

MARKET TRENDS

Q1 2021 | Mpls-St Paul | Office

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,865,869	
Area Unemployment	4.4	
U.S. Unemployment	6.2	
Office Jobs	493,200	

Source: BLS

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

Market Recap

All Properties

Total Inventory (sf)	129,483,908
Absorption	(963,593)
Vacancy	13.8%
Asking Rate (FSG)	\$25.02
New Construction (sf)	790,793

Multi-tenant Properties

Total Inventory (sf)	92,178,701
Absorption	(897,017)
Vacancy	18.2%
Asking Rate (FSG)	\$25.06

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 130 basis points to 4.4% for February 2021 from 3.1% for February 2020. The unemployment rate for the US was 6.2% in February 2021 up from 3.5% last year. State of Minnesota unemployment rate was 4.3%. The Mpls-St Paul MSA saw a decrease in job growth as well as a decrease in office job growth in professional, financial and information dropping 30,600 during the same period.

Market Overview

The Mpls-St Paul office market, consisting of over 129 msf of space in seven counties across the metro topping 963,000 sf negative absorption for Q1 2021. The vacancy rate for the market stands at 13.8% for all properties. Multi-tenant properties posted 18.2% vacancy with over 897,000 sf negative absorption during Q1. During Q1 2021 there were 6 construction projects throughout the market totaling just over 790,000 sf.

Market Highlights

During Q1 2021 the market experienced over 816,000 sf of leasing activity in 243 transactions. Year over Year Class A properties vacancy rate increased for all properties from 9.1% Q1 2020 to 11.8% Q1 2021. Multi-tenant properties also increased from 13.3% Q1 2020 to 16.9% Q1 2021. For multi-tenant properties the Mpls CBD vacancy was 20%, St Paul CBD was 18.1% and suburban markets was 17.1% as a lot of companies consolidated their space. Cigna, UHG and Associated Benefits are the top companies to consolidate all in the Southwest market. St Paul market was the only market to post positive absorption of 30,000 sf. The West market held the top positive absorption spot with new delivery of 10 West End absorbing 86,000 sf.

Market Statistics by Building Class (Multi and Single Tenant)

Total

Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	138	49,311,735	6,899,350	5,826,191	(99,745)	(99,745)	11.8%
B	734	67,931,301	12,244,938	10,669,059	(808,344)	(808,344)	15.7%
C	181	12,240,872	1,625,677	1,379,593	(55,504)	(55,504)	11.3%
Grand Total	1,053	129,483,908	20,769,965	17,874,843	(963,593)	(963,593)	13.8%

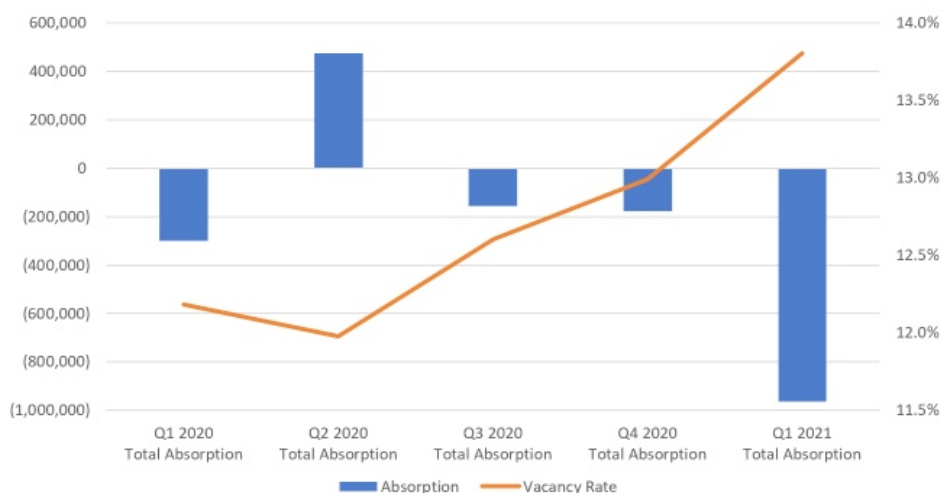
Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	138	49,311,735	6,316,735	5,475,310	(74,418)	(74,418)	11.1%
B	734	67,931,301	10,962,419	10,023,068	(835,628)	(835,628)	14.8%
C	181	12,240,872	1,549,379	1,333,414	(50,668)	(50,668)	10.9%
Grand Total	1,053	129,483,908	18,828,533	16,831,792	(960,714)	(960,714)	13.0%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	138	49,311,735	582,615	350,881	(25,327)	(25,327)	0.7%
B	734	67,931,301	1,282,519	645,991	27,284	27,284	1.0%
C	181	12,240,872	76,298	46,179	(4,836)	(4,836)	0.4%
Grand Total	1,053	129,483,908	1,941,432	1,043,051	(2,879)	(2,879)	0.8%

Absorption and Vacancy Rate



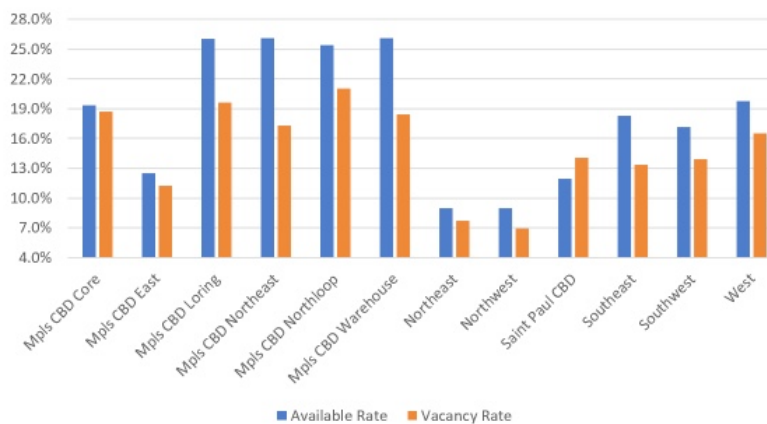
Market Statistics by Market (Multi and Single Tenant)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Mpls CBD Core	A	26	17,139,129	2,960,070	2,682,988	(1,080)	(1,080)	15.7%
	B	32	8,002,155	1,871,619	1,999,306	(69,877)	(69,877)	25.0%
	C	9	863,635	193,927	176,875	(16,951)	(16,951)	20.5%
	Subtotal	67	26,004,919	5,025,616	4,859,169	(87,908)	(87,908)	18.7%
Mpls CBD East	A	6	1,555,475	15,010	7,569	(2,473)	(2,473)	0.5%
	B	5	926,220	291,272	264,808	(50,283)	(50,283)	28.6%
	C	3	171,897	25,537	25,537	(790)	(790)	14.9%
	Subtotal	14	2,653,592	331,819	297,914	(53,546)	(53,546)	11.2%
Mpls CBD Loring	B	2	114,683	36,836	27,818	0	0	24.3%
	C	1	26,848			0	0	0.0%
	Subtotal	3	141,531	36,836	27,818	0	0	19.7%
Mpls CBD Northeast	A	1	191,610	24,698	24,698	0	0	12.9%
	B	28	2,566,804	718,778	496,365	(7,072)	(7,072)	19.3%
	C	6	424,311	86,735	30,550	(8,576)	(8,576)	7.2%
	Subtotal	35	3,182,725	830,211	551,613	(15,648)	(15,648)	17.3%
Mpls CBD Northloop	A	6	1,492,299	299,355	263,734	(23,797)	(23,797)	17.7%
	B	17	1,093,388	344,885	264,303	(25,771)	(25,771)	24.2%
	C	3	186,976	60,343	55,885	(313)	(313)	29.9%
	Subtotal	26	2,772,663	704,583	583,922	(49,881)	(49,881)	21.1%
Mpls CBD Warehouse	A	1	181,516	21,389	9,501	0	0	5.2%
	B	14	1,643,107	488,178	350,520	(23,843)	(23,843)	21.3%
	C	2	126,185			0	0	0.0%
	Subtotal	17	1,950,808	509,567	360,021	(23,843)	(23,843)	18.5%
Mpls CBD	A	40	20,560,029	3,320,522	2,988,490	(27,350)	(27,350)	14.5%
	B	98	14,346,357	3,751,568	3,403,120	(176,846)	(176,846)	23.7%
	C	24	1,799,852	366,542	288,847	(26,630)	(26,630)	16.0%
	Subtotal	162	36,706,238	7,438,632	6,680,457	(230,826)	(230,826)	18.2%

