

Market

Trends

Q2 2026

Mpls/St Paul - Retail



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Market Trends

Q2 2026 | Mpls-St Paul | Retail

Employment

	Current	Y-o-Y
Employment	1,996,987	
Area Unemployment	3.9%	
U.S. Unemployment	4.3%	
Retail Jobs	191,400	

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

Market Recap

Total Inventory (sf)	93,996,693
Total # of Bldgs (tracked)	1956
Absorption (sf)	115,479
Vacancy	7.5%
Asking Rate (NNN)	\$19.89
Under Construction (sf)	428,359

Economic Overview

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the Mpls-St Paul metropolitan statistical area (MSA) increased 50 basis points to 3.9% for May 2026 from 3.4% for May 2025. The unemployment rate for the US was at 4.3% in May 2026 increasing 10 basis points from last year. State of Minnesota unemployment rate was 4.4%. The Mpls-St Paul MSA saw a decrease in job growth while retail specific jobs decreased in job growth by 2,300 during the same period.

Market Overview

The Mpls-St Paul retail market consists of over 93.9 msf of space in seven metro counties. This region posted 115,500 sf positive absorption for Q2 2026. This brought the YTD to 184,000 sf positive absorption and a vacancy rate of 7.5%. Multi-tenant only properties had 115,500 sf positive absorption, bringing the YTD to 112,500 sf positive absorption and a vacancy rate to 10.5%. To date there are 28 construction projects throughout the market totaling 428,300 sf while 16 properties have been delivered YTD with 189,700 sf.

Market Highlights

The Northwest market posted the lowest vacancy rate at 5.5% for all properties while Mpls CBD was the highest at 27.0%. All the suburban markets posted 6.7% vacancy rate. The Southwest market posted the most in positive absorption of 50,400 sf led by Patina lleasing 14,000 sf. The West market had the largest negative absorption of (4,700) sf led by Jerrys Hardware and Rental vacating 12,600 sf. During Q2 2026, 102 properties sold with 1.5 msf totaling \$311.8 million. The market experienced over 490,000 sf of leasing activity from 152 transactions.

Statistics by Property Type

Total

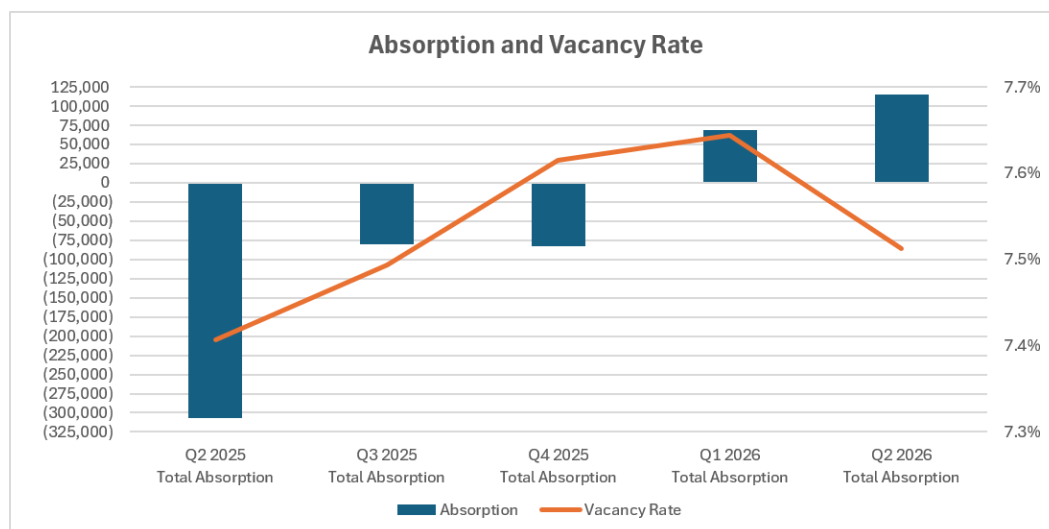
Property Type	# of Bldgs	Inventory	Total Available (sf)	Total Vacant (sf)	Total Absorption (sf)	YTD Total Absorption (sf)	Vacancy Rate
Community Center	69	11,140,111	1,246,803	1,365,023	44,826	132,940	12.3%
Freestanding/Big Box	608	38,403,794	724,341	1,233,882	0	71,495	3.2%
Mixed Use	196	6,968,518	1,038,715	1,365,545	21,551	(34,709)	19.6%
Neighborhood Center	342	19,370,585	1,454,588	1,414,181	44,922	72,722	7.3%
Regional Center	9	7,018,869	823,357	1,072,724	26,829	(46,954)	15.3%
Strip Center	732	11,094,816	744,038	610,283	(22,649)	(11,494)	5.5%
Grand Total	1,956	93,996,693	6,031,842	7,061,638	115,479	184,000	7.5%

