Minneapolis, MN

4th Quarter 2014

INDUSTRIAL

Market Trends

Xceligent®

COMMERCIAL REAL ESTATE INFORMATION

The Minneapolis tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by

Inventory	The total square feet of all existing multi-tenant buildings greater than 20,000 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 footage within a building based on fiscal vacancy.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property.
Net Absorption	The net change in occupancy from quarter to quarter, expressed in square feet.


Saint Cloud
Western WI - North
Northeast
Northwest
- West
Western WI - South
Southwest
Southeast
Pine City
Cumberland
Coon Rapids
Minneapolis
Eden Prairie
Bloomington
Lakeville
Redwood Falls
Red Wing
New Ulm
Faribault
10
63
53

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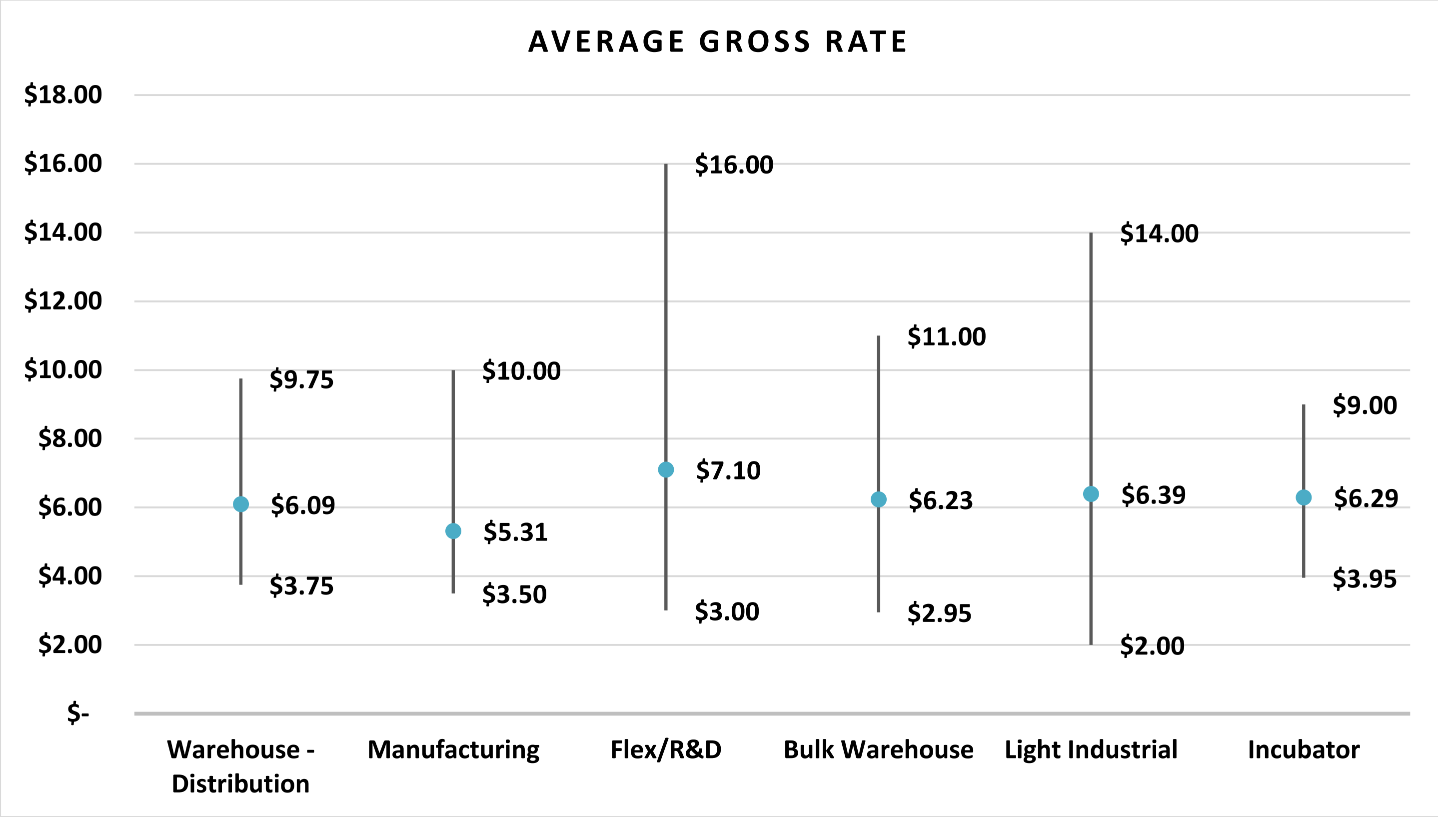
- The Twin Cities enjoyed 782,242 of industrial absorption this quarter.
- Northeast saw the most absorption of industrial space, with 269,545 square feet.
- PAE Applied Technologies leased the largest space of 119,328 square feet in the Southeast market.
- The Northwest market had the lowest vacancy rate of 8.1%.

