



Medical Device Minnesota Labor Analytics Report

Report Generated By

**AVISON
YOUNG**



**MEDICAL ALLEY
ASSOCIATION**

Introduction

Accurately matching labor to demand is difficult without data – as regulatory requirements fluctuate staffing requirements can vary considerably, by both volume and skill set.

Your talent is your most important asset. Don't make critical talent market decisions with limited or incomplete data—you and your stakeholders deserve better. If you want to get ahead of the game, you need the truth. Avison Young's integrated service delivery model connects the dots between our service offerings (Labor Analytics) and real estate to practice areas – (Medical Device community.)

Avison Young's Medical Device Practice Group is strong in Minnesota. We understand the impact of culture and space has on attracting talent.

By partnering with Medical Alley Association and our labor analytics team we created a report that can answer the following questions:

- What skills are in highest demand in your region?
- How are your competitors pursuing the candidates you need?
- Is your competitor after the same talent in the same market?
- Where should you focus recruiting efforts?
- How can you gain expertise in unfamiliar regions or talent markets?
- Where can you find the evidence you need to challenge outdated strategies?

We know that understanding your corporate goals and translating these into a strategic solution that provides positive gains year after year is pillar of your success. We've been at this for a long time with an industry leading team. We know your work and we are ready to jump in.

Philip J. Kluesner

Enterprise Solutions Medical Device

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Table of Contents

1

Labor Analytics

- How Our Data is Aggregated
- Where Medical Device Employees are Located
- Job Posting Summary
- Top Cities Postings
- Top Posted Job Titles
- Top Qualifications
- Top 20 Jobs

2

Real Estate Market Information

- Market Introduction
- Market By The Numbers
- Hypothetical Deal

3

What Your Peers Are Saying

- Valued Clients
- Important Events

How Our Data is Aggregated

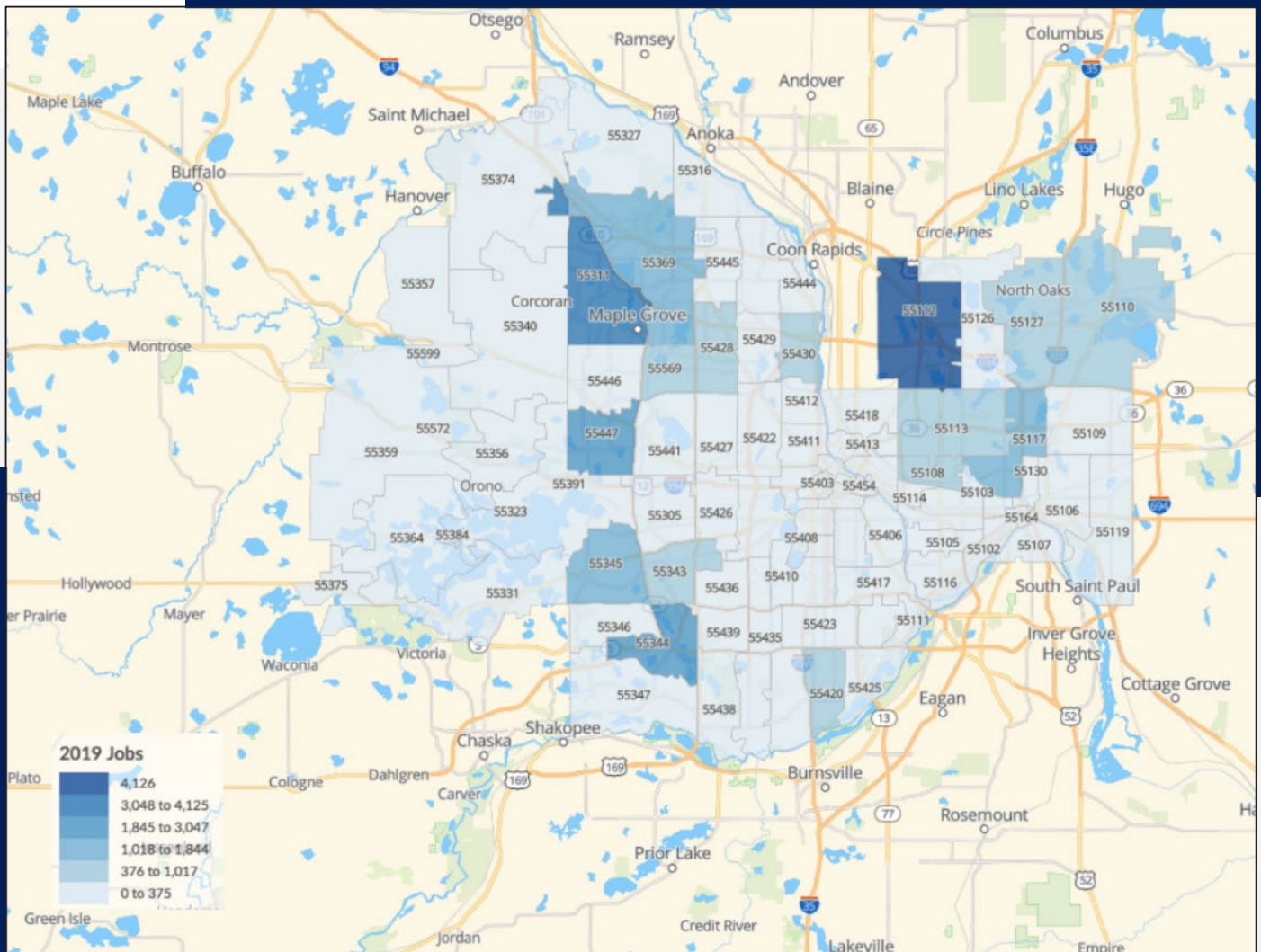
The content of this report is a compilation of Federal, State and County government labor agencies. In addition job posting analytics are scraped from the web and aggregated and restructured into a single dataset. On a given month, this consists of scraping between 6-8 million unique active postings from more than 90,000 companies.

