



**XCELIGENT**<sup>™</sup>  
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## RETAIL MARKET REPORT

# Minneapolis-St. Paul

**1st Quarter 2016**

Produced in partnership with

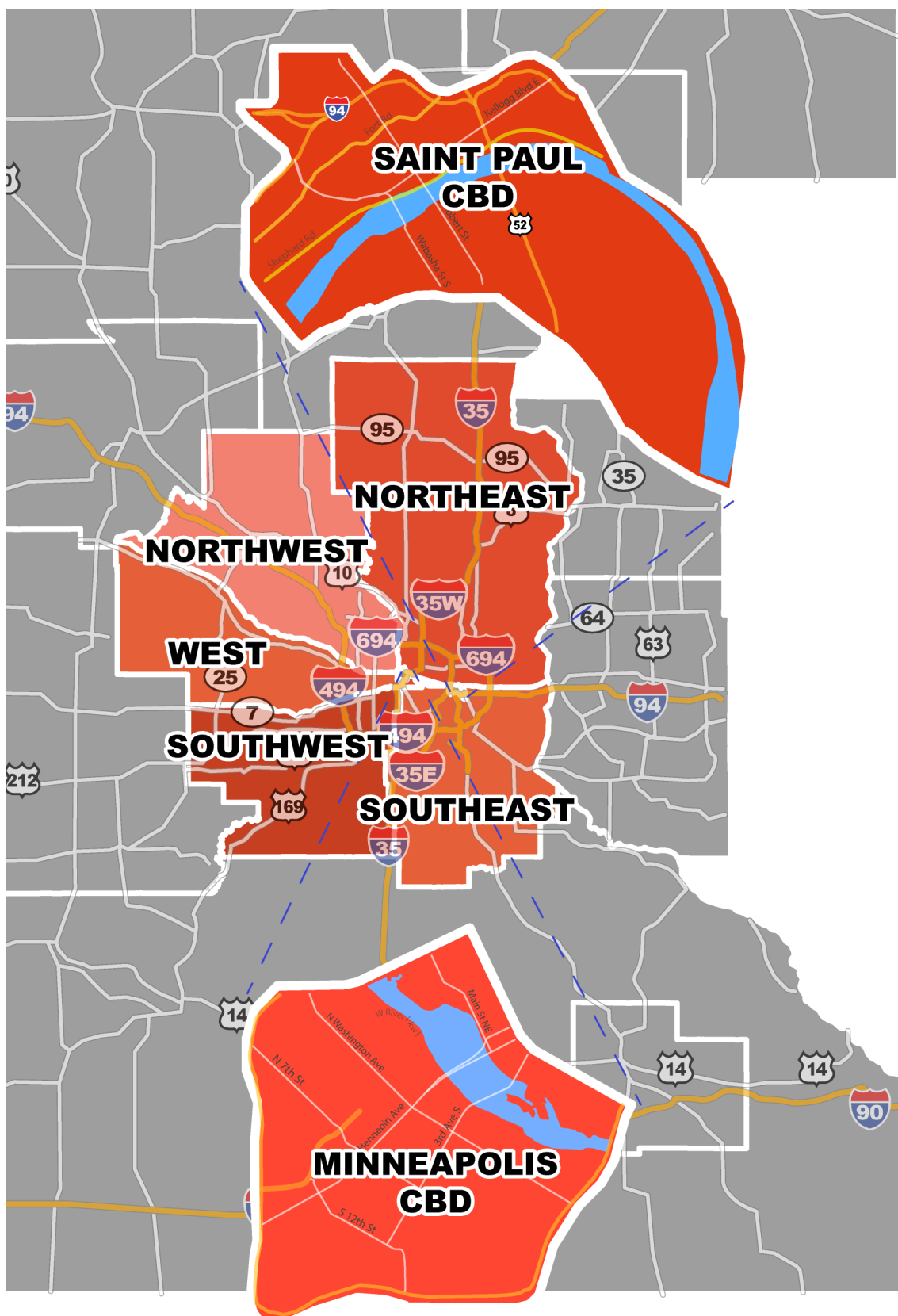
**MNCAR**  
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**E X C H A N G E**

Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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**The Minneapolis-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 the market area.**

<b>Inventory -</b>	The total square feet of existing single and multi-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.
<b>Total Available SF -</b>	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.
<b>Total Vacant SF -</b>	The total of all the vacant square footage within a building including both direct and sublease space.
<b>Sublease Space -</b>	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
<b>Net Absorption -</b>	The net change in occupancy from quarter to quarter, expressed in square feet.



