

4505 White Bear Parkway

WHITE BEAR LAKE | MINNESOTA

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Colliers INTERNATIONAL

Offering Overview

THE OFFERING

Colliers International | Minneapolis-St. Paul ("Broker"), on behalf of the Owner, is pleased to present the opportunity to acquire the Parkway Office, a 16,500 rentable square foot multi-tenant office building located in White Bear Lake, MN. A perfect owner-occupant investment.



4505 WHITE BEAR PARKWAY

ADDRESS:	4505 White Bear Parkway White Bear Lake, Minnesota 55110
GROSS BUILDING SF:	16,460
VACANT AREA:	478
PROPERTY TYPE:	Multi-tenant office
SITE SIZE:	1.70 acres (74,052 SF)
PARKING:	68 surface spaces; 4.13 / 1,000 ratio
OCCUPANCY:	97% Occupied
ASKING PRICE:	$2,400,000



Property Description



SITE DETAILS

SITE SIZE	1.70 acres (74,052 SF)
ZONING	DBD: Diversified Business Development
PID NUMBER	213022110012
2018 TAXABLE VALUE	$1,830,900.00
2018 REAL ESTATE TAXES	$62,494.00

BUILDING DETAILS

ADDRESS	4505 White Bear Parkway White Bear Lake, Minnesota 55110
PROPERTY TYPE	Multi-tenant single story office building
YEAR BUILT	1990
GROSS BUILDING AREA	16,460 SF
RENTABLE AREA	13,960 SF
PARKING	68 surface spaces; plus on street parking 4.13/1,000 ratio
CONSTRUCTION TYPE	Masonry
EXTERIOR FINISH	Brick
ROOF TYPE/AGE	New Membrane/Roof in 2007 100% guaranteed until 2027
WINDOWS	Ribbon glass
CEILING HEIGHT	9'
BATHROOMS	Mens/women's remodel in 2018
FOYER	Updated in 2012
RENTAL/USABLE FACTOR	1.179%
HVAC	Roof top units

BUILDING DETAILS

SIGNAGE	Monument
INTERNET	T1 & Comcast
UTILITIES	Included in operating expenses
OPERATING EXPENSES	$9.92 per RSF
BUILDING AMENITIES	• 12 minutes to St. Paul & 20 minutes to Minneapolis • Access to I-35E via Highway 96
BUILDING TENANTS	• Safe Harbor • PERL Mortgage • Alliance for Healing • Sawyer Solutions • Town N' Country