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	1,232,561	1,310,803	44,826	132,940	11.8%
Freestanding/Big Box	608	38,403,794	698,251	1,113,889	0	94,303	2.9%
Mixed Use	196	6,968,518	999,131	1,309,964	282	(55,978)	18.8%
Neighborhood Center	342	19,370,585	1,343,777	1,316,098	36,458	73,138	6.8%
Regional Center	9	7,018,869	823,357	1,072,724	26,829	(46,954)	15.3%
Strip Center	732	11,094,816	723,019	591,265	(22,649)	(6,834)	5.3%
Grand Total	1,956	93,996,693	5,820,096	6,714,743	85,746	190,615	7.1%

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	608	38,403,794	26,090	119,993	0	(22,808)	0.3%
Mixed Use	196	6,968,518	39,584	55,581	21,269	21,269	0.8%
Neighborhood Center	342	19,370,585	110,811	98,083	8,464	(416)	0.5%
Regional Center	9	7,018,869			0	0	0.0%
Strip Center	732	11,094,816	21,019	19,018	0	(4,660)	0.2%
Grand Total	1,956	93,996,693	211,746	346,895	29,733	(6,615)	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	59	2,688,421	581,092	868,030	13,529	(15,825)	32.3%
	Strip Center	2	18,520			2,269	2,269	0.0%
	Subtotal	65	3,210,766	581,092	868,030	15,798	(13,556)	27.0%
Northeast	Community Center	24	3,893,925	469,919	408,501	12,456	41,925	10.5%
	Freestanding/Big Box	198	12,975,307	466,712	755,342	0	0	5.8%
	Mixed Use	23	599,834	49,826	37,357	0	2,846	6.2%
	Neighborhood Center	96	5,627,220	422,283	405,840	731	627	7.2%
	Regional Center	4	2,725,830	210,417	489,175	(2,966)	(49,624)	17.9%
	Strip Center	217	3,355,834	209,631	168,532	4,653	271	5.0%
	Subtotal	562	29,177,950	1,828,788	2,264,747	14,874	(3,955)	7.8%
Northwest	Community Center	8	1,331,047	117,743	117,743	0	0	8.8%
	Freestanding/Big Box	87	5,355,842	46,159	81,097	0	31,110	1.5%
	Mixed Use	21	818,262	21,782	14,853	1,360	(544)	1.8%
	Neighborhood Center	59	3,417,811	373,365	335,460	3,660	2,027	9.8%
	Strip Center	128	1,864,648	170,064	154,332	(6,553)	2,313	8.3%
	Subtotal	303	12,787,610	729,113	703,485	(1,533)	34,906	5.5%
Saint Paul CBD	Mixed Use	14	506,936	46,764	119,889	2,030	2,030	23.6%
	Subtotal	14	506,936	46,764	119,889	2,030	2,030	23.6%
Southeast	Community Center	20	3,342,689	256,526	460,584	43,899	57,347	13.8%
	Freestanding/Big Box	189	12,361,183	184,006	352,939	0	40,385	2.9%
	Mixed Use	31	993,758	91,045	72,158	(638)	(4,025)	7.3%
	Neighborhood Center	111	6,104,971	456,410	378,904	8,209	36,755	6.2%
	Regional Center	1	609,991	206,374	206,374	0	0	33.8%
	Strip Center	211	3,041,295	186,895	146,333	(12,917)	(4,381)	4.8%
	Subtotal	563	26,453,887	1,381,256	1,617,292	38,553	126,081	6.1%
Southwest	Community Center	13	2,029,398	263,466	242,855	(11,529)	7,458	12.0%
	Freestanding/Big Box	100	5,677,164	27,464	44,504	0	0	0.8%
	Mixed Use	30	837,154	131,701	122,608	4,056	(6,139)	14.6%
	Neighborhood Center	47	2,695,714	89,800	139,114	32,798	36,136	5.2%
	Regional Center	2	2,087,941	338,814	338,814	35,134	1,558	16.2%
	Strip Center	114	1,813,544	91,596	56,525	(9,986)	(8,474)	3.1%
	Subtotal	306	15,140,915	942,841	944,420	50,473	30,539	6.2%
West	Community Center	3	395,409	139,149	135,340	0	26,210	34.2%
	Freestanding/Big Box	31	1,678,116			0	0	0.0%
	Mixed Use	18	524,153	116,505	130,650	1,214	(13,052)	24.9%
	Neighborhood Center	29	1,524,869	112,730	154,863	(476)	(2,823)	10.2%
	Regional Center	2	1,595,107	67,752	38,361	(5,339)	1,112	2.4%
	Strip Center	60	1,000,975	85,852	84,561	(115)	(3,492)	8.4%
	Subtotal	143	6,718,629	521,988	543,775	(4,716)	7,955	8.1%
Suburban	Community Center	68	10,992,468	1,246,803	1,365,023	44,826	132,940	12.4%
	Freestanding/Big Box	605	38,047,612	724,341	1,233,882	0	71,495	3.2%
	Mixed Use	123	3,773,161	410,859	377,626	5,992	(20,914)	10.0%
	Neighborhood Center	342	19,370,585	1,454,588	1,414,181	44,922	72,722	7.3%
	Regional Center	9	7,018,869	823,357	1,072,724	26,829	(46,954)	15.3%
	Strip Center	730	11,076,296	744,038	610,283	(24,918)	(13,763)	5.5%
	Subtotal	1,877	90,278,991	5,403,986	6,073,719	97,651	195,526	6.7%
Grand Total		1,956	93,996,693	6,031,842	7,061,638	115,479	184,000	7.5%

