



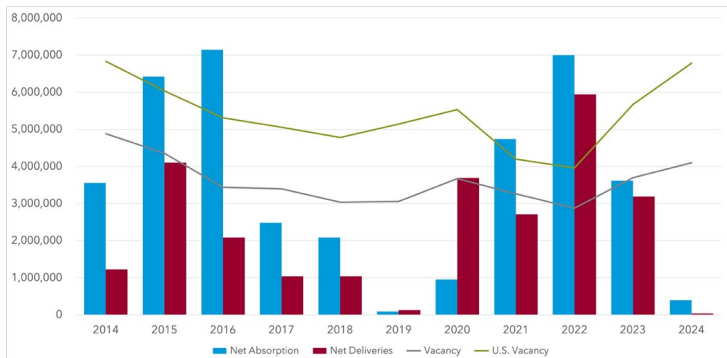
### INDUSTRIAL MARKET OVERVIEW

NATHAN ARNOLD, CCIM, *Principal*

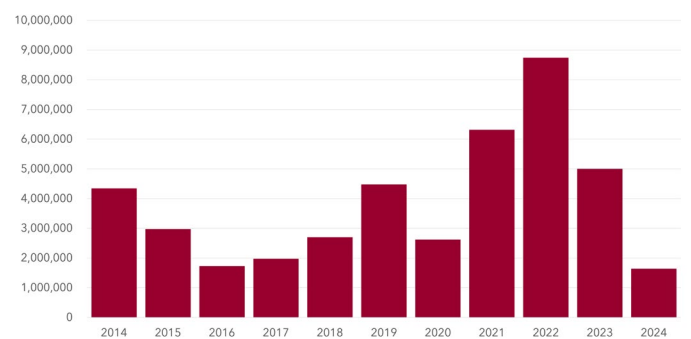
In Q4 2024, the industrial commercial real estate market in the Minneapolis-St. Paul area showed steady demand despite slight increases in vacancy rates. Rental rates continued to rise, driven by strong interest in modern industrial spaces. Developers remained active, delivering new projects to meet market needs, while sublease availability grew. The region's strategic location and diverse economy sustained interest from businesses seeking distribution and manufacturing spaces, keeping the market competitive.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	4,707,857	5,300,000	3,433,142	3,392,586	3,615,180
▲ Vacancy Rate	4.2%	4.1%	4.3%	4.0%	3.7%
▲ Avg NNN Asking Rate PSF	\$9.14	\$8.40	\$8.83	\$8.59	\$8.55
▲ Sale Price PSF	\$95	\$91	-	-	-
▼ Cap Rate	8.91%	9.10%	0.00%	0.00%	0.00%
▲ Under Construction SF	1,600,000	1,400,000	1,500,000	3,545,177	5,746,183
▲ Inventory SF	432,000,000	431,640,830	429,328,702	425,432,054	422,448,005

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10900 Fountains Drive Maple Grove, MN	221,549 SF	\$33,881,488 \$152.93 PSF	JLL Income Property Trust Endeavor Development	Class A
10901 Elm Creek Boulevard Maple Grove, MN	221,549 SF	\$32,618,731 \$147.23 PSF	JLL Income Property Trust Endeavor Development	Class A
1302 5th Street, S Hopkins, MN	121,976 SF	\$10,050,000 \$82.39 PSF	Kumagi Hopkins LLC Sterling Office & Industrial Prop.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11600 Hudson Road Woodbury, MN	171,000 SF	Greystar	Sparx Logistics	Logistics
Victoria Street, N. Shoreview, MN	150,000 SF	Scannell Properties	PaR Systems	Aerospace Industry
12551 Oliver Avenue Burnsville, MN	100,629 SF	James Campbell	Lifetouch	Photography

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