Market Statistics by Market (Multi and Single Tenant Continued)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	A	9	4,257,251	222,140	62,382	(13,976)	(13,976)	1.5%
	B	172	15,869,247	1,517,794	1,411,908	(34,489)	(34,489)	8.9%
	C	43	2,621,822	300,248	286,089	(4,464)	(4,464)	10.9%
	Subtotal	224	22,748,320	2,040,182	1,760,379	(52,929)	(52,929)	7.7%
Northwest	A	6	2,708,114	35,074	1,001	0	0	0.0%
	B	77	4,391,566	638,995	506,592	(62,425)	(62,425)	11.5%
	C	21	998,357	54,830	53,934	(2,472)	(2,472)	5.4%
	Subtotal	104	8,098,037	728,899	561,527	(64,897)	(64,897)	6.9%
Saint Paul CBD	A	9	3,256,631	466,521	454,718	38,715	38,715	14.0%
	B	31	6,329,273	652,469	879,417	(4,588)	(4,588)	13.9%
	C	7	874,470	133,141	139,895	(3,532)	(3,532)	16.0%
	Subtotal	47	10,460,374	1,252,131	1,474,030	30,595	30,595	14.1%
Southeast	A	15	3,578,430	474,358	456,667	4,082	4,082	12.8%
	B	127	7,588,268	1,853,891	1,279,833	(91,888)	(91,888)	16.9%
	C	36	2,974,381	262,022	151,341	(5,484)	(5,484)	5.1%
	Subtotal	178	14,141,079	2,590,271	1,887,841	(93,290)	(93,290)	13.4%
Southwest	A	40	10,472,841	1,310,776	963,561	(69,587)	(69,587)	9.2%
	B	161	12,813,770	2,621,645	2,193,246	(340,916)	(340,916)	17.1%
	C	38	2,172,112	437,940	388,533	(13,513)	(13,513)	17.9%
	Subtotal	239	25,458,723	4,370,361	3,545,340	(424,016)	(424,016)	13.9%
West	A	19	4,478,439	1,069,959	899,372	(31,629)	(31,629)	20.1%
	B	68	6,592,820	1,208,576	994,943	(97,192)	(97,192)	15.1%
	C	12	799,878	70,954	70,954	591	591	8.9%
	Subtotal	99	11,871,137	2,349,489	1,965,269	(128,230)	(128,230)	16.6%
Suburban	A	89	25,495,075	3,112,307	2,382,983	(111,110)	(111,110)	9.3%
	B	605	47,255,671	7,840,901	6,386,522	(626,910)	(626,910)	13.5%
	C	150	9,566,550	1,125,994	950,851	(25,342)	(25,342)	9.9%
	Subtotal	844	82,317,296	12,079,202	9,720,356	(763,362)	(763,362)	11.8%
Grand Total		1,053	129,483,908	20,769,965	17,874,843	(963,593)	(963,593)	13.8%

Available and Vacancy Rates

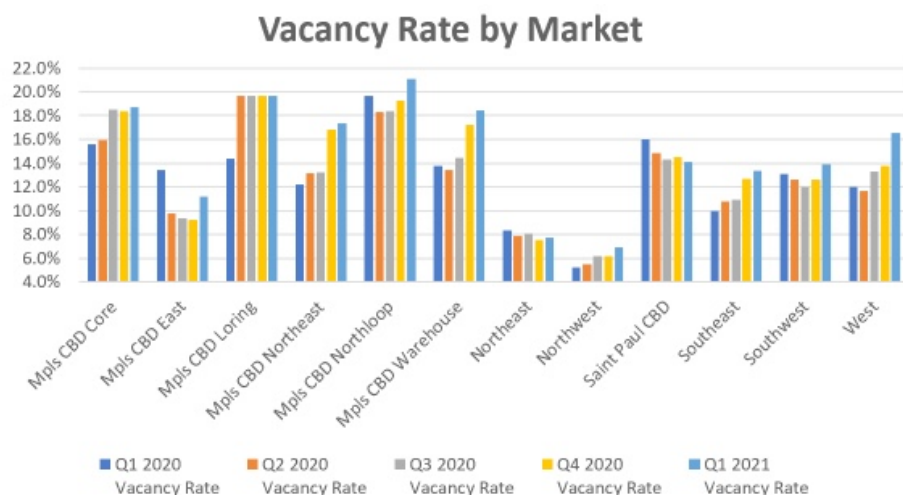


Vacancy Rates by Market (Multi and Single Tenant)