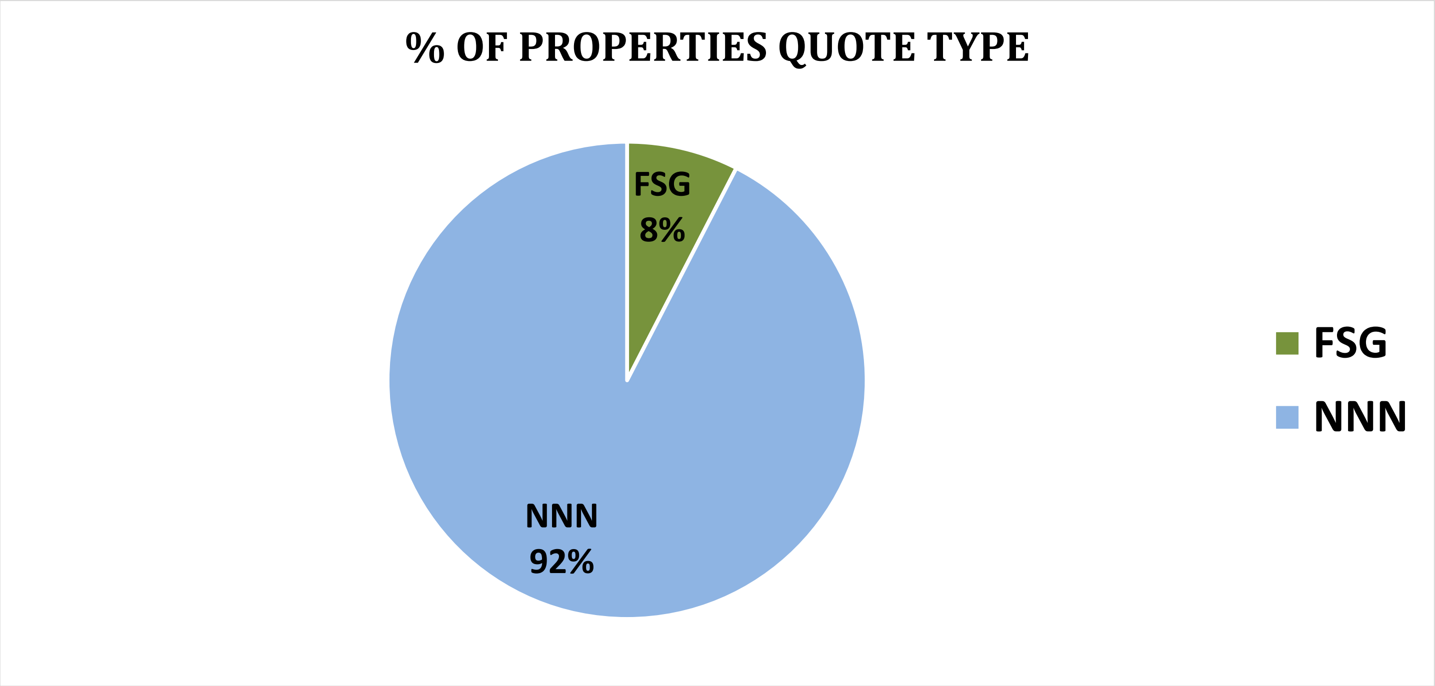
Q4 2014 Market Overview by Property Type					
	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Qtrly Net Absorption (SF)
Light Industrial	48,109,790	6,009,529	4,529,260	9.4%	359,639
Bulk Warehouse	31,864,627	3,229,652	2,181,066	6.8%	243,573
Flex/R&D	26,439,557	4,885,784	3,359,086	12.7%	26,755
Warehouse - Distribution	5,658,315	942,425	284,828	5.0%	132,412
Manufacturing	828,624	90,800	219,016	26.4%	4,420
Incubator	817,282	72,866	63,926	7.8%	15,443
Grand Total	**113,718,195**	**15,231,056**	**10,637,182**	**9.4%**	**782,242**

