Market

Trends

Q4 2024

Mpls/St Paul - Retail

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REDI

MARKET TRENDS

Q4 2024 | Mpls-St Paul | Retail

Employment

	Current	Y-o-Y
Employment	1,943,298	▼
Area Unemployment	2.9	▲
U.S. Unemployment	4.2	▲
Retail Jobs	169,900	▼

Source: BLS

*Employment figures and area unemployment are based on Mpls-St Paul MSA data.

Market Recap

Total Inventory (sf)	93,639,032
Total # of Bldgs (tracked)	1,935
Absorption	184,580
Vacancy	7.3%
Asking Rate (NNN)	$19.11
Under Construction	412,978

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 100 basis points to 2.9% for November 2024 from 1.9% for November 2023. The unemployment rate for the US was at 4.2% in November 2024 increasing 50 basis points from last year. State of Minnesota unemployment rate was 3.5%. The Mpls-St Paul MSA saw an decrease in job growth while retail decreased in job growth in leisure and hospitality by 4,400 during the same period.

Market Overview

The Mpls-St Paul retail market consists of over 93.6 msf of space in seven metro counties. This region posted 184,500 sf positive absorption for Q4 2024 and brought the YTD to 587,600 sf positive absorption. Multi-tenant properties had 53,800 sf positive absorption this quarter bringing the YTD to 180,000 sf positive absorption. The vacancy rate for the overall market was 7.3% and multi-tenant only properties showed 10.3%. To date there are 26 construction projects throughout the market totaling 413,000 sf.

Market Highlights

The Northwest market posted the lowest vacancy rate at 4.6% for all properties while Mpls CBD was the highest at 29.5%. All the suburban markets posted 6.4% vacancy rate. The Southwest market led all markets posting positive absorption of 87,900 sf led by Schneiderman's new location with 71,500 sf. Northwest market was the only market with negative absorption of (4,000) sf led by Sally Beauty vacating 13,500 sf. During Q4 2024, 98 properties sold with 1.2 msf totaling $167.7 million. At the close of Q4 2024, the market experienced over 456,700 sf of leasing activity from 118 transactions. Thirty three properties were delivered YTD with 526,700 sf.

Market Statistics by Property Type

Total

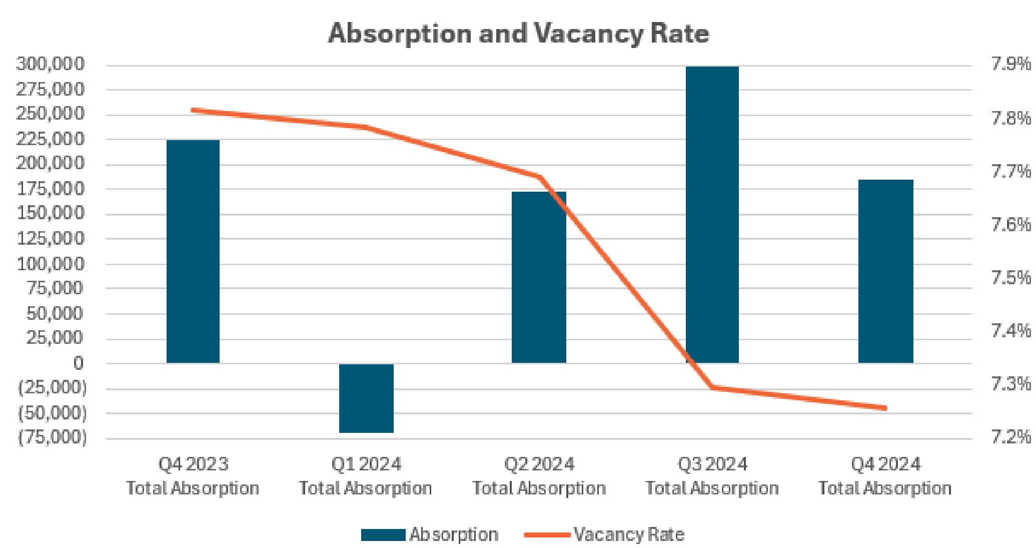
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	68	10,997,485	1,255,016	1,449,327	(36,538)	(11,308)	13.2%
Freestanding/Big Box	599	38,246,254	876,904	1,079,018	144,292	421,059	2.8%
Mixed Use	198	7,172,094	1,376,312	1,367,938	31,895	38,458	19.1%
Neighborhood Center	338	19,089,185	1,292,236	1,347,189	(32,854)	112,618	7.1%
Regional Center	9	7,018,869	916,870	915,137	85,588	(18,781)	13.0%
Strip Center	723	11,115,145	793,601	636,196	(7,803)	45,553	5.7%
Grand Total	**1,935**	**93,639,032**	**6,510,939**	**6,794,805**	**184,580**	**587,599**	**7.3%**