Market	Bldg Class	Q1 2020 Vacancy Rate	Q2 2020 Vacancy Rate	Q3 2020 Vacancy Rate	Q4 2020 Vacancy Rate	Q1 2021 Vacancy Rate
Mpls CBD Core	A	11.1%	11.3%	15.8%	15.6%	15.7%
	B	25.4%	26.0%	23.8%	24.1%	25.0%
	C	19.5%	19.4%	21.8%	18.5%	20.5%
	Subtotal	15.6%	15.9%	18.5%	18.3%	18.7%
Mpls CBD East	A	0.4%	0.3%	0.3%	0.3%	0.5%
	B	29.9%	23.2%	23.2%	23.2%	28.6%
	C	22.8%	22.8%	16.7%	14.4%	14.9%
	Subtotal	13.5%	9.8%	9.4%	9.2%	11.2%
Mpls CBD Loring	B	17.7%	24.3%	24.3%	24.3%	24.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.4%	19.7%	19.7%	19.7%	19.7%
Mpls CBD Northeast	A	13.7%	12.9%	12.9%	12.9%	12.9%
	B	14.1%	14.8%	14.7%	19.1%	19.3%
	C	0.5%	3.9%	4.5%	5.2%	7.2%
	Subtotal	12.2%	13.2%	13.2%	16.8%	17.3%
Mpls CBD Northloop	A	14.9%	16.0%	15.9%	16.1%	17.7%
	B	23.7%	20.1%	20.0%	21.8%	24.2%
	C	33.7%	26.6%	28.6%	29.7%	29.9%
	Subtotal	19.6%	18.3%	18.3%	19.3%	21.1%
Mpls CBD Warehouse	A	0.6%	0.6%	5.2%	5.2%	5.2%
	B	16.3%	15.9%	16.5%	19.9%	21.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	13.8%	13.4%	14.4%	17.2%	18.5%
Mpls CBD	A	10.6%	10.7%	14.5%	14.4%	14.5%
	B	22.3%	22.0%	21.1%	22.5%	23.7%
	C	15.2%	15.2%	16.1%	14.6%	16.0%
	Subtotal	15.4%	15.3%	17.2%	17.6%	18.2%

Vacancy Rates (Multi and Single Tenant Continued)

Market	Bldg Class	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	A	1.4%	1.4%	1.2%	1.1%	1.5%
	B	9.9%	9.2%	9.6%	8.7%	8.9%
	C	9.7%	10.2%	9.5%	10.7%	10.9%
	Subtotal	8.3%	7.9%	8.1%	7.5%	7.7%
Northwest	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	8.2%	8.7%	9.8%	10.2%	11.5%
	C	4.6%	4.8%	5.6%	5.2%	5.4%
	Subtotal	5.2%	5.5%	6.2%	6.2%	6.9%
Saint Paul CBD	A	16.4%	16.8%	15.2%	15.2%	14.0%
	B	15.8%	13.7%	13.6%	14.0%	13.9%
	C	16.1%	16.1%	16.0%	15.6%	16.0%
	Subtotal	16.0%	14.9%	14.3%	14.5%	14.1%
Southeast	A	9.1%	8.4%	10.0%	12.9%	12.8%
	B	13.0%	14.7%	14.3%	15.7%	16.9%
	C	3.2%	3.5%	3.2%	4.9%	5.1%
	Subtotal	10.0%	10.8%	10.9%	12.7%	13.4%
Southwest	A	8.2%	7.4%	7.0%	8.5%	9.2%
	B	15.5%	14.7%	13.9%	14.4%	17.1%
	C	20.8%	23.2%	24.1%	21.0%	17.9%
	Subtotal	13.1%	12.6%	12.0%	12.6%	13.9%
West	A	11.4%	11.2%	11.2%	12.7%	20.1%
	B	11.2%	11.9%	14.1%	15.3%	15.1%
	C	21.2%	13.0%	18.2%	8.9%	8.9%
	Subtotal	12.0%	11.7%	13.3%	13.8%	16.6%
Suburban	A	6.9%	6.5%	6.5%	7.7%	9.3%
	B	11.9%	11.9%	12.1%	12.4%	13.5%
	C	10.8%	11.0%	11.4%	10.8%	9.9%
	Subtotal	10.3%	10.2%	10.3%	10.7%	11.8%
Grand Total		12.2%	12.0%	12.6%	13.0%	13.8%



Lease Rates by Market (Multi and Single Tenant FSG)

Market	Bldg Class	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate
Mpls CBD Core	A	\$36.21	\$36.31	\$35.97	\$36.15	\$36.63
	B	\$27.83	\$27.62	\$27.64	\$27.68	\$28.20
	C	\$24.55	\$25.15	\$21.53	\$20.73	\$22.91
	Subtotal	\$30.67	\$30.66	\$30.07	\$29.77	\$30.78
Mpls CBD East	A					
	B	\$26.41	\$27.35	\$28.46	\$27.35	\$27.35
	C	\$18.60	\$18.60	\$18.79	\$25.58	\$25.58
	Subtotal	\$23.06	\$23.60	\$24.59	\$26.99	\$26.99
Mpls CBD Loring	B	\$26.00	\$26.35	\$26.35	\$26.35	\$26.35
	C					
	Subtotal	\$26.00	\$26.35	\$26.35	\$26.35	\$26.35
Mpls CBD Northeast	A					
	B	\$24.11	\$24.25	\$24.52	\$25.18	\$25.24
	C	\$20.96	\$21.70	\$22.57	\$21.76	\$22.85
	Subtotal	\$23.43	\$23.61	\$24.08	\$24.49	\$24.68
Mpls CBD Northloop	A	\$37.78	\$38.09	\$38.14	\$38.14	\$38.67
	B	\$26.64	\$26.49	\$27.13	\$25.75	\$27.43
	C	\$24.83	\$23.77	\$23.84	\$24.48	\$24.48
	Subtotal	\$30.23	\$30.18	\$30.58	\$29.54	\$30.56
Mpls CBD Warehouse	A					
	B	\$27.06	\$27.06	\$27.83	\$27.03	\$27.26
	C					
	Subtotal	\$27.06	\$27.06	\$27.83	\$27.03	\$27.26
Mpls CBD	A	\$36.70	\$36.87	\$36.60	\$36.73	\$37.23
	B	\$26.44	\$26.42	\$26.66	\$26.41	\$27.04
	C	\$21.72	\$21.98	\$21.62	\$21.89	\$23.31
	Subtotal	\$28.07	\$28.02	\$28.17	\$27.98	\$28.81

Lease Rates (Multi and Single Tenant FSG Continued)

