Market

Trends

Q1 2026

Mpls/St Paul - Retail

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Market Trends

Q1 2026 I Mpls-St Paul I Retail

Employment

	Current	Y-o-Y
Employment	1,996,395	▼
Area Unemployment	4.0%	▲
U.S. Unemployment	4.4%	▲
Retail Jobs	176,500	▼

Source: BLS

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

Market Recap

Total Inventory (sf)	93,819,099
Total # of Bldgs (tracked)	1954
Absorption (sf)	65,328
Vacancy	7.7%
Asking Rate (NNN)	$19.13
Under Construction (sf)	452,436

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 160 basis points to 4.0% for December 2025 from 2.4% for December 2024. The unemployment rate for the US was at 4.4% in December 2025 increasing 30 basis points from last year. State of Minnesota unemployment rate was 4.1%. The Mpls-St Paul MSA saw a decrease in job growth while retail specific jobs decreased in job growth by 300 during the same period.

Market Overview

The Mpls-St Paul retail market consists of over 93.8 msf of space in seven metro counties. This region posted 65,300 sf positive absorption for Q1 2026 bringing the vacancy rate to 7.7%. Direct leases accounted for 101,600 sf positive absorption while subleases accounted for (36,300) sf of negative absorption this quarter. Multi-tenant properties had (6,100) sf negative absorption this quarter bringing the vacancy rate to 10.5%. To date there are 32 construction projects throughout the market totaling 452,400 sf while 5 properties have been delivered year to date with 100,300 sf.

Market Highlights

The Northwest market posted the lowest vacancy rate at 5.5% for all properties while Mpls CBD was the highest at 27.8%. All the suburban markets posted 6.8% vacancy rate. The Southeast market posted the most in positive absorption of 87,500 sf led by Soar N Bounce leasing 66,000 sf. Mpls CBD market had the largest negative absorption of (31,500) sf led by Fhima vacating 13,098 sf. During Q1 2026, 143 properties sold with 2.2 msf totaling $379.9 million. The market experienced over 470,000 sf of leasing activity from 124 transactions.

Statistics by Property Type

Total

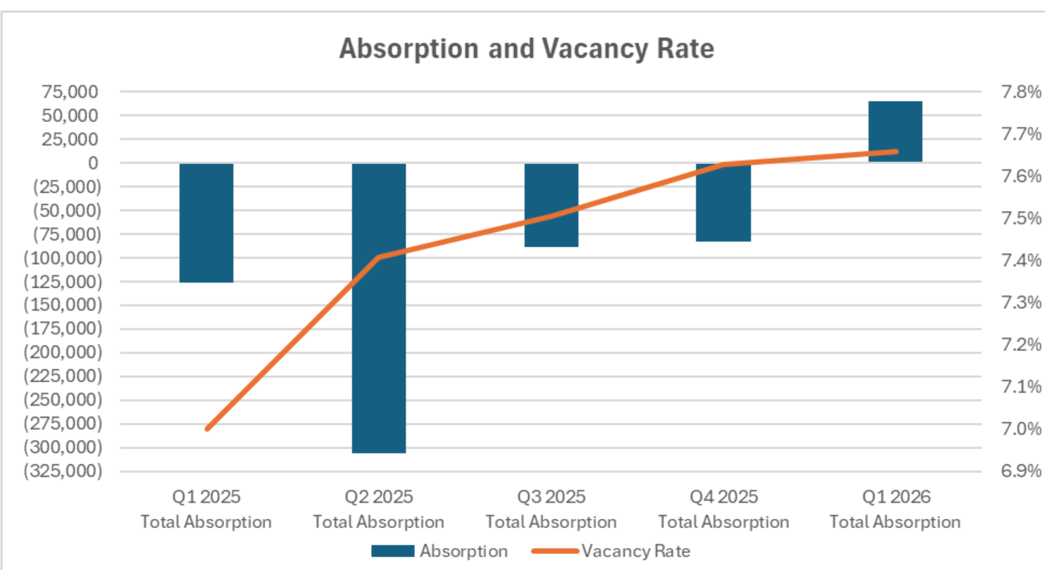
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	69	11,140,111	1,244,737	1,400,249	88,114	88,114	12.6%
Freestanding/Big Box	606	38,252,762	838,827	1,369,985	71,495	71,495	3.6%
Mixed Use	197	7,031,276	1,106,924	1,407,343	(58,395)	(58,395)	20.0%
Neighborhood Center	339	19,151,503	1,342,784	1,330,217	27,800	27,800	6.9%
Regional Center	9	7,018,869	820,429	1,065,133	(73,783)	(73,783)	15.2%
Strip Center	734	11,224,578	805,532	613,014	10,097	10,097	5.5%
Grand Total	**1,954**	**93,819,099**	**6,159,233**	**7,185,941**	**65,328**	**65,328**	**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	11,140,111	1,230,495	1,346,029	88,114	88,114	12.1%
Freestanding/Big Box	606	38,252,762	747,434	1,235,592	94,303	94,303	3.2%
Mixed Use	197	7,031,276	1,032,408	1,318,827	(58,395)	(58,395)	18.8%
Neighborhood Center	339	19,151,503	1,322,027	1,223,670	36,680	36,680	6.4%
Regional Center	9	7,018,869	820,429	1,065,133	(73,783)	(73,783)	15.2%
Strip Center	734	11,224,578	784,513	593,996	14,757	14,757	5.3%
Grand Total	**1,954**	**93,819,099**	**5,937,306**	**6,783,247**	**101,676**	**101,676**	**7.2%**