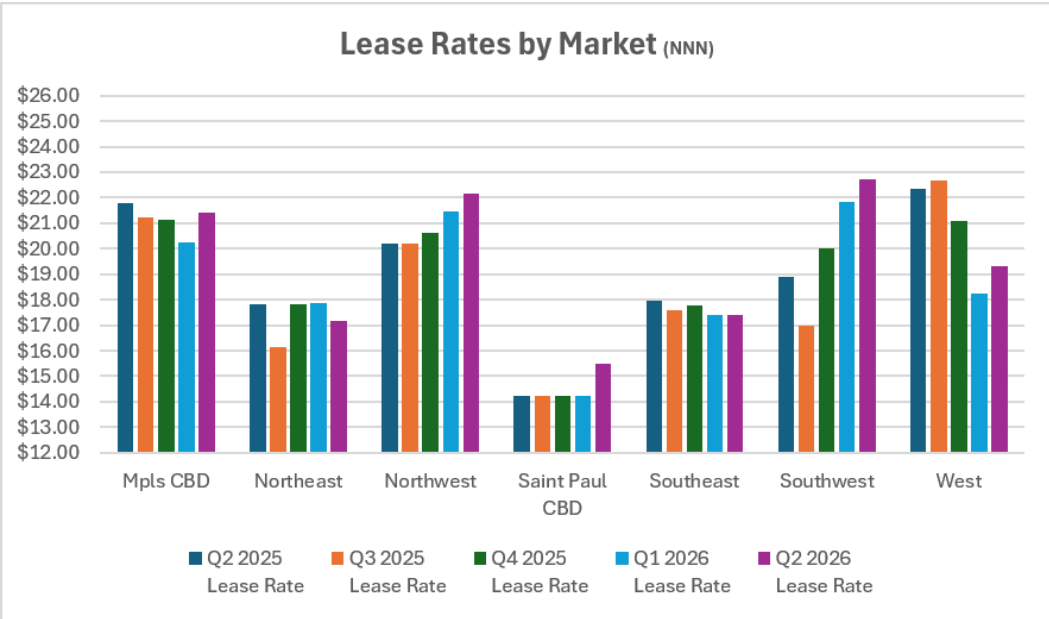
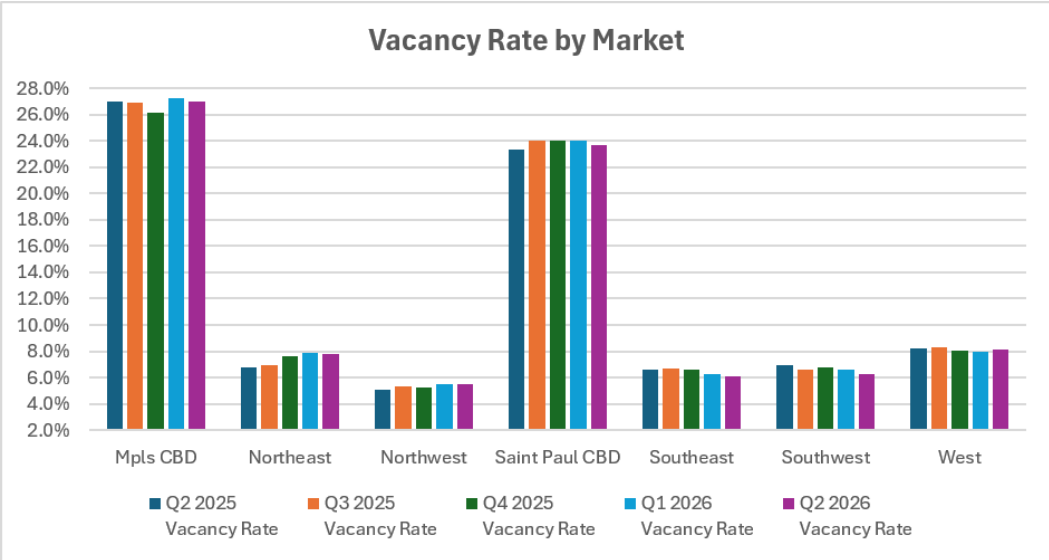
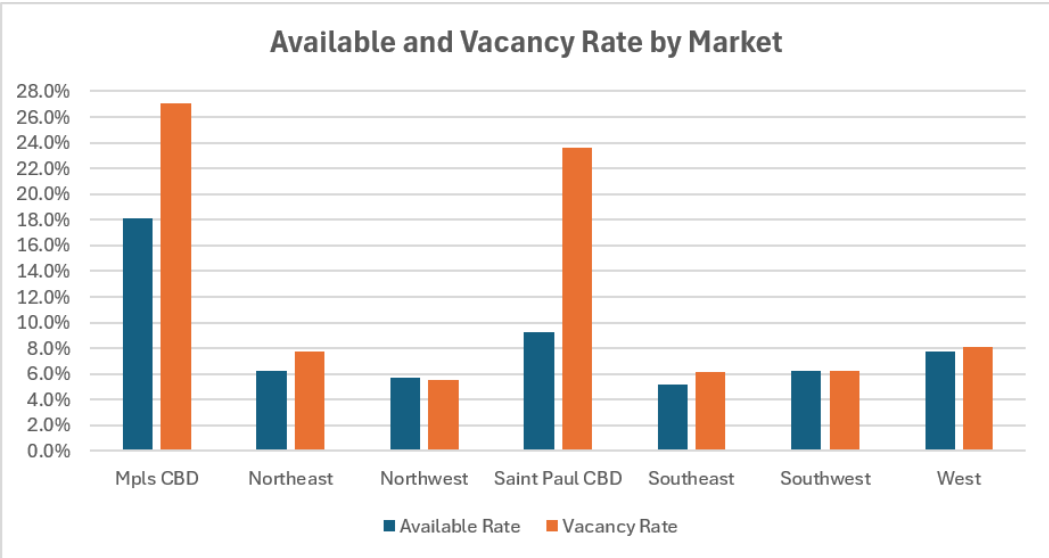
Vacancy Rates by Market

