Market

Trends

Q4 2025

Mpls/St Paul - Retail

REDI
MOODY'S

800-574-9185 x 803 | https://redicre.com

MARKET TRENDS

Q4 2025 | Mpls-St Paul | Retail

Market Recap

Total Inventory (sf)	93,785,181
Total # of Bldgs (tracked)	1,950
Absorption	(13,142)
Vacancy	7.7%
Asking Rate (NNN)	$19.19
Under Construction	422,722

Economic Overview

Historically, according to the U.S. Bureau of Labor Statistics (BLS), the Mpls-St Paul metropolitan statistical area (MSA) has experienced relatively stable unemployment and modest job growth trends. At the time of this publication, current BLS employment and unemployment data were unavailable. As a result, updated unemployment rates and job growth figures for the Mpls-St Paul MSA, the State of Minnesota, and the United States are not reported for this quarter.

Market Overview

The Mpls-St Paul retail market consists of over 93.7 msf of space in seven metro counties. This region posted (13,100) sf negative absorption for Q4 2025 bringing the YTD of (584,000) sf negative absorption. Direct leases accounted for (57,100) sf negative absorption while subleases had 43,900 sf of positive absorption this quarter. Multi-tenant properties had 158,500 sf positive absorption this quarter and YTD of (260,500) sf negative absorption. The vacancy rate for the overall market was 7.7% and multi-tenant only properties showed 10.5%. To date there are 29 construction projects throughout the market totaling 422,700 sf while 22 properties were delivered YTD with 298,500 sf.

Market Highlights

All of the suburban markets recorded (45,800) sf negative absorption and ended the year with 6.9% vacancy rate. Southwest market posted the highest positive absorption of 86,900 sf led by the new delivery of 20,600 sf for Goodwill. Northeast market had the largest negative absorption of (186,400) sf led by Walmart vacating 114,000 sf. The market experienced over 504,800 sf of leasing activity from 151 transactions. During Q4 2025, 99 properties sold with 807,800 sf totaling $150.7 million.

Market Statistics by Property Type

Total

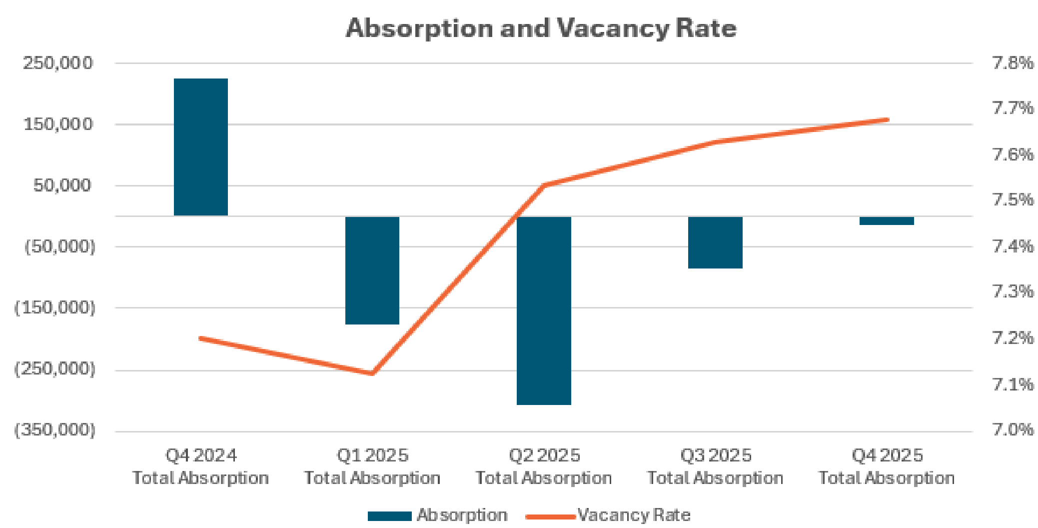
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	69	11,165,370	1,352,598	1,422,103	118,886	(89,709)	12.7%
Freestanding/Big Box	606	38,178,199	952,571	1,381,880	(171,689)	(323,436)	3.6%
Mixed Use	197	7,029,614	1,073,257	1,361,953	29,508	4,979	19.4%
Neighborhood Center	340	19,195,019	1,292,935	1,422,254	52,491	(130,708)	7.4%
Regional Center	9	7,018,869	846,677	988,625	(72,475)	(73,488)	14.1%
Strip Center	729	11,198,110	782,725	623,915	30,137	28,341	5.6%
Grand Total	**1,950**	**93,785,181**	**6,300,763**	**7,200,730**	**(13,142)**	**(584,021)**	**7.7%**