Sublease

Property Type	# of Bldgs	Inventory	Sublease Available (sf)	Sublease Vacant (sf)	Sublease Absorption (sf)	YTD Sublease Absorption (sf)	Vacancy Rate
Community Center	69	11,140,111	14,242	54,220	0	0	0.5%
Freestanding/Big Box	606	38,252,762	91,393	134,393	(22,808)	(22,808)	0.4%
Mixed Use	197	7,031,276	74,516	88,516	0	0	1.3%
Neighborhood Center	339	19,151,503	20,757	106,547	(8,880)	(8,880)	0.6%
Regional Center	9	7,018,869			0	0	0.0%
Strip Center	734	11,224,578	21,019	19,018	(4,660)	(4,660)	0.2%
Grand Total	**1,954**	**93,819,099**	**221,927**	**402,694**	**(36,348)**	**(36,348)**	**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	60	2,724,913	614,463	899,698	(31,489)	(31,489)	33.0%
	Strip Center	2	18,520	2,269	2,269	0	0	12.3%
	Subtotal	**66**	**3,247,258**	**616,732**	**901,967**	**(31,489)**	**(31,489)**	**27.8%**
Northeast	Community Center	24	3,893,925	437,941	411,357	29,469	29,469	10.6%
	Freestanding/Big Box	198	12,780,190	494,125	769,742	0	0	6.0%
	Mixed Use	23	592,237	59,183	37,357	2,846	2,846	6.3%
	Neighborhood Center	96	5,627,220	371,056	411,596	(104)	(104)	7.3%
	Regional Center	4	2,725,830	179,241	451,789	(46,658)	(46,658)	16.6%
	Strip Center	218	3,372,083	215,160	173,185	(4,382)	(4,382)	5.1%
	Subtotal	**563**	**28,991,485**	**1,756,706**	**2,255,026**	**(18,829)**	**(18,829)**	**7.8%**
Northwest	Community Center	8	1,331,047	117,743	117,743	0	0	8.8%
	Freestanding/Big Box	87	5,440,326	131,242	174,902	31,110	31,110	3.2%
	Mixed Use	21	818,262	39,473	16,213	(1,904)	(1,904)	2.0%
	Neighborhood Center	57	3,244,173	277,684	205,209	(1,633)	(1,633)	6.3%
	Strip Center	130	1,982,464	235,970	188,943	7,808	7,808	9.5%
	Subtotal	**303**	**12,816,272**	**802,112**	**703,010**	**35,381**	**35,381**	**5.5%**
Saint Paul CBD	Mixed Use	14	540,799	49,864	121,919	0	0	22.5%
	Subtotal	**14**	**540,799**	**49,864**	**121,919**	**0**	**0**	**22.5%**
Southeast	Community Center	20	3,342,689	274,527	504,483	13,448	13,448	15.1%
	Freestanding/Big Box	189	12,361,183	168,956	352,939	40,385	40,385	2.9%
	Mixed Use	31	993,758	97,286	71,520	(3,387)	(3,387)	7.2%
	Neighborhood Center	111	6,104,971	446,782	387,113	28,546	28,546	6.3%
	Regional Center	1	609,991	206,374	206,374	0	0	33.8%
	Strip Center	212	3,056,647	190,729	133,416	8,536	8,536	4.4%
	Subtotal	**564**	**26,469,239**	**1,384,654**	**1,655,845**	**87,528**	**87,528**	**6.3%**
Southwest	Community Center	13	2,029,398	275,377	231,326	18,987	18,987	11.4%
	Freestanding/Big Box	98	5,636,765	44,504	44,504	0	0	0.8%
	Mixed Use	30	837,154	127,721	128,772	(10,195)	(10,195)	15.4%
	Neighborhood Center	47	2,695,714	103,696	171,912	3,338	3,338	6.4%
	Regional Center	2	2,087,941	373,948	373,948	(33,576)	(33,576)	17.9%
	Strip Center	114	1,813,544	66,840	43,555	1,512	1,512	2.4%
	Subtotal	**304**	**15,100,516**	**992,086**	**994,017**	**(19,934)**	**(19,934)**	**6.6%**
West	Community Center	3	395,409	139,149	135,340	26,210	26,210	34.2%
	Freestanding/Big Box	31	1,678,116		27,898	0	0	1.7%
	Mixed Use	18	524,153	118,934	131,864	(14,266)	(14,266)	25.2%
	Neighborhood Center	28	1,479,425	143,566	154,387	(2,347)	(2,347)	10.4%
	Regional Center	2	1,595,107	60,866	33,022	6,451	6,451	2.1%
	Strip Center	58	981,320	94,564	71,646	(3,377)	(3,377)	7.3%
	Subtotal	**140**	**6,653,530**	**557,079**	**554,157**	**12,671**	**12,671**	**8.3%**
Suburban	Community Center	68	10,992,468	1,244,737	1,400,249	88,114	88,114	12.7%
	Freestanding/Big Box	603	37,896,580	838,827	1,369,985	71,495	71,495	3.6%
	Mixed Use	123	3,765,564	442,597	385,726	(26,906)	(26,906)	10.2%
	Neighborhood Center	339	19,151,503	1,342,784	1,330,217	27,800	27,800	6.9%
	Regional Center	9	7,018,869	820,429	1,065,133	(73,783)	(73,783)	15.2%
	Strip Center	732	11,206,058	803,263	610,745	10,097	10,097	5.5%
	Subtotal	**1,874**	**90,031,042**	**5,492,637**	**6,162,055**	**96,817**	**96,817**	**6.8%**
Grand Total		**1,954**	**93,819,099**	**6,159,233**	**7,185,941**	**65,328**	**65,328**	**7.7%**

