

The background features a dark, textured surface with a grid of small squares on the right side. On the left, there are several overlapping, semi-transparent rectangular shapes in various shades of dark gray and black, some with thin gold outlines. The text 'MARKET OUTLOOK' is centered in a bold, gold, sans-serif font.

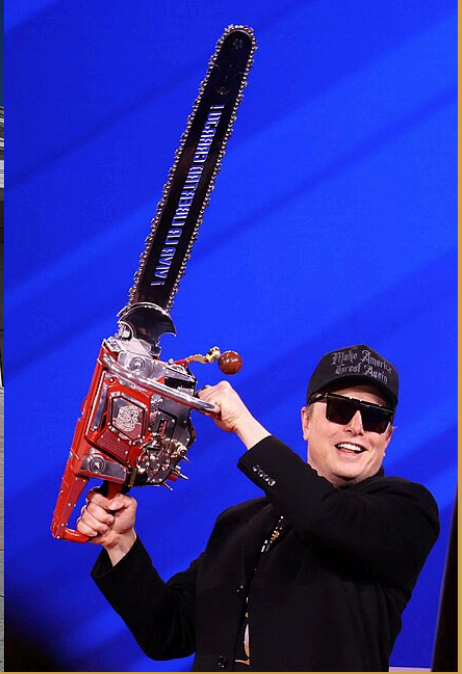
MARKET OUTLOOK

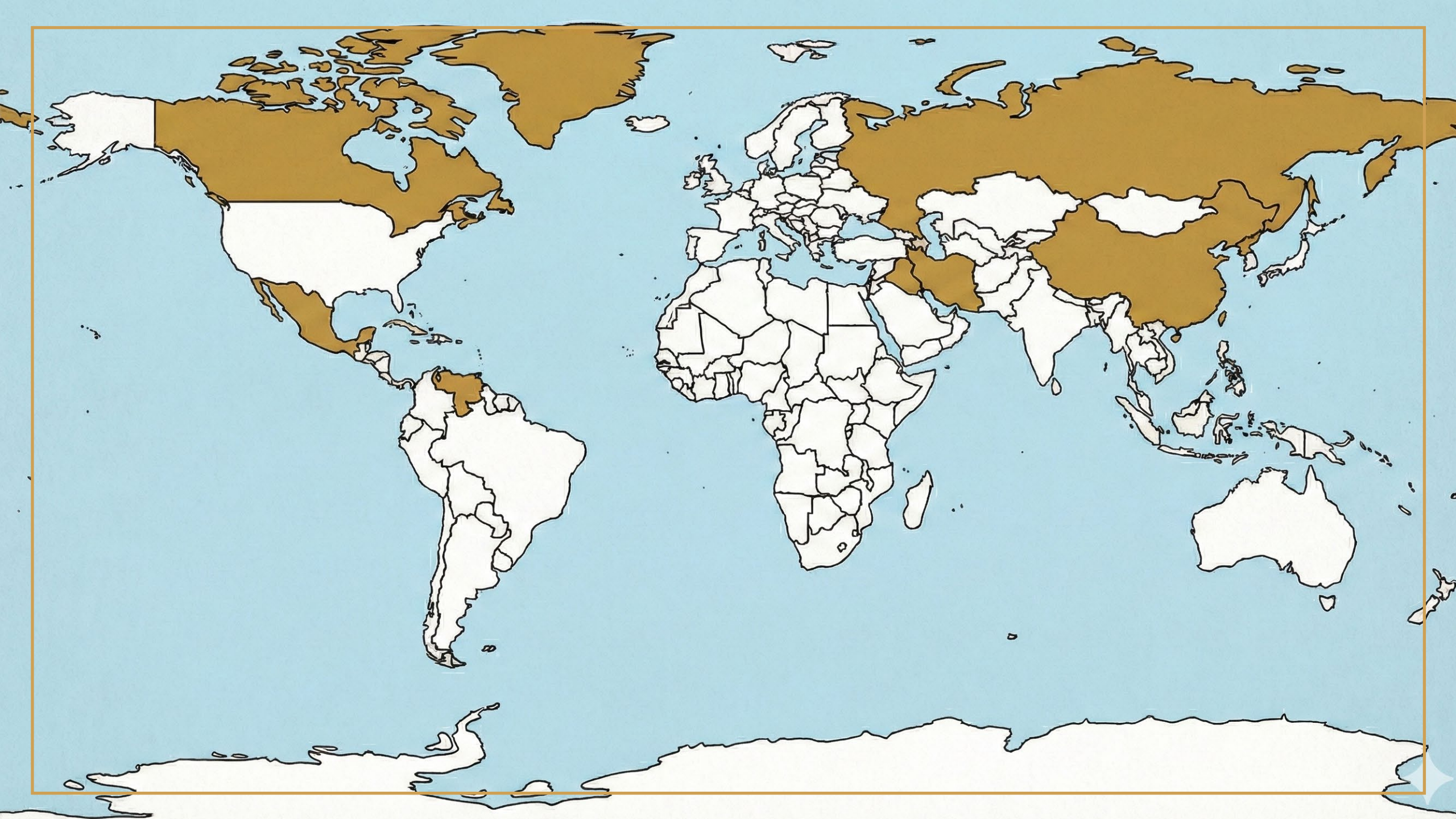
ECONOMIC OVERVIEW

Reggie Kuipers, SIOR

INVESTORS IN 2025

UNCERTAINTY
TO
CONFIDENCE



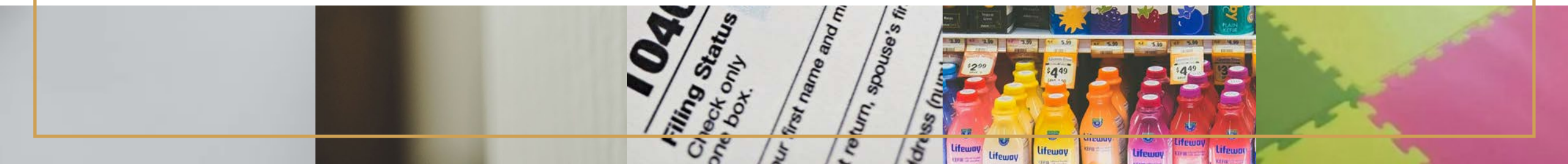


ONE BIG BEAUTIFUL BILL



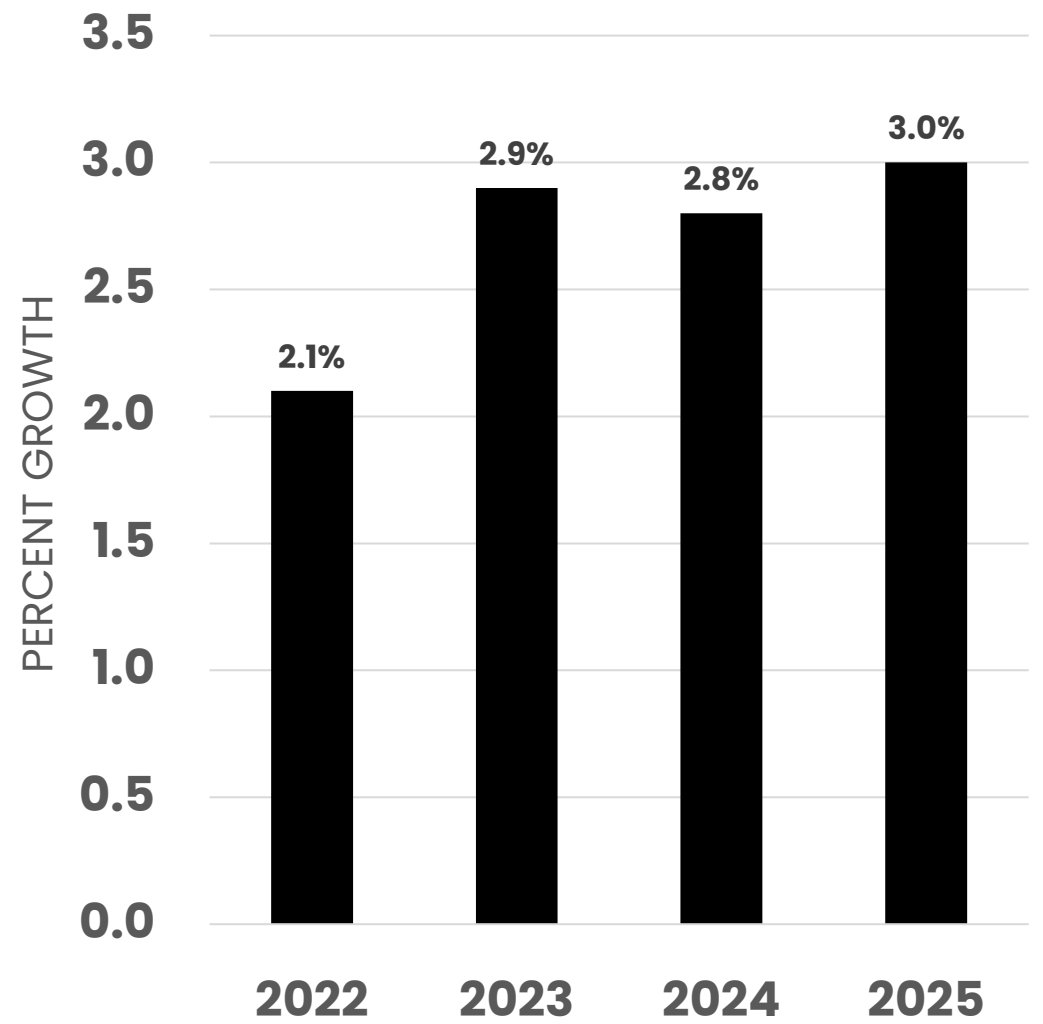


AFFORDABILITY



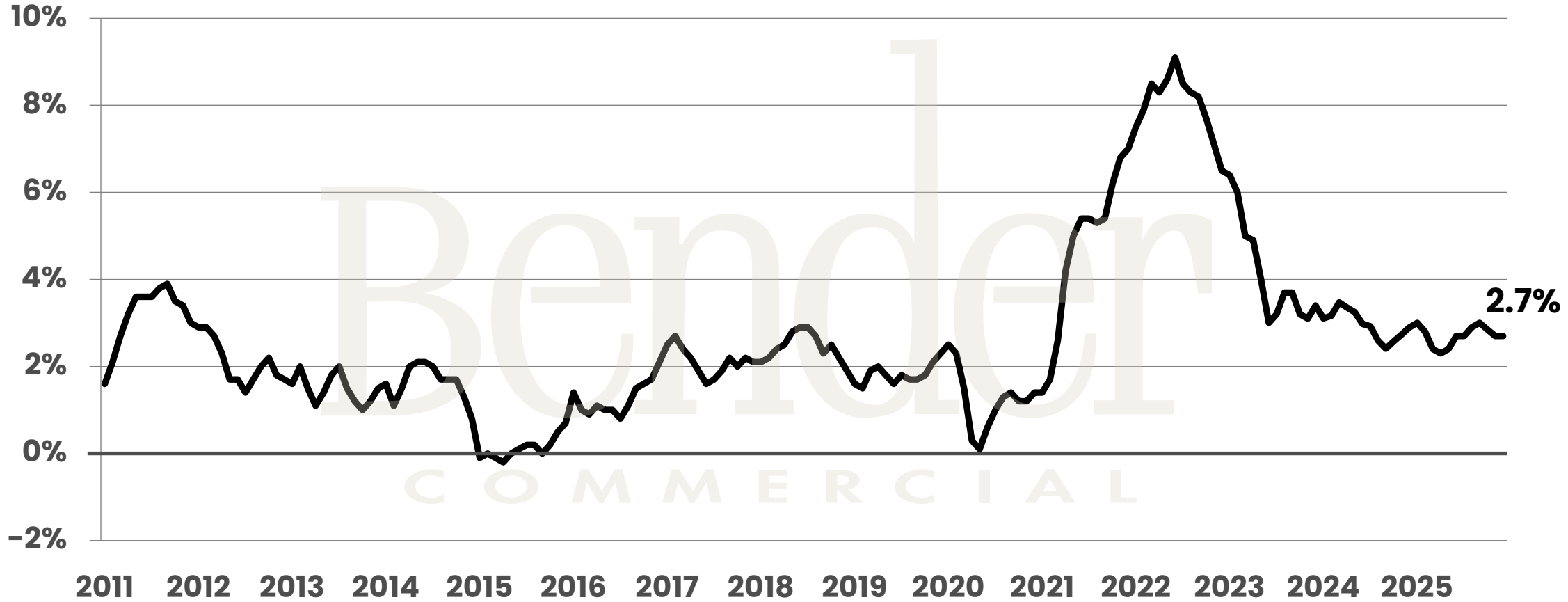


GDP



Source: U.S. Bureau of Economic Analysis

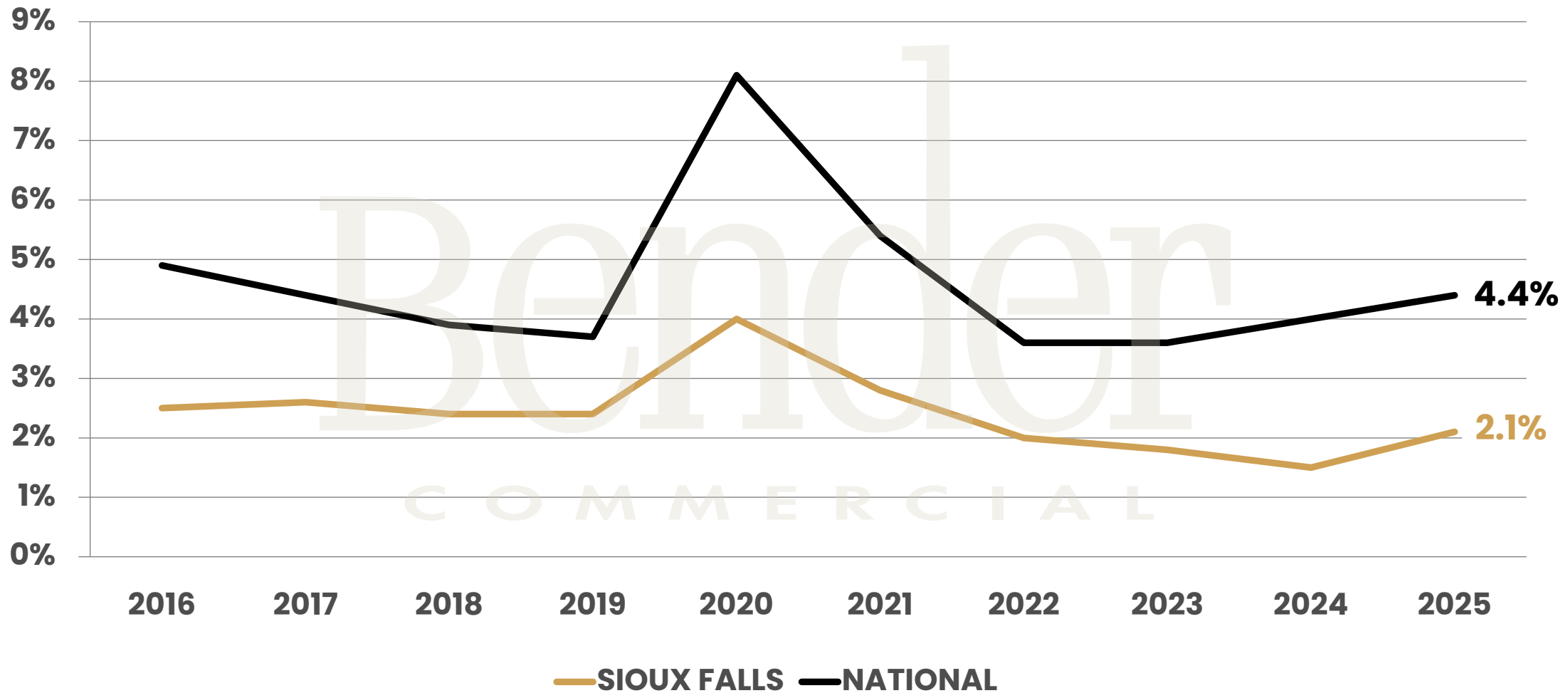
INFLATION



—CPI

Source: U.S. Bureau of Labor Statistics

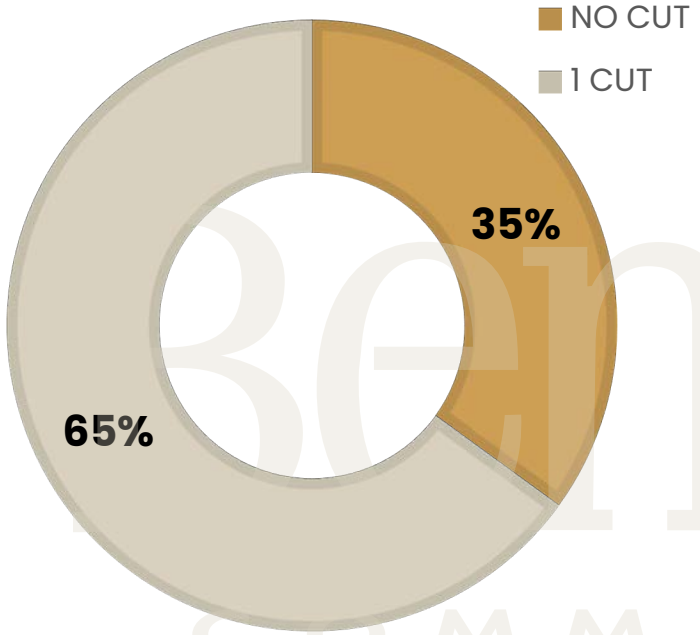
UNEMPLOYMENT RATES



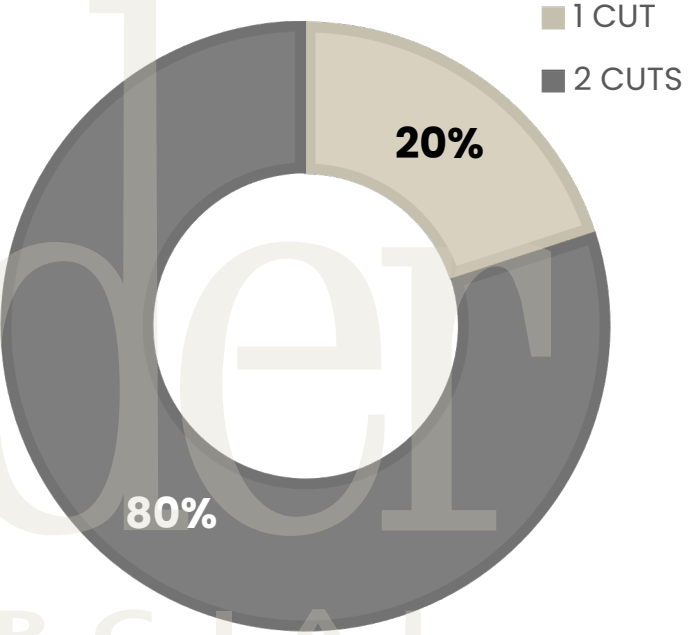
Sources: U.S. Bureau of Labor Statistics & S.D. Department of Labor and Revenue

