

MARKET TRENDS

Q3 2020 | Mpls-St Paul | Industrial

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,879,529	
Area Unemployment	7.9	
U.S. Unemployment	8.4	
Industrial Jobs	192,400	

Source: BLS

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

Market Recap

Total Inventory (sf)	260,973,985
Total # of Bldgs	3,029
Absorption	682,942
Vacancy	4.9%
Asking Rate Low (NNN)	\$5.97
Asking Rate High (NNN)	\$9.57
Under Construction (sf)	2,518,052

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 500 basis points to 7.9% for August 2020 from 2.9% for August 2019. The unemployment rate for the US was 8.4% in August 2020 up from 3.7% last year. State of Minnesota unemployment rate was 7.4%. The Mpls-St Paul MSA saw a decrease in job growth as well as a decrease in industrial job growth in manufacturing dropping 11,200 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 261 msf in eight counties across the metro and posted over 682,000 sf of positive absorption for Q3 2020 while multi-tenant properties posted 152,000 sf positive absorption. The overall vacancy rate for the market stands at 4.9% and multi-tenant vacancy increased to 8.0% for Q3 2020. The average asking lease low rate was \$5.97 and high rate was \$9.57 NNN for Mpls-St Paul. To date, there are 19 construction projects throughout the market totaling 2.5 msf and 17 properties were delivered year-to-date with 2.1 msf.

Market Highlights

At the close of Q3 2020, the market experienced over 2.5 msf of leasing activity in 180 transactions with ShopJimmy leasing the largest space of 413,000 sf in the Southeast market. The Southeast and Northeast markets vacancy rate being the tightest at 4.1% for all properties while the Southwest market topped at 5.8%. The Northeast market had two of the top five property spots in absorption with Target buying 399,000 sf and Tomas Commercial buyer 140,000 sf property. The Northeast market experienced the largest vacancy of Modern Tool with 180,000 sf. Sixty three properties sold with over 2 msf for \$125.8 million.

Market Statistics by Property Type (Multi and Single Tenant)

Total

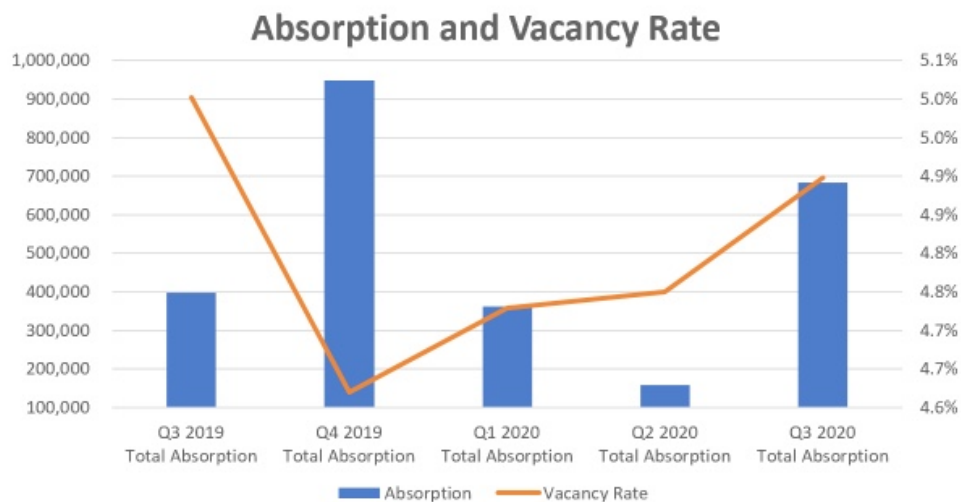
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	621	41,657,959	5,117,651	3,085,748	(143,803)	(55,172)	7.4%
Warehouse Distribution	499	90,275,121	6,930,792	4,388,094	485,678	774,737	4.9%
Warehouse Office	1,909	129,040,905	9,337,731	5,309,583	341,067	483,656	4.1%
Grand Total	3,029	260,973,985	21,386,174	12,783,425	682,942	1,203,221	4.9%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	621	41,657,959	4,752,042	2,916,635	(172,210)	(90,679)	7.0%
Warehouse Distribution	499	90,275,121	6,232,560	4,051,748	411,191	825,467	4.5%
Warehouse Office	1,909	129,040,905	8,669,535	5,012,983	358,914	595,495	3.9%
Grand Total	3,029	260,973,985	19,654,137	11,981,366	597,895	1,330,283	4.6%