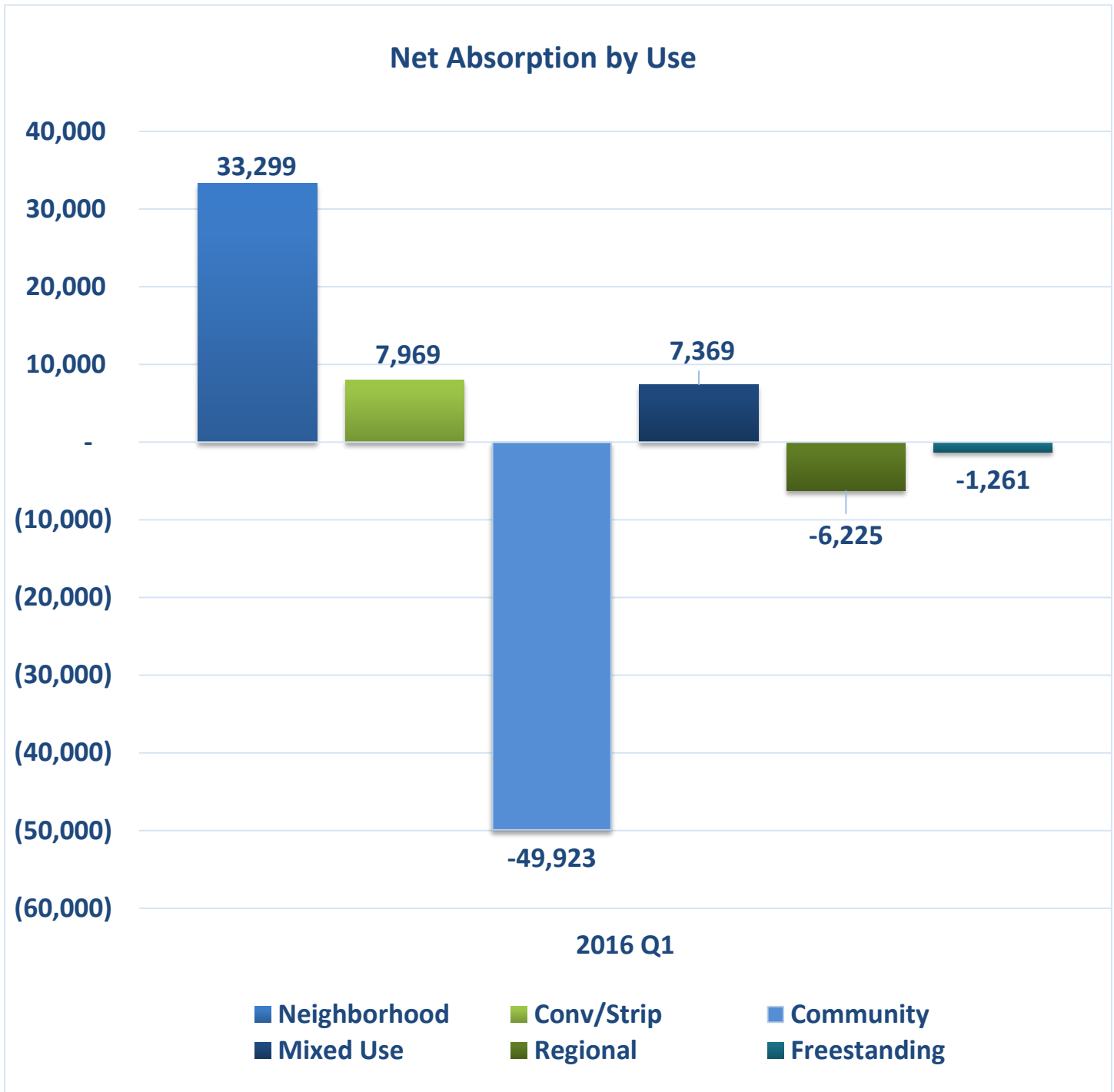
## Overview

- The Minneapolis-St Paul Retail market ended the first quarter of 2016 with 8,772 square feet of negative absorption.
- The largest positive absorption came from Robbinsdale Schools leasing 42,000 square feet in the Northwest market while the Northeast saw negative 45,000 square feet in absorption.
- At the end of the quarter the overall vacancy rate was 6%. Developers appear optimistic primarily due to 600,000 square feet of new construction with the largest project slated for the Southeast market.
- The St Paul CBD has a very high vacancy rate 59.8% due to Macy's at 411 Cedar St. This property is 100% vacant with 363,083 square feet. The vacancy rate for St Paul CBD would be 16.9% if Macy's was not factored in the vacancy rate.

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Neighborhood	308	19,622,903	1,796,145	1,421,520	7.2%	33,299	33,299
Conv/Strip	603	13,890,642	1,209,302	959,423	6.9%	7,969	7,969
Community	85	14,622,393	1,787,526	1,657,826	11.3%	-49,923	-49,923
Mixed Use	67	2,649,299	276,335	262,259	9.9%	7,369	7,369
Regional	18	8,313,493	305,579	285,390	3.4%	-6,225	-6,225
Freestanding	429	28,486,965	785,413	642,224	2.3%	-1,261	-1,261