PROBABILITY OF 2026 RATE CUTS

MAY
NEW FED CHAIR
LIKELY NO CUTS
BEFORE



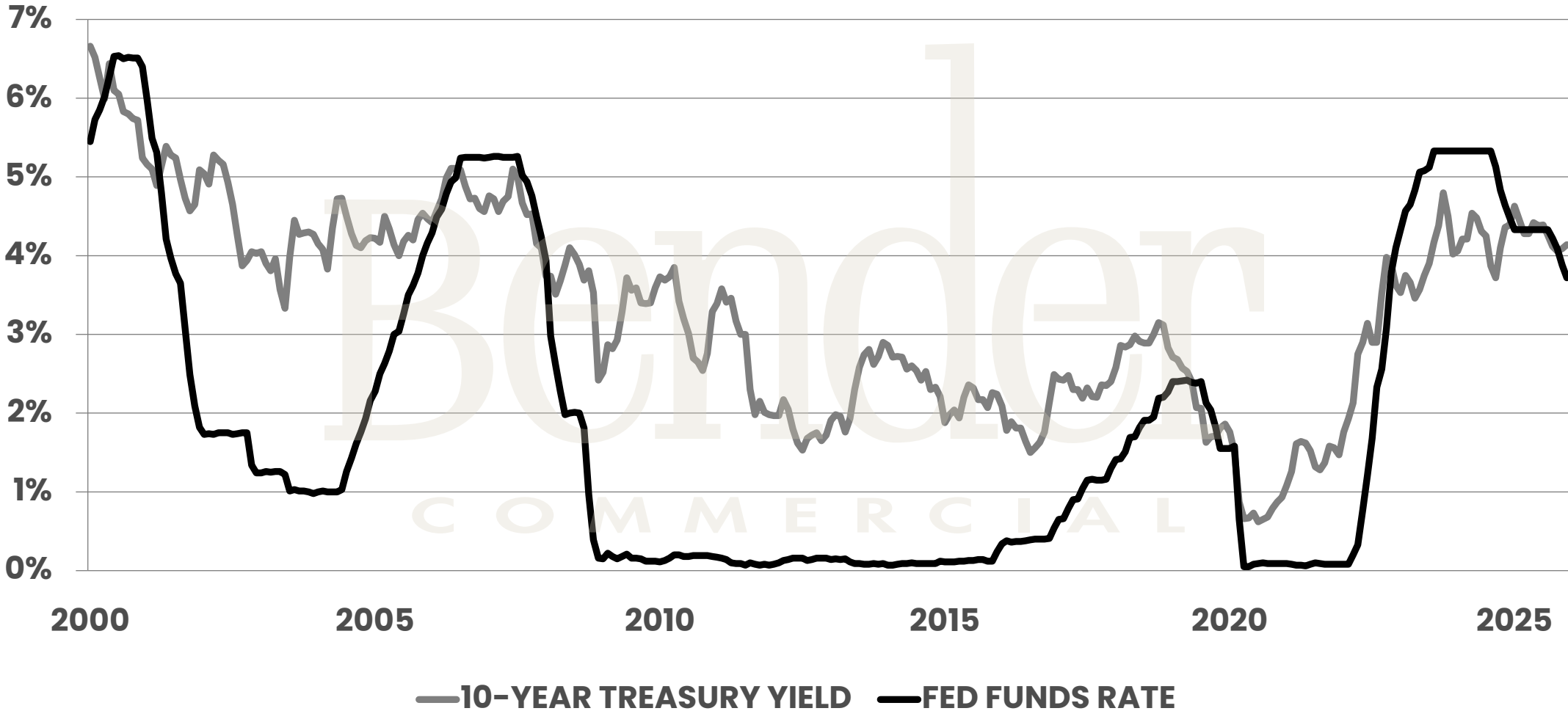
BY JUNE
65% CHANCE
OF ONE CUT



BY DECEMBER
80% CHANCE
OF TWO CUTS

Source: CME Group FedWatch

10-YR TREASURY YIELD VS. FED FUNDS RATE

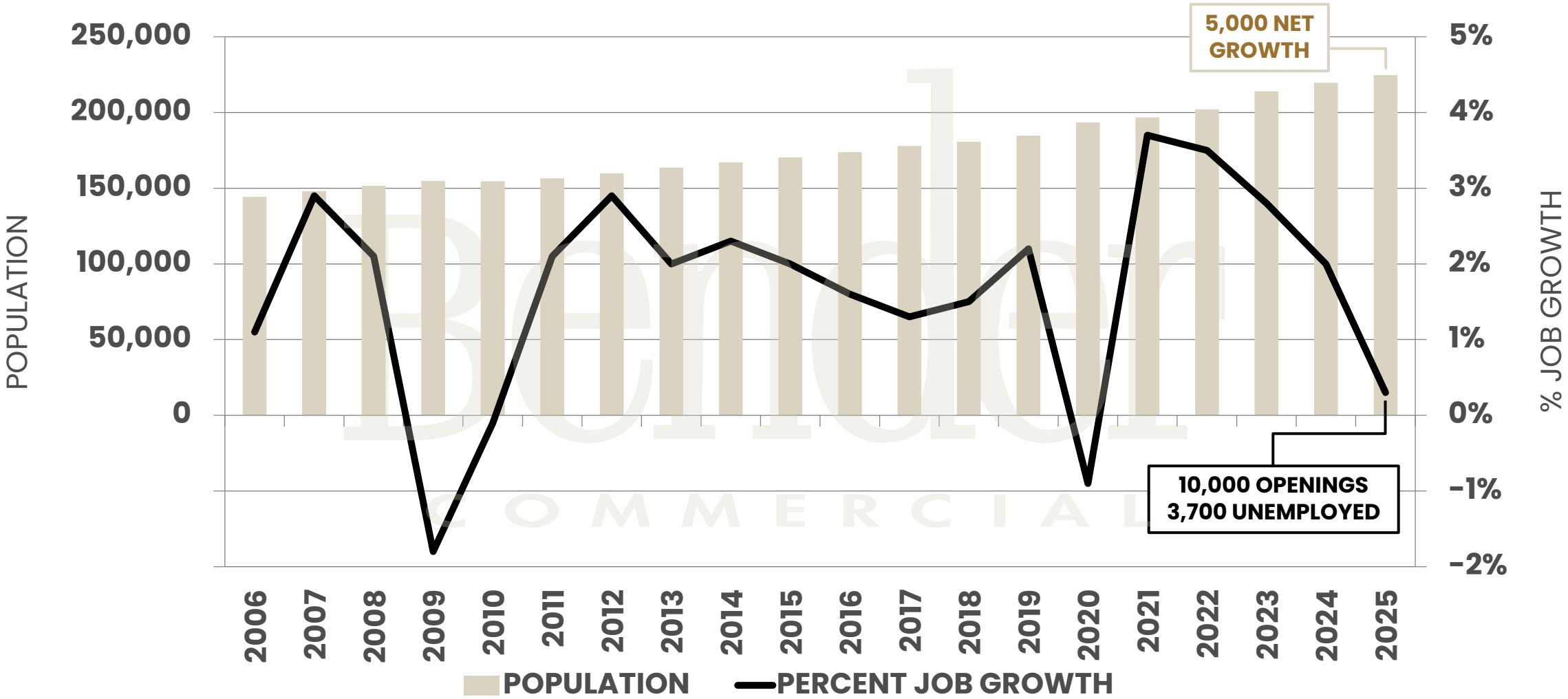


Source: St. Louis Fed



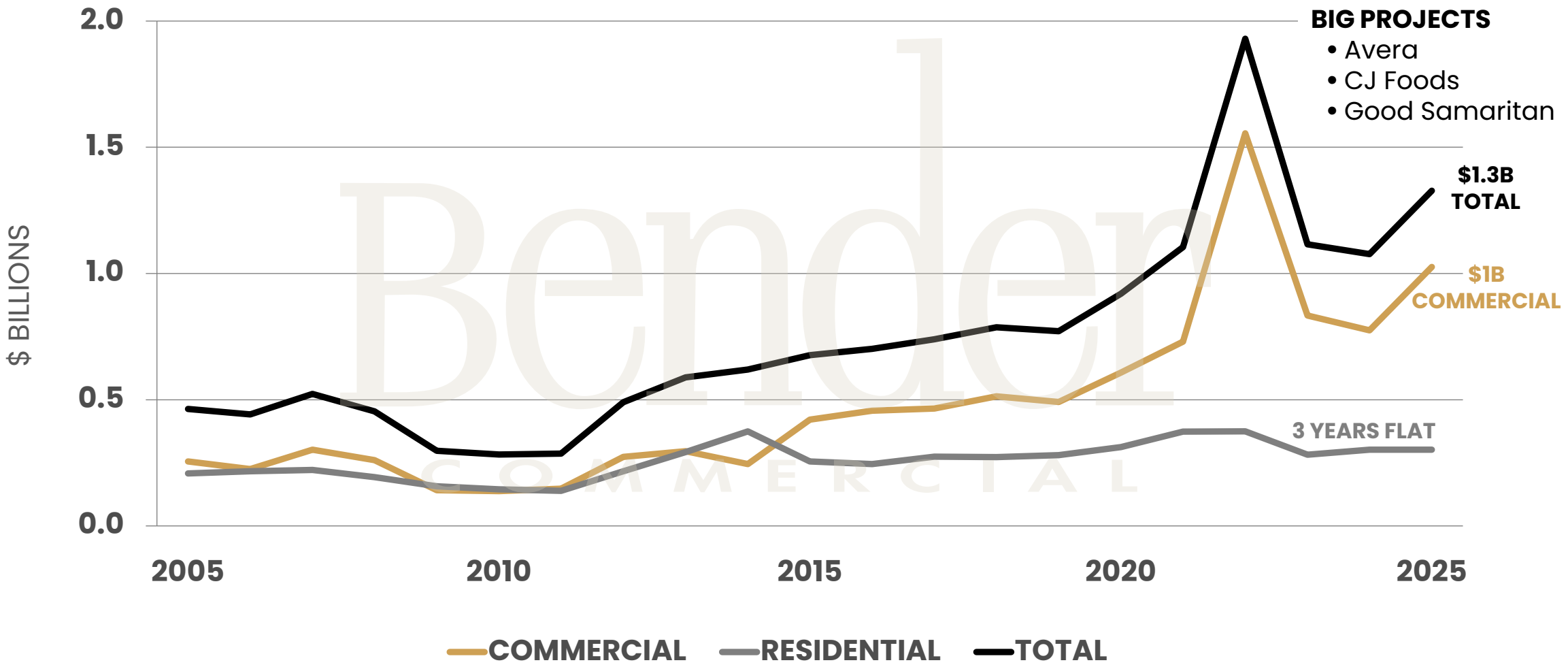
LOCAL MARKET

SIoux FALLS POPULATION & JOB GROWTH



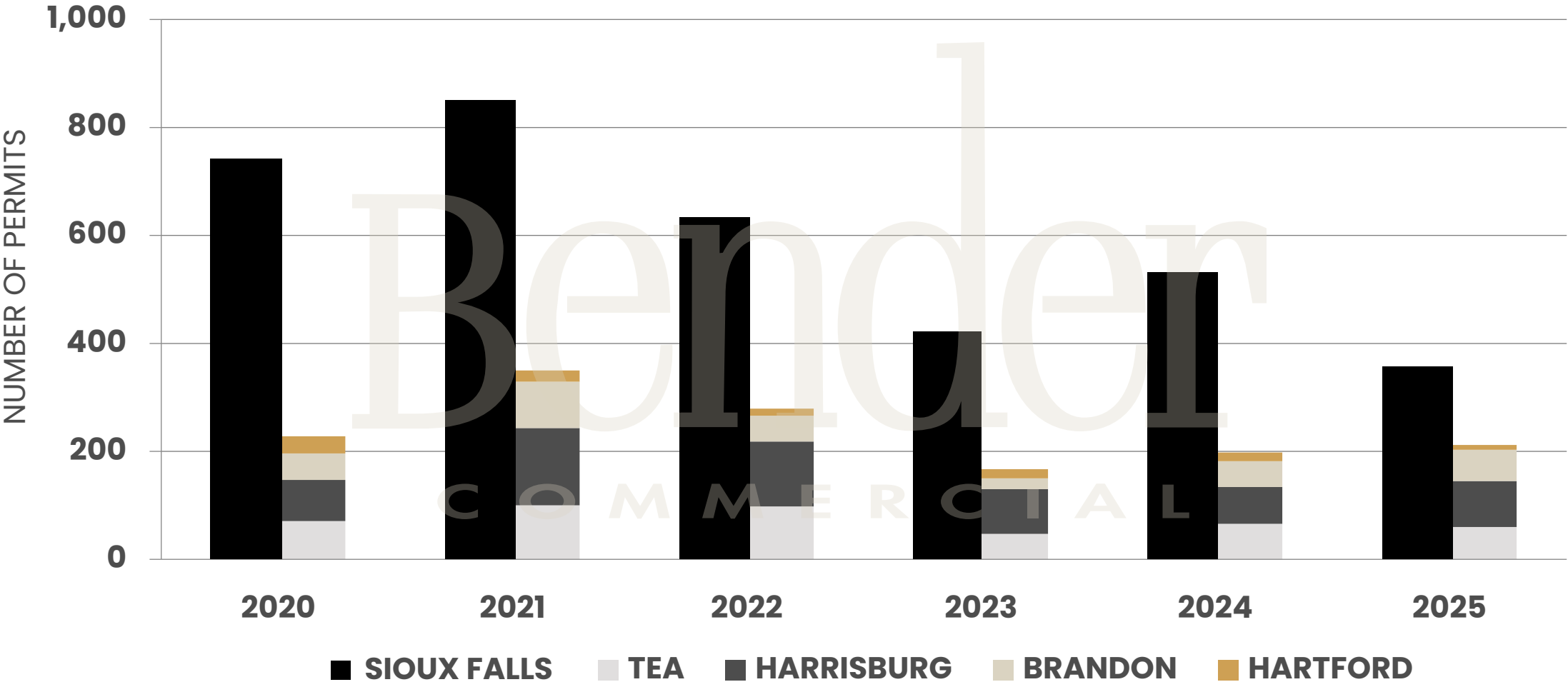
Source: City of Sioux Falls

BUILDING PERMITS



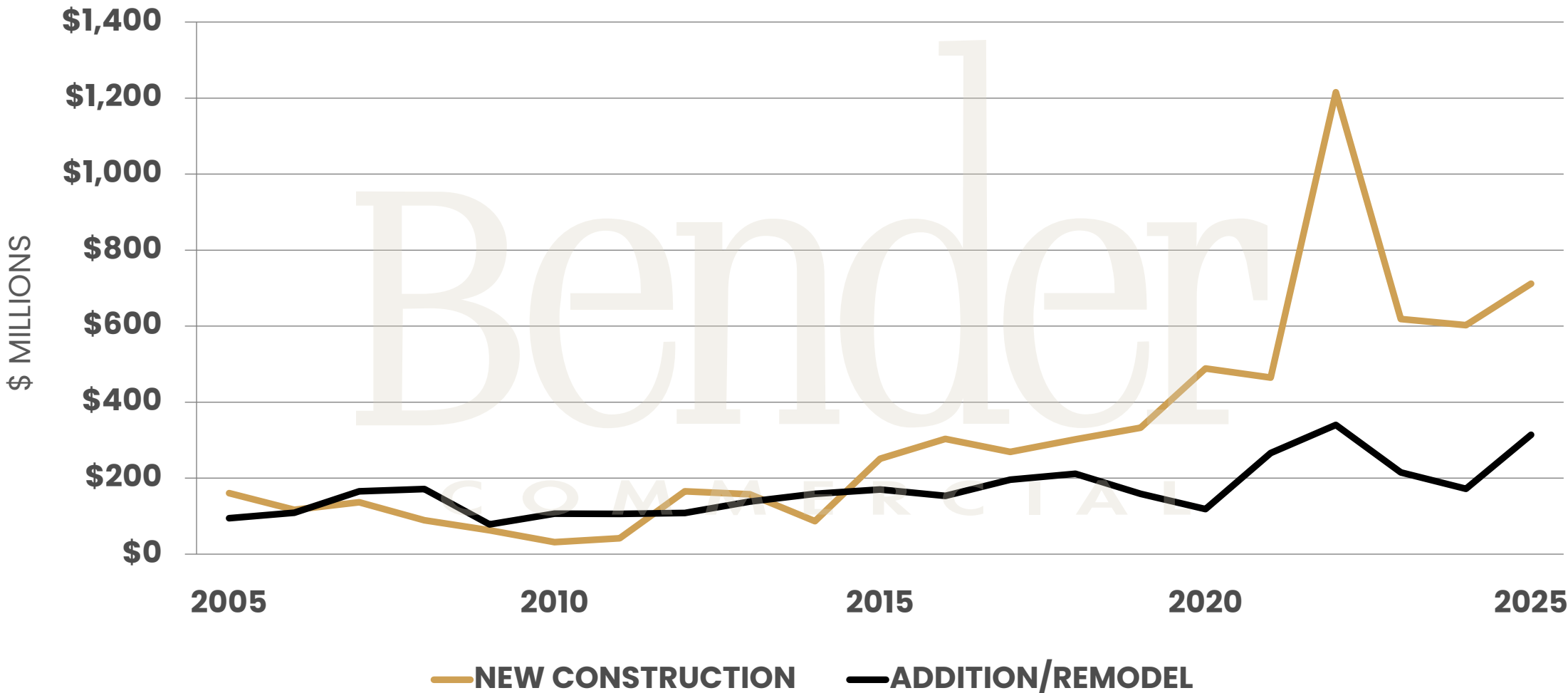
Source: City of Sioux Falls

SINGLE FAMILY BUILDING PERMITS



Source: Cities of Sioux Falls, Tea, Harrisburg, Brandon, & Hartford

COMMERCIAL PROJECTS: NEW & REMODEL



Source: City of Sioux Falls

2025 REGIONAL COMPARISON

CITY	PERMITS	TOTAL VALUE OF PERMITS	\$ PER CAPITA
Sioux Falls	5,615	\$ 1.327 B	\$ 5,908
Sioux Falls + Metro	6,931	\$ 1.495 B	\$ 5,808
Rochester	14,739	\$ 1.186 B	\$ 9,598
Rapid City	2,428	\$ 391 M	\$ 4,894
Des Moines Metro	7,941	\$ 2.012 B	\$ 3,848
Lincoln	3,539	\$ 1.062 B	\$ 3,533
Fargo Metro	3,171	\$ 720 M	\$ 3,203

Sioux Falls Metro: Sioux Falls, Brandon, Harrisburg, Hartford, Tea

Des Moines Metro: Des Moines, West Des Moines, Altoona, Ankeny, Clive, Grimes, Pleasant Hill, Urbandale, Waukee, Windsor Heights

Fargo Metro: Fargo, West Fargo, Moorhead

2026 PREDICTIONS

10-Yr US Treasury: 4.00-4.50%
T-bill inversion unwinds in 2026

Rate Cuts: 3 cuts

Inflation ↔ (2.5-3.0%)

GDP Growth ↑ (4.0%+)

Unemployment ↔ (4.4-4.6%)

Sioux Falls Construction ↓ (\$1.1-1.2B)

LAND MARKET

*Bradyn Neises, SIOR
Rob Kurtenbach*

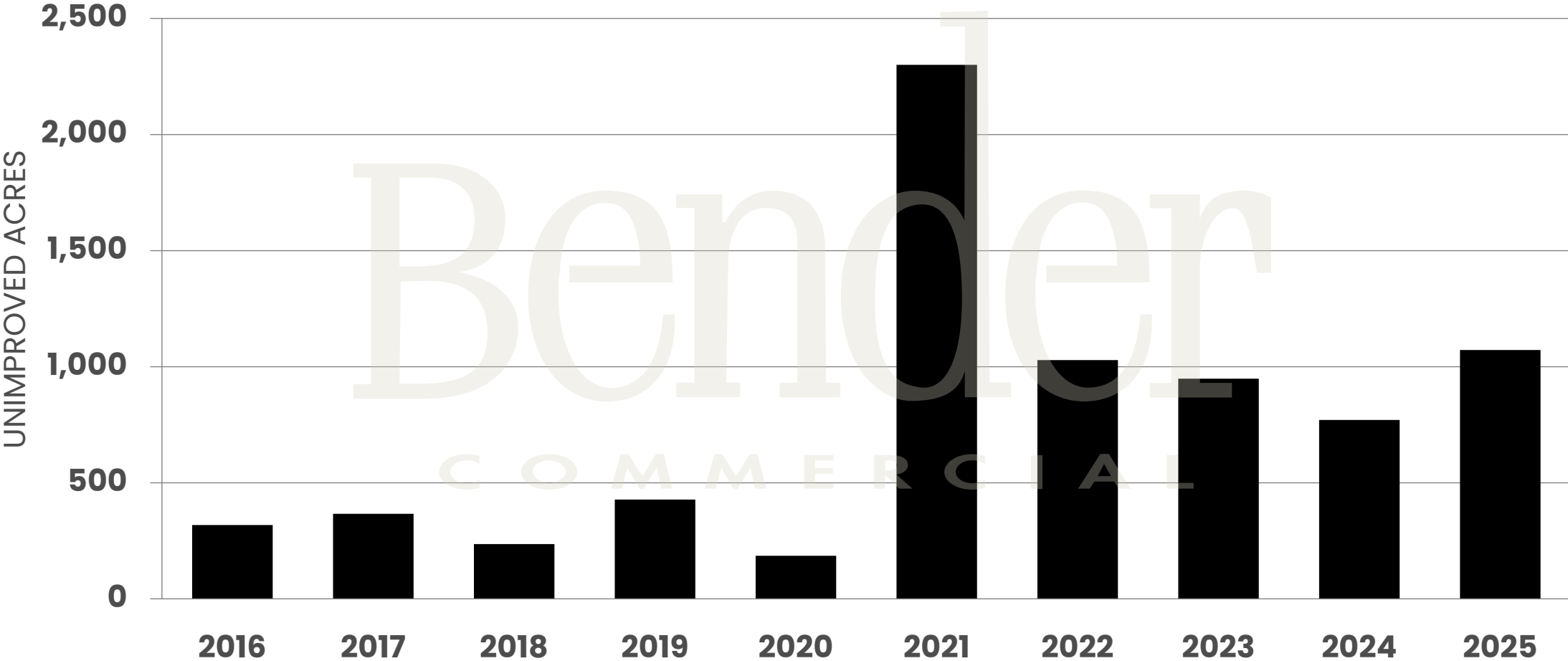
An aerial photograph of a rural landscape. The foreground and middle ground are dominated by vast, flat fields of golden-brown crops, likely corn, under a cloudy sky. A dirt road winds through the fields. In the center, a small farmstead is visible, featuring a white house, a red barn, and several trees. The background shows a flat horizon with more distant fields and a few scattered buildings.

UNIMPROVED LAND

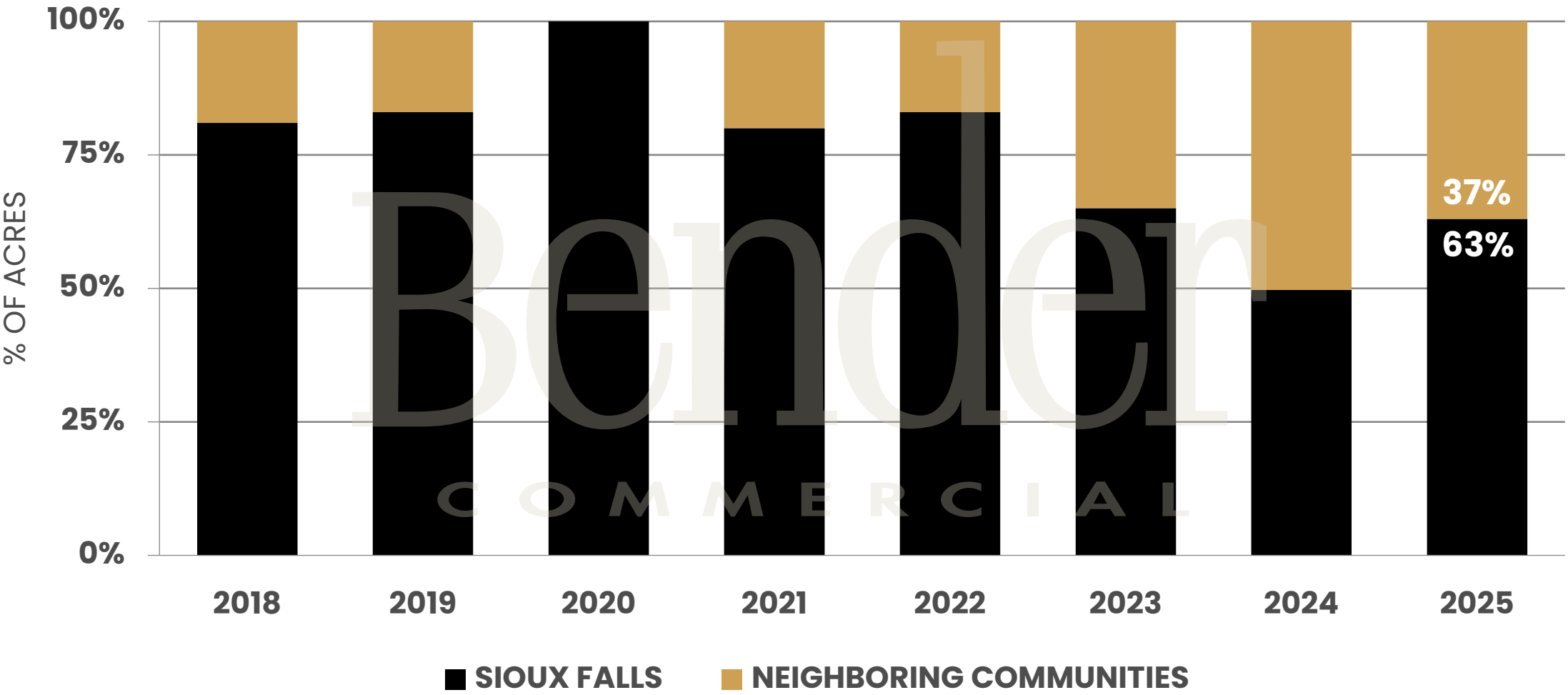
METRO AREA: Sioux Falls, Brandon, Harrisburg, Tea