Sublease

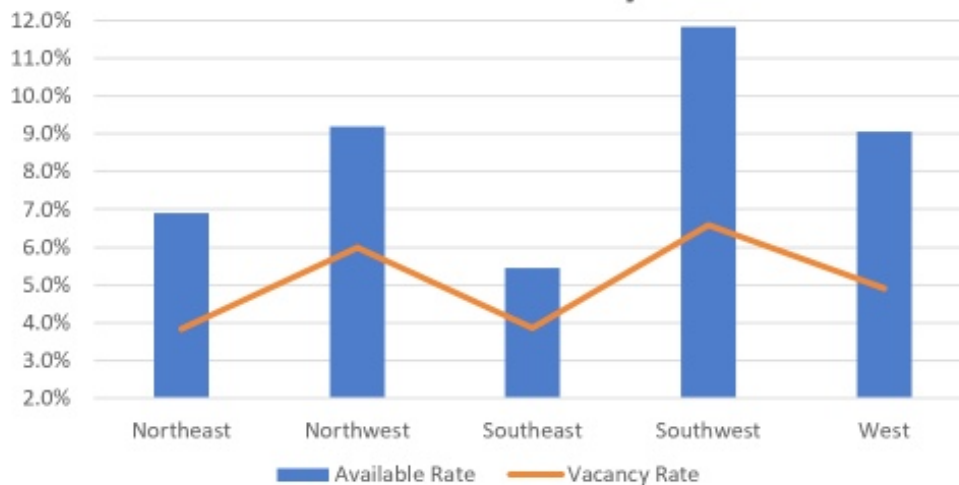
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	621	41,657,959	365,609	169,113	28,407	35,507	0.4%
Warehouse Distribution	499	90,275,121	698,232	336,346	74,487	(50,730)	0.4%
Warehouse Office	1,909	129,040,905	668,196	296,600	(17,847)	(111,839)	0.2%
Grand Total	3,029	260,973,985	1,732,037	802,059	85,047	(127,062)	0.3%



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	157	10,970,648	1,347,562	1,079,371	(184,155)	(111,102)	9.8%
	Warehouse Distribution	152	25,918,369	1,678,366	835,101	335,669	670,880	3.2%
	Warehouse Office	734	50,377,899	2,987,497	1,435,783	35,997	471,081	2.9%
	Subtotal	1,043	87,266,916	6,013,425	3,350,255	187,511	1,030,859	3.8%
Northwest	Flex/R&D	97	7,615,249	758,248	413,559	(13,000)	90,868	5.4%
	Warehouse Distribution	145	26,086,043	2,613,567	1,855,919	(153,569)	439,088	7.1%
	Warehouse Office	333	21,492,637	1,700,566	1,029,842	165,274	633	4.8%
	Subtotal	575	55,193,929	5,072,381	3,299,320	(1,295)	530,589	6.0%
Southeast	Flex/R&D	122	6,733,770	556,603	435,995	29,766	50,227	6.5%
	Warehouse Distribution	96	17,922,447	805,839	538,770	(43,195)	(153,658)	3.0%
	Warehouse Office	391	26,241,611	1,408,081	988,972	192,718	420,926	3.8%
	Subtotal	609	50,897,828	2,770,523	1,963,737	179,289	317,495	3.9%
Southwest	Flex/R&D	186	12,411,063	1,913,846	745,823	21,745	(66,853)	6.0%
	Warehouse Distribution	76	16,784,443	1,617,513	1,078,700	330,104	(209,903)	6.4%
	Warehouse Office	306	21,305,585	2,447,070	1,505,645	(46,448)	(201,774)	7.1%
	Subtotal	568	50,501,091	5,978,429	3,330,168	305,401	(478,530)	6.6%
West	Flex/R&D	59	3,927,229	541,392	411,000	1,841	(18,312)	10.5%
	Warehouse Distribution	30	3,563,819	215,507	79,604	16,669	28,330	2.2%
	Warehouse Office	145	9,623,173	794,517	349,341	(6,474)	(207,210)	3.6%
	Subtotal	234	17,114,221	1,551,416	839,945	12,036	(197,192)	4.9%
Grand Total		3,029	260,973,985	21,386,174	12,783,425	682,942	1,203,221	4.9%

