



# TWIN CITIES MINNESOTA RETAIL INVESTMENT SUMMARY Q4 2023

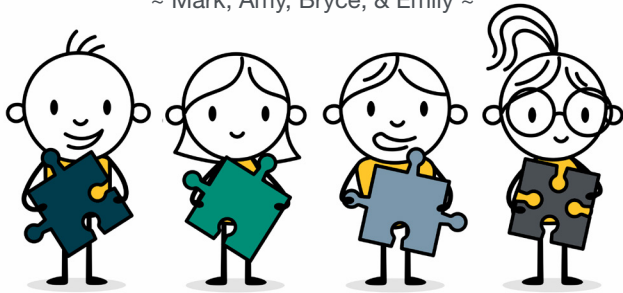


Dear Valued Investors and Clients,

We probably speak for everyone when we state that we're glad to have 2023 behind us. While it clearly could've been much worse (we see you, office), it was still a bumpy year with limited transactions and constantly chasing the market to determine pricing. Despite all of that, the market, and our team, had many bright spots that we'll choose to focus on. 2024 is gearing up to be a year filled with more investment opportunities, more investment transactions, but also a year of market imbalance with demand for retail space outstripping supply. In this newsletter we'll focus on what that means for investors now and in the near term.

As always, please feel invited to reach out to our team to discuss the current market, to review your portfolio, or just to catch up.

~ Mark, Amy, Bryce, & Emily ~



**\$213,500,000**  
Q4 Retail Investment Sales  
In Metro MSP



**8.0%**  
Avg Retail Vacancy Rate



**528,000 SF**  
Retail Leased in Q4

## RECORD LOW RETAIL VACANCY What does it mean for investors?

- ~ Lowest ever recorded retail vacancy rate: 4.6% nationally (CoStar)
- ~ 46M SF of retail construction nationally in 2023, only 42% of the 15Y average of 108M SF (CoStar)
- ~ Announced retail store openings outstrip store closures by over 1,800
- ~ Retail rents increased 4.1% YoY, and 16.9% since 2019 (Cushman & Wakefield report)
- ~ Consumer retail sales increased by 4.9% YoY (US Dept of Commerce)

Simply put we're seeing demand for quality retail space continue to outstrip the supply of retail space, with largely no new retail product under construction in the market. This has, and will continue, to push rents upwards until demand wanes (driven by consumer spending) or supply increases (requiring lower interest rates, lower construction pricing, or store closures). Because most retail property owners are sitting in a good position with limited vacancy and rising rents, the motivation to sell is low. That being said, there will continue to be sellers motivated to take their properties to market this year. What will motivate them?

- ~ Near term debt with a reset at higher rates
- ~ Properties well positioned for a sale with new leases in place
- ~ Dissolution of partnership
- ~ Recycling of capital upon property stabilization

We anticipate more transaction volume this year and we're already seeing signs of it with many new listings hitting the market. Given the low vacancy and rising rents, investors should not overlook stabilized or well occupied properties this year. Compare rents at the property to market rents and discuss opportunities to raise rents with your brokerage team.



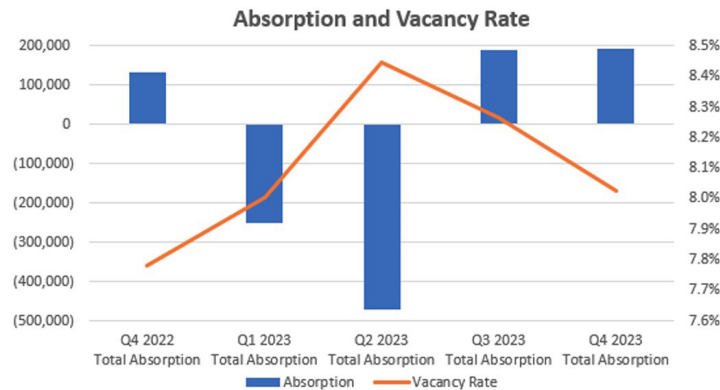
Source: CoStar, Cushman & Wakefield Research