Direct

Property Type	# of Bldgs	Inventory	Direct Available (sf)	Direct Vacant (sf)	Direct Absorption (sf)	YTD Direct Absorption (sf)	Vacancy Rate
Community Center	69	11,165,370	1,298,378	1,367,883	73,502	(89,709)	12.3%
Freestanding/Big Box	606	38,178,199	840,986	1,270,295	(171,689)	(372,031)	3.3%
Mixed Use	197	7,029,614	984,741	1,273,437	29,508	31,070	18.1%
Neighborhood Center	340	19,195,019	1,187,557	1,315,707	53,905	(122,834)	6.9%
Regional Center	9	7,018,869	846,677	988,625	(72,475)	(73,488)	14.1%
Strip Center	729	11,198,110	763,590	609,557	30,137	39,465	5.4%
Grand Total	**1,950**	**93,785,181**	**5,921,929**	**6,825,504**	**(57,112)**	**(587,527)**	**7.3%**

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Community Center	69	11,165,370	54,220	54,220	45,384	0	0.5%
Freestanding/Big Box	606	38,178,199	111,585	111,585	0	48,595	0.3%
Mixed Use	197	7,029,614	88,516	88,516	0	(26,091)	1.3%
Neighborhood Center	340	19,195,019	105,378	106,547	(1,414)	(7,874)	0.6%
Regional Center	9	7,018,869			0	0	0.0%
Strip Center	729	11,198,110	19,135	14,358	0	(11,124)	0.1%
Grand Total	**1,950**	**93,785,181**	**378,834**	**375,226**	**43,970**	**3,506**	**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	3	356,182			0	0	0.0%
	Mixed Use	61	2,744,284	567,976	883,341	32,657	48,121	32.2%
	Strip Center	2	18,520	2,269	2,269	0	0	12.3%
	Subtotal	**67**	**3,266,629**	**570,245**	**885,610**	**32,657**	**48,121**	**27.1%**
Northeast	Community Center	24	3,893,925	444,673	440,826	98,113	(52,648)	11.3%
	Freestanding/Big Box	198	12,741,080	598,511	704,133	(189,206)	(170,260)	5.5%
	Mixed Use	23	592,237	49,419	40,203	(1,685)	5,180	6.8%
	Neighborhood Center	96	5,627,220	357,594	451,352	3,635	3,468	8.0%
	Regional Center	4	2,725,830	182,499	405,131	(85,710)	(112,940)	14.9%
	Strip Center	218	3,385,106	212,891	172,368	(11,620)	5,700	5.1%
	Subtotal	**563**	**28,965,398**	**1,845,587**	**2,214,013**	**(186,473)**	**(321,500)**	**7.6%**
Northwest	Community Center	8	1,331,047	117,743	117,743	2,663	25,478	8.8%
	Freestanding/Big Box	86	5,371,326	108,400	137,012	(18,853)	(108,853)	2.6%
	Mixed Use	21	818,262	36,047	14,309	1,970	8,055	1.7%
	Neighborhood Center	57	3,244,173	264,308	209,853	9,079	(47,964)	6.5%
	Strip Center	129	1,969,511	241,730	196,751	3,414	(51,798)	10.0%
	Subtotal	**301**	**12,734,319**	**768,228**	**675,668**	**(1,727)**	**(175,082)**	**5.3%**
Saint Paul CBD	Mixed Use	14	540,799	107,198	121,919	0	(30,862)	22.5%
	Subtotal	**14**	**540,799**	**107,198**	**121,919**	**0**	**(30,862)**	**22.5%**
Southeast	Community Center	20	3,342,689	348,509	518,738	14,303	(24,558)	15.5%
	Freestanding/Big Box	189	12,361,183	166,532	433,709	15,770	(88,904)	3.5%
	Mixed Use	31	993,758	91,084	68,133	(3,824)	21,003	6.9%
	Neighborhood Center	111	6,104,971	353,947	431,984	9,710	(61,255)	7.1%
	Regional Center	1	609,991	206,374	206,374	0	0	33.8%
	Strip Center	210	3,045,100	168,355	138,081	(986)	18,318	4.5%
	Subtotal	**562**	**26,457,692**	**1,334,801**	**1,797,019**	**34,973**	**(135,396)**	**6.8%**
Southwest	Community Center	13	2,054,657	300,935	183,246	3,807	(11,771)	8.9%
	Freestanding/Big Box	99	5,670,312	79,128	79,128	20,600	44,581	1.4%
	Mixed Use	29	816,121	115,059	116,450	(270)	(29,988)	14.3%
	Neighborhood Center	47	2,695,714	159,445	177,025	31,695	(3,184)	6.6%
	Regional Center	2	2,087,941	341,647	341,647	9,652	38,266	16.4%
	Strip Center	114	1,813,544	69,782	45,067	21,395	39,919	2.5%
	Subtotal	**304**	**15,138,289**	**1,065,996**	**942,563**	**86,879**	**77,823**	**6.2%**
West	Community Center	3	395,409	140,738	161,550	0	(26,210)	40.9%
	Freestanding/Big Box	31	1,678,116		27,898	0	0	1.7%
	Mixed Use	18	524,153	106,474	117,598	660	(16,530)	22.4%
	Neighborhood Center	29	1,522,941	157,641	152,040	(1,628)	(21,773)	10.0%
	Regional Center	2	1,595,107	116,157	35,473	3,583	1,186	2.2%
	Strip Center	56	966,329	87,698	69,379	17,934	16,202	7.2%
	Subtotal	**139**	**6,682,055**	**608,708**	**563,938**	**20,549**	**(47,125)**	**8.4%**
Suburban	Community Center	68	11,017,727	1,352,598	1,422,103	118,886	(89,709)	12.9%
	Freestanding/Big Box	603	37,822,017	952,571	1,381,880	(171,689)	(323,436)	3.7%
	Mixed Use	122	3,744,531	398,083	356,693	(3,149)	(12,280)	9.5%
	Neighborhood Center	340	19,195,019	1,292,935	1,422,254	52,491	(130,708)	7.4%
	Regional Center	9	7,018,869	846,677	988,625	(72,475)	(73,488)	14.1%
	Strip Center	727	11,179,590	780,456	621,646	30,137	28,341	5.6%
	Subtotal	**1,869**	**89,977,753**	**5,623,320**	**6,193,201**	**(45,799)**	**(601,280)**	**6.9%**
Grand Total		**1,950**	**93,785,181**	**6,300,763**	**7,200,730**	**(13,142)**	**(584,021)**	**7.7%**