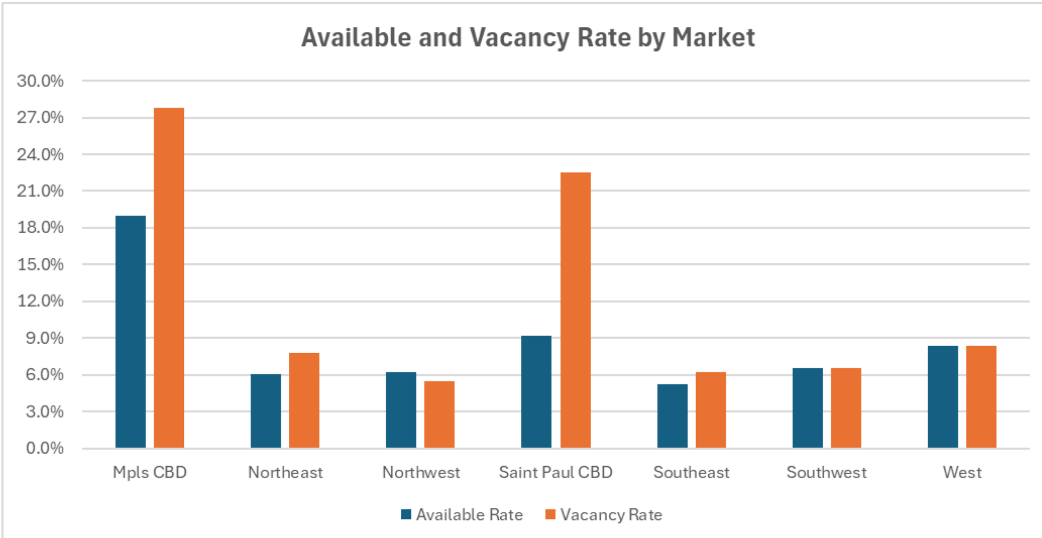
Vacancy Rates by Market

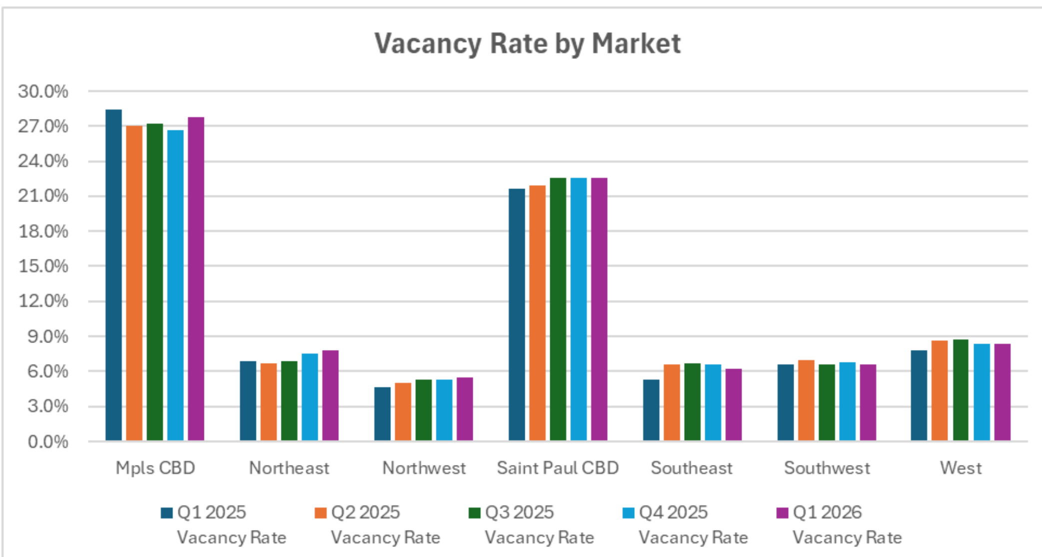
Market	Property Type	Q1 2025 Vacancy Rate	Q2 2025 Vacancy Rate	Q3 2025 Vacancy Rate	Q4 2025 Vacancy Rate	Q1 2026 Vacancy Rate
Mpls CBD	Community Center	0.0%	0.0%	0.0%	0.0%	0.0%
	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	33.6%	32.0%	32.3%	31.6%	33.0%
	Strip Center	12.3%	12.3%	12.3%	12.3%	12.3%
	Subtotal	**28.4%**	**27.0%**	**27.2%**	**26.6%**	**27.8%**
Northeast	Community Center	11.6%	13.1%	13.8%	11.3%	10.6%
	Freestanding/Big Box	4.9%	3.7%	4.0%	5.5%	6.0%
	Mixed Use	6.6%	6.0%	6.5%	6.8%	6.3%
	Neighborhood Center	7.4%	7.3%	7.4%	7.3%	7.3%
	Regional Center	11.0%	11.9%	11.7%	14.9%	16.6%
	Strip Center	4.9%	5.0%	4.8%	5.0%	5.1%
	Subtotal	**6.9%**	**6.6%**	**6.9%**	**7.5%**	**7.8%**
Northwest	Community Center	10.8%	9.7%	9.0%	8.8%	8.8%
	Freestanding/Big Box	2.2%	2.2%	2.2%	2.6%	3.2%
	Mixed Use	2.6%	2.6%	2.0%	1.7%	2.0%
	Neighborhood Center	4.4%	6.4%	6.7%	6.3%	6.3%
	Strip Center	8.2%	8.5%	10.2%	10.0%	9.5%
	Subtotal	**4.6%**	**5.1%**	**5.3%**	**5.3%**	**5.5%**
Saint Paul CBD	Mixed Use	21.6%	21.9%	22.5%	22.5%	22.5%
	Subtotal	**21.6%**	**21.9%**	**22.5%**	**22.5%**	**22.5%**
Southeast	Community Center	13.5%	14.0%	15.9%	15.5%	15.1%
	Freestanding/Big Box	1.3%	3.2%	3.2%	3.2%	2.9%