Q4 2014 Market Overview by Sub Market					
	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Qtrly Net Absorption
Northeast	38,683,046	4,618,527	3,439,184	8.9%	269,545
Northwest	32,353,580	4,044,916	2,633,389	8.1%	125,736
Southwest	25,161,988	4,326,849	2,845,465	11.3%	200,630
Southeast	17,519,581	2,240,764	1,719,144	9.8%	186,331
Grand Total	**113,718,195**	**15,231,056**	**10,637,182**	**9.4%**	**782,242**

Overview by Submarket / Property Type

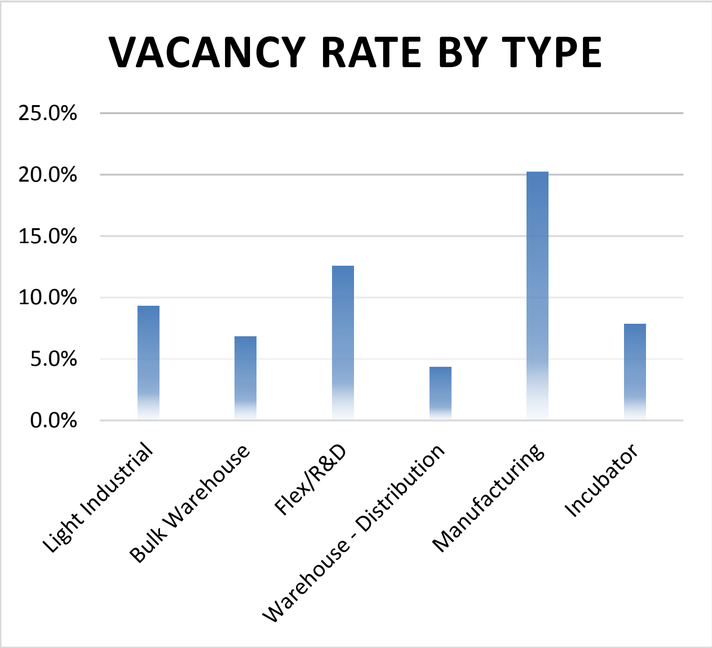
	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Qtrly Net Absorption (SF)	Average Asking Rate
Southwest	25,161,988	4,326,849	2,845,465	11.3%	200,630	$6.75
Warehouse - Distribution	1,616,719	148,598	117,497	7.3%	15,000	$5.38
Manufacturing	216,000	69,800	198,016	91.7%	4,420	$7.13
Light Industrial	10,220,978	1,641,523	1,087,876	10.6%	78,662	$6.68
Incubator	126,328	0	0	0.0%	0	$0.00
Flex/R&D	9,189,585	1,935,213	1,126,279	12.3%	59,882	$7.01
Bulk Warehouse	3,792,378	531,715	315,797	8.3%	42,666	$5.24
Southeast	17,519,581	2,240,764	1,719,144	9.8%	186,331	$6.88
Warehouse - Distribution	2,562,912	200,573	36,573	1.4%	121,302	$6.83
Manufacturing	403,122	0	0	0.0%	0	$0.00
Light Industrial	5,327,031	844,090	639,406	12.0%	33,680	$6.53
Incubator	690,954	72,866	63,926	9.3%	15,443	$6.29
Flex/R&D	4,526,877	929,470	796,474	17.6%	-34,629	$7.33
Bulk Warehouse	4,008,685	193,765	182,765	4.6%	50,535	$5.19
Northwest	32,353,580	4,044,916	2,633,389	8.1%	125,736	$6.57
Warehouse - Distribution	762,674	475,128	119,586	15.7%	-4,800	$6.17
Light Industrial	10,675,756	829,497	676,033	6.3%	53,944	$6.25
Flex/R&D	6,282,524	920,132	673,873	10.7%	-7,553	$7.09
Bulk Warehouse	14,632,626	1,820,159	1,163,897	8.0%	84,145	$6.45
Northeast	38,683,046	4,618,527	3,439,184	8.9%	269,545	$6.58
Warehouse - Distribution	716,010	118,126	11,172	1.6%	910	$6.75
Manufacturing	209,502	21,000	21,000	10.0%	0	$3.50
Light Industrial	21,886,025	2,694,419	2,125,945	9.7%	193,353	$6.33
Flex/R&D	6,440,571	1,100,969	762,460	11.8%	9,055	$7.10
Bulk Warehouse	9,430,938	684,013	518,607	5.5%	66,227	$6.60
Grand Total	**113,718,195**	**15,231,056**	**10,637,182**	**9.4%**	**782,242**	**$6.68**

