

MARKET TRENDS

Q4 2019 | Mpls-St Paul | Industrial

Employment

	<u>Current</u>	<u>Y-o-Y</u>
Employment	1,978,126	
Area Unemployment	2.7	
U.S. Unemployment	3.5	
Industrial Jobs	199,400	

Source: BLS

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

Market Recap

Total Inventory (sf)	256,877,426
Total # of Bldgs	2,989
Absorption	728,962
Vacancy	4.5%
Asking Rate Low (NNN)	\$5.74
Asking Rate High (NNN)	\$9.38
Under Construction (sf)	3,591,719

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 70 basis points to 2.7% for November 2019 from 2.0% for November 2018. The unemployment rate for the US was at 3.5% in November 2019 down from 3.7% last year. State of Minnesota unemployment rate was 3.3%. The Mpls-St Paul MSA saw a decrease in industrial job growth in manufacturing dropping 200 during the same period.

Market Overview

The Mpls-St Paul industrial market consists of 256 msf in eight counties across the metro and posted over 728,000 sf of positive absorption for Q4-2019 and over 3.1 msf absorbed year to date. The overall vacancy rate for the market stands at 4.5% and multi-tenant vacancy was 7.0% for Q4-2019. The average asking lease low rate was \$5.74 and high rate was \$9.38 NNN for Mpls-St Paul. To date, there are 27 construction projects throughout the market totaling just under 3.6 msf and 20 properties were delivered year to date with 2.2M sf.

Market Highlights

At the close of Q4 2019, the market experienced over 2.3 msf of leasing activity in 218 transactions while over 8.6 msf leased year to date in 748 transactions. The vacancy rate finished the quarter at 4.5% in total with the West Markets being the tightest at 3.7% for all properties. The Northwest market had the three top property spots in absorption with GAF 161,000 sf, three tenants leasing 157,000 sf at Arbor Lakes Business Center and the purchase of 147,000 sf by McLaughlin Gormley King. The Northwest and Northeast markets reported the highest vacancy rate at 4.8% for all properties while Northeast is highest for multi-tenant properties at 8.8%.

Market Statistics by Property Type (Multi and Single Tenant)

Total

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Total YTD Absorption (sf)	Vacancy Rate
Flex/R&D	618	41,635,786	3,811,111	2,979,017	458,349	604,609	7.2%
Warehouse Distribution	490	87,872,241	5,939,476	3,612,331	302,081	1,769,201	4.1%
Warehouse Office	1,881	127,369,399	7,742,052	4,966,505	-31,468	812,055	3.9%
Grand Total	2,989	256,877,426	17,492,639	11,557,853	728,962	3,185,865	4.5%

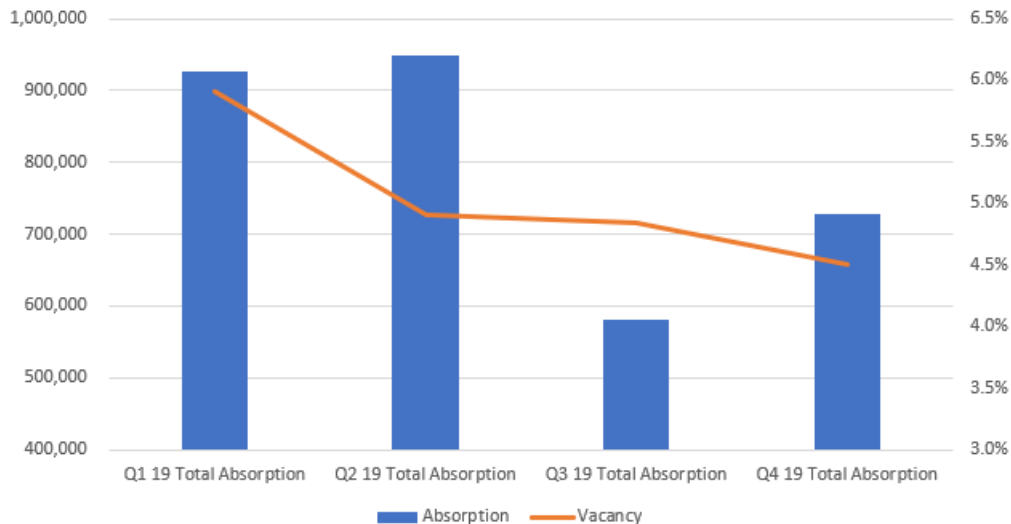
Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	Direct YTD Absorption (sf)	Vacancy Rate
Flex/R&D	618	41,635,786	3,481,272	2,774,397	474,290	617,656	6.7%
Warehouse Distribution	490	87,872,241	5,264,338	3,306,004	302,081	1,957,238	3.8%
Warehouse Office	1,881	127,369,399	7,158,405	4,716,100	-107,292	838,212	3.7%
Grand Total	2,989	256,877,426	15,904,015	10,796,501	669,079	3,413,106	4.2%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	Sublease YTD Absorption (sf)	Vacancy Rate
Flex/R&D	618	41,635,786	329,839	204,620	-15,941	-13,047	0.5%
Warehouse Distribution	490	87,872,241	675,138	306,327	0	-188,037	0.3%
Warehouse Office	1,881	127,369,399	583,647	250,405	75,824	-26,157	0.2%
Grand Total	2,989	256,877,426	1,588,624	761,352	59,883	-227,241	0.3%

