$7.00	\$6.95	\$7.00	\$7.23	\$10.00
	Warehouse Office	\$6.95	\$9.30	\$7.00	\$9.61	\$6.98	\$8.63	\$6.78	\$8.64	\$5.83	\$7.50
	Subtotal	\$7.88	\$10.52	\$7.75	\$10.76	\$7.59	\$10.20	\$7.51	\$10.13	\$7.43	\$10.50
Southeast	Flex/R&D	\$8.91	\$12.60	\$8.57	\$12.41	\$9.32	\$11.93	\$10.60	\$12.40	\$9.82	\$11.96
	Manufacturing	\$6.75	\$6.75	\$9.00	\$10.00	\$8.44	\$8.94	\$8.56	\$9.06	\$8.63	\$9.13
	Warehouse Distribution	\$6.50	\$6.50							\$9.00	\$9.00
	Warehouse Office	\$6.08	\$11.29	\$8.05	\$10.81	\$7.96	\$10.08	\$8.35	\$10.25	\$7.36	\$9.61
	Subtotal	\$7.96	\$11.58	\$8.36	\$11.49	\$8.73	\$10.88	\$9.59	\$11.23	\$9.20	\$11.01
Southwest	Flex/R&D	\$9.27	\$12.02	\$9.18	\$11.95	\$9.47	\$12.11	\$9.53	\$11.70	\$9.48	\$11.14
	Manufacturing										
	Warehouse Distribution	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.75	\$5.50	\$6.00
	Warehouse Office	\$8.10	\$9.78	\$8.17	\$9.93	\$7.75	\$9.54	\$9.23	\$10.71	\$7.99	\$10.35
	Subtotal	\$8.70	\$10.96	\$8.63	\$10.90	\$8.57	\$10.72	\$9.19	\$10.95	\$8.71	\$10.48
West	Flex/R&D	\$9.32	\$13.04	\$8.47	\$13.18	\$8.30	\$13.31	\$8.83	\$13.86	\$8.89	\$13.61
	Manufacturing										
	Warehouse Distribution	\$6.38	\$8.25	\$6.38	\$8.25	\$6.38	\$8.25	\$6.75	\$8.00	\$6.58	\$7.83
	Warehouse Office	\$9.69	\$13.50	\$10.67	\$14.25	\$10.64	\$13.93	\$12.20	\$14.50	\$11.07	\$13.50
	Subtotal	\$9.16	\$12.71	\$8.97	\$12.99	\$8.96	\$13.01	\$9.45	\$13.01	\$9.33	\$12.66
Grand Total		\$8.53	\$11.30	\$8.53	\$11.40	\$8.79	\$11.21	\$8.95	\$11.15	\$8.76	\$11.02

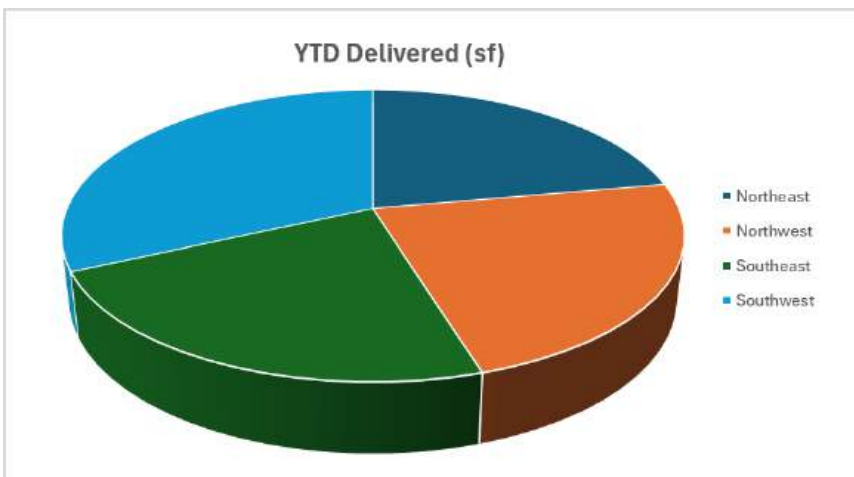


New Developments by Market



Market	Bldg (sf)
Northeast	425,117
Northwest	1,396,989
Southeast	4,262,985
Southwest	512,344
West	201,320
Grand Total	6,798,755