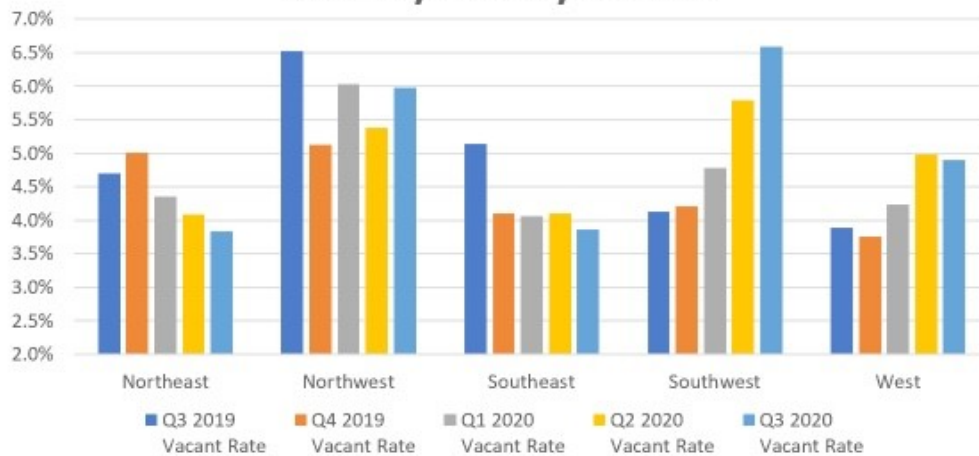
Available and Vacancy Rates



Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q3 2019 Vacant Rate	Q4 2019 Vacant Rate	Q1 2020 Vacant Rate	Q2 2020 Vacant Rate	Q3 2020 Vacant Rate
Northeast	Flex/R&D	9.6%	9.0%	8.5%	8.3%	9.8%
	Warehouse Distribution	5.9%	5.8%	4.9%	4.5%	3.2%
	Warehouse Office	3.0%	3.7%	3.2%	3.0%	2.9%
	Subtotal	4.7%	5.0%	4.3%	4.1%	3.8%
Northwest	Flex/R&D	9.4%	6.7%	6.2%	5.3%	5.4%
	Warehouse Distribution	7.1%	6.3%	7.7%	6.5%	7.1%
	Warehouse Office	4.8%	3.1%	3.9%	4.0%	4.8%
	Subtotal	6.5%	5.1%	6.0%	5.4%	6.0%
Southeast	Flex/R&D	9.7%	6.3%	5.7%	6.0%	6.5%
	Warehouse Distribution	2.3%	1.3%	2.1%	2.8%	3.0%
	Warehouse Office	5.9%	5.4%	5.0%	4.5%	3.8%
	Subtotal	5.1%	4.1%	4.1%	4.1%	3.9%
Southwest	Flex/R&D	6.8%	5.5%	5.6%	6.2%	6.0%
	Warehouse Distribution	2.0%	2.0%	1.7%	5.2%	6.4%
	Warehouse Office	4.1%	5.2%	6.6%	6.0%	7.1%
	Subtotal	4.1%	4.2%	4.8%	5.8%	6.6%
West	Flex/R&D	10.4%	10.0%	10.7%	10.5%	10.5%
	Warehouse Distribution	4.0%	3.0%	2.7%	2.7%	2.2%
	Warehouse Office	1.2%	1.5%	2.2%	3.6%	3.6%
	Subtotal	3.9%	3.8%	4.2%	5.0%	4.9%
Grand Total		5.0%	4.6%	4.7%	4.7%	4.9%

