

# MARKET TRENDS

Q2 2020 | Mpls-St Paul | Industrial

## Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,759,074	
Area Unemployment	10.4	
U.S. Unemployment	13.3	
Industrial Jobs	187,400	

Source: BLS

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

## Market Recap

Total Inventory (sf)	258,916,313
Total # of Bldgs	3,011
Absorption	107,345
Vacancy	4.8%
Asking Rate Low (NNN)	\$5.95
Asking Rate High (NNN)	\$9.67
Under Construction (sf)	3,410,010

## Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 780 basis points to 10.4% for May 2020 from 2.6% for May 2019. The unemployment rate for the US was 13.3% in May 2020 up from 3.6% last year. State of Minnesota unemployment rate was 9.9%. The Mpls-St Paul MSA saw a decrease in job growth as well as a decrease in industrial job growth in manufacturing dropping 12,800 during the same period.

## Market Overview

The Mpls-St Paul industrial market consists of 258 msf in eight counties across the metro and posted over 107,000 sf of positive absorption for Q2 2020 while multi-tenant properties posted 378,000 sf negative absorption for. The overall vacancy rate for the market stands at 4.8% and multi-tenant vacancy increased to 7.6% for Q2 2020. The average asking lease low rate was \$5.95 and high rate was \$9.67 NNN for Mpls-St Paul. To date, there are 23 construction projects throughout the market totaling just 3.4 msf and 9 properties were delivered year-to-date with 906,571 sf.

## Market Highlights

At the close of Q2 2020, the market experienced over 2 msf of leasing activity in 152 transactions with Kurita America leasing the largest space of 156,000 sf in the Northwest market. The Southeast market vacancy rate being the tightest at 4.1% for all properties while the Southwest market topped at 5.8%. The Northwest market had three of the top property spots in absorption with Fiat/Chrysler leasing 142,000 sf, Walmart leasing 105,000 sf and Archway Marketing leasing 101,000 sf. The Southwest market experienced the largest vacancy of Target with 587,000 sf of which 201,000 sf is sublease space.

# 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	619	41,377,430	4,048,110	2,868,762	(4,072)	77,816	6.9%
Warehouse Distribution	497	89,567,252	7,008,443	4,315,478	(132,419)	289,059	4.8%
Warehouse Office	1,895	127,971,631	9,544,745	5,247,941	243,836	96,799	4.1%
<b>Grand Total</b>	<b>3,011</b>	<b>258,916,313</b>	<b>20,601,298</b>	<b>12,432,181</b>	<b>107,345</b>	<b>463,674</b>	<b>4.8%</b>

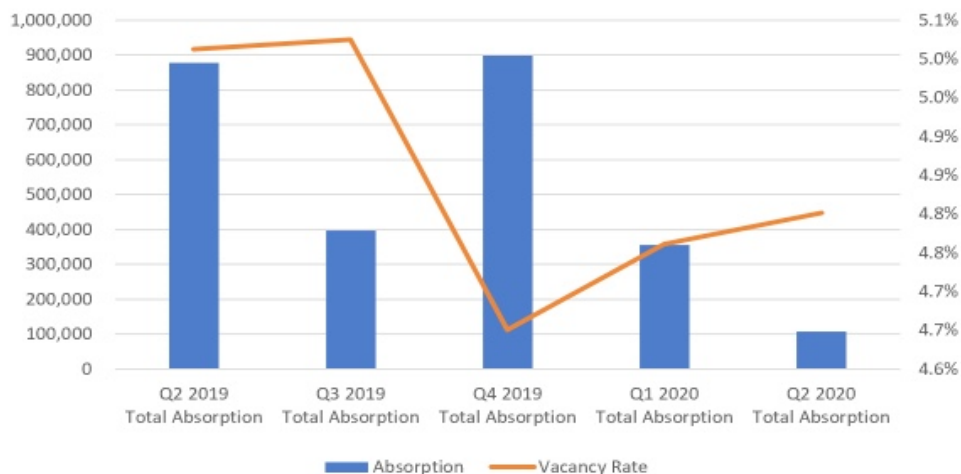
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	619	41,377,430	3,731,453	2,671,242	12,182	70,716	6.5%
Warehouse Distribution	497	89,567,252	6,052,596	3,904,645	6,087	414,276	4.4%
Warehouse Office	1,895	127,971,631	8,605,288	4,875,103	273,516	219,232	3.8%
<b>Grand Total</b>	<b>3,011</b>	<b>258,916,313</b>	<b>18,389,337</b>	<b>11,450,990</b>	<b>291,785</b>	<b>704,224</b>	<b>4.4%</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	619	41,377,430	316,657	197,520	(16,254)	7,100	0.5%
Warehouse Distribution	497	89,567,252	955,847	410,833	(138,506)	(125,217)	0.5%
Warehouse Office	1,895	127,971,631	939,457	372,838	(29,680)	(122,433)	0.3%
<b>Grand Total</b>	<b>3,011</b>	<b>258,916,313</b>	<b>2,211,961</b>	<b>981,191</b>	<b>(184,440)</b>	<b>(240,550)</b>	<b>0.4%</b>

