



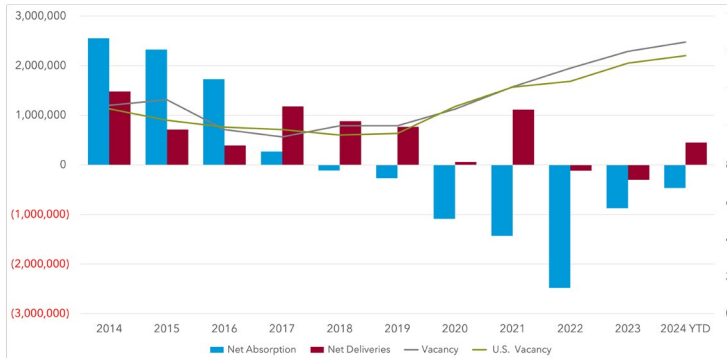
OFFICE MARKET OVERVIEW

KONNOR CARLSON, Associate

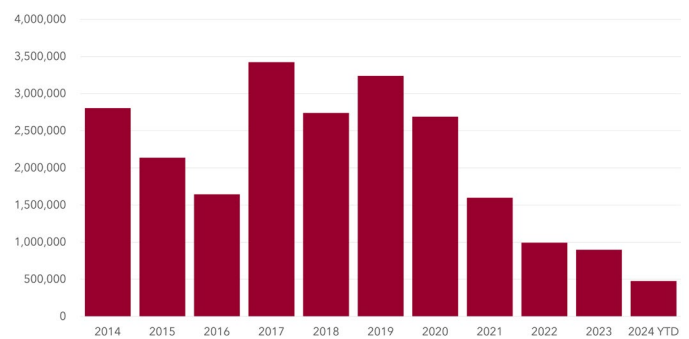
As of Q2 2024, the Twin Cities office market shows stability with a vacancy rate around 14%. Absorption rates remain positive but have slowed, indicating cautious expansion among businesses. Rental rates have slightly increased, particularly in Class A spaces. Investment activity is strong, focusing on adaptive reuse and modernization projects. Tenants favor mixed-use developments with amenities, reflecting a shift towards collaborative and hybrid work environments. Economic factors like interest rates and labor market conditions continue to influence market dynamics, but overall confidence remains high due to the region's diverse economy and resilient demand for office space.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ Net Absorption SF	(541,257)	58,420	(607,493)	(1,695,610)	(1,736,446)
▲ Vacancy Rate	11.30%	10.60%	11.13%	11.17%	10.84%
▲ Avg Asking Rate PSF	\$26.79	\$26.69	\$26.71	\$26.75	\$26.69
▼ SF Under Construction	476,600	915,680	516,811	791,624	801,621
▲ Inventory SF	204,661,551	204,219,471	201,756,665	201,368,218	201,367,451

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
330 2nd Avenue S Minneapolis, MN	201,511 SF	\$7,259,751 \$36.03 PSF	KGSM LLC SSI Operating Co LLC	Class B
3680 Pheasant Ridge Drive NE Blaine, MN	46,800 SF	\$4,052,000 \$86.58 PSF	Atawasul Center MN School of Bus/Globe College	Class B
600 W. Travelers Trail Burnsville, MN	33,908 SF	\$3,150,000 \$92.90 PSF	Mohamed Nur American Automobile Assoc Ntn'l	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3311 E. Old Shakopee Road Bloomington, MN	87,000 SF	State Street BK & Trust	TKDA	Professional, Scientific, & Technical Services
3701 Wayzata Boulevard Minneapolis, MN	55,281 SF	Wayzata Venture LLC	Undisclosed	Undisclosed
2410 Stillwater Road E Saint Paul, MN	44,663 SF	Gethsemane Lutheran Church	Sejong Academy	Educational Services

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