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Community Center	68	10,997,485	1,200,796	1,395,107	(36,538)	(30,486)	12.7%
Freestanding/Big Box	599	38,246,254	689,311	918,838	144,292	434,559	2.4%
Mixed Use	198	7,172,094	1,302,345	1,305,513	31,895	46,576	18.2%
Neighborhood Center	338	19,089,185	1,191,963	1,248,516	(32,854)	121,420	6.5%
Regional Center	9	7,018,869	916,870	915,137	85,588	(18,781)	13.0%
Strip Center	723	11,115,145	788,366	632,962	(9,464)	48,787	5.7%
Grand Total	**1,935**	**93,639,032**	**6,089,651**	**6,416,073**	**182,919**	**602,075**	**6.9%**

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Community Center	68	10,997,485	54,220	54,220	0	19,178	0.5%
Freestanding/Big Box	599	38,246,254	187,593	160,180	0	(13,500)	0.4%
Mixed Use	198	7,172,094	73,967	62,425	0	(8,118)	0.9%
Neighborhood Center	338	19,089,185	100,273	98,673	0	(8,802)	0.5%
Regional Center	9	7,018,869			0	0	0.0%
Strip Center	723	11,115,145	5,235	3,234	1,661	(3,234)	0.0%
Grand Total	**1,935**	**93,639,032**	**421,288**	**378,732**	**1,661**	**(14,476)**	**0.4%**



Market Statistics by Market

Market	Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Mpls CBD	Community Center	1	147,643			0	0	0.0%
	Freestanding/Big Box	2	273,416			0	0	0.0%
	Mixed Use	62	2,773,817	875,534	945,848	15,493	19,074	34.1%
	Strip Center	2	18,520	2,269	2,269	0	2,937	12.3%
	Subtotal	**67**	**3,213,396**	**877,803**	**948,117**	**15,493**	**22,011**	**29.5%**
Northeast	Community Center	23	3,726,040	443,271	504,034	(46,401)	64,009	13.5%
	Freestanding/Big Box	199	13,091,197	382,335	670,267	86,000	72,500	5.1%
	Mixed Use	23	602,868	45,238	36,014	5,113	6,771	6.0%
	Neighborhood Center	95	5,555,955	432,072	435,245	(4,187)	53,048	7.8%
	Regional Center	4	2,725,830	292,191	292,191	871	(6,995)	10.7%
	Strip Center	213	3,298,655	169,995	169,123	15,776	41,860	5.1%
	Subtotal	**557**	**29,000,545**	**1,765,102**	**2,106,874**	**57,172**	**231,193**	**7.3%**
Northwest	Community Center	8	1,331,047	33,113	144,298	0	18,976	10.8%
	Freestanding/Big Box	84	5,322,566	136,159	28,159	0	223,933	0.5%
	Mixed Use	22	844,122	25,134	22,364	12,866	17,901	2.6%
	Neighborhood Center	57	3,262,974	168,740	240,986	(5,307)	14,454	7.4%
	Strip Center	129	1,969,305	221,897	153,776	(11,577)	(4,996)	7.8%
	Subtotal	**300**	**12,730,014**	**585,043**	**589,583**	**(4,018)**	**270,268**	**4.6%**
Saint Paul CBD	Mixed Use	14	539,043	150,126	91,057	7,274	7,274	16.9%
	Subtotal	**14**	**539,043**	**150,126**	**91,057**	**7,274**	**7,274**	**16.9%**
Southeast	Community Center	20	3,342,689	325,018	494,180	9,863	(58,705)	14.8%
	Freestanding/Big Box	186	12,248,083	240,152	219,585	21,371	(49,331)	1.8%
	Mixed Use	30	1,005,408	88,541	85,125	(4,054)	(14,895)	8.5%
	Neighborhood Center	110	6,051,601	422,757	347,300	(592)	88,674	5.7%
	Regional Center	1	609,991	206,374	206,374	0	0	33.8%
	Strip Center	211	3,077,399	203,896	154,717	(1,959)	9,305	5.0%
	Subtotal	**558**	**26,335,171**	**1,486,738**	**1,507,281**	**24,629**	**(24,952)**	**5.7%**
Southwest	Community Center	13	2,054,657	290,475	171,475	0	(35,588)	8.3%
	Freestanding/Big Box	97	5,634,848	103,109	133,109	36,921	173,957	2.4%
	Mixed Use	29	882,683	79,793	86,462	0	2,004	9.8%
	Neighborhood Center	47	2,695,714	122,594	193,391	(29,568)	(58,337)	7.2%
	Regional Center	2	2,087,941	379,913	379,913	85,425	(13,730)	18.2%
	Strip Center	113	1,805,551	100,333	72,210	(11,699)	(12,519)	4.0%
	Subtotal	**301**	**15,161,394**	**1,076,217**	**1,036,560**	**81,079**	**55,787**	**6.8%**
West	Community Center	3	395,409	163,139	135,340	0	0	34.2%
	Freestanding/Big Box	31	1,676,144	15,149	27,898	0	0	1.7%
	Mixed Use	18	524,153	111,946	101,068	(4,797)	329	19.3%
	Neighborhood Center	29	1,522,941	146,073	130,267	6,800	14,779	8.6%
	Regional Center	2	1,595,107	38,392	36,659	(708)	1,944	2.3%
	Strip Center	55	945,715	95,211	84,101	1,656	8,966	8.9%
	Subtotal	**138**	**6,659,469**	**569,910**	**515,333**	**2,951**	**26,018**	**7.7%**
Suburban	Community Center	67	10,849,842	1,255,016	1,449,327	(36,538)	(11,308)	13.4%
	Freestanding/Big Box	597	37,972,838	876,904	1,079,018	144,292	421,059	2.8%
	Mixed Use	122	3,859,234	350,652	331,033	9,128	12,110	8.6%
	Neighborhood Center	338	19,089,185	1,292,236	1,347,189	(32,854)	112,618	7.1%
	Regional Center	9	7,018,869	916,870	915,137	85,588	(18,781)	13.0%
	Strip Center	721	11,096,625	791,332	633,927	(7,803)	42,616	5.7%
	Subtotal	**1,854**	**89,886,593**	**5,483,010**	**5,755,631**	**161,813**	**558,314**	**6.4%**
Grand Total		**1,935**	**93,639,032**	**6,510,939**	**6,794,805**	**184,580**	**587,599**	**7.3%**