<b>Grand Total</b>	<b>1,510</b>	<b>87,585,695</b>	<b>6,160,300</b>	<b>5,228,642</b>	<b>6.0%</b>	<b>-8,772</b>	<b>-8,772</b>

	# of Bldgs	Inventory (SF)	Sum of Direct Available SF	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
Neighborhood	308	19,622,903	1,767,211	1,415,920	7.2%	33,299	33,299
Conv/Strip	603	13,890,642	1,204,670	959,423	6.9%	2,692	2,692
Community	85	14,622,393	1,787,526	1,657,826	11.3%	-49,923	-49,923
Mixed Use	67	2,649,299	276,335	262,259	9.9%	7,369	7,369
Regional	18	8,313,493	296,812	276,623	3.3%	-6,225	-6,225
Freestanding	429	28,486,965	765,439	622,250	2.2%	-1,261	-1,261
<b>Grand Total</b>	<b>1,510</b>	<b>87,585,695</b>	<b>6,097,993</b>	<b>5,194,301</b>	<b>5.9%</b>	<b>-14,049</b>	<b>-14,049</b>

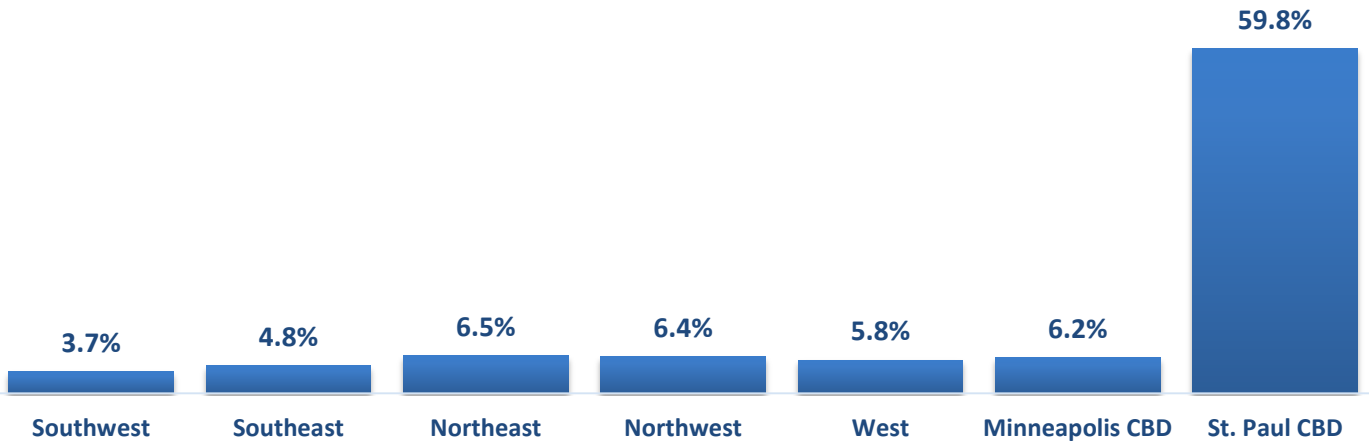
	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Sublease Vacant (SF)	Sublease Vacancy Rate (%)	Sublease Quarterly Absorption (SF)	YTD Sublease Net Absorption (SF)
Neighborhood	308	19,622,903	28,934	5,600	0.0%	-	-
Conv/Strip	603	13,890,642	4,632	-	0.0%	5,277	5,277
Community	85	14,622,393	-	-	0.0%	-	-
Mixed Use	67	2,649,299	-	-	0.0%	-	-
Regional	18	8,313,493	8,767	8,767	0.1%	-	-
Freestanding	429	28,486,965	19,974	19,974	0.1%	-	-
<b>Grand Total</b>	<b>1,510</b>	<b>87,585,695</b>	<b>62,307</b>	<b>34,341</b>	<b>0.0%</b>	<b>5,277</b>	<b>5,277</b>



