Strong leasing activity and increase in sales volume for Minneapolis retail in Q2

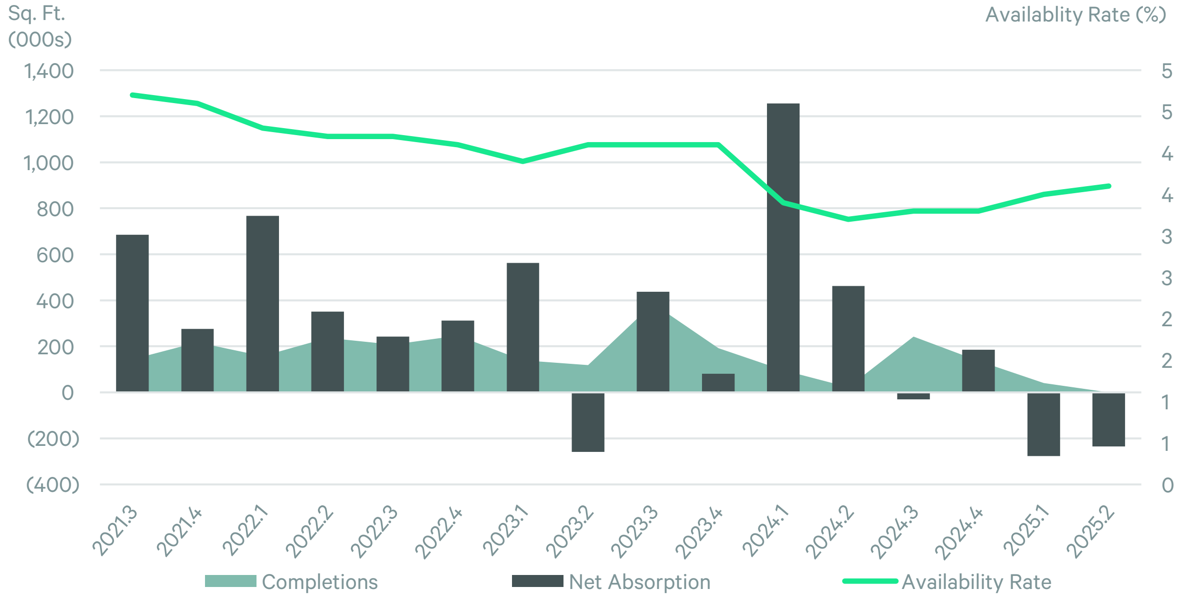
▲ 3.6%	▲ -235K	▼ 0K	▲ $17.31
Availability Rate	SF Net Absorption (000s)	SF Completed (000s)	Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The Minneapolis retail market closed Q2 2025 with an availability rate of 3.6%.This represented a 0.1% increase from Q1 2025.
- The total retail sq. ft. absorbed in Q2 2025 was (235)k sq. ft. compared to -277k sq. ft. in Q1 2025.
- No properties delivered in Q2 2025, compared to 40k sq. ft. in Q1 2025.
- The total retail investment sales in Q2 2025 amounted to $137M in total volume, an increase of 2.7% year-over-year and up 26% from the previous quarter.
- Leasing volume in Q2 saw an increase with over 515,000 sq. ft. transacted, up nearly 65% from the previous quarter. Year to date, the market has leased 879k sq. ft. an increase of 142% over the three-year H1 average.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q2 2025.

Market Overview

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availablity Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	16,601	4.0	(112)	-	$29.09
Neighborhood, Community & Strip	46,298	6.1	(101)	-	$18.93
Power	13,569	7.0	43	-	$13.12
Street, Freestanding, Other	94,225	1.8	(65)	-	-
Total Market	170,693	3.6	(235)	-	$17.31

