TWIN CITIES MN
RETAIL INVESTMENT SUMMARY
Q4 2022

Dear Valued Investors and Clients,

Thank you for a great year! With 2022 behind us, we're excited to gear up for what we feel will be a bumpy but opportunistic 2023. As we look to what the future holds for retail real estate, our team is fortunate to be a part of a full service real estate company that focuses exclusively on retail, and benefits from having many resources at our fingertips. With 10 tenant representation and leasing brokers that meet bi-weekly with us to discuss the retail real estate market, we would like to share some of the exciting things that are happening in retail that will directly impact you, our investor clients. Will the retail sector continue its success in 2023? No one can be sure of an answer but retail is flexible, able to adapt and change, and morph in ways to enable itself to succeed.

As always, please feel invited to reach out to our team directly for any questions in the newsletter or to discuss your property or investment requirements.

~ Mark, Amy, Zach & Emily ~

US RETAIL VACANCY FELL TO 6.1%

The lowest level in 15 years!

MORE STORES OPENED THAN CLOSED FOR THE FIRST TIME SINCE 1995

Despite rising interest rates and a slowing economy, demand for retail space has remained positive for 7 straight quarters.

RETAIL RENTS ARE ON THE RISE!

The continued rise in occupancy has led to rent growth, which can be attributed to the limited amount of new development. With little to no new construction there is upward pressure on rents across the country for high quality retail.

VACANCY IS NOT A 4 LETTER WORD!

Having a vacancy or a near term lease expiration is no longer looked at as a disadvantage but an opportunity to remerchandise with better tenants at higher rents! In fact, landlords with Bed, Bath & Beyond and Party City are getting pre-commitment letters from active tenants.

RETAILERS CURRENTLY ACTIVE IN THE TWIN CITIES

FOOD

Wing Stop, Scooter's Coffee, Dunkin' Donuts, Dave's Hot Chicken, MOD Pizza, nextlevel, BJ's Restaurant Brewhouse, Zupas, crumbl cookies, Raising Cane's Chicken Fingers, paco&lime Mexican Kitchen, sweetgreen, Maui & Cal Bowls, Shake Shack, noodles & company, Starbucks Coffee, Stalk & Spade Plant Based American Grill, Chick-fil-A, Chipotle Mexican Grill

HOME/PET/KIDS

Bob's Discount Furniture, The Container Store, Harbor Freight Quality Tools Lowest Prices, dogtopia, Kidstrong, o2b Kids!, Kids Empire, YARDBIRD, at home, HomeGoods, Camp Bow Wow, Meow Wolf, T.J.maxx, NVA

SELF CARE

Stretch Lab, Removery Tattoo Removal & Fading, Sola Salons, Floyd's 99 Barbershop, SL Salon Lofts, palm beach tan, chapter Aesthetic Studio, Tide Cleaners, planet fitness, Brands Self Esteem, Basecamp Fitness, [solidcore]

GENERAL

Club Carwash, Fleet Farm, TopGolf, Chase, DXL Mens Apparel, Michaels, ULTA Beauty, Sierra Trading Post, Burlington, Public Lands by DICK'S Sporting Goods, Nordstrom rack, PGA Tour Superstore, Valvoline

NEW LEASES SIGNED Q4 2022

- **CEDAR POINT COMMONS - RICHFIELD, MN**
  Tomo Grill will be taking over a 1,943 SF endcap with patio
- **ACE HARDWARE - DETROIT LAKES, MN**
  New lease at the former JCPenny
- **FLEET FARM - BISMARCK, ND**
  Closed on 15.6 acre property
- **TJMAXX - WILLMAR, MN**
  New lease at the former Office MaX
- **F45 - MOUND, MN**
  New lease at Mound Marketplace
- **ACE HARDWARE - LITCHFIELD, MN**
  Purchased former Sears Hometown (7,500 SF)
- **BASECAMP FITNESS - APPLE VALLEY, MN**
  New lease for a portion of the former Pizza Ranch in Apple Valley
- **STARBUCKS - BURNSVILLE, MN**
  New lease in an outlot of Cobblestone Court
- **STARBUCKS - LINO LAKES, MN**
  New lease as part of a new development on Lake Drive
- **STARBUCKS - NORTH MANKATO, MN**
  New lease as part of a new development
- **STARBUCKS - OAK PARK HEIGHTS, MN**
  New lease at the former White Castle