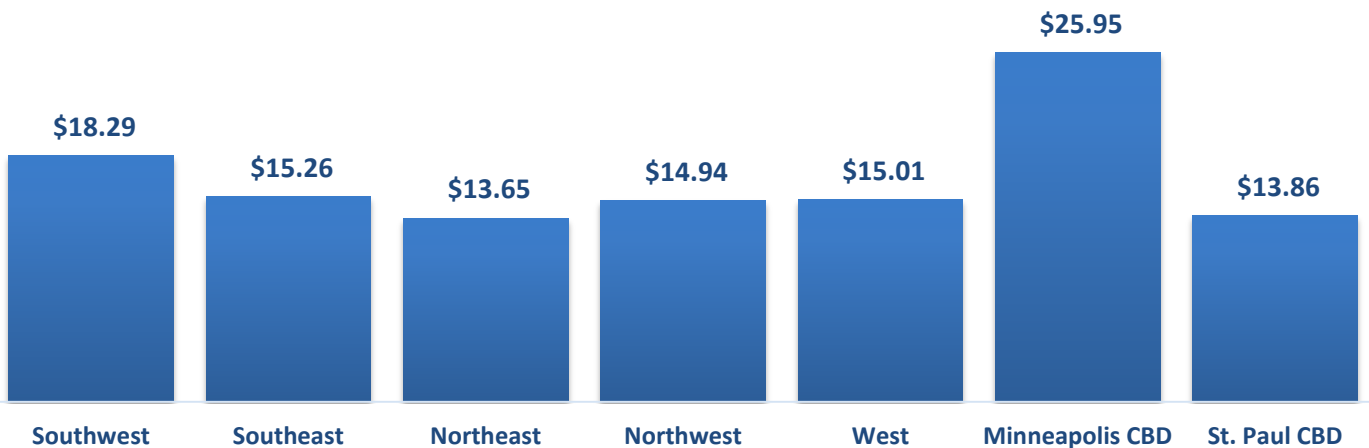
	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Direct Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
<b>Northeast</b>	453	27,477,095	1,781,721	1,775,957	6.5%	-45,177	-45,177
Neighborhood	96	6,056,824	547,050	547,050	9.0%	-8,616	-8,616
Conv/Strip	172	3,689,129	285,844	285,844	7.7%	4,213	4,213
Community	31	5,309,429	533,250	533,250	10.0%	-39,686	-39,686
Mixed Use	8	310,448	27,989	27,989	9.0%	1,252	1,252
Regional	7	2,199,857	10,787	5,023	0.5%	-2,340	-2,340
Freestanding	139	9,911,408	376,801	376,801	3.8%	-	-
<b>Northwest</b>	250	13,014,413	836,764	836,764	6.4%	58,363	58,363
Neighborhood	63	3,662,027	186,523	186,523	5.1%	46,558	46,558
Conv/Strip	106	2,009,589	167,964	167,964	8.4%	22,122	22,122
Community	14	2,151,903	205,548	205,548	9.6%	-10,736	-10,736
Mixed Use	3	126,942	6,463	6,463	5.1%	1,680	1,680
Regional	1	804,000	212,853	212,853	26.5%	-	-
Freestanding	63	4,259,952	57,413	57,413	1.3%	-1,261	-1,261
<b>Southeast</b>	403	24,384,515	1,166,049	1,161,546	4.8%	-24,057	-24,057
Neighborhood	73	5,224,975	353,823	352,323	6.8%	3,338	3,338
Conv/Strip	163	3,851,314	277,032	277,032	7.2%	-25,473	-25,473
Community	20	3,444,708	310,142	310,142	9.0%	2,840	2,840
Mixed Use	8	190,750	9,945	9,945	5.2%	-1,759	-1,759
Regional	4	2,824,975	29,571	26,568	1.0%	-3,003	-3,003
Freestanding	135	8,847,793	185,536	185,536	2.1%	-	-
<b>Southwest</b>	243	12,688,596	472,717	448,643	3.7%	-5,068	-5,068
Neighborhood	51	3,140,326	163,906	159,806	5.2%	-7,946	-7,946
Conv/Strip	101	2,406,266	163,321	163,321	6.8%	2,846	2,846
Community	6	860,410	72,960	72,960	8.5%	-3,134	-3,134
Mixed Use	12	424,009	37,152	37,152	8.8%	3,966	3,966
Regional	3	1,440,508	15,404	15,404	1.1%	-800	-800
Freestanding	70	4,417,077	19,974	-	0.5%	-	-
<b>West</b>	114	5,828,332	335,985	335,985	5.8%	3,009	3,009
Neighborhood	23	1,332,641	115,052	115,052	8.6%	-35	-35
Conv/Strip	54	1,279,543	47,470	47,470	3.7%	4,261	4,261
Community	8	1,421,005	140,509	140,509	9.9%	-1,135	-1,135
Mixed Use	6	143,258	13,679	13,679	9.5%	-	-
Regional	2	617,816	16,775	16,775	2.7%	-82	-82
Freestanding	21	1,034,069	2,500	2,500	0.2%	-	-
<b>Minneapolis CBD</b>	38	3,490,057	215,094	215,094	6.2%	4,158	4,158
Neighborhood	2	206,110	55,166	55,166	26.8%	-	-
Conv/Strip	7	654,801	17,792	17,792	2.7%	-	-
Community	5	1,071,855	32,334	32,334	3.0%	1,928	1,928
Mixed Use	22	1,114,288	109,802	109,802	9.9%	2,230	2,230
Regional	1	426,337	-	-	0.0%	-	-
Freestanding	1	16,666	-	-	0.0%	-	-
<b>St. Paul CBD</b>	9	702,687	420,312	420,312	59.8%	-	-
Community	1	363,083	363,083	363,083	100.0%	-	-
Mixed Use	8	339,604	57,229	57,229	16.9%	-	-
<b>Grand Total</b>	<b>1,510</b>	<b>87,585,695</b>	<b>5,228,642</b>	<b>5,194,301</b>	<b>6.0%</b>	<b>-8,772</b>	<b>-8,772</b>