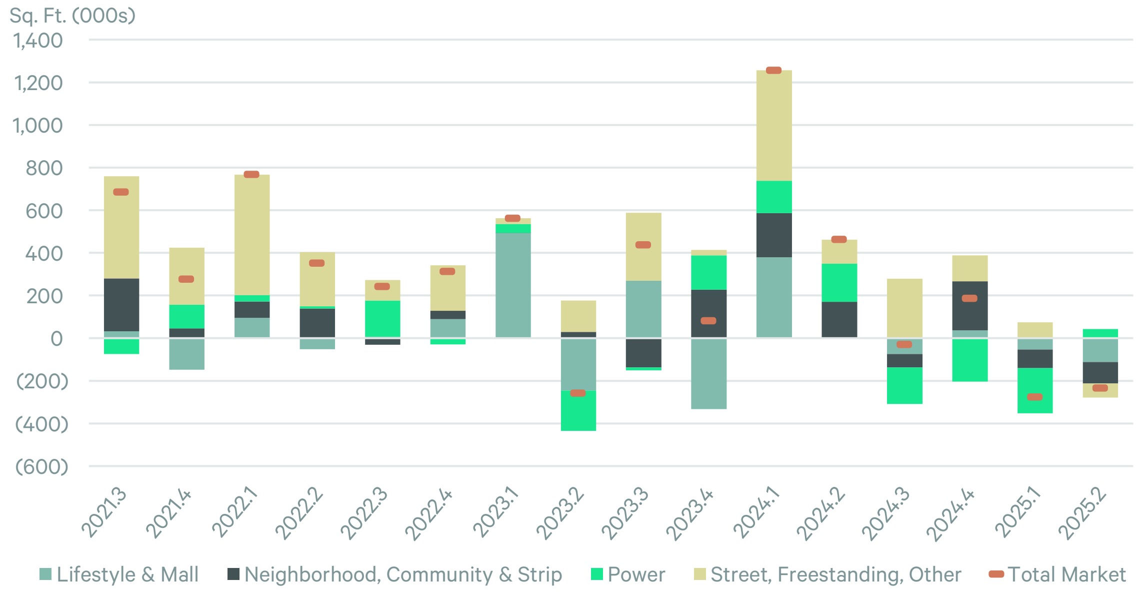
Source: CBRE Econometric Advisors, Q2 2025.

FIGURE 3: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Total Market	170,693	3.6	(235)	-	$17.31
South Central	15,273	3.4	(20)	-	$17.86
B/E/R	17,863	1.9	(26)	-	$21.07
East	10,704	3.3	(25)	-	$14.21
West Central	10,409	5.8	(198)	-	$21.56
Minneapolis	7,944	5.1	10	-	$17.36
North Central	18,210	4.6	69	-	$10.47
North	13,412	2.7	(35)	-	$25.14
Northeast	12,209	2.7	(10)	-	$16.60
Northwest	22,108	3.4	(17)	-	$16.97
South	11,675	3.7	62	-	$13.94
Southwest	8,040	1.6	(2)	-	$26.92
St. Paul	10,176	6.0	9	-	$18.00
West	12,670	3.1	(52)	-	$25.11

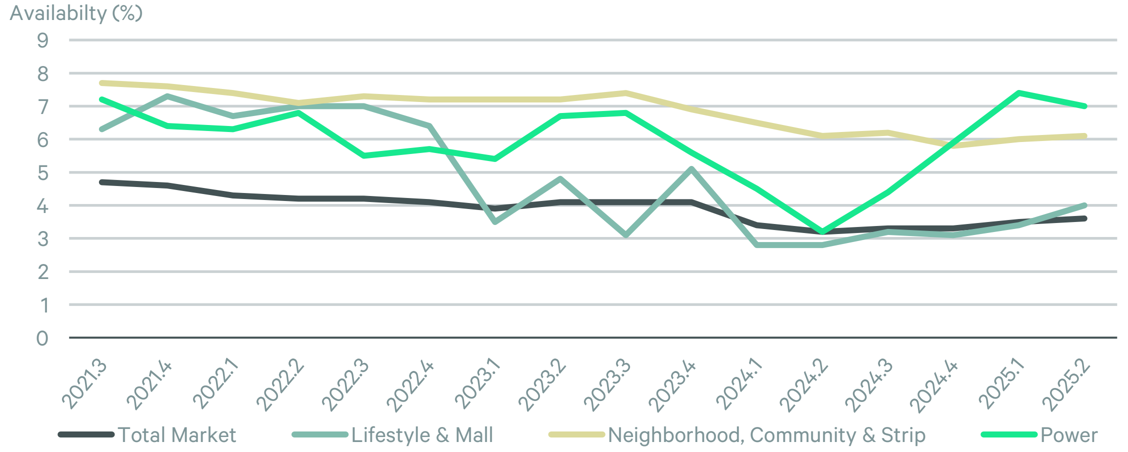
Source: CBRE Econometric Advisors, Q2 2025.

