



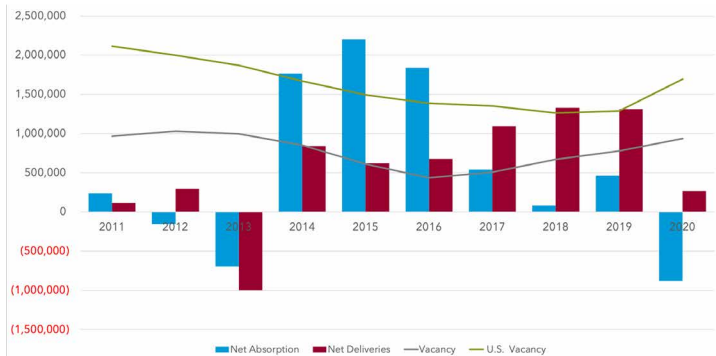
OFFICE MARKET OVERVIEW

LAMAR NEWBURN, *Principal*

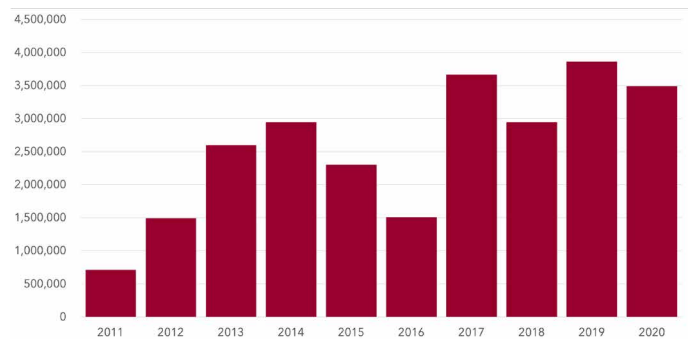
The Minneapolis St. Paul Office market ended 2020 with negative 574,000 SF of absorption due to a soft Q4 which had negative 879,000 SF of absorption. Overall office vacancy increased to 8.5% with average asking gross rental rates at \$25.54 per square foot. Major leases include One10 Marketing's long term renewal at Butler Square and Alight's 17,400 SF lease at the Banks Building.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	(878,769) SF	(112,891) SF	(308,050) SF	725,428 SF	462,293 SF
▲ Vacancy Rate	8.5%	8.1%	8.0%	7.8%	8.0%
▲ Avg NNN Asking Rate	\$25.54 PSF	\$25.52 PSF	\$25.49 PSF	\$25.48 PSF	\$25.21 PSF
▼ Under Construction	3,491,412 SF	3,619,283 SF	3,788,747 SF	3,854,730 SF	3,860,716 SF
▲ Inventory	198,738,688 SF	198,438,996 SF	198,378,532 SF	198,337,549 SF	198,474,319 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
11095 Viking Drive Eden Prairie, MN	239,119 SF	\$16,500,000.00 \$69.00 PSF	Eagle Ridge Partners, LLC The Geneva Organization	Class A
4601 Dean Lakes Boulevard Shakopee, MN	98,351 SF	\$6,500,000.00 \$66.09 PSF	Undisclosed Ryan Companies USA, Inc.	Class B
5350 West 78th Street Edina, MN	70,400 SF	\$6,400,000.00 \$90.91 PSF	ISLA Affiliated Building Company QUMY Corporation	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
RBC Plaza, 605 6th Street Minneapolis, MN	178,191 SF	RBS Capital Advisors	Fredrickson & Byron	Law Firm
7500 Flying Cloud Drive Eden Prairie, MN	30,533 SF	7500 Flying Cloud LLC	Milk Specialties	Nutrition Supplier
1600 Tower @ West End St. Louis Park, MN	28,000 SF	Accesso	Total Expert	Software

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