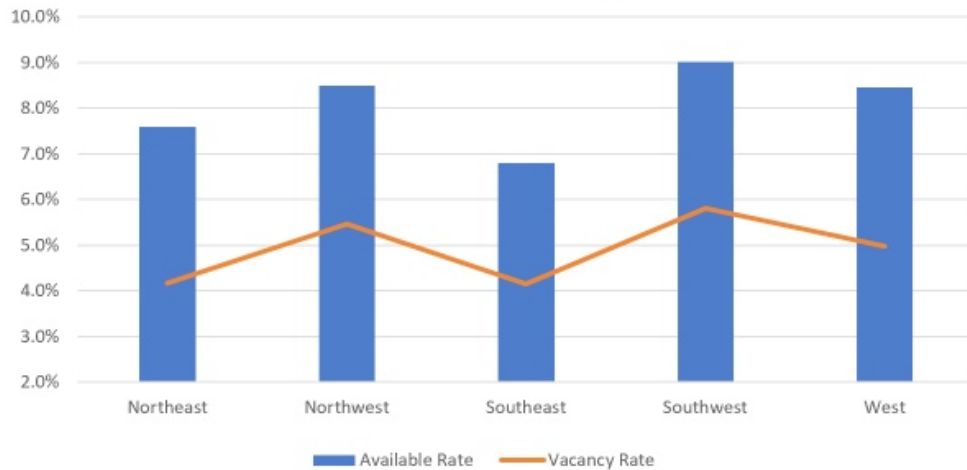
## Absorption and Vacancy Rate



# 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	155	10,830,862	1,213,882	888,491	15,855	70,978	8.2%
	Warehouse Distribution	153	25,898,974	2,088,729	1,170,770	97,291	335,211	4.5%
	Warehouse Office	720	49,755,372	3,261,141	1,537,424	164,980	435,084	3.1%
	<b>Subtotal</b>	<b>1,028</b>	<b>86,485,208</b>	<b>6,563,752</b>	<b>3,596,685</b>	<b>278,126</b>	<b>841,273</b>	<b>4.2%</b>
Northwest	Flex/R&D	96	7,541,051	699,932	392,085	68,924	103,868	5.2%
	Warehouse Distribution	145	26,086,043	2,618,740	1,702,350	302,307	592,657	6.5%
	Warehouse Office	332	21,268,373	1,342,807	901,380	(27,928)	(210,431)	4.2%
	<b>Subtotal</b>	<b>573</b>	<b>54,895,467</b>	<b>4,661,479</b>	<b>2,995,815</b>	<b>343,303</b>	<b>486,094</b>	<b>5.5%</b>
Southeast	Flex/R&D	122	6,667,046	445,417	399,037	(21,159)	20,461	6.0%
	Warehouse Distribution	95	17,792,267	1,000,127	495,575	34,982	(110,463)	2.8%
	Warehouse Office	394	26,166,716	1,997,738	1,202,233	116,272	228,208	4.6%
	<b>Subtotal</b>	<b>611</b>	<b>50,626,029</b>	<b>3,443,282</b>	<b>2,096,845</b>	<b>130,095</b>	<b>138,206</b>	<b>4.1%</b>
Southwest	Flex/R&D	187	12,411,242	1,142,294	776,308	(75,430)	(97,338)	6.3%
	Warehouse Distribution	74	16,226,149	1,071,305	850,510	(566,999)	(540,007)	5.2%
	Warehouse Office	304	21,157,997	2,271,403	1,264,037	126,986	(155,326)	6.0%
	<b>Subtotal</b>	<b>565</b>	<b>49,795,388</b>	<b>4,485,002</b>	<b>2,890,855</b>	<b>(515,443)</b>	<b>(792,671)</b>	<b>5.8%</b>
West	Flex/R&D	59	3,927,229	546,585	412,841	7,738	(20,153)	10.5%
	Warehouse Distribution	30	3,563,819	229,542	96,273	0	11,661	2.7%
	Warehouse Office	145	9,623,173	671,656	342,867	(136,474)	(200,736)	3.6%
	<b>Subtotal</b>	<b>234</b>	<b>17,114,221</b>	<b>1,447,783</b>	<b>851,981</b>	<b>(128,736)</b>	<b>(209,228)</b>	<b>5.0%</b>
<b>Grand Total</b>		<b>3,011</b>	<b>258,916,313</b>	<b>20,601,298</b>	<b>12,432,181</b>	<b>107,345</b>	<b>463,674</b>	<b>4.8%</b>