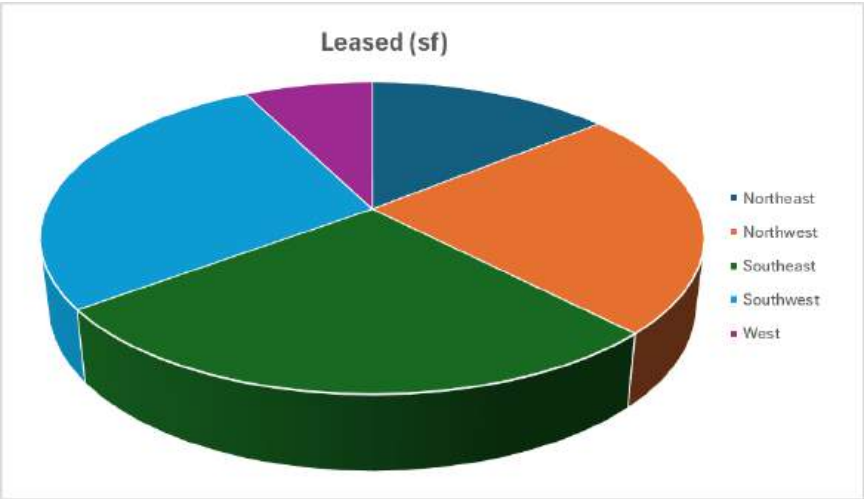
YTD Deliveries by Market



Market	Bldg (sf)
Northeast	396,856
Northwest	412,536
Southeast	411,118
Southwest	568,477
Grand Total	1,788,987

Leasing Activity

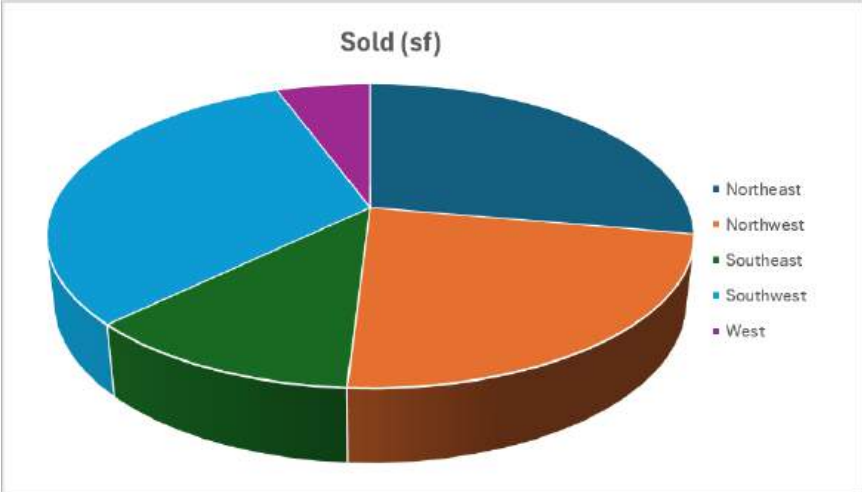
Property	Size (sf)	Market	Tenant	Landlord
Brockton Business Park 10585 County Rd 101	194,981	Northwest	Medline	AG-HRE Brockton I Owner LLC
Cobalt Business Center 1315 Mendota Heights Rd	174,288	Southeast	Project Hot	Cobalt Business Center, LLC
Park 2000 II 5555 12th Ave E	117,789	Southwest	Camerons Coffee	5555 12th Shakopee MN II LLC
Commerce Logistics Center 1500 Commerce Dr	112,520	Southeast	Chadwell Supply	St Paul Fire Marine Insurance
Dean Lakes Corporate Center 5201 Dean Lakes Blvd	79,248	Southwest	Ryder Logistics	IDP Dean Lakes B1 LLC



Market	Leased (sf)
Northeast	376,979
Northwest	629,885
Southeast	725,023
Southwest	738,966
West	199,423
Grand Total	2,670,276