	Mixed Use	8.0%	8.0%	6.5%	6.9%	7.2%
	Neighborhood Center	6.0%	7.3%	7.2%	6.8%	6.3%
	Regional Center	33.8%	33.8%	33.8%	33.8%	33.8%
	Strip Center	4.3%	4.9%	4.5%	4.5%	4.4%
	Subtotal	**5.3%**	**6.6%**	**6.7%**	**6.6%**	**6.3%**
Southwest	Community Center	7.8%	8.3%	8.6%	13.0%	11.4%
	Freestanding/Big Box	1.8%	2.1%	1.4%	1.4%	0.8%
	Mixed Use	10.3%	10.3%	14.1%	14.2%	15.4%
	Neighborhood Center	6.6%	7.8%	7.7%	6.5%	6.4%
	Regional Center	18.1%	18.7%	16.8%	16.3%	17.9%
	Strip Center	5.1%	4.1%	3.7%	2.5%	2.4%
	Subtotal	**6.6%**	**6.9%**	**6.6%**	**6.8%**	**6.6%**
West	Community Center	34.2%	34.2%	40.9%	40.9%	34.2%
	Freestanding/Big Box	1.7%	1.7%	1.7%	1.7%	1.7%
	Mixed Use	18.9%	21.5%	22.6%	22.4%	25.2%
	Neighborhood Center	8.7%	11.1%	9.9%	10.0%	10.4%
	Regional Center	2.3%	2.7%	2.7%	2.5%	2.1%
	Strip Center	9.4%	9.3%	8.6%	6.3%	7.3%
	Subtotal	**7.8%**	**8.6%**	**8.7%**	**8.4%**	**8.3%**
Suburban	Community Center	12.2%	12.8%	13.9%	13.7%	12.7%
	Freestanding/Big Box	2.8%	3.0%	3.0%	3.5%	3.6%
	Mixed Use	8.6%	8.8%	9.4%	9.5%	10.2%
	Neighborhood Center	6.4%	7.5%	7.5%	7.1%	6.9%
	Regional Center	13.1%	13.7%	13.1%	14.1%	15.2%
	Strip Center	5.7%	5.8%	5.8%	5.4%	5.5%
	Subtotal	**6.1%**	**6.6%**	**6.7%**	**6.8%**	**6.8%**
Grand Total		**7.0%**	**7.4%**	**7.5%**	**7.6%**	**7.7%**