SIoux FALLS METRO

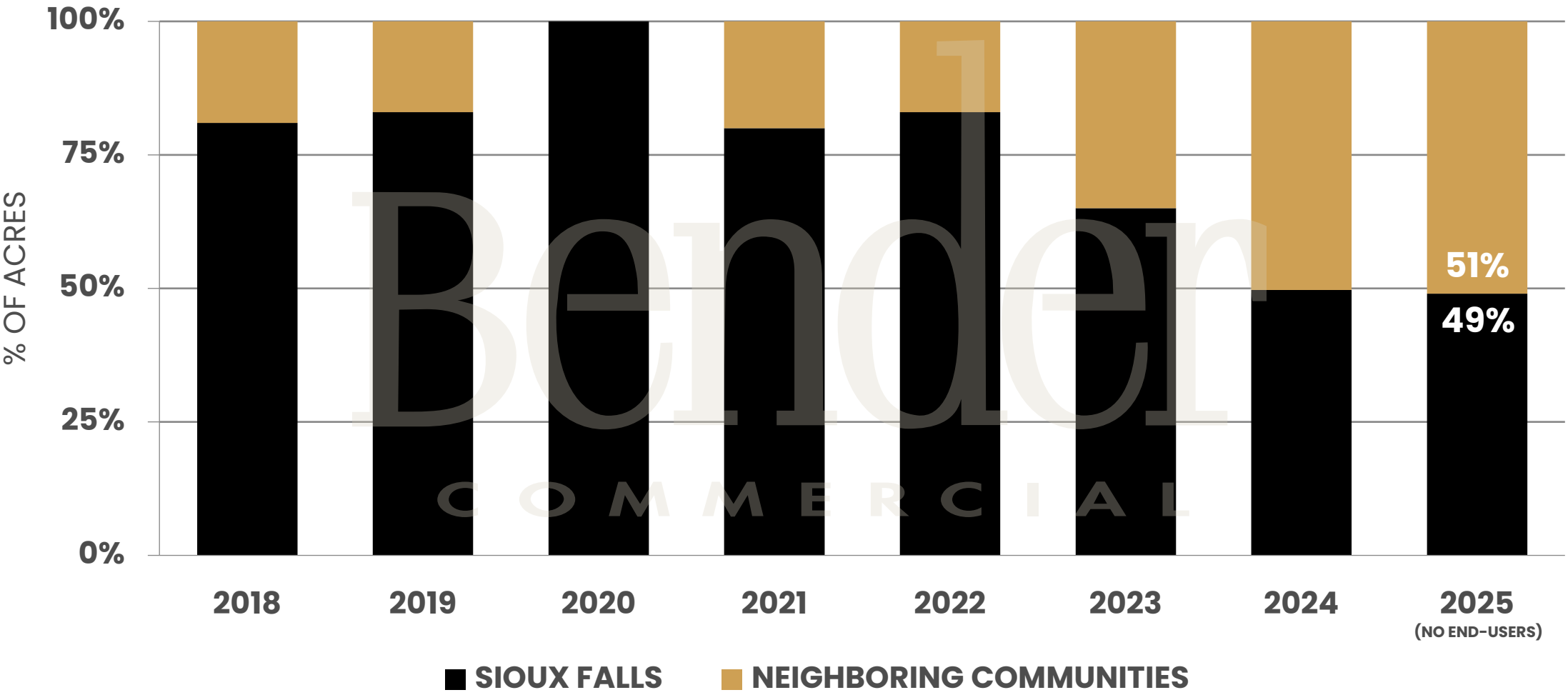
NUMBER OF ACRES SOLD



ACRES SOLD: SIOUX FALLS & SURROUNDING

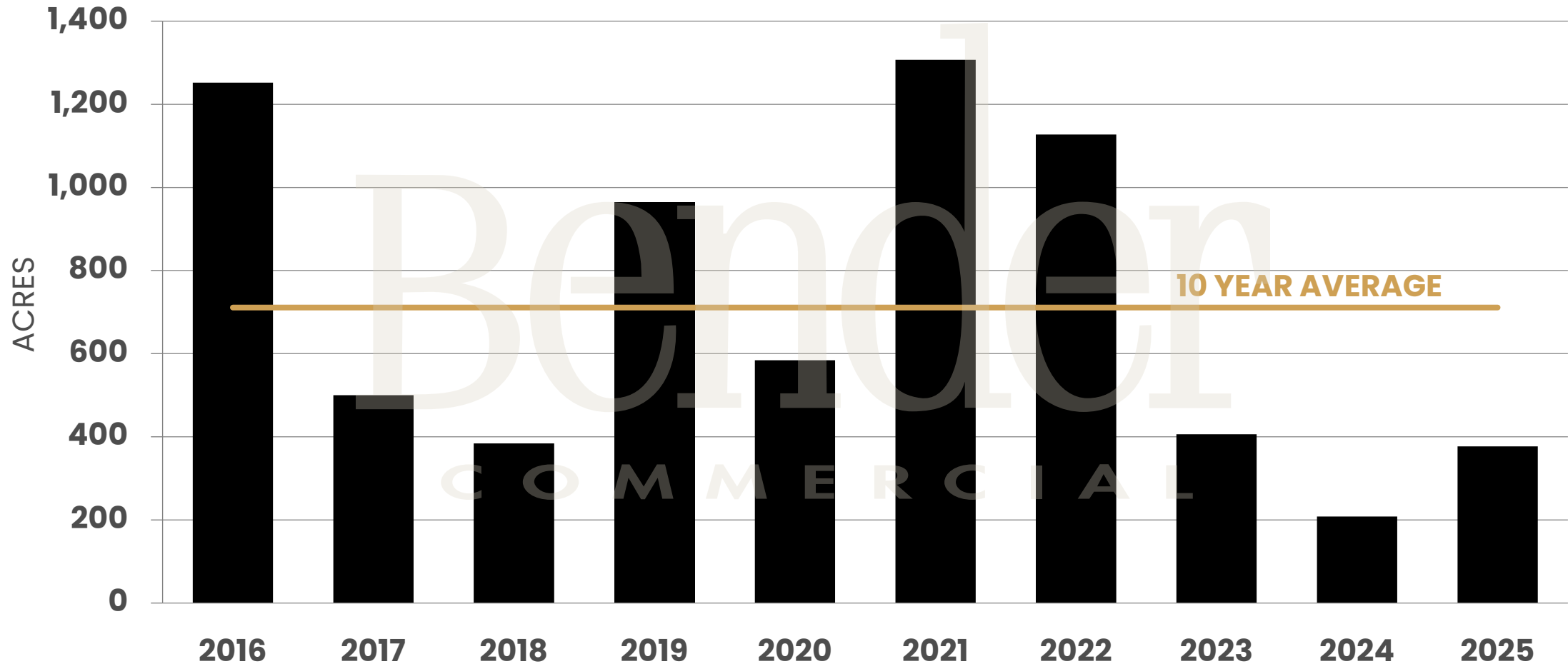


ACRES SOLD: SIOUX FALLS & SURROUNDING



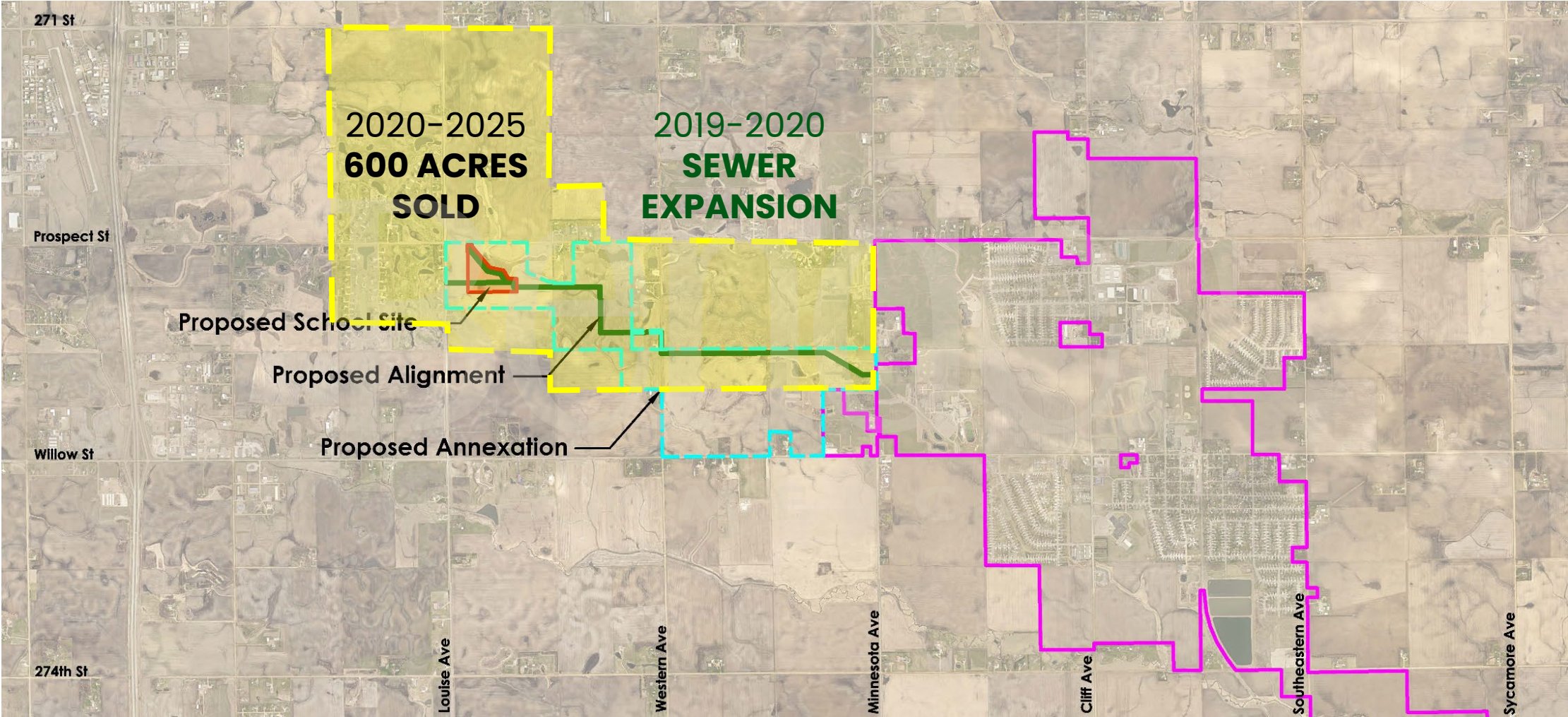
SIoux FALLS

PRELIMINARY PLAN ACREAGE



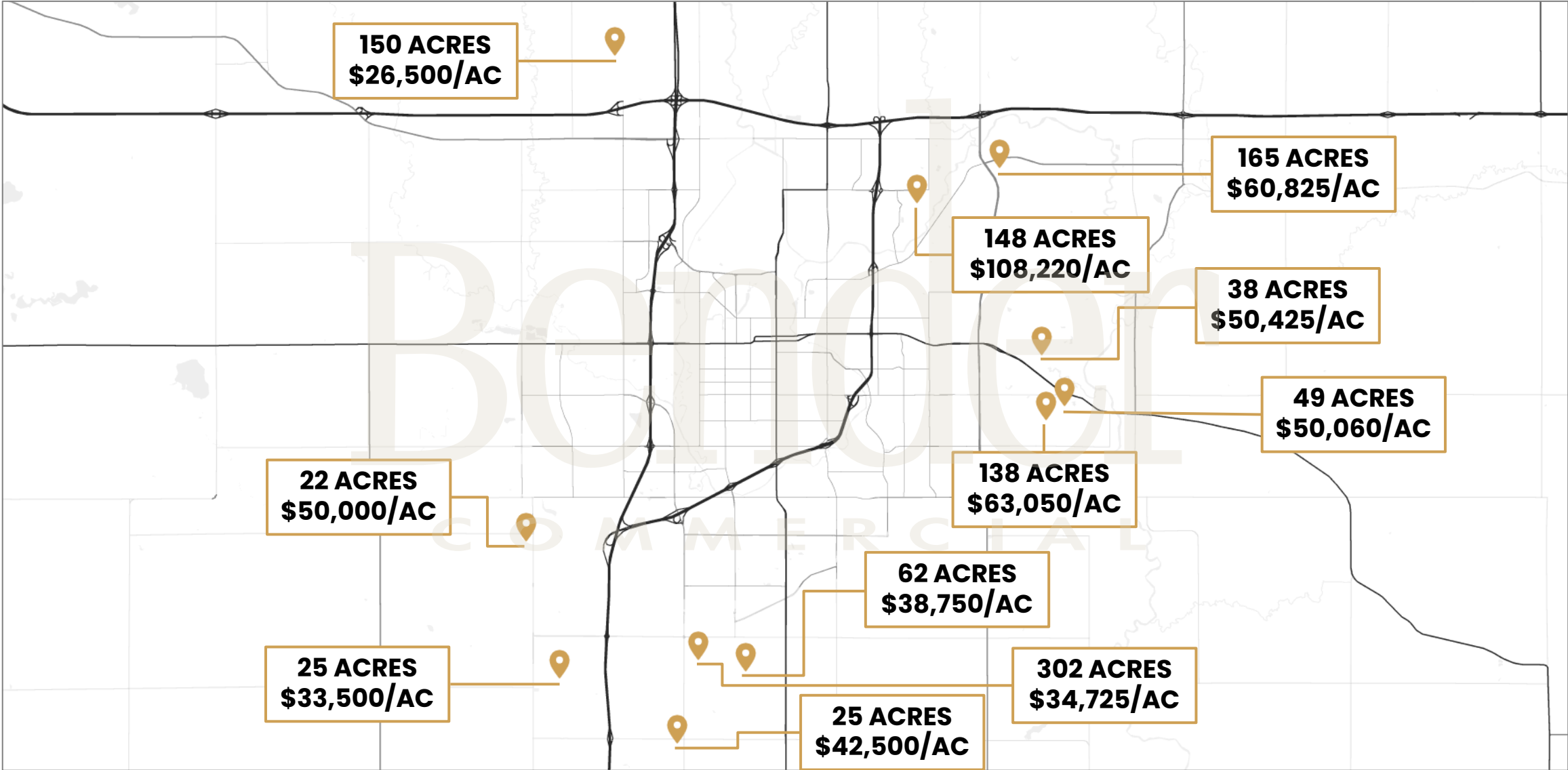
Source: Sioux Falls Planning

INFRASTRUCTURE & DEVELOPMENT



Source: City of Harrisburg

2025 UNIMPROVED LAND TRANSACTIONS





AI DATA CENTER LAND

AI DATA CENTERS: LOCAL & REGIONAL

- Gemini site
- Applied Digital site
- SD sales tax incentives
- More AI data center sites coming soon

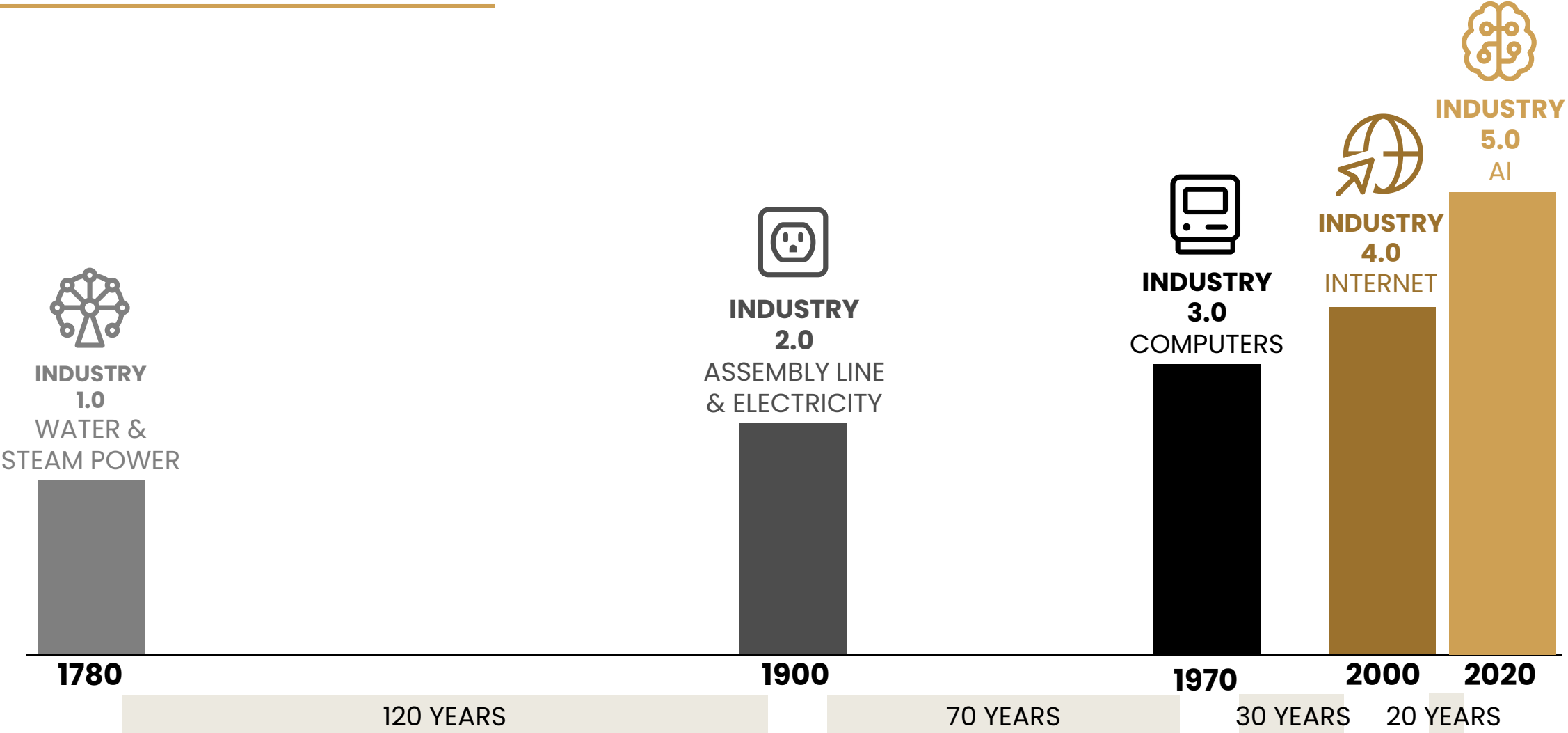




ALL ABOUT POWER

- Minimum power requirements keep increasing for hyperscalers
- Power generation companies coming alongside data center groups to ease pressure

INDUSTRY 5.0



Source: ResearchGate

INDUSTRY 5.0



- [Arts and Humanities](#)
[Architecture](#), [Photography](#), [Literature](#)...
- [Business and Economy \[Xtra!\]](#)
[Companies](#), [Investing](#), [Employment](#)...
- [Computers and Internet \[Xtra!\]](#)
[Internet](#), [WWW](#), [Software](#), [Multimedia](#)...
- [Education](#)
[Universities](#), [K-12](#), [College Entrance](#)...
- [Entertainment \[Xtra!\]](#)
[Cool Links](#), [Movies](#), [Music](#), [Humor](#)...
- [News and Media \[Xtra!\]](#)
[Current Events](#), [Magazines](#), [TV](#), [Newspaper](#)...
- [Recreation and Sports \[Xtra!\]](#)
[Sports](#), [Games](#), [Travel](#), [Autos](#), [Outdoors](#)...
- [Reference](#)
[Libraries](#), [Dictionaries](#), [Phone Numbers](#)...
- [Regional](#)
[Countries](#), [Regions](#), [U.S. States](#)...
- [Science](#)
[CS](#), [Biology](#), [Astronomy](#), [Engineering](#)...



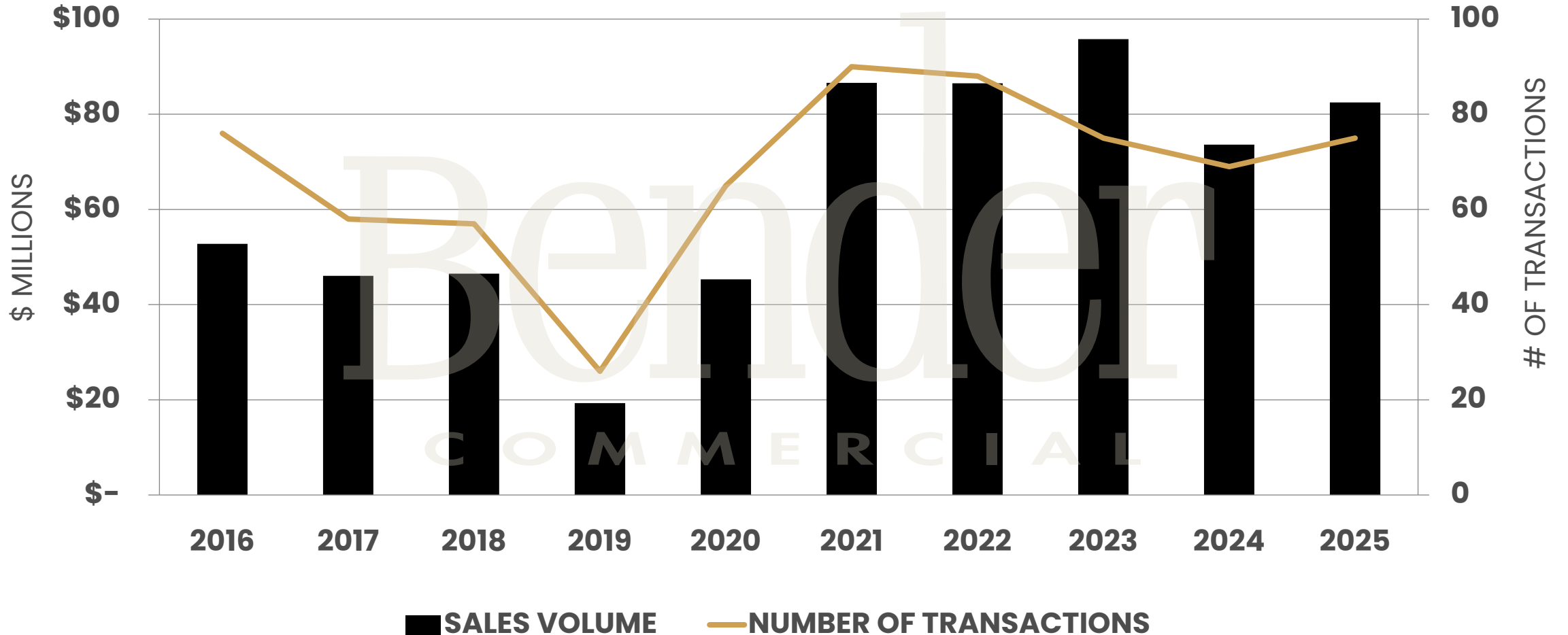
IMPROVED LAND

METRO AREA: Sioux Falls, Brandon, Harrisburg, Tea



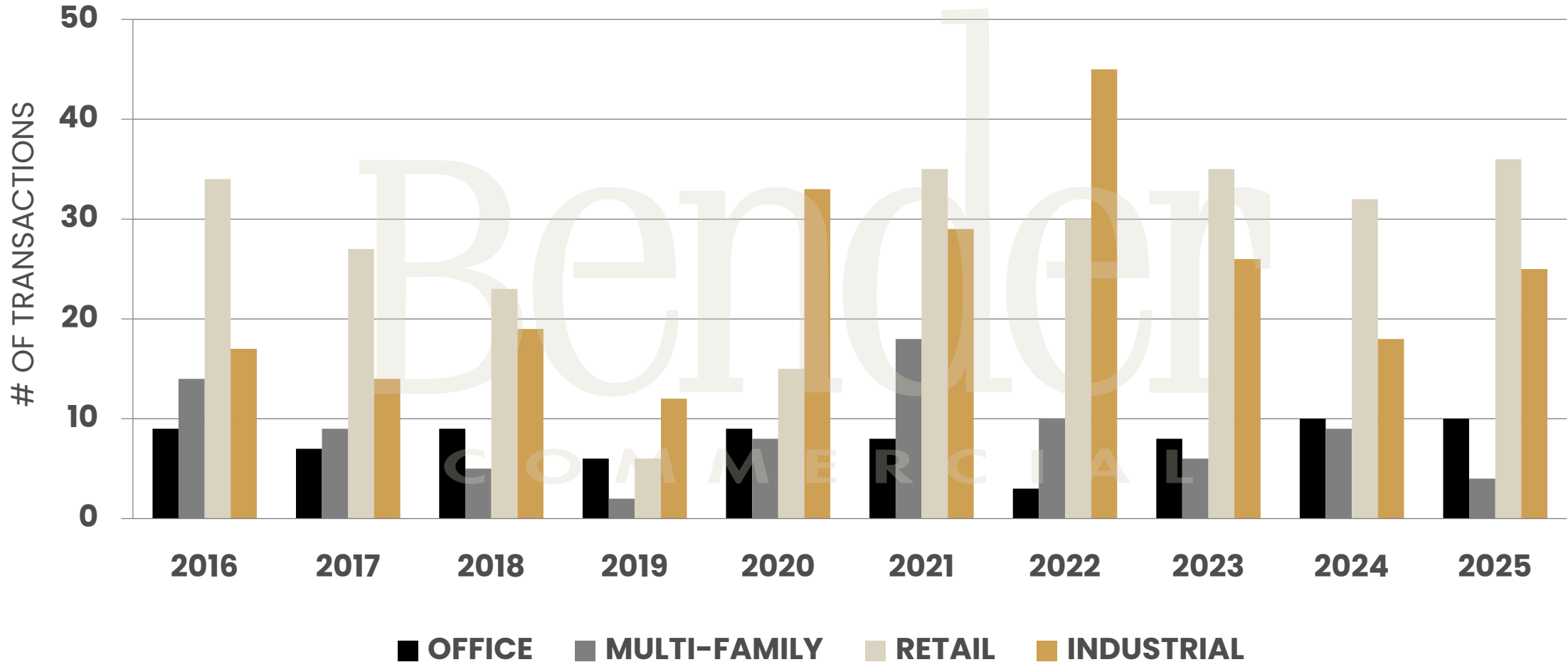
SIoux FALLS METRO

IMPROVED LAND SALES



SIoux FALLS METRO

TRANSACTIONS BY LAND USE



LAND PRICING BY SECTOR

	2023 AVERAGE	2024 AVERAGE	2025 AVERAGE
Retail	\$11.25	\$13.15	\$15.64
Office	\$8.73	\$9.57	\$9.70
Multi-Family	\$5.53	\$6.39	\$5.13
Industrial	\$4.51	\$4.67	\$4.62