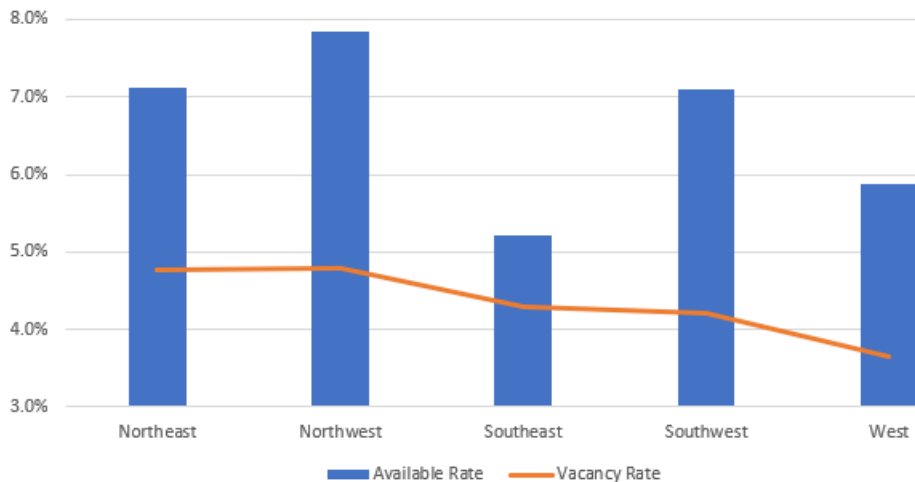
Absorption and Vacancy Rate



Market Statistics by Market (Multi and Single Tenant)

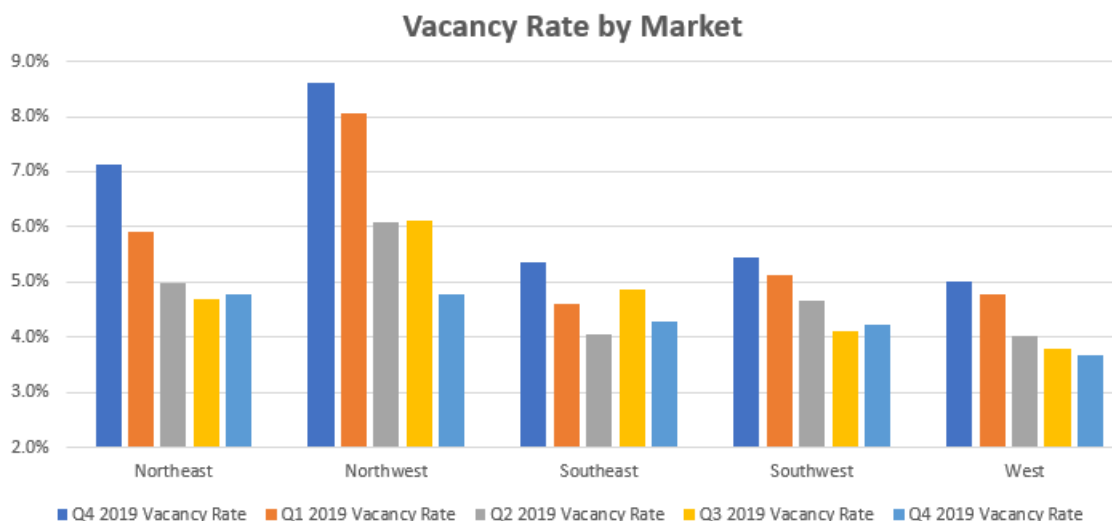
Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Total YTD Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	155	10,846,053	1,107,429	897,908	9,899	(30,649)	8.3%
	Warehouse Distribution	153	25,898,974	2,487,064	1,506,241	62,818	711,842	5.8%
	Warehouse Office	716	49,561,599	2,547,520	1,709,613	(164,934)	589,465	3.4%
	Subtotal	1,024	86,306,626	6,142,013	4,113,762	(92,217)	1,270,658	4.8%
Northwest	Flex/R&D	94	7,428,841	692,205	495,953	186,881	234,681	6.7%
	Warehouse Distribution	144	25,402,222	2,450,579	1,419,146	88,392	622,339	5.6%
	Warehouse Office	331	21,374,364	1,103,858	681,279	340,670	607,621	3.2%
	Subtotal	569	54,205,427	4,246,642	2,596,378	615,943	1,464,641	4.8%
Southeast	Flex/R&D	122	6,623,364	552,393	419,498	201,390	98,530	6.3%
	Warehouse Distribution	93	17,606,696	469,672	368,112	30,448	267,738	2.1%
	Warehouse Office	393	25,981,737	1,596,727	1,365,697	71,109	(235,781)	5.3%
	Subtotal	608	50,211,797	2,618,792	2,153,307	302,947	130,487	4.3%
Southwest	Flex/R&D	187	12,777,030	1,010,736	772,970	51,133	228,118	6.0%
	Warehouse Distribution	70	15,365,857	318,322	225,399	86,400	63,644	1.5%
	Warehouse Office	298	20,887,395	2,148,648	1,069,589	(245,552)	(74,703)	5.1%
	Subtotal	555	49,030,282	3,477,706	2,067,958	(108,019)	217,059	4.2%
West	Flex/R&D	60	3,960,498	448,348	392,688	9,046	73,929	9.9%
	Warehouse Distribution	30	3,598,492	213,839	93,433	34,023	103,638	2.6%
	Warehouse Office	143	9,564,304	345,299	140,327	(32,761)	(74,547)	1.5%
	Subtotal	233	17,123,294	1,007,486	626,448	10,308	103,020	3.7%
Grand Total		2,989	256,877,426	17,492,639	11,557,853	728,962	3,185,865	4.5%

