

**CUSHMAN &
WAKEFIELD**
NorthMarq

Compass Report

IREME REME Award Finalist:
CORPORATE INNOVATION



COMPASS REPORT

What is it?



The Twin Cities' leading commercial real estate industry market intelligence report, published bi-annually.

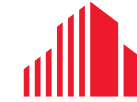
COMPASS

Navigating the Minneapolis/St. Paul Commercial Real Estate Market



COMPASS REPORT

After 20 Years: January 2016 Issue Redesigned



CUSHMAN & WAKEFIELD
NorthMarq



CUSHMAN & WAKEFIELD
NorthMarq

JANUARY 2016

COMPASS

Reporting on Massachusetts Real Estate and Real Estate Markets

EXECUTIVE SUMMARY

OVERALL MARKET TRENDS
Vacancy Rate, Absorption and New Construction Strongest in a Decade

VACANCY RATE 10.6%
Lowest since 2007

ABSORPTION 8.54 million square feet
Highest since 2006

NEW CONSTRUCTION 2.36 million square feet
Highest since 2006

SECTOR HIGHLIGHTS

- LAND:** Strong demand for land in the state, particularly in the western and northern regions.
- OFFICE:** Office construction remains strong, with a focus on high-rise buildings in the downtown areas.
- MULTI-FAMILY:** Multi-family construction is on the rise, driven by a combination of factors including demographic trends and a strong rental market.
- HOTEL:** Hotel construction is also on the rise, with several new hotels under development in major cities.
- INDUSTRIAL:** Industrial construction remains steady, with a focus on logistics and distribution centers.

EXECUTIVE SUMMARY

LAND
Industrial is Star of Land Market
10% rise in prices for industrial land in second half

MEDICAL OFFICE
Office Medical Office Development Strong
800,000 sq ft of 2016 projects now deferred

OFFICE
Office Continues Healthy Pace of Recovery
981,615 sq ft absorbed for 2015

MULTI-FAMILY
Apartments Experience Another Winter Assault
14,000 market-rate units completed over the past 4 years

January 2003
Compass Report

January 2016
Compass Report

COMPASS REPORT

Summary of January 2016 Issue Components



Executive Summary

The collage shows several pages from the January 2016 COMPASS report. Key highlights include:

- Overall Market Trends:** "Market Fundamentals Looking Forward - Year in Review" and "Overall Market Trends: Vacancy rate, Absorption, New Construction, Sector Highlights, Retail Positioning".
- Office Market:** "Office Market Fundamentals Looking Forward - Year in Review" with a headline of "10% rise in prices for industrial land in January".
- Medical Office Market:** "Medical Office Market Fundamentals Looking Forward - Year in Review" with a headline of "800,000 sf of 2015 projects delivered".
- Retail Market:** "Retail Market Fundamentals Looking Forward - Year in Review" with a headline of "Retail Market Bounces Back" and "6.6% vacancy" (strongest year-over increase).
- Investment & Capital Market:** "Investment & Capital Market Fundamentals Looking Forward - Year in Review" with a headline of "Demand Fuels Fast-Paced Investment Sales".

Property Type Reports

The collage shows several pages from the January 2016 COMPASS report focusing on specific property types:

- Hotel Market:** "Hotel Market Fundamentals Looking Forward - Year in Review" with a headline of "Hotel Performance Metrics No Driving Development, Sales".
- Multi-Family Market:** "Multi-Family Market Fundamentals Looking Forward - Year in Review" with a headline of "Veracious Renter Demand Continues to Drive Multi-Family Market" and "14,000 market-rate units" (strongest year-over increase).
- Investment & Capital Market:** "Investment & Capital Market Fundamentals Looking Forward - Year in Review" with a headline of "Demand Fuels Fast-Paced Investment Sales" and "2,040 UNITS" (strongest year-over increase).

Social Media Posts

The collage shows four social media posts from Cushman & Wakefield NorthMarq:

- Office Market:** "Office Continues Healthy Pace of Recovery" with a headline of "981,615 sf absorption for 2015".
- Medical Office Market:** "Off-Campus Development Evolves" with a headline of "800,000 sf of 2015 projects delivered".
- Retail Market:** "Retail Market Bounces Back" with a headline of "6.6% vacancy" (strongest year-over increase).
- COMPASS BITES:** A general update on market trends.

Website

The screenshot shows the COMPASS website homepage for January 2016. Key features include:

- Navigation:** Home, About Us, Contact Us, Services, Markets, Reports, News, Events, Careers.
- Market Focus:** Office, Retail, Medical, Multi-Family, Hotels, Industrial, Data Centers, Energy, Transportation, Infrastructure, Other.
- July 2016 Report:** "Vacancy Rate Reverses Record Low as Market Continues to Stabilize".
- Executive Summary:** "The Executive Summary provides an in-depth analysis of commercial real estate conditions in the NorthMarq. For more on the office, medical, retail, industrial, and other sectors, see our monthly reports and market analysis."

Blog

The screenshot shows the COMPASS Points Blog for January 2016. Key features include:

- Blog Title:** "COMPASS POINTS BLOG".
- Recent Posts:** "Demand Outpaces Supply of Investment Sales" (Headline: "Heading into the second half of 2016, the Tech Cities market is in a large market for a deep field of investors, both institutional and private. It is still seeing very healthy bid-to-ask ratios of growth market firms in previous years.") and "According to Scott Pollack of Cushman & Wakefield NorthMarq, 'Based on current activity we are bullish about second half sales volumes for office and industrial and expect a strong finish to 2015.'"
- Subscribe:** "Sign up for our newsletter" and "Sign up for our blog".
- Contact Us:** "Contact Us" button.

COMPASS REPORT

Every 6 Months: A Comprehensive Production Process



- Research dept. pulls in-depth, updated CRE data
- 8 Broker Market Trends/Narrative Meetings conducted by Property Type
- Research dept, Marketing/Communications dept. & Brokerage leadership meet regularly drafting each property type report, charts, data and Executive Summary
- Marketing/Communications design printed 8 property type reports, 12 submarket reports and Executive Summary; update Compass website; draft blog posts; draft custom press releases and create all social media graphics
- Final Compass Report components launch to media, are distributed to business community and clients