Market	Bldg Class	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate
Northeast	A	\$27.29	\$27.29	\$27.04	\$27.80	\$27.80
	B	\$20.94	\$21.34	\$22.17	\$21.33	\$21.14
	C	\$15.46	\$14.93	\$16.37	\$16.45	\$19.37
	Subtotal	\$20.31	\$20.53	\$21.50	\$20.78	\$21.08
Northwest	A	\$31.74	\$31.74	\$31.74	\$31.74	\$32.90
	B	\$22.11	\$22.35	\$22.25	\$22.33	\$22.84
	C	\$19.36	\$19.36	\$19.21	\$19.02	\$19.04
	Subtotal	\$21.86	\$22.05	\$21.86	\$22.06	\$22.54
Saint Paul CBD	A	\$26.83	\$26.83	\$27.09	\$27.21	\$27.49
	B	\$19.79	\$19.74	\$19.83	\$20.35	\$20.39
	C	\$18.56	\$18.63	\$19.10	\$18.94	\$18.99
	Subtotal	\$22.08	\$21.98	\$22.20	\$22.30	\$22.42
Southeast	A	\$29.04	\$29.04	\$29.04	\$28.96	\$29.67
	B	\$21.92	\$21.77	\$22.25	\$21.63	\$21.47
	C	\$20.05	\$18.37	\$20.25	\$20.37	\$19.56
	Subtotal	\$22.35	\$21.99	\$22.55	\$21.96	\$21.89
Southwest	A	\$34.03	\$33.94	\$34.09	\$34.57	\$34.31
	B	\$23.74	\$24.23	\$24.37	\$24.35	\$24.44
	C	\$22.29	\$22.28	\$22.26	\$22.39	\$21.88
	Subtotal	\$25.73	\$26.03	\$26.32	\$26.25	\$26.10
West	A	\$37.57	\$37.44	\$37.45	\$37.26	\$37.45
	B	\$27.76	\$28.15	\$28.76	\$28.36	\$28.54
	C	\$24.29	\$25.93	\$22.29	\$22.29	\$21.95
	Subtotal	\$29.50	\$30.07	\$30.25	\$30.10	\$30.29
Suburban	A	\$34.03	\$33.95	\$34.02	\$34.44	\$34.32
	B	\$23.13	\$23.33	\$23.73	\$23.30	\$23.38
	C	\$20.15	\$19.47	\$20.09	\$20.25	\$20.55
	Subtotal	\$24.12	\$24.16	\$24.57	\$24.28	\$24.40
Grand Total		\$24.66	\$24.67	\$25.04	\$24.82	\$25.02



Market Statistics by Building Class (Multi-Tenant)

Total

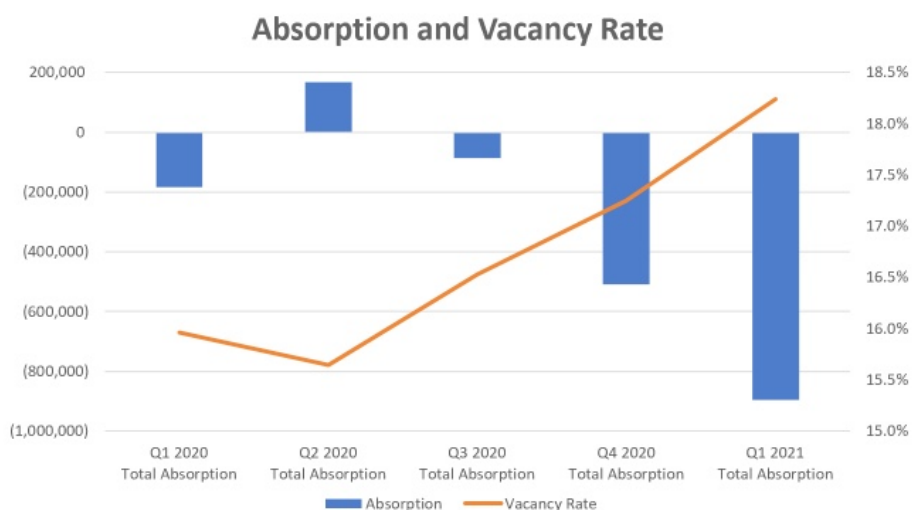
Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
A	99	33,804,282	6,634,728	5,719,280	(97,272)	(97,272)	16.9%
B	613	50,210,860	11,305,076	9,920,615	(744,241)	(744,241)	19.8%
C	141	8,163,559	1,358,962	1,172,828	(55,504)	(55,504)	14.4%
Grand Total	853	92,178,701	19,298,766	16,812,723	(897,017)	(897,017)	18.2%

Direct

Bldg Class	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
A	99	33,804,282	6,052,113	5,368,399	(71,945)	(71,945)	15.9%
B	613	50,210,860	10,242,557	9,494,624	(771,525)	(771,525)	18.9%
C	141	8,163,559	1,282,664	1,126,649	(50,668)	(50,668)	13.8%
Grand Total	853	92,178,701	17,577,334	15,989,672	(894,138)	(894,138)	17.3%

Sublease

Bldg Class	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
A	99	33,804,282	582,615	350,881	(25,327)	(25,327)	1.0%
B	613	50,210,860	1,062,519	425,991	27,284	27,284	0.8%
C	141	8,163,559	76,298	46,179	(4,836)	(4,836)	0.6%
Grand Total	853	92,178,701	1,721,432	823,051	(2,879)	(2,879)	0.9%



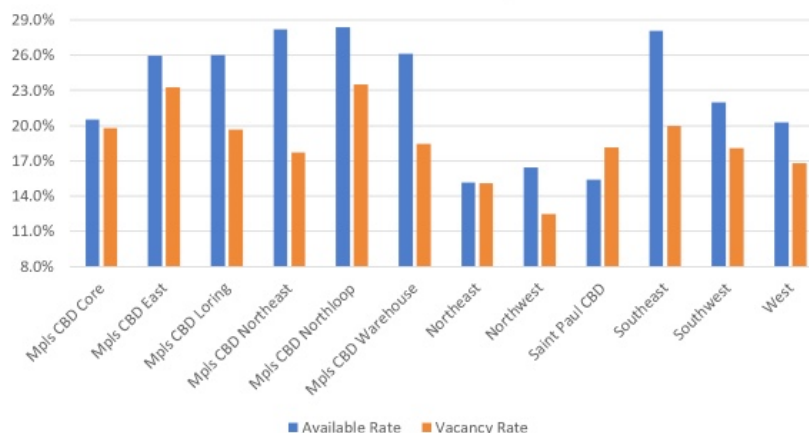
Market Statistics by Market (Multi-Tenant)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Mpls CBD Core	A	23	16,245,502	2,960,070	2,682,988	(1,080)	(1,080)	16.5%
	B	30	7,433,842	1,871,619	1,999,306	(69,877)	(69,877)	26.9%
	C	8	834,862	193,927	176,875	(16,951)	(16,951)	21.2%
	Subtotal	61	24,514,206	5,025,616	4,859,169	(87,908)	(87,908)	19.8%
Mpls CBD East	A	2	150,659	7,441		0	0	0.0%
	B	5	926,220	291,272	264,808	(50,283)	(50,283)	28.6%
	C	3	171,897	25,537	25,537	(790)	(790)	14.9%
	Subtotal	10	1,248,776	324,250	290,345	(51,073)	(51,073)	23.3%
Mpls CBD Loring	B	2	114,683	36,836	27,818	0	0	24.3%
	C	1	26,848			0	0	0.0%
	Subtotal	3	141,531	36,836	27,818	0	0	19.7%
Mpls CBD Northeast	A	1	191,610	24,698	24,698	0	0	12.9%
	B	25	2,043,516	638,778	416,365	(7,072)	(7,072)	20.4%
	C	6	424,311	86,735	30,550	(8,576)	(8,576)	7.2%
	Subtotal	32	2,659,437	750,211	471,613	(15,648)	(15,648)	17.7%
Mpls CBD Northloop	A	5	1,203,483	299,355	263,734	(23,797)	(23,797)	21.9%
	B	17	1,093,388	344,885	264,303	(25,771)	(25,771)	24.2%
	C	3	186,976	60,343	55,885	(313)	(313)	29.9%
	Subtotal	25	2,483,847	704,583	583,922	(49,881)	(49,881)	23.5%
Mpls CBD Warehouse	A	1	181,516	21,389	9,501	0	0	5.2%
	B	14	1,643,107	488,178	350,520	(23,843)	(23,843)	21.3%
	C	2	126,185			0	0	0.0%
	Subtotal	17	1,950,808	509,567	360,021	(23,843)	(23,843)	18.5%
Mpls CBD	A	32	17,972,770	3,312,953	2,980,921	(24,877)	(24,877)	16.6%
	B	93	13,254,756	3,671,568	3,323,120	(176,846)	(176,846)	25.1%
	C	23	1,771,079	366,542	288,847	(26,630)	(26,630)	16.3%
	Subtotal	148	32,998,605	7,351,063	6,592,888	(228,353)	(228,353)	20.0%