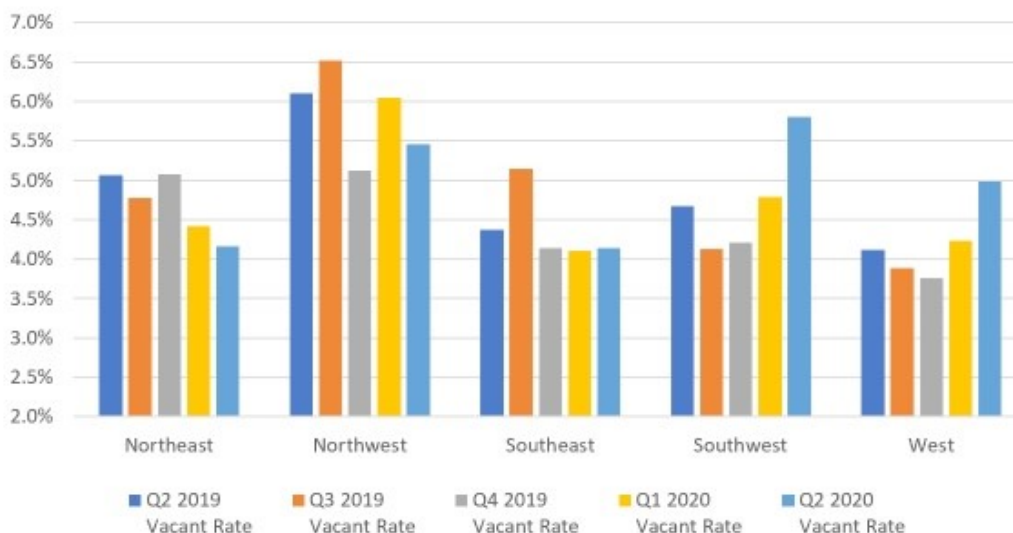
### Available and Vacancy Rates



# Vacancy Rates by Market (Multi and Single Tenant)

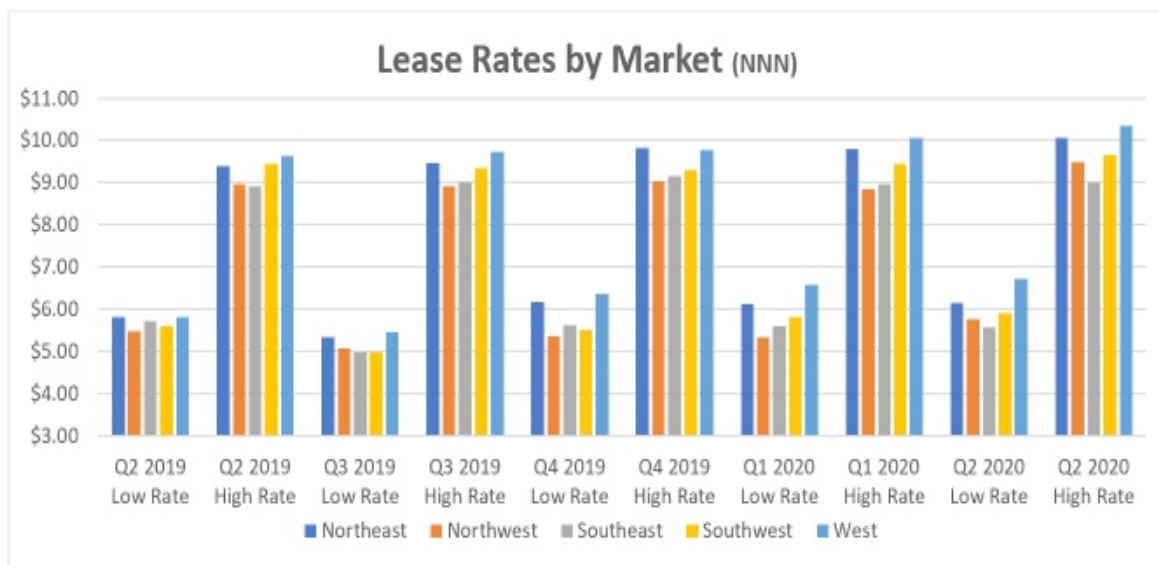
Market	Property Type	Q2 2019 Vacant Rate	Q3 2019 Vacant Rate	Q4 2019 Vacant Rate	Q1 2020 Vacant Rate	Q2 2020 Vacant Rate
Northeast	Flex/R&D	9.8%	9.5%	8.9%	8.4%	8.2%
	Warehouse Distribution	6.1%	5.9%	5.8%	4.9%	4.5%
	Warehouse Office	3.5%	3.1%	3.9%	3.3%	3.1%
	<b>Subtotal</b>	<b>5.1%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>4.4%</b>	<b>4.2%</b>
Northwest	Flex/R&D	9.3%	9.3%	6.7%	6.2%	5.2%
	Warehouse Distribution	6.1%	7.1%	6.3%	7.7%	6.5%
	Warehouse Office	5.0%	4.8%	3.1%	4.0%	4.2%
	<b>Subtotal</b>	<b>6.1%</b>	<b>6.5%</b>	<b>5.1%</b>	<b>6.0%</b>	<b>5.5%</b>
Southeast	Flex/R&D	9.1%	9.7%	6.3%	5.7%	6.0%
	Warehouse Distribution	2.0%	2.3%	1.3%	2.1%	2.8%
	Warehouse Office	4.8%	5.9%	5.5%	5.0%	4.6%
	<b>Subtotal</b>	<b>4.4%</b>	<b>5.1%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>4.1%</b>
Southwest	Flex/R&D	7.4%	6.8%	5.5%	5.6%	6.3%
	Warehouse Distribution	2.0%	2.0%	2.0%	1.7%	5.2%
	Warehouse Office	5.0%	4.1%	5.2%	6.6%	6.0%
	<b>Subtotal</b>	<b>4.7%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.8%</b>	<b>5.8%</b>
West	Flex/R&D	11.6%	10.4%	10.0%	10.7%	10.5%
	Warehouse Distribution	3.7%	4.0%	3.0%	2.7%	2.7%
	Warehouse Office	1.2%	1.2%	1.5%	2.2%	3.6%
	<b>Subtotal</b>	<b>4.1%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>5.0%</b>
<b>Grand Total</b>	<b>5.0%</b>	<b>5.0%</b>	<b>4.7%</b>	<b>4.8%</b>	<b>4.8%</b>	