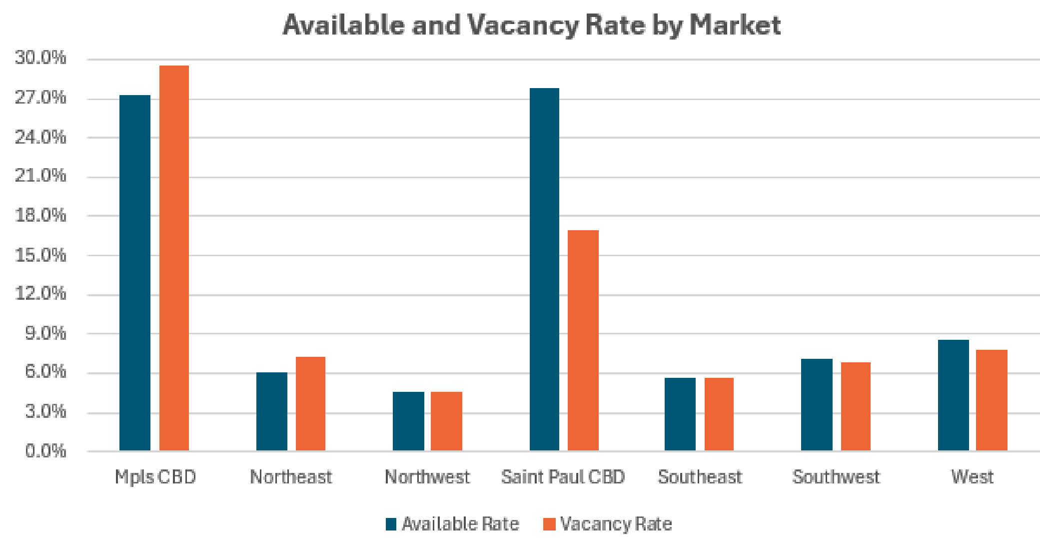
Vacancy Rates

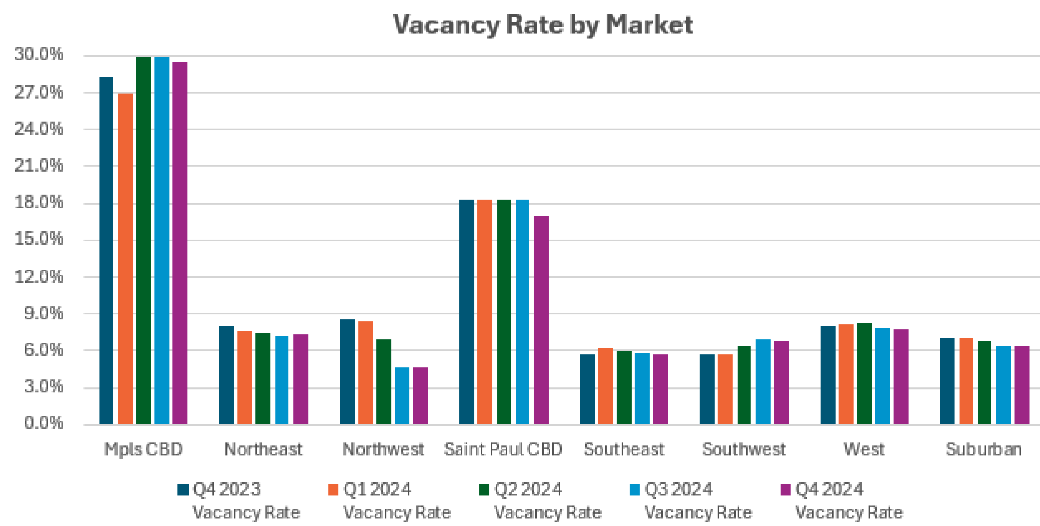
Market	Property Type	Q4 2023 Vacancy Rate	Q1 2024 Vacancy Rate	Q2 2024 Vacancy Rate	Q3 2024 Vacancy Rate	Q4 2024 Vacancy Rate
Mpls CBD	Community Center	0.0%	0.0%	0.0%	0.0%	0.0%
	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	32.5%	31.0%	34.4%	34.7%	34.1%
	Strip Center	28.1%	28.1%	28.1%	12.3%	12.3%
	Subtotal	**28.3%**	**26.9%**	**29.9%**	**30.0%**	**29.5%**
Northeast	Community Center	15.2%	14.0%	13.0%	12.3%	13.5%
	Freestanding/Big Box	5.0%	5.2%	5.2%	5.2%	5.1%
	Mixed Use	7.1%	7.7%	7.4%	6.8%	6.0%
	Neighborhood Center	9.8%	8.6%	8.6%	7.8%	7.8%
	Regional Center	10.5%	10.4%	10.9%	10.8%	10.7%
	Strip Center	6.5%	6.1%	5.7%	5.6%	5.1%
	Subtotal	**7.9%**	**7.6%**	**7.5%**	**7.2%**	**7.3%**
Northwest	Community Center	12.3%	11.8%	11.8%	10.8%	10.8%
	Freestanding/Big Box	9.1%	9.1%	5.9%	0.5%	0.5%
	Mixed Use	4.8%	4.6%	4.0%	4.2%	2.6%
	Neighborhood Center	7.8%	7.7%	7.6%	7.2%	7.4%
	Strip Center	7.3%	7.0%	6.6%	7.2%	7.8%
	Subtotal	**8.6%**	**8.4%**	**6.9%**	**4.6%**	**4.6%**
Saint Paul CBD	Mixed Use	18.2%	18.2%	18.2%	18.2%	16.9%
	Subtotal	**18.2%**	**18.2%**	**18.2%**	**18.2%**	**16.9%**
Southeast	Community Center	13.8%	14.7%	13.9%	15.1%	14.8%
	Freestanding/Big Box	1.2%	2.0%	2.0%	2.0%	1.8%