FIGURE 4: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q2 2025.

FIGURE 4: Availability by Center Type



Source: CBRE Econometric Advisors, Q2 2025.

Investment Sales

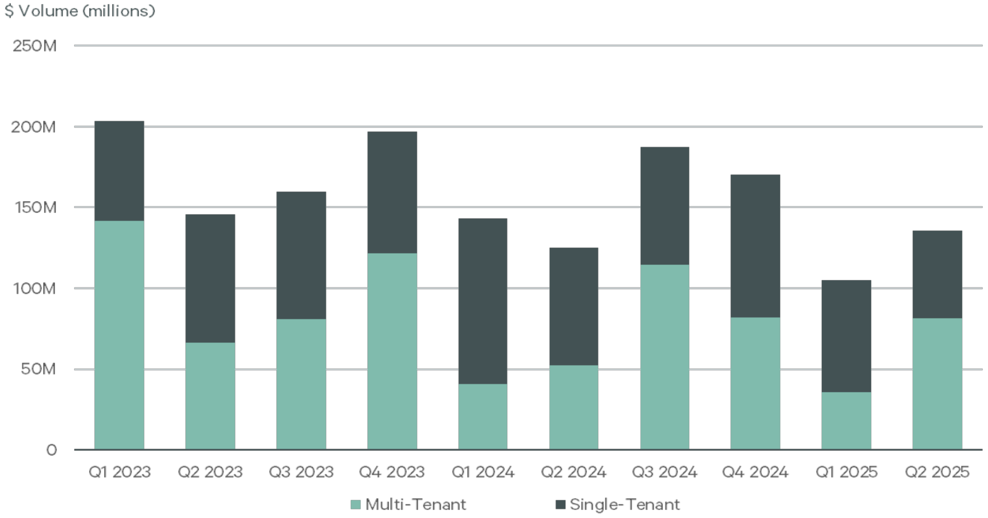
FIGURE 5: Q2 2025 Top Sale Transactions

Property Name	City	Building SF	Sale Price	Price / SF
Golden Valley Shopping Center (4 Property Portfolio)	Golden Valley	80,918	$17,500,000	$206
Town Centre Shoppes (3 Property Portfolio)	Eagan	66,608	$12,500,000	$188
Hillcrest (3 Property Portfolio)	Saint Paul	200,813	$9,200,000	$46
1021 Red Fox Rd	Shoreview	10,525	$4,400,000	$418
10051 Xenia Ave N	Brooklyn Park	11,121	$4,000,000	$360
2929 Highway 316	Hastings	19,680	$3,610,000	$183

*CBRE Team Deal

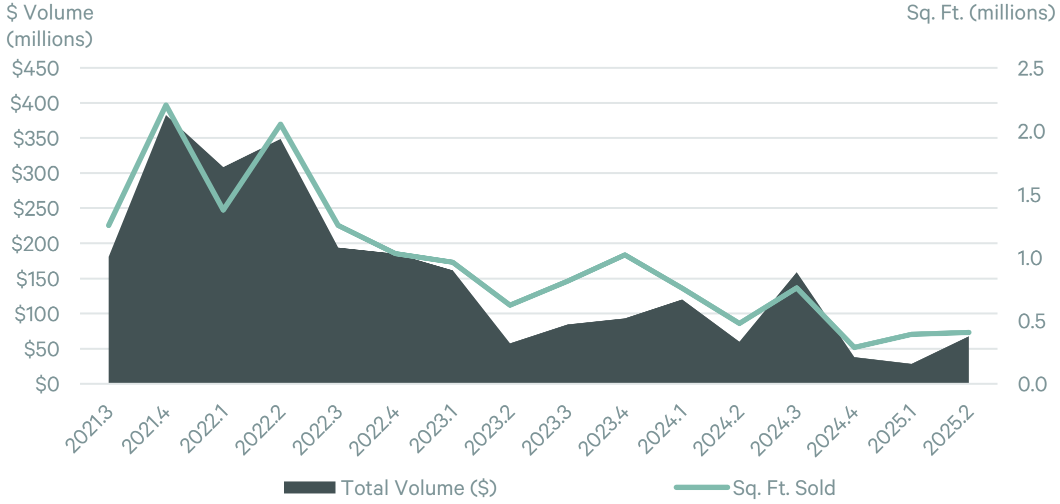
Source: MSCI Real Capital Analytics, CoStar, CBRE Research, Q2 2025.

