



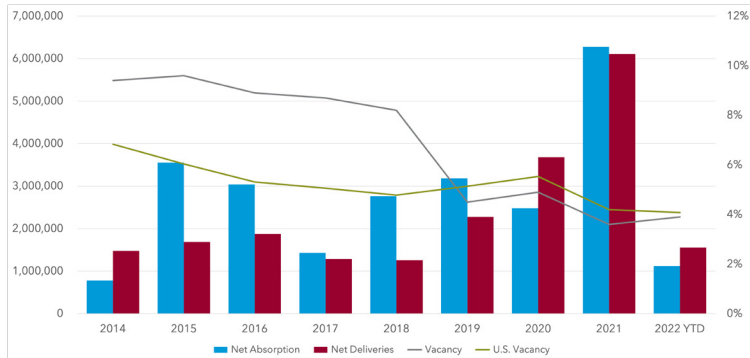
INDUSTRIAL MARKET OVERVIEW

NATHAN ARNOLD, CCIM, *Principal*

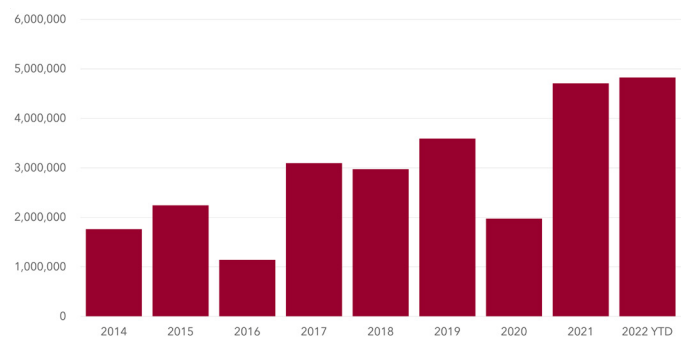
The industrial market continues to perform at a historically unprecedented pace. Currently there is 33 new buildings that are under construction which will add a total of 4,825,000 SF to the market. That is a number that is often the total for new buildings delivered in an entire year versus in just one quarter. Industrial sales continue to remain strong with building values at historic highs. Investment sales of industrial properties remains strong with cap rates at an all-time low that we had not seen in this market. Tenants continue to have a difficult time finding options to relocate as the options have become limited due to the low vacancy rate. Rents continue to increase as Landlords see increasing costs and soaring demand.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▼ 12 Mo. Net Absorption SF	1,122,154	2,308,090	2,080,417	435,565	1,264,835
▲ Vacancy Rate	3.9%	3.6%	4.2%	4.4%	4.5%
▲ Avg NNN Asking Rate PSF	\$6.73	\$6.51	\$6.46	\$6.30	\$6.15
▼ SF Under Construction	4,825,000	4,887,762	4,612,965	4,390,765	2,403,135
▲ Inventory SF	268,507,876	267,363,719	265,719,113	264,230,803	263,875,389

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10440 89th Avenue N. Maple Grove, MN	297,024 SF	\$52,268,000 \$175.97 PSF	TREA Park 81 East LLC Scannell Properties	Class A
8701 95th Avenue Brookly Park, MN	245,000 SF	\$21,832,017 \$89.11 PSF	Cretex Propertis Undisclosed	Class B
7500 Setzler Pkwy Brookly Park, MN	119,560 SF	\$17,350,000 \$145.12 PSF	FET Setzler, LLC NRS III LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5222 Quincy Street Mounds View, MN	171,494 SF	Capital Partners	Owens & Minor	Building Products
3880 4th Avenue E Arden Hills, MN	166,500 SF	Scannell Properties	Colder Products	Online Tools
2300 Highway 13 Burnsville, MN	127,000 SF	DRA	Event Sales	Close-out Liquidation