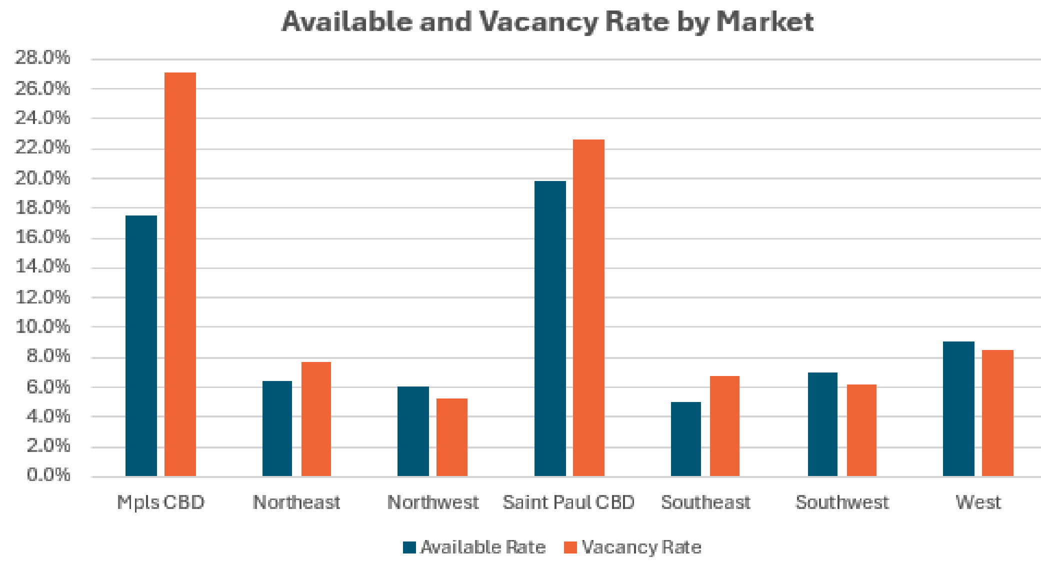
Vacancy Rates

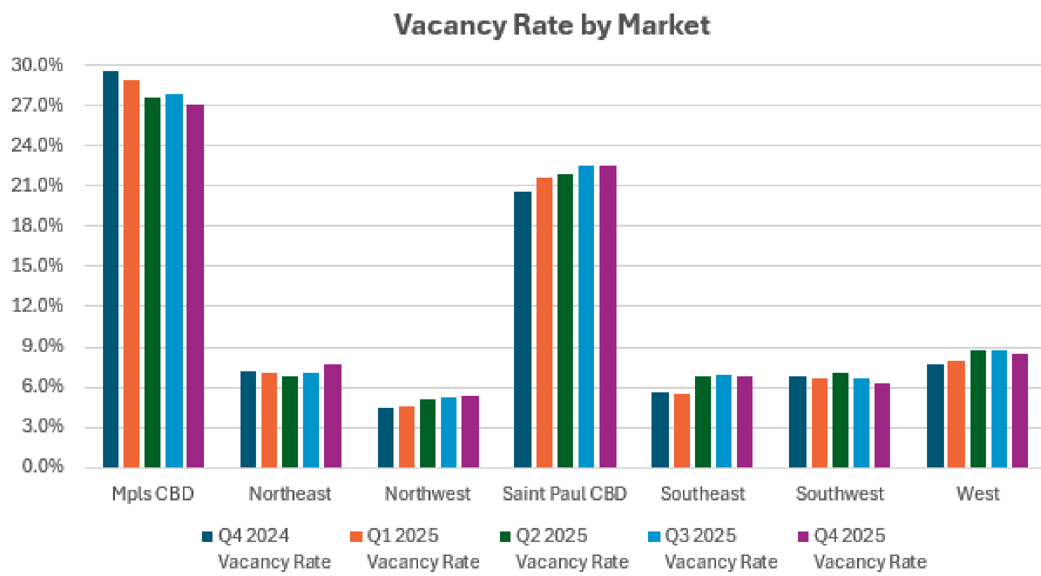
Market	Property Type	Q4 2024 Vacancy Rate	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate	Q4 2025 Vacancy Rate
Mpls CBD	Community Center	0.0%	0.0%	0.0%	0.0%	0.0%
	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	34.3%	34.3%	32.8%	33.1%	32.2%
	Strip Center	12.3%	12.3%	12.3%	12.3%	12.3%
	Subtotal	**29.6%**	**28.9%**	**27.6%**	**27.9%**	**27.1%**
Northeast	Community Center	13.2%	11.6%	13.1%	13.8%	11.3%
	Freestanding/Big Box	4.9%	4.9%	3.7%	4.0%	5.5%
	Mixed Use	6.2%	6.6%	6.0%	6.5%	6.8%
	Neighborhood Center	7.8%	8.1%	8.0%	8.1%	8.0%
	Regional Center	10.7%	11.0%	11.9%	11.7%	14.9%
	Strip Center	4.9%	4.9%	5.0%	4.7%	5.1%
	Subtotal	**7.1%**	**7.0%**	**6.8%**	**7.0%**	**7.6%**
Northwest	Community Center	10.8%	10.8%	9.7%	9.0%	8.8%
	Freestanding/Big Box	0.5%	2.2%	2.2%	2.2%	2.6%
	Mixed Use	2.6%	2.6%	2.6%	2.0%	1.7%
	Neighborhood Center	6.9%	4.4%	6.4%	6.7%	6.5%
	Strip Center	7.4%	8.2%	8.5%	10.2%	10.0%
	Subtotal	**4.4%**	**4.6%**	**5.1%**	**5.3%**	**5.3%**
Saint Paul CBD	Mixed Use	20.6%	21.6%	21.9%	22.5%	22.5%
	Subtotal	**20.6%**	**21.6%**	**21.9%**	**22.5%**	**22.5%**
Southeast	Community Center	14.8%	13.5%	14.0%	15.9%	15.5%
	Freestanding/Big Box	1.6%	1.6%	3.5%	3.5%	3.5%