Market	Property Type	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
		Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate	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	32.0%	31.9%	31.1%	32.4%	32.3%
	Strip Center	12.3%	12.3%	12.3%	12.3%	0.0%
	Subtotal	27.0%	26.9%	26.2%	27.2%	27.0%
Northeast	Community Center	13.3%	14.1%	11.6%	10.8%	10.5%
	Freestanding/Big Box	3.7%	4.0%	5.4%	5.9%	5.8%
	Mixed Use	5.9%	6.4%	6.7%	6.2%	6.2%
	Neighborhood Center	7.2%	7.3%	7.2%	7.2%	7.2%
	Regional Center	13.1%	13.0%	16.1%	17.8%	17.9%
	Strip Center	5.1%	4.8%	5.0%	5.2%	5.0%
	Subtotal	6.7%	7.0%	7.6%	7.9%	7.8%
Northwest	Community Center	9.7%	9.0%	8.8%	8.8%	8.8%
	Freestanding/Big Box	0.5%	0.5%	0.8%	1.5%	1.5%
	Mixed Use	2.6%	2.0%	1.7%	2.0%	1.8%
	Neighborhood Center	10.0%	10.2%	9.9%	9.9%	9.8%
	Strip Center	6.9%	8.6%	8.5%	7.9%	8.3%
	Subtotal	5.1%	5.3%	5.3%	5.5%	5.5%
Saint Paul CBD	Mixed Use	23.4%	24.1%	24.1%	24.1%	23.6%
	Subtotal	23.4%	24.1%	24.1%	24.1%	23.6%
Southeast	Community Center	14.0%	15.9%	15.5%	15.1%	13.8%
	Freestanding/Big Box	3.2%	3.2%	3.2%	2.9%	2.9%
	Mixed Use	8.0%	6.5%	6.9%	7.2%	7.3%
	Neighborhood Center	7.3%	7.2%	6.8%	6.3%	6.2%
	Regional Center	33.8%	33.8%	33.8%	33.8%	33.8%
	Strip Center	4.9%	4.5%	4.5%	4.4%	4.8%
	Subtotal	6.6%	6.7%	6.6%	6.3%	6.1%
Southwest	Community Center	8.3%	8.6%	13.0%	11.4%	12.0%
	Freestanding/Big Box	2.1%	1.4%	1.4%	0.8%	0.8%
	Mixed Use	10.0%	13.9%	13.9%	15.1%	14.6%
	Neighborhood Center	7.8%	7.7%	6.5%	6.4%	5.2%
	Regional Center	18.7%	16.8%	16.3%	17.9%	16.2%
	Strip Center	4.1%	3.8%	2.6%	2.6%	3.1%
	Subtotal	6.9%	6.6%	6.8%	6.6%	6.2%
West	Community Center	34.2%	40.9%	40.9%	34.2%	34.2%
	Freestanding/Big Box	0.0%	0.0%	0.0%	0.0%	0.0%
	Mixed Use	21.5%	22.6%	22.4%	25.2%	24.9%
	Neighborhood Center	11.1%	9.9%	10.0%	10.4%	10.2%
	Regional Center	2.7%	2.7%	2.5%	2.1%	2.4%
	Strip Center	9.3%	8.6%	6.6%	7.6%	8.4%
	Subtotal	8.2%	8.3%	8.0%	8.0%	8.1%
Suburban	Community Center	12.9%	14.0%	13.7%	12.8%	12.4%
	Freestanding/Big Box	2.7%	2.7%	3.2%	3.3%	3.2%
	Mixed Use	8.8%	9.4%	9.5%	10.2%	10.0%
	Neighborhood Center	8.1%	8.1%	7.7%	7.6%	7.3%
	Regional Center	14.2%	13.6%	14.6%	15.7%	15.3%
	Strip Center	5.5%	5.5%	5.2%	5.2%	5.5%
	Subtotal	6.6%	6.7%	6.9%	6.8%	6.7%
Grand Total		7.4%	7.5%	7.6%	7.6%	7.5%