Vacancy Rate by Market



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 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	\$5.85	\$10.22	\$6.81	\$10.21	\$6.75	\$10.40	\$6.56	\$10.85	\$6.52	\$10.84
	Warehouse Distribution	\$5.29	\$9.39	\$5.40	\$9.69	\$5.41	\$10.05	\$5.45	\$10.20	\$5.52	\$10.25
	Warehouse Office	\$4.98	\$8.84	\$5.90	\$9.53	\$5.84	\$9.21	\$6.06	\$9.42	\$6.09	\$9.59
	Subtotal	\$5.32	\$9.45	\$6.16	\$9.81	\$6.12	\$9.78	\$6.15	\$10.06	\$6.20	\$10.21
Northwest	Flex/R&D	\$5.48	\$9.81	\$5.45	\$9.97	\$5.50	\$10.00	\$6.22	\$10.42	\$6.39	\$10.46
	Warehouse Distribution	\$4.74	\$8.29	\$4.93	\$8.56	\$4.96	\$8.42	\$5.26	\$9.24	\$5.31	\$9.40
	Warehouse Office	\$4.94	\$8.55	\$5.68	\$8.58	\$5.53	\$8.26	\$5.80	\$8.93	\$5.58	\$8.52
	Subtotal	\$5.08	\$8.92	\$5.36	\$9.02	\$5.34	\$8.84	\$5.77	\$9.48	\$5.73	\$9.35
Southeast	Flex/R&D	\$4.81	\$9.73	\$5.98	\$9.79	\$6.28	\$9.91	\$6.14	\$9.78	\$6.03	\$9.57
	Warehouse Distribution	\$5.08	\$9.42	\$5.15	\$9.30	\$5.07	\$9.54	\$5.07	\$9.05	\$5.01	\$8.68
	Warehouse Office	\$5.05	\$8.31	\$5.41	\$8.64	\$5.16	\$8.20	\$5.35	\$8.56	\$5.50	\$8.44
	Subtotal	\$4.97	\$9.00	\$5.62	\$9.15	\$5.55	\$8.95	\$5.53	\$9.00	\$5.63	\$8.89
Southwest	Flex/R&D	\$5.11	\$9.93	\$5.96	\$9.94	\$6.03	\$10.01	\$6.44	\$10.33	\$6.51	\$10.17
	Warehouse Distribution	\$5.06	\$9.28	\$5.08	\$9.08	\$5.05	\$9.51	\$4.91	\$9.52	\$4.74	\$8.24
	Warehouse Office	\$4.82	\$8.70	\$5.14	\$8.71	\$5.45	\$8.66	\$5.50	\$8.89	\$5.57	\$8.69
	Subtotal	\$4.98	\$9.33	\$5.51	\$9.29	\$5.69	\$9.35	\$5.91	\$9.66	\$5.96	\$9.38
West	Flex/R&D	\$5.86	\$10.74	\$7.29	\$11.19	\$6.34	\$10.84	\$6.59	\$10.94	\$6.53	\$11.18
	Warehouse Distribution	\$4.91	\$9.16	\$4.91	\$9.16	\$4.88	\$8.88	\$4.88	\$9.63	\$4.88	\$9.63
	Warehouse Office	\$5.46	\$9.16	\$6.51	\$9.15	\$7.49	\$9.69	\$7.46	\$9.81	\$7.56	\$9.34
	Subtotal	\$5.46	\$9.72	\$6.36	\$9.77	\$6.57	\$10.06	\$6.72	\$10.34	\$6.72	\$10.24
Grand Total		\$5.13	\$9.24	\$5.74	\$9.38	\$5.78	\$9.34	\$5.95	\$9.67	\$5.97	\$9.57



Market Statistics by Property Type (Multi-Tenant)

Total

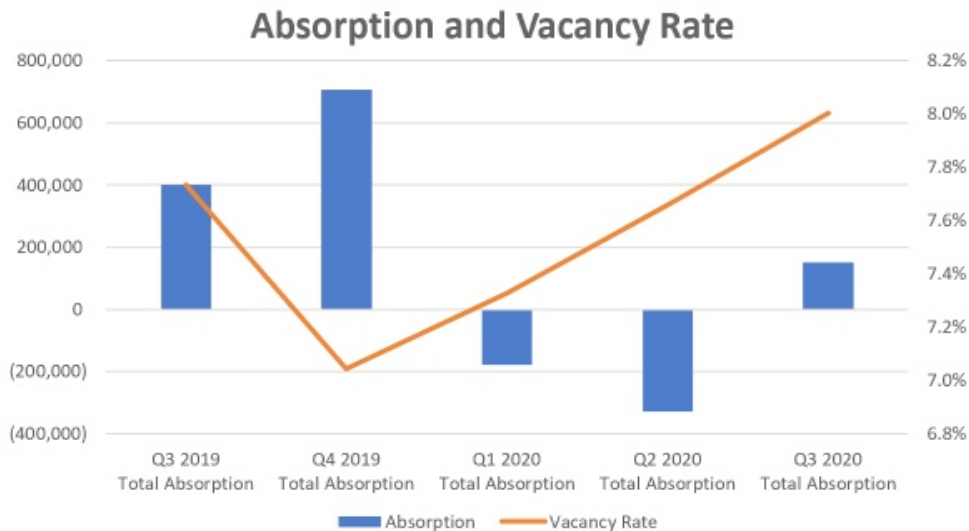
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Flex/R&D	536	32,377,405	4,247,121	3,036,711	(210,527)	(117,370)	9.4%
Warehouse Distribution	278	46,958,488	6,320,822	4,177,568	451,678	37,455	8.9%
Warehouse Office	896	59,445,386	6,639,842	3,895,640	(88,866)	(275,128)	6.6%
Grand Total	1,710	138,781,279	17,207,785	11,109,919	152,285	(355,043)	8.0%