	Vacancy Rate %		Average Weighted Direct Asking Rate	
		2016 Q1		2016 Q1
<b>Northeast</b>		6.5%		\$13.65
Neighborhood		9.0%		\$12.81
Conv/Strip		7.7%		\$15.14
Community		10.0%		\$14.43
Mixed Use		9.0%		\$9.00
Regional		0.5%		-
Freestanding		3.8%		\$10.59
<b>Northwest</b>		6.4%		\$14.94
Neighborhood		5.1%		\$14.82
Conv/Strip		8.4%		\$15.34
Community		9.6%		\$20.92
Mixed Use		5.1%		\$22.00
Regional		26.5%		-
Freestanding		1.3%		\$8.00
<b>Southeast</b>		4.8%		\$15.26
Neighborhood		6.8%		\$16.08
Conv/Strip		7.2%		\$14.55
Community		9.0%		\$15.64
Mixed Use		5.2%		-
Regional		1.0%		-
Freestanding		2.1%		-
<b>Southwest</b>		3.7%		\$18.29
Neighborhood		5.2%		\$19.37
Conv/Strip		6.8%		\$13.23
Community		8.5%		-
Mixed Use		8.8%		\$29.85
Regional		1.1%		-
Freestanding		0.5%		\$20.00
<b>West</b>		5.8%		\$15.01
Neighborhood		8.6%		\$17.51
Conv/Strip		3.7%		\$12.72
Community		9.9%		\$16.72
Mixed Use		9.5%		\$21.83
Regional		2.7%		-
Freestanding		0.2%		-
<b>Minneapolis CBD</b>		6.2%		\$25.95
Neighborhood		26.8%		-
Conv/Strip		2.7%		\$20.00
Community		3.0%		\$27.50
Mixed Use		9.9%		\$28.76
Regional		-		-
Freestanding		-		-
<b>St. Paul CBD</b>		59.8%		\$13.86
Neighborhood		-		-
Conv/Strip		-		-
Community		100.0%		-
Mixed Use		16.9%		\$13.86
Regional		-		-
Freestanding		-		-
<b>Grand Total</b>		<b>6.0%</b>		<b>\$15.66</b>