Market Statistics by Market (Multi-Tenant Continued)

Market	Bldg Class	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	A	1	315,076	64,429	62,382	(13,976)	(13,976)	19.8%
	B	126	7,293,199	1,228,750	1,214,698	(34,489)	(34,489)	16.7%
	C	30	1,677,262	112,210	124,601	(4,464)	(4,464)	7.4%
	Subtotal	157	9,285,537	1,405,389	1,401,681	(52,929)	(52,929)	15.1%
Northwest	A	2	465,244	35,074	1,001	0	0	0.2%
	B	64	3,210,056	606,864	474,461	(62,425)	(62,425)	14.8%
	C	14	564,775	54,830	53,934	(2,472)	(2,472)	9.5%
	Subtotal	80	4,240,075	696,768	529,396	(64,897)	(64,897)	12.5%
Saint Paul CBD	A	9	3,256,631	466,521	454,718	38,715	38,715	14.0%
	B	25	4,051,995	652,469	879,417	(4,588)	(4,588)	21.7%
	C	6	814,423	133,141	139,895	(3,532)	(3,532)	17.2%
	Subtotal	40	8,123,049	1,252,131	1,474,030	30,595	30,595	18.1%
Southeast	A	10	1,365,403	375,016	357,325	4,082	4,082	26.2%
	B	109	6,060,659	1,788,891	1,214,833	(91,888)	(91,888)	20.0%
	C	31	1,206,875	262,022	151,341	(5,484)	(5,484)	12.5%
	Subtotal	150	8,632,937	2,425,929	1,723,499	(93,290)	(93,290)	20.0%
Southwest	A	28	6,391,583	1,310,776	963,561	(69,587)	(69,587)	15.1%
	B	132	9,965,382	2,259,758	1,930,943	(298,613)	(298,613)	19.4%
	C	28	1,516,341	359,263	343,256	(13,513)	(13,513)	22.6%
	Subtotal	188	17,873,306	3,929,797	3,237,760	(381,713)	(381,713)	18.1%
West	A	17	4,037,575	1,069,959	899,372	(31,629)	(31,629)	22.3%
	B	64	6,374,813	1,096,776	883,143	(75,392)	(75,392)	13.9%
	C	9	612,804	70,954	70,954	591	591	11.6%
	Subtotal	90	11,025,192	2,237,689	1,853,469	(106,430)	(106,430)	16.8%
Suburban	A	58	12,574,881	2,855,254	2,283,641	(111,110)	(111,110)	18.2%
	B	495	32,904,109	6,981,039	5,718,078	(562,807)	(562,807)	17.4%
	C	112	5,578,057	859,279	744,086	(25,342)	(25,342)	13.3%
	Subtotal	665	51,057,047	10,695,572	8,745,805	(699,259)	(699,259)	17.1%
Grand Total		853	92,178,701	19,298,766	16,812,723	(897,017)	(897,017)	18.2%

Available and Vacancy Rates



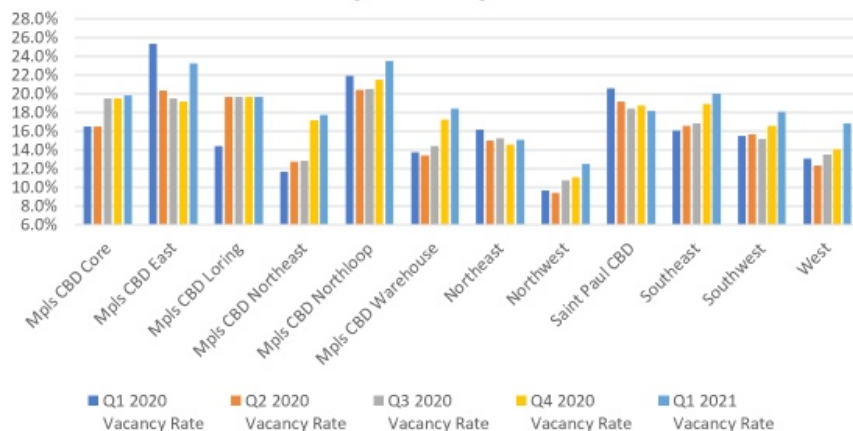
Vacancy Rates by Market (Multi-Tenant)

Market	Bldg Class	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Mpls CBD Core	A	12.1%	11.9%	16.7%	16.5%	16.5%
	B	25.8%	26.3%	25.6%	26.0%	26.9%
	C	16.8%	16.6%	19.2%	19.2%	21.2%
	Subtotal	16.5%	16.5%	19.5%	19.5%	19.8%
Mpls CBD East	A	0.0%	0.0%	0.0%	0.0%	0.0%
	B	29.9%	23.2%	23.2%	23.2%	28.6%
	C	22.8%	22.8%	16.7%	14.4%	14.9%
	Subtotal	25.3%	20.3%	19.5%	19.2%	23.3%
Mpls CBD Loring	B	17.7%	24.3%	24.3%	24.3%	24.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.4%	19.7%	19.7%	19.7%	19.7%
Mpls CBD Northeast	A	13.7%	12.9%	12.9%	12.9%	12.9%
	B	13.8%	14.6%	14.6%	20.0%	20.4%
	C	0.5%	3.9%	4.5%	5.2%	7.2%
	Subtotal	11.6%	12.7%	12.8%	17.1%	17.7%
Mpls CBD Northloop	A	18.4%	19.9%	19.7%	19.9%	21.9%
	B	23.7%	20.1%	20.0%	21.8%	24.2%
	C	33.7%	26.6%	28.6%	29.7%	29.9%
	Subtotal	21.9%	20.5%	20.5%	21.5%	23.5%
Mpls CBD Warehouse	A	0.6%	0.6%	5.2%	5.2%	5.2%
	B	16.3%	15.9%	16.5%	19.9%	21.3%
	C	0.0%	0.0%	0.0%	0.0%	0.0%
	Subtotal	13.8%	13.4%	14.4%	17.2%	18.5%
Mpls CBD	A	12.3%	12.3%	16.6%	16.4%	16.6%
	B	22.8%	22.5%	22.2%	23.7%	25.1%
	C	13.8%	13.8%	14.7%	14.8%	16.3%
	Subtotal	16.7%	16.5%	18.7%	19.3%	20.0%