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Flex/R&D	621	41,657,959	4,752,042	2,916,635	(172,210)	(90,679)	7.0%
Warehouse Distribution	499	90,275,121	6,232,560	4,051,748	411,191	825,467	4.5%
Warehouse Office	1,909	129,040,905	8,669,535	5,012,983	358,914	595,495	3.9%
Grand Total	3,029	260,973,985	19,654,137	11,981,366	597,895	1,330,283	4.6%

Sublease

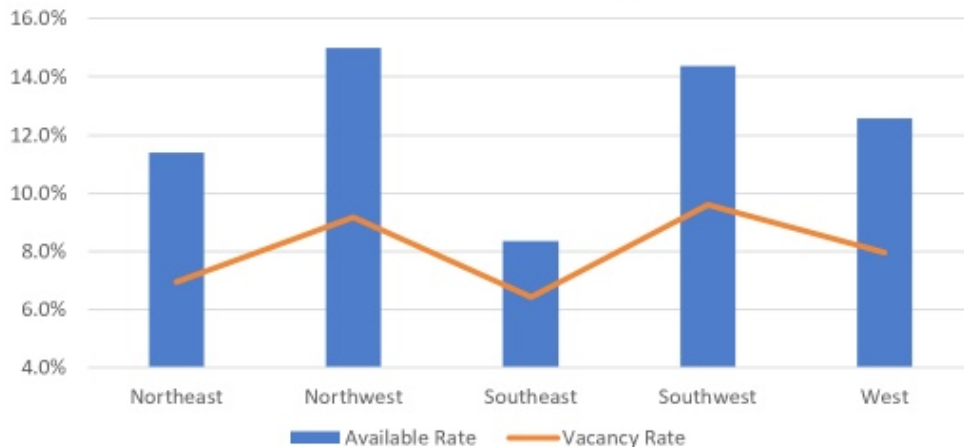
Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Flex/R&D	621	41,657,959	365,609	169,113	28,407	35,507	0.4%
Warehouse Distribution	499	90,275,121	698,232	336,346	74,487	(50,730)	0.4%
Warehouse Office	1,909	129,040,905	668,196	296,600	(17,847)	(111,839)	0.2%
Grand Total	3,029	260,973,985	1,732,037	802,059	85,047	(127,062)	0.3%



Market Statistics by Market (Multi-Tenant)