FIGURE 6: Multi-Tenant vs. Single-Tenant Sale Volume



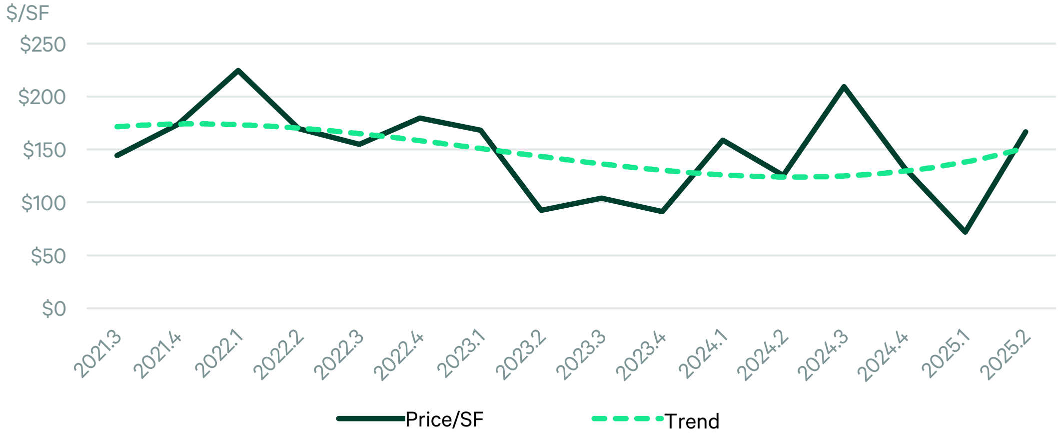
Source: MSCI Real Capital Analytics, CoStar, CBRE Research, Q2 2025

FIGURE 7: Retail Investment Sale Volume



Source: MSCI Real Capital Analytics, CoStar, CBRE Research, Q2 2025

FIGURE 8: Retail Investment Sale Price Per Sq. Ft.