	Mixed Use	7.2%	8.1%	9.5%	8.1%	8.5%
	Neighborhood Center	7.1%	7.1%	6.3%	5.7%	5.7%
	Regional Center	33.8%	33.8%	33.8%	33.8%	33.8%
	Strip Center	5.3%	5.6%	5.8%	5.0%	5.0%
	Subtotal	**5.7%**	**6.2%**	**6.0%**	**5.8%**	**5.7%**
Southwest	Community Center	6.6%	6.2%	11.6%	8.3%	8.3%
	Freestanding/Big Box	1.3%	1.3%	1.3%	1.7%	2.4%
	Mixed Use	10.0%	10.2%	9.7%	9.8%	9.8%
	Neighborhood Center	4.9%	4.5%	6.5%	6.1%	7.2%
	Regional Center	17.5%	17.9%	15.4%	22.3%	18.2%
	Strip Center	3.3%	4.1%	3.8%	3.4%	4.0%
	Subtotal	**5.7%**	**5.7%**	**6.4%**	**6.9%**	**6.8%**
West	Community Center	34.2%	34.2%	34.2%	34.2%	34.2%
	Freestanding/Big Box	1.7%	1.7%	1.7%	1.7%	1.7%
	Mixed Use	19.3%	19.5%	19.7%	18.4%	19.3%
	Neighborhood Center	9.5%	9.5%	9.6%	9.0%	8.6%
	Regional Center	2.4%	2.7%	2.8%	2.3%	2.3%
	Strip Center	9.5%	9.3%	9.6%	9.3%	8.9%
	Subtotal	**8.1%**	**8.1%**	**8.2%**	**7.8%**	**7.7%**
Suburban	Community Center	13.5%	13.2%	13.7%	13.0%	13.4%
	Freestanding/Big Box	3.7%	4.0%	3.5%	2.8%	2.8%
	Mixed Use	9.0%	9.3%	9.4%	8.8%	8.6%
	Neighborhood Center	7.9%	7.5%	7.5%	6.9%	7.1%
	Regional Center	12.8%	12.9%	12.4%	14.3%	13.0%
	Strip Center	6.0%	6.1%	5.9%	5.7%	5.7%
	Subtotal	**7.0%**	**7.0%**	**6.8%**	**6.4%**	**6.4%**
Grand Total		**7.8%**	**7.8%**	**7.7%**	**7.3%**	**7.3%**