Available and Vacancy by Market



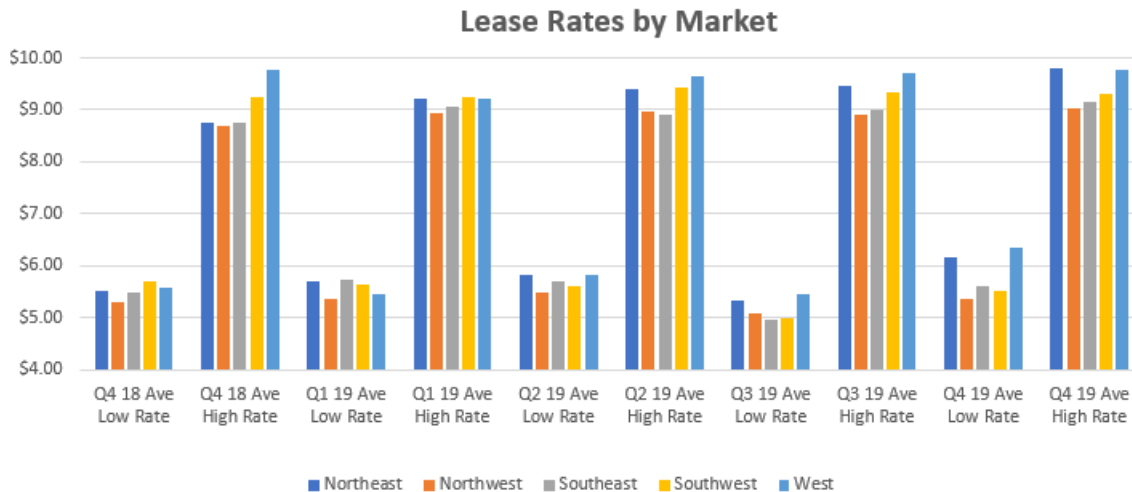
Vacancy Rates by Market (Multi and Single Tenant)

Market	Property Type	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	8.3%	9.3%	8.8%	8.5%	8.3%
	Warehouse Distribution	9.9%	7.3%	6.1%	5.9%	5.8%
	Warehouse Office	5.3%	4.3%	3.6%	3.2%	3.4%
	Subtotal	7.1%	5.9%	5.0%	4.7%	4.8%
Northwest	Flex/R&D	10.9%	10.1%	9.3%	9.3%	6.7%
	Warehouse Distribution	8.4%	8.1%	6.1%	6.2%	5.6%
	Warehouse Office	8.0%	7.2%	5.0%	4.9%	3.2%
	Subtotal	8.6%	8.0%	6.1%	6.1%	4.8%
Southeast	Flex/R&D	8.7%	8.8%	9.3%	9.7%	6.3%
	Warehouse Distribution	3.7%	3.1%	2.0%	2.3%	2.1%
	Warehouse Office	5.5%	4.4%	4.2%	5.4%	5.3%
	Subtotal	5.3%	4.6%	4.1%	4.9%	4.3%
Southwest	Flex/R&D	9.0%	7.7%	7.3%	6.7%	6.0%
	Warehouse Distribution	2.6%	2.6%	2.0%	2.1%	1.5%
	Warehouse Office	4.9%	5.0%	4.9%	4.0%	5.1%
	Subtotal	5.5%	5.1%	4.7%	4.1%	4.2%
West	Flex/R&D	12.7%	12.4%	11.5%	10.4%	9.9%
	Warehouse Distribution	5.7%	4.0%	3.2%	3.5%	2.6%
	Warehouse Office	0.9%	1.7%	1.2%	1.2%	1.5%
	Subtotal	5.0%	4.8%	4.0%	3.8%	3.7%
Grand Total	6.7%	5.9%	4.9%	4.8%	4.5%	



Lease Rates by Market (Multi and Single Tenant NNN)