Vacancy Rates (Multi-Tenant Continued)

Market	Bldg Class	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	A	18.3%	18.3%	15.9%	15.4%	19.8%
	B	18.5%	16.8%	17.6%	16.3%	16.7%
	C	5.5%	6.3%	5.2%	7.2%	7.4%
	Subtotal	16.2%	15.0%	15.3%	14.6%	15.1%
Northwest	A	0.2%	0.2%	0.2%	0.2%	0.2%
	B	11.3%	11.0%	12.4%	13.1%	14.8%
	C	8.2%	8.5%	9.9%	9.1%	9.5%
	Subtotal	9.6%	9.4%	10.7%	11.1%	12.5%
Saint Paul CBD	A	16.4%	16.8%	15.2%	15.2%	14.0%
	B	24.5%	21.6%	21.2%	22.1%	21.7%
	C	17.3%	17.3%	17.2%	16.7%	17.2%
	Subtotal	20.6%	19.2%	18.4%	18.8%	18.1%
Southeast	A	23.9%	22.0%	26.2%	26.5%	26.2%
	B	16.1%	17.2%	16.7%	18.5%	20.0%
	C	7.6%	8.2%	7.6%	12.1%	12.5%
	Subtotal	16.1%	16.6%	16.8%	18.9%	20.0%
Southwest	A	12.8%	11.7%	11.4%	14.0%	15.1%
	B	15.5%	16.4%	15.4%	16.5%	19.4%
	C	25.5%	26.1%	27.3%	27.2%	22.6%
	Subtotal	15.5%	15.7%	15.1%	16.6%	18.1%
West	A	12.9%	12.7%	12.5%	14.2%	22.3%
	B	11.7%	11.6%	13.1%	14.3%	13.9%
	C	27.8%	17.0%	23.9%	11.7%	11.6%
	Subtotal	13.1%	12.3%	13.5%	14.1%	16.8%
Suburban	A	13.7%	12.9%	13.1%	14.9%	18.2%
	B	15.2%	15.3%	15.5%	16.1%	17.4%
	C	14.4%	13.8%	14.6%	14.8%	13.3%
	Subtotal	14.8%	14.5%	14.8%	15.7%	17.1%
Grand Total		16.0%	15.6%	16.5%	17.3%	18.2%

Vacancy Rate by Market



Lease Rates by Market (Multi-Tenant FSG)

Market	Bldg Class	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate
Mpls CBD Core	A	\$36.21	\$36.31	\$35.97	\$36.15	\$36.63
	B	\$27.83	\$27.62	\$27.64	\$27.68	\$28.20
	C	\$24.55	\$25.15	\$21.53	\$20.73	\$22.91
	Subtotal	\$30.67	\$30.66	\$30.07	\$29.77	\$30.78
Mpls CBD East	A					
	B	\$26.41	\$27.35	\$28.46	\$27.35	\$27.35
	C	\$18.60	\$18.60	\$18.79	\$25.58	\$25.58
	Subtotal	\$23.06	\$23.60	\$24.59	\$26.99	\$26.99
Mpls CBD Loring	B	\$26.00	\$26.35	\$26.35	\$26.35	\$26.35
	C					
	Subtotal	\$26.00	\$26.35	\$26.35	\$26.35	\$26.35
Mpls CBD Northeast	A					
	B	\$24.11	\$24.25	\$24.36	\$25.09	\$25.14
	C	\$20.96	\$21.70	\$22.57	\$21.76	\$22.85
	Subtotal	\$23.43	\$23.61	\$23.94	\$24.39	\$24.56
Mpls CBD Northloop	A	\$37.78	\$38.09	\$38.14	\$38.14	\$38.67
	B	\$26.64	\$26.49	\$27.13	\$25.75	\$27.43
	C	\$24.83	\$23.77	\$23.84	\$24.48	\$24.48
	Subtotal	\$30.23	\$30.18	\$30.58	\$29.54	\$30.56
Mpls CBD Warehouse	A					
	B	\$27.06	\$27.06	\$27.83	\$27.03	\$27.26
	C					
	Subtotal	\$27.06	\$27.06	\$27.83	\$27.03	\$27.26
Mpls CBD	A	\$36.70	\$36.87	\$36.60	\$36.73	\$37.23
	B	\$26.44	\$26.42	\$26.66	\$26.41	\$27.05
	C	\$21.72	\$21.98	\$21.62	\$21.89	\$23.31
	Subtotal	\$28.07	\$28.02	\$28.19	\$28.00	\$28.84

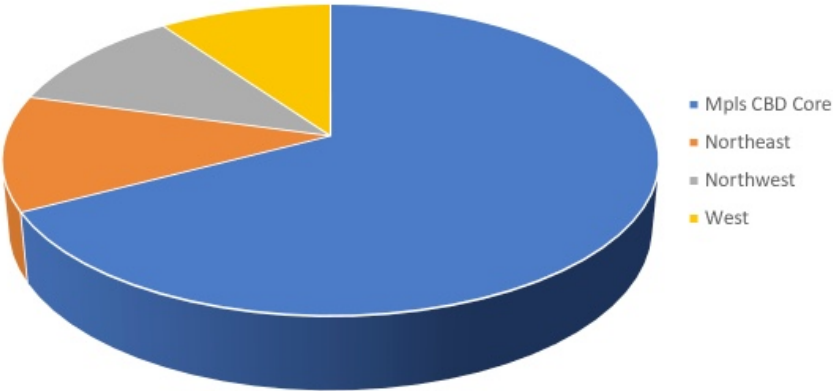
Lease Rates (Multi-Tenant FSG Continued)