	Mixed Use	8.5%	8.0%	8.0%	6.5%	6.9%
	Neighborhood Center	6.1%	6.0%	7.3%	7.2%	7.1%
	Regional Center	33.8%	33.8%	33.8%	33.8%	33.8%
	Strip Center	4.8%	4.3%	4.9%	4.5%	4.5%
	Subtotal	**5.7%**	**5.4%**	**6.7%**	**6.9%**	**6.8%**
Southwest	Community Center	8.3%	8.3%	8.8%	9.1%	8.9%
	Freestanding/Big Box	2.4%	1.8%	2.1%	1.4%	1.4%
	Mixed Use	10.6%	10.5%	10.5%	14.2%	14.3%
	Neighborhood Center	6.4%	6.7%	7.8%	7.7%	6.6%
	Regional Center	18.2%	18.2%	18.7%	16.8%	16.4%
	Strip Center	4.7%	5.1%	4.1%	3.7%	2.5%
	Subtotal	**6.8%**	**6.7%**	**7.0%**	**6.7%**	**6.2%**
West	Community Center	34.2%	34.2%	34.2%	40.9%	40.9%
	Freestanding/Big Box	1.7%	1.7%	1.7%	1.7%	1.7%
	Mixed Use	19.3%	18.9%	21.5%	22.6%	22.4%
	Neighborhood Center	8.6%	8.7%	11.1%	9.9%	10.0%
	Regional Center	2.3%	2.3%	2.7%	2.4%	2.2%
	Strip Center	9.0%	10.1%	9.9%	9.2%	7.2%
	Subtotal	**7.8%**	**7.9%**	**8.7%**	**8.8%**	**8.4%**
Suburban	Community Center	13.2%	12.3%	12.9%	14.0%	12.9%
	Freestanding/Big Box	2.7%	2.9%	3.1%	3.1%	3.7%
	Mixed Use	8.8%	8.6%	8.9%	9.4%	9.5%
	Neighborhood Center	7.0%	6.7%	7.7%	7.7%	7.4%
	Regional Center	13.0%	13.1%	13.7%	13.1%	14.1%
	Strip Center	5.6%	5.8%	5.9%	5.8%	5.6%
	Subtotal	**6.3%**	**6.2%**	**6.7%**	**6.8%**	**6.9%**
Grand Total		**7.2%**	**7.1%**	**7.5%**	**7.6%**	**7.7%**