Market	Property Type	Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019	
		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	\$6.56	\$10.10	\$6.63	\$10.25	\$6.77	\$10.24	\$5.85	\$10.22	\$6.81	\$10.21
	Warehouse Distribution	\$4.93	\$8.12	\$4.96	\$8.36	\$5.26	\$9.01	\$5.29	\$9.39	\$5.40	\$9.69
	Warehouse Office	\$5.12	\$8.20	\$5.15	\$8.64	\$5.23	\$8.82	\$4.98	\$8.84	\$5.90	\$9.53
	Subtotal	\$5.51	\$8.76	\$5.69	\$9.22	\$5.82	\$9.39	\$5.32	\$9.45	\$6.16	\$9.81
Northwest	Flex/R&D	\$5.76	\$9.60	\$5.82	\$10.00	\$5.88	\$10.21	\$5.52	\$9.81	\$5.48	\$9.98
	Warehouse Distribution	\$5.08	\$8.49	\$4.95	\$8.28	\$4.99	\$8.39	\$4.74	\$8.29	\$4.93	\$8.56
	Warehouse Office	\$5.06	\$8.01	\$5.23	\$8.33	\$5.52	\$8.36	\$4.93	\$8.61	\$5.62	\$8.65
	Subtotal	\$5.30	\$8.68	\$5.38	\$8.95	\$5.48	\$8.97	\$5.08	\$8.92	\$5.36	\$9.03
Southeast	Flex/R&D	\$5.98	\$9.15	\$6.57	\$9.95	\$6.53	\$9.97	\$4.81	\$9.73	\$5.98	\$9.79
	Warehouse Distribution	\$5.24	\$9.45	\$5.13	\$10.25	\$4.99	\$8.41	\$5.08	\$9.42	\$5.15	\$9.30
	Warehouse Office	\$5.18	\$8.41	\$5.08	\$8.26	\$5.23	\$8.22	\$5.05	\$8.31	\$5.41	\$8.64
	Subtotal	\$5.49	\$8.77	\$5.73	\$9.05	\$5.71	\$8.90	\$4.97	\$9.00	\$5.62	\$9.15
Southwest	Flex/R&D	\$5.92	\$9.71	\$6.05	\$9.83	\$5.89	\$9.83	\$5.11	\$9.93	\$6.02	\$9.94
	Warehouse Distribution	\$4.91	\$9.75	\$4.92	\$9.79	\$5.06	\$9.94	\$5.06	\$9.28	\$5.07	\$9.21
	Warehouse Office	\$5.63	\$8.53	\$5.26	\$8.35	\$5.32	\$8.76	\$4.82	\$8.70	\$5.14	\$8.71
	Subtotal	\$5.71	\$9.24	\$5.64	\$9.25	\$5.60	\$9.43	\$4.98	\$9.33	\$5.53	\$9.30
West	Flex/R&D	\$5.67	\$10.15	\$5.80	\$10.22	\$6.40	\$10.50	\$5.86	\$10.74	\$7.29	\$11.19
	Warehouse Distribution	\$4.69	\$9.44	\$4.60	\$8.40	\$4.86	\$9.00	\$4.91	\$9.16	\$4.91	\$9.16
	Warehouse Office	\$5.89	\$8.93	\$5.37	\$8.04	\$5.43	\$8.55	\$5.46	\$9.16	\$6.51	\$9.15
	Subtotal	\$5.57	\$9.77	\$5.46	\$9.23	\$5.82	\$9.64	\$5.46	\$9.72	\$6.36	\$9.77
Grand Total		\$5.51	\$8.93	\$5.60	\$9.13	\$5.67	\$9.23	\$5.13	\$9.24	\$5.74	\$9.38



Market Statistics by Property Type (Multi-Tenant)

Total

Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Total YTD Absorption (sf)	Vacancy Rate
Flex/R&D	536	32,479,795	3,718,341	2,855,521	310,933	460,393	8.8%
Warehouse Distribution	271	43,832,326	5,225,172	3,144,289	234,413	1,100,753	7.2%
Warehouse Office	882	58,469,027	5,185,100	3,483,618	18,767	877,326	6.0%
Grand Total	1,689	134,781,148	14,128,613	9,483,428	564,113	2,438,472	7.0%

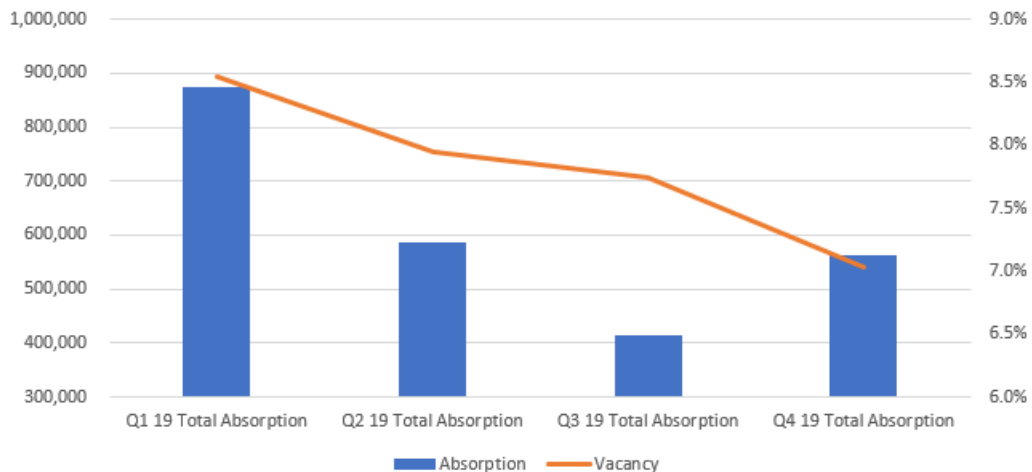
Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	Direct YTD Absorption (sf)	Vacancy Rate
Flex/R&D	536	32,479,795	3,433,013	2,695,412	326,874	473,440	8.3%
Warehouse Distribution	271	43,832,326	4,869,490	3,098,394	234,413	1,146,648	7.1%
Warehouse Office	882	58,469,027	4,709,269	3,281,029	16,577	909,301	5.6%
Grand Total	1,689	134,781,148	13,011,772	9,074,835	577,864	2,529,389	6.7%

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	Sublease YTD Absorption (sf)	Vacancy Rate
Flex/R&D	536	32,479,795	285,328	160,109	-15,941	-13,047	0.5%
Warehouse Distribution	271	43,832,326	355,682	45,895	0	-45,895	0.1%
Warehouse Office	882	58,469,027	475,831	202,589	2,190	-31,975	0.3%
Grand Total	1,689	134,781,148	1,116,841	408,593	-13,751	-90,917	0.3%