Source: Real Capital Analytics, CBRE Research, Q2 2025

Leasing Activity

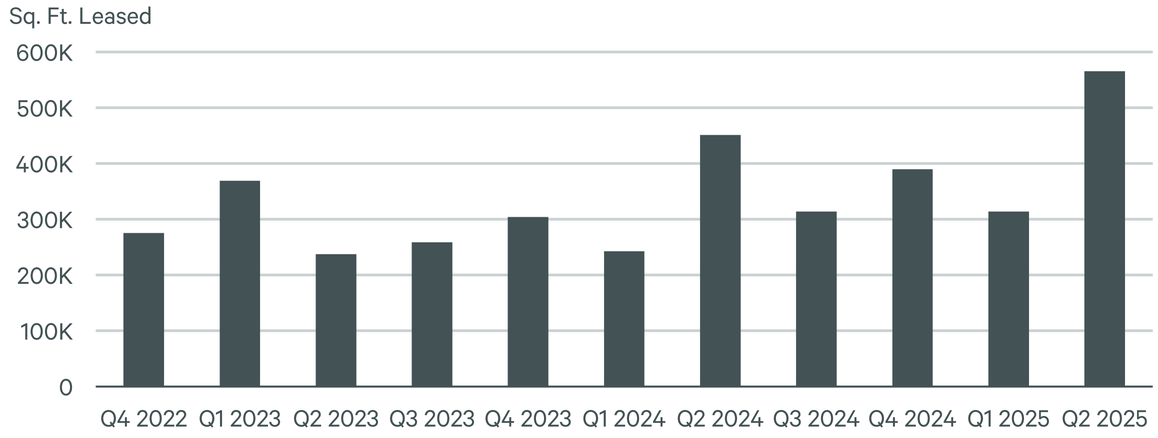
FIGURE 9: Q2 2025 Top Leasing Activity

Property Name	City	Area Lease	Tenant
925 Decatur Ave N	Minneapolis	81,590	Ferguson Enterprises, LLC
Aurora Village Shops	Burnsville	66,000	Soar and Bounce
12400 Castlemoor Dr	Eden Prairie	41,021	Lava Island *(Sublease)*
Village Green Shops	Woodbury	35,735	PGA Superstore
Arbor Lakes Retail	Maple Grove	12,035	Boot Barn
The Shoppes at Arbor Lakes	Maple Grove	10,894	Victoria's Secret
The Shoppes at Arbor Lakes	Maple Grove	9,985	Duluth Trading Company
U Garden Chinese	Minneapolis	8,302	Korean BBQ and Hot Pot Sports Bar

*CBRE Team Deals

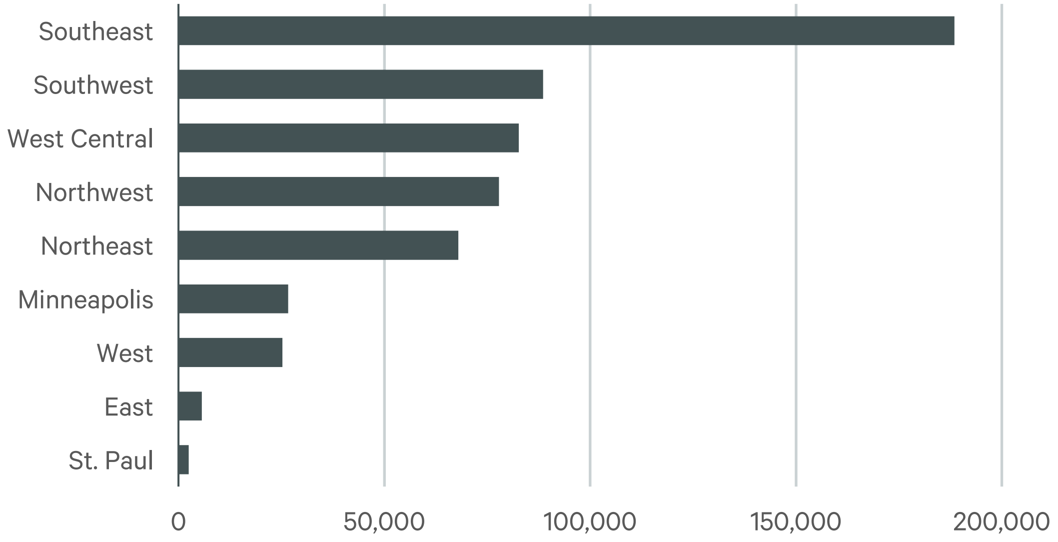
Source: CBRE Research, Q2 2025.

FIGURE 11: Historical Leasing Volume



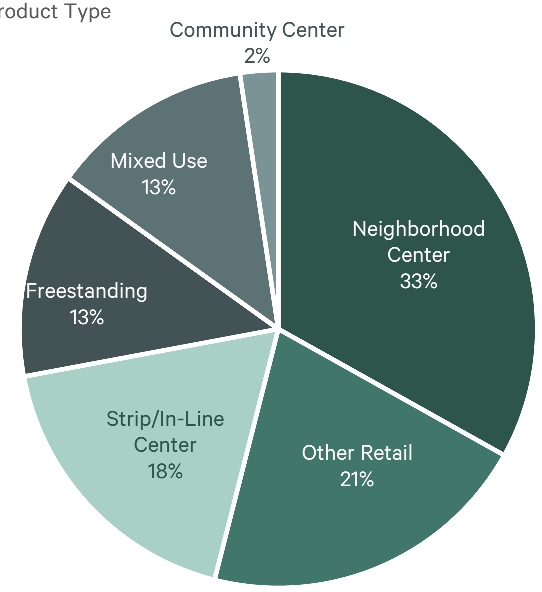
Source: CBRE Research, Q2 2025.