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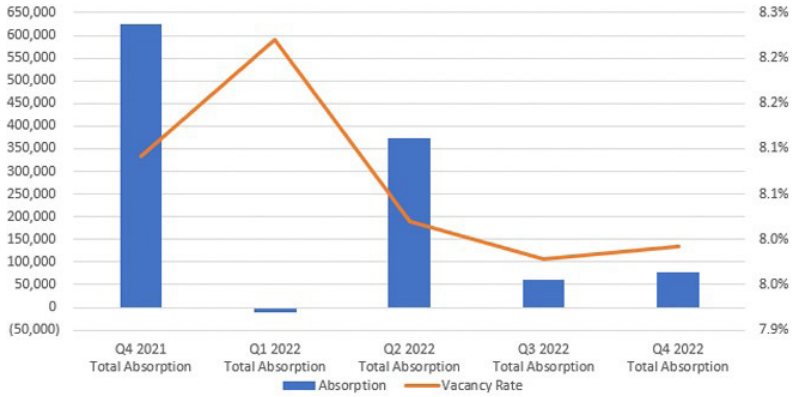
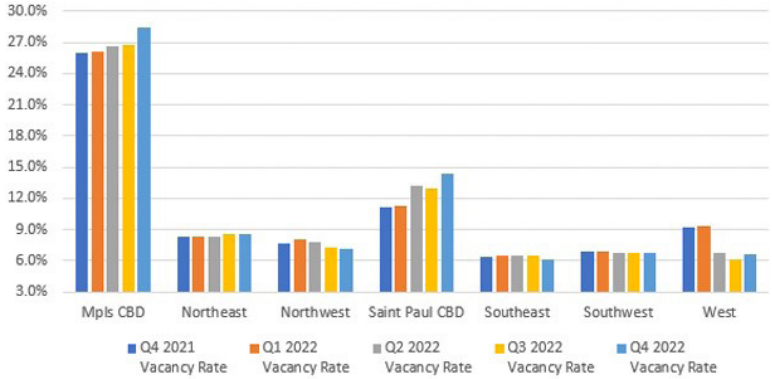
Q4 2022 RETAIL ABSORPTION & VACANCY RATE



8.0% Average Vacancy Rate

Source: MNCAR Q4 2022 Retail Report

Q4 2022 RETAIL VACANCY RATE BY MARKET



Southeast Leads Market at 6.1%

Source: MNCAR Q4 2022 Retail Report

2022 Q4 NOTABLE RETAIL SALES

$303 Million Twin Cities Retail Investment Sales Volume in Q4 2022 (over $1.32B YTD)

The Shops at West End | St. Louis Park, MN
Price: $64,750,000
GLA Sold: 455,010
PSF: $142
Occupancy: 70%
Anchors: Cub Foods, Bank of America, Crave, Rojo Mexican Grill, ShowPlace Theatre

Click for expanded Q4 Notable Transactions List

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OUR TEAMS' ACTIVE LISTINGS

click photo to view listing

Broadway Square | Brooklyn Park, MN

Price: $7,350,000

Cap Rate: 7.75%

Year 1 NOI: $569,378

Gross Leasable Area: 48,998 SF

Long Lake Retail Cntr | Long Lake, MN

Price: $1,875,000

Stabilized Cap Rate: 9.26%

Year 1 NOI: $173,734

Gross Leasable Area: 12,100 SF

Uptown Willmar Mall Anchor | Willmar, MN

Price: $1,495,000

Price PSF: $19

Gross Leaseable Area: 77,500 SF

Site Size: 4.62 Acres

Planet Fitness | Duluth, MN

COMING SOON

Cliff Lake Centre | Eagan, MN

UNDER CONTRACT

Gross Leaseable Area: 74,182 SF

Site Size: 14.84 Acres

Click HERE to see all of our listings

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RELY ON THE MIDWEST'S RETAIL REAL ESTATE EXPERTS

MARK ROBINSON, CCIM

Principal
mrobinson@midamericagrp.com
952-563-6664

Mark joined Mid-America Real Estate – Minnesota, LLC in 2012 and focuses on single & multi-tenant retail investment sales throughout Minnesota and Western Wisconsin. Mark has completed transactions with an aggregate value of over $550M.

AMY SENN

Vice President
asenn@midamericagrp.com
952-563-6605

Amy's primary focus is on the sale of retail properties in the Twin Cities and greater Minnesota. She currently serves as Vice President of the Investment Sales team at Mid-America Real Estate-Minnesota, LLC. For her entire 22 year career, Amy has specialized in retail real estate.

ZACH SHOCKENCY, CCIM

Analyst
zachockency@midamericagrp.com
952-563-6659

Zach joined Mid-America Real Estate – Minnesota, LLC in 2022. He focuses on financial underwriting and analysis of investment sales, property due diligence, document preparation, including ebuyer/seller communications. Thus far in his career, he has been directly involved in transactions with an aggregate value of over $220M

EMILY UNGER

Marketing Assistant
eunger@midamericagrp.com
952-563-6683

Emily joined Mid-America Real Estate - Minnesota, LLC in 2021. She is responsible for marketing, social media, providing creative direction relating to pitch packages, property brochures, and all related marketing materials as well as providing administrative support.

