



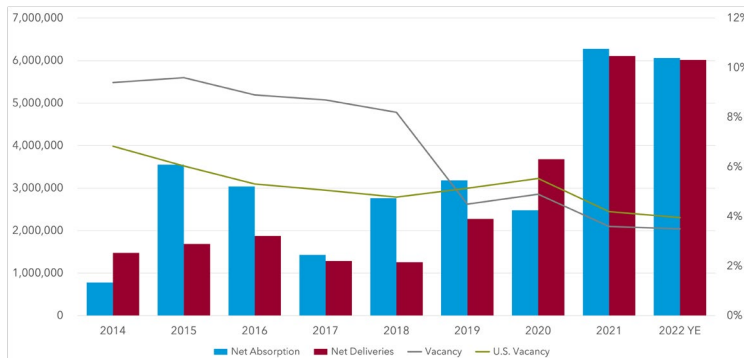
### INDUSTRIAL MARKET OVERVIEW

NATHAN ARNOLD, *Principal*

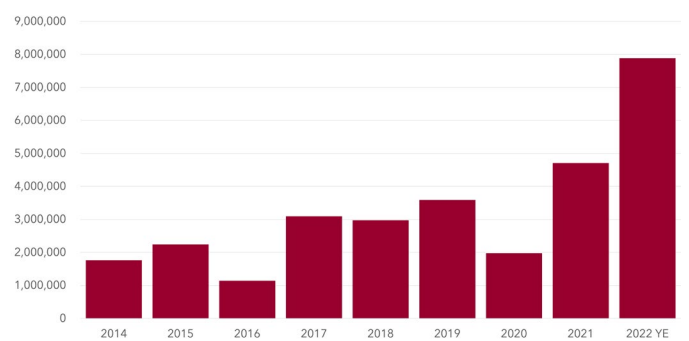
4th Quarter 2022 proved to be a strong ending to the year for the Twin Cities industrial market. Although interest rates climbed to over 7%, we continued to see activity similar to prior quarters. Although tenant activity stayed relatively stable, net absorption was lower than Q3 by 800,000 SF leading our vacancy rate to climb from 3.30%- 3.50% and our average asking rate to drop a modest seven cents. Most all of the speculative developments have come to a complete halt with the exception of buildings that were already in progress. Single Owner-User building sale activity has seen a slow down with the challenge in the Debt markets. the equity markets.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	1,210,144	2,189,981	2,300,277	2,641,201	2,563,144
▲ Vacancy Rate	3.50%	3.30%	4.00%	3.90%	3.60%
▼ Avg NNN Asking Rate PSF	\$7.30	\$7.37	\$6.73	\$6.73	\$6.51
▼ SF Under Construction	7,885,799	8,254,782	7,156,531	4,825,000	4,887,762
▲ Inventory SF	275,202,187	273,326,058	272,864,543	268,507,876	267,363,719

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6203 111th Street W Bloomington, MN	589,650 SF	\$54,000,000 \$91.58 PSF	Orton Development First Industrial	Class B
9555 James Avenue S Bloomington, MN	114,667 SF	\$14,000,000 \$122.09 PSF	i3investors Hoyt Properties	Class A
7300 49th Avenue N New Hope, MN	120,400 SF	\$10,700,000 \$88.87 PSF	Investcorp Artis REIT	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4200 Round Lake Blvd. W Arden Hills, MN	166,500 SF	Scannell Properties	Colder Products	Freshwater Business
1885-1985 Douglas Drive N Golden Valley, MN	126,244 SF	ADEMCO INC.	Gunner Electric	Service industry
12501 Dupont Avenue S Burnsville, MN	115,888 SF	Capstone Quadrangle	ACME Tools	Tool industry