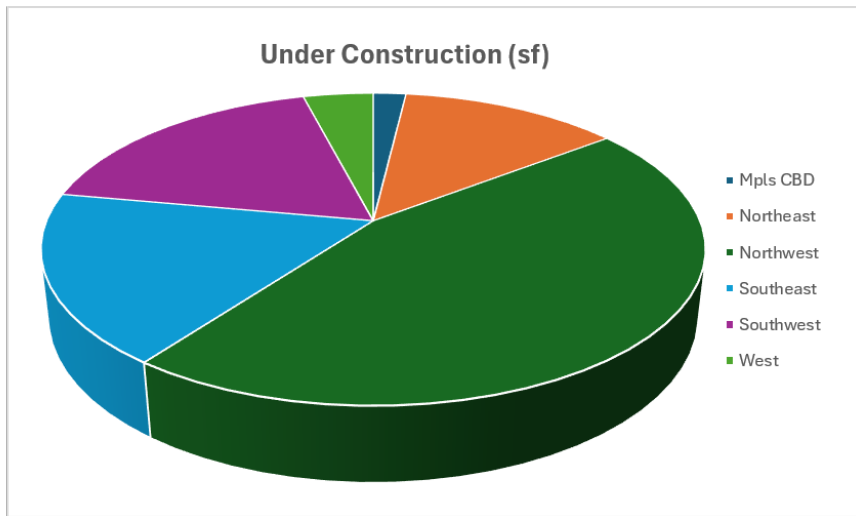
Lease Rates by Market (NNN)