## Vacancy Rate by Market



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

Market	Property Type	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
		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	\$6.77	\$10.24	\$5.85	\$10.22	\$6.81	\$10.21	\$6.75	\$10.40	\$6.56	\$10.85
	Warehouse Distribution	\$5.26	\$9.01	\$5.29	\$9.39	\$5.40	\$9.69	\$5.41	\$10.05	\$5.45	\$10.20
	Warehouse Office	\$5.23	\$8.82	\$4.98	\$8.84	\$5.90	\$9.53	\$5.84	\$9.21	\$6.06	\$9.42
	<b>Subtotal</b>	<b>\$5.82</b>	<b>\$9.39</b>	<b>\$5.32</b>	<b>\$9.45</b>	<b>\$6.16</b>	<b>\$9.81</b>	<b>\$6.12</b>	<b>\$9.78</b>	<b>\$6.15</b>	<b>\$10.06</b>
Northwest	Flex/R&D	\$5.88	\$10.21	\$5.52	\$9.81	\$5.48	\$9.98	\$5.50	\$9.97	\$6.25	\$10.39
	Warehouse Distribution	\$4.99	\$8.39	\$4.74	\$8.29	\$4.93	\$8.56	\$4.96	\$8.42	\$5.26	\$9.24
	Warehouse Office	\$5.52	\$8.36	\$4.93	\$8.58	\$5.64	\$8.62	\$5.53	\$8.34	\$5.79	\$9.00
	<b>Subtotal</b>	<b>\$5.48</b>	<b>\$8.97</b>	<b>\$5.08</b>	<b>\$8.92</b>	<b>\$5.36</b>	<b>\$9.02</b>	<b>\$5.34</b>	<b>\$8.84</b>	<b>\$5.77</b>	<b>\$9.48</b>
Southeast	Flex/R&D	\$6.53	\$9.97	\$4.81	\$9.73	\$5.98	\$9.79	\$6.28	\$9.91	\$6.14	\$9.78
	Warehouse Distribution	\$4.99	\$8.41	\$5.08	\$9.42	\$5.15	\$9.30	\$5.07	\$9.54	\$5.07	\$9.05
	Warehouse Office	\$5.23	\$8.22	\$5.05	\$8.31	\$5.41	\$8.64	\$5.25	\$8.24	\$5.44	\$8.58
	<b>Subtotal</b>	<b>\$5.71</b>	<b>\$8.90</b>	<b>\$4.97</b>	<b>\$9.00</b>	<b>\$5.62</b>	<b>\$9.15</b>	<b>\$5.59</b>	<b>\$8.95</b>	<b>\$5.57</b>	<b>\$9.00</b>
Southwest	Flex/R&D	\$5.89	\$9.83	\$5.11	\$9.93	\$5.96	\$9.94	\$6.26	\$10.15	\$6.41	\$10.32
	Warehouse Distribution	\$5.06	\$9.94	\$5.06	\$9.28	\$5.08	\$9.08	\$5.05	\$9.51	\$4.91	\$9.52
	Warehouse Office	\$5.32	\$8.76	\$4.82	\$8.70	\$5.14	\$8.71	\$5.45	\$8.66	\$5.50	\$8.89
	<b>Subtotal</b>	<b>\$5.60</b>	<b>\$9.43</b>	<b>\$4.98</b>	<b>\$9.33</b>	<b>\$5.51</b>	<b>\$9.29</b>	<b>\$5.81</b>	<b>\$9.43</b>	<b>\$5.90</b>	<b>\$9.66</b>
West	Flex/R&D	\$6.40	\$10.50	\$5.86	\$10.74	\$7.29	\$11.19	\$6.34	\$10.84	\$6.59	\$10.94
	Warehouse Distribution	\$4.86	\$9.00	\$4.91	\$9.16	\$4.91	\$9.16	\$4.88	\$8.88	\$4.88	\$9.63
	Warehouse Office	\$5.43	\$8.55	\$5.46	\$9.16	\$6.51	\$9.15	\$7.49	\$9.69	\$7.46	\$9.81
	<b>Subtotal</b>	<b>\$5.82</b>	<b>\$9.64</b>	<b>\$5.46</b>	<b>\$9.72</b>	<b>\$6.36</b>	<b>\$9.77</b>	<b>\$6.57</b>	<b>\$10.06</b>	<b>\$6.72</b>	<b>\$10.34</b>
<b>Grand Total</b>		<b>\$5.67</b>	<b>\$9.23</b>	<b>\$5.13</b>	<b>\$9.24</b>	<b>\$5.74</b>	<b>\$9.38</b>	<b>\$5.82</b>	<b>\$9.36</b>	<b>\$5.95</b>	<b>\$9.67</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	537	32,210,779	3,892,936	2,819,725	(4,146)	82,342	8.8%
Warehouse Distribution	276	45,425,178	6,148,473	3,820,952	(355,935)	(164,223)	8.4%
Warehouse Office	891	58,897,171	6,733,617	3,764,135	(18,536)	(232,052)	6.4%
<b>Grand Total</b>	<b>1,704</b>	<b>136,533,128</b>	<b>16,775,026</b>	<b>10,404,812</b>	<b>(378,617)</b>	<b>(313,933)</b>	<b>7.6%</b>

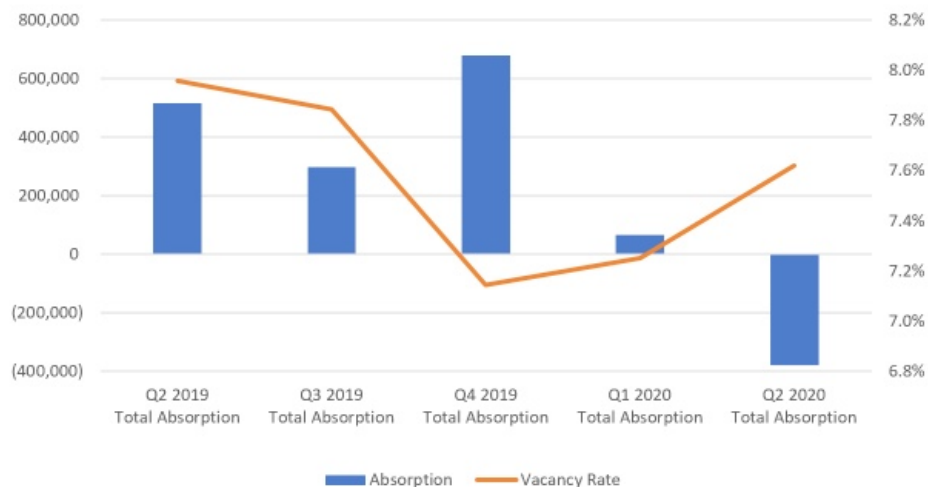
## Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	537	32,210,779	3,620,790	2,666,716	12,108	75,242	8.3%
Warehouse Distribution	276	45,425,178	5,301,916	3,494,409	(75,287)	103,136	7.7%
Warehouse Office	891	58,897,171	5,912,319	3,392,162	37,192	(83,571)	5.8%
<b>Grand Total</b>	<b>1,704</b>	<b>136,533,128</b>	<b>14,835,025</b>	<b>9,553,287</b>	<b>(25,987)</b>	<b>94,807</b>	<b>7.0%</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	537	32,210,779	272,146	153,009	(16,254)	7,100	0.5%
Warehouse Distribution	276	45,425,178	846,557	326,543	(280,648)	(267,359)	0.7%
Warehouse Office	891	58,897,171	821,298	371,973	(55,728)	(148,481)	0.6%
<b>Grand Total</b>	<b>1,704</b>	<b>136,533,128</b>	<b>1,940,001</b>	<b>851,525</b>	<b>(352,630)</b>	<b>(408,740)</b>	<b>0.6%</b>