2026 PREDICTIONS

**State Incentivizes
Data Centers**

Data Center Land : 3+ sites

Bulk Land: 800 acres

Office ↔

Retail ↔

Industrial ↔

Multi-Family ↔

RETAIL MARKET

Bobbie Tibbetts



THE GOLDILOCKS MARKET

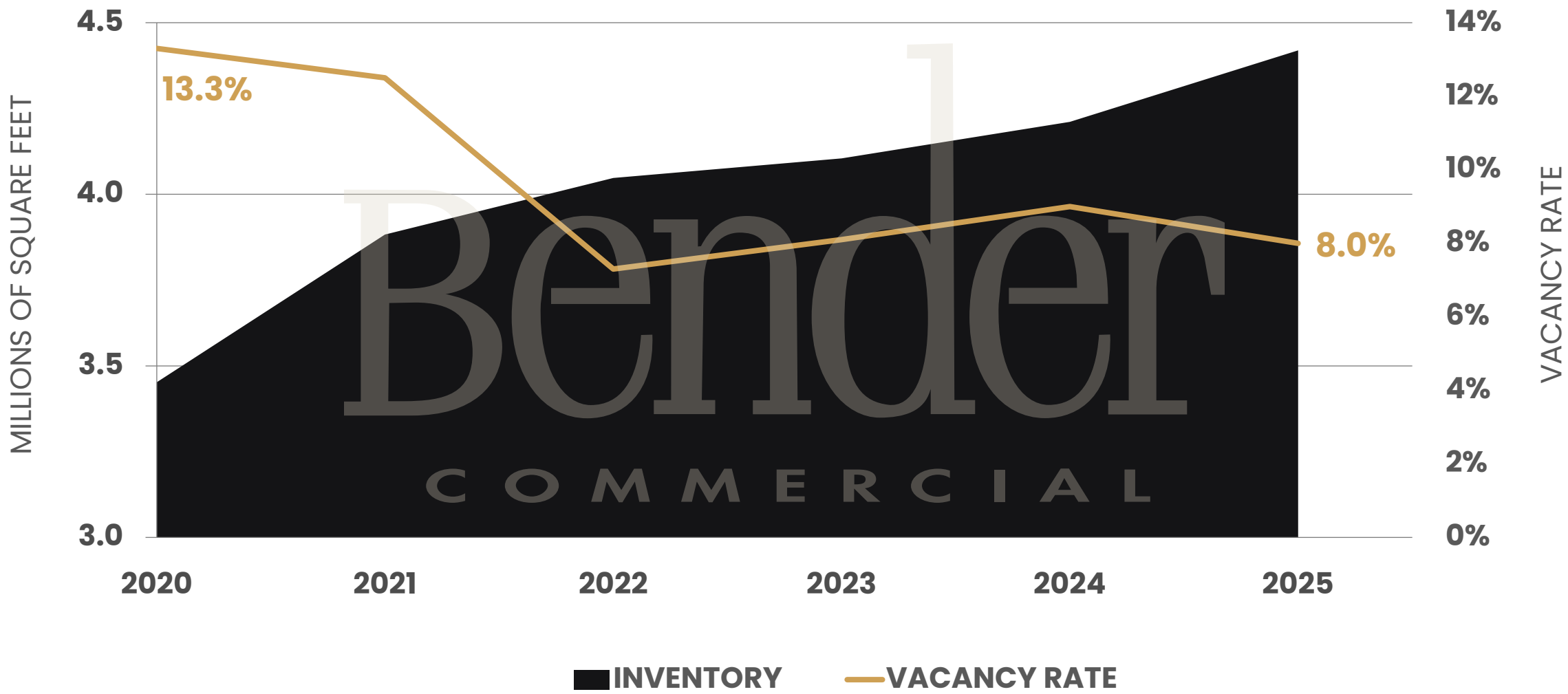
Not too tight >
tenants have options

Not too loose >
landlords are stable

Avoided vacancy spike

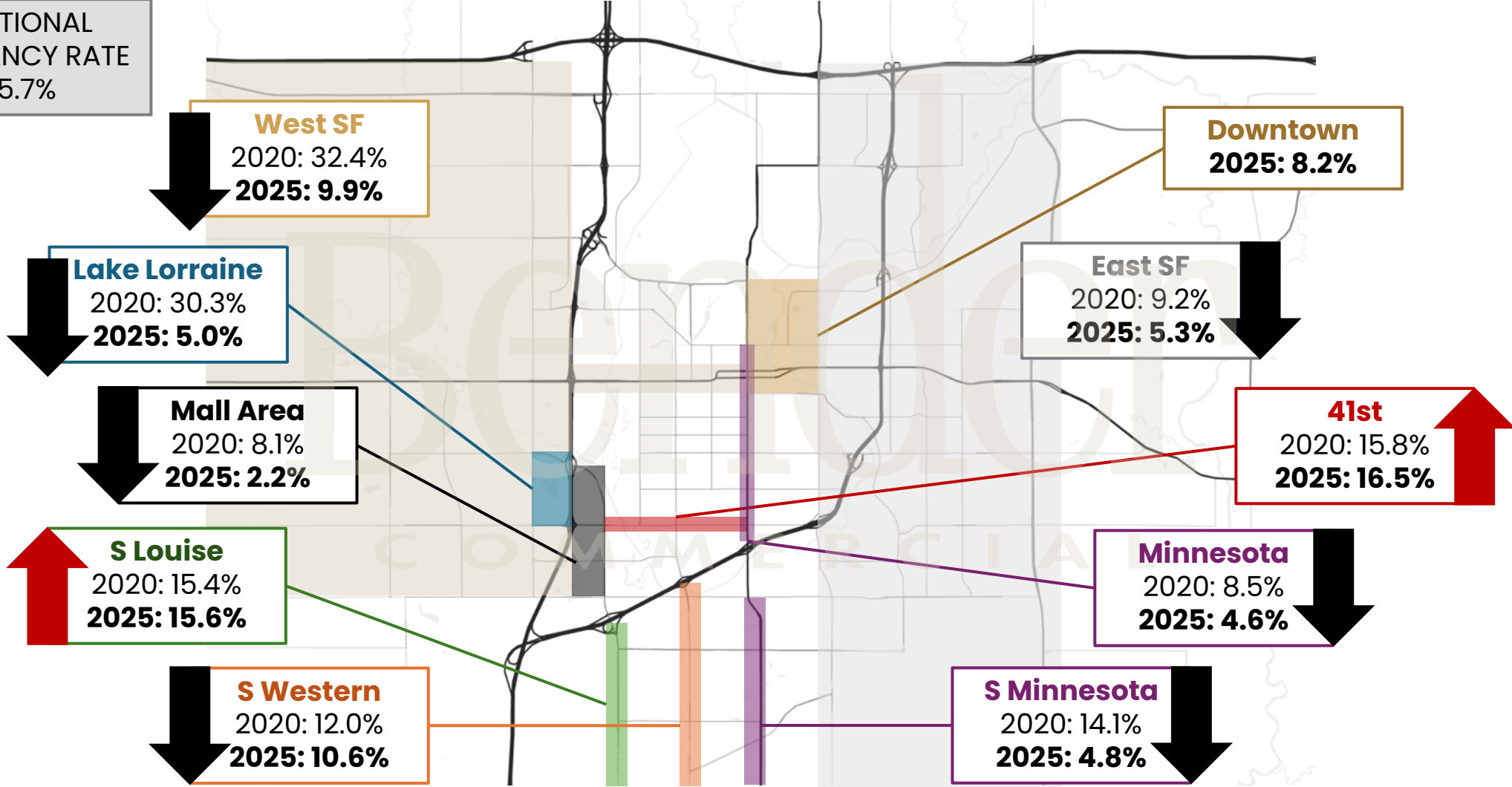
Risk = pressure buildup

RETAIL INVENTORY & VACANCY RATE



SIoux FALLS RETAIL VACANCY RATE

NATIONAL
VACANCY RATE
5.7%



National Vacancy Rate Source: Cushman & Wakefield

CHURN ≠ WEAKNESS

CLOSURES, GROWTH, AND SALES



Bender



PRIMP

BOUTIQUE

CHURN ≠ WEAKNESS

CLOSURES, GROWTH, AND SALES



lululemon

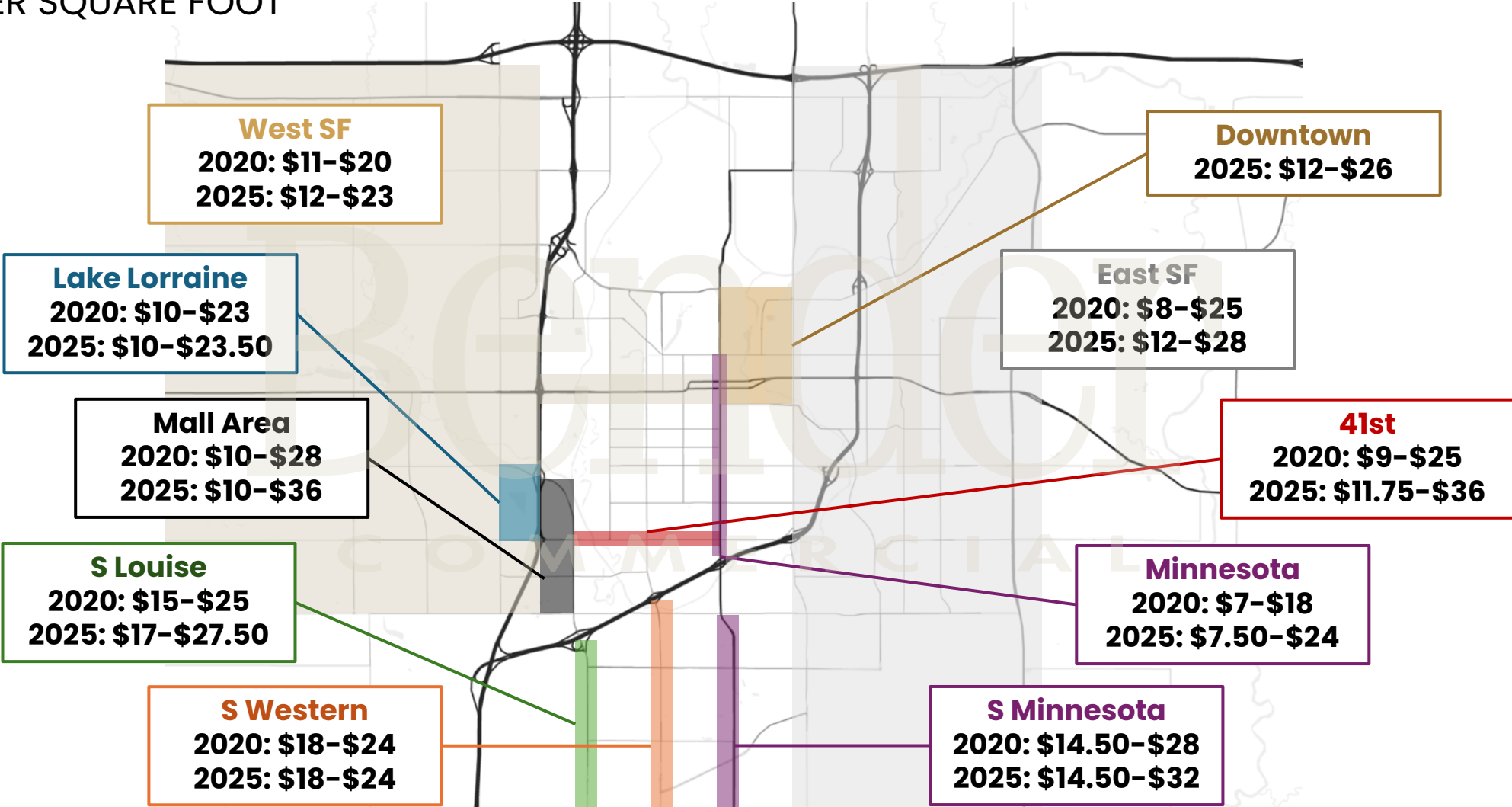


carhartt.

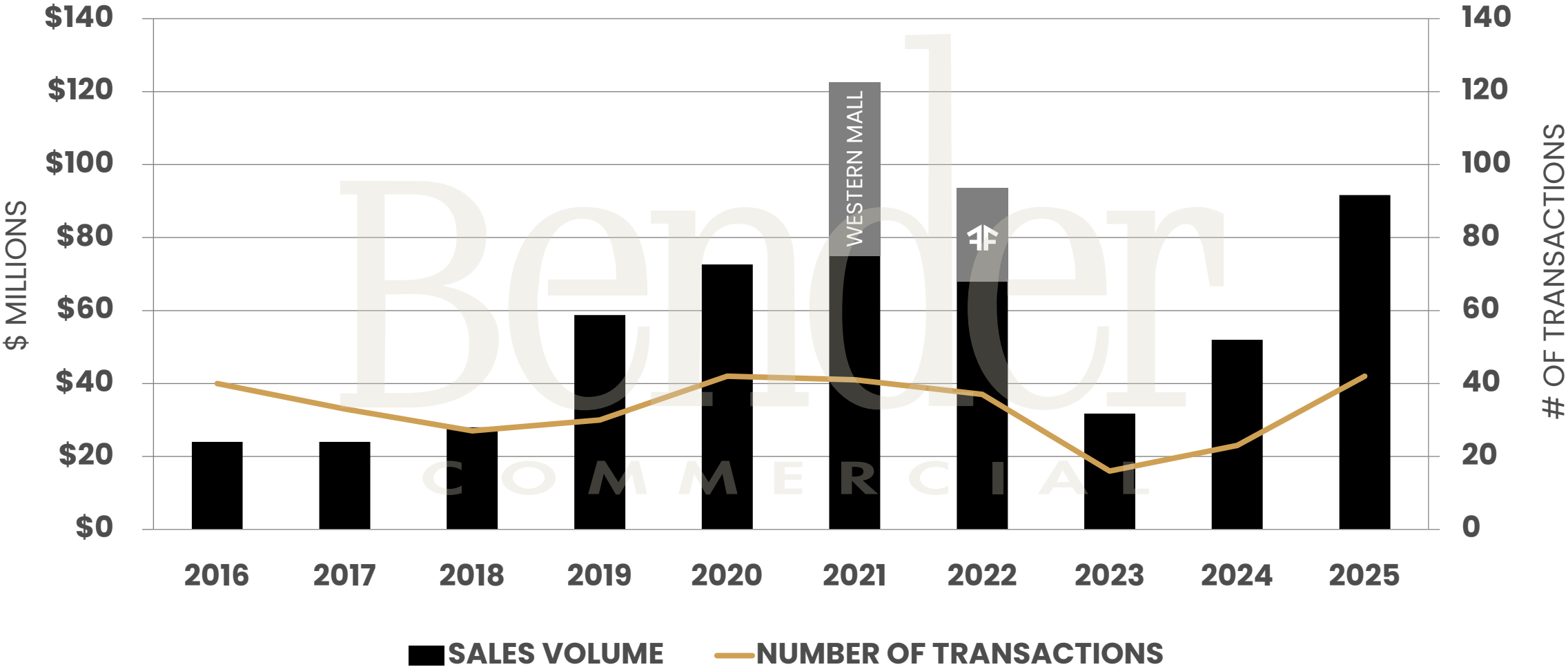
Bender
COMMERCIAL

SIoux FALLS RETAIL RENTAL RATES

PRICE PER SQUARE FOOT

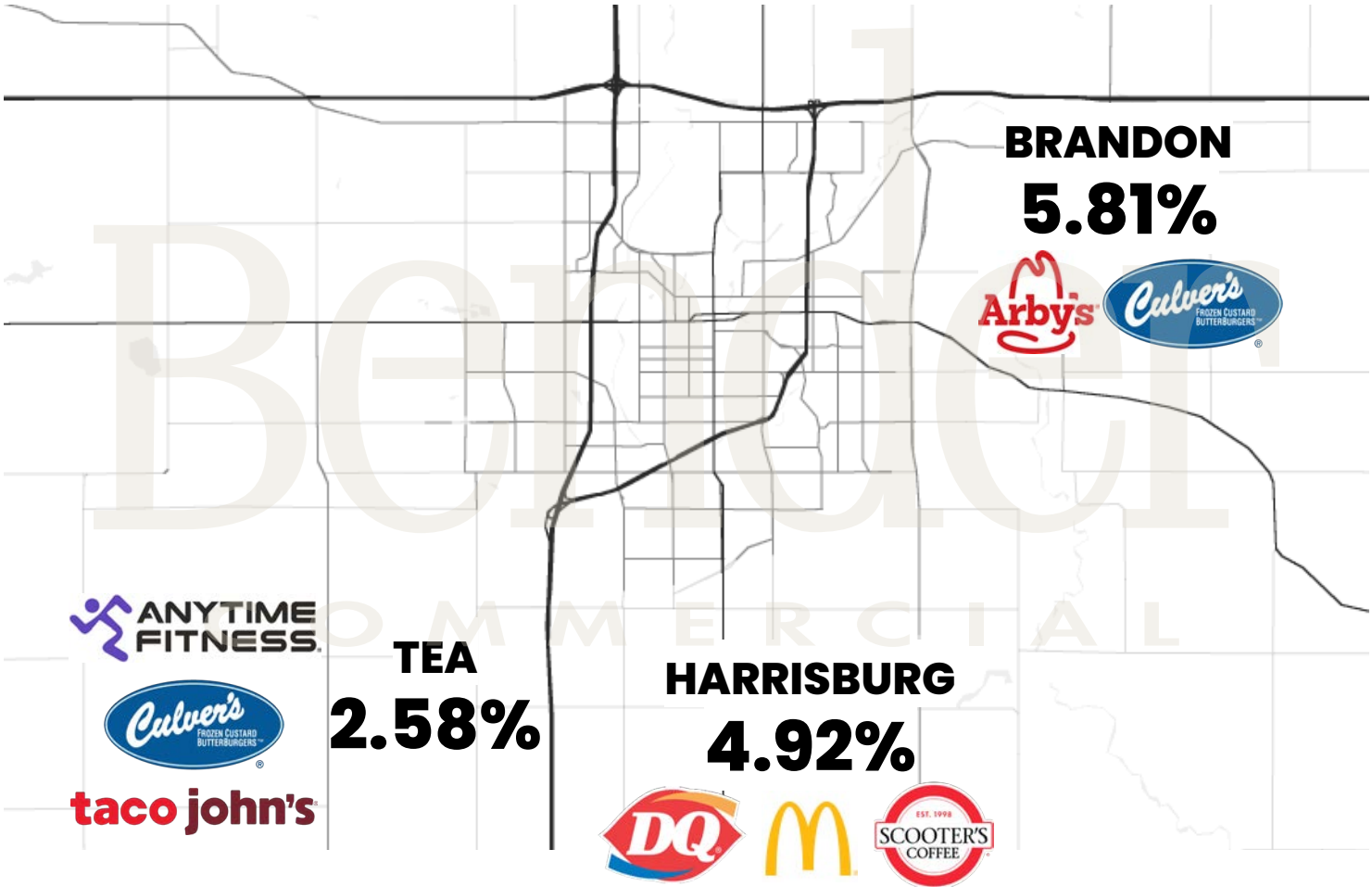


SIoux FALLS RETAIL PROPERTY SALES



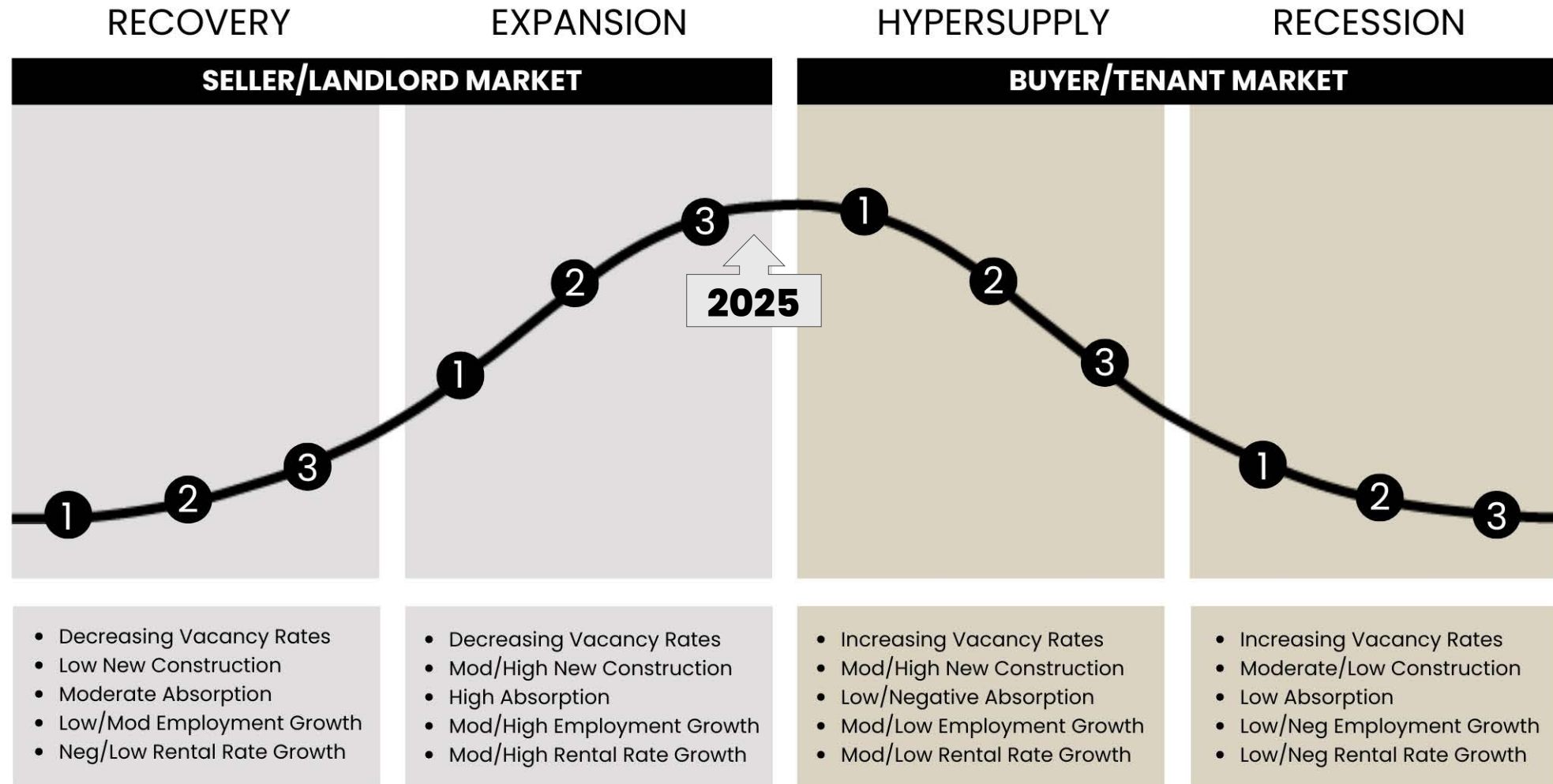
THE METRO EFFECT

SALES TAX REVENUE INCREASES IN 2025



Source: Cities of Brandon, Harrisburg, and Tea

REAL ESTATE CYCLE: RETAIL



2026 PREDICTIONS

Retail Sales ↑

Vacancy Rate ↓

New Construction ↑

**3 New National QSR
Announcements**

**Areas to Watch:
85th Interchange & Tea Commerce**

OFFICE MARKET

Andi Anderson, SIOR
Isaac Jorgensen

A hand holding a magnifying glass over a modern glass office building. The magnifying glass is positioned over a section of the building's facade, which features a grid of windows. The background is a blurred cityscape with other buildings.

OFFICE SPACE: CONFUSION TO CONFIDENCE

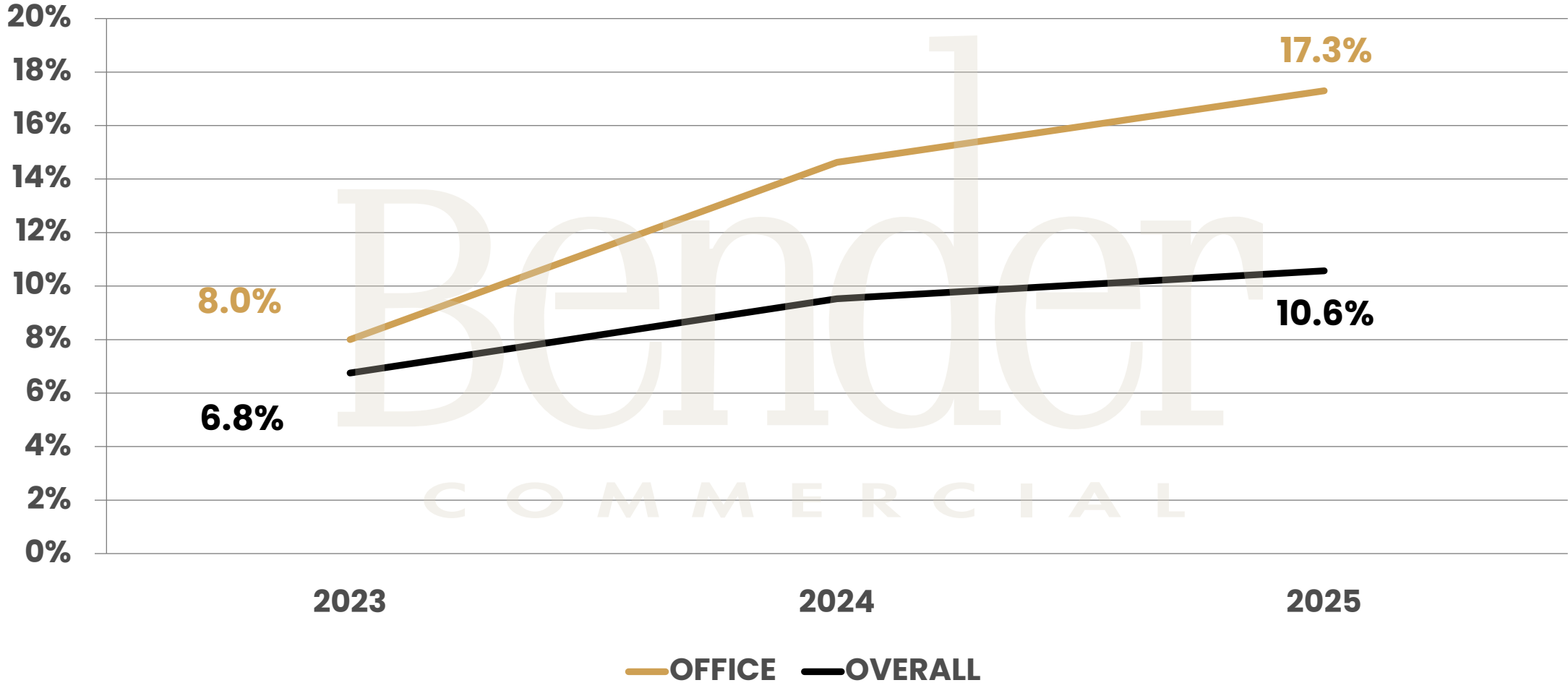
- National market in flux
- National vacancy rates starting to come down
- Large blocks of space
- Reactive -> strategic

TENANTS' DILEMMA

- Challenges remain
- Refocus needs & goals
- Evaluate:
 - Space
 - Employee needs
 - Operating costs