The following information was compiled from January 1, 2019 through March 31, 2019 and includes the Medical Equipment and Supplies Manufacturing sectors in Ramsey and Hennepin County as defined below. *

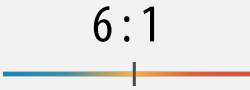
Ophthalmic Goods Manufacturing
Surgical and Medical Instrument Manufacturing
Surgical Appliance and Supplies Manufacturing
Electromedical and Electrotherapeutic Apparatus Manufacturing

* Data provided by EMSI

Where Medical Device Employees are Located



Job Posting Summary

3,652 Unique Postings 20,214 Total Postings	 6 : 1 Posting Intensity Regional Average: 5 : 1	43 days Median Posting Duration Regional Average: 32 days
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* Data provided by EMSI

There were **20,214** total job postings from January 1, 2019 through March 31, 2019, of which **3,652** were unique. These numbers give us a Posting Intensity of **6-to-1**, meaning that for every 6 postings there is 1 unique job posting. We read posting intensity as an indication of effort and expense firms put into the pursuit of talent. The same is true of posting duration. Posting intensity is a duplication ratio - How many places did a company put the same job listing?






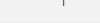

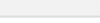

As a baseline, this is close to the Posting Intensity for all other occupations and companies in the region (5-to-1).

Top Cities Posting

City	Total/Unique (Dec 2018 - Feb 2019)	Posting Intensity	Median Posting Duration
Maplewood, MN	4,491 / 901	5 : 1	39 days
Minneapolis, MN	4,511 / 843	5 : 1	45 days
Saint Paul, MN	1,837 / 485	4 : 1	40 days
Maple Grove, MN	3,962 / 463	9 : 1	55 days
Arden Hills, MN	2,823 / 276	10 : 1	56 days
Osseo, MN	413 / 191	2 : 1	39 days
Mounds View, MN	531 / 150	4 : 1	33 days
Plymouth, MN	379 / 104	4 : 1	32 days
Minnetonka, MN	391 / 59	7 : 1	48 days
New Hope, MN	140 / 32	4 : 1	56 days

Boston Scientific in Arden Hills impacts this ranking. 3M Medical Device division demonstrating the most unique posts.

Top 20 Jobs

Job Titles	Total/Unique (Dec 2018 - Feb 2019)	Posting Intensity	Median Posting Duration
Quality Engineers	1,115 / 186	6 : 1 	45 days
Quality Assurance Engineers (Architecture and Engineering)	839 / 139	6 : 1 	51 days
Product Managers (Management)	550 / 119	5 : 1 	39 days
Research and Development (R&D) Engineers	697 / 86	8 : 1 	45 days
Program Managers (Management)	305 / 75	4 : 1 	45 days
Software Engineers	464 / 66	7 : 1 	48 days
Marketing Managers (Management)	297 / 57	5 : 1 	44 days
Project Managers (Management)	314 / 53	6 : 1 	41 days
Manufacturing Engineers	278 / 51	5 : 1 	58 days

While Quality Engineers are in high demand one can conclude from the above that companies are working harder and spending more time and money on attracting Process Engineers which would suggest a lack of candidates.