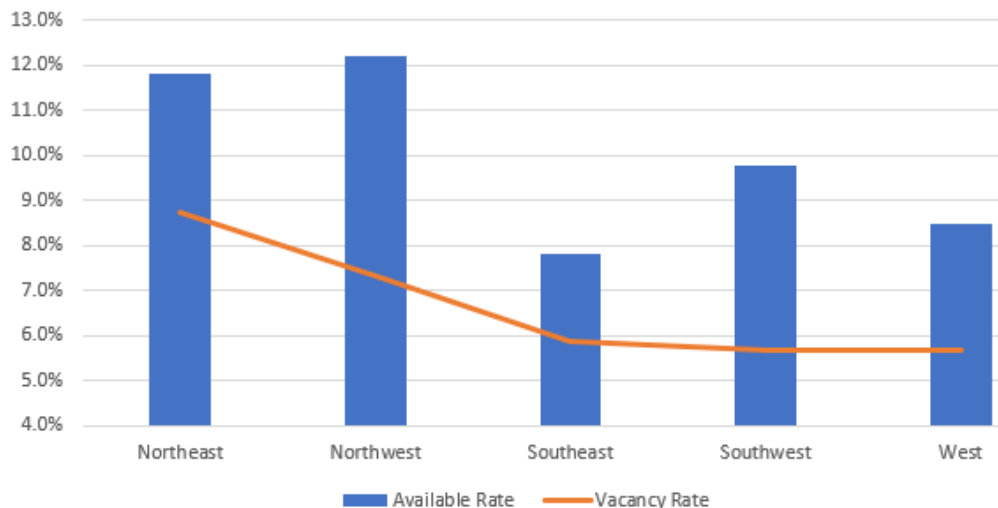
Absorption and Vacancy Rate



Market Statistics by Market (Multi-Tenant)

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	Total YTD Absorption (sf)	Vacancy Rate
Northeast	Flex/R&D	133	9,411,064	1,059,170	894,708	9,899	(27,449)	9.5%
	Warehouse Distribution	67	10,346,820	2,128,642	1,335,057	62,818	263,477	12.9%
	Warehouse Office	315	22,288,684	1,774,944	1,451,571	(149,568)	382,184	6.5%
	Subtotal	515	42,046,568	4,962,756	3,681,336	(76,851)	618,212	8.8%
Northwest	Flex/R&D	77	4,742,002	692,205	495,953	39,465	87,265	10.5%
	Warehouse Distribution	90	15,039,850	2,162,721	1,156,288	20,724	419,591	7.7%
	Warehouse Office	149	9,607,138	729,965	502,874	175,571	344,057	5.2%
	Subtotal	316	29,388,990	3,584,891	2,155,115	235,760	850,913	7.3%
Southeast	Flex/R&D	109	5,558,126	507,882	374,987	201,390	98,530	6.7%
	Warehouse Distribution	52	7,620,077	401,648	334,112	30,448	250,403	4.4%
	Warehouse Office	178	11,187,853	991,980	723,878	73,802	131,067	6.5%
	Subtotal	339	24,366,056	1,901,510	1,432,977	305,640	480,000	5.9%
Southwest	Flex/R&D	162	9,257,059	1,010,736	697,185	51,133	228,118	7.5%
	Warehouse Distribution	41	8,182,835	318,322	225,399	86,400	63,644	2.8%
	Warehouse Office	173	11,180,677	1,471,404	701,378	(80,822)	58,155	6.3%
	Subtotal	376	28,620,571	2,800,462	1,623,962	56,711	349,917	5.7%
West	Flex/R&D	55	3,511,544	448,348	392,688	9,046	73,929	11.2%
	Warehouse Distribution	21	2,642,744	213,839	93,433	34,023	103,638	3.5%
	Warehouse Office	67	4,204,675	216,807	103,917	(216)	(38,137)	2.5%
	Subtotal	143	10,358,963	878,994	590,038	42,853	139,430	5.7%
Grand Total		1,689	134,781,148	14,128,613	9,483,428	564,113	2,438,472	7.0%

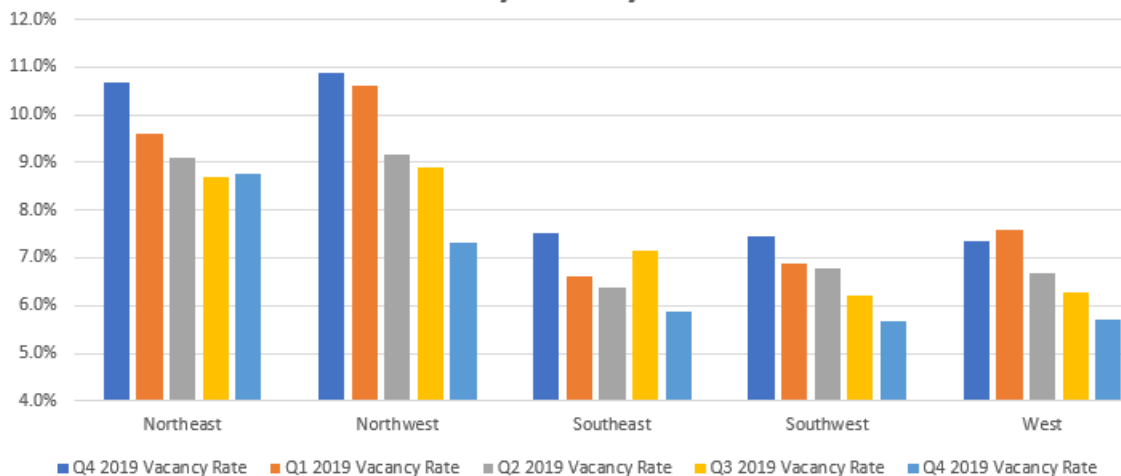
Available and Vacancy by Market



Vacancy Rates by Market (Multi-Tenant)