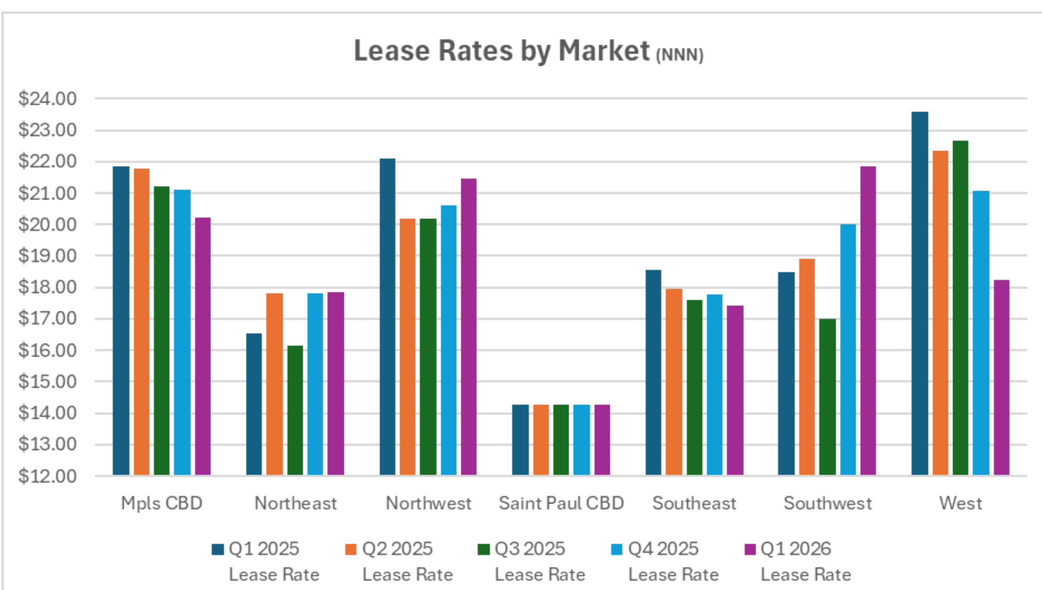
Lease Rates by Market (NNN)