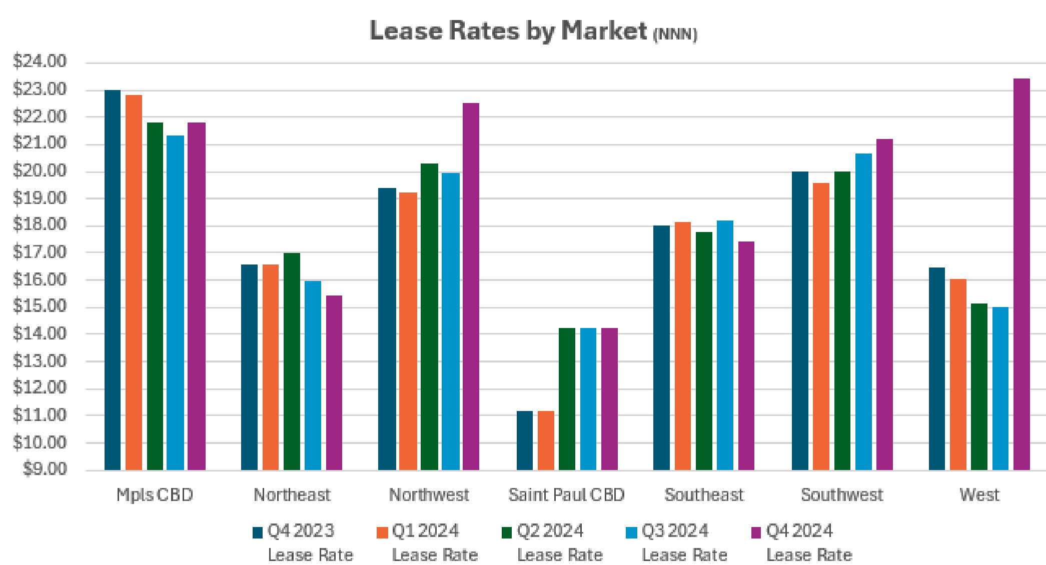
Lease Rates (NNN)

Market	Property Type	Q4 2023 Lease Rate	Q1 2024 Lease Rate	Q2 2024 Lease Rate	Q3 2024 Lease Rate	Q4 2024 Lease Rate
Mpls CBD	Community Center					
	Freestanding/Big Box					
	Mixed Use	$23.03	$22.80	$21.78	$21.34	$21.82
	Strip Center					
	Subtotal	**$23.03**	**$22.80**	**$21.78**	**$21.34**	**$21.82**
Northeast	Community Center	$8.00	$8.00	$8.00	$8.00	$8.00
	Freestanding/Big Box					
	Mixed Use	$17.25	$17.25	$17.25	$17.25	$17.67
	Neighborhood Center	$11.42	$11.25	$12.65	$11.63	$11.50
	Regional Center					
	Strip Center	$18.42	$18.42	$19.31	$18.39	$16.65
	Subtotal	**$16.58**	**$16.55**	**$17.00**	**$15.99**	**$15.41**
Northwest	Community Center	$15.00	$15.00			
	Freestanding/Big Box					$28.00
	Mixed Use	$15.00	$15.00	$15.00	$15.00	$15.00
	Neighborhood Center	$19.00	$19.00	$19.00	$17.00	$17.00
	Strip Center	$20.15	$20.15	$21.33	$21.11	$24.00
	Subtotal	**$19.39**	**$19.23**	**$20.31**	**$19.92**	**$22.54**
Saint Paul CBD	Mixed Use	$11.17	$11.17	$14.25	$14.25	$14.25
	Subtotal	**$11.17**	**$11.17**	**$14.25**	**$14.25**	**$14.25**
Southeast	Community Center					
	Freestanding/Big Box	$11.00	$11.00	$11.00	$11.00	$11.00
	Mixed Use	$16.50	$15.63	$15.63	$16.68	$16.68
	Neighborhood Center	$15.17	$15.33	$15.43	$14.83	$14.83
	Regional Center					
	Strip Center	$20.71	$20.99	$20.64	$21.65	$20.05
	Subtotal	**$17.99**	**$18.15**	**$17.76**	**$18.18**	**$17.45**
Southwest	Community Center					
	Freestanding/Big Box					
	Mixed Use	$17.50	$17.50	$17.50	$17.50	$20.00
	Neighborhood Center	$16.50	$16.50	$17.67	$16.50	$18.50
	Regional Center					
	Strip Center	$21.71	$20.84	$21.71	$22.50	$22.28
	Subtotal	**$20.00**	**$19.56**	**$20.00**	**$20.67**	**$21.19**
West	Community Center					
	Freestanding/Big Box					
	Mixed Use					$35.50
	Neighborhood Center	$14.39	$12.33	$12.33	$12.00	$12.00
	Regional Center					
	Strip Center	$18.50	$18.50	$18.00	$18.00	$22.00
	Subtotal	**$16.44**	**$16.03**	**$15.17**	**$15.00**	**$23.40**
Grand Total		**$18.35**	**$18.35**	**$18.49**	**$18.49**	**$19.11**