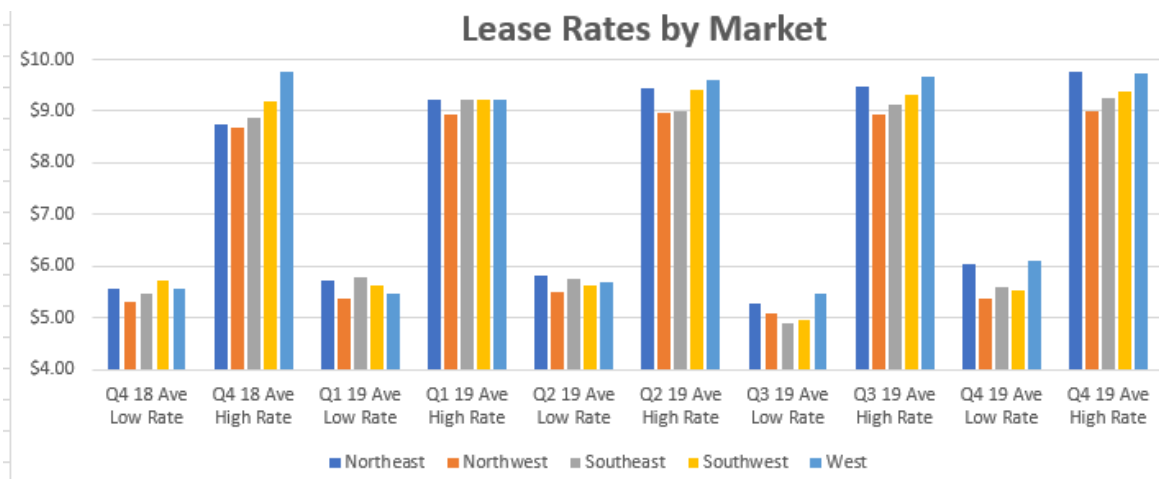
Market	Property Type	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
Northeast	Flex/R&D	9.5%	10.6%	10.2%	9.7%	9.5%
	Warehouse Distribution	15.6%	12.5%	13.5%	13.3%	12.9%
	Warehouse Office	8.9%	7.8%	6.6%	6.1%	6.5%
	Subtotal	10.7%	9.6%	9.1%	8.7%	8.8%
Northwest	Flex/R&D	12.6%	12.6%	11.5%	11.6%	10.5%
	Warehouse Distribution	11.2%	11.0%	9.9%	9.0%	7.7%
	Warehouse Office	9.5%	9.0%	6.9%	7.4%	5.2%
	Subtotal	10.9%	10.6%	9.2%	8.9%	7.3%
Southeast	Flex/R&D	8.7%	9.1%	10.0%	10.8%	6.7%
	Warehouse Distribution	6.9%	5.6%	4.3%	5.1%	4.4%
	Warehouse Office	7.3%	6.1%	5.9%	6.7%	6.5%
	Subtotal	7.5%	6.6%	6.4%	7.2%	5.9%
Southwest	Flex/R&D	10.6%	9.3%	8.9%	8.4%	7.5%
	Warehouse Distribution	3.8%	3.8%	3.5%	4.1%	2.8%
	Warehouse Office	7.4%	7.0%	7.4%	5.9%	6.3%
	Subtotal	7.4%	6.9%	6.8%	6.2%	5.7%
West	Flex/R&D	13.9%	13.9%	13.0%	11.7%	11.2%
	Warehouse Distribution	7.5%	5.5%	4.4%	4.8%	3.5%
	Warehouse Office	1.7%	3.6%	2.8%	2.6%	2.5%
	Subtotal	7.3%	7.6%	6.7%	6.3%	5.7%
Grand Total	9.2%	8.5%	7.9%	7.7%	7.0%	

Vacancy Rate by Market



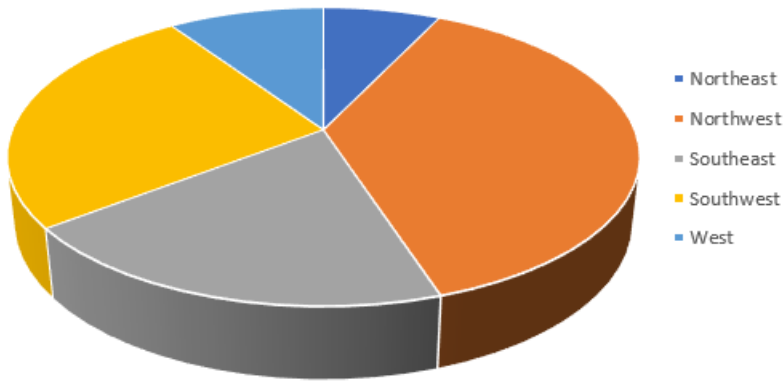
Lease Rates by Market (Multi-Tenant NNN)