*Data provided by ESRI

Top Qualifications

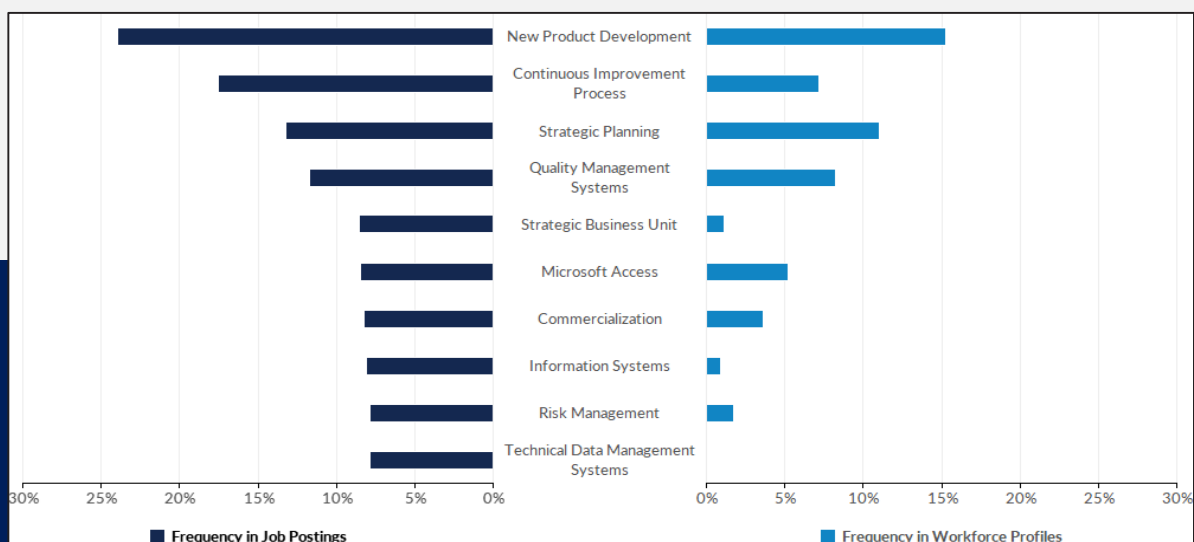
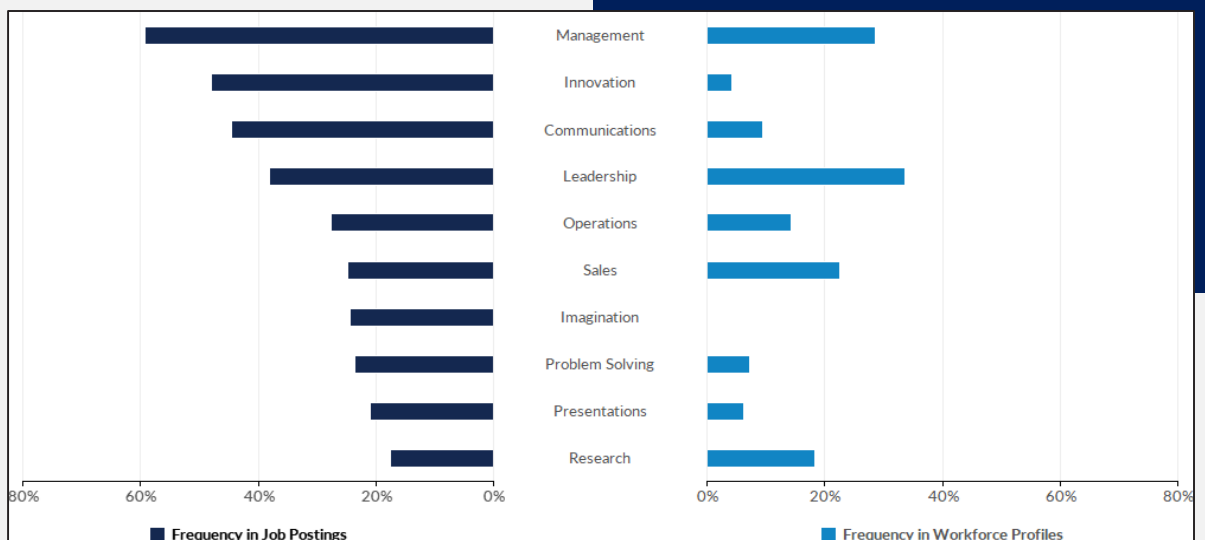
	Postings with Qualification
Master of Business Administration (MBA)	186
Certified Quality Engineer	43
American Society For Quality ASQ Certified	37
Certified Information Systems Security Professional	21
Certified Quality Auditor	17
PMI Certified	16
Project Management Professional Certification	14
CompTIA Security+	13
Certified Public Accountant	13
Certified Purchasing Manager	12