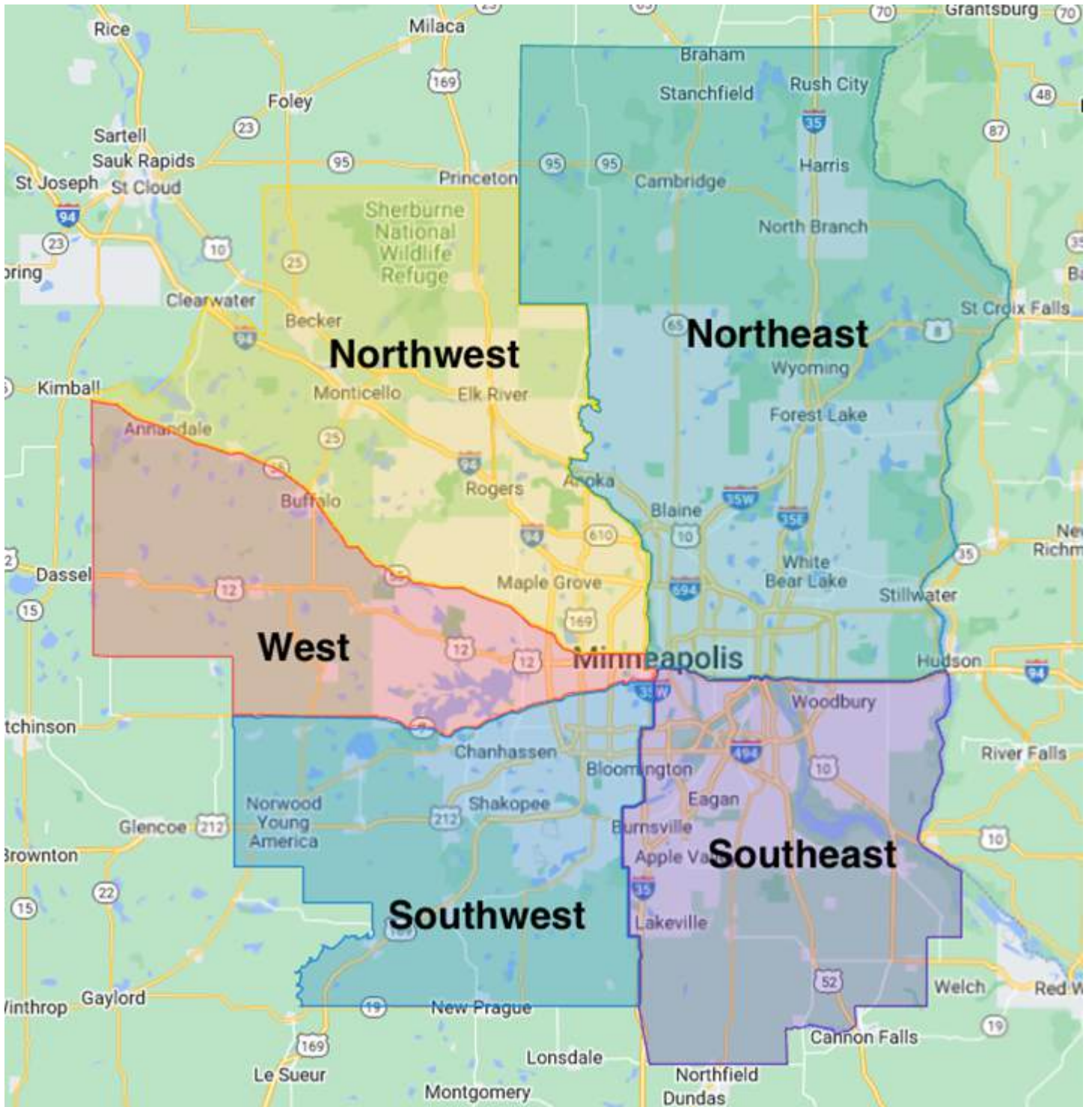
Sales Activity

Property	Price	Market	Seller	Buyer
Lakes Distribution Center 435 Park Court	\$23,000,000	Northeast	MW Distribution Property LLC	Park Court Industrial Acquisition, LLC
1800 Broadway St NE	\$22,000,000	Northeast	BREIT Hennepin Industrial Owner, LLC	Waste Management of Minnesota, Inc.
Normandale Tech Center 6401 Cecilia Cir	\$19,350,000	Southwest	NTC Q, LLC; NTC P, LLC; NTC M, LLC; NTC S, LLC; NTC K, LLC	Edina Realty IN, LLC
9583 217th St W	\$19,025,000	Southeast	SIF II Interstate Logistics LLC	AHST 505, LLC
Dean Lakes Corporate Center 5225 Dean Lakes Blvd	\$17,011,500	Southwest	IDP Dean Lakes B1, LLC	Shakopee Capital, LLC



Market	Sold (sf)
Northeast	1,112,178
Northwest	928,683
Southeast	474,267
Southwest	1,266,113
West	224,198
Grand Total	4,005,439

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 rate 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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REDI CRE Team

Jeremy Bengtson	CEO	jeremy@redicre.com	
Chris Allen	Regional Director of Analytics	chris@redicre.com	800-574-9185 x 802
Michelle Siegart	Senior Listing Specialist	michelle@redicre.com	800-574-9185 x 808
Molly Bengtson	Director of Operations	molly@redicre.com	800-574-9185 x 803
Kortnei Rogers	Minnesota Sale Comp Specialist	kortnei@redicre.com	800-574-9185 x 814
CyCy Flowers	Minnesota Listing Specialist	cycy@redicre.com	800-574-9185 x 812
Britney Trotter	Minnesota Listing Specialist	britney@redicre.com	800-574-9185 x 822
James Bertolli	Director of Sales	james@redicre.com	800-574-9185 x 805

The REDI CRE Advisory Board is comprised of a respected group of commercial real estate professionals who convene quarterly to share insights on recent lease and sale activity, contributing to the accuracy of reported absorption, vacancy trends, and new development across the market. Their real-time perspective helps ensure our reports reflect both verified data and current market sentiment. Those interested in being considered for participation may submit an application here: <https://form.jotform.com/REDIComps/advisory-board>