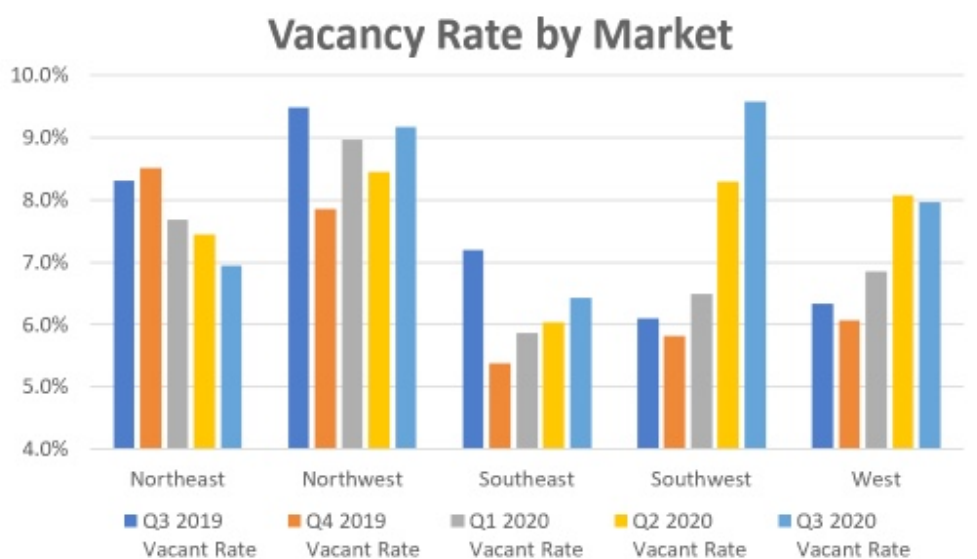
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	134	9,526,066	1,331,360	1,074,845	(184,155)	(106,576)	11.3%
	Warehouse Distribution	66	10,366,215	1,588,556	745,291	335,669	589,506	7.2%
	Warehouse Office	323	22,816,053	1,947,743	1,143,860	46,328	164,278	5.0%
	Subtotal	523	42,708,334	4,867,659	2,963,996	197,842	647,208	6.9%
Northwest	Flex/R&D	79	4,881,049	758,248	413,559	(13,000)	90,868	8.5%
	Warehouse Distribution	91	16,199,526	2,467,851	1,735,203	(153,569)	(182,820)	10.7%
	Warehouse Office	150	9,480,374	1,355,175	655,142	(49,350)	(121,321)	6.9%
	Subtotal	320	30,560,949	4,581,274	2,803,904	(215,919)	(213,273)	9.2%
Southeast	Flex/R&D	108	5,601,808	512,092	391,484	(36,958)	(16,497)	7.0%
	Warehouse Distribution	53	7,773,077	589,039	538,770	(77,195)	(187,658)	6.9%
	Warehouse Office	174	10,974,319	932,795	636,517	21,278	92,282	5.8%
	Subtotal	335	24,349,204	2,033,926	1,566,771	(92,875)	(111,873)	6.4%
Southwest	Flex/R&D	161	8,890,207	1,104,029	745,823	21,745	(66,853)	8.4%
	Warehouse Distribution	47	9,976,926	1,459,869	1,078,700	330,104	(209,903)	10.8%
	Warehouse Office	180	11,756,180	1,834,011	1,111,645	(100,648)	(200,157)	9.5%
	Subtotal	388	30,623,313	4,397,909	2,936,168	251,201	(476,913)	9.6%
West	Flex/R&D	54	3,478,275	541,392	411,000	1,841	(18,312)	11.8%
	Warehouse Distribution	21	2,642,744	215,507	79,604	16,669	28,330	3.0%
	Warehouse Office	69	4,418,460	570,118	348,476	(6,474)	(210,210)	7.9%
	Subtotal	144	10,539,479	1,327,017	839,080	12,036	(200,192)	8.0%
Grand Total		1,710	138,781,279	17,207,785	11,109,919	152,285	(355,043)	8.0%

Available and Vacancy Rates



Vacancy Rates by Market (Multi-Tenant)

Market	Property Type	Q3 2019 Vacant Rate	Q4 2019 Vacant Rate	Q1 2020 Vacant Rate	Q2 2020 Vacant Rate	Q3 2020 Vacant Rate
Northeast	Flex/R&D	11.0%	10.3%	9.7%	9.4%	11.3%
	Warehouse Distribution	13.3%	13.0%	10.7%	10.5%	7.2%
	Warehouse Office	4.9%	5.7%	5.5%	5.2%	5.0%
	Subtotal	8.3%	8.5%	7.7%	7.5%	6.9%
Northwest	Flex/R&D	11.6%	10.5%	9.7%	8.2%	8.5%
	Warehouse Distribution	9.9%	8.4%	10.8%	9.8%	10.7%
	Warehouse Office	7.8%	5.6%	5.6%	6.4%	6.9%
	Subtotal	9.5%	7.9%	9.0%	8.5%	9.2%
Southeast	Flex/R&D	10.9%	6.8%	6.0%	6.3%	7.0%
	Warehouse Distribution	5.1%	2.6%	4.5%	5.9%	6.9%
	Warehouse Office	6.8%	6.6%	6.8%	6.0%	5.8%
	Subtotal	7.2%	5.4%	5.9%	6.0%	6.4%
Southwest	Flex/R&D	8.6%	7.7%	7.9%	8.6%	8.4%
	Warehouse Distribution	3.6%	3.3%	3.0%	9.0%	10.8%
	Warehouse Office	6.2%	6.5%	8.3%	7.5%	9.5%
	Subtotal	6.1%	5.8%	6.5%	8.3%	9.6%
West	Flex/R&D	11.8%	11.3%	12.1%	11.9%	11.8%
	Warehouse Distribution	5.4%	4.1%	3.6%	3.6%	3.0%
	Warehouse Office	2.5%	3.1%	4.7%	7.7%	7.9%
	Subtotal	6.3%	6.1%	6.9%	8.1%	8.0%
Grand Total		7.7%	7.0%	7.3%	7.7%	8.0%



