

Historic Flour Exchange Building sold in downtown Minneapolis

Jan 6, 2016, 12:42pm CST



A Chicago-based real estate investor has acquired the historic Flour Exchange Building in downtown Minneapolis.

R2 Cos. paid \$7.5 million to buy the 11-story building at 310 Fourth Ave. S. from St. Paul-based Larson Properties, according to a certificate of real estate value filed in Hennepin County. R2 also owns the 15 Building, the downtown Minneapolis property upon which it commissioned a huge mural of musician Bob Dylan last year.

“Our plan [for the Flour Exchange] is to make cosmetic and operational improvements and upgrade tenant spaces over time,” R2 Managing Principal Matt Garrison emailed. “It’s a great historic asset like our 15 building. We believe in Minneapolis and the demand for creative office space and are looking for additional acquisitions.”

The 128,000-square-foot Flour Exchange Building is 75 percent occupied. Its tenants include law firms and the city of Minneapolis, which leases about 15,500 square feet.

Built in 1892 and 1902, the Flour Exchange Building was the first steel-and-concrete high-rise in Minneapolis. The original architect was Long and Keys in Minneapolis, which also designed Minneapolis City Hall.

Larson Properties paid about \$3 million for the Flour Exchange Building in 1999. The company spent about \$4 million overhauling the building in the early 2000s.

Larson put the building on the market last fall with an asking price of \$8.6 million.