Market	Property Type	Q1 2025 Lease Rate	Q2 2025 Lease Rate	Q3 2025 Lease Rate	Q4 2025 Lease Rate	Q1 2026 Lease Rate
Mpls CBD	Community Center					
	Freestanding/Big Box					
	Mixed Use	$21.85	$21.79	$21.23	$21.11	$20.23
	Strip Center					
	Subtotal	**$21.85**	**$21.79**	**$21.23**	**$21.11**	**$20.23**
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	$23.25	$23.25	$18.33	$18.33	$18.33
	Neighborhood Center	$11.50	$11.50	$11.50	$16.63	$17.83
	Regional Center					
	Strip Center	$16.94	$19.18	$17.81	$19.50	$18.50
	Subtotal	**$16.53**	**$17.83**	**$16.14**	**$17.82**	**$17.85**
Northwest	Community Center					
	Freestanding/Big Box	$28.00				
	Mixed Use	$16.25	$16.75	$16.75	$15.00	$15.00
	Neighborhood Center	$15.50	$15.50	$15.50	$15.50	$14.33
	Strip Center	$24.22	$22.00	$22.00	$22.86	$24.94
	Subtotal	**$22.11**	**$20.19**	**$20.19**	**$20.60**	**$21.46**
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	$17.30	$17.50	$17.67	$18.00	$18.00
	Neighborhood Center	$16.75	$17.35	$17.35	$17.75	$16.96
	Regional Center					
	Strip Center	$21.19	$19.44	$19.10	$19.10	$19.10
	Subtotal	**$18.56**	**$17.96**	**$17.59**	**$17.77**	**$17.40**
Southwest	Community Center					
	Freestanding/Big Box				$13.50	$13.50
	Mixed Use	$25.00	$30.00			
	Neighborhood Center	$17.00	$17.00	$17.00	$22.17	$20.50
	Regional Center					
	Strip Center	$12.75	$15.83	$17.00	$20.00	$23.67
	Subtotal	**$18.50**	**$18.90**	**$17.00**	**$20.00**	**$21.83**
West	Community Center					
	Freestanding/Big Box					
	Mixed Use	$35.50	$35.50	$36.50	$45.00	$28.00
	Neighborhood Center	$12.50	$12.50	$12.50	$12.50	$12.50
	Regional Center					
	Strip Center	$22.00	$19.00	$19.00	$18.83	$18.83
	Subtotal	**$23.60**	**$22.33**	**$22.67**	**$21.08**	**$18.25**
Suburban	Community Center	$8.00	$8.00	$8.00	$8.00	$8.00
	Freestanding/Big Box	$16.33	$10.50	$10.50	$11.50	$12.25
	Mixed Use	$22.20	$22.88	$21.45	$22.17	$19.33
	Neighborhood Center	$14.54	$14.94	$14.94	$17.46	$16.52
	Regional Center					
	Strip Center	$20.38	$19.70	$19.26	$20.23	$20.97
	Subtotal	**$19.24**	**$18.88**	**$18.15**	**$18.97**	**$19.11**
Grand Total		**$19.43**	**$19.08**	**$18.49**	**$19.19**	**$19.13**