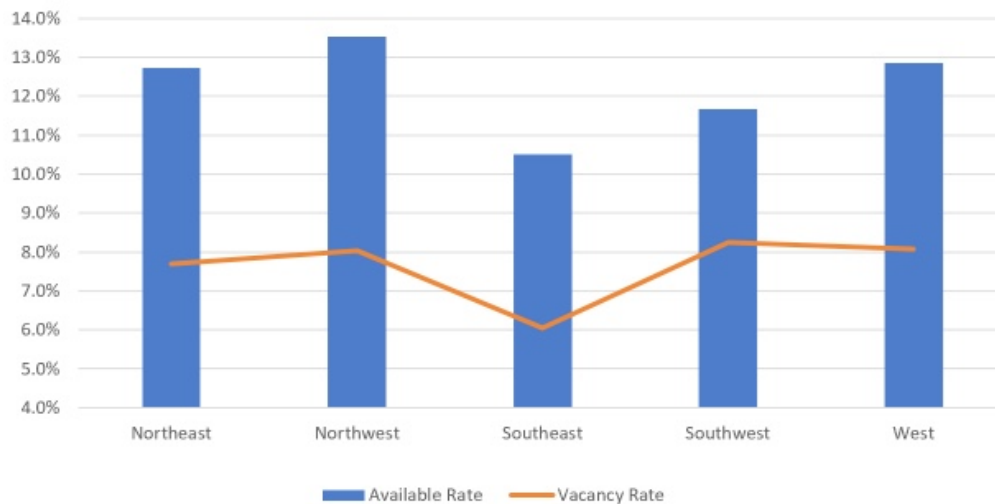
## Absorption and Vacancy Rate



# 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	9,433,638	1,170,439	883,965	15,781	75,504	9.4%
	Warehouse Distribution	67	10,346,820	1,998,919	1,080,960	15,917	253,837	10.4%
	Warehouse Office	318	22,482,933	2,209,713	1,285,832	60,324	117,950	5.7%
	<b>Subtotal</b>	<b>519</b>	<b>42,263,391</b>	<b>5,379,071</b>	<b>3,250,757</b>	<b>92,022</b>	<b>447,291</b>	<b>7.7%</b>
Northwest	Flex/R&D	78	4,806,851	699,932	392,085	68,924	103,868	8.2%
	Warehouse Distribution	90	15,243,905	2,223,024	1,331,634	160,165	220,749	8.7%
	Warehouse Office	151	9,604,110	1,091,232	660,056	(117,596)	(117,761)	6.9%
	<b>Subtotal</b>	<b>319</b>	<b>29,654,866</b>	<b>4,014,188</b>	<b>2,383,775</b>	<b>111,493</b>	<b>206,856</b>	<b>8.0%</b>
Southeast	Flex/R&D	109	5,601,808	400,906	354,526	(21,159)	20,461	6.3%
	Warehouse Distribution	53	7,773,077	783,327	461,575	34,982	(110,463)	5.9%
	Warehouse Office	176	11,008,864	1,376,084	657,795	88,224	71,004	6.0%
	<b>Subtotal</b>	<b>338</b>	<b>24,383,749</b>	<b>2,560,317</b>	<b>1,473,896</b>	<b>102,047</b>	<b>(18,998)</b>	<b>6.0%</b>
Southwest	Flex/R&D	162	8,890,207	1,075,074	776,308	(75,430)	(97,338)	8.7%
	Warehouse Distribution	45	9,418,632	913,661	850,510	(566,999)	(540,007)	9.0%
	Warehouse Office	177	11,382,804	1,477,338	818,450	86,986	(99,509)	7.2%
	<b>Subtotal</b>	<b>384</b>	<b>29,691,643</b>	<b>3,466,073</b>	<b>2,445,268</b>	<b>(555,443)</b>	<b>(736,854)</b>	<b>8.2%</b>
West	Flex/R&D	54	3,478,275	546,585	412,841	7,738	(20,153)	11.9%
	Warehouse Distribution	21	2,642,744	229,542	96,273	0	11,661	3.6%
	Warehouse Office	69	4,418,460	579,250	342,002	(136,474)	(203,736)	7.7%
	<b>Subtotal</b>	<b>144</b>	<b>10,539,479</b>	<b>1,355,377</b>	<b>851,116</b>	<b>(128,736)</b>	<b>(212,228)</b>	<b>8.1%</b>
<b>Grand Total</b>		<b>1,704</b>	<b>136,533,128</b>	<b>16,775,026</b>	<b>10,404,812</b>	<b>(378,617)</b>	<b>(313,933)</b>	<b>7.6%</b>