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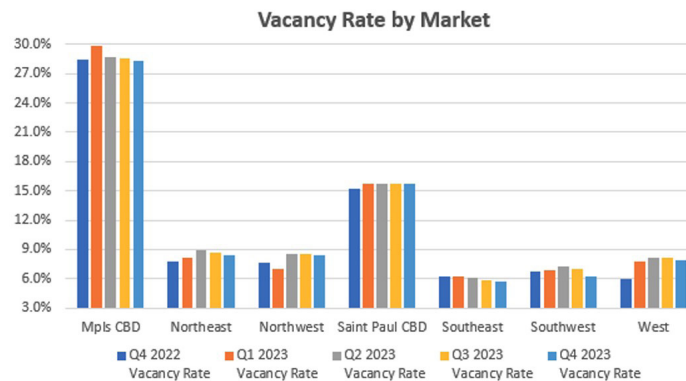
## Q4 2023 RETAIL ABSORPTION & VACANCY RATE



**8.0% Average Vacancy Rate**

Source: MNCAR Q4 2023 Retail Report

## Q4 2023 RETAIL VACANCY RATE BY MARKET



**Southeast Leads Market at 5.8%**

Source: MNCAR Q4 2023 Retail Report

## Q4 2023 NOTABLE RETAIL SALES

**\$213.5M Twin Cities Retail Investment Sales Volume in Q4 2023**



**Elk Park Center | Elk River, MN**

**Price:** \$20,800,000

**GLA Sold:** 204,992

**PSF:** \$101

**Occupancy:** 85%

**Anchor:** Cub Foods, Planet Fitness, Famous Footwear

[Click for Expanded Q4 Notable Transactions List](#)





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## OUR TEAMS' ACTIVE LISTINGS



**Net Lease Automotive | Eagan, MN**

**Gross Leasable Area:** 22,240 SF

**EMAIL US FOR DETAILS!**



**Willmar Uptown | Willmar, MN**

**Site #1:** South Strip

**Site #2:** Outlot

**Site #3:** South Anchors

**Site #4:** Former JCP

**Site #5:** Former Herbergers

**Site #5:** Interior Mall

**EMAIL US FOR DETAILS!**



**Virginia Uptown | Virginia, MN**

**Site #1:** Hobby Lobby

**Site #2:** 3 Tenant Grocery Anchor

**EMAIL US FOR DETAILS!**

**Click HERE to see all of our listings**



## MID-AMERICA *knows* RETAIL



**MARK ROBINSON, CCIM | PRINCIPAL**

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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. Awarded 2022 MNCAR Broker of The Year.

**AMY SENN | VP INVESTMENT SALES**

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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 25 year career, Amy has specialized in retail real estate.



**BRYCE THOMPSON | RETAIL SPECIALIST**

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Bryce is a Retail Specialist, focusing on leasing representation, and Investment Sales for Mid-America Real Estate-MN, LLC. He is responsible for working with owners, developers, and retailers to provide leasing services. Bryce also focuses on the sale of retail properties in the Twin Cities and greater Minnesota.



**EMILY UNGER | MARKETING**

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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.





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## MINNESOTA MARKET Q4 2023 NOTABLE RETAIL TRANSACTIONS

	Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Anchors
1	 Fleet Farm 4165-4185 Loberg Ave Hermantown, MN	12/23	185,325	\$30,000,000 \$140	2015	Fleet Farm
2	 Elk Park Center 19112-19216 Freeport St Elk River, MN	12/23	204,992	\$20,800,000 \$101	1995	Cub Foods Famous Footwear Planet Fitness, Papa Murphy's
3	 Edinburgh Festival Center 8505-8545 N Edinburgh Center Dr Brooklyn Park, MN	12/23	73,263	\$11,915,000 \$130	1996	Festival Foods Broadway Pizza
4	 Midtown Square 3333-3415 W Division St St Cloud, MN	12/23	212,214	\$8,000,000 \$38	1983	Red Wing Shoes T-Mobile Keller Williams
5	 Rainbow Village 405-551 87th Lane NE Blaine, MN	11/23	131,812	\$7,575,000 \$58	1990	Dollar Tree Home Choice, Jimmy Johns Salon 10, TNT Nails, Nico's Boutique, Jackson Hewitt