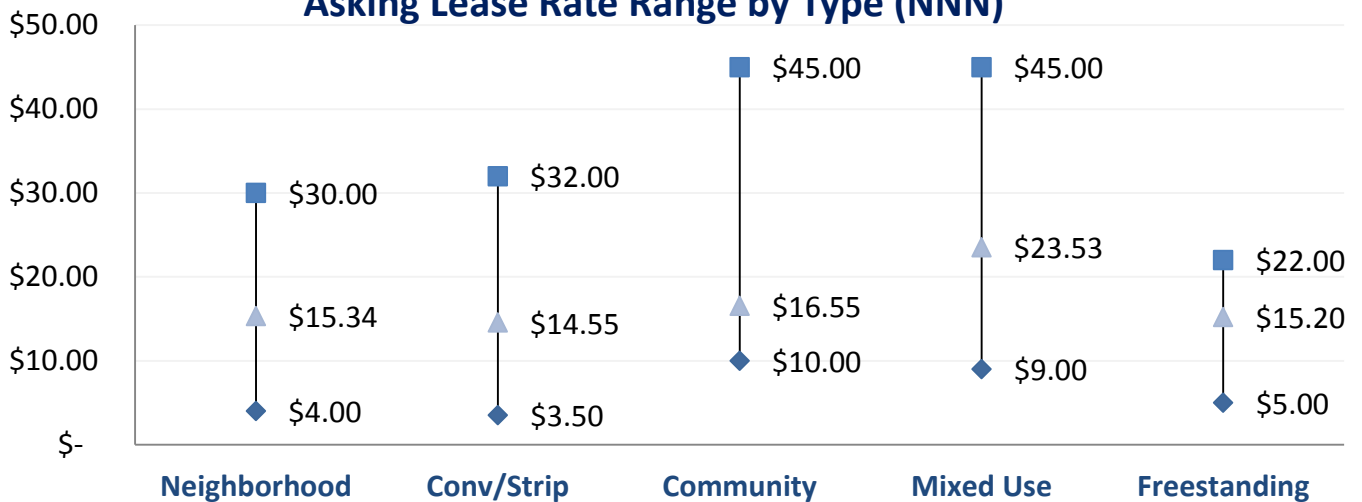
## Vacancy Rate by Submarket



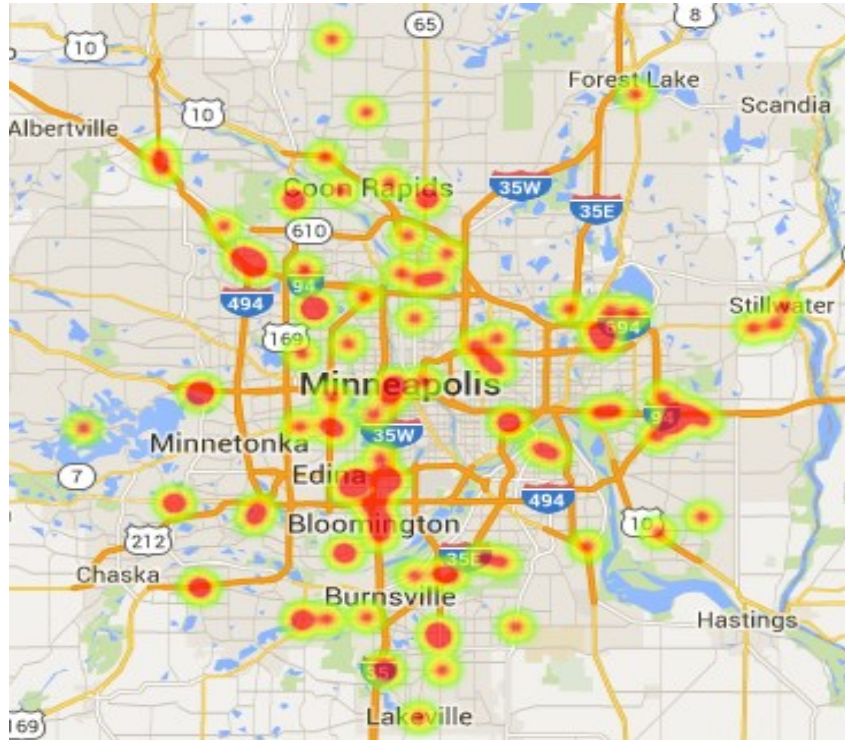
## Average Weighted Asking Rates by Submarket