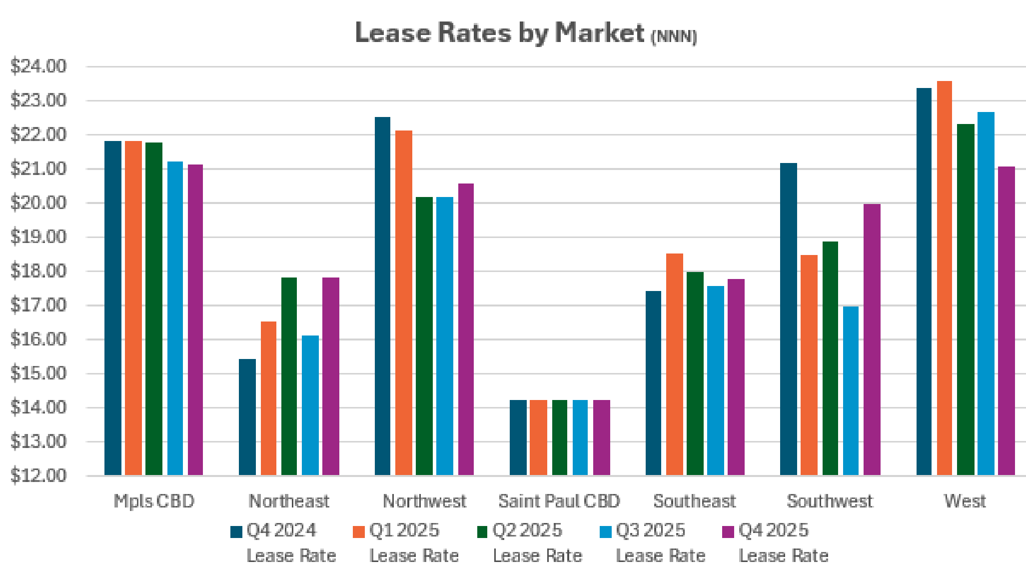
Lease Rates (NNN)

Market	Property Type	Q4 2024 Lease Rate	Q1 2025 Lease Rate	Q2 2025 Lease Rate	Q3 2025 Lease Rate	Q4 2025 Lease Rate
Mpls CBD	Community Center					
	Freestanding/Big Box					
	Mixed Use	$21.82	$21.82	$21.79	$21.23	$21.11
	Strip Center					
	Subtotal	**$21.82**	**$21.82**	**$21.79**	**$21.23**	**$21.11**
Northeast	Community Center	$8.00	$8.00	$8.00	$8.00	$8.00
	Freestanding/Big Box		$10.00	$10.00	$10.00	$10.00
	Mixed Use	$17.67	$23.25	$23.25	$18.33	$18.33
	Neighborhood Center	$11.50	$11.50	$11.50	$11.50	$16.63
	Regional Center					
	Strip Center	$16.65	$16.94	$19.18	$17.81	$19.50
	Subtotal	**$15.41**	**$16.53**	**$17.83**	**$16.14**	**$17.82**
Northwest	Community Center					
	Freestanding/Big Box	$28.00	$28.00			
	Mixed Use	$15.00	$16.25	$16.75	$16.75	$15.00
	Neighborhood Center	$17.00	$15.50	$15.50	$15.50	$15.50
	Strip Center	$24.00	$24.22	$22.00	$22.00	$22.86
	Subtotal	**$22.54**	**$22.11**	**$20.19**	**$20.19**	**$20.60**
Saint Paul CBD	Mixed Use	$14.25	$14.25	$14.25	$14.25	$14.25
	Subtotal	**$14.25**	**$14.25**	**$14.25**	**$14.25**	**$14.25**
Southeast	Community Center					
	Freestanding/Big Box	$11.00	$11.00	$11.00	$11.00	$11.00
	Mixed Use	$16.68	$17.30	$17.50	$17.67	$18.00
	Neighborhood Center	$14.83	$16.75	$17.35	$17.35	$17.75
	Regional Center					
	Strip Center	$20.05	$21.19	$19.44	$19.10	$19.10
	Subtotal	**$17.45**	**$18.56**	**$17.96**	**$17.59**	**$17.77**
Southwest	Community Center					
	Freestanding/Big Box					$13.50
	Mixed Use	$20.00	$25.00	$30.00		
	Neighborhood Center	$18.50	$17.00	$17.00	$17.00	$22.17
	Regional Center					
	Strip Center	$22.28	$12.75	$15.83	$17.00	$20.00
	Subtotal	**$21.19**	**$18.50**	**$18.90**	**$17.00**	**$20.00**
West	Community Center					
	Freestanding/Big Box					
	Mixed Use	$35.50	$35.50	$35.50	$36.50	$45.00
	Neighborhood Center	$12.00	$12.50	$12.50	$12.50	$12.50
	Regional Center					
	Strip Center	$22.00	$22.00	$19.00	$19.00	$18.83
	Subtotal	**$23.40**	**$23.60**	**$22.33**	**$22.67**	**$21.08**
Suburban	Community Center	$8.00	$8.00	$8.00	$8.00	$8.00
	Freestanding/Big Box	$19.50	$16.33	$10.50	$10.50	$11.50
	Mixed Use	$20.20	$22.20	$22.88	$21.45	$22.17
	Neighborhood Center	$14.57	$14.54	$14.94	$14.94	$17.46
	Regional Center					
	Strip Center	$20.52	$20.38	$19.70	$19.26	$20.23
	Subtotal	**$18.89**	**$19.24**	**$18.88**	**$18.15**	**$18.97**
Grand Total		**$19.11**	**$19.43**	**$19.08**	**$18.49**	**$19.19**