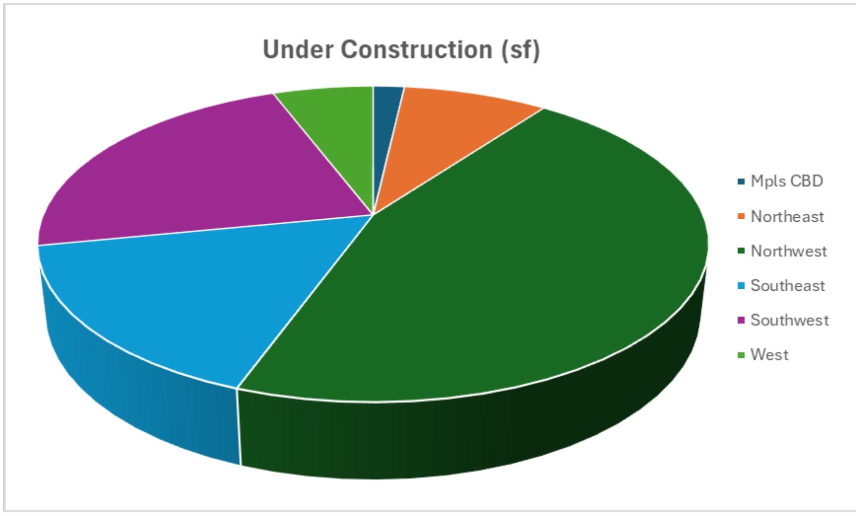
Vacancy and Lease Rates





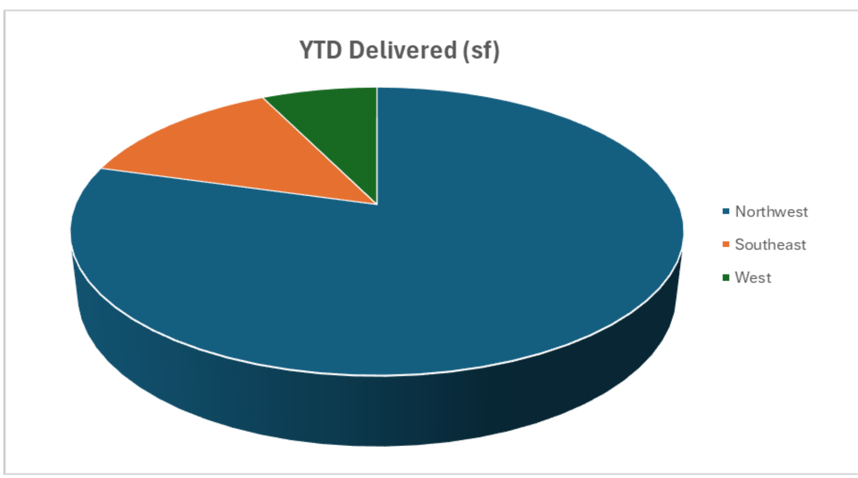


New Developments by Market



Market	Bldg (sf)
Mpls CBD	8,120
Northeast	37,653
Northwest	205,527
Southeast	73,938
Southwest	101,037
West	26,161
Grand Total	**452,436**

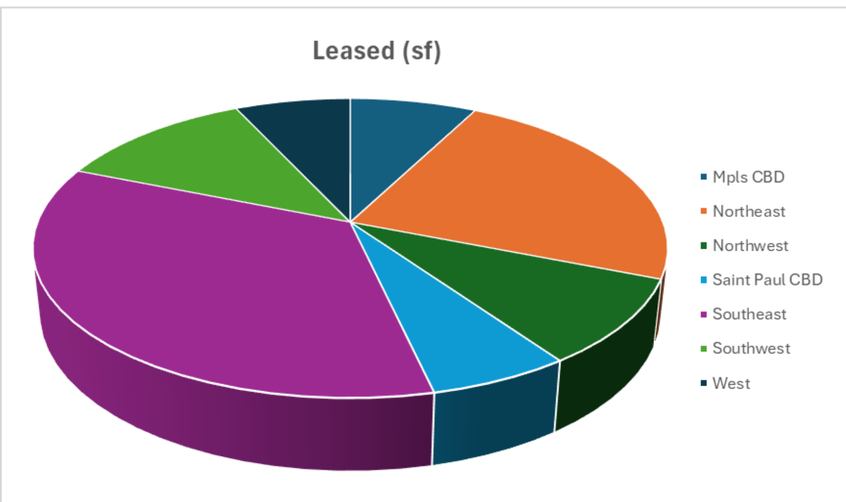
YTD Deliveries by Market



Market	Bldg (sf)
Northwest	79,638
Southeast	13,351
West	7,305
Grand Total	**100,294**

Leasing Activity

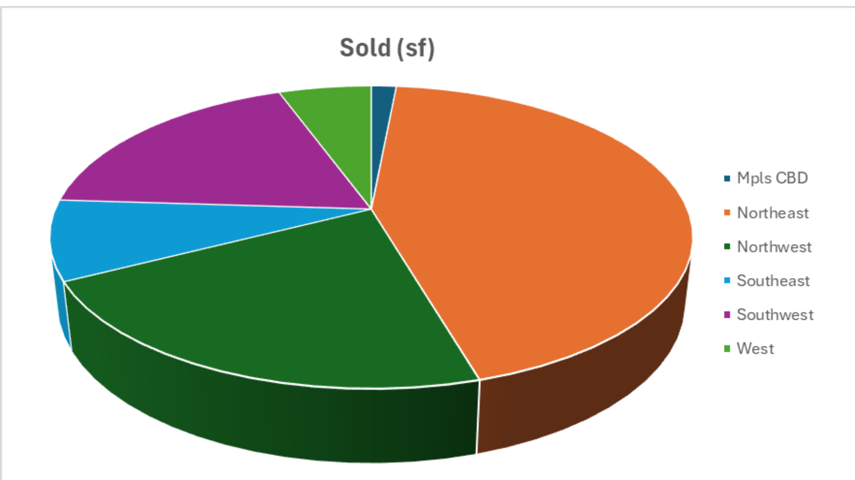
Property	Size (sf)	Market	Tenant	Landlord
Apple Valley Square 15125 Cedar Ave	45,384	Southeast	Crunch Fitness	CAR Apple Valley Square LLC
Cobblestone Court Shopping Ctr 14150 Nicollet Ave	39,978	Southeast	Crunch Fitness	Cobblestone Properties LLC
Northcourt Commons 634 County Rd 10 NE	28,500	Northeast	Ross Dress for Less	Northcourt Commons Retail LLC
The Penfield 101 10th St E	27,549	Saint Paul CBD	Aldi	LIPT 10th Street East LLC
The Maytag Building 515 Washington Ave N	15,000	Mpls CBD	J Kumari Chocolate	Maytag Building LLC



Market	Leased (sf)
Mpls CBD	35,788
Northeast	109,918
Northwest	43,489
Saint Paul CBD	28,970
Southeast	163,051
Southwest	56,114
West	32,635
Grand Total	**469,965**