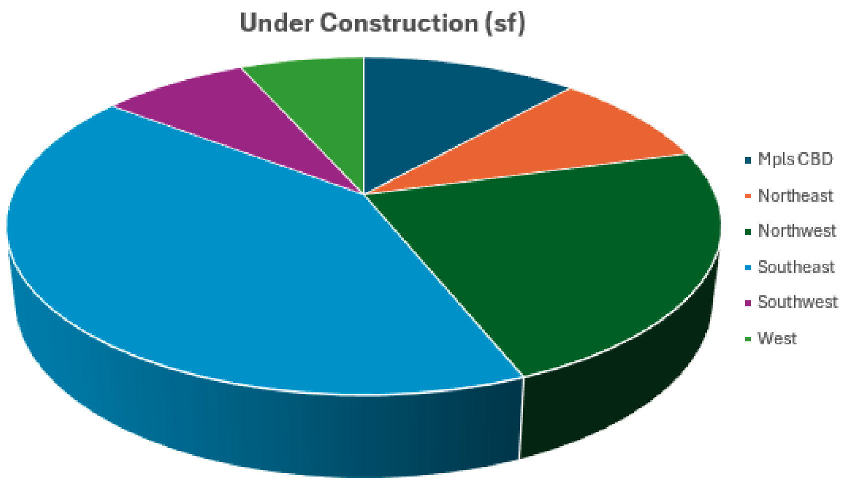
Vacancy and Lease Rates





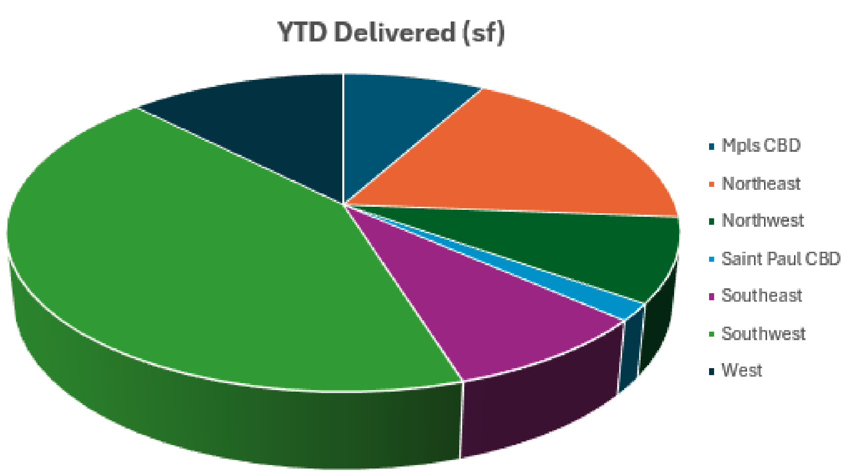


Construction by Market



Market	Bldg (sf)
Mpls CBD	48,120
Northeast	37,627
Northwest	95,378
Southeast	171,248
Southwest	32,900
West	27,705
Grand Total	**412,978**

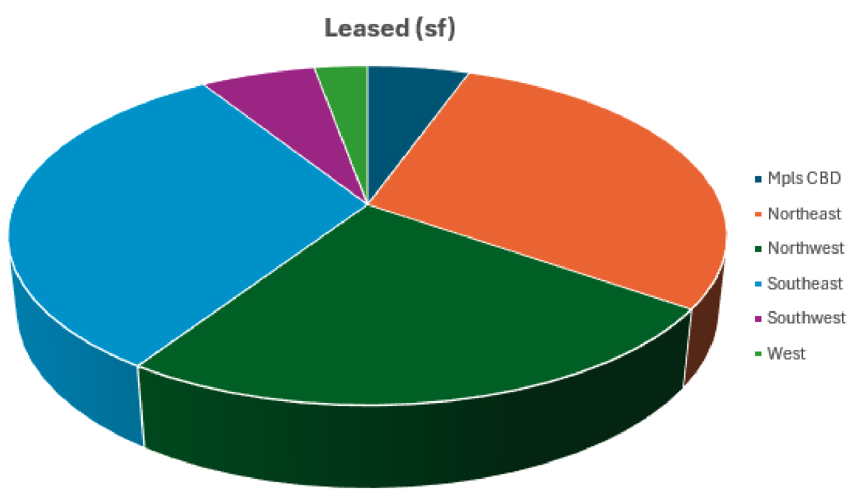
YTD Delivered by Market



Market	Bldg (sf)
Mpls CBD	42,520
Northeast	95,778
Northwest	44,989
Saint Paul CBD	9,250
Southeast	45,231
Southwest	223,673
West	65,282
Grand Total	**526,723**