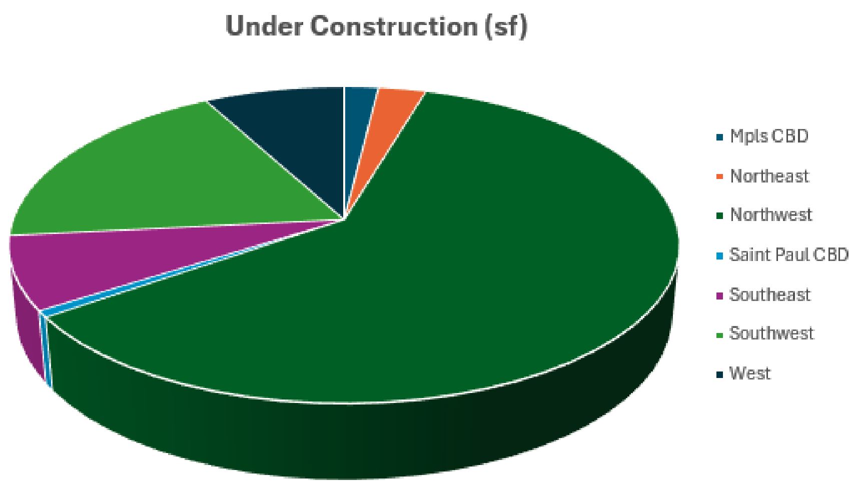
Vacancy and Lease Rates





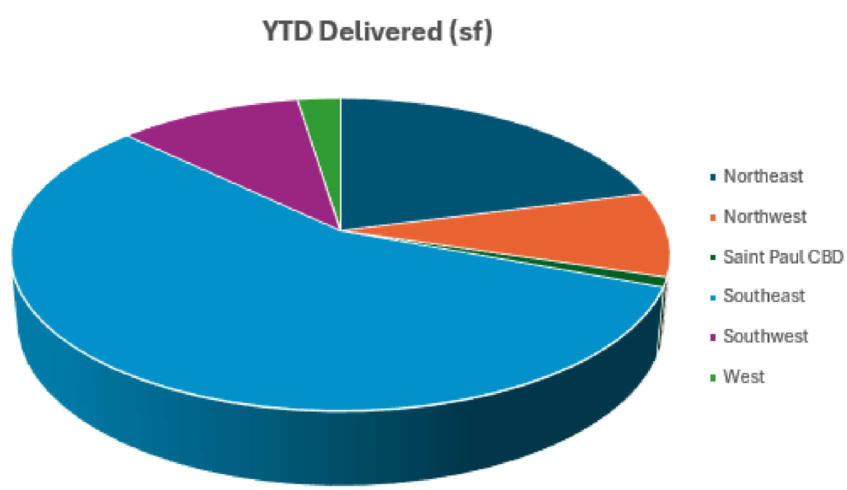


Construction by Market



Market	Bldg (sf)
Mpls CBD	8,120
Northeast	11,328
Northwest	256,389
Saint Paul CBD	2,800
Southeast	31,538
Southwest	79,087
West	33,460
Grand Total	**422,722**

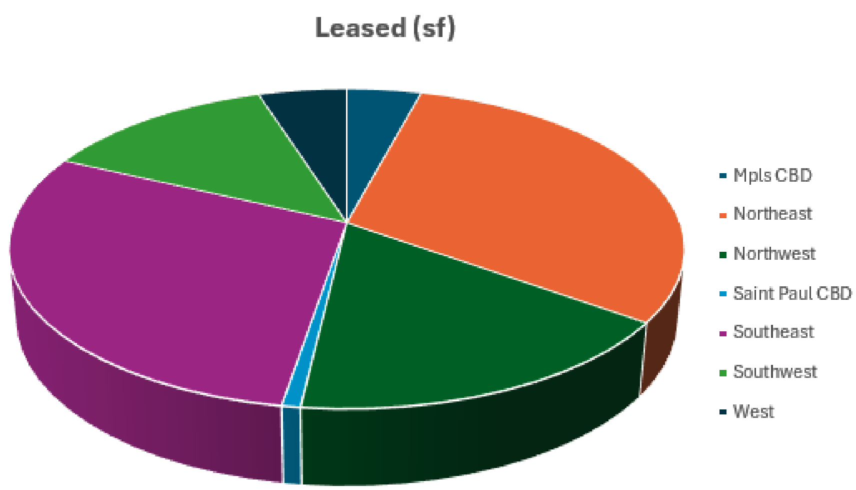
YTD Delivered by Market



Market	Bldg (sf)
Northeast	62,552
Northwest	26,124
Saint Paul CBD	3,000
Southeast	168,352
Southwest	31,240
West	7,282
Grand Total	**298,550**