FIGURE 10: Q2 2025 Leasing by Submarket



Source: CBRE Research, Q2 2025.

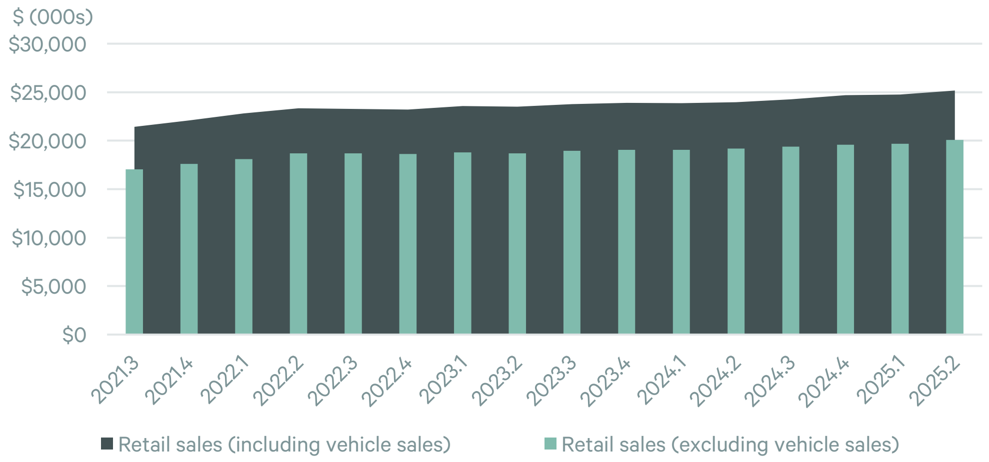
FIGURE 12: Q2 2025 Leasing by Product Type



Source: CBRE Research, Q2 2025.

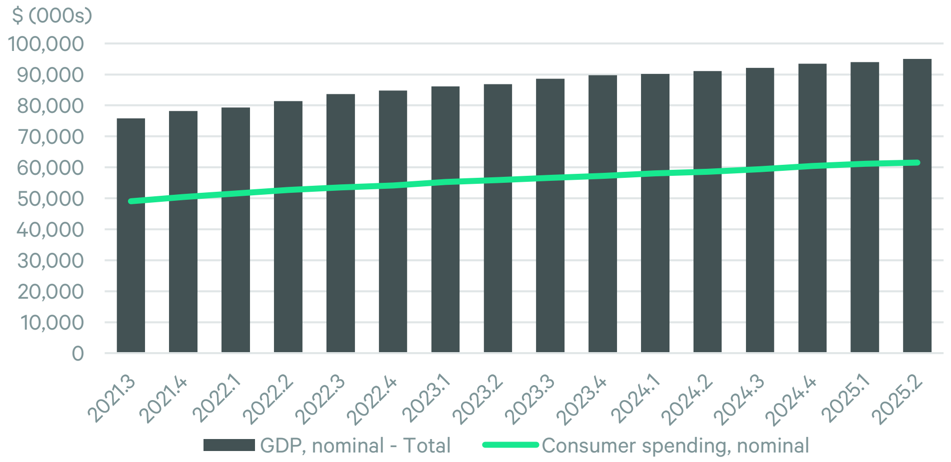
Economic Overview

FIGURE 13: Total Retail Sales



Source: Oxford Economics, Q2 2025.