Market	Property Type	Q2 2025 Lease Rate	Q3 2025 Lease Rate	Q4 2025 Lease Rate	Q1 2026 Lease Rate	Q2 2026 Lease Rate
Mpls CBD	Community Center					
	Freestanding/Big Box					
	Mixed Use	\$21.79	\$21.23	\$21.11	\$20.23	\$21.41
	Strip Center					
	Subtotal	\$21.79	\$21.23	\$21.11	\$20.23	\$21.41
Northeast	Community Center	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
	Freestanding/Big Box	\$10.00	\$10.00	\$10.00		
	Mixed Use	\$23.25	\$18.33	\$18.33	\$18.33	\$18.00
	Neighborhood Center	\$11.50	\$11.50	\$16.63	\$17.83	\$18.00
	Regional Center					
	Strip Center	\$19.18	\$17.81	\$19.50	\$18.50	\$17.75
	Subtotal	\$17.83	\$16.14	\$17.82	\$17.85	\$17.19
Northwest	Community Center					
	Freestanding/Big Box					
	Mixed Use	\$16.75	\$16.75	\$15.00	\$15.00	\$15.00
	Neighborhood Center	\$15.50	\$15.50	\$15.50	\$14.33	\$16.70
	Strip Center	\$22.00	\$22.00	\$22.86	\$24.94	\$25.32
	Subtotal	\$20.19	\$20.19	\$20.60	\$21.46	\$22.18
Saint Paul CBD	Mixed Use	\$14.25	\$14.25	\$14.25	\$14.25	\$15.50
	Subtotal	\$14.25	\$14.25	\$14.25	\$14.25	\$15.50
Southeast	Community Center					
	Freestanding/Big Box	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
	Mixed Use	\$17.50	\$17.67	\$18.00	\$18.00	\$18.00
	Neighborhood Center	\$17.35	\$17.35	\$17.75	\$16.96	\$17.25
	Regional Center					
	Strip Center	\$19.44	\$19.10	\$19.10	\$19.10	\$18.70
	Subtotal	\$17.96	\$17.59	\$17.77	\$17.40	\$17.41
Southwest	Community Center					
	Freestanding/Big Box			\$13.50	\$13.50	
	Mixed Use	\$30.00				
	Neighborhood Center	\$17.00	\$17.00	\$22.17	\$20.50	\$20.00
	Regional Center					
	Strip Center	\$15.83	\$17.00	\$20.00	\$23.67	\$23.75
	Subtotal	\$18.90	\$17.00	\$20.00	\$21.83	\$22.73
West	Community Center					
	Freestanding/Big Box					
	Mixed Use	\$35.50	\$36.50	\$45.00	\$28.00	\$28.00
	Neighborhood Center	\$12.50	\$12.50	\$12.50	\$12.50	\$13.00
	Regional Center					
	Strip Center	\$19.00	\$19.00	\$18.83	\$18.83	\$18.50
	Subtotal	\$22.33	\$22.67	\$21.08	\$18.25	\$19.30
Suburban	Community Center	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
	Freestanding/Big Box	\$10.50	\$10.50	\$11.50	\$12.25	\$11.00
	Mixed Use	\$22.88	\$21.45	\$22.17	\$19.33	\$19.75
	Neighborhood Center	\$14.94	\$14.94	\$17.46	\$16.52	\$17.43
	Regional Center					
	Strip Center	\$19.70	\$19.26	\$20.23	\$20.97	\$21.29
	Subtotal	\$18.88	\$18.15	\$18.97	\$19.11	\$19.83
Grand Total		\$19.08	\$18.49	\$19.19	\$19.13	\$19.89

Vacancy and Lease Rates

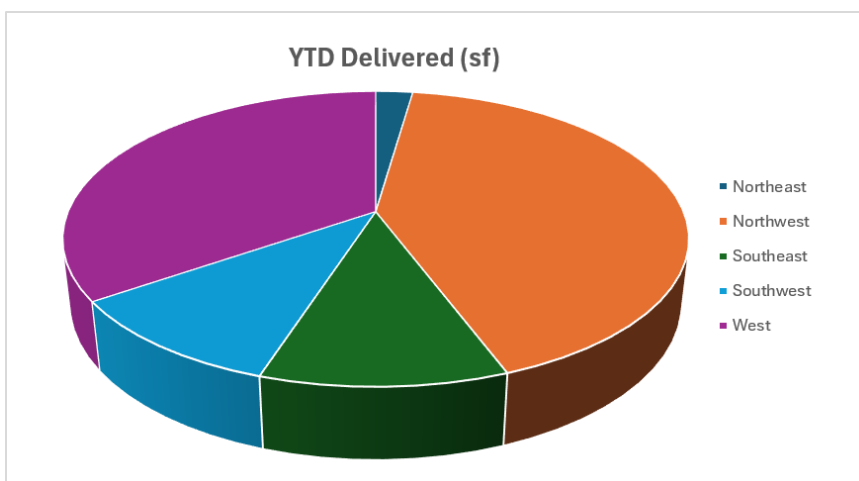


New Developments by Market



Market	Bldg (sf)
Mpls CBD	8,120
Northeast	54,514
Northwest	195,276
Southeast	75,750
Southwest	77,338
West	17,361
Grand Total	428,359