## Asking Lease Rate Range by Type (NNN)



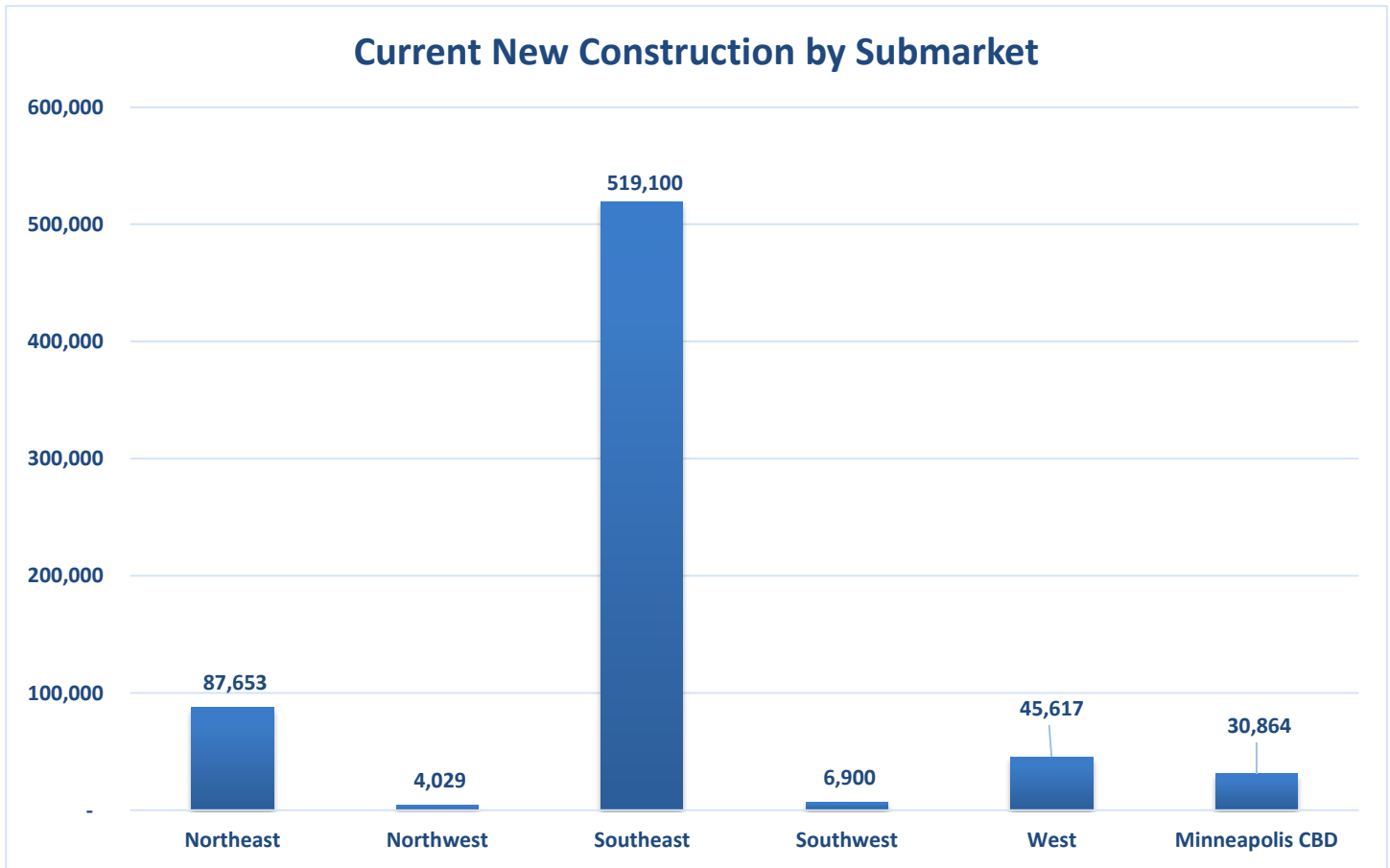




## Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Market	Specific Use
Crystal Shopping Center	42,000	Robbinsdale Schools	Northwest	Neighborhood
9242 Hudson Blvd N	19,643	Bridal Consignment Shop; Physical Therapist Group	Northeast	Conv/Strip
South Pond Center	12,854	Pacific Dental; ATT; Starbucks; Leeann Chin; Chipotle and Sports Clips	Northwest	Conv/Strip
Park Place on France	10,685	Willy McCoys; Sports Clips and Pacific Dental	Southwest	Conv/Strip
Terrace Center	(8,270)	Uniform Advantage; Curves	Northwest	Community
Gateway North Shopping Center-	(8,307)	American Motor Sports Bar	Southeast	Community
Richfield Shoppes South	(8,330)	Old Country Buffet	Southeast	Conv/Strip
Rosedale Commons	(8,670)	Old Country Buffet	Northeast	Community
Roseville Center	(9,281)	City Garden & Home; Roseville Bakery and City Garden & Home	Northeast	Neighborhood
Southdale Square	(11,353)	ABC Toy Zone; Venture Photography and Heartbreaker	Southwest	Neighborhood
Sun Ray Shopping Center	(33,406)	Blast Fitness and Carpet King	Northeast	Community

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Market	Specific Use