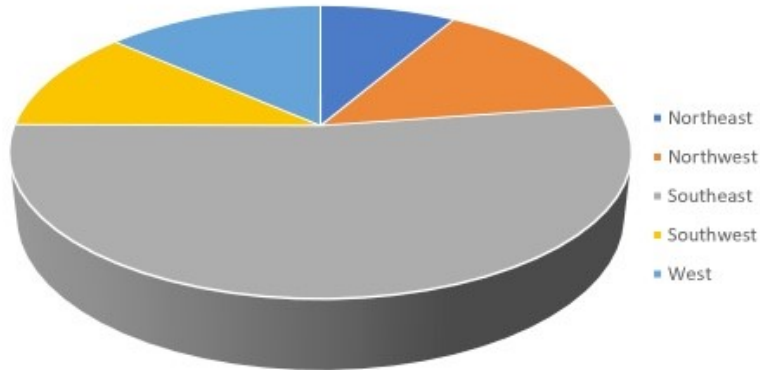
Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q3 2019		Q4 2019		Q1 2020		Q2 2020		Q3 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	\$5.85	\$10.22	\$6.81	\$10.21	\$6.75	\$10.40	\$6.56	\$10.85	\$6.52	\$10.84
	Warehouse Distribution	\$4.98	\$9.23	\$5.36	\$9.53	\$5.41	\$10.05	\$5.45	\$10.20	\$5.52	\$10.25
	Warehouse Office	\$4.98	\$8.91	\$5.88	\$9.65	\$5.85	\$9.24	\$6.07	\$9.39	\$6.07	\$9.54
	Subtotal	\$5.29	\$9.49	\$6.17	\$9.86	\$6.14	\$9.82	\$6.17	\$10.08	\$6.20	\$10.21
Northwest	Flex/R&D	\$5.48	\$9.81	\$5.45	\$9.97	\$5.50	\$10.00	\$6.22	\$10.42	\$6.39	\$10.46
	Warehouse Distribution	\$4.74	\$8.29	\$4.91	\$8.47	\$4.96	\$8.28	\$5.26	\$9.17	\$5.32	\$9.34
	Warehouse Office	\$4.94	\$8.55	\$5.72	\$8.57	\$5.61	\$8.32	\$5.84	\$8.91	\$5.64	\$8.60
	Subtotal	\$5.08	\$8.92	\$5.37	\$9.00	\$5.37	\$8.85	\$5.78	\$9.46	\$5.75	\$9.38
Southeast	Flex/R&D	\$4.81	\$9.73	\$5.98	\$9.79	\$6.28	\$9.91	\$6.14	\$9.78	\$6.03	\$9.57
	Warehouse Distribution	\$5.08	\$9.42	\$5.15	\$9.30	\$5.07	\$9.54	\$5.07	\$9.05	\$5.01	\$8.68
	Warehouse Office	\$4.93	\$8.41	\$5.27	\$8.73	\$5.18	\$8.36	\$5.40	\$8.50	\$5.53	\$8.57
	Subtotal	\$4.90	\$9.12	\$5.58	\$9.25	\$5.59	\$9.09	\$5.57	\$9.01	\$5.65	\$8.98
Southwest	Flex/R&D	\$5.11	\$9.93	\$5.96	\$9.94	\$6.03	\$10.01	\$6.45	\$10.33	\$6.53	\$10.16
	Warehouse Distribution	\$5.06	\$9.28	\$5.08	\$9.08	\$5.05	\$9.51	\$4.90	\$9.34	\$4.71	\$7.90
	Warehouse Office	\$4.79	\$8.64	\$5.16	\$8.76	\$5.53	\$8.88	\$5.59	\$9.13	\$5.68	\$9.02
	Subtotal	\$4.97	\$9.31	\$5.52	\$9.33	\$5.73	\$9.47	\$5.97	\$9.75	\$6.03	\$9.50
West	Flex/R&D	\$5.86	\$10.74	\$7.29	\$11.19	\$6.34	\$10.84	\$6.59	\$10.94	\$6.53	\$11.18
	Warehouse Distribution	\$4.91	\$9.16	\$4.91	\$9.16	\$4.88	\$8.88	\$4.88	\$9.63	\$4.88	\$9.63
	Warehouse Office	\$5.46	\$9.02	\$6.19	\$9.02	\$7.13	\$9.49	\$7.46	\$9.81	\$7.56	\$9.34
	Subtotal	\$5.46	\$9.68	\$6.21	\$9.73	\$6.41	\$9.99	\$6.72	\$10.34	\$6.72	\$10.24
Grand Total		\$5.11	\$9.26	\$5.72	\$9.41	\$5.80	\$9.41	\$5.98	\$9.70	\$6.00	\$9.63