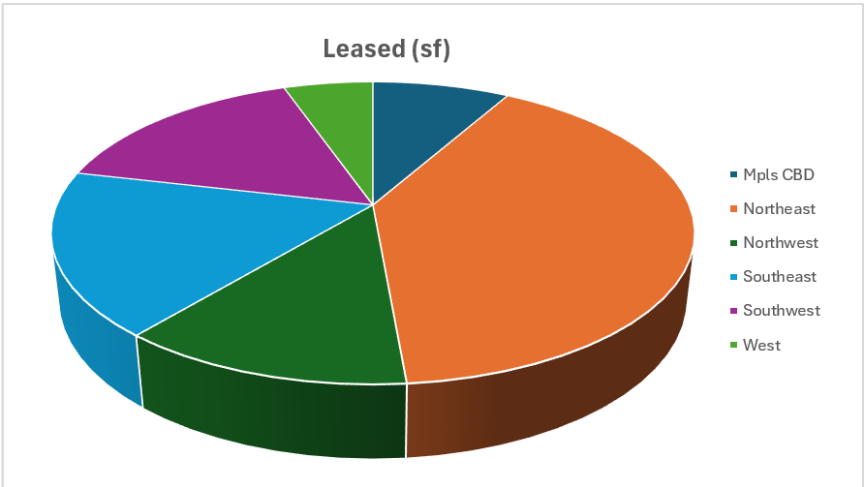
YTD Deliveries by Market



Market	Bldg (sf)
Northeast	4,325
Northwest	79,638
Southeast	20,454
Southwest	19,700
West	65,621
Grand Total	189,738

Leasing Activity

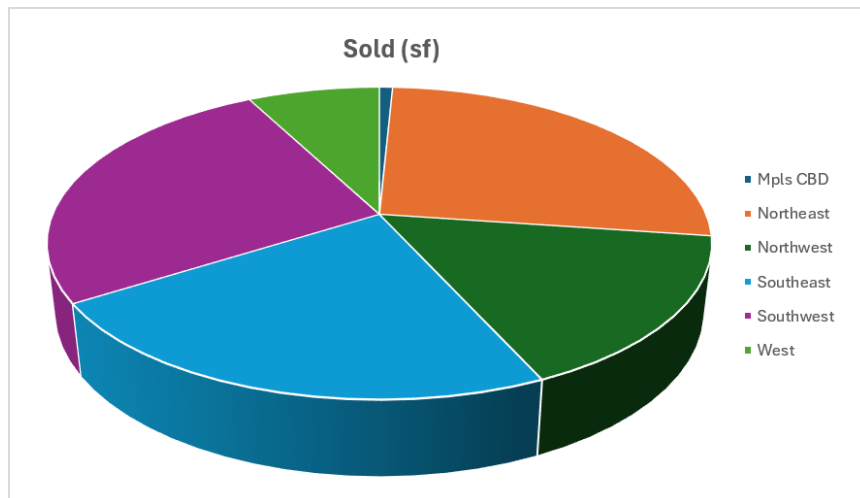
Property	Size (sf)	Market	Tenant	Landlord
Northtown Mall 100 Northtown Dr NE	42,910	Northeast	Halal Square	Northtown Mall Territories LLC
Riverdale Commons 3320 124th Ave NW	17,395	Northeast	DSW Shoe Warehouse	SVAP III Riverdale Commons LLC
Valley Ridge Center 1240 W Frontage Rd	14,227	Northeast	Office Max	Valley Ridge Holding LLC
Southdale Square 2900 W 66th St	14,000	Southwest	Patina	DRFC Southdale Square LLC
Rosedale Center 1705 W Hwy 36	12,500	Northeast	Pottery Barn	PPF RTL Rosedale Shopping Cntr



Market	Leased (sf)
Mpls CBD	40,303
Northeast	197,897
Northwest	61,134
Southeast	86,076
Southwest	78,392
West	26,256
Grand Total	490,058

