

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Duluth, MN-WI

Core-Based Statistical Area Code:

20260

The Duluth, MN-WI commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\*

32.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Duluth, MN-WI			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	131	131	127	149,912	150,352	143,308	
Y/Y % chg. in nonfarm payroll employment ('000)	4	6	(8)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.2%	4.6%	-6.1%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.9%	3.5%	4.4%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,014	\$1,028	\$1,000	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	1.4%	-3.9%	7.3%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-7.5%	1.2%	2.9%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
<b>Demographic</b>							
Net domestic migration ('000)	(0.2)	(0.2)	0.5	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	291	289	290	331,501	328,330	326,838	
Population growth (%)	0.70%	-0.13%	0.11%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Duluth, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.6%	2.2%	2.0%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	78	162	173	58,097	61,951	187,113	
Absorption of units in past 12 months	492	587	379	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	6.4%	7.7%	5.3%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,218	\$1,197	\$1,165	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.6%	3.7%	3.1%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,214	\$1,192	\$1,160	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.6%	3.7%	3.1%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.8%	13.3%	13.3%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory	7,702	7,624	7,210	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	467	566	216	387,022	391,271	417,342	
Net delivered units, as % of inventory	6.1%	7.4%	3.0%	2.2%	2.3%	2.5%	
Units under construction	272	303	467	774,864	744,997	732,144	
Units under construction, as % of inventory	3.5%	4.0%	6.5%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	8.8	10.2	(38.4)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$41	\$4	\$0	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$251,320	\$46,854	\$68,781	\$220,078	\$221,367	\$151,676	Prices are rising faster nationally
Market cap rate	6.7%	6.7%	6.6%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Duluth, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.7%	4.7%	3.9%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(3,685)	(14,738)	(12,372)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(63,833)	(72,520)	(75,675)	5,610,472	(41,726,112)	(119,807,672)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.9%	-1.0%	-1.0%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$19.1	\$19.1	\$18.8	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.6%	1.3%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.2	0.4	0.0	1,153	1,161	(283)	
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory in sq. ft.	7,294,448	7,298,133	7,358,281	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	17,330	17,330	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.2%	0.2%	-	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$13	\$17	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$145	\$104	\$202	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.9%	8.9%	9.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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## Duluth, MN-WI

Core-Based Statistical Area Code:

20260

### IV. Industrial

	Duluth, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.5%	1.4%	1.1%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(59,250)	(15,608)	(14,500)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(99,163)	(54,413)	5,945	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-0.7%	-0.4%	0.0%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.6	\$7.4	\$7.1	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.0%	5.7%	3.3%	11.0%	9.3%	5.5%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	13,441,909	13,501,159	13,541,072	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	(48,000)	-	2,400	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-0.4%	-	0.0%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$12	\$1	\$21,817	\$51,629	\$16,323	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$57	\$77	\$32	\$140	\$136	\$105	<i>Prices are rising faster nationally</i>
Market cap rate	8.6%	8.5%	8.4%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Duluth, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.4%	1.4%	2.0%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	6,489	(15,590)	36,208	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	139,402	169,121	(6,304)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.7%	0.9%	0.0%	0.8%	0.7%	-0.2%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$13.3	\$13.2	\$12.9	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.3%	2.9%	1.4%	3.9%	3.1%	1.1%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.50	0.50	(0.10)	570.90	382.90	(187.70)	<i>The area has weaker retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	19,884,386	19,877,896	19,744,984	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	4,224	4,224	21,000	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	4,224	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.0%	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$36	\$17	\$10	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$216	\$91	\$46	\$219	\$226	\$182	<i>Prices are rising faster nationally</i>
Market cap rate	8.3%	8.3%	8.3%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	13.7	13.3	11.3	14,939	14,804	12,876	
Y/Y change ('000)	2.4	4.1	(2.1)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	10.5%	10.2%	8.9%	10.0%	9.8%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## La Crosse-Onalaska, WI-MN