NATIONAL CMBS SPECIAL SERVICING RATES

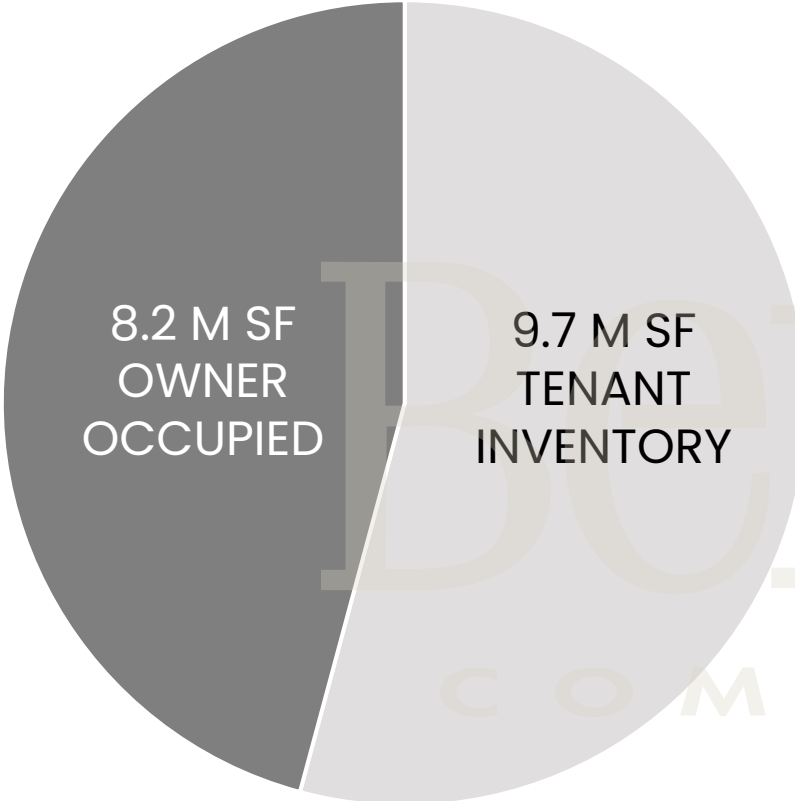


Source: Trepp

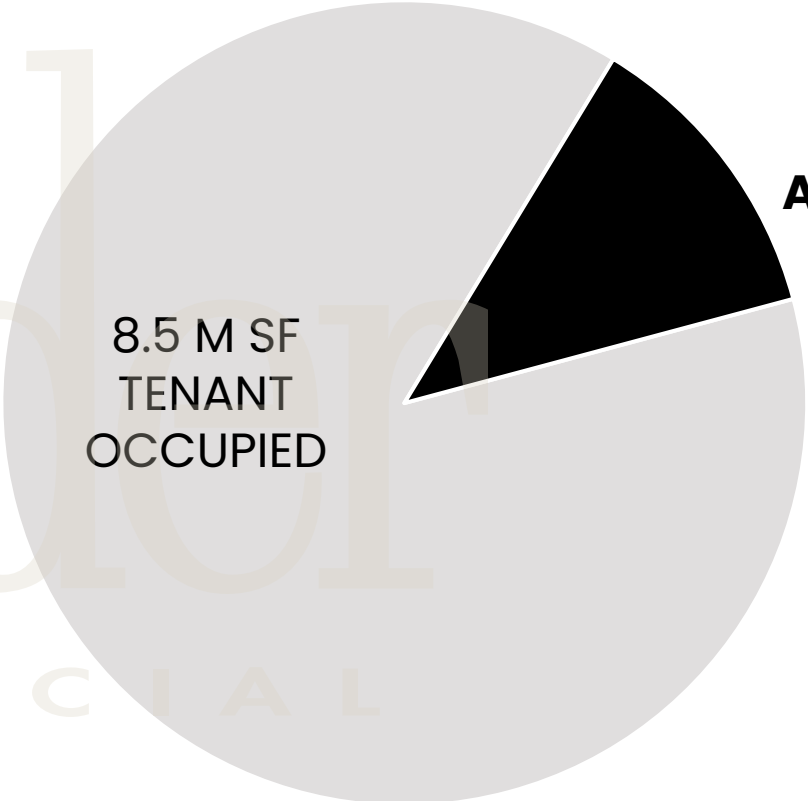


LOCAL MARKET

OVERALL OFFICE INVENTORY

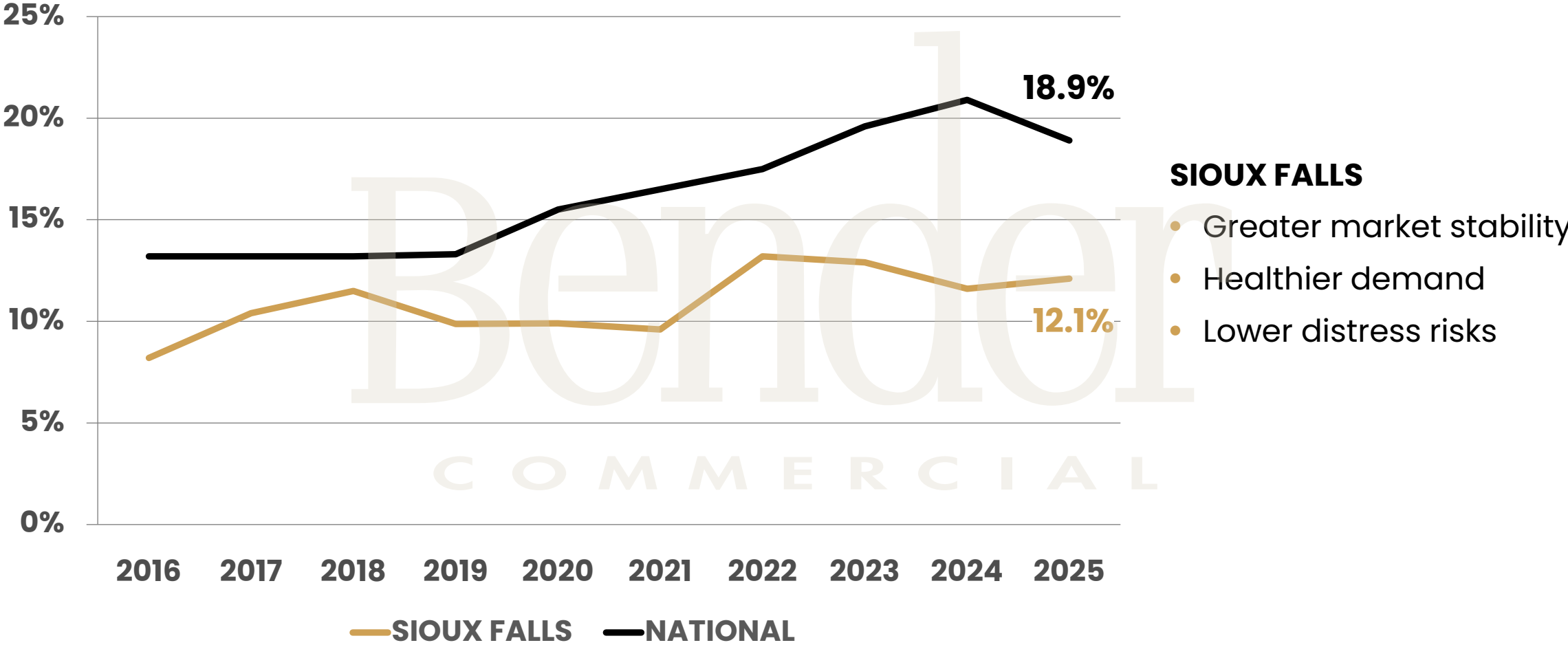


**17.99 M SF
TOTAL OFFICE SPACE**



**12.1%
VACANCY RATE**

OFFICE VACANCY RATE



Source: Moody's



DOWNTOWN

INVENTORY & VACANCY

- 2.67 M Total SF
- 4.1% Vacancy Rate
- 110,082 SF Available for Lease

Class A \$24.00-\$34.00/SF NNN

Class B \$14.50-\$19.00/SF NNN

Class C \$10.00-\$14.50/SF NNN



SUBURBAN

INVENTORY & VACANCY

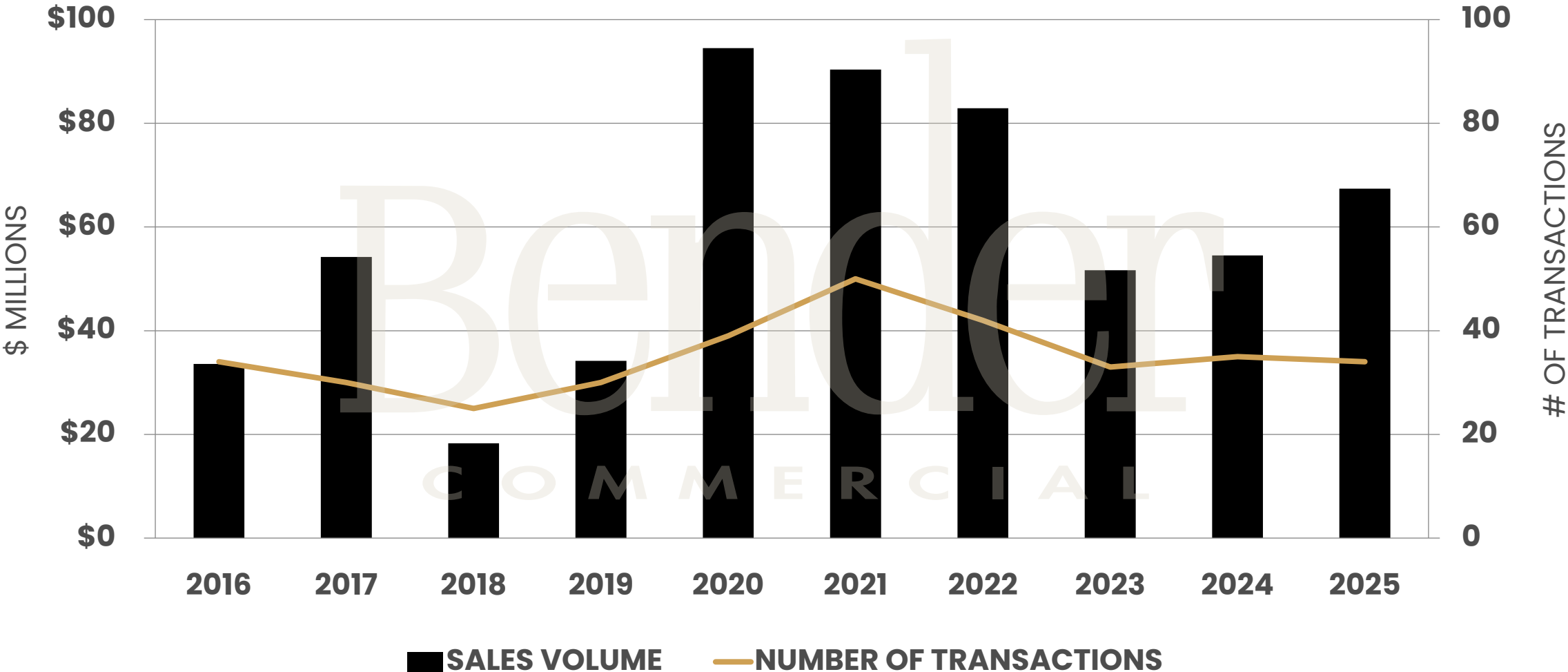
- 7.08 M Total SF
- 15.2% Vacancy Rate
- 1,073,573 SF Available for Lease

Class A \$18.00-\$26.00/SF NNN

Class B \$12.50-\$18.00/SF NNN

Class C \$8.00-\$12.50/SF NNN

SIoux FALLS OFFICE SALES



OFFICE SALES



4409 S TECHNOLOGY DRIVE

Sioux Falls

Collision

12,164 SF · \$105.85/SF
\$1,287,500



116 W 69TH STREET

Sioux Falls

Urology Specialists

17,204 SF · \$261.57/SF
\$4,500,000

OFFICE SALES



3500 S SHELDON LANE

Sioux Falls

Falls Dental

6,000 SF · \$200.83/SF
\$1,205,000



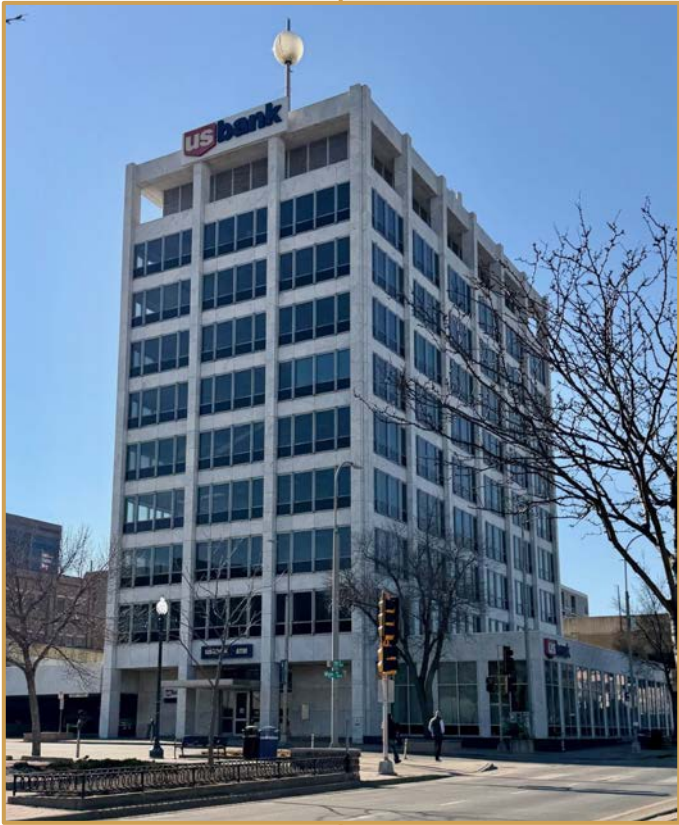
2500 E 52ND STREET NORTH

Sioux Falls

GameDay Social

44,704 SF · \$97.31/SF
\$4,350,000

OFFICE SALES



141 N MAIN STREET
Sioux Falls

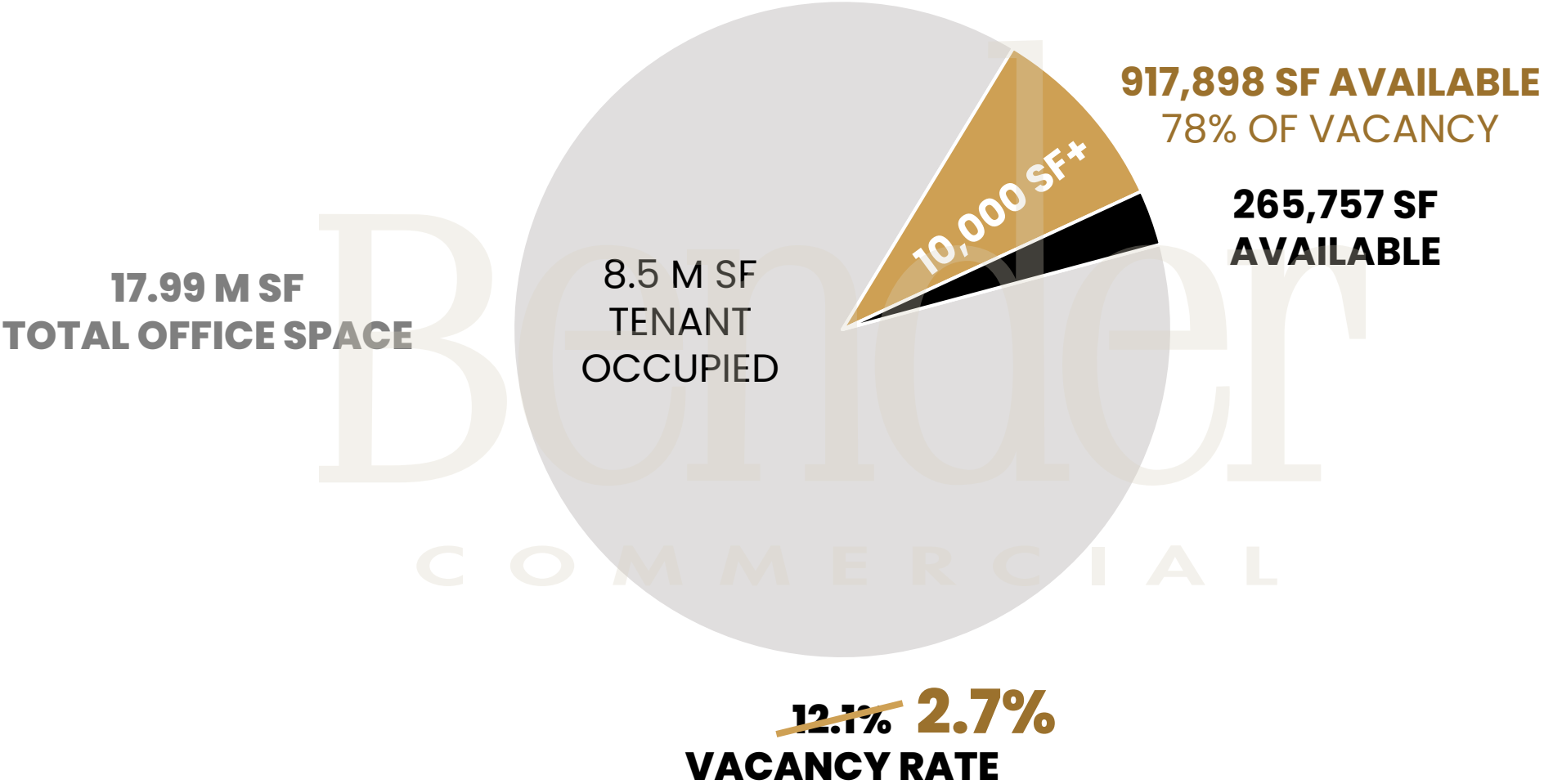
AC Hotels
by Marriott

104,576 SF
\$49.39/SF

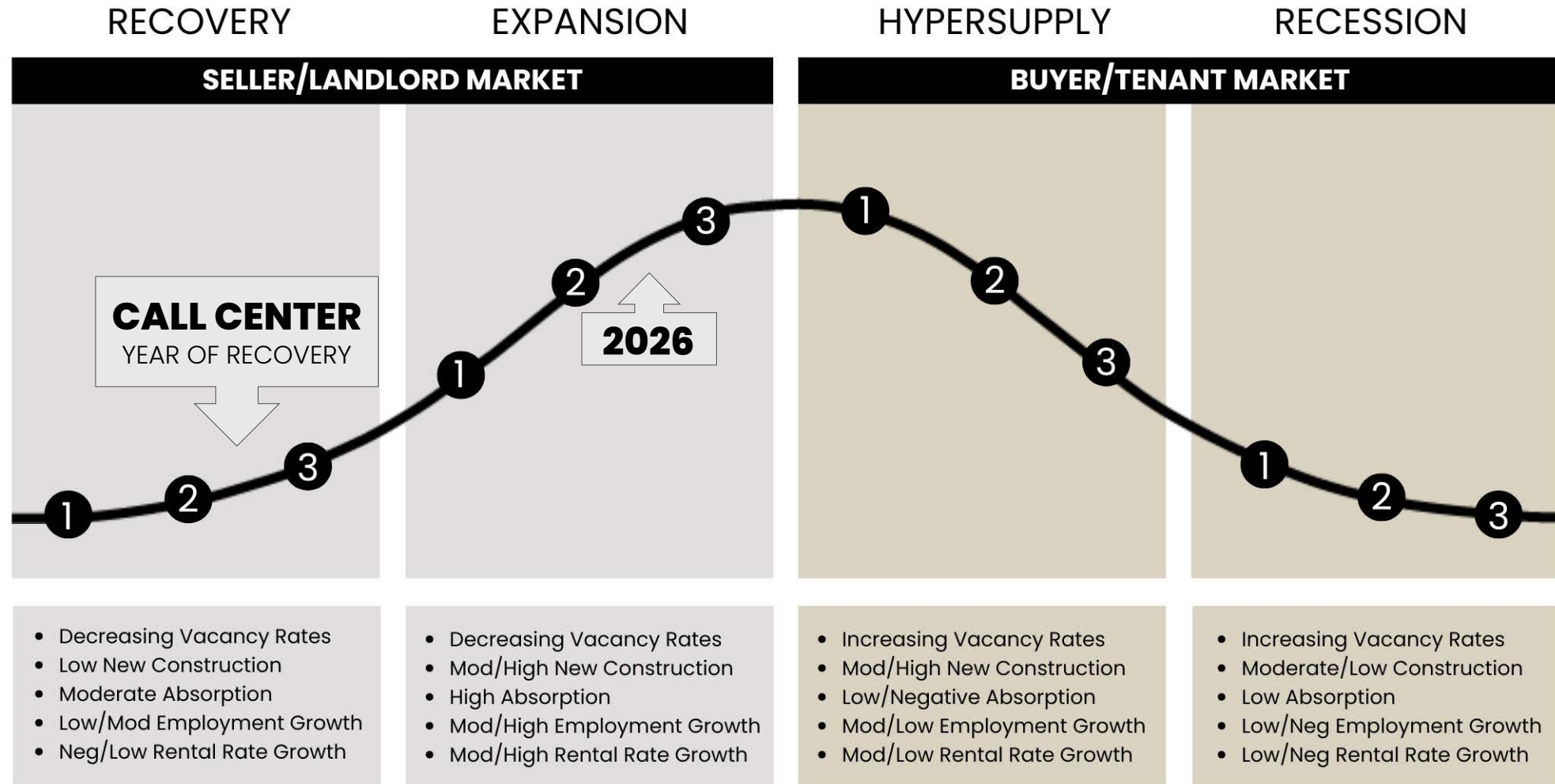
\$5,165,000



OVERALL OFFICE INVENTORY



REAL ESTATE CYCLE: OFFICE



2026 PREDICTIONS

Vacancy Rate ↓

NNN ↑

More than 40 Office Sale Transactions

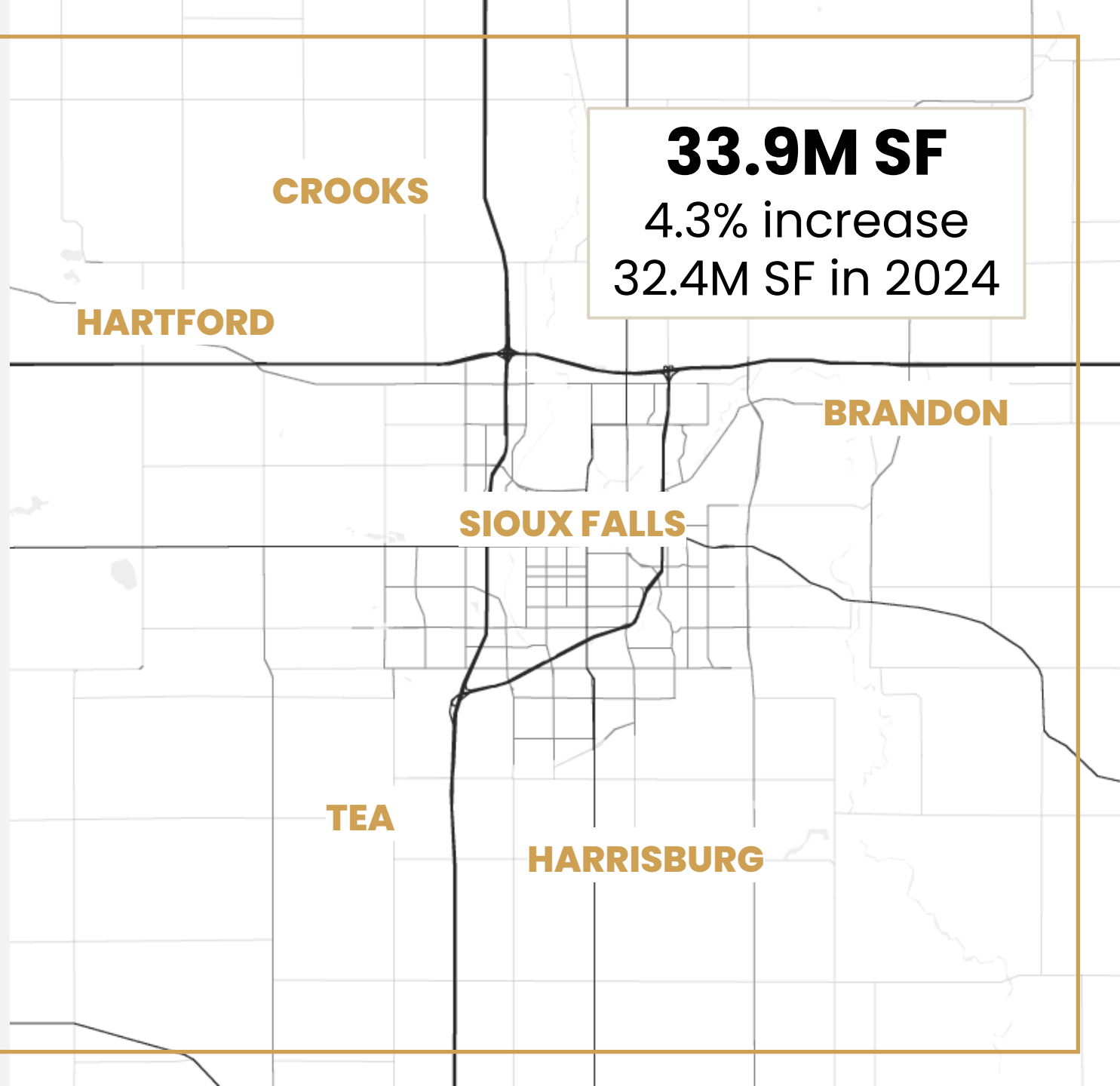
INDUSTRIAL MARKET

Rob Fagnan, SIOR

NATIONAL & REGIONAL INDUSTRIAL TRENDS

	NATIONAL	MIDWEST	SIoux FALLS
Vacancy	6.7% 10+ YEAR HIGH	5.4% 8% INCREASE FROM 2024	4.8% 34% INCREASE FROM 2024
Net Absorption	149.2 MSF LOWEST SINCE 2010	47.3 MSF 73% INCREASE FROM 2024	680K SF 19% DECREASE FROM 2024
New Construction	281.9 MSF LOWEST SINCE 2017	37.0 MSF 28% DECREASE FROM 2024	1.13 MSF 6.6% INCREASE FROM 2024
Net Asking Rents	\$10.85/SF 1.1% DECREASE YOY	\$7.25/SF STABLE FROM 2024	\$8.00/SF 5.1% DECREASE FROM 2024