Leasing Activity

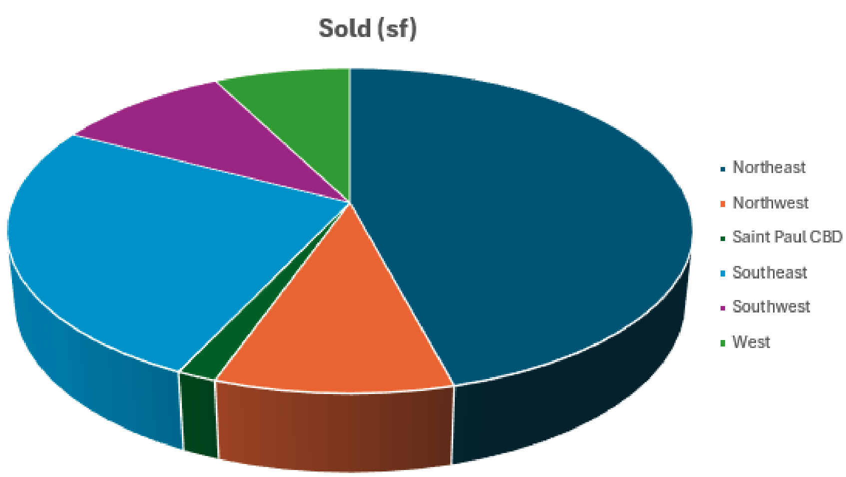
Property	Size (sf)	Market	Tenant	Landlord
The Boulevard Retail Project 13001 Bass Lake Rd	65,000	Northwest	Coborns	Coborns
Burnsville Crossing 14240 Plymouth Ave	26,040	Southeast	Big Air Trampoline	Yellowbrick II LLC
Mounds View Square 2537 Hwy 10 NE	25,115	Northeast	Planet Fitness	Moundsview Square Associates LLC
Viengchan Market 633 7th St W	18,007	Southeast	Viengchan Oriental Market	VM Brookdale LLC
Woodbury Village 7020 Valley Creek Plaza	15,732	Southeast	Daiso	Woodbury Village Shopping Center LP



Market	Leased (sf)
Mpls CBD	24,927
Northeast	133,554
Northwest	112,288
Southeast	144,940
Southwest	28,020
West	13,018
Grand Total	**456,747**

Sales Activity

Property	Price	Market	Buyer	Seller
235 Maryland Ave E	$9,500,000	Northeast	Port Authority of the City of Saint Paul	Shidler/West Finance Partners V LP
3574-3580 Main St NW	$8,175,000	Northeast	CL Shops at Riverdale Commons MN LLC	Ridgecrest Coon Rapids I LLC
Shops at Gateway North 38500 Tanger Dr	$7,250,000	Northeast	North Branch Mall LLC	North Branch Retail LLC
1600 Monroe Dr	$5,271,349	Southwest	HomeTown Bank	HTB Carver, LLC
38420 Tanger Dr	$4,800,000	Northeast	Tanger Holdings, LLC	Lithia Real Estate, Inc.



Market	Sold (sf)
Northeast	563,918
Northwest	117,573
Saint Paul CBD	19,680
Southeast	315,782
Southwest	119,450
West	93,211
Grand Total	**1,229,614**

