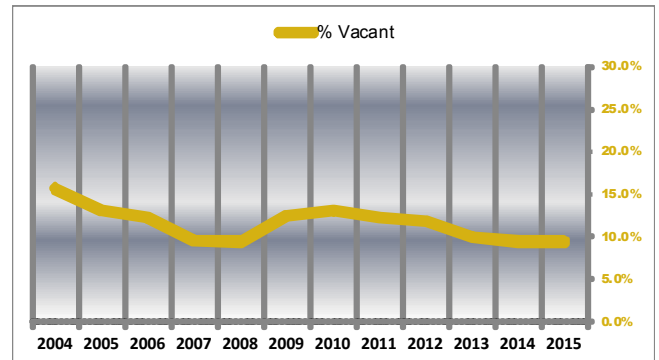
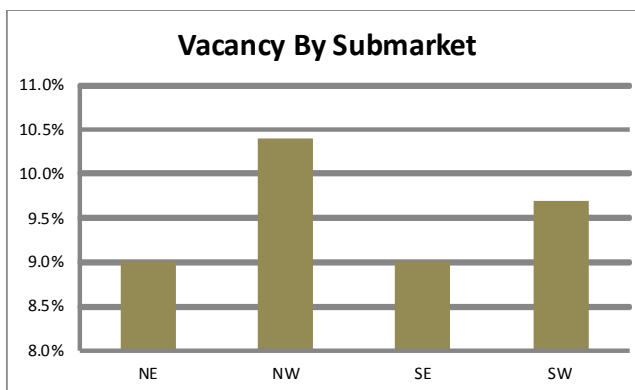


2016 Twin Cities Industrial Market Outlook

The Twin Cities added 30,000 new jobs in 2015 lowering the unemployment rate to 3.7%, the lowest level in 15 years and well below the national average of 4.8%. Job growth in manufacturing fueled absorption of 3,670,000 SF. This compares with 1,880,000 SF of positive absorption in 2014 and 1,920,000 SF the previous year. The industrial market in the Twin Cities has now experienced five consecutive quarters of positive absorption. The largest gains occurred in the Southwest submarket (1,670,254 SF) which was over 2.5 times the next largest submarket.

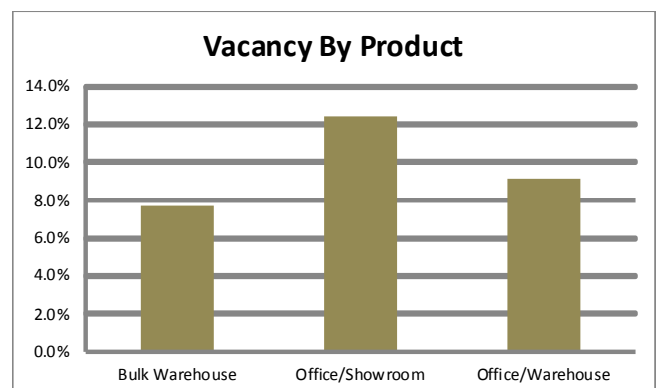


Source: MNCAR Exchange



Source: MNCAR Exchange

High demand has triggered new development in both the northwest and southwest suburbs highlighted by 3.3 million square feet of industrial space delivered to the northwest submarket. Vacancy rates remained below historical averages and ended the year at 9.4% market wide. Tenants can expect fewer concessions and higher net rents in 2016.



Source: MNCAR Exchange