LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
TWIN CITIES, MN

INDUSTRIAL MARKET OVERVIEW

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