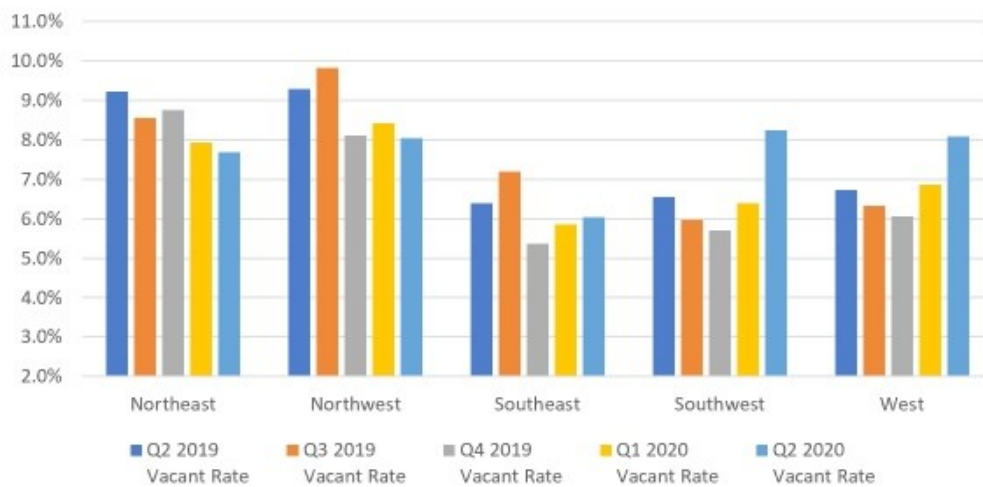
### Available and Vacancy Rates



# Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q2 2019 Vacant Rate	Q3 2019 Vacant Rate	Q4 2019 Vacant Rate	Q1 2020 Vacant Rate	Q2 2020 Vacant Rate
Northeast	Flex/R&D	11.3%	10.9%	10.2%	9.6%	9.4%
	Warehouse Distribution	13.5%	13.3%	12.9%	10.6%	10.4%
	Warehouse Office	6.4%	5.4%	6.2%	6.0%	5.7%
	<b>Subtotal</b>	<b>9.2%</b>	<b>8.5%</b>	<b>8.7%</b>	<b>7.9%</b>	<b>7.7%</b>
Northwest	Flex/R&D	11.5%	11.6%	10.4%	9.7%	8.2%
	Warehouse Distribution	9.9%	10.6%	9.0%	9.8%	8.7%
	Warehouse Office	7.3%	7.8%	5.6%	5.6%	6.9%
	<b>Subtotal</b>	<b>9.3%</b>	<b>9.8%</b>	<b>8.1%</b>	<b>8.4%</b>	<b>8.0%</b>
Southeast	Flex/R&D	10.1%	10.9%	6.8%	6.0%	6.3%
	Warehouse Distribution	4.3%	5.1%	2.6%	4.5%	5.9%
	Warehouse Office	5.9%	6.8%	6.6%	6.8%	6.0%
	<b>Subtotal</b>	<b>6.4%</b>	<b>7.2%</b>	<b>5.4%</b>	<b>5.9%</b>	<b>6.0%</b>
Southwest	Flex/R&D	9.1%	8.6%	7.7%	7.9%	8.7%
	Warehouse Distribution	3.1%	3.6%	3.3%	3.0%	9.0%
	Warehouse Office	7.4%	5.9%	6.2%	8.0%	7.2%
	<b>Subtotal</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.7%</b>	<b>6.4%</b>	<b>8.2%</b>
West	Flex/R&D	13.1%	11.8%	11.3%	12.1%	11.9%
	Warehouse Distribution	4.9%	5.4%	4.1%	3.6%	3.6%
	Warehouse Office	2.7%	2.5%	3.1%	4.7%	7.7%
	<b>Subtotal</b>	<b>6.7%</b>	<b>6.3%</b>	<b>6.1%</b>	<b>6.9%</b>	<b>8.1%</b>
<b>Grand Total</b>	<b>8.0%</b>	<b>7.8%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>7.6%</b>	