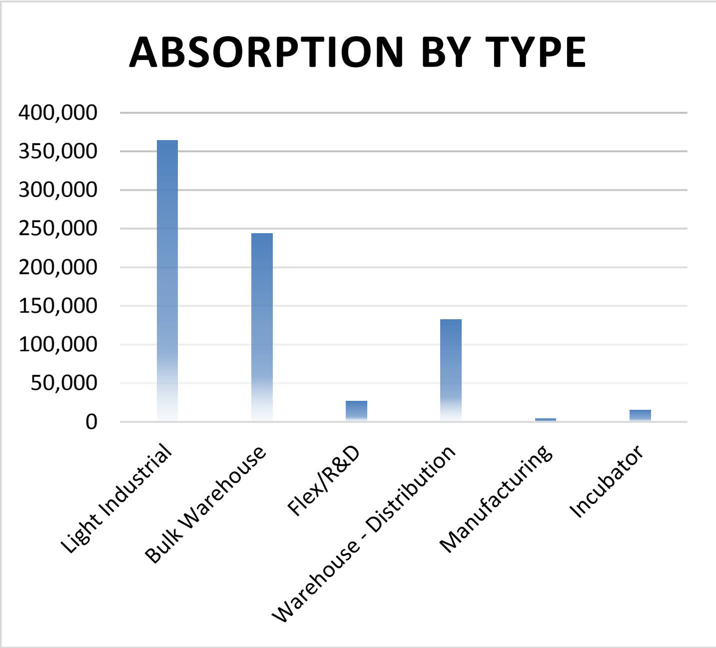

AVERAGE GROSS RATE
$18.00
$16.00
$14.00
$12.00
$10.00
$8.00
$6.00
$4.00
$2.00
$-
$9.75
$6.09
$3.75
$10.00
$5.31
$3.50
$16.00
$7.10
$3.00
$11.00
$6.23
$2.95
$14.00
$6.39
$2.00
$9.00
$6.29
$3.95
Warehouse - Distribution
Manufacturing
Flex/R&D
Bulk Warehouse
Light Industrial
Incubator