Market	Property Type	Q4 2018		Q1 2019		Q2 2019		Q3 2019		Q4 2019	
		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	\$6.56	\$10.10	\$6.63	\$10.25	\$6.77	\$10.27	\$5.85	\$10.26	\$6.75	\$10.25
	Warehouse Distribution	\$4.95	\$8.08	\$4.96	\$8.36	\$5.03	\$9.00	\$4.98	\$9.23	\$5.36	\$9.53
	Warehouse Office	\$5.15	\$8.13	\$5.17	\$8.61	\$5.26	\$8.81	\$4.96	\$8.88	\$5.63	\$9.40
	Subtotal	\$5.56	\$8.74	\$5.72	\$9.22	\$5.82	\$9.43	\$5.28	\$9.48	\$6.04	\$9.77
Northwest	Flex/R&D	\$5.76	\$9.60	\$5.82	\$10.00	\$5.88	\$10.21	\$5.52	\$9.81	\$5.48	\$9.98
	Warehouse Distribution	\$5.08	\$8.49	\$4.95	\$8.28	\$4.99	\$8.39	\$4.74	\$8.29	\$4.91	\$8.47
	Warehouse Office	\$5.06	\$8.01	\$5.25	\$8.31	\$5.54	\$8.34	\$4.93	\$8.60	\$5.68	\$8.63
	Subtotal	\$5.30	\$8.68	\$5.38	\$8.95	\$5.49	\$8.96	\$5.08	\$8.92	\$5.37	\$9.01
Southeast	Flex/R&D	\$5.98	\$9.15	\$6.57	\$9.95	\$6.53	\$9.97	\$4.81	\$9.73	\$5.98	\$9.79
	Warehouse Distribution	\$5.24	\$9.45	\$5.13	\$10.25	\$4.99	\$8.41	\$5.08	\$9.42	\$5.15	\$9.30
	Warehouse Office	\$5.10	\$8.59	\$5.09	\$8.48	\$5.20	\$8.29	\$4.93	\$8.41	\$5.27	\$8.73
	Subtotal	\$5.47	\$8.89	\$5.79	\$9.23	\$5.75	\$9.00	\$4.90	\$9.12	\$5.58	\$9.25
Southwest	Flex/R&D	\$5.92	\$9.66	\$6.05	\$9.78	\$5.89	\$9.79	\$5.11	\$9.93	\$6.02	\$9.94
	Warehouse Distribution	\$4.91	\$9.75	\$4.92	\$9.79	\$5.06	\$9.94	\$5.06	\$9.28	\$5.07	\$9.21
	Warehouse Office	\$5.68	\$8.47	\$5.26	\$8.35	\$5.35	\$8.71	\$4.79	\$8.64	\$5.15	\$8.84
	Subtotal	\$5.73	\$9.21	\$5.64	\$9.21	\$5.61	\$9.40	\$4.97	\$9.31	\$5.55	\$9.38
West	Flex/R&D	\$5.67	\$10.15	\$5.80	\$10.22	\$6.40	\$10.50	\$5.86	\$10.74	\$7.29	\$11.19
	Warehouse Distribution	\$4.69	\$9.44	\$4.60	\$8.40	\$4.86	\$9.00	\$4.91	\$9.16	\$4.91	\$9.16
	Warehouse Office	\$5.89	\$8.93	\$5.37	\$8.04	\$4.88	\$8.30	\$5.46	\$9.02	\$5.90	\$8.94
	Subtotal	\$5.57	\$9.77	\$5.46	\$9.23	\$5.68	\$9.60	\$5.46	\$9.68	\$6.09	\$9.72
Grand Total		\$5.52	\$8.94	\$5.61	\$9.16	\$5.67	\$9.25	\$5.11	\$9.26	\$5.68	\$9.40



New Developments by Market

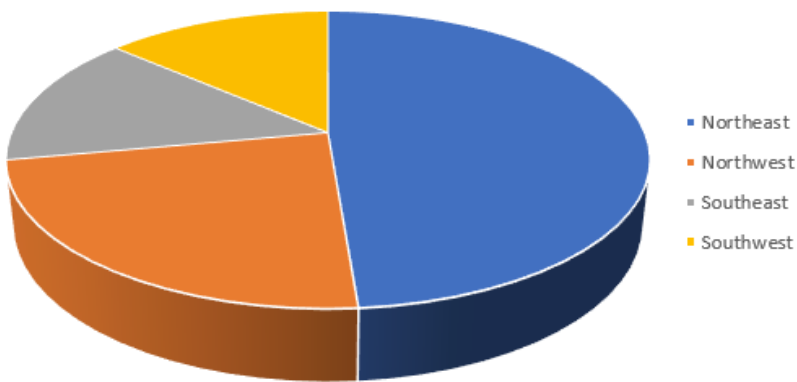
Under Construction (sf)



Market	Bldg Size (sf)
Northeast	256,000
Northwest	1,358,541
Southeast	704,748
Southwest	931,990
West	340,440
Grand Total	3,591,719

New Deliveries by Market

YTD New Deliveries (sf)