Property Overview



Property Pictures

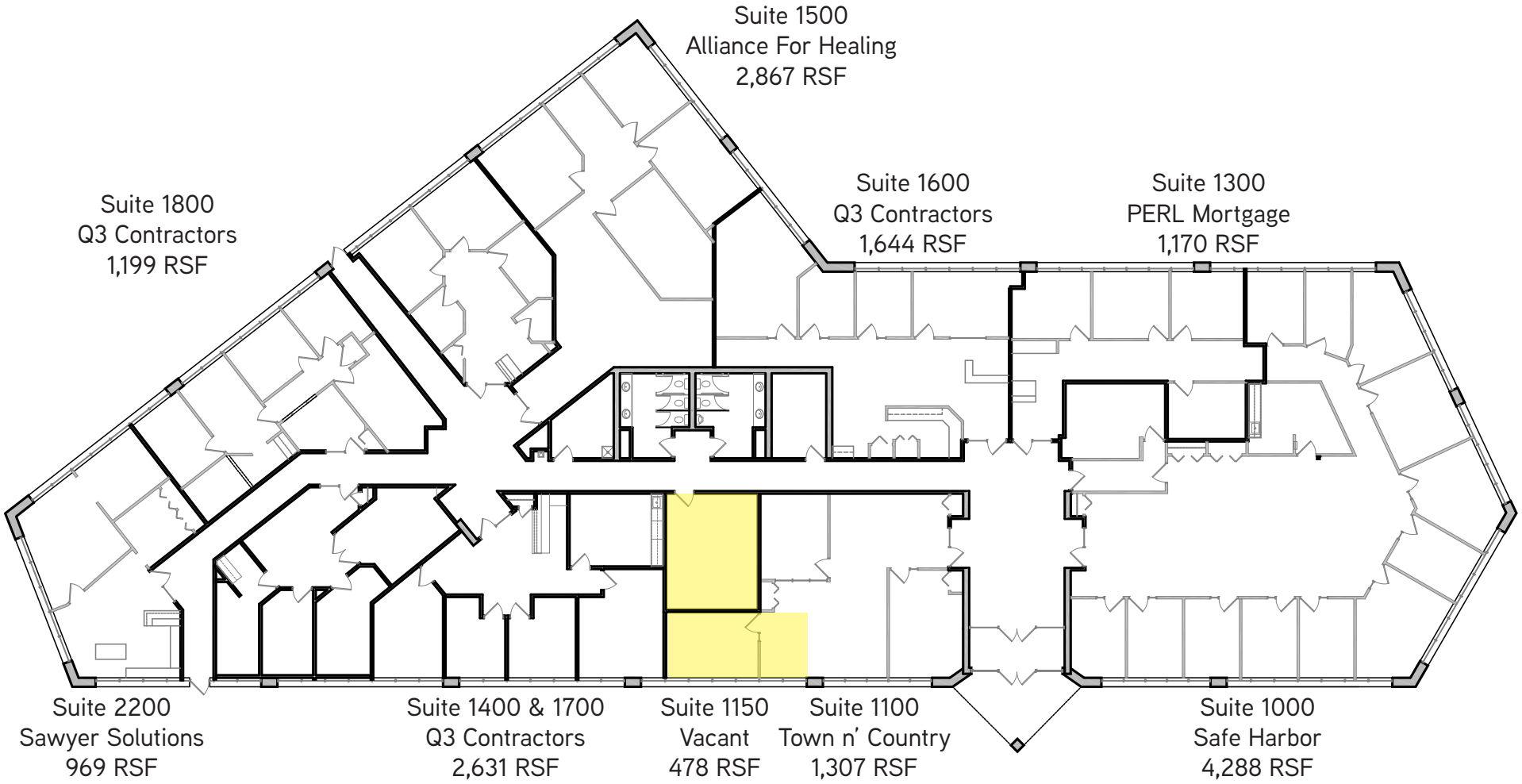








Floor Plan


Suite 1500
Alliance For Healing
2,867 RSF
Suite 1800
Q3 Contractors
1,199 RSF
Suite 1600
Q3 Contractors
1,644 RSF
Suite 1300
PERL Mortgage
1,170 RSF
Suite 2200
Sawyer Solutions
969 RSF
Suite 1400 & 1700
Q3 Contractors
2,631 RSF
Suite 1150
Vacant
478 RSF
Suite 1100
Town n' Country
1,307 RSF
Suite 1000
Safe Harbor
4,288 RSF

Office Market Overview

VACANCY & ABSORPTION

The vacancy rate in the Minneapolis-St. Paul office market increased slightly to 13.6 percent from 13.5 percent at Quarter Two. Absorption was negative at 144,358 square feet and positive 58,654 square feet year-to-date. In the Minneapolis CBD, Wells Fargo vacated 248,000 square feet at the Investors Building and 32,000 square feet at the Roanoke Building as it moves workers into their two recently-completed buildings totaling 1.1 million square feet in the Downtown East neighborhood of the Minneapolis CBD. In addition, Xcel Energy vacated 111,000 square feet at Marquette Plaza as it moved into their new facility at 401 Nicollet Mall. ECMC leased 125,101 square feet at 111 Washington Square, moving workers from 115,000 square feet at 1 Imation Place in Oakdale in the St. Paul Suburban submarket.

TRENDS

Companies are continuing to incorporate collaborative workplace strategies that include fewer private offices and more open spaces, which often results in a reduction in the total square feet occupied, tempering absorption. To recruit and retain employees, tenants are seeking buildings with worker-friendly features such as rooftop decks, fitness centers, cafés, bike storage and ample natural light. Implementing new workplace strategies requires investing in new furniture and architectural services for space planning and design. This heavy investment has led to lengthier lease terms as landlords and tenants seek to spread costs over longer periods of time. Lease terms have increased from three to five years to current typical terms of 10 years or longer, but do include flexible options such as termination, expansion, and contraction rights. The willingness to make significant investments and long term commitments reflects confidence on the part of corporations in future prospects for their businesses.

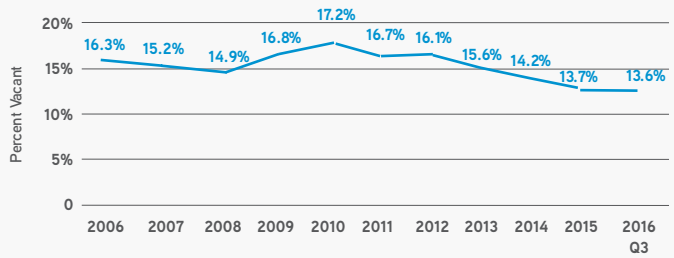
INVESTMENT

Preferred office investment types include Minneapolis CBD properties, as potential buyers are pursuing investments in buildings that are attractive to potential employees. Features such as convenient locations, extensive amenities, and access to public transportation tend to be priorities. There will be growing demand from investors for Class B and suburban office properties, as the number of available Class A and CBD properties dwindle due to many of them changing hands recently.

Market Statistics

SUBMARKET	# BLDGS	BUILDING SF	DIRECT AVAILABLE SF	DIRECT VACANT SF	% DIRECT VACANT	W/ SUBLEASE VACANT SF	% VACANT W/ SUB*	ASKING RENTAL RATES LOW	ASKING RENTAL RATES HIGH	AVERAGE OPERATING	ABSORPTION	YTD ABSORPTION
Minneapolis CBD												
A	25	14,564,435	2,300,542	2,050,317	14.08%	2,064,661	14.18%	$18.00	$20.39	$13.91	-77,511	196,909
B	90	12,988,172	2,962,222	2,462,457	18.96%	2,508,619	19.31%	$15.50	$17.50	$9.55	-37,637	-145,877
C	29	2,216,229	223,650	327,858	14.79%	327,858	14.79%	$13.60	$15.33	$8.66	239,676	263,955
Totals:	**144**	**29,768,836**	**5,486,414**	**4,840,632**	**16.26%**	**4,901,138**	**16.46%**	**$15.80**	**$17.85**	**$10.68**	**124,528**	**314,987**
Total All Markets												
A		35,034,213	4,521,322	12.9%	154,517	13.3%	$16.00	(68,284)	(131,110)			
B		37,816,085	5,705,877	15.1%	349,809	16.0%	$12.84	(128,307)	216,371			
C		10,228,223	1,105,939	10.8%	41,204	11.2%	$10.65	52,233	(26,607)			
Totals:		**83,078,521**	**11,333,138**	**13.6%**	**545,530**	**14.3%**	**$13.76**	**(144,358)**	**58,654**			

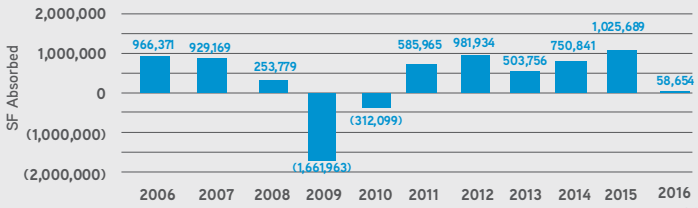
Vacancy



Market Indicators

Relative to prior period	Q3 2016
VACANCY	↑
NET ABSORPTION	↓
RENTAL RATE	↔

Net Absorption



Despite rising rental rates, longer lease terms signify confidence in both landlords and tenants for business growth.