INDUSTRIAL UNIVERSE



NEW CONSTRUCTION

OWNER/TENANT OCCUPIED



CJ FOODS
Sioux Falls

700,000 SF



AMAZON
Sioux Falls

125,000 SF



SILENCER CENTRAL
Sioux Falls

55,000 SF

NEW CONSTRUCTION

SPECULATIVE CONSTRUCTION



VELOCITY BUILDINGS

Sioux Falls

40,000 SF

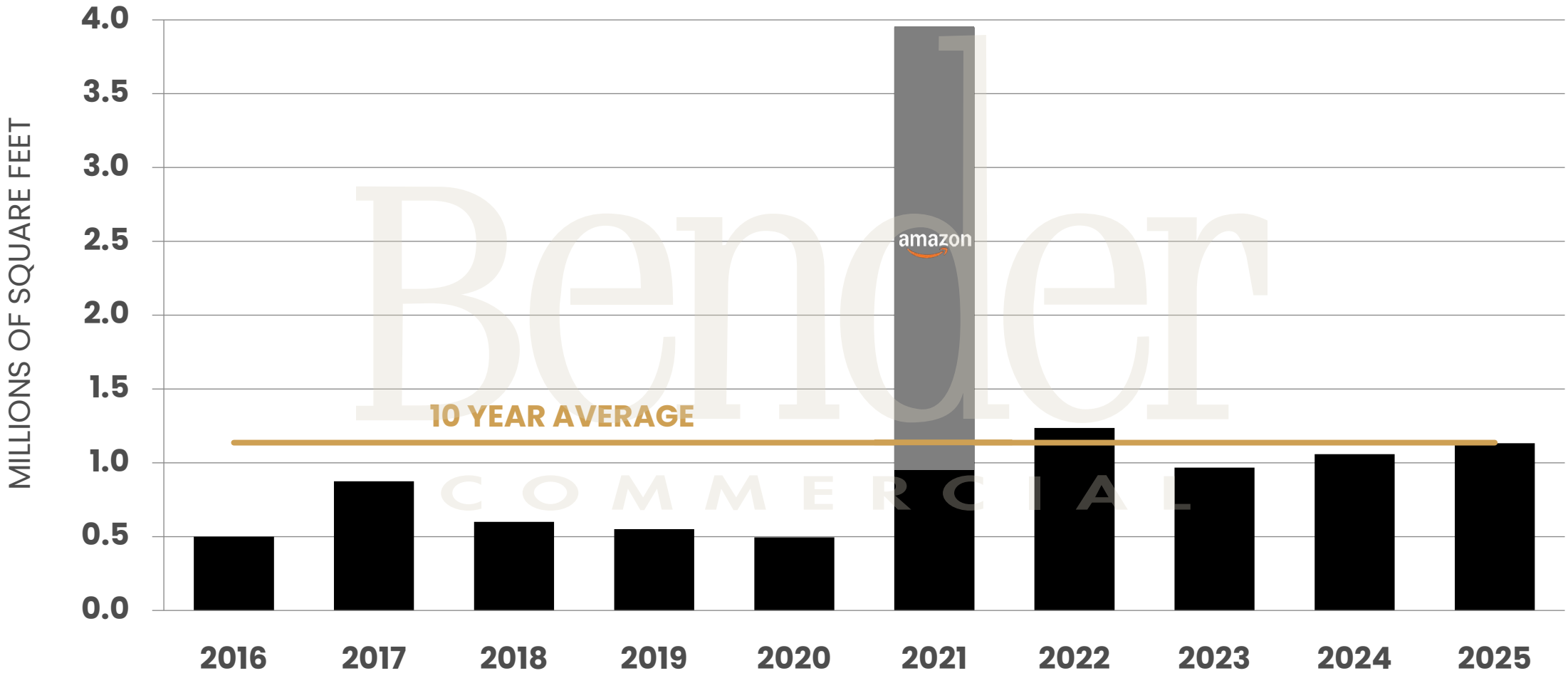


PLUM BUILDING

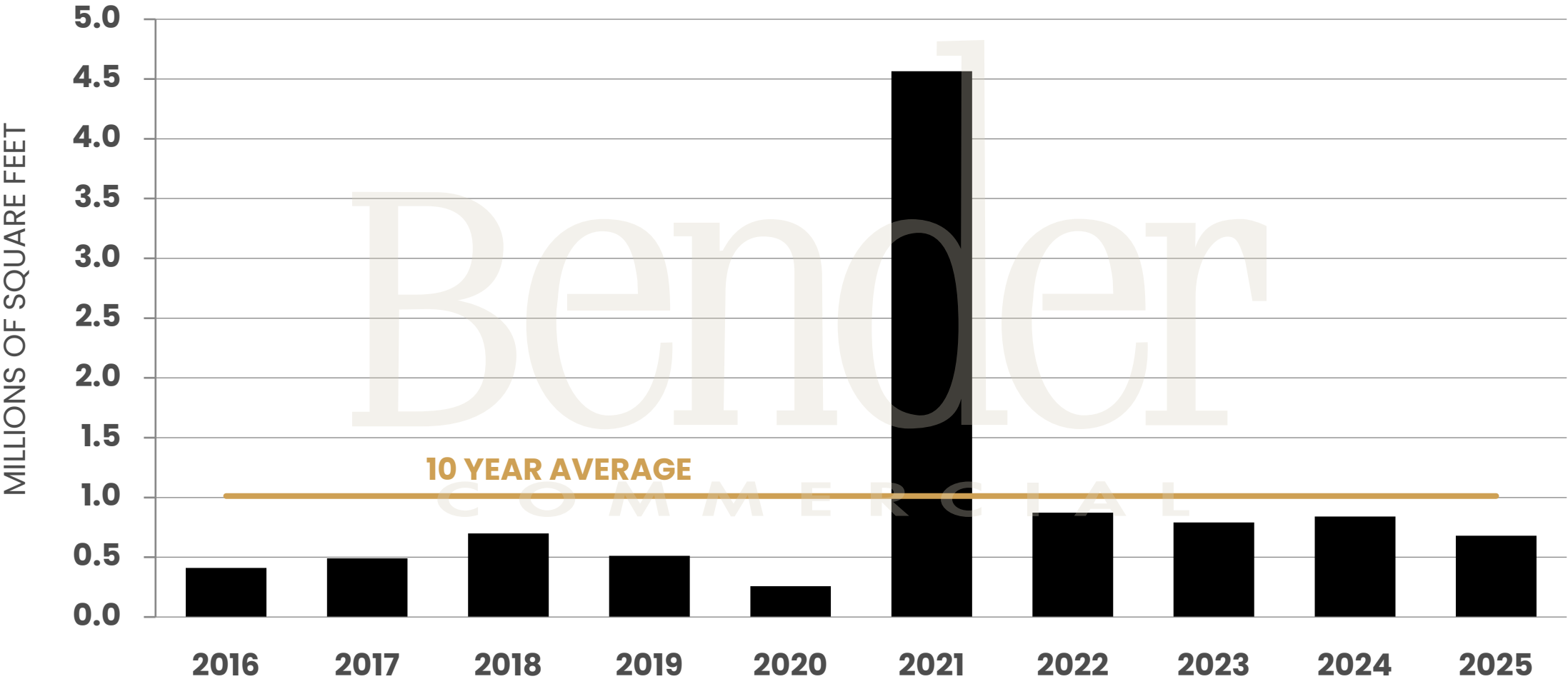
Brandon/Corson

33,800 SF

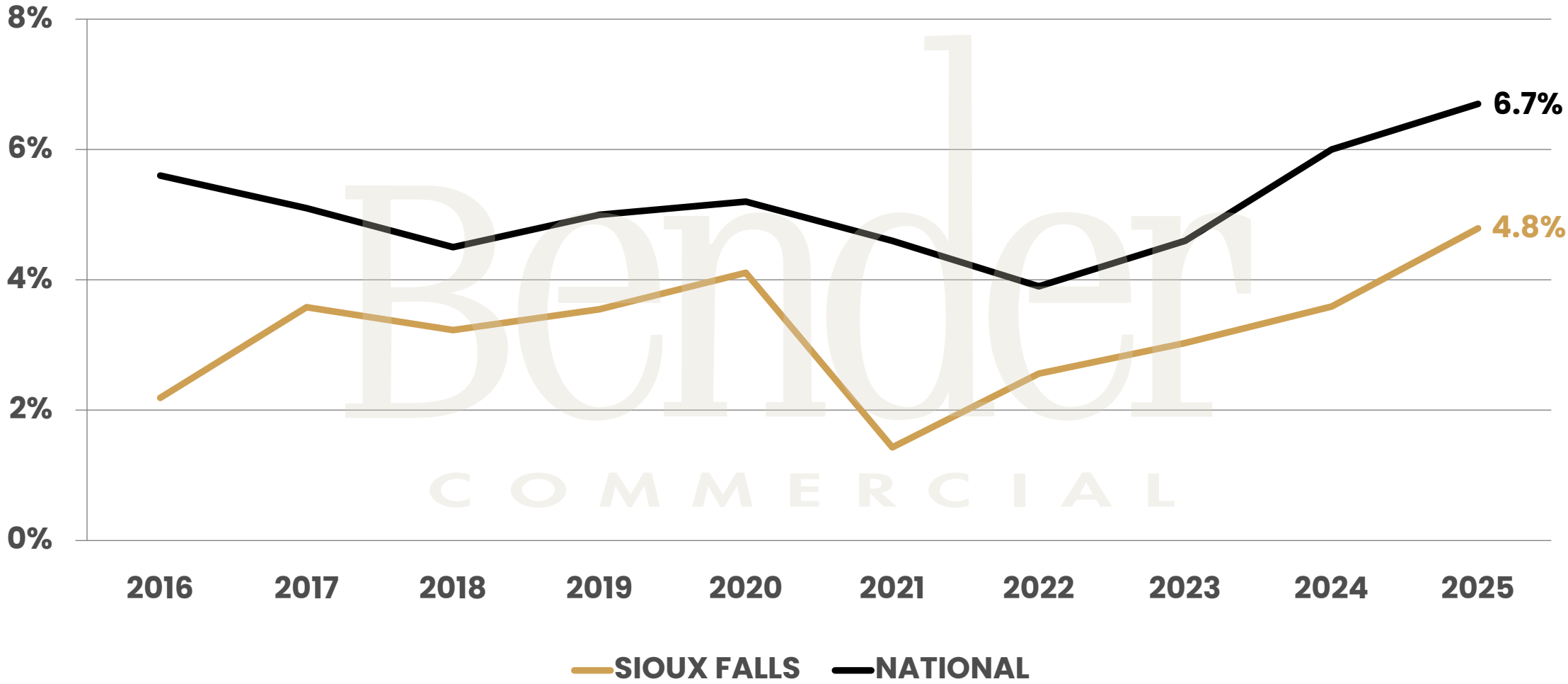
NEW INDUSTRIAL CONSTRUCTION



INDUSTRIAL NET ABSORPTION

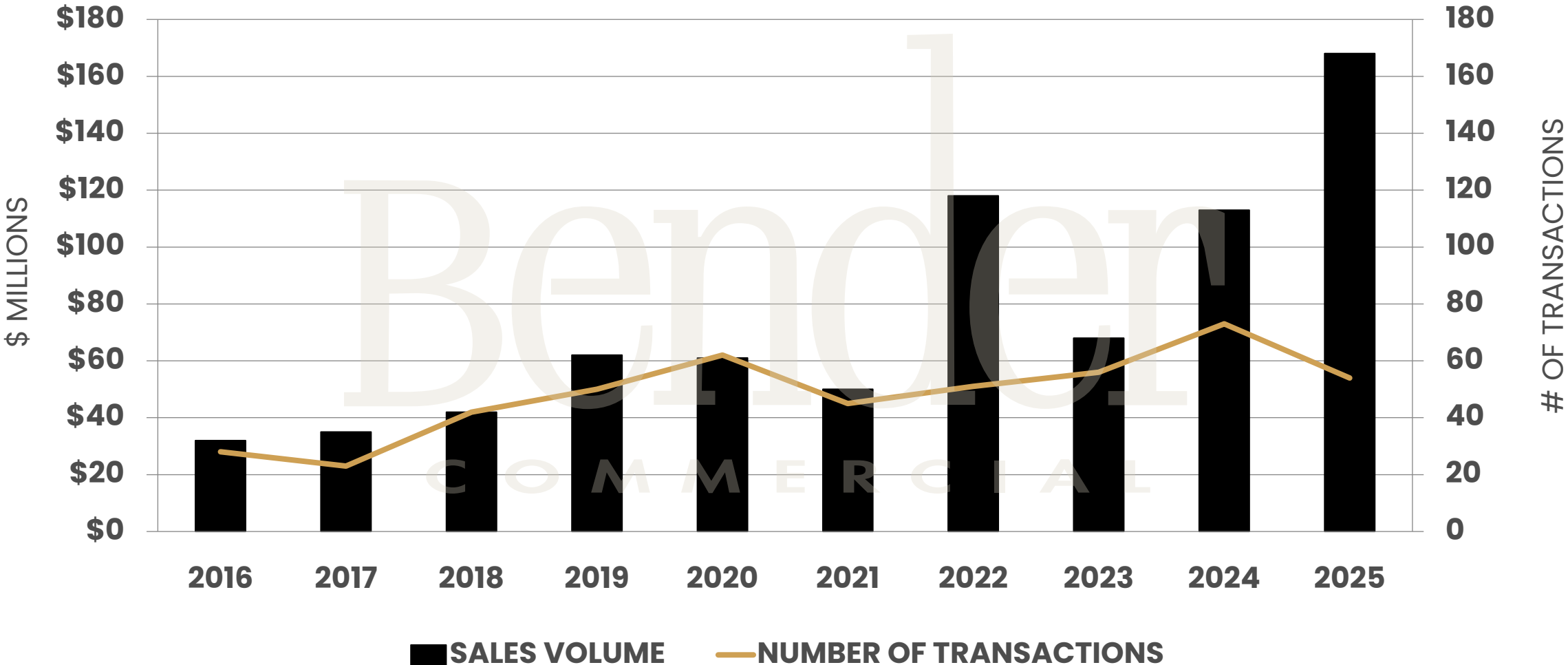


INDUSTRIAL VACANCY RATE

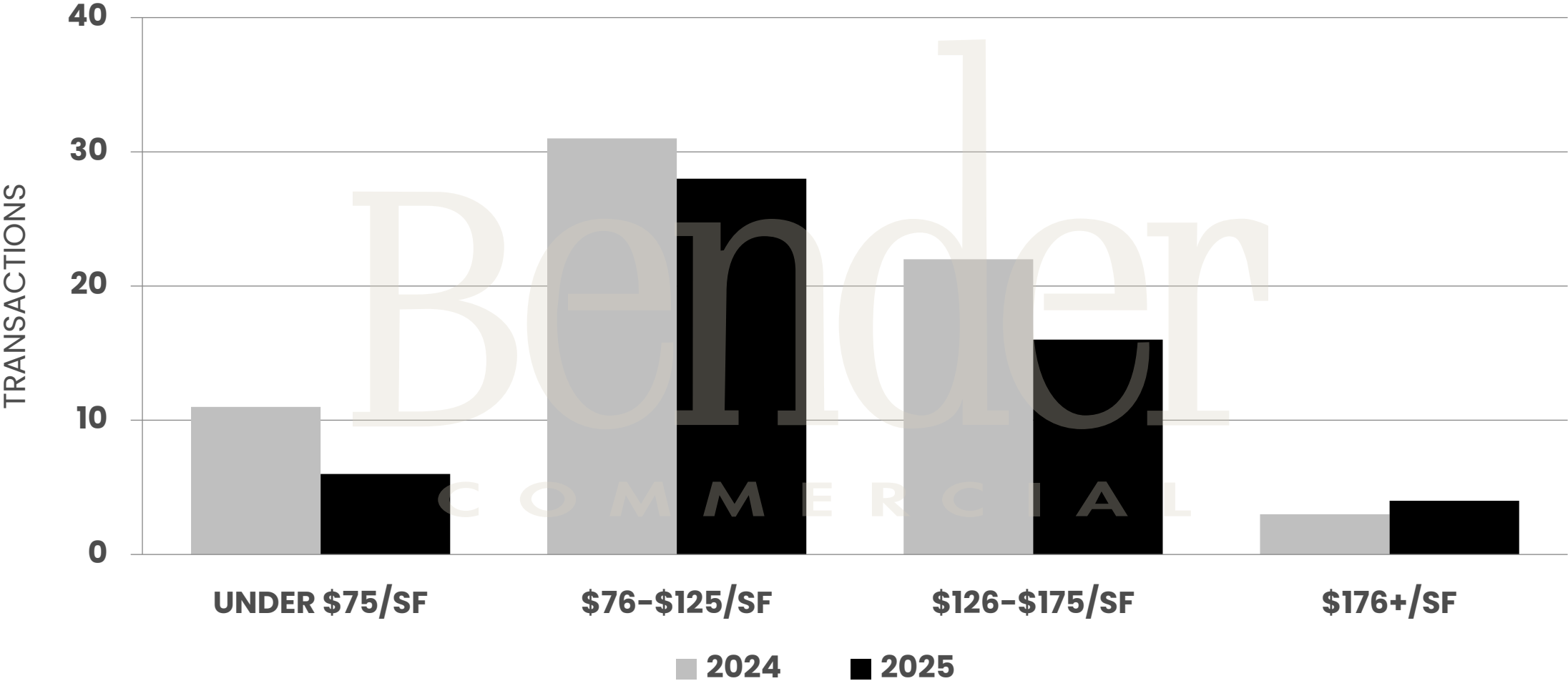


Source: Cushman & Wakefield

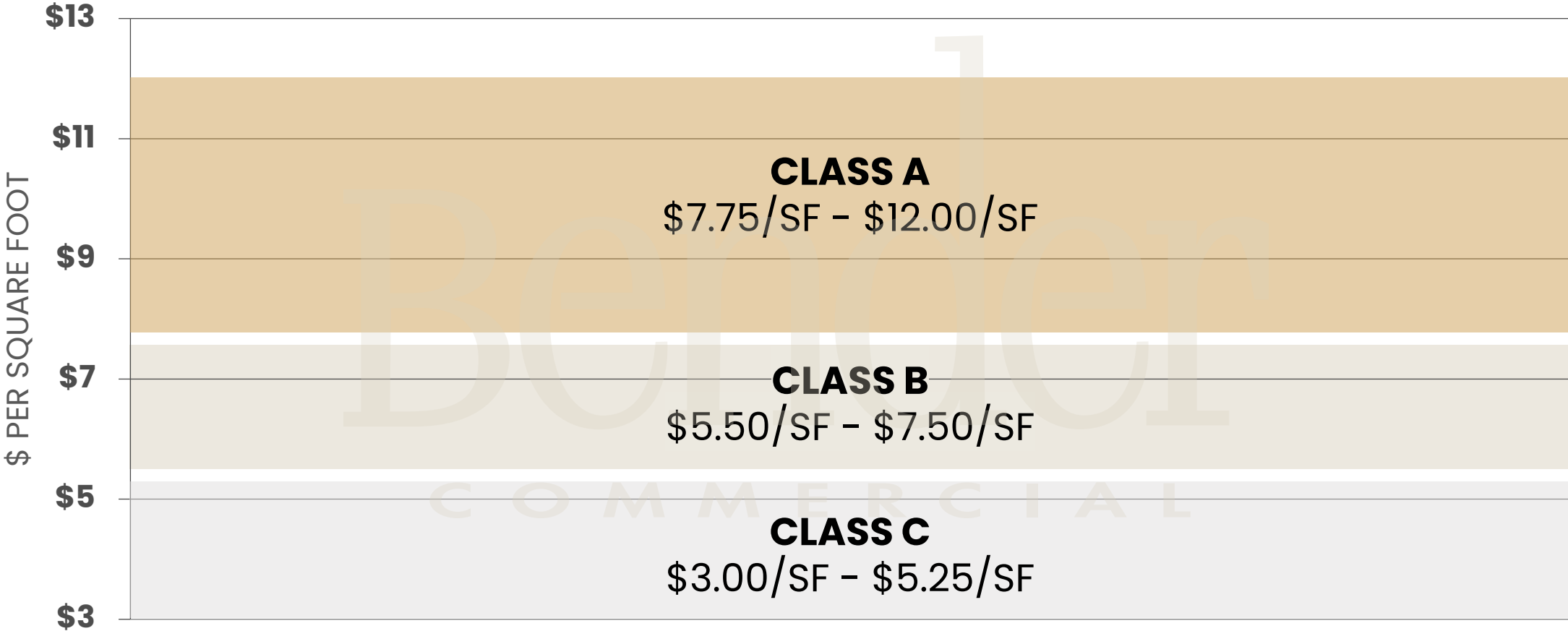
STYX FALLS INDUSTRIAL PROPERTY SALES



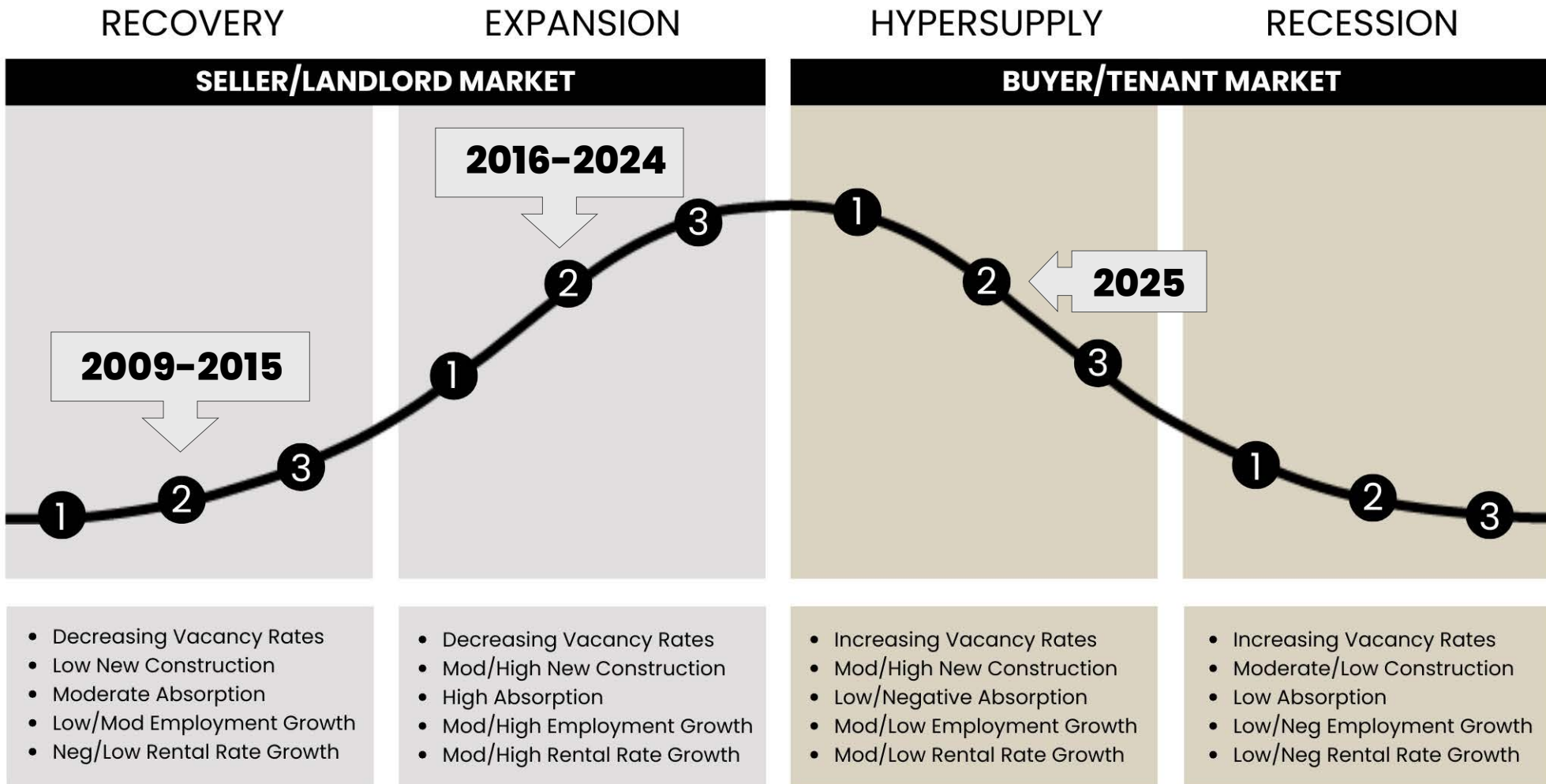
2025 INDUSTRIAL PROPERTY SALES



ASKING LEASE RATES – NNN



REAL ESTATE CYCLE: INDUSTRIAL



2026 PREDICTIONS

New Construction ↓

Lease Rates & Sale Prices ↔

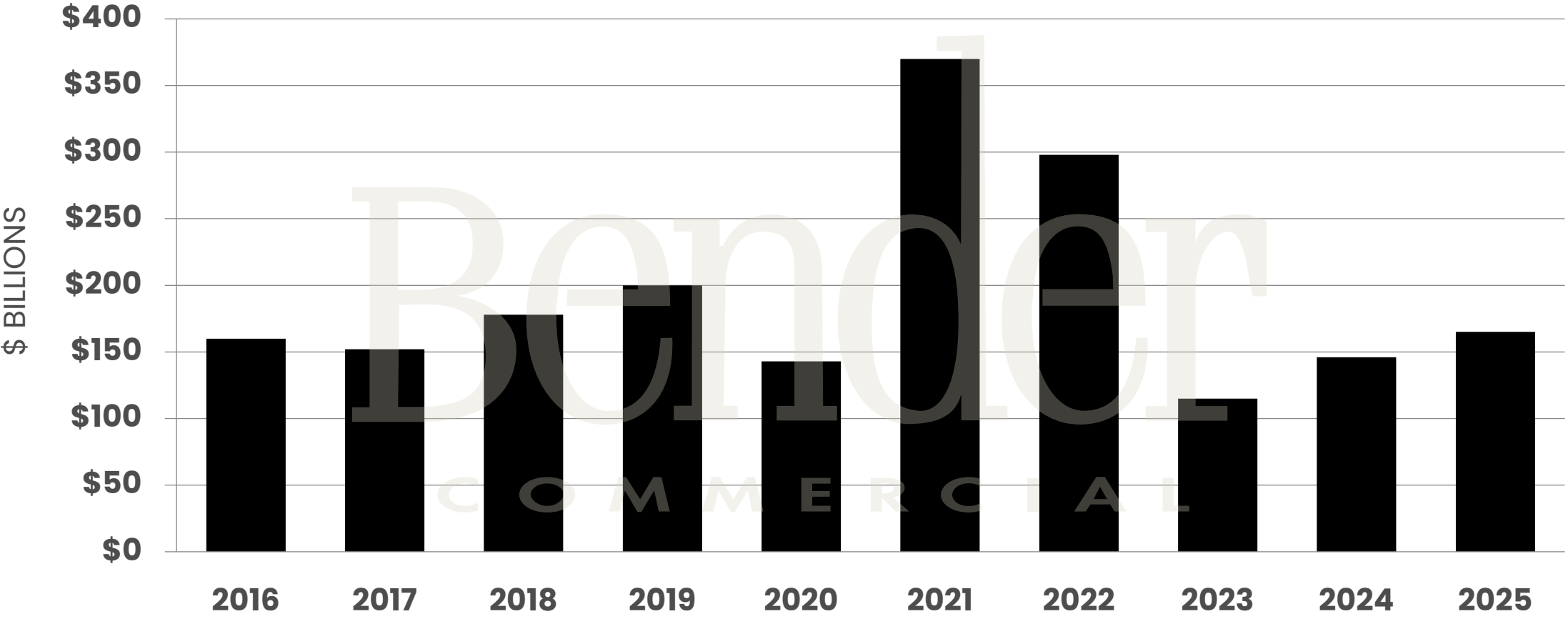
Vacancy Rates ↓

Sales Transactions ↑

MULTI-FAMILY MARKET

Alex Soudy, CCIM, SIOR

NATIONAL MULTI-FAMILY SALES VOLUME



Source: AVANT by Avison Young, RCA

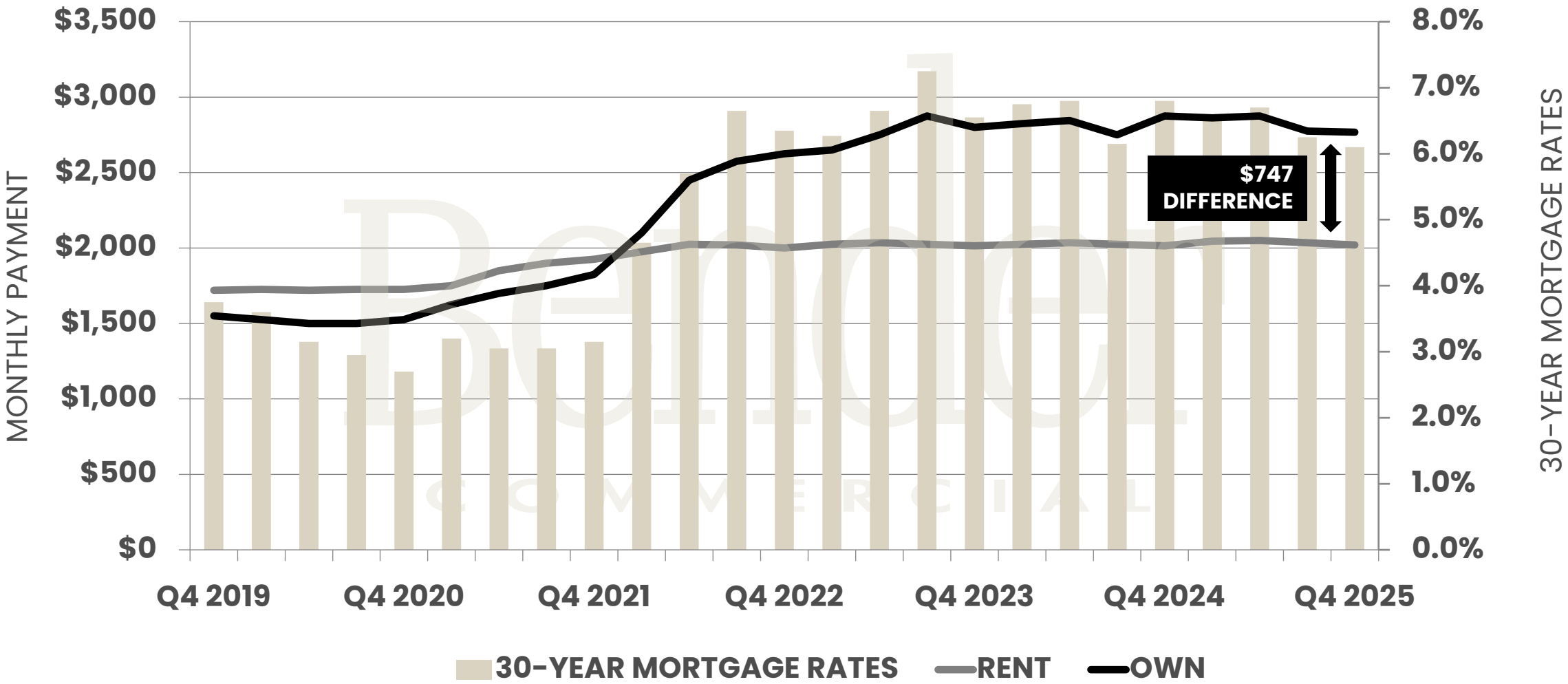
**WHAT WILL DRIVE
MULTI-FAMILY SALES
IN 2026?**



SUPPLY HAS FINALLY RESET

- 2026 deliveries ↓
- Permitting ↓
- New construction starts ↓

MONTHLY PAYMENTS RENT VS. OWN



Source: Avison Young



**PRETEND-AND-EXTEND
NEARING THE END**

CAPITAL IS BACK – DEALS PENCIL AGAIN



FREDDIE MAC & FANNIE MAE



INTEREST RATES

BID >< ASK

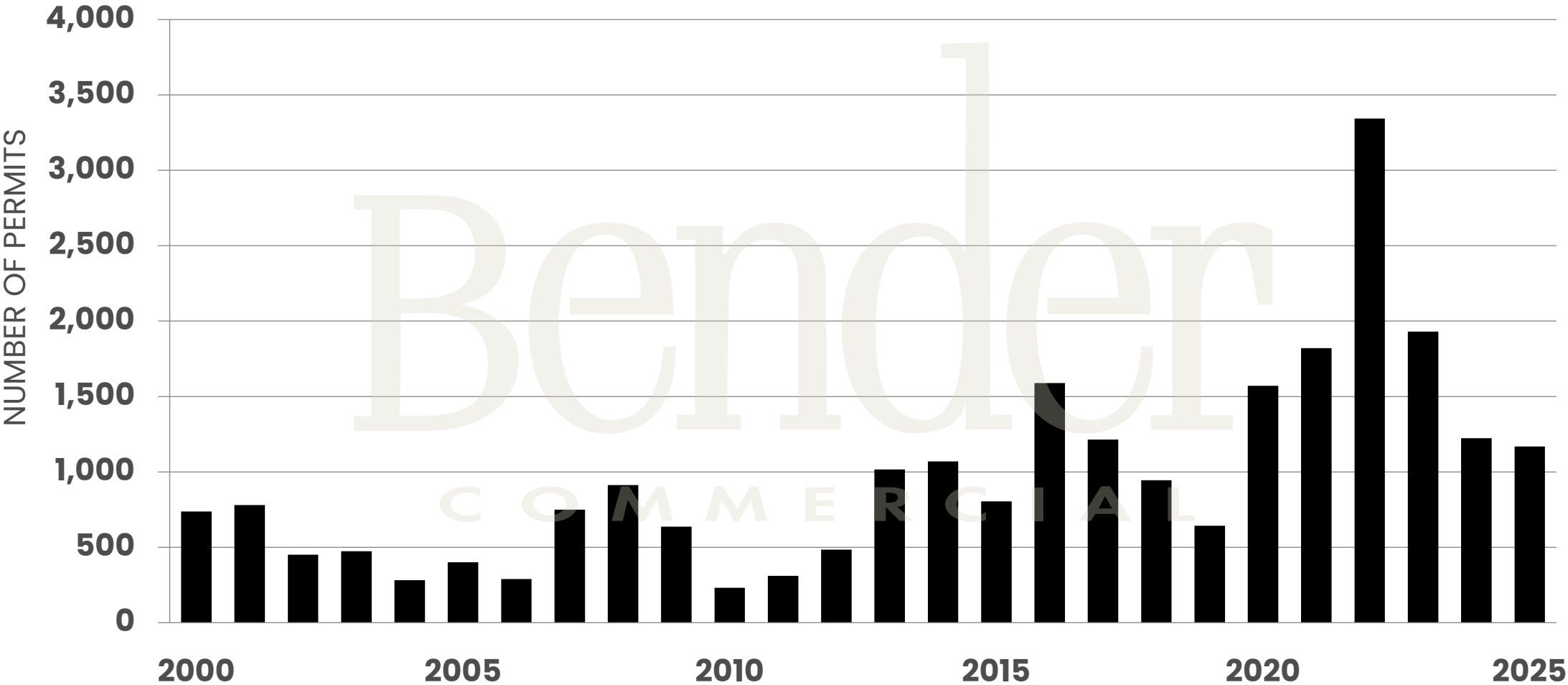
60%

EARMARKED FOR
