



8500 TOWER



467,016 SQUARE FEET | 24 STORY | CLASS A+ TROPHY ASSET | SUBURBAN MINNEAPOLIS



EXECUTIVE SUMMARY

Cushman & Wakefield is pleased to present 8500 Tower, an iconic 467,016 square foot, 24 story, Class A+ trophy asset within the coveted Normandale Lake Office Park in desirable Bloomington, Minnesota. 8500 Tower is considered the premier asset within the 1.7 million square foot prestigious Normandale Lake Office Park which is the foremost office destination in the overall Minneapolis/St. Paul marketplace.

467,016 SF

**61% LEASED (AFTER
SCHWAN'S VACATES)**

**\$955,000 IN-PLACE NOI
(WITHOUT SCHWAN'S)**

CURRENTLY 61% LEASED, 8500 TOWER PROVIDES INVESTORS WITH:

- Highest quality asset within the 1.7 million square foot Normandale Lake Office Park
- Diversified rent roll across 26 quality tenants with no single tenant more than 9% of the overall project
- Value-Add Opportunity with in-place occupancy over 25% below historical average occupancy within the overall park
- Attractive 3.8 year weighted average term (“WALT”)
- Unmatched views of Normandale Lake
- Rare 144,736 square foot large block vacancy on the top seven (7) floors which is the most desirable vacancy in the entire Twin Cities marketplace
- Advantageous basis compared to other projects within the park

NORMANDALE LAKE OFFICE PARK IS THE PREMIER OFFICE ECOSYSTEM THAT IS OCCUPIED BY 26 TENANTS AND LEADS THE MARKET DUE TO THE PARK’S:



Unmatched amenity offering



Superior asset quality



Elevated tenant experience



Dynamic location

Strategically located at the intersection of Interstate 494 and Highway 100, 8500 Tower enjoys efficient access throughout the metro area via multiple interstates and highway systems. The project is also minutes away from coveted France Ave in Edina which is the luxury shopping, retail, and residential corridor.

The combination of asset quality, exposure to the Normandale Lake Office Park performance premium, unique 144,736 square foot block on top floors, diversified rent roll, and advantageous basis make 8500 Tower a compelling acquisition opportunity.

INVESTMENT HIGHLIGHTS

61% LEASED, CLASS A+ TROPHY ASSET VALUE-ADD OPPORTUNITY

8500 Tower's current 61% occupancy provides investors with an intriguing value-add opportunity as investors can enhance net operating income by leasing the existing vacancy. It's current occupancy is over 25% below its average occupancy from 2009 - 2024 providing an intriguing mean reversion opportunity.

RARE 144,736 SF LARGE-BLOCK VACANCY ON TOP FLOORS

8500 Tower provides a rare 144,736 square foot, large-block opportunity on the 18th - 24th floors. This makes 8500 Tower the only 50,000+ square foot, Class A contiguous block above the 10th floor in the entire Twin Cities suburban market. This is the first time since 2003 that this space is available for lease. The rare vacancy, quality of the space, and large block opportunity provides a very executable business plan for success going forward.

DIVERSIFIED RENT ROLL ACROSS MULTIPLE INDUSTRIES

8500 Tower is currently 61% leased to 26 tenants in a myriad of industries providing diversification and cash flow to investors. The diversification is demonstrated by the fact that no single tenant is more than 9% of the overall project.

NOTABLE FIRMS IN OCCUPANCY INCLUDE:



41,768 SF



34,939 SF



20,671 SF



20,036 SF



17,947 SF



11,604 SF



11,136 SF

NORMANDALE LAKE OFFICE PARK PERFORMANCE PREMIUM

Normandale Lake Office Park is the premier office ecosystem in the entire Twin Cities. The 1.7 million square foot office park is the market leader in terms of occupancy and rental rate due to its unmatched amenity offering including:

-  Multiple food options including both casual and fine dining
-  Multiple fitness centers
-  Climate controlled and ramp parking
-  Training centers
-  Collaboration areas
-  Superior asset quality
-  Elevated tenant experience

These amenities result in superior rents and occupancy vs the greater southwest submarket and the coveted France and I-494 micro-market.

NORMANDALE LAKE OFFICE PARK OUTPERFORMANCE METRICS



**\$3.77 Avg NET Rent Premium
vs France/I-494 Micro-Market
2009 - 2024**



**\$4.50 Avg Net Rent Premium vs Class A
Southwest Office Market
2009 - 2024**

INVESTMENT HIGHLIGHTS

8500 TOWER'S POSITION WITHIN NORMANDALE LAKE OFFICE PARK

The 24 story 8500 Tower is the preeminent asset and focal point within Normandale Lake Office Park given its:



Superior views of the park and neighborhood



Asset quality



Connectivity to Park Amenities



Position within the park

These elements contribute to its broad appeal and enable 8500 Tower to outperform other buildings within the park on a stand-alone basis.

8500 Tower achieves \$1 - \$2 Net Rent Premium vs other assets within the greater Normandale Lake Office Park.



DESIRABLE LOCATION FOR ACCESS & PROXIMITY TO HIGH-END RETAIL

Strategically located at the intersection of Interstate 494 and Highway 100, 8500 Tower enjoys efficient access throughout the metro area via multiple interstates and highway systems. Notable transportation arteries in close proximity to 8500 Tower include:



In addition, 8500 Tower is minutes away from France Ave which is considered the “Rodeo Drive of the Twin Cities” and is home to numerous luxury retailers and luxury residential development. France Ave is seeing an influx of new development as over \$1 Billion of new development/redevelopment has been completed or is under construction over the previous 48 months. Major retailers with a presence along France Ave include:



BURBERRY



MARC JACOBS

WILLIAMS
SONOMA
CALIFORNIA

The efficient access to major transportation arteries and luxury retail adds additional amenities to the 8500 Tower offering and contributes to its strong position.



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