New Developments by Market

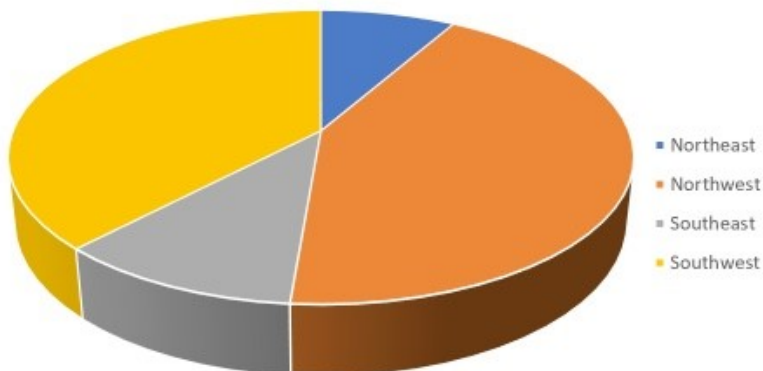
Under Construction SF



Market	Under Construction SF
Northeast	211,120
Northwest	360,120
Southeast	1,320,272
Southwest	286,100
West	340,440
Grand Total	2,518,052

YTD Deliveries by Market

YTD Deliveries SF



Market	Bldg SF
Northeast	181,728
Northwest	945,435
Southeast	237,724
Southwest	831,590
Grand Total	2,196,477

Leasing Activity

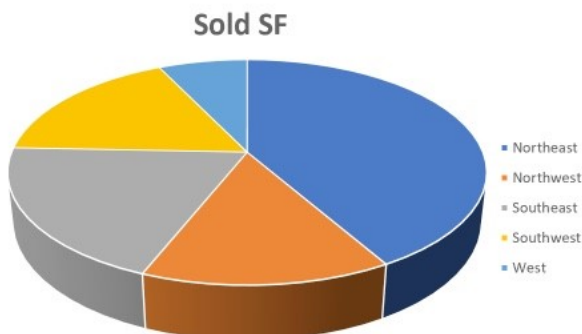
Property	Size (sf)	Market	Tenant	Landlord
I-35 Industrial Center 2300 Hwy 13 W	413,239	Southeast	ShopJimmy	MSP SW Acquisition, LLC
Midway Mile Industrial Campus	183,122	Northeast	SBS Transportation, Inc	CH-Midway, LLC
Pioneer Press Production 6240 Carmen Ave E	166,520	Southeast	First Transit	Interstate Development
2737 W Service Rd	103,305	Southeast	Sportsmans Guide	Colfin 2016-4 Industrial Owner
	100,458	Southeast	AZEK Company	Expo-Eagan



Market	Leased SF
Northeast	847,519
Northwest	129,124
Southeast	1,124,796
Southwest	374,745
West	86,858
Grand Total	2,563,042

Sales Activity

Property	Price	Market	Buyer	Seller
Mid-City Logistics Hub 2600-2800 Winter St NE	\$17,400,000	Mpls CBD	Target	OIVF MID-CITY, LLC c/o Onward Investors
Extra Space Storage 7725 Washington Ave S	\$11,770,000	Southwest	LW Storage Edina, LLC c/o Extra Space Storage	E & R Investments, LLC c/o Ebert Construction
Extra Space Storage 202 101st Ave NW	\$7,815,000	Northeast	LW Storage Coon Rapids, LLC c/o Extra Space Storage	E & R Investments, LLC c/o Ebert Construction
7600 49th Ave N	\$7,700,000	Northwest	AUSDIP1 MN Funding Company	SIP New Hope, LLC
Public Storage 9735 S Robert Trl	\$6,500,000	Southeast	PS Mid-West One, LLC c/o Public Storage	Inver Grove Storage, LLC c/o Lawrence Koland



Market	Sold SF
Northeast	868,705
Northwest	298,367
Southeast	408,161
Southwest	359,071
West	148,300
Grand Total	2,082,604

Market Map



- | | | | |
|----------|------------------|----------|------------------|
| 1 | Northeast | 3 | Southwest |
| 2 | Northwest | 4 | Southeast |
| | | 5 | West |

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 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 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.

Advisory Board Members

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