MATCH OUR PETS TO OUR TEAM MEMBERS

EMAIL YOUR GUESSES TO EUNGER@MIDAMERICAGRP.COM

Correct answers will be entered into a drawing for a $100 TJMaxx Gift Card

BENTLY

MILLIE

GRIMM

TAO

MID-AMERICA®
Real Estate-Minnesota, LLC

MINNESOTA MARKET
Q4 2022 NOTABLE TRANSACTIONS

		Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Occupancy	Anchors
1		The Shops at West End 1621 West End Blvd St. Louis Park, MN	11/22	455,010	$64,750,000 $142	2008	70%	Cub Foods, Bank of America, Crave, Rojo Mexican Grill, ShowPlace Theatre
2		HarMar Mall 2100 Snelling Ave N Roseville, MN	10/22	446,308	$50,250,000 $113	1960	79%	Cub, Burlington, Barnes & Noble, Marshalls, Michaels, Home Goods, Old Chicago, Famous Footwear
3		The Village 812 Lake Street Wayzata, MN	10/22	43,731	$13,100,000 $300	1964	n/a	Title Boxing Club, Hirshfield's Decorating Center, Village Meats & Deli, Baja Haus, Lavish Salon
4		Floor & Decor 12575 Elm Creek Blvd Maple Grove, MN	12/22	69,777	$13,021,000 $187	2000	100%	Floor & Decor
5		Rochester Marketplace 2800 41st Street NW Rochester, MN	10/22	64,353	$12,725,000 $198	2001	100%	Petsmart, JoAnn, Famous Footwear, Lane Bryant, Clothes Mentor
6		Nicollet Shops 4600-4632 Nicollet Ave S Minneapolils, MN	10/22	28,322	$7,150,000 $252	1966	90%	Great Clips, Papa Johns Pizza, Subway, Lena Nails & Spa

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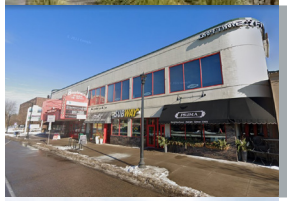
MINNESOTA MARKET
Q4 2022 NOTABLE TRANSACTIONS

		Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Occupancy	Anchors
7		Red Wing Plaza 172 Tyler Rd S Red Wing, MN	12/22	95,461	$7,100,000 $74	2001	37%	Great Clips, Papa Murphy's Pizza, Verizon, Chuck & Dons, Subway, Snap Fitness
8		755 Lake St E Wayzata, MN	10/22	14,375	$6,950,000 $483	1973	91%	Crisp & Green, Peoples Organic, Burnet Fine Art, E Salon
9		Tonka Village Shopping Cntr 5635-5663 Manitou Rd Tonka Bay, MN	11/22	17,792	$5,525,000 $311	1955	n/a	Caribou Coffee, Hazlewood's Bar & Grill, Joey Nova's, Koko FitClub
10		Boulevard Commons 5903 Lyndale Ave Minneapolis, MN	10/22	27,282	$5,000,000 $183	1932	n/a	Anytime Fitness, Mathnasium, Subway, Prima Pasta Salads & Panini
11		Maplewood Shopping Center 1860-1872 Beam Ave Maplewood, MN	12/22	31,305	$4,700,000 $150	1981	100%	Rocklet Woodworking & Hardware, AT&T, Metro Dentalcare Maplewood, Enchanted Boutique, Corner Home Medical
12		Farmington Mall 923 8th St Farmington, MN	12/22	41,223	$3,975,000 $96	1960	100%	Dollar Tree, Farmers Insurance, Tidy Touch, Farmington Liquors, Zen Nails

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		Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Occupancy	Anchors
13		Hillside Crossing 19238-19268 Elk River, MN	12/22	30,908	$3,500,000 $113	1996	91%	Play It Again Sports, Animal & Exotic Wellness Center, Allstate Insurance, Dawn of Discover Child Care
14		25945 Gateway Dr Zimmerman, MN	10/22	15,000	$3,500,000 $233	2000	100%	Fairview Northland Rehab Service
15		Crossroads South 4081-4111 Cedar St Monticello, MN	10/22	16,483	3,200,000 $191	2004	100%	Anytime Fitness, US Air Force Recruiting, Beide Chiropractic, Good Year, Salon Tuscan, Monti Nutrition
16		Mankato Center 1920 Adams St Mankato, MN	11/22	7,488	$2,925,000 $391	1996	100%	AAA Mankato, Five Guys Burgers & Fries, Jersey Mike's
17		10301 Lexington Ave NE Blaine, MN	12/22	9,472	$2,650,000 $280	1987	100%	New Creations Child Care & Learning Center
18		1906 8th Street NW Austin, MN	11/22	20,140	$2,130,000 $106	2007	100%	Cricket Wireless, China Star, Fantastic Sams, El Patron Mexican Grill, Maurices