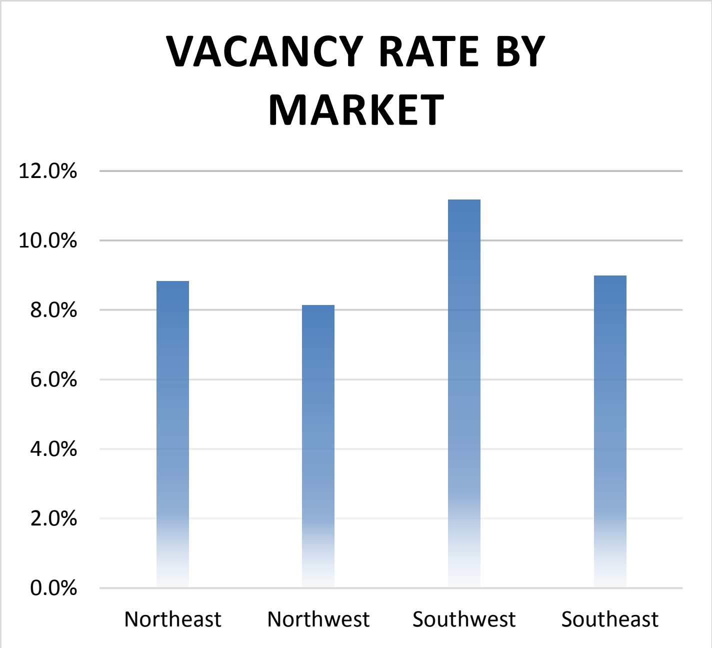

% OF PROPERTIES QUOTE TYPE
FSG 8%
NNN 92%
FSG
NNN

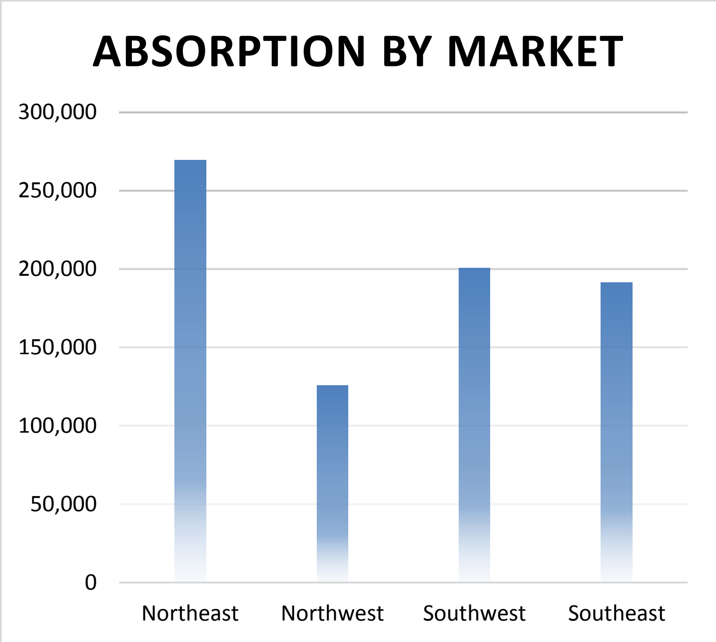
Largest Absorption Changes

Property Name	SF Occupied or Vacated	Company Name	Market
9150 W 217th St	119,328	PAE Applied Technologies	Southeast
Pilot Knob Distribution Center 2360 Pilot Knob Rd	50,535	US Venture	Southeast
Liberty Industrial Park Bldg II 13220 Wilfred Ln	28,260	King Solutions	Northwest
Mounds View Business Park 5275 Quincy St	28,021	Magazine Distributor	Northeast
Crosstown Distribution Center 6801-6813 Shady Oak Rd	26,284	PeopleNet Communications	Southwest
Prairie View II 9901 W 74th St	24,936	Restwell Mattress Factory	Southwest
113 NE 27th Ave	23,447	DC Group	Northeast
Saint Paul Industrial Properties #38 2770-2812 Fairview Ave N	(16,000)	Magazine Distributor	Northeast
Midway Distribution Center 2075-2085 Ellis Ave	(25,467)	E-Cullet	Northeast
Lexington Business Center 2950 Lexington Ave	(67,615)	High Performance Academy	Southeast


VACANCY RATE BY TYPE
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Light Industrial
Bulk Warehouse
Flex/R&D
Warehouse - Distribution
Manufacturing
Incubator


ABSORPTION BY TYPE
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Light Industrial
Bulk Warehouse
Flex/R&D
Warehouse - Distribution
Manufacturing
Incubator


VACANCY RATE BY MARKET
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
Northeast
Northwest
Southwest
Southeast


ABSORPTION BY MARKET
300,000
250,000
200,000
150,000
100,000
50,000
0
Northeast
Northwest
Southwest
Southeast

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Paramount

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Cushman & Wakefield/
NorthMarq

Jack Tornquist
CBRE

For additional information about this report or to discuss membership in Xceligent please contact

Chris Allen

(952) 908-1788

callen@xceligent.com

Jon Holm

(952) 908-1795

jholm@xceligent.com

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