White Bear Marketplace	\$30,067,721	94,128	Menard Inc	KTJ 255 LLC c/o Oppidan Investment Comp	Northeast	Neighborhood Center
13400 Wayzata Blvd	\$15,060,000	35,416	Morries 394 Hyundai RE LLC	Morries Properties LLC	West	Auto Dealership
Plymouth Plaza	\$12,300,000	74,706	Plymouth Plaza LLC and American Voyager Motel Inc	MSB Holdings - Plymouth LLC	West	Neighborhood Center
13700-13712 Wayzata Blvd	\$12,099,210	37,348	Morries 394 Hyundai RE LLC	Morries Properties LLC	West	Auto Dealership
Eagan Town Centre	\$9,176,000	103,970	VEREIT KO Eagan MN LLC	C&H Investment Company	Southeast	Big Box
Valley Ridge Center	\$8,631,800	82,022	Valley Ridge Holding LLC	SouthMetro Centers V LLC	Northeast	Neighborhood Center



Minneapolis - St Paul	
CBRE	David Daly
Christianson & Company	Lisa Christianson
Colliers International	Ian Halker
	Tony Strauss
	Molly Townsend
CSM	Justin Wing
Cushman & Wakefield/NorthMarq	Jen Helm
	Brad Kaplan
Diehl & Partners	Lisa Diehl
Hempel	Ben Krsnak
Kraus Anderson	Dan Mossey
Marcus & Millichap	Brian Klanke
Mid-America	Jesseka Doherty
Paster Properties	Mike Sturdivant
Ryan Companies	Patrick Daly
Suntide	Tim Igo
Upland	Zach Stensland

This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy. **For more information, please contact :**

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