Core-Based Statistical Area Code: 29100

The La Crosse-Onalaska, WI-MN commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 48.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	La Crosse-Onalaska, WI-MN			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	77	77	75	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	2	2	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.1%	2.0%	-3.8%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.3%	2.5%	3.5%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,000	\$1,018	\$953	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	5.0%	6.8%	2.0%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-3.9%	1.3%	2.1%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	0.2	(0.2)	(0.2)	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	140	137	137	331,501	328,330	326,838	
Population growth (%)	2.08%	-0.01%	-0.03%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	La Crosse-Onalaska, WI-MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.3%	1.7%	2.3%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	83	4	102	58,097	61,951	187,113	
Absorption of units in past 12 months	185	204	257	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.0%	4.5%	5.7%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$990	\$971	\$939	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	5.5%	4.6%	2.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$985	\$968	\$936	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	5.3%	4.8%	2.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.3%	10.9%	11.3%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	4,654	4,571	4,470	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	240	107	182	387,022	391,271	417,342	
Net delivered units, as % of inventory	5.2%	2.3%	4.1%	2.2%	2.3%	2.5%	
Units under construction	-	165	240	774,864	744,997	732,144	
Units under construction, as % of inventory	-	3.6%	5.4%	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	6.7	14.0	(16.5)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$8	\$9	\$1	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$95,402	\$55,531	\$161,671	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	7.0%	7.0%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	La Crosse-Onalaska, WI-MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.9%	4.2%	3.1%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	7,237	12,283	(15,833)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(26,602)	(49,672)	(59,824)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.9%	-1.6%	-1.9%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$16.6	\$16.6	\$16.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.8%	1.6%	0.3%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.2	0.2	0.2	1,153	1,161	(283)	Stronger office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,088,067	3,080,830	3,110,671	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$3	\$1	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$92	\$83	\$155	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.8%	9.8%	9.7%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## La Crosse-Onalaska, WI-MN

Core-Based Statistical Area Code: 29100

### IV. Industrial

	La Crosse-Onalaska, WI-MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.1%	1.4%	2.1%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	29,022	(36,628)	0	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	96,134	67,112	(74,750)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.0%	0.7%	-0.8%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.3	\$6.1	\$5.9	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.7%	6.0%	3.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	9,818,622	9,789,600	9,722,488	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	3,584	3,584	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.0%	0.0%	-	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	134,400	134,400	3,584	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	1.4%	1.4%	0.0%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$17	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	\$39	\$43	-	\$140	\$136	\$105	
Market cap rate	8.1%	8.1%	8.5%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	La Crosse-Onalaska, WI-MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.1%	2.3%	3.4%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	16,012	150,901	22,376	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	97,603	103,967	(37,803)	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	1.3%	1.4%	-0.5%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$12.9	\$12.8	\$12.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.2%	2.4%	0.9%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	(0.10)	0.00	570.90	382.90	(187.70)	
<b>Supply indicators</b>							
Inventory in sq. ft.	7,231,488	7,215,476	7,133,885	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-4,061	5,339	-22,685	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	-0.1%	0.1%	-0.3%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	11,532	11,532	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	-	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$22	\$3	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$132	\$89	\$143	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.6%	7.6%	7.5%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	7.4	7.3	6.5	14,939	14,804	12,876	
Y/Y change ('000)	0.9	1.1	(1.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	9.6%	9.4%	8.6%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Mankato-North Mankato, MN

Core-Based Statistical Area Code: 31860

The Mankato-North Mankato, MN commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 52.4**

Overall economic conditions are stronger than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is about the same than nationally.

### I. Economic and Demographic

Economic	Mankato-North Mankato, MN			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	56	56	55	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	1	1	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.4%	2.6%	-5.0%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.1%	2.5%	3.4%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$873	\$850	\$727	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	20.2%	18.5%	0.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-2.1%	-0.9%	0.8%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	0.1	0.1	0.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	104	102	102	331,501	328,330	326,838	
Population growth (%)	1.45%	0.55%	0.61%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Mankato-North Mankato, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.1%	2.6%	3.5%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	25	54	49	58,097	61,951	187,113	
Absorption of units in past 12 months	140	164	149	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.7%	3.2%	2.9%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,039	\$1,029	\$1,008	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	3.1%	3.0%	1.4%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,036	\$1,026	\$1,005	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	3.2%	3.1%	1.4%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.7%	13.9%	15.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	5,213	5,188	5,074	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	67	121	99	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.3%	2.3%	2.0%	2.2%	2.3%	2.5%	
Units under construction	140	140	109	774,864	744,997	732,144	
Units under construction, as % of inventory	2.7%	2.7%	2.1%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	19.4	11.6	(29.3)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$15	\$13	\$4	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$86,083	\$69,429	\$183,333	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.9%	7.0%	7.0%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Mankato-North Mankato, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.6%	4.2%	5.7%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	16,073	19,892	(8,842)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	51,560	26,645	(47,305)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	2.2%	1.1%	-2.0%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$18.1	\$18.1	\$17.8	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.8%	1.6%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	2,383,678	2,367,605	2,332,118	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	69,000	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	3.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$4	\$3	\$0	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$51	\$120	\$14	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	9.3%	9.3%	9.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Mankato-North Mankato, MN

