






282,112 **NET ABSORPTION**
SF


11.6% **VACANCY**
14,901,911 SF


\$25.08 **AVG. ASKING RATE**
PSF GROSS


0 **DELIVERIES**
0 Buildings


2,910,306 **UNDER CONSTRUCTION**
21 Buildings

LAMAR NEWBURN, Vice President

The Minneapolis/St. Paul office market, consisting of more than 125M SF of space in seven counties posted 282,000 SF of positive net absorption for Q4 2019. The overall vacancy sits firmly at 11.6% and carries an average gross rental rate of \$25.08 per SF. Twenty one projects totaling more than 2.9M SF are currently under construction. At year-end 2019, the Twin Cities office market produced a total of 799,180 SF of positive absorption, dominated by the Minneapolis CBD (422,521 SF) and North Loop (265,761 SF) which posted strong positive net absorption.

SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
Flying Cloud Corp Bld C	Southwest	39,862	CH Robinson
Millwright Building	Downtown East	37,048	Probation
Millwright Building	Downtown East	25,573	Rally

SIGNIFICANT BUILDING SALES

Address City	Sale Value Type of Sale	PPSF Cap Rate	SF Class	Buyer Seller
701 Xenia Ave S Golden Hills, West	\$43,100,000 Investment	\$226.00 7.4%	190,758 Class A	Altus Properties Lone Star Funds
2900 Ames Crossing Rd Boulder Lakes/Southeast	\$41,961,105 Investment	\$250.00 6.5%	167,893 Class A	Artis REIT United Properties
2800 Mount Ridge Rd Calyxt HQ, Northeast	\$19,250,000 Investment	\$439.00 -	43,895 Class B	BayOne Real Estate Inv Capital Real Estate Inc

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
None to Report	-	-	-
-	-	-	-
-	-	-	-

LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
700 Nicollet Mall (Dayton's Proj)	Minneapolis CBD	850,000	Q2 2020
30 3rd St S (GatewayTower)	Minneapolis CBD	532,000	Q4 2021
10 West End	West	343,000	Q1 2021

TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q4 2019	11.6%	\$25.08	282,112	127,978,186	2,910,306
Q3 2019	11.8%	\$25.02	145,085	125,867,649	2,901,293
Q2 2019	14.9%	\$24.29	175,045	124,050,542	2,789,729
Q1 2019	15.1%	\$23.85	344,205	124,238,409	1,881,985
Q4 2018	15.5%	\$23.88	157,460	123,394,066	2,233,654