Vacancy Rate by Market





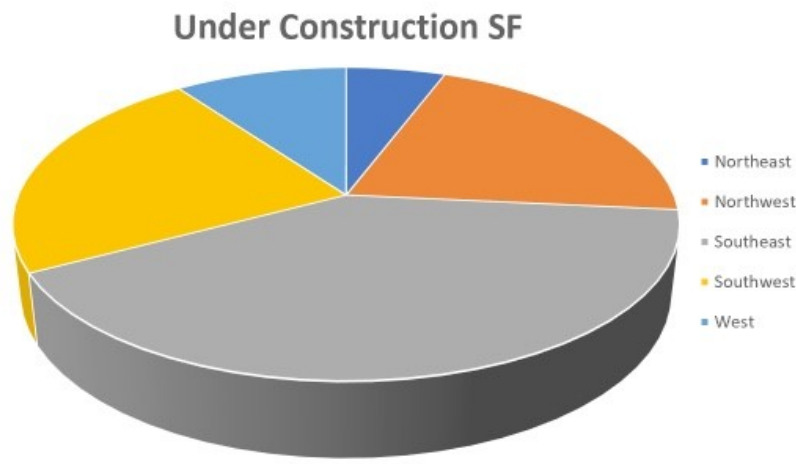
# Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
		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	\$6.77	\$10.24	\$5.85	\$10.22	\$6.81	\$10.21	\$6.75	\$10.40	\$6.56	\$10.85
	Warehouse Distribution	\$5.03	\$9.00	\$4.98	\$9.23	\$5.36	\$9.53	\$5.41	\$10.05	\$5.45	\$10.20
	Warehouse Office	\$5.26	\$8.81	\$4.96	\$8.88	\$5.84	\$9.61	\$5.81	\$9.21	\$6.03	\$9.35
	<b>Subtotal</b>	<b>\$5.83</b>	<b>\$9.43</b>	<b>\$5.28</b>	<b>\$9.47</b>	<b>\$6.15</b>	<b>\$9.84</b>	<b>\$6.12</b>	<b>\$9.80</b>	<b>\$6.15</b>	<b>\$10.06</b>
Northwest	Flex/R&D	\$5.88	\$10.21	\$5.52	\$9.81	\$5.48	\$9.98	\$5.50	\$9.97	\$6.25	\$10.39
	Warehouse Distribution	\$4.99	\$8.39	\$4.74	\$8.29	\$4.91	\$8.47	\$4.86	\$8.28	\$5.17	\$9.20
	Warehouse Office	\$5.52	\$8.36	\$4.93	\$8.58	\$5.67	\$8.61	\$5.60	\$8.40	\$5.83	\$8.98
	<b>Subtotal</b>	<b>\$5.48</b>	<b>\$8.97</b>	<b>\$5.08</b>	<b>\$8.92</b>	<b>\$5.37</b>	<b>\$9.00</b>	<b>\$5.35</b>	<b>\$8.85</b>	<b>\$5.76</b>	<b>\$9.47</b>
Southeast	Flex/R&D	\$6.53	\$9.97	\$4.81	\$9.73	\$5.98	\$9.79	\$6.28	\$9.91	\$6.14	\$9.78
	Warehouse Distribution	\$4.99	\$8.41	\$5.08	\$9.42	\$5.15	\$9.30	\$5.07	\$9.54	\$5.07	\$9.05
	Warehouse Office	\$5.20	\$8.29	\$4.93	\$8.41	\$5.27	\$8.73	\$5.18	\$8.36	\$5.40	\$8.50
	<b>Subtotal</b>	<b>\$5.75</b>	<b>\$9.00</b>	<b>\$4.90</b>	<b>\$9.12</b>	<b>\$5.58</b>	<b>\$9.25</b>	<b>\$5.59</b>	<b>\$9.09</b>	<b>\$5.57</b>	<b>\$9.01</b>
Southwest	Flex/R&D	\$5.89	\$9.79	\$5.11	\$9.93	\$5.96	\$9.94	\$6.26	\$10.15	\$6.43	\$10.32
	Warehouse Distribution	\$5.06	\$9.94	\$5.06	\$9.28	\$5.08	\$9.08	\$5.05	\$9.51	\$4.90	\$9.34
	Warehouse Office	\$5.35	\$8.71	\$4.79	\$8.64	\$5.15	\$8.84	\$5.53	\$8.97	\$5.59	\$9.23
	<b>Subtotal</b>	<b>\$5.61</b>	<b>\$9.40</b>	<b>\$4.97</b>	<b>\$9.31</b>	<b>\$5.52</b>	<b>\$9.37</b>	<b>\$5.85</b>	<b>\$9.59</b>	<b>\$5.96</b>	<b>\$9.80</b>
West	Flex/R&D	\$6.40	\$10.50	\$5.86	\$10.74	\$7.29	\$11.19	\$6.34	\$10.84	\$6.59	\$10.94
	Warehouse Distribution	\$4.86	\$9.00	\$4.91	\$9.16	\$4.91	\$9.16	\$4.88	\$8.88	\$4.88	\$9.63
	Warehouse Office	\$4.88	\$8.30	\$5.46	\$9.02	\$6.19	\$9.02	\$7.13	\$9.49	\$7.46	\$9.81
	<b>Subtotal</b>	<b>\$5.68</b>	<b>\$9.60</b>	<b>\$5.46</b>	<b>\$9.68</b>	<b>\$6.21</b>	<b>\$9.73</b>	<b>\$6.41</b>	<b>\$9.99</b>	<b>\$6.72</b>	<b>\$10.34</b>
<b>Grand Total</b>		<b>\$5.67</b>	<b>\$9.25</b>	<b>\$5.11</b>	<b>\$9.26</b>	<b>\$5.72</b>	<b>\$9.42</b>	<b>\$5.82</b>	<b>\$9.43</b>	<b>\$5.97</b>	<b>\$9.71</b>

## Lease Rates by Market (NNN)

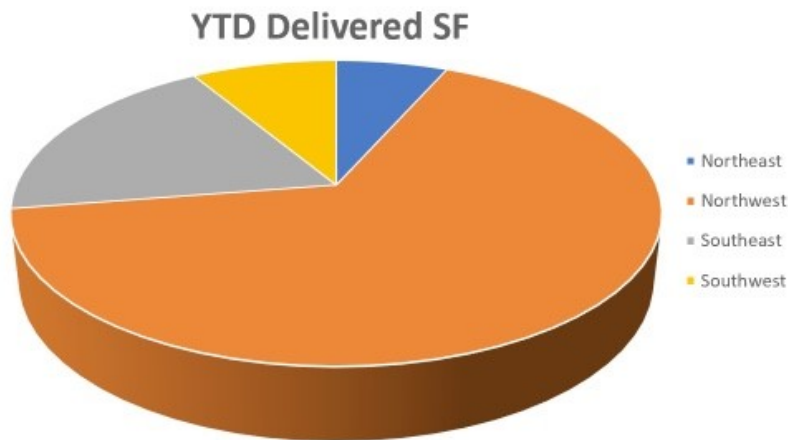


# New Developments by Market



Market	Bldg SF
Northeast	196,000
Northwest	708,120
Southeast	1,386,996
Southwest	778,454
West	340,440
<b>Grand Total</b>	<b>3,410,010</b>

