


**SIGNIFICANT LEASE DEALS**

Address	Submarket/City	Square Feet	Tenant
380 St Peter St	St Paul CBD	144,000	Infor
1 Imation Place	Northeast	63,829	Slumberland
500 N. 3rd St	N Loop/Minneapolis	40,000	Fallon/Publicis Group

**SIGNIFICANT BUILDING SALES**

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
90 7th St S (Wells Fargo) Minneapolis CBD	\$313,600,000 Investment	\$214.47 6.5%	1,462,182 Class A	Starwood Capital Group Hines/Blackstone Grp
417 Hennepin Ave Minneapolis CBD	\$24,250,000 Investment	\$90.64 7.4%	267,547 Class B	R2 Companies Ken Sherman
4000 Lexington Ave N Northeast/Shoreview	\$13,800,000 Investment	\$121.77 7.7%	113,327 Class B	Property Resource Group Eagle Ridge Partners

**LARGEST DELIVERIES**

Address	Submarket/City	SF	Developer
419 Washington Ave N	N Loop/Minneapolis	200,000	Swervo Corporation
729 Washington Ave N	N Loop/Minneapolis	160,000	United Properties
-	-	-	-


**LARGEST UNDER CONSTRUCTION**

Address	Submarket/City	SF	Delivery Date
30 3rd St S (Gateway Tower)	Minneapolis	900,000	Q4 2021
700 Nicollet Mall (Dayton's)	Minneapolis	750,000	Q1 2020
3701 Wayzata Blvd (Target West)	Minneapolis	400,000	Q4 2019

**TOTAL OFFICE MARKET STATISTICS**


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	14.9%	\$24.29	175,045	95,050,542	2,789,729
Q1 2019	15.1%	\$23.85	344,205	95,238,409	1,881,985
Q4 2018	15.5%	\$23.88	157,460	95,394,066	2,233,654
Q3 2018	-	-	-	-	-
Q2 2018	-	-	-	-	-

 **175,045** NET ABSORPTION SF

 **14.9%** VACANCY  
13,532,244 SF

 **\$24.29** AVG. ASKING RATE PSF GROSS

 **240,449** DELIVERIES  
2 Buildings

 **2,789,729** UNDER CONSTRUCTION  
15 Buildings

**LAMAR NEWBURN**, Vice President

During the second quarter of 2019 the Minneapolis/St. Paul office market experienced 1.1 million square feet of leasing velocity overall. Multi-tenant office properties posted a 14.9% direct vacancy rate and 175,000 sf of net absorption. The average FSG asking rate across the market came in at \$24.30 psf. With a State unemployment rate of 2.7% (compared to 3.6% nationally), competition for high quality talent puts pressure on business owners in the area.