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# MINNESOTA MARKET

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	Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Anchors
6	 1425 & 1429 7th St Monticello, MN	10/23	18,056	\$7,170,000 \$173	2009	Marshalls PetSmart
7	 Rosedale Square North 2701 Lincoln Dr Roseville, MN	11/23	41,377	\$7,000,000 \$169	1988	U of Northwestern Engineering Fast Signs Randstad
8	 Trader Joe's 2065 Cliff Road Eagan, MN	10/23	14,740	\$6,838,288 \$464	2022	Trader Joe's
9	 1200 16th St Rochester, MN	11/23	50,322	\$6,400,000 \$127	2005	Trader Joe's, World Market, Erik's Bike Shop
10	 Shingle Creek Center 6050-6098 Shingle Crk Pkwy Brooklyn Center, MN	10/23	30,877	\$5,231,470 \$134	1986	Vacant Target Small shop groups








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	Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Anchors
11	 8789 Parkview Ave NE Otsego, MN	11/23	5,418	\$3,030,000 \$559	2022	Dental Care on Parkview Dunkin'
12	 Eagle Valley Marketplace 2110 Eagle Creek Ln Woodbury, MN	12/23	7,942	\$3,000,000 \$151	2002	Sassy Di's Salon Bridgeman's Ice Cream
13	 1754 Market Drive Stillwater	11/23	8,867	\$2,500,000 \$282	2004	T-Mobile, Quiznos Subs Papa Murphy's
14	 Eden Glen 8015-8025 Glen Lane Eden Prairie, MN	11/23	11,434	\$2,250,000 \$197	1984	Leeann Chin Great Clips
15	 6801 Wayzata Blvd St Louis Park, MN	11/23	12,551	\$1,869,886 \$149	1967	Enterprise Rent-A-Car Tangles & Co Salon State Farm Insurance