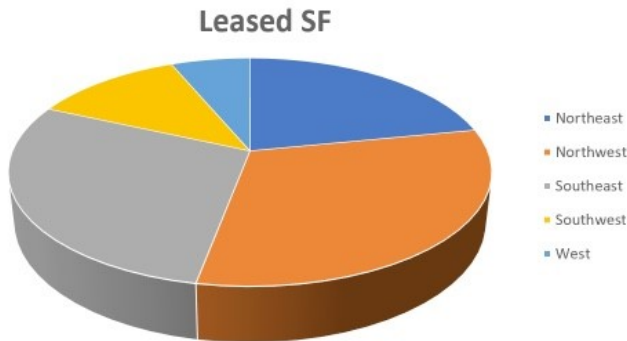
# YTD Deliveries by Market



Market	Bldg SF
Northeast	60,000
Northwest	597,435
Southeast	171,000
Southwest	78,136
<b>Grand Total</b>	<b>906,571</b>

# Leasing Activity

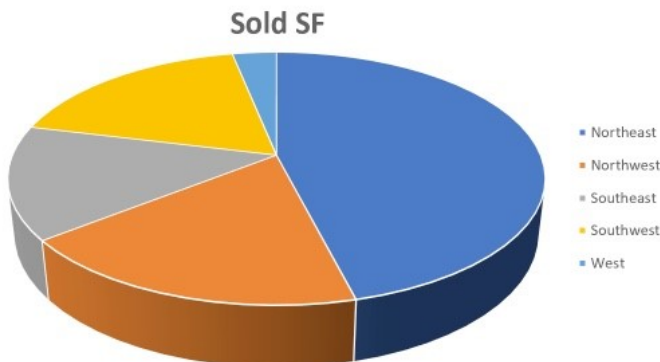
Property	Size (sf)	Market	Tenant	Landlord
Kurita America 6500 93rd Ave N	156,000	Northwest	Kurita America	James Michael Seed Trust
Coborns Delivers 3440 Winpark Dr	142,142	Northwest	Fiat/Chrysler	Winpark Associates LLC
7600 49th Ave N	105,732	Northwest	Walmart	Sip New Hope LLC
Launch Park Lakeville 22160 Cedar Ave	100,248	Southeast	Sweet Harvest	Hat Trick Investments LLC
Arbor Lakes Corporate Center 8550 Zachary Ln N	80,000	Northwest	MSHQ	Idp-Odc Arbor Industrial LLC
InverPointe Business Park 100 Barnes Ave	80,000	Southeast	Simpson Strong-Tie	Inverwood Business Park LLC



Market	Leased SF
Northeast	447,949
Northwest	637,249
Southeast	588,273
Southwest	244,913
West	129,784
<b>Grand Total</b>	<b>2,048,168</b>

# Sales Activity

Property	Price	Market	Buyer	Seller
11011 Holly Ln N	\$27,750,000	Northwest	CIVF-VI - MN1WO1 - WO2 LLC	Rogers Investment Group LLC
University Industrial Park III 2000-2090 SE Elm St	\$25,210,000	Northeast	B9 Polar University LLC	CSM Investors, Inc
Kasota I Business Center - Portfolio 701-739 Kasota Ave SE	\$21,880,000	Northeast	B9 Polar Kasota LLC	CSM Kasota, Inc
Duffy Building - Portfolio 246 N 7th Ave, 300 6th Ave N & 608 3rd St N	\$21,090,000	Northeast	Cedar Duffey 2.0 Property LLC	C J Company
Dell Five Business Park Bldg H, I, G Portfolio 18251-18751 Lake Dr E	\$20,710,000	Southwest	B9 Polar Dell Five Corporate LLC	CSM Investors, Inc



Market	Sold SF
Northeast	3,442,967
Northwest	1,370,498
Southeast	1,083,708
Southwest	1,345,847
West	237,052
<b>Grand Total</b>	<b>7,480,072</b>

# Market Map



- |          |                  |          |                  |
|----------|------------------|----------|------------------|
| <b>1</b> | <b>Northeast</b> | <b>3</b> | <b>Southwest</b> |
| <b>2</b> | <b>Northwest</b> | <b>4</b> | <b>Southeast</b> |
|          |                  | <b>5</b> | <b>West</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 his 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.

## Advisory Board Members

Avison Young	Tom Dunsmore	Excelsior Group	Dan Lofgren
CBRE	Matt Oelschlager	Frauenshuh	Jonathan Juris
Colliers International	Jack Tornquist	JLL	Chris Hickok
Commercial Realty Solutions	Eric Batiza	Lee & Associates	Chris Garcia
Cushman & Wakefield	Wayne Elam	Paramount	Duane Poppe
	Peter Fooshe	Transwestern	Phil Simonet
	Brent Masica		Alex Baron
	Chris Weirens		Nate Erickson

## Research Advisory Board Members

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

## REDIComps Team

Chris Allen	Regional Director of Analytics	<a href="mailto:chris@redicomps.com">chris@redicomps.com</a>	952-456-1669
Jon Holm	Regional Director of Sales	<a href="mailto:jon@redicomps.com">jon@redicomps.com</a>	612-802-0499
Jeremy Bengston	CEO	<a href="mailto:jeremy@redicomps.com">jeremy@redicomps.com</a>	
Lisa Bengston	Regional Director of Sale Comps	<a href="mailto:lisa@redicomps.com">lisa@redicomps.com</a>	
Kim Platz	Regional Director of Research	<a href="mailto:kim@redicomps.com">kim@redicomps.com</a>	816-651-6686
Beth Downey	Listings Researcher	<a href="mailto:beth@redicomps.com">beth@redicomps.com</a>	816-536-1202
Lisa Ison	Listings Researcher	<a href="mailto:lisaison@redicomps.com">lisaison@redicomps.com</a>	816-606-7737
Michelle Siegert	Listings Researcher	<a href="mailto:michelle@redicomps.com">michelle@redicomps.com</a>	816-230-0116