Leasing Activity

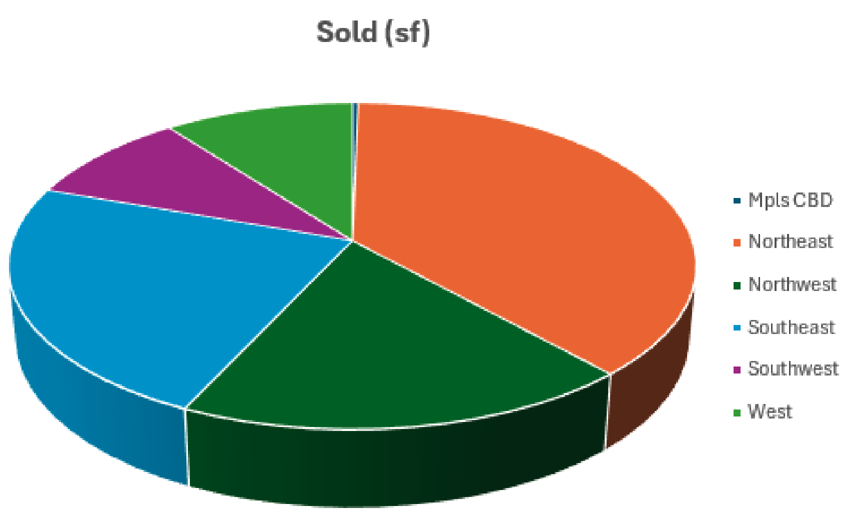
Property	Size (sf)	Market	Tenant	Landlord
Highland Village Shopping Ctr 2128 Ford Pkwy	32,500	Southeast	Crunch Fitness	Blair Wolfson
Rosedale Marketplace 2401 Fairview Ave N	24,547	Northeast	Marshalls	Rosedale Marketplace Associate
Rosedale Marketplace 2401 Fairview Ave N	20,420	Northeast	Golf Galaxy	Rosedale Marketplace Associate
Village Green Shops 1475 Queens Dr	13,115	Southeast	Planet Fitness	Woodbury Village Green
201 Main St S	12,342	Northeast	First Resource Bank	Gartner Properties LLC



Market	Leased (sf)
Mpls CBD	21,043
Northeast	155,168
Northwest	85,596
Saint Paul CBD	3,850
Southeast	148,170
Southwest	66,038
West	24,972
Grand Total	**504,837**

Sales Activity

Property	Price	Market	Seller	Buyer
Cedar Cliff Shopping Center 2113 Cliff Dr	$10,150,000	Southeast	SRRT CC Outlot, LLC	NRP Cedar Cliff, LLC
6869 Laketowne Pl NE	$6,095,510	Northwest	KTJ 416, LLC	Realty Income Properties 13 LLC
15850 87th St NE	$5,637,000	Northwest	Graceland Otsego Holdings LLC	Lotus Realty Group, LLC
Willow Grove Shopping Ctr 8 Nathan Ln N	$5,380,000	West	Willow Grove Investors LLC	Monarch Commercial RE
2325 Prior Ave N	$5,250,000	Northeast	W & J McCarthy Partnership	Amor Zhao



Market	Sold (sf)
Mpls CBD	2,496
Northeast	306,765
Northwest	150,907
Southeast	189,456
Southwest	74,523
West	83,687
Grand Total	**807,834**