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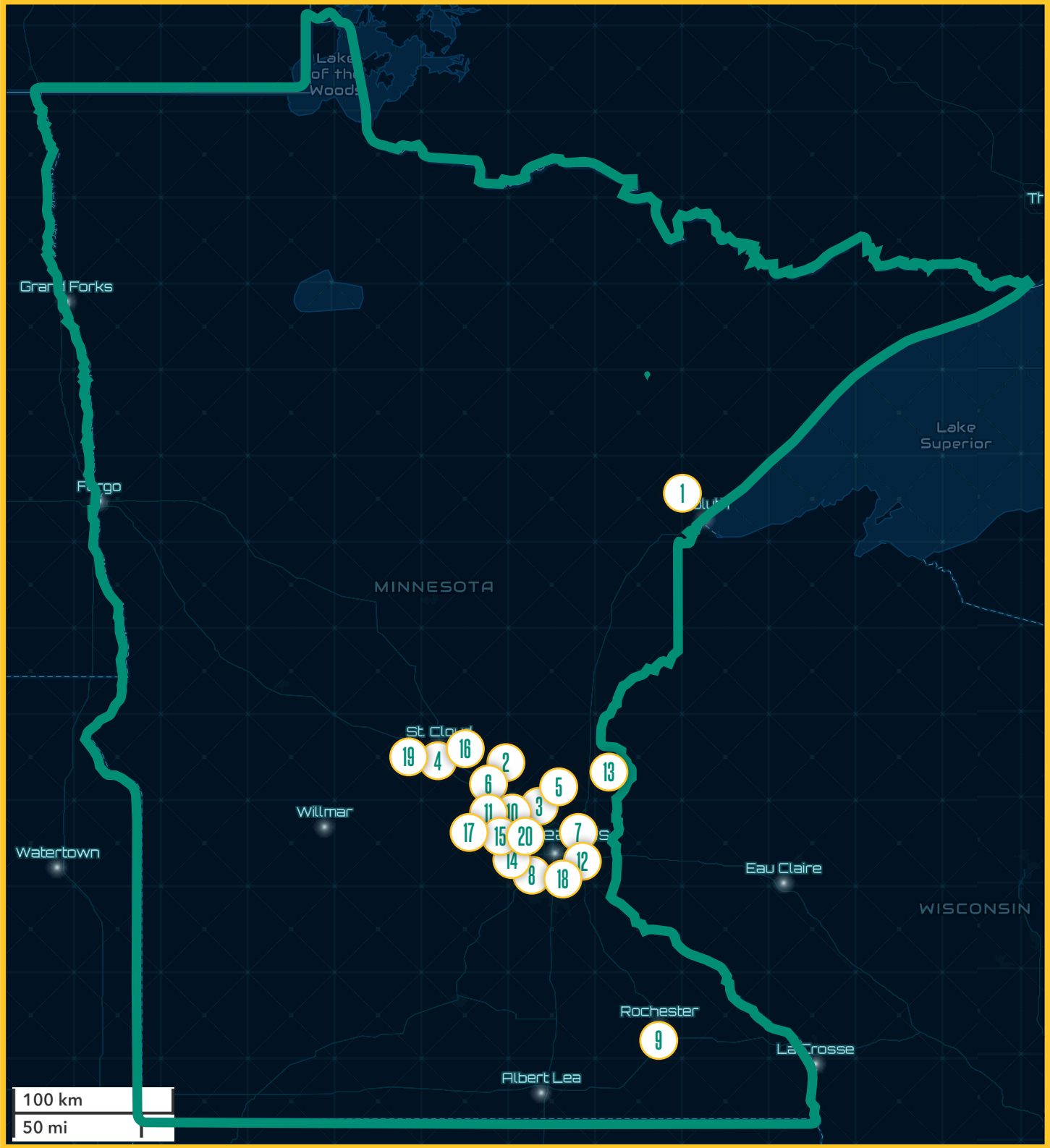
## MINNESOTA MARKET Q4 2023 NOTABLE RETAIL TRANSACTIONS

	Property/Location	Date Sold	GLA Sold	Sale Price/ Price PSF	Year Built/Reno	Anchors
16	 Mississippi Crossing 3-41 N Benton Dr Sauk Rapids, MN	12/23	11,790	\$1,800,000 \$153	1994	Holiday Gas Station Cost Cutters, H&R Block Batteries & Bulbs
17	 Long Lake Center 2435 W Wayzata Blvd Long Lake, MN	11/23	12,100	\$1,767,000 \$146	1989	Sherwin Williams
18	 Argenta Hills - Bldg H 7751 Amana Trail Inver Grove Heights, MN	10/23	7,770	\$1,685,000 \$217	2021	Owner User
19	 Riverwood Mall 2077-2103 Frontage Rd N Waite Park, MN	12/23	19,032	\$1,475,500 \$78	1995	Guns & Gear, Cloud 9 By Hand, Eller Law Office Susan Bakken Hair Salon Wild About Birds
20	 Tan Shopping Center 5101 36th Ave N Crystal, Mn	12/23	7,942	\$1,315,000 \$166	1995	Papa Murphy's El Taco Riendo Express



# MINNESOTA MARKET

## Q4 2023 NOTABLE RETAIL TRANSACTIONS MAP





# THANK YOU



**MID-AMERICA®**

[MidAmericaGrp.com](http://MidAmericaGrp.com)



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