

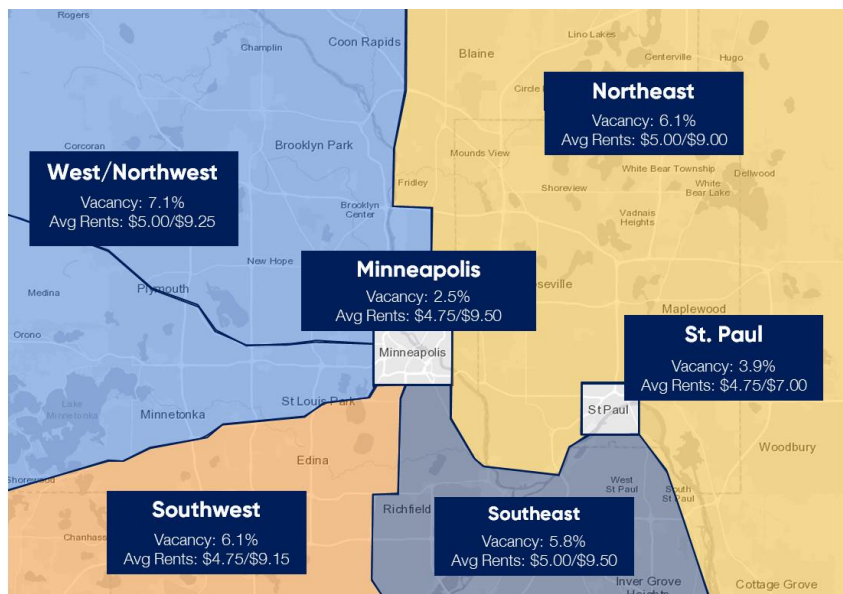
Market Report

The Minneapolis/St. Paul Industrial Market is a diverse, stable market with an unemployment rate of 2.2% and projected GDP growth that is expected to continue to outperform the national economy.

Minneapolis/St. Paul, collectively referred to as the Twin Cities, is the 16th largest MSA with approximately 3.6 million residents and home to 19 Fortune 500 public companies' headquarters. The Twin Cities is also ranked highly for quality of life, labor force participation, health care and workforce quality.

Industrial Market Trends

1. The Industrial market remains strong after its 34th consecutive quarter of positive net absorption. Developers remain bullish on the economy, leading to an increase in speculative projects across the metro.
2. Interest from out of state investors remains high in the Twin Cities. The Midwest is more affordable overall, lower property taxes and a more diverse economy.
3. The rise of e-commerce continues to drive the industrial market locally, as well as on a national scale. Customers expect timely deliveries making it necessary to establish local distribution hubs as seen by e-commerce giants Amazon, Wal-Mart and Target.
4. Increased development in urban areas has forced many manufactures and distributors to the edges, away from more desirable labor pools. In a tight labor pool, this trend has put a higher degree of importance on labor and logistic studies during the site selection process.



Market Movement

Company	Trans. Type	Size	Submarket	Building
Asmodee North America	New Lease	130,000 SF	Northeast	435 Park Ct
Crown Iron Works	New Lease	75,000 SF	Northeast	9859 Naples St. NE
Urban Air	New Lease	68,217 SF	West/Northwest	3580 Holly Ln. N

Investment Sales

Building	Size	Buyer	Submarket	Price
Boone Ave. Distribution Ctr	322,750 SF	DRA Advisors	West/Northwest	\$40M Portfolio
Nicollet Business Ctr	118,125 SF	DRA Advisors	Southeast	
Cedar Lake Business Ctr	50,400 SF	DRA Advisors	Southwest	
Bloomington Business Ctr	121,684 SF	DRA Advisors	Southwest	
Diamond Lake Industrial Ctr	386,295 SF	Cabot	West/Northwest	\$26.1M
Red Rock Business Ctr	312,000 SF	Industrial Logistics Property Trust	West/Northwest	\$27.7M