MULTI-FAMILY



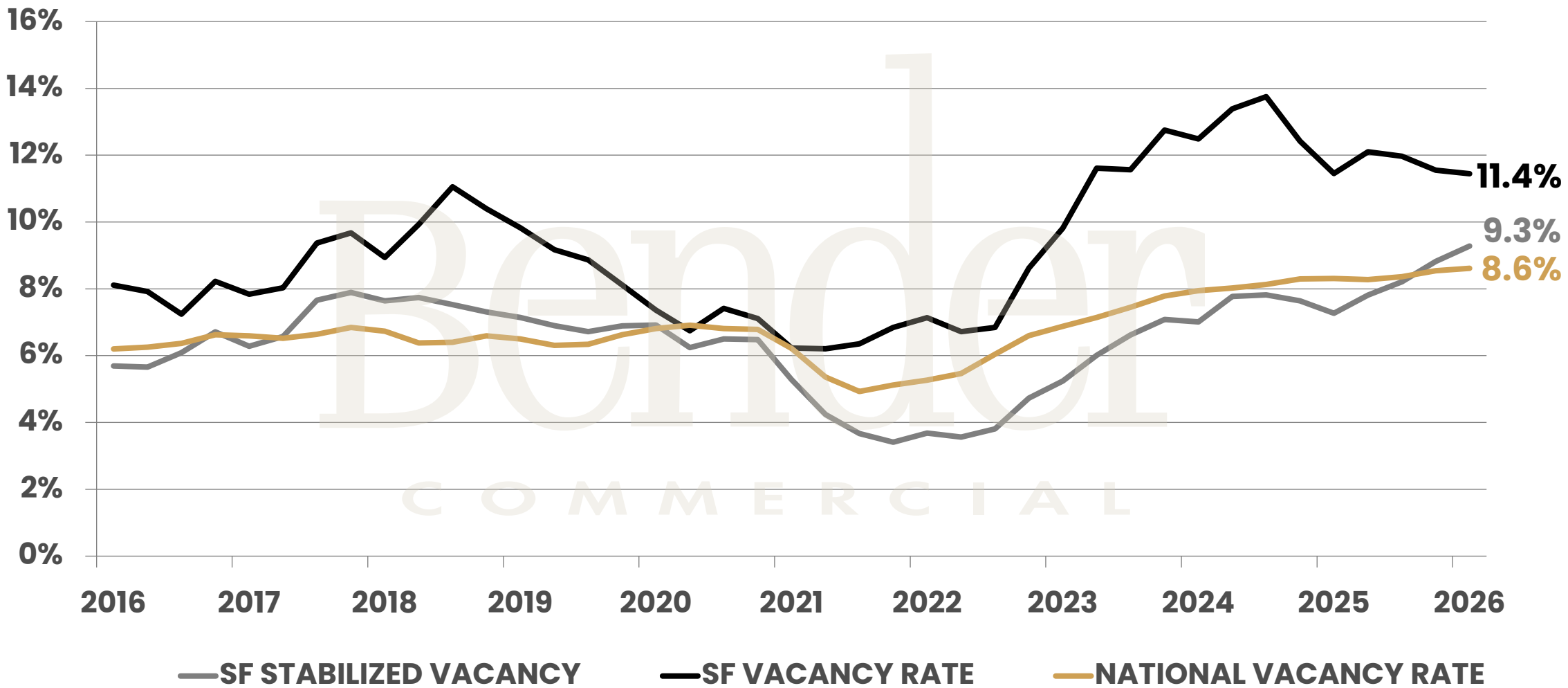
LOCAL MARKET

SIoux FALLS MULTI-FAMILY UNIT PERMITS



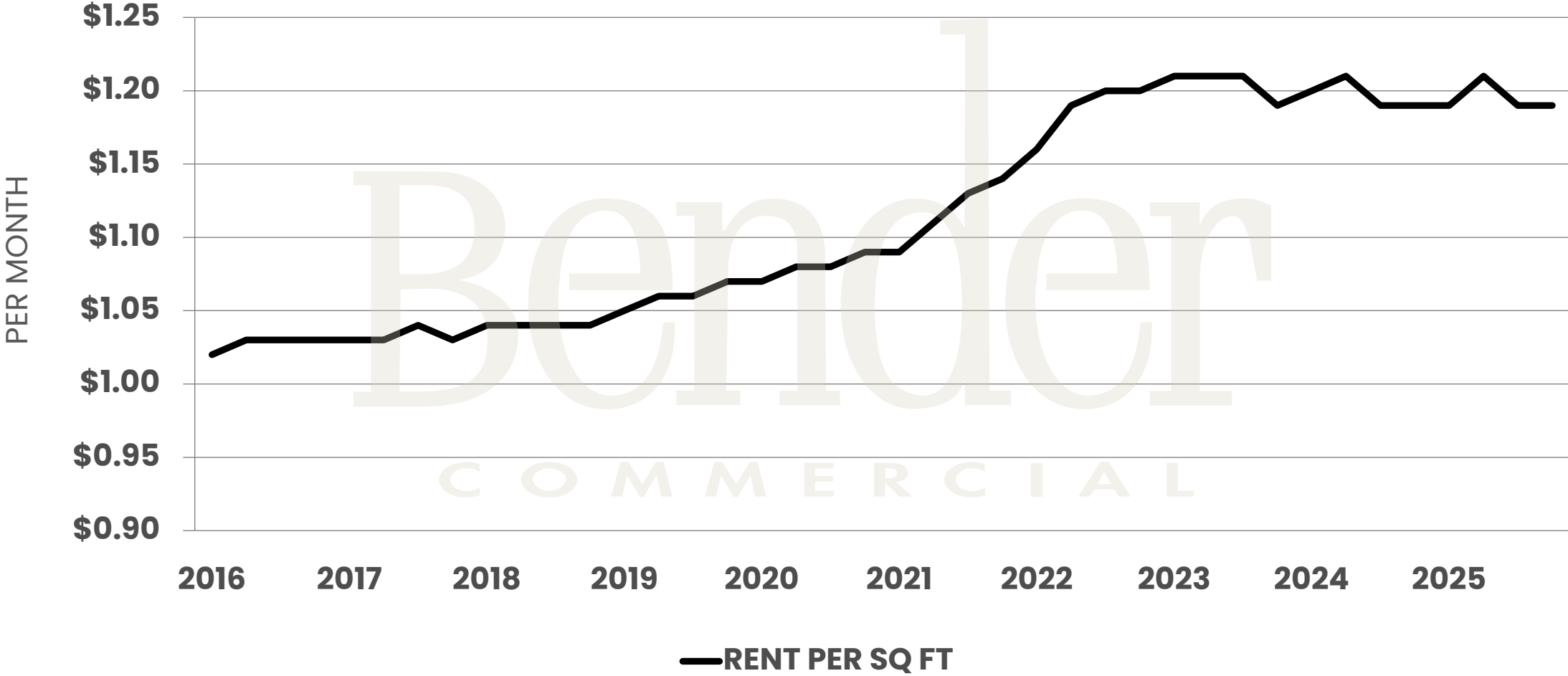
Source: City of Sioux Falls

MULTI-FAMILY VACANCY RATE



Source: CoStar

SIoux FALLS EFFECTIVE MARKET RENT



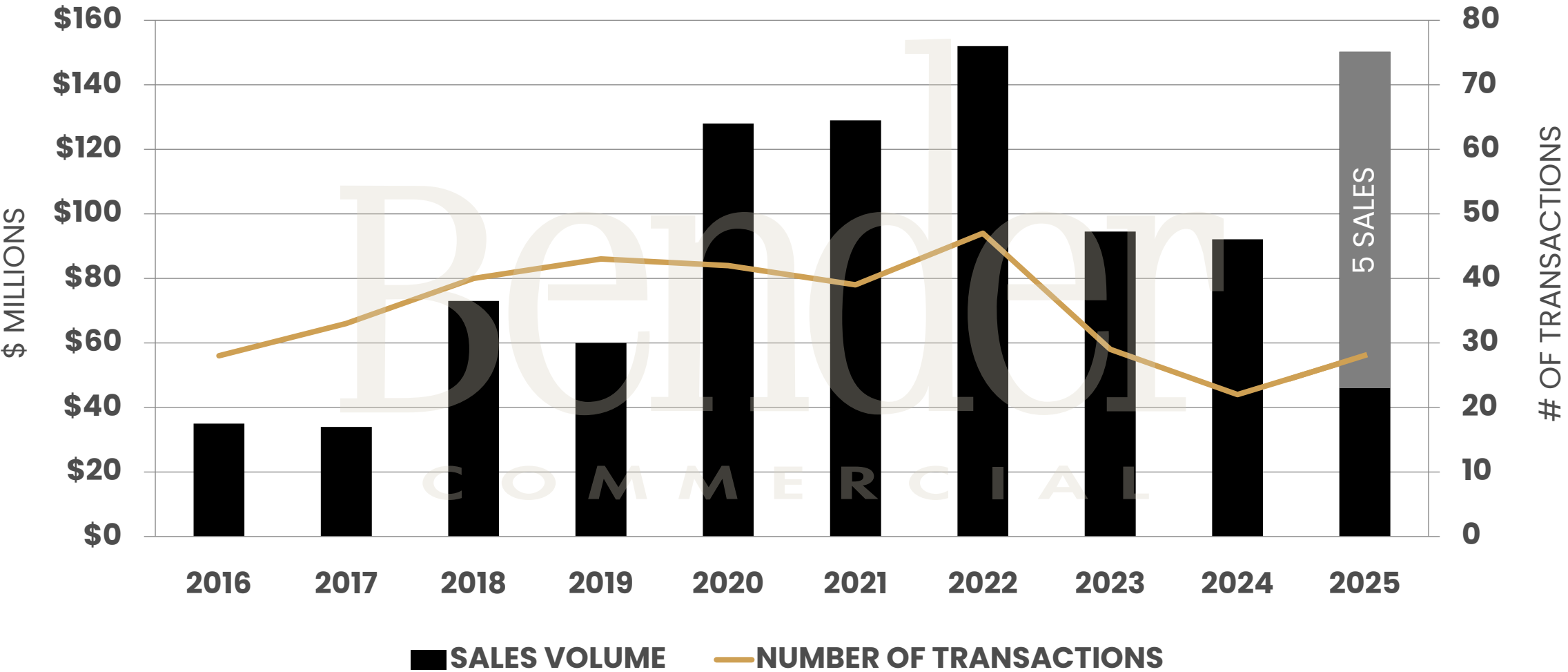
Source: CoStar

REGIONAL COMPARISON

CITY	2024 VACANCY RATE	2025 VACANCY RATE	2024 AVG MONTH RENT	2025 AVG MONTH RENT
Sioux Falls	12.4%	11.6% ↓	\$ 1,085	\$ 1,112 ↑
Rapid City	16.4%	12.7% ↓	\$ 1,254	\$1,274 ↑
Lincoln	7.0%	7.8% ↑	\$ 1,159	\$1,195 ↑
Rochester	9.4%	7.3% ↓	\$1,512	\$1,545 ↑
Des Moines Metro	8.8%	7.3% ↓	\$ 1,137	\$1,165 ↑
Fargo & West Fargo	7.7%	7.0% ↓	\$ 1,052	\$1,082 ↑

Source: CoStar

STYX FALLS METRO MULTI-FAMILY SALES





HUNTINGTON VILLAGE

- 3500 S Grand Slam Ave
- \$30,800,000
- 180 Units
- \$171,111/unit
- Built in 2018
- Sold in April 2025



CLEVELAND PARK TOWNHOMES

- 1800 S Cleveland Ave
- \$13,390,000
- 126 Units
- \$106,269/unit
- Built in 1973
- Sold in July 2025



WILLIAMSBURG TOWNHOMES

- 505 S Wheatland Ave
- \$8,809,000
- 110 Units
- \$80,082/unit
- Built in 2004-2007
- Sold in August 2025



WEST BRIAR COMMONS

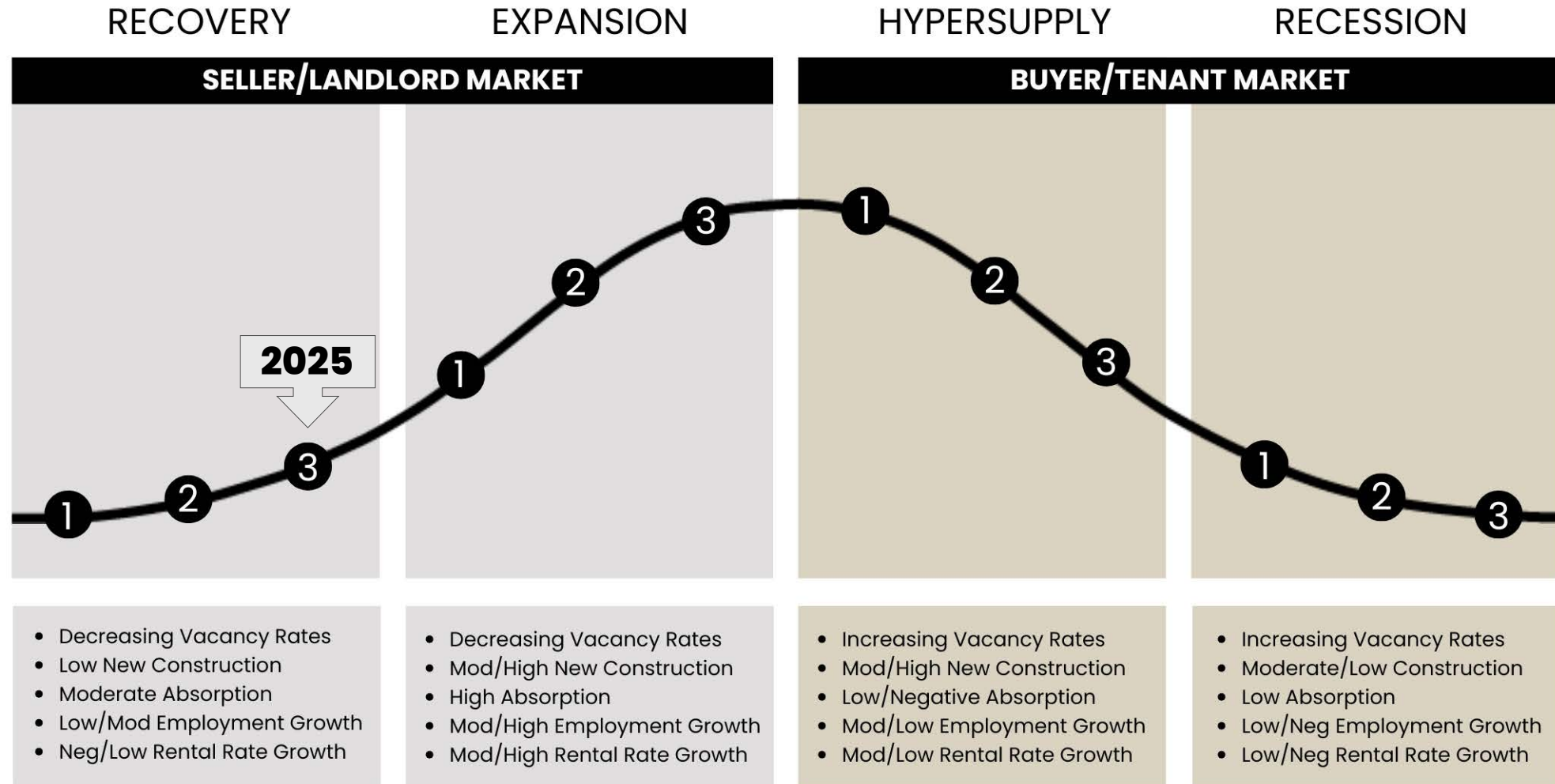
- 2805 S Hidden Pl
- \$24,000,000
- 152 Units
- \$157,894/unit
- Built in 2008
- Sold in September 2025



3 FALLS APARTMENTS

- 3600 E 6th St
- \$5,590,000
- 60 Units
- \$93,167/unit
- Built in 1983
- Sold in December 2025

REAL ESTATE CYCLE: MULTI-FAMILY



2026 PREDICTIONS

**Multi-Family Permits
Less than 1,200**

Rental Rates ↑ (3%+)