Methodology

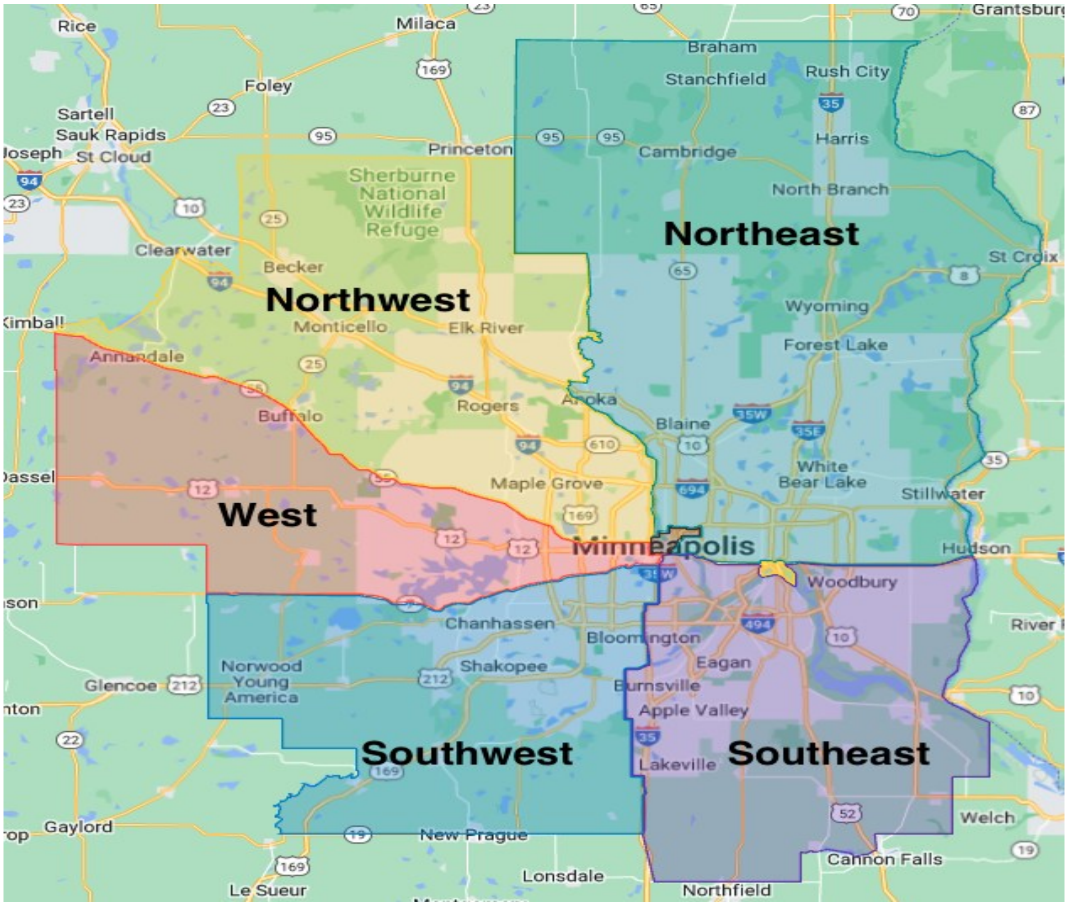
The Mpls-St Paul market consists of multi-tenant and single tenant retail buildings 15,000 sf or larger or are part of a complex larger than 15,000 sf. The geographic area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. The tracked set does include mixed use properties 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.

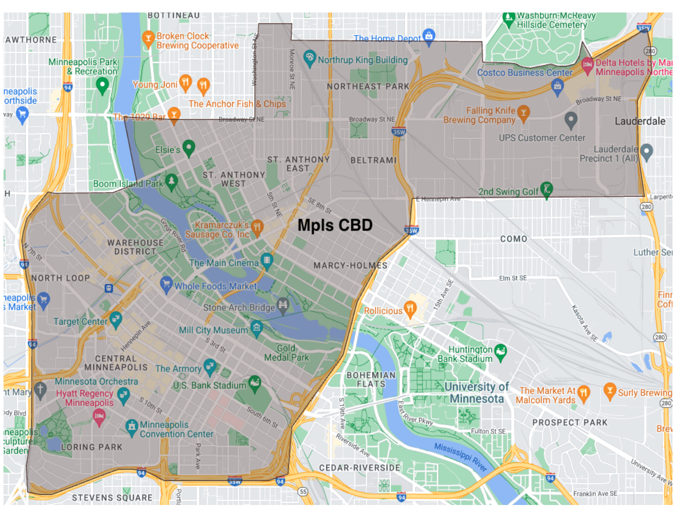
Terminology

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

CBRE	David Daly	JLL	Ted Gonsior
Colliers International	Lisa Christianson		Jeremy Grittner
	Lauren Kessler		Sara Martin
	Terese Reiling		Jack Whitcomb
Cushman & Wakefield	Zander Fried	Mid America	Tricia Pitchford
Diehl & Partners	Lisa Diehl		Johnny Reimann
Hempel	Ben Krsnak	Transwestern	Brad Kaplan
Newmark	Jen Helm		Tony Strauss
Suntide	Mary Lindell	Upland	Chad Sturm
			Keith Sturm

Research Advisory Board Members

Avison Young	Joe Stockman	Cushman & Wakefield	Patrick Hamilton
CBRE	Abigail Knop		Jake Greener
	Maggie Parra		Caden Workman
Colliers	Jesse Tollison	Newmark	Maura Carland
JLL	Sam Newberg	Transwestern	Maurice Harris

REDICRE Team

Jeremy Bengtson	CEO	jeremy@redicre.com	
Chris Allen	Regional Director of Analytics	chris@redicre.com	800-574-9185 x 802
Kim Platz	Regional Director of Research	kimberly@redicre.com	800-574-9185 x 804
Molly Bengtson	Director of Client Services	molly@redicre.com	800-574-9185 x 803
Kortnei Rogers	Minnesota Sale Comp Specialist	kortnei@redicre.com	800-574-9185 x 814
Kelli Carl	Minnesota Listing Specialist	kelli@redicre.com	800-574-9185 x 810
Michelle Siegert	Minnesota Listing Specialist	michelle@redicre.com	800-574-9185 x 808
Nicole Peeler	Minnesota Listing Specialist	nicole@redicre.com	800-574-9185 x 822
Brian Mitchell	Director of Sales	brian@redicre.com	800-574-9185 x 805