Methodology

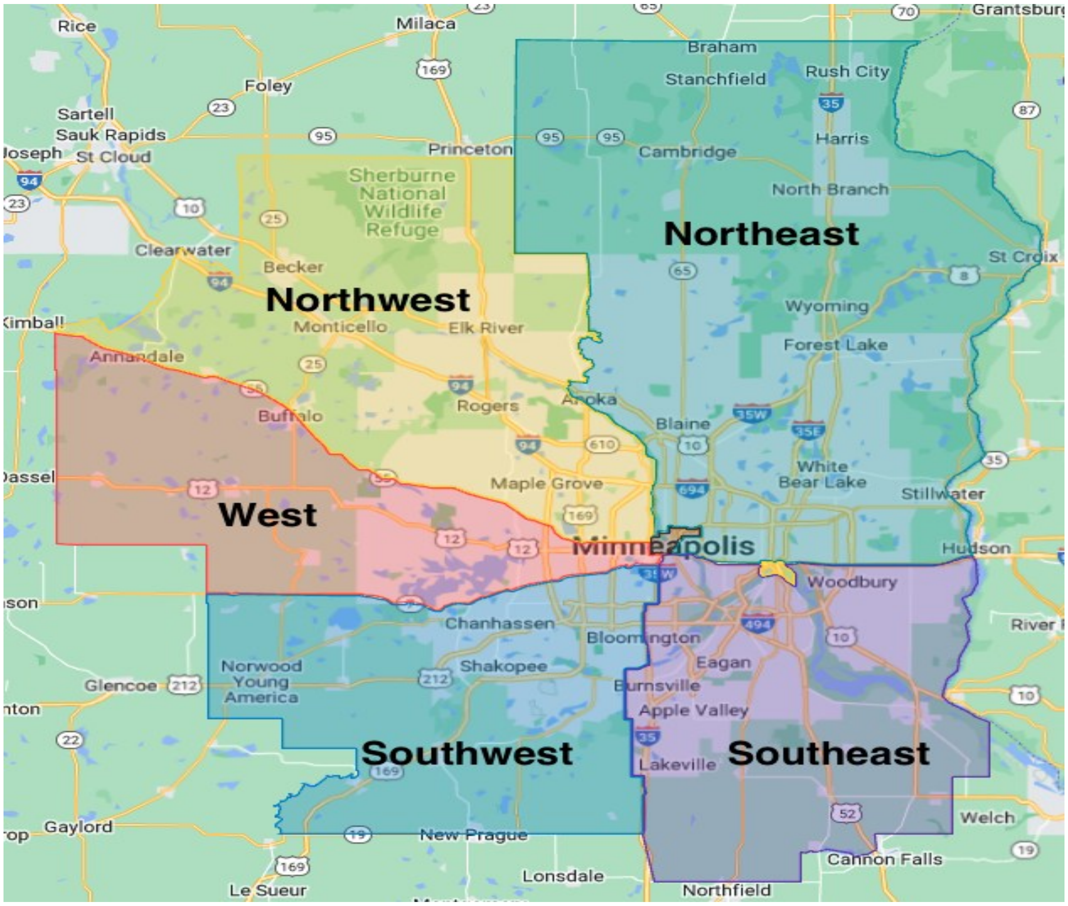
The Mpls-St Paul market consists of multi-tenant and single tenant retail buildings 15,000 sf or larger or are part of a complex larger than 15,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. The tracked set does include mixed use properties with less than 15,000 sf of retail space. All tracked properties are existing. Statistically, net absorption will be calculated based on occupancy change during the current quarter. Asking lease rates are based on an average asking rate and noted on NNN terms.

The Mpls-St Paul tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

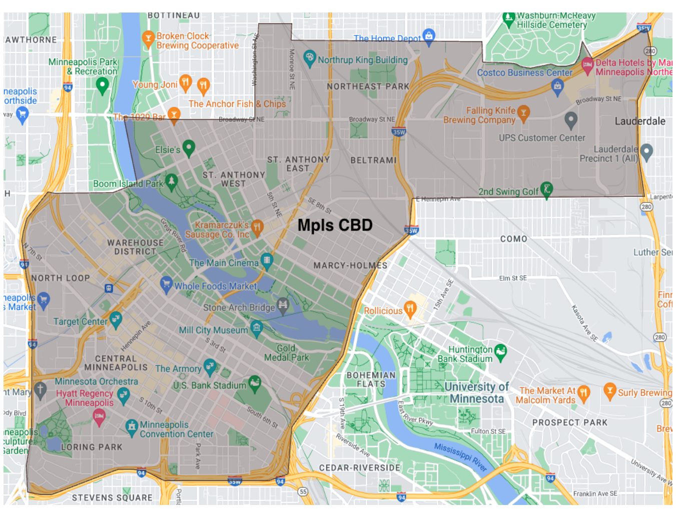
Terminology

Inventory	The total square feet (sf) of existing multi-tenant and single tenant buildings greater than 15,000 sf or are part of a complex that totals greater than 15,000 sf located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant (sf)	The total of all the vacant square feet within a building including both direct and sublease space.
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Sublease Space	Space that is offered for lease by a current tenant, or their agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Net Absorption	The net change in occupancy from quarter to quarter, expressed in square feet.
Average Asking Rate	The average lease rated expressed as a per square foot value in NNN terms.
Community Specialty	Multi-tenant properties between 100,000-400,000 sf
Freestanding/Big Box	Single tenant properties
Mixed Use	Properties with retail and other uses like office and/or multi-family
Neighborhood Center	Multi-tenant properties between 30,000-100,000 sf
Regional	Multi-tenant properties over 400,000 sf
Strip Center	Multi-tenant properties less than 30,000 sf

Market Map



Mpls CBD



St Paul CBD

Images courtesy of Google maps

Advisory Board Members

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