



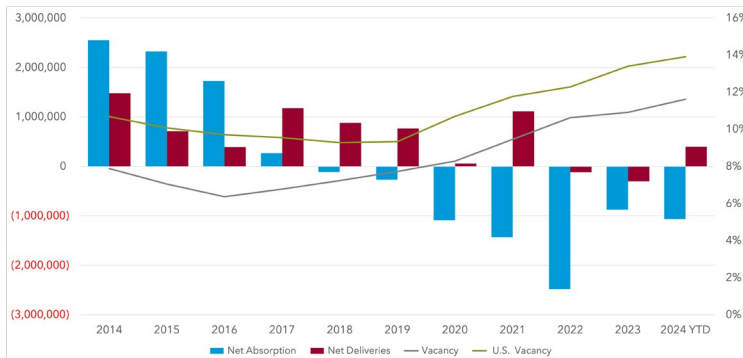
OFFICE MARKET OVERVIEW

KONNOR CARLSON, Associate

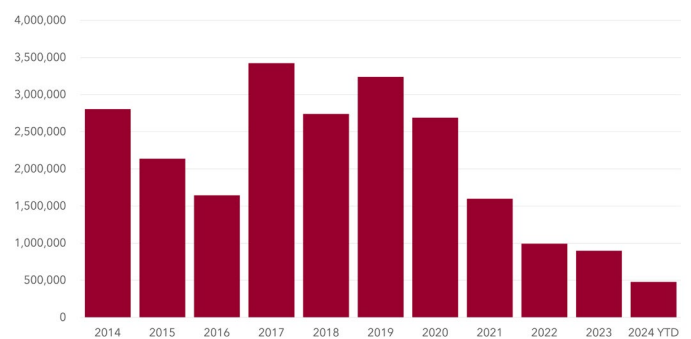
In Q3 2024, the Minneapolis office market saw a rise in leasing activity, increasing over 58% from Q2. However, overall leasing volume for the year remains nearly 28% lower than the same period in 2023. High-quality, modern office spaces continue to attract demand, while smaller leases (under 10,000 square feet) are growing in popularity. Larger leases exceeding 100,000 square feet have declined. Availability in older office properties has risen, emphasizing the need for modernization to stay competitive. Despite a slight decline in office employment, job postings in office-using sectors have increased by 6.7% since the start of the year.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(628,711)	(541,257)	58,420	(607,493)	(1,736,446)
▲ Vacancy Rate	11.60%	11.30%	10.60%	11.13%	10.84%
▲ Avg NNN Asking Rate PSF	\$26.91	\$26.79	\$26.69	\$26.71	\$26.69
▲ Sale Price PSF	\$148.00	\$149.00	\$151.00	\$152.00	\$156.00
▲ Cap Rate	9.6%	9.5%	9.5%	9.3%	9.1%
▲ Under Construction SF	478,600	476,600	915,680	516,811	801,621
▼ Inventory SF	204,367,968	204,661,551	204,219,471	201,756,665	201,367,451

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1305 Corporate Center Drive Eagan, MN	140,813 SF	\$15,100,000 \$107.23 PSF	Inventure Real Estate Diversified Healthcare Trust	Class A
505 N. Highway 169 Plymouth, MN	272,638 SF	\$12,924,274 \$47.40 PSF	Northpath Investments DRA Advisors	Class A
687 Excelsior Boulevard Excelsior, MN	17,100 SF	\$12,500,000 \$730.99 PSF	The Tailwind Group Locorr	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5995 Opus Parkway Minnetonka, MN	165,000 SF	United Health Group	Stratasys	Manufacturing
120 S. 6th Street Minneapolis, MN	92,291 SF	AX CCP LP	Canadian Pacific Railway	Transportation & Warehousing
5600 American Boulevard W Bloomington, MN	64,510 SF	Boyd Watterson Asset Management	Burns & McDonnell	Professional, Scientific, and Technical Services

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