

# 2022 Industrial Market Insight Report



Minneapolis/St. Paul, collectively referred to as the Twin Cities, is the 16th largest MSA with approximately 3.69 million residents and home to 17 fortune 500 public companies' headquarters. The Twin Cities is also ranked highly for quality of life, labor force participation, health care, and workforce quality. The Minneapolis/St. Paul Industrial Market consists of over 380 million SF. As of Q2 2022, Minnesota's unemployment rate had improved to 1.80%, outperforming the US unemployment rate of 3.50%.

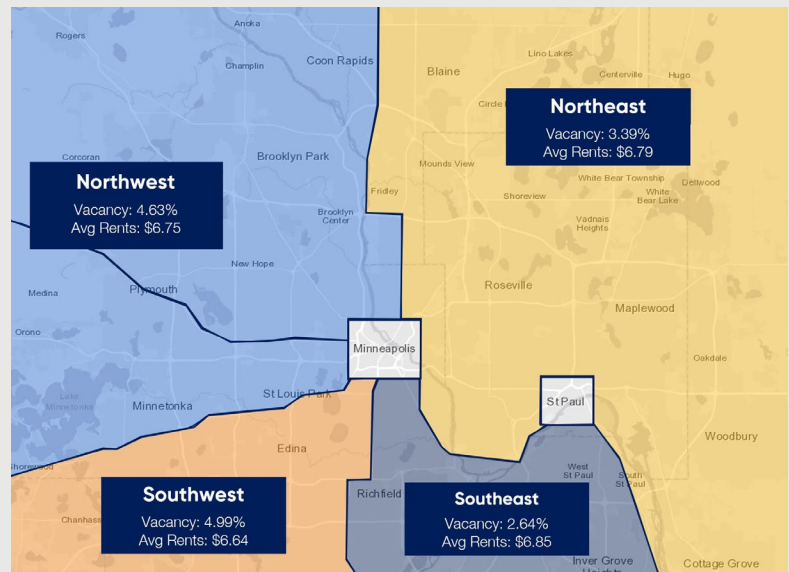
1.) The Minneapolis/St. Paul industrial market continues to thrive with nearly 18.6 million SF of users in the market.

2.) Industrial development is flourishing with 1.6 million SF of groundbreaking occurring in Q2 2022 leading to nearly 4.8 million SF of anticipated deliveries by the end of 2022.

3.) Institutional investors continue to push rates up quoting asking rates of \$7.00 PSF for warehouse and \$13.00 PSF for office. These are unprecedented rates with reduced concessions which speaks to the landlord driven market that we are still operating in.

4.) Rising interest rates had impacted the pricing and financing for prospective acquisitions although owners like Nuveen, STAG Industrial, and Onward Investors all increased their Minneapolis/St. Paul holdings.

## Gross Rental and Vacancy Rates



## Market Movement

Tenant	Building	Size	Submarket	Type
Doosan Bobcat North America	19850 S Diamond Lake Rd	225,348 SF	Northwest	New Lease
Myplas Recycling	19850 S Diamond Lake Rd	161,376 SF	Northwest	New Lease
Stonebrook Equipment	15100 Business Pkwy	99,683 SF	Southeast	New Lease
CED Greentech	Northeast - New Construction	90,132 SF	Northeast	New Lease

## Investment Sales

Buyer	Building	Size	Submarket	Price
Partners Group	Onward Industrial Portfolio	1,413,701 SF	Metro-wide	\$101.00 PSF
Nuveen	Mpls Last Mile Portfolio	406,000 SF	Metro-wide	\$134.00 PSF
Aldevron LLC	7075 Flying Cloud Dr	345,229 SF	Southwest	\$78.00 PSF
Nuveen	9583 217th St W	157,820 SF	Southeast	\$132.00 PSF