FIGURE 14: GDP & Consumer Spending

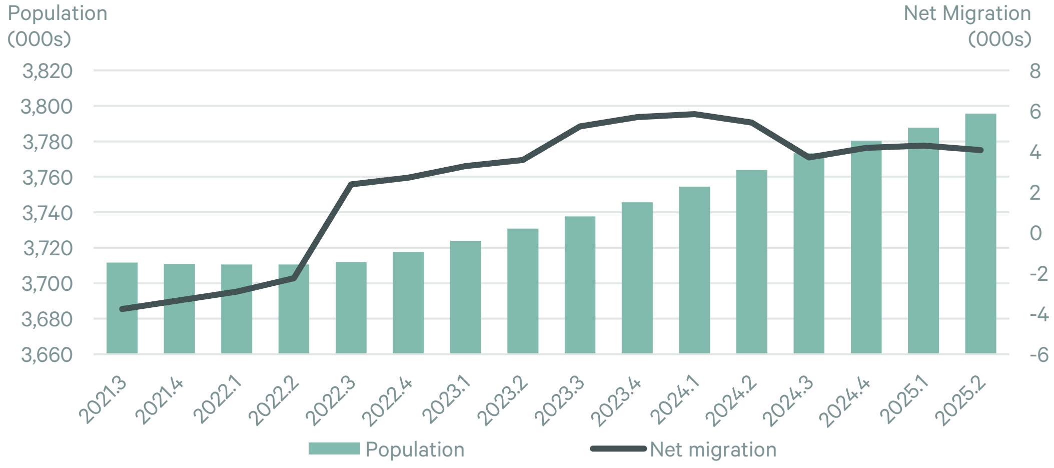


Source: Oxford Economics, Q2 2025.

FIGURE 15: Retail Employment vs. Unemployment

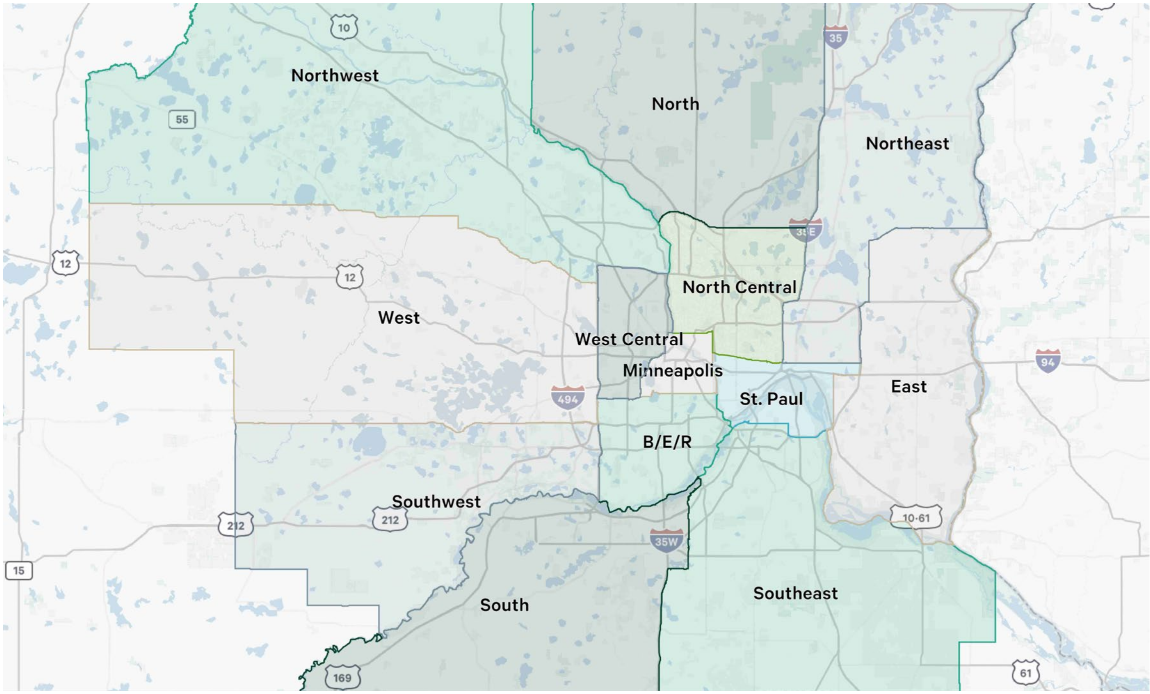
Source: Oxford Economics, Q2 2025.

FIGURE 16: Total Population & Net Migration



Source: Oxford Economics, Q2 2025.

Market Area Overview



Retail Definitions

- Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.
- Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.
- Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.
- Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The Minneapolis market consists of Anoka County, Carver County, Chisago County, Dakota County, Hennepin County, Isanti County, Le Sueur County, Mille Lacs County, Ramsey County, Scott County, Sherburne County, Sibley County, Washington County, Wright County, Pierce County, and St. Croix County.

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