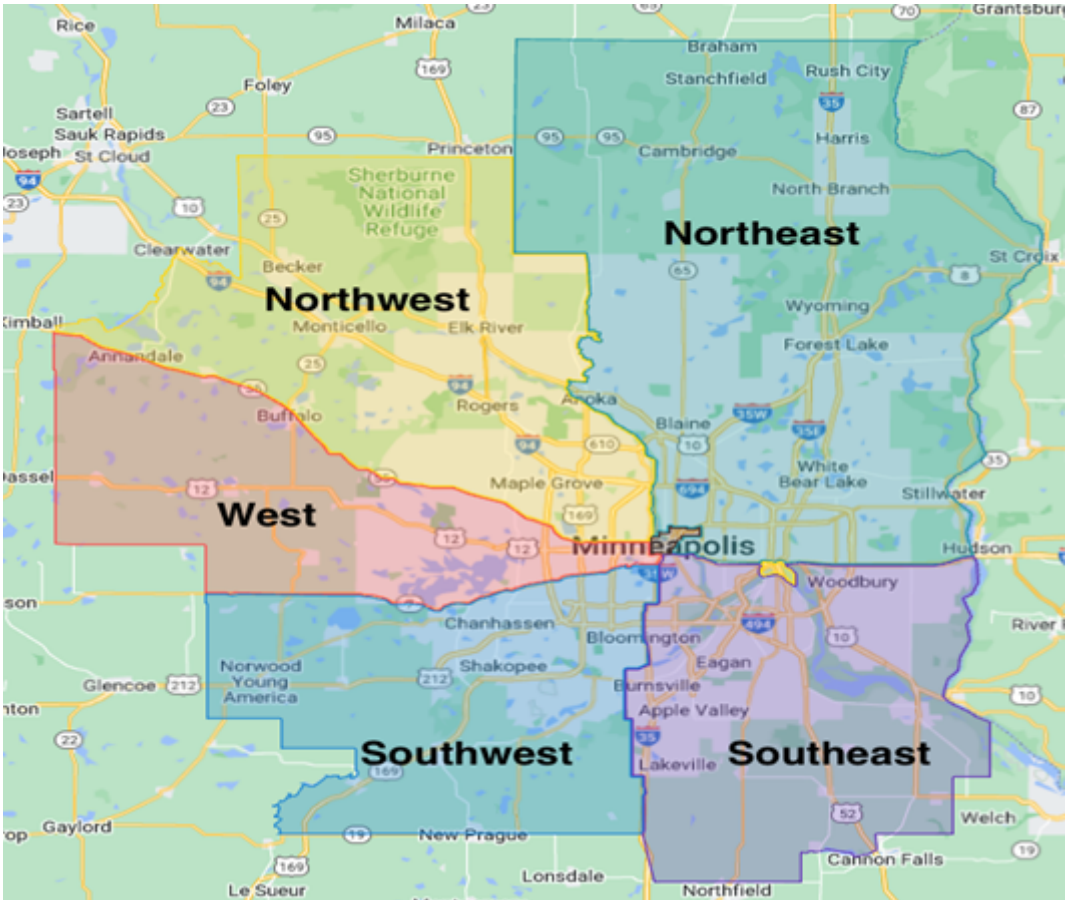
Sales Activity

Property	Price	Market	Seller	Buyer
Chaska Commons 120-220 Pioneer Trl	\$38,000,000	Southwest	Aurora Investments	Phillip Edison
The Village at Arbor Lakes 11670 Elm Creek Blvd N	\$28,000,000	Northwest	DORAN MGC X, LLC; DORAN MGC IX, LLC	CL Village at Arbor Lakes MN, LLC
Prairieview Center 930 Prairie Center Dr	\$27,650,000	Southwest	Prairieview Retail, LLC	Prairieview Station, LLC
TA Rogers 13400 Rogers Dr	\$25,500,000	Northwest	Rogers Holdings MN, LLC	RCM Patticus Rogers, LLC
Eagan Town Centre 1278 Town Center Dr	\$23,552,850	Southeast	EREP Eagan I, LLC	CPUS Eagan Town Centre, LLC



Market	Sold (sf)
Mpls CBD	11,834
Northeast	408,193
Northwest	246,719
Southeast	351,794
Southwest	406,069
West	118,187
Grand Total	1,542,796

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 rate 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

CBRE	David Daly		Ted Gonsior
	Lisa Christianson	JLL	Jeremy Grittner
Colliers International	Lauren Kessler		Sara Martin
	Terese Reiling		Jack Whitcomb
Cushman & Wakefield	Zander Fried		Tricia Pitchford
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	Caden Workman		Olivia Zastro
Newmark	Maura Carland	Transwestern	Jesse Tollison

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The REDI CRE Advisory Board is comprised of a respected group of commercial real estate professionals who convene quarterly to share insights on recent lease and sale activity, contributing to the accuracy of reported absorption, vacancy trends, and new development across the market. Their real-time perspective helps ensure our reports reflect both verified data and current market sentiment. Those interested in being considered for participation may submit an application here: <https://form.jotform.com/REDIComps/advisory-board>