Market	Bldg Class	Q1 2020 Lease Rate	Q2 2020 Lease Rate	Q3 2020 Lease Rate	Q4 2020 Lease Rate	Q1 2021 Lease Rate
Northeast	A	\$27.29	\$27.29	\$27.04	\$27.80	\$27.80
	B	\$21.00	\$21.26	\$22.20	\$21.33	\$21.13
	C	\$14.89	\$14.37	\$15.92	\$16.01	\$18.44
	Subtotal	\$20.32	\$20.42	\$21.51	\$20.77	\$21.02
Northwest	A	\$31.74	\$31.74	\$31.74	\$31.74	\$32.90
	B	\$22.11	\$22.35	\$22.25	\$22.33	\$22.84
	C	\$19.36	\$19.36	\$19.21	\$19.02	\$19.04
	Subtotal	\$21.86	\$22.05	\$21.86	\$22.06	\$22.54
Saint Paul CBD	A	\$26.83	\$26.83	\$27.09	\$27.21	\$27.49
	B	\$19.79	\$19.74	\$19.83	\$20.35	\$20.39
	C	\$18.56	\$18.63	\$19.10	\$18.94	\$18.99
	Subtotal	\$22.08	\$21.98	\$22.20	\$22.30	\$22.42
Southeast	A	\$29.04	\$29.04	\$29.04	\$28.96	\$29.67
	B	\$21.92	\$21.83	\$22.32	\$21.69	\$21.52
	C	\$20.05	\$18.37	\$20.25	\$20.37	\$19.56
	Subtotal	\$22.35	\$22.04	\$22.61	\$22.01	\$21.93
Southwest	A	\$34.03	\$33.94	\$34.09	\$34.57	\$34.31
	B	\$23.74	\$24.21	\$24.35	\$24.33	\$24.43
	C	\$22.22	\$22.20	\$22.21	\$22.13	\$22.23
	Subtotal	\$25.81	\$26.09	\$26.41	\$26.26	\$26.24
West	A	\$37.57	\$37.44	\$37.45	\$37.26	\$37.45
	B	\$28.04	\$28.06	\$28.63	\$28.21	\$28.33
	C	\$24.29	\$25.93	\$22.29	\$22.29	\$21.95
	Subtotal	\$29.77	\$30.04	\$30.19	\$30.03	\$30.21
Suburban	A	\$34.03	\$33.95	\$34.02	\$34.44	\$34.32
	B	\$23.18	\$23.32	\$23.74	\$23.31	\$23.35
	C	\$20.03	\$19.29	\$19.97	\$20.11	\$20.54
	Subtotal	\$24.20	\$24.18	\$24.61	\$24.31	\$24.44
Grand Total		\$24.73	\$24.70	\$25.09	\$24.85	\$25.06



New Developments

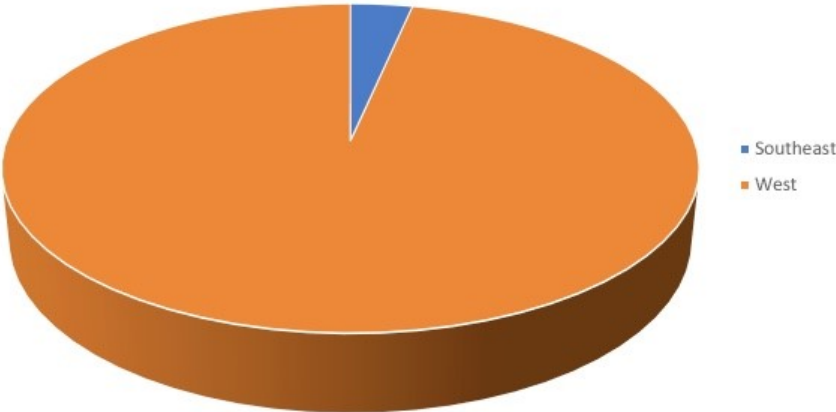
Under Construction SF



Market	Bldg SF
Mpls CBD Core	532,000
Northeast	94,797
Northwest	86,000
West	77,996
Grand Total	790,793

Year to Date Deliveries

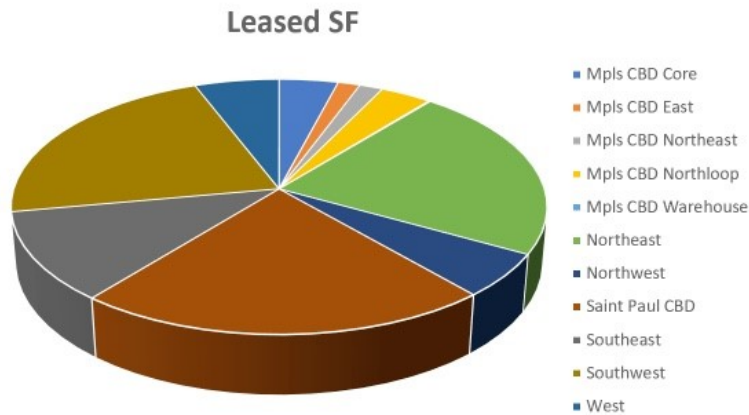
YTD Delivered SF



Market	Bldg SF
Southeast	12,000
West	344,224
Grand Total	356,224

Leasing Activity

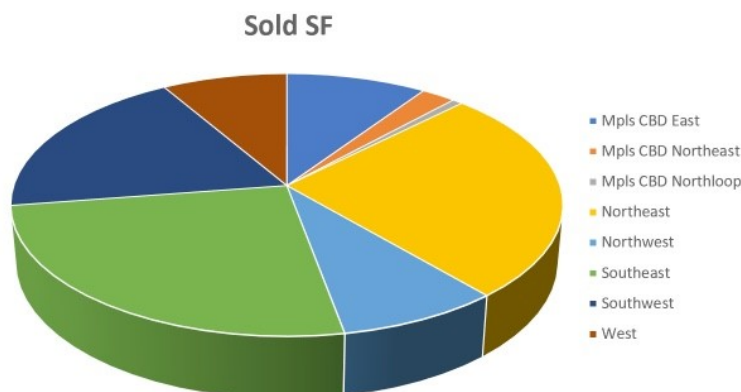
Property	Size (sf)	Market	Tenant	Landlord
Great Northern Building 180 5th St E	153,288	Saint Paul CBD	DEED	GRE 180 East Fifth, LLC
Daytons Project 700-730 Nicollet Mall	30,536	mpls CBD	Ernst & Young	601 W Companies MN, LLC
7700 France Ave S	25,416	Southwest	Portico Benefit Services	7700 France Avenue, LLC
Osborn370 370 Wabasha St N	25,000	Saint Paul CBD	YMCA	Osborn370, LLC
Bell Plaza 3800 American Blvd W	23,158	Southwest	GetAC Solutions	Vanco



Market	Leased SF
Mpls CBD Core	33,240
Mpls CBD East	12,455
Mpls CBD Northeast	13,216
Mpls CBD Northloop	28,942
Mpls CBD Warehouse	1,000
Northeast	181,675
Northwest	45,148
Saint Paul CBD	180,910
Southeast	92,497
Southwest	180,028
West	47,569
Grand Total	816,680