*Data provided by ESRI

The following provides insight into the supply and demand of relevant skills by comparing the frequency of skills present in job postings against skills present in today's workforce. This comparison leverages a dataset of more than 100M online resumés and profiles. All resumés and profiles used in these comparisons have been updated within the last three years.

*The skills associated with workforce profiles represent workers of all education and experience levels.

Top Common Skills



Top Hard Skills

Market Introduction

“The Minneapolis-St. Paul industrial market set another record for low vacancy, posting a year-over-year decline by 130 basis points to 6.3%. The 4th quarter experienced 792,794 square feet of net absorption alone. This brings the 2018 market-wide absorption total to just over 2 million square feet, of which more than half was bulk distribution space.”

– (Industrial Market Report, Avison Young Minneapolis)

Submarket	Total SF	Vacant SF	Percent Vacant	Q4 2018 Net Absorption	YTD 2018 Net Absorption	Avg. Net Rent Rate PSF Low	Avg. Net Rent Rate PSF High
NORTHWEST							
Office Showroom	6,953,506	447,036	6.4%	78,879	(23,148)	\$5.02	\$9.62
Northwest Total	34,472,568	2,705,560	7.9%	302,663	861,134	\$4.82	\$8.92
NORTHEAST							
Office Showroom	7,799,251	682,416	8.8%	29,514	156,069	\$4.92	\$9.54
Northeast Total	32,907,923	2,401,359	7.3%	396,391	623,373	\$4.75	\$8.83
SOUTHWEST							
Office Showroom	7,951,820	608,298	7.7%	(6,529)	2,214	\$4.92	\$9.43
Southwest Total	26,050,889	1,072,367	4.1%	64,031	152,565	\$4.87	\$9.16
SOUTHEAST							
Office Showroom	4,967,846	390,198	7.9%	50,074	(2,169)	\$4.74	\$9.24
Southeast Total	17,337,099	840,578	4.9%	29,639	392,388	\$4.70	\$8.86
TOTAL MARKET							
Office Showroom	27,665,823	2,127,948	7.7%	152,208	132,966	\$4.90	\$9.53
Market Total	110,768,479	7,019,864	6.3%	792,724	2,029,460	\$4.79	\$8.94

The above are excerpts from the Industrial Market Report Quarter 4 2018, Avison Young Minneapolis

Hypothetical Medical Device Real Estate Deal



TENANT DEAL – MEDICAL DEVICE HYPOTHETICAL

Net Present Value / RSF / Year	19.11
Total Net Present Value	\$2,674,738
Undiscounted Cash Flows / RSF / Year	\$22.37
Total Undiscounted Cash Flows	\$3,131,861
Initial Lease Term (Years)	7
TI Allowance / RSF	\$20.00
Total Expected Construction Costs / RSF (Possession)	\$35.00
Net Construction Costs/RSF/Funded by Tenant	\$15.00
Net Up-Front Capital Costs	\$700,000

“ There are a few places in the world like Minnesota, where entrepreneurs, doctors, business leaders, government officials, professors, and other have done so much together to advance mankind’s ability to take care of itself. ”

– **FRANK JASKULKE**, Medical Alley Association

Some of Our Valued Clients



Important Upcoming Events

Medical Alley Association Innovation Summit

September 11-12, 2019
Minneapolis, MN

MedCity INVEST Digital Health

September 17, 2019
Minneapolis, MN

MD & M

October 23–24, 2019
Minneapolis, MN

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