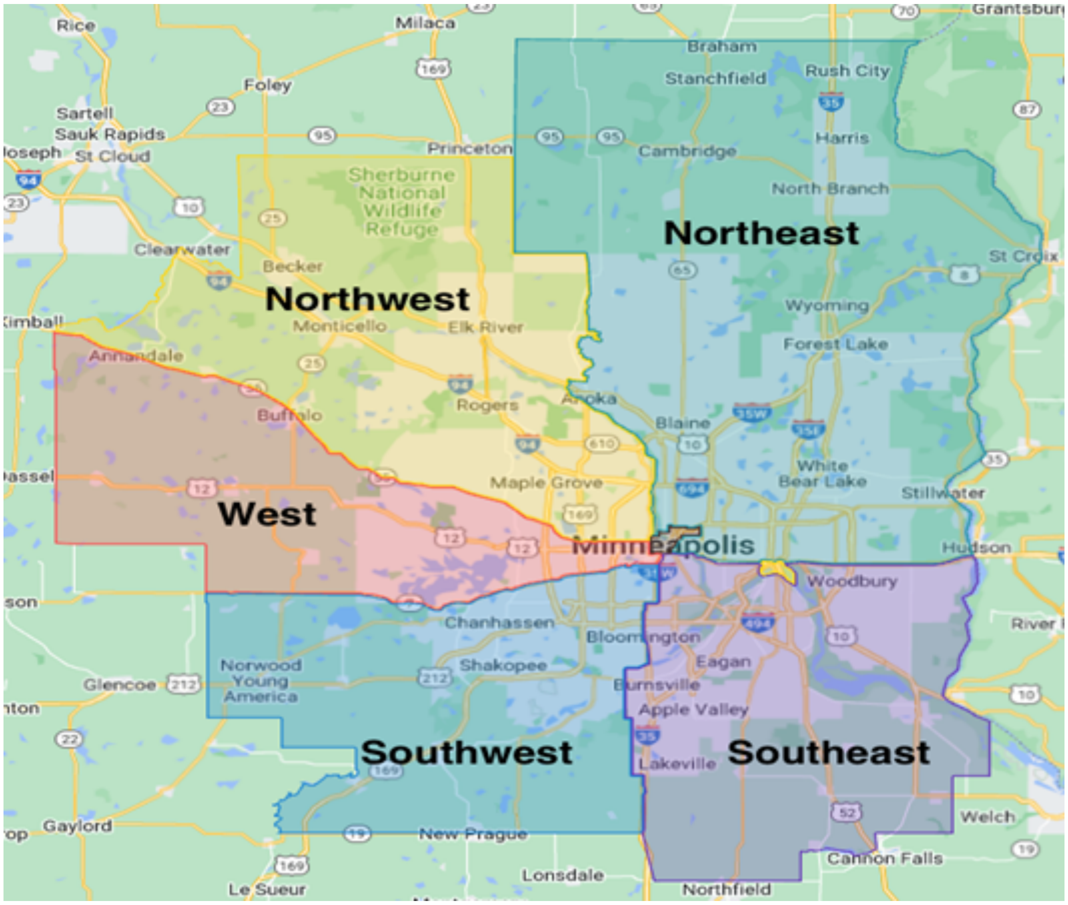
Sales Activity

Property	Price	Market	Seller	Buyer
Silver Lake Village 3930 Silver Lake Rd NE	$44,400,000	Northeast	SVAP III Silver Lake Village LLC	USCRF Silver Lake Owner LLC
250-268 57th Ave NE	$25,000,000	Northeast	SVAP II Fridley Market LLC	NSRP I Fridley Market Owner LLC
Dunkirk Square 9350 Maple Grove Pkwy	$23,280,000	Northwest	Dunkirk Square Maple Grove LLC	Veriton Dunkirk LLC
7235 France Ave S	$18,000,000	Southwest	Macy's Retail Holdings LLC	Edina Enclave LLC
Mounds View Square 2523 Mounds View Blvd	$11,400,000	Northeast	Moundsview Square Associates LLC	Ventures Mounds View LLC



Market	Sold (sf)
Mpls CBD	33,202
Northeast	973,792
Northwest	487,696
Southeast	188,907
Southwest	408,293
West	123,390
Grand Total	**2,215,280**

Market Map



Mpls CBD

St Paul CBD

Images courtesy of Google maps

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

Advisory Board Members

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	Lauren Kessler		Sara Martin
	Terese Reiling		Jack Whitcomb
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