Core-Based Statistical Area Code:

31860

### IV. Industrial

	Mankato-North Mankato, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.9%	4.1%	5.6%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	13,350	85,776	15,992	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	122,034	124,676	6,350	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.0%	2.0%	0.1%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.6	\$6.5	\$6.2	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.5%	5.9%	3.3%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	6,104,891	6,091,541	5,982,857	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	16,200	23,400	(6,648)	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.3%	0.4%	-0.1%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	50,000	50,000	9,000	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.8%	0.8%	0.2%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$9	\$24	\$2	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$52	\$60	\$63	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	8.6%	8.6%	8.5%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Mankato-North Mankato, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.4%	4.7%	4.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	140,005	(10,629)	28,680	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	154,539	43,214	(130,046)	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	2.6%	0.7%	-2.2%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$13.8	\$13.6	\$13.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.3%	2.6%	1.0%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
<b>Supply indicators</b>							
Inventory in sq. ft.	5,941,241	5,801,236	5,786,702	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	14,100	14,100	7,020	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	4,325	4,325	14,100	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.1%	0.1%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$11	\$9	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$213	\$147	\$218	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	8.9%	9.0%	8.6%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)
Leisure and hospitality payroll workers ('000)	-	-	-	14,939	14,804	12,876
Y/Y change ('000)	-	-	-	2,063.0	2,337.0	(2,869.0)
% share to nonfarm payroll employment	-	-	-	10.0%	9.8%	9.0%

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Minneapolis-St. Paul-Bloomington, MN-WI

Core-Based Statistical Area Code: 33460

The Minneapolis-St. Paul-Bloomington, MN-WI commercial real estate market is not as strong compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index\* 40.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Minneapolis-St. Paul-Bloomington, MN-WI			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,944	1,957	1,891	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	52	78	(111)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.8%	4.2%	-5.6%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.4%	2.8%	3.9%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,178	\$1,220	\$1,162	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	1.4%	3.9%	4.7%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.3%	0.6%	3.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
<b>Demographic</b>							
Net domestic migration ('000)	(4.8)	2.5	6.7	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	3,692	3,640	3,612	331,501	328,330	326,838	
Population growth (%)	1.44%	0.78%	0.95%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Minneapolis-St. Paul-Bloomington, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.0%	5.9%	6.6%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	2,393	1,321	2,300	58,097	61,951	187,113	
Absorption of units in past 12 months	11,612	11,519	5,280	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	5.0%	5.0%	2.4%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,392	\$1,370	\$1,339	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	3.9%	3.5%	0.2%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,378	\$1,354	\$1,313	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	5.0%	4.3%	-1.1%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.5%	12.8%	13.0%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory	234,531	232,146	222,940	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	10,693	9,609	8,877	387,022	391,271	417,342	
Net delivered units, as % of inventory	4.6%	4.1%	4.0%	2.2%	2.3%	2.5%	
Units under construction	14,772	14,964	14,586	774,864	744,997	732,144	
Units under construction, as % of inventory	6.3%	6.4%	6.5%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	4.9	8.1	(12.5)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$735	\$703	\$414	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$183,779	\$187,482	\$196,291	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	5.3%	5.3%	5.3%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Minneapolis-St. Paul-Bloomington, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.3%	9.9%	9.9%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(570,826)	(30,818)	(1,041,037)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(1,341,058)	(1,811,269)	(2,033,102)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.7%	-1.0%	-1.1%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$26.1	\$26.0	\$25.6	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.9%	2.1%	0.8%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	6.0	8.7	(9.6)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory in sq. ft.	181,187,728	181,758,224	182,515,680	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	(611,170)	1,141,230	2,564,064	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	-0.3%	0.6%	1.4%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	1,208,113	1,439,193	714,038	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.7%	0.8%	0.4%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$323	\$241	\$222	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$131	\$161	\$210	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	7.6%	7.6%	7.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Minneapolis-St. Paul-Bloomington, MN-WI