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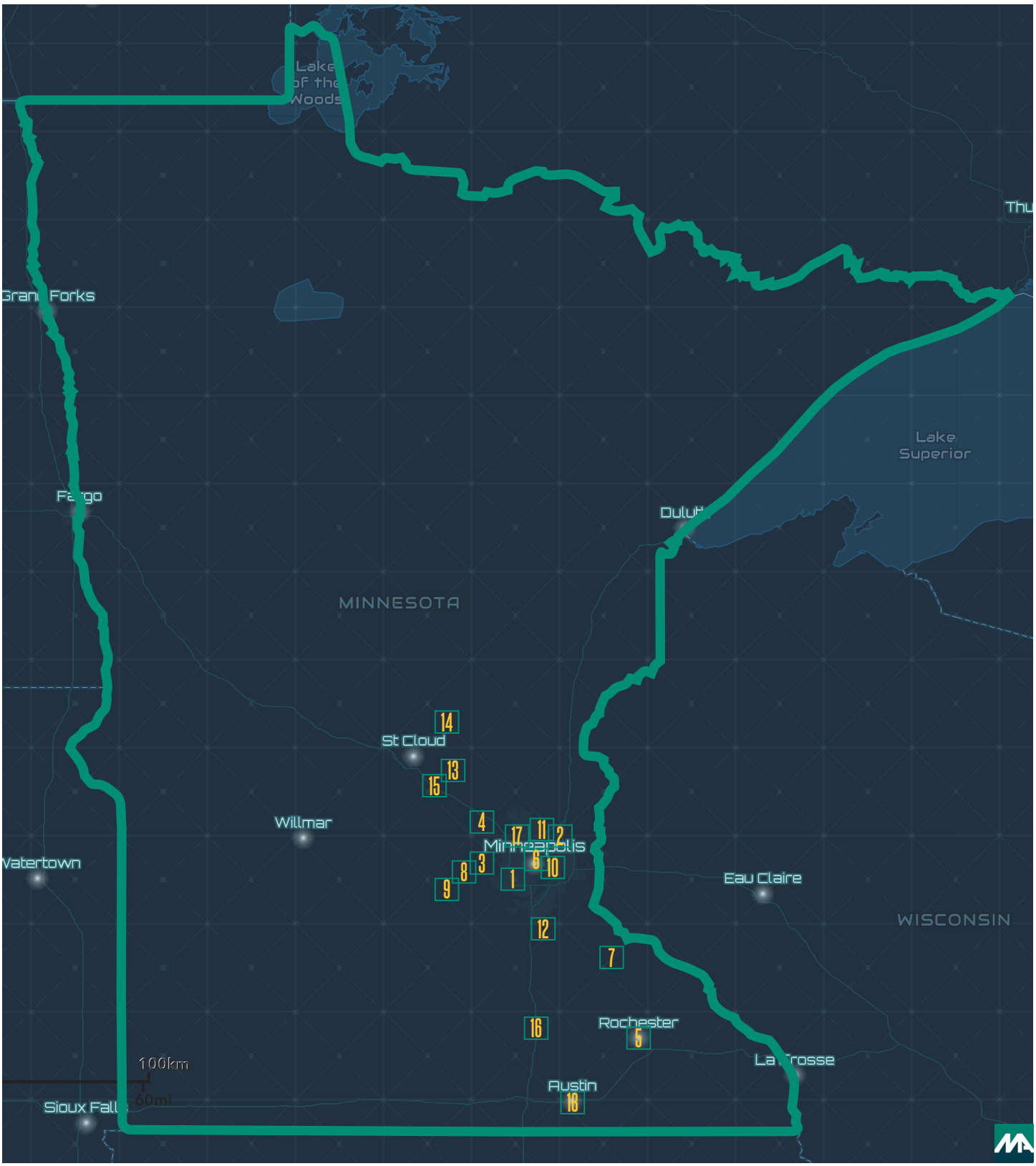
Q4 SALES MAP



THANK YOU

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MidAmericaGrp.com

MINNESOTA
5353 Wayzata Blvd, Suite 650
Minneapolis, Minnesota 55416
952.563.6600

ILLINOIS
One Parkview Plaza, 9th Floor
Oakbrook Terrace, Illinois 60181
630.954.7300

CHICAGO
410 N Michigan Ave, Suite 1100
Chicago, Illinois 60611
630.954.7327

MICHIGAN
38500 Woodward Ave, Suite 100
Bloomfield Hills, Michigan 48304
248.855.6800

WISCONSIN
600 N Plankinton Ave, Suite 301
Milwaukee, Wisconsin 53203
414.273.4600