



## MINNESOTA TECH TRENDS

Minnesota was the fastest state for tech growth in 2015. Growth is stemming from the state's existing seventeen Fortune 500 companies as well as emerging technology firms. In a study of 30 tech markets across the US, the North Loop of Minneapolis posted the fifth highest growth rate over the past two years as measured by amount of new space leased. The 5 year quarterly average for venture capital investment in Minnesota companies is \$66.00 million. As of July 2015, the total investment statewide was \$105.9 million.



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### REAL ESTATE IMPACT

- Companies are migrating towards creative office spaces including former factories and warehouses
- Employee recruitment and a collaborative culture are two reasons creative space is in high demand
- "Brick and Timber" finishes are becoming a more common request versus traditional office space found in glass and steel towers
- The North Loop is the epicenter of the creative office market and currently has the lowest vacancy rate of all metro submarkets at 7.1% as compared to 15.1% for the overall market
- Rental Rates in the North Loop have increased 20.2% over the past two years
- The increased demand for creative office space and the limited supply of buildings has resulted in a transition from local entrepreneurial owners to institutional owners. Recent examples are the sales by Hillcrest Development and Swervo

### RECENT TRANSACTIONS

#### INVESTMENT SALES



300,000 Square Feet (6 buildings)  
Sale Price: \$25 million  
Location: Northeast Minneapolis



420,000 Square Feet (3 buildings)  
Sale Price: \$87.5 million  
Location: Warehouse District Minneapolis

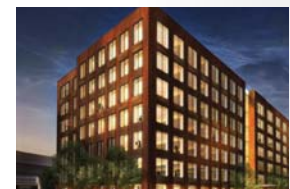
#### LEASES

Tenant:	Arctic Cat	Tenant:	Coyote	Tenant:	Qumu
Previous Location:	Brooklyn Park	Previous Location:	Brooklyn Park	Previous Location:	Eden Prairie
New Location:	Northloop Minneapolis	New Location:	Warehouse District Minneapolis	New Location:	Minneapolis
Square Feet:	55,000	Square Feet:	40,000	Square Feet:	17,000

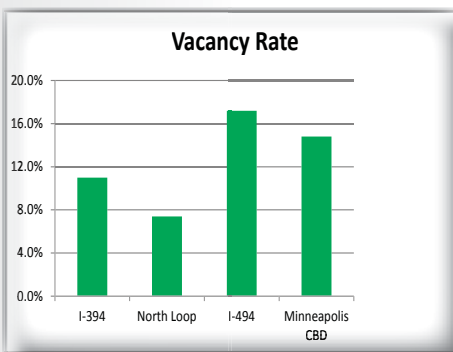
### DEVELOPMENTS



**Project Name:** T3  
**Square Feet:** 220,000  
**Completion Date:** Fall 2016



**Project Name:** Block 68  
**Square Feet:** 160,000 SF  
**Completion Date:** Spring 2017



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