Sales Activity

Property	Price	Market	Buyer	Seller
Thrivent Corporate Office 600 Portland Ave S	\$130,000,000	MPLS CBD	600 PAS TIC 1-4, LLC c/o Benderson Development	Thrivent Financial for Lutherans
Crest Ridge Corporate Center 11055 Wayzata Blvd	\$16,190,000	West	Larson Capital Management	Dominium
Interchange Offices 2335, 2355, & 2361 Hwy 36 W	\$11,690,000	Northeast	North Carolina Avenue Holdings, Red Door Enterprises	Bonten VII, LLC c/o Bonestroo Family
Eagle Point Office Center 8519 Eagle Point Blvd	\$4,600,000	Northeast	Shree Eagle Point, LLC; Kashi Eagle Point, LLC; S&V Eagle Point, LLC; Global Villa Eagle Point, LLC	Hubert Schneider Investments, Lisa R Leutem Investments, Mark Leutem Investments, Helen Schneider Investments
2836 Lyndale Ave S	\$4,150,000	West	Evolution Enterprises, LLC	Greenway Ventures, LLLPc



Market	Sold SF
Mpls CBD East	367,601
Mpls CBD Northeast	89,928
Mpls CBD Northloop	27,148
Northeast	1,019,089
Northwest	324,212
Southeast	989,094
Southwest	736,675
West	327,569
Grand Total	3,881,316

Methodology

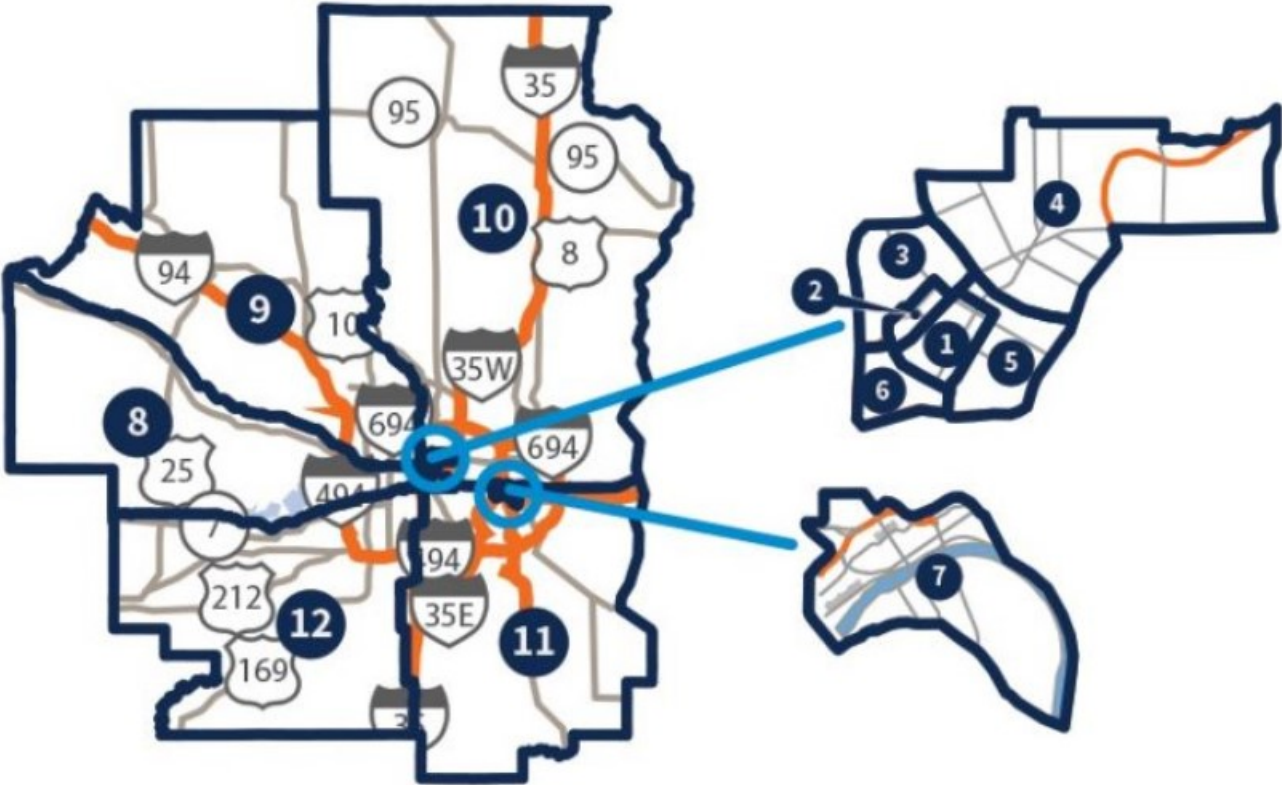
The Mpls-St Paul market consists of single and multi-tenant office buildings 20,000 sf or larger or part of a complex larger than 20,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. The tracked set does not include medical or government properties. 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 FSG terms with Net type leases grossed up.

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 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 his 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 FSG terms with Net type leases grossed up.

Market Map



- | | |
|-------------------------------|------------------|
| 1 Minneapolis CBD - Core | 7 Saint Paul CBD |
| 2 Minneapolis CBD - Warehouse | 8 West |
| 3 Minneapolis CBD - Northloop | 9 Northwest |
| 4 Minneapolis CBD - Northeast | 10 Northeast |
| 5 Minneapolis CBD - East | 11 Southeast |
| 6 Minneapolis CBD - Loring | 12 Southwest |

Advisory Board Members

Avison Young	Tom Dunsmore Chas Simcox	Frauenshuh	Jason Butterfield
CBRE	Joe Conzemius	JLL	Teig Hutchison
	Jerry Driessen		Brent Robertson
	Ann Rinde	Kenwood Commercial	Kevin Salmen
	Brian Wasserman	KW Commercial Midwest	Mike Doyle
Colliers International	Matt Delisle	Lee & Associates	Andrew Manthei
	Rob Davis		Lamar Newburn
	Pete Dufour		Kai Thomsen
	Kevin O'Neill	Newmark Knight Frank	Mary Burnton
Core Commercial Real Estate	Sean Coatney		Matt Elder
Cushman & Wakefield	Peter Fitzgerald	Mark Stevens	Eric Ordway
	Eric King		Rokos
	Sam Maguire	Transwestern	Reed Christianson
	Tom Stella		Mike Honsa
Essence Real Estate	Jeff Nordness		Jim Montez
			Eric Rapp

Research Advisory Board Members

Avison Young	Sara Peterson	Cushman & Wakefield	Patrick Hamilton
CBRE	Alida Markgraf		Charlie Nejedly
	Madeline Johnson	JLL	Carolyn Bates
	Sam Newberg	Newmark Knight Frank	Andrew Brick
Colliers	Dirk Koentopf Patrick Steinhauser		

REDIComps Team

Chris Allen	Regional Director of Analytics	chris@redicomps.com	952-456-1669
Jeremy Bengston	CEO	jeremy@redicomps.com	
Lisa Bengston	Regional Director of Sale Comps	lisa@redicomps.com	
Kim Platz	Regional Director of Research	kim@redicomps.com	816-651-6686
Beth Downey	Listings Researcher	beth@redicomps.com	816-536-1202
Katie Cooper	Listings Researcher	katie@redicomps.com	816-213-5896
Michelle Siegert	Listings Researcher	michelle@redicomps.com	816-230-0116