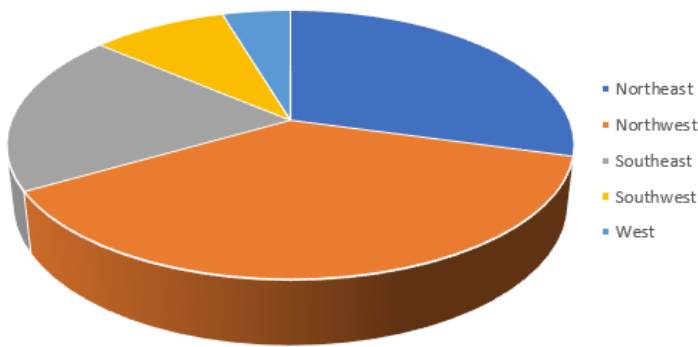


Market	Bldg Size (sf)
Northeast	1,108,622
Northwest	530,297
Southeast	327,600
Southwest	307,940
Grand Total	2,274,459

Leasing Activity

Property	Size (sf)	Market	Tenant	Landlord
BlueLinx 8175 Jefferson Hwy N	161,779	Northwest	GAF	Scannell Properties
Diamond Lake 2 20015 Diamond Lake Rd S	108,000	Northwest	Ruan Tool	20015/20195 Diamond Lake Rd
Arbor Lakes Business Park - Building B 10500 Fountains Dr	80,000	Northwest	Industrial Netting	Duke Realty, LP
Crosstown North Business Center XII 7601 Setzler Pkwy N	80,000	Northwest	GrayBar	Duke Realty, LP
Raceway Business Center Phase II 910 Hastings Ave	72,000	Southeast	Vollrath	Scannell Properties

Leased (sf)

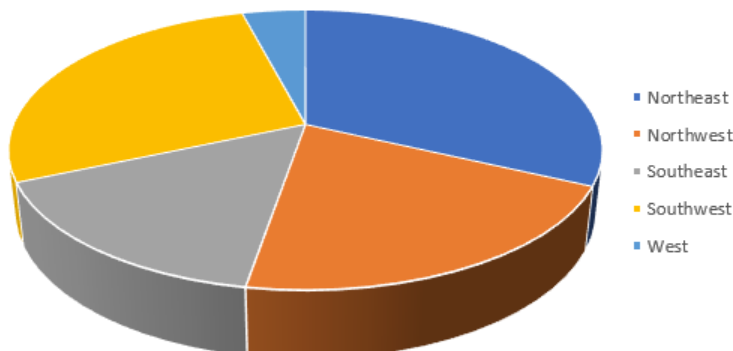


Market	Leased (sf)
Northeast	675,413
Northwest	864,660
Southeast	449,922
Southwest	212,184
West	106,881
Grand Total	2,309,060

Sales Activity

Property	Price	Market	Buyer	Seller
7075 Flying Cloud Dr	\$28,600,000	Southwest	Golden Triangle Station c/o Eagle Ridge Partners	Liberty Property LP c/o Liberty Property Trust
Anoka Corporate Center 3500 Thurston Ave	\$28,250,000	Northeast	3500 Thurston (Minnesota)	Anoka Industrial, LLC
Skyline Exhibits 3355 Discovery Rd	\$23,300,000	Southeast	STAG Industrial Holdings c/o STAG Industrial	Hendricks Commercial Properties
1451 Dean Lakes Trl	\$17,550,000	Southwest	STAG Industrial Holdings c/o STAG Industrial	Ryan XI, LLC c/o Ryan Cos
MN Valley Distribution Center III 3350 4th Ave E	\$16,400,000	Southwest	NP Eagle Creek Industrial	I&G Direct Real Estate 33E

Bldg Sold (sf)



Market	Bldg Sold (sf)
Northeast	1,456,656
Northwest	945,430
Southeast	719,028
Southwest	1,250,436
West	187,111
Grand Total	4,558,661

Methodology

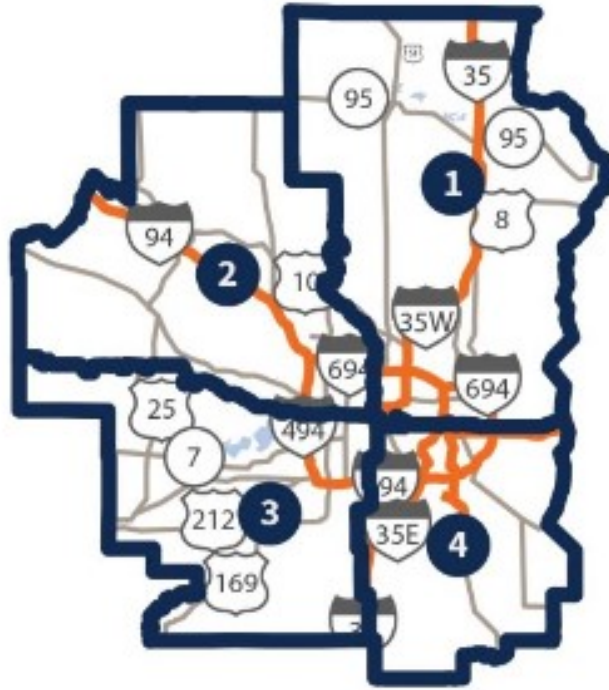
The Mpls-St Paul market consists of single and multi-tenant industrial buildings 20,000 sf or larger or part of a complex larger than 20,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington and Wright counties. The tracked set does not include self-storage facilities 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.

Market Map



1 Northeast

3 Southwest

2 Northwest

4 Southeast

Advisory Board Members

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	Jack Tornquist	JLL	Chris Hickok
Colliers International	Eric Batiza	Lee & Associates	Chris Garcia
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