



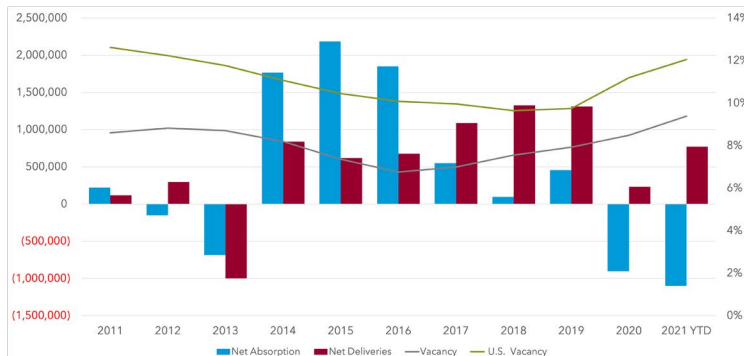
OFFICE MARKET OVERVIEW

LAMAR NEWBURN, *Principal*

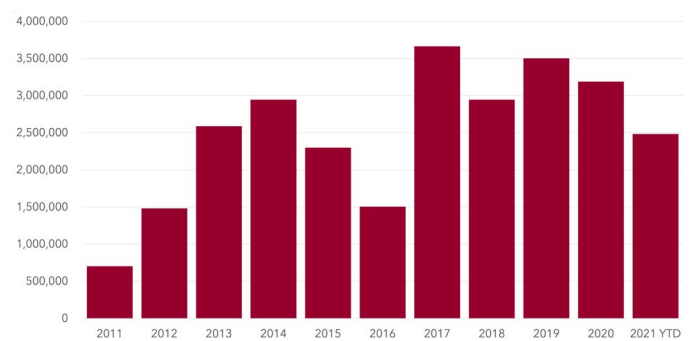
The Twin Cities office market in Q1 2021 struggled due to the pandemic as total absorption came in at negative 2,160,000 SF, causing the vacancy rate to increase to 9.4% overall. One bright spot was the 37,000 SF of positive absorption in the St. Paul CBD. The Northwest submarket and the Northloop performed better than average, with vacancies of 6.4% and 7.8% respectively. The Southwest submarket saw the worst decline with 340,000 SF of negative net absorption during the first quarter.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(2,157,083)	(878,769)	(112,891)	(308,050)	725,428
▲ Vacancy Rate	9.40%	8.50%	8.10%	8.00%	7.80%
▲ Avg NNN Asking Rate	\$25.60	\$25.54	\$25.52	\$25.49	\$25.48
▼ SF Under Construction	2,458,114	3,491,412	3,619,283	3,788,747	3,854,730
▲ Inventory SF	200,625,541	198,738,688	198,438,996	198,378,532	198,337,549

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
517 South 6th Street Minneapolis, MN	240,000 SF	\$130,000,000 \$541.67 PSF	Thrivent Headquarters Thrivent Financial for Lutherans	Class A
2335, 2355, 2361 Hwy 36 W Roseville, MN	183,719 SF	\$11,690,000 \$63.63 PSF	Blacktree, Inc. Bonestroo Family	Class B
11055 Wayzata Boulevard Hopkins, MN	117,105 SF	\$16,190,000 \$138.25 PSF	Larson Financial Group Dominium Management	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
180 East 5th Street East Saint Paul, MN	153,288 SF	Gamma Real Estate	Department of Employment and Economic Development	Public Administration
1885 West University Avenue Saint Paul, MN	52,480 SF	JB Vang, Iris Park Partners	Fenjong Academy	Educational Services
6701 Shingle Creek Parkway Brooklyn Center, MN	34,640 SF	Hoyt Properties, Inc	Undisclosed	Undisclosed

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