Core-Based Statistical Area Code: 33460

### IV. Industrial

	Minneapolis-St. Paul-Bloomington, MN-WI			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.5%	3.3%	3.8%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	575,300	2,257,239	618,296	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	4,578,751	4,621,747	2,545,400	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.2%	1.2%	0.7%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.5	\$7.2	\$6.8	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.3%	7.5%	0.9%	11.0%	9.3%	5.5%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	389,046,400	388,471,072	384,467,648	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	3,492,884	2,947,398	3,860,705	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.9%	0.8%	1.0%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	3,450,003	4,563,999	2,013,546	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.9%	1.2%	0.5%	3.5%	3.2%	2.4%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$459	\$919	\$164	\$21,817	\$51,629	\$16,323	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$97	\$97	\$66	\$140	\$136	\$105	<i>Prices are rising faster nationally</i>
Market cap rate	7.7%	7.7%	7.6%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>
<b>V. Retail</b>							
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.3%	4.1%	3.8%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	500,753	(1,309,007)	(6,789)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	(452,364)	(959,906)	586,036	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	-0.2%	-0.5%	0.3%	0.8%	0.7%	-0.2%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$18.0	\$17.7	\$17.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	4.1%	3.9%	1.9%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.20	(3.60)	(4.40)	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	196,390,848	195,890,096	196,843,216	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-1,694,676	-386,859	177,125	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	-0.9%	-0.2%	0.1%	0.2%	0.2%	0.3%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	579,786	594,217	507,353	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.3%	0.3%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$432	\$613	\$224	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$183	\$159	\$136	\$219	\$226	\$182	<i>Prices are rising faster nationally</i>
Market cap rate	7.2%	7.2%	7.2%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>
<b>VI. Hotel/Lodging</b>							
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	155.7	154.3	133.7	14,939	14,804	12,876	
Y/Y change ('000)	22.0	50.8	(44.7)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.0%	7.9%	7.1%	10.0%	9.8%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Rochester, MN

Core-Based Statistical Area Code:

40340

The Rochester, MN commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\*

44.0

Overall economic conditions are stronger than nationally.

The apartment property market is about the same than nationally.

The office property market is stronger than nationally.

The industrial property market is not as strong than nationally.

The retail property market is not as strong than nationally.

The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Rochester, MN			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	123	123	119	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	4	5	(4)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.4%	4.0%	-3.4%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.1%	2.5%	3.2%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,177	\$1,174	\$1,122	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.9%	1.3%	3.4%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.8%	1.0%	4.0%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.1)	0.4	0.2	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	227	222	220	331,501	328,330	326,838	
Population growth (%)	2.13%	0.88%	0.78%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Rochester, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.1%	4.3%	8.4%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	19	92	99	58,097	61,951	187,113	
Absorption of units in past 12 months	502	582	405	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	5.4%	6.3%	4.6%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,367	\$1,345	\$1,295	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	5.5%	6.3%	1.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,361	\$1,337	\$1,274	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	6.9%	7.6%	0.5%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.3%	13.1%	13.1%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	9,215	9,196	8,716	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	100	100	400	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.1%	1.1%	4.6%	2.2%	2.3%	2.5%	
Units under construction	-	-	100	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	1.1%	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	41.0	47.0	(10.5)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$51	\$118	\$43	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$186,406	\$175,318	\$190,000	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.2%	6.5%	6.1%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Rochester, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.0%	3.8%	4.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(15,932)	(642)	(68,850)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	14,373	(38,545)	(40,155)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.2%	-0.6%	-0.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$25.7	\$25.6	\$25.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	-0.1%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.4	0.3	0.8	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	6,202,463	6,218,395	6,188,090	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	5,870	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	121,000	121,000	121,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	2.0%	1.9%	2.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$7	\$20	\$2	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$210	\$46	\$148	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.4%	8.4%	8.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Rochester, MN

Core-Based Statistical Area Code:

40340

### IV. Industrial

	Rochester, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	11.6%	12.0%	12.8%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	39,586	(5,536)	(63,412)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	119,648	16,650	(1,043,488)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.4%	0.2%	-12.2%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$7.7	\$7.6	\$7.3	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	6.9%	5.5%	3.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	8,703,158	8,663,572	8,583,510	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	17,500	17,500	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	0.2%	0.2%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$3	\$1	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$57	\$44	\$18	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	8.6%	8.5%	8.3%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Rochester, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.4%	2.6%	3.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	32,106	50,154	(24,466)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	167,290	110,718	(20,490)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.3%	0.9%	-0.2%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$15.6	\$15.4	\$15.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.1%	0.9%	-0.9%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.50	(0.20)	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	12,413,955	12,381,849	12,246,665	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	6,507	25,737	67,230	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.2%	0.5%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	24,000	24,000	11,774	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$54	\$23	\$4	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$314	\$90	\$65	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.5%	7.6%	7.9%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	10.6	10.3	9.0	14,939	14,804	12,876	
Y/Y change ('000)	1.6	3.1	(1.9)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	8.6%	8.4%	7.6%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## St. Cloud, MN

Core-Based Statistical Area Code:

41060

The St. Cloud, MN commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\*

20.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is not as strong than nationally.

### I. Economic and Demographic

Economic	St. Cloud, MN			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	106	107	104	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	3	4	(5)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.6%	4.0%	-4.6%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.5%	3.2%	4.1%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$852	\$855	\$877	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-2.8%	-4.7%	-3.9%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.9%	-0.2%	0.8%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.6)	(0.4)	(0.1)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	200	202	201	331,501	328,330	326,838	
Population growth (%)	-1.15%	0.70%	0.94%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	St. Cloud, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.3%	1.9%	2.4%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	5	(4)	110	58,097	61,951	187,113	
Absorption of units in past 12 months	180	285	536	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.2%	1.9%	3.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$940	\$927	\$890	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	5.6%	5.7%	3.2%	11.4%	11.3%	2.4%	
Effective rent per unit	\$937	\$924	\$887	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	5.6%	5.8%	3.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	12.7%	12.4%	11.6%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	14,667	14,662	14,487	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	175	105	389	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.2%	0.7%	2.7%	2.2%	2.3%	2.5%	
Units under construction	207	277	175	774,864	744,997	732,144	
Units under construction, as % of inventory	1.4%	1.9%	1.2%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	15.4	39.0	(12.9)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$39	\$11	\$2	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$96,345	\$69,855	\$74,250	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.9%	6.8%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	St. Cloud, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.4%	4.8%	4.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(32,087)	(13,462)	48,929	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(59,532)	21,484	55,425	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-1.2%	0.4%	1.1%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$19.0	\$18.9	\$18.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.6%	1.3%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.0	0.0	0.1	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	5,111,922	5,144,009	5,171,454	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	2,621	2,621	36,535	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	0.1%	0.1%	0.7%	0.8%	0.8%	0.7%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	7,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	0.1%	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$9	\$11	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$101	\$49	\$75	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	9.0%	9.0%	9.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## St. Cloud, MN

Core-Based Statistical Area Code:

41060

### IV. Industrial

	St. Cloud, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	5.3%	5.4%	5.5%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	19,745	76,880	(106,710)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	62,746	(63,709)	486,821	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	0.3%	-0.3%	2.0%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.1	\$5.9	\$5.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	6.9%	5.5%	3.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	24,665,344	24,645,600	24,602,598	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	1,570	1,570	628,136	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.0%	0.0%	2.6%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	30,000	30,000	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.1%	0.1%	-	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$65	\$26	\$7	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$38	\$58	\$19	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	8.6%	8.5%	8.5%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	St. Cloud, MN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.5%	3.7%	3.4%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	42,194	(23,354)	46,180	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	(3,155)	831	195,145	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.0%	0.0%	1.5%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$12.9	\$12.8	\$12.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.1%	2.6%	1.4%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	(0.50)	(0.40)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	12,808,512	12,766,318	12,811,667	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	19,113	-51,687	-76,469	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	-0.4%	-0.6%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	25,010	46,110	23,926	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.4%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$25	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$182	\$102	\$59	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	8.5%	8.5%	8.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	7.7	7.6	6.8	14,939	14,804	12,876	
Y/Y change ('000)	0.9	2.6	(1.1)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	7.2%	7.1%	6.6%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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