Sioux Falls Vacancy Rate ↓

**Record Year for
Multi-Family Sales Volume**

CAPITAL MARKETS

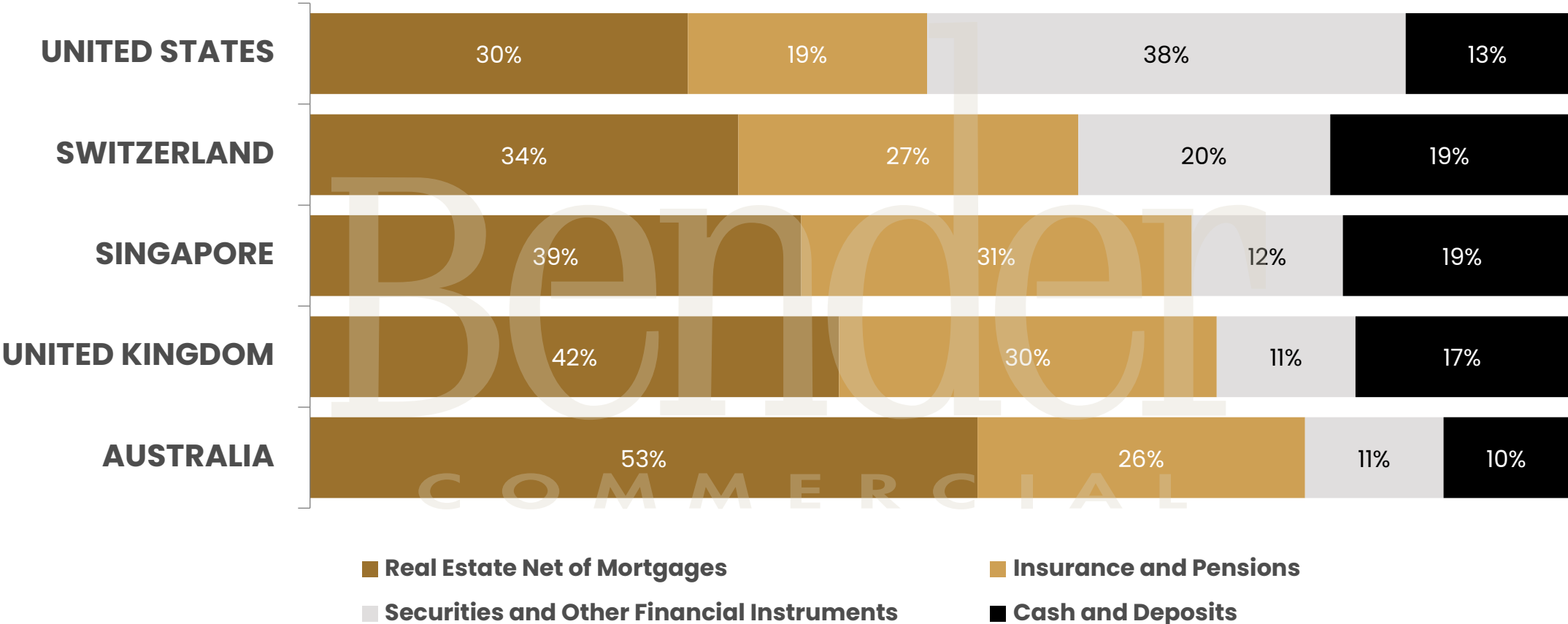
Nick Gustafson, CCIM

COMPETING ASSET CLASSES

2025 RETURNS	
Eggs	-65%
Brent Crude Oil	-20%
Corn	-5%
S&P 500	16%
NASDAQ	19%
Steel	49%
Gold	66%
Tom Brady Rookie Card	138%
Sulfur	151%
Silver	153%

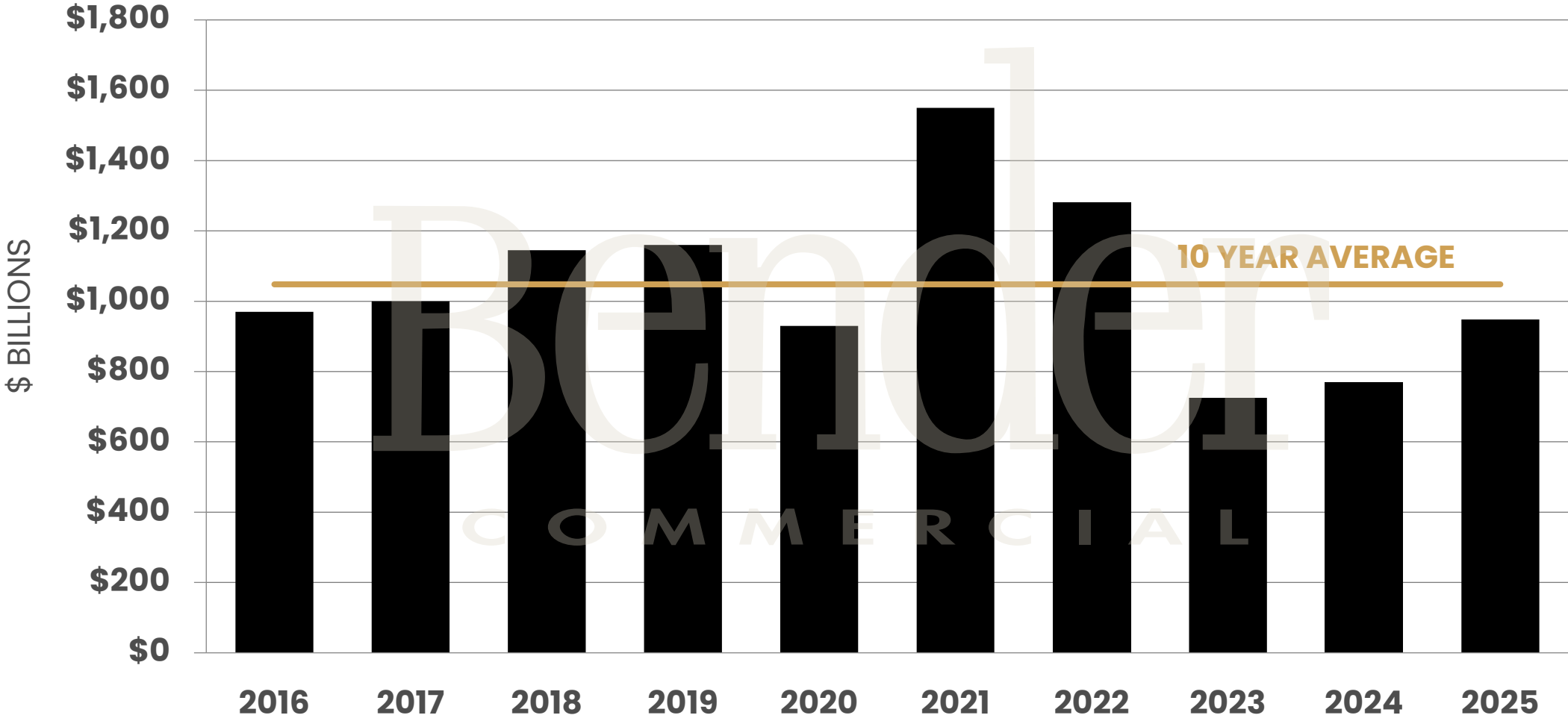
Source: SeekingAlpha.com

GLOBAL WEALTH



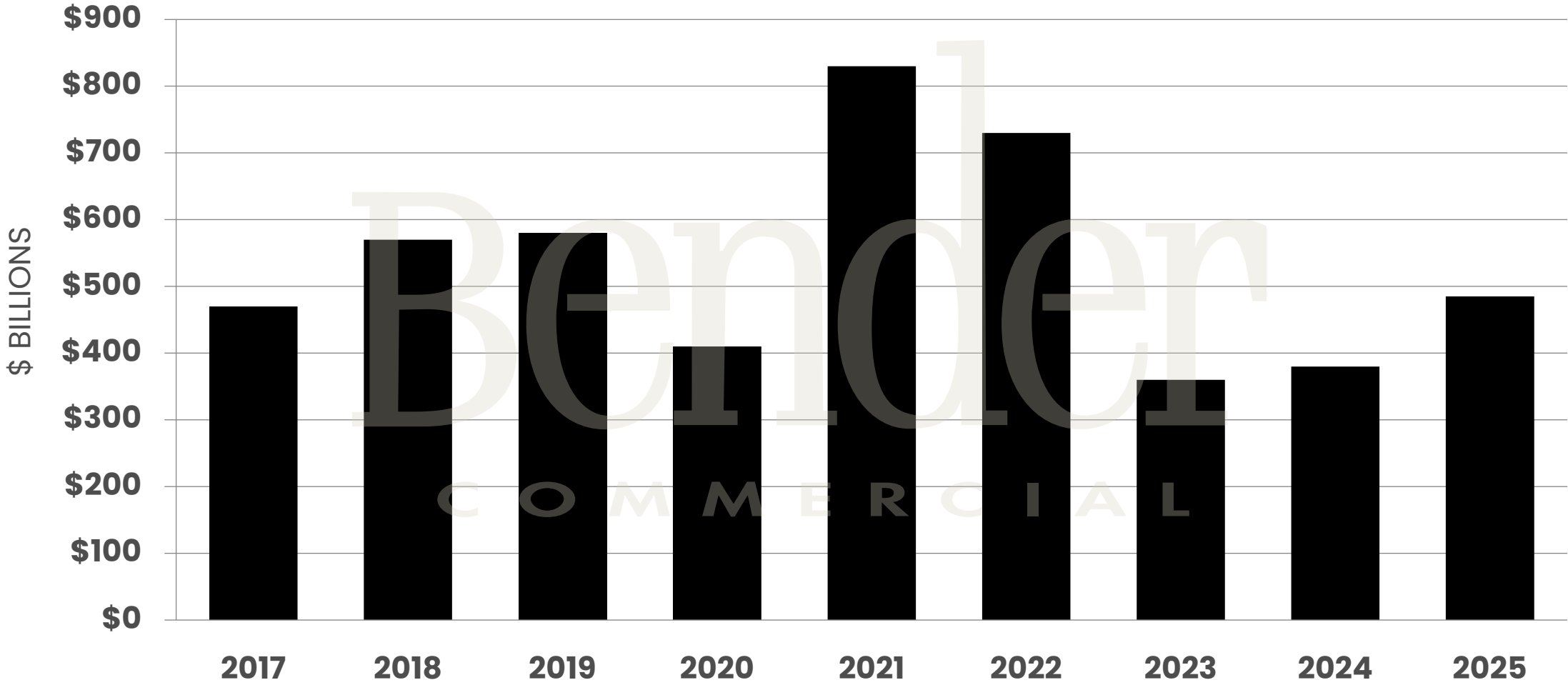
Source: UBS Global Wealth Report

GLOBAL REAL ESTATE INVESTMENT



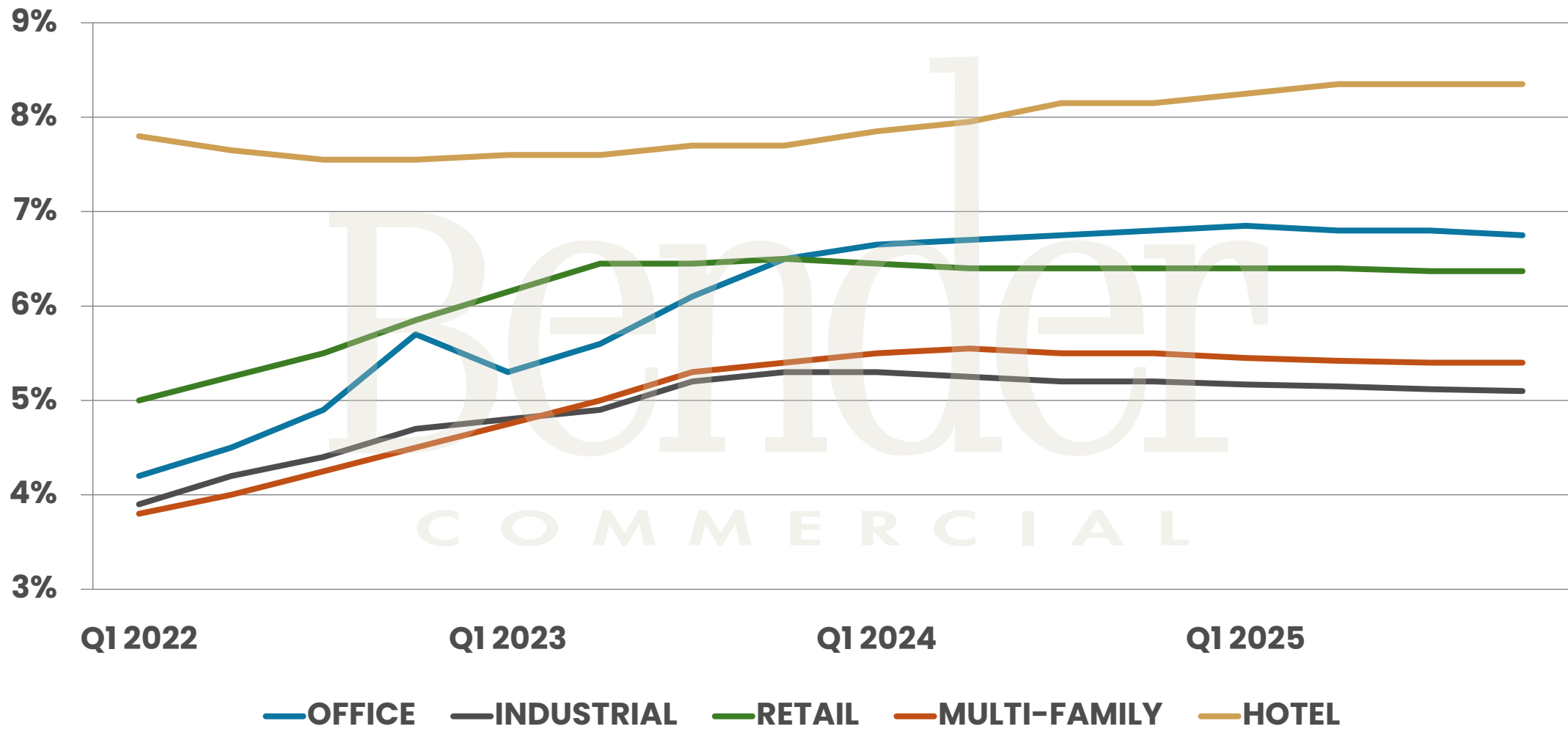
Sources: Savills World Research, JLL, Nuveen, McKinsey

U.S. COMMERCIAL REAL ESTATE INVESTMENT



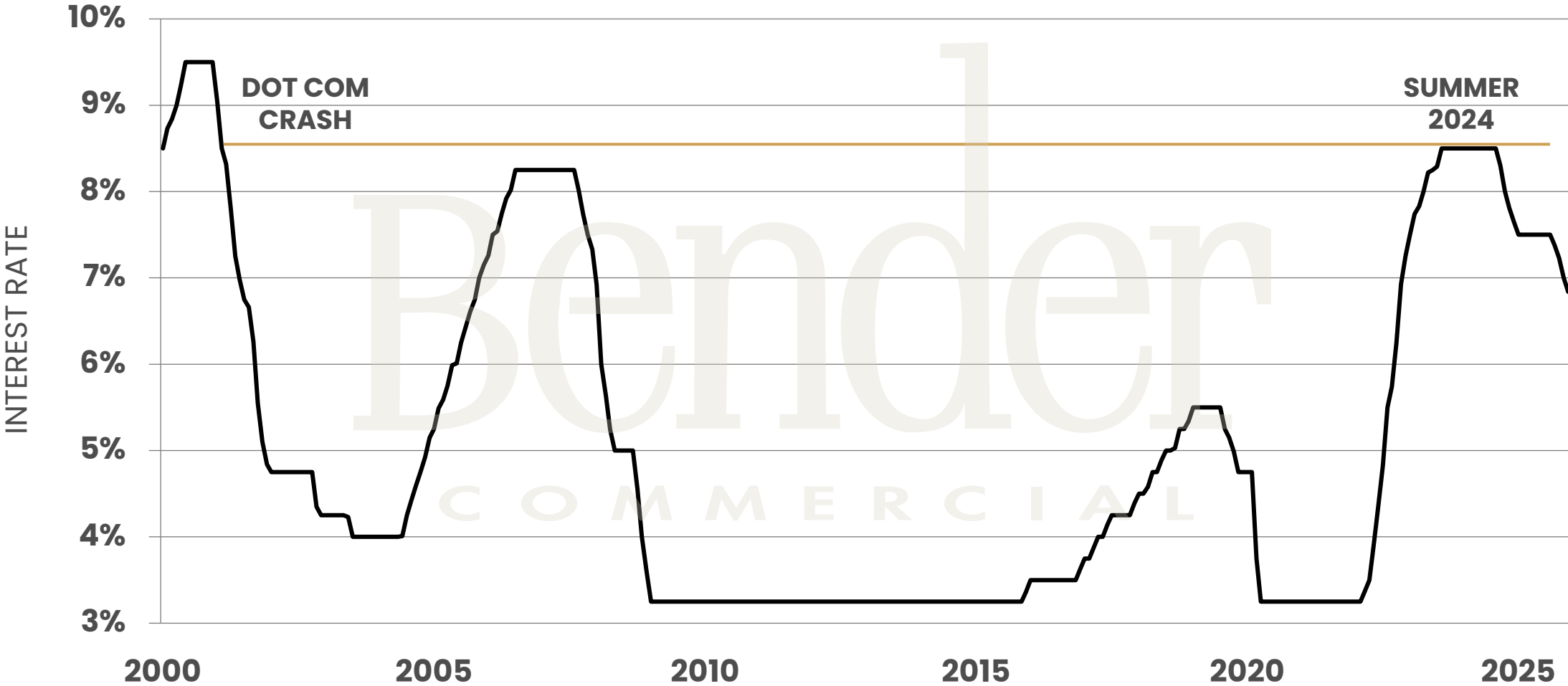
Source: MSCI Real Assets, CBRE Research, Q4 2025

NATIONAL CAP RATES BY SECTOR



Source: MSCI Real Assets, CBRE Research, Q4 2025

BANK PRIME LOAN RATE



Source: St. Louis Fed

CHANGE IN SALES VOLUME

	2023 YOY	2024 YOY	2025 YOY
U.S. Investment Sales Volume	-47%	7%	22%
Sioux Falls Multi-Family	-40%	-0.1%	63%
Sioux Falls Office	-38%	5%	24%
Sioux Falls Industrial	-42%	66%	44%
Sioux Falls Retail	-66%	64%	76%

SIoux FALLS CAP RATE RANGES





OWENS & MINOR/ AVERA

- \$64,325,000
- 7.0% Cap Rate
- Sold October 2025



MACARTHUR SQUARE

- \$10,700,000
- 8.18% Cap Rate
- Sold December 2025



ABS/COLOURS PORTFOLIO

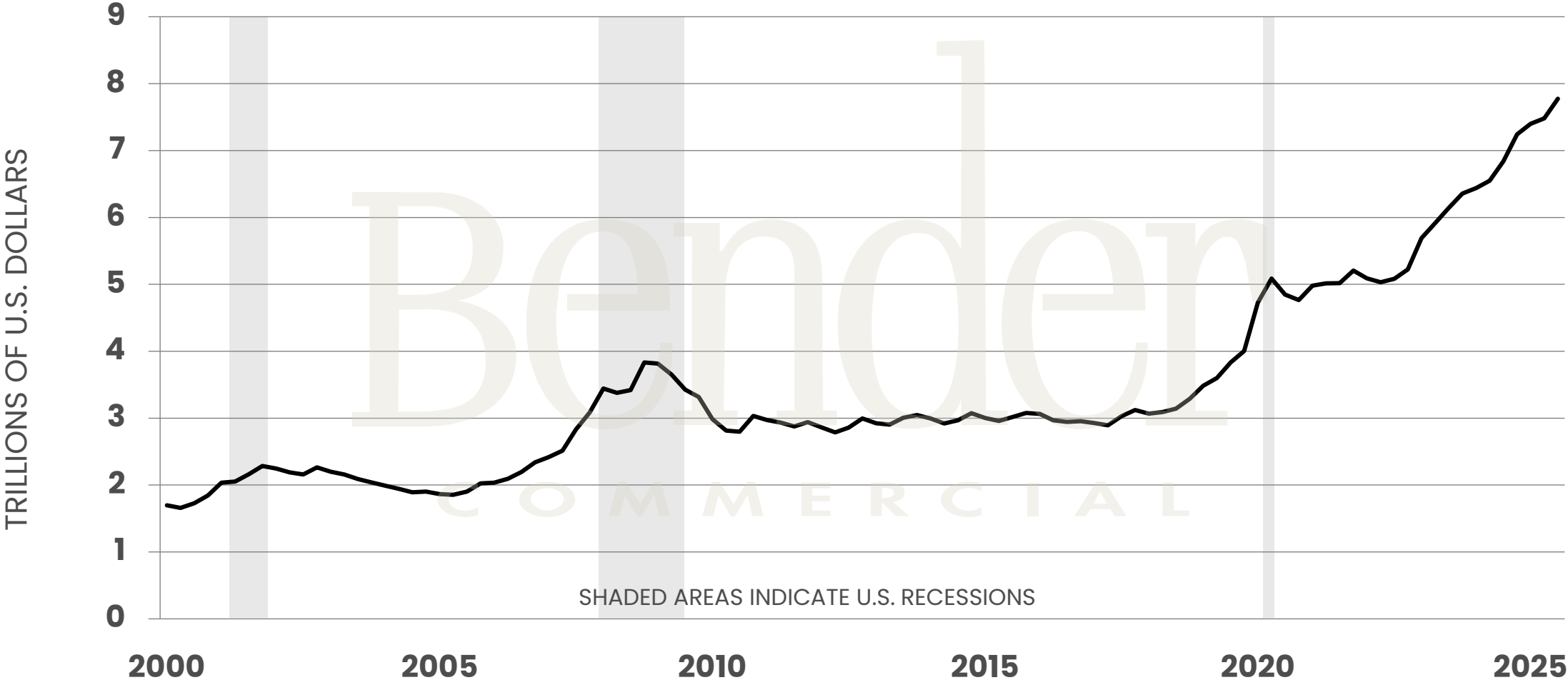
- \$5,800,000 (Sioux Falls)
- \$4,350,000 (other locations)
- 7.1% Cap Rate
- Sold June 2025



THREE BIG THINGS

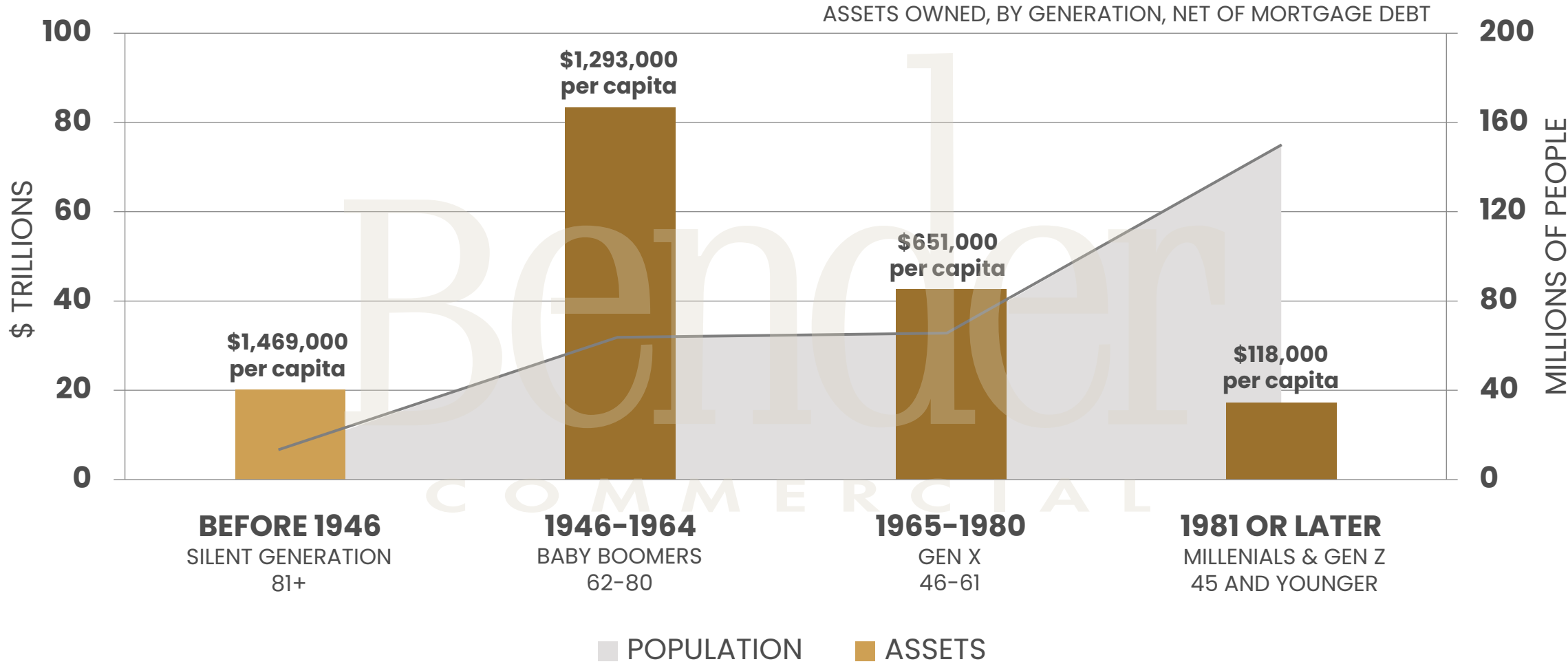
1. Massive amount of U.S. capital waiting to invest
2. Generational real asset/capital transfer
3. Investor certainty despite political strife

U.S. MONEY MARKETS



Source: St. Louis Fed

U.S. GENERATIONAL WEALTH TRANSFER



Source: UBS Wealth Report



**INVESTOR CERTAINTY
DESPITE POLITICAL STRIFE**



INVESTOR CERTAINTY: 3 YEAR WINDOW

- Federal taxes
- Tariffs
- Interest rates neutral
- Historic levels of cash
- Millennials raising money & purchasing assets

2026 PREDICTION

**Historic commercial real estate sales
in the next three years**

The background is a dark, almost black, color. It features a subtle grid of small squares. On the left side, there are several larger, overlapping squares of varying shades of dark gray and black, some with thin white outlines, creating a layered, architectural effect. The text 'THANK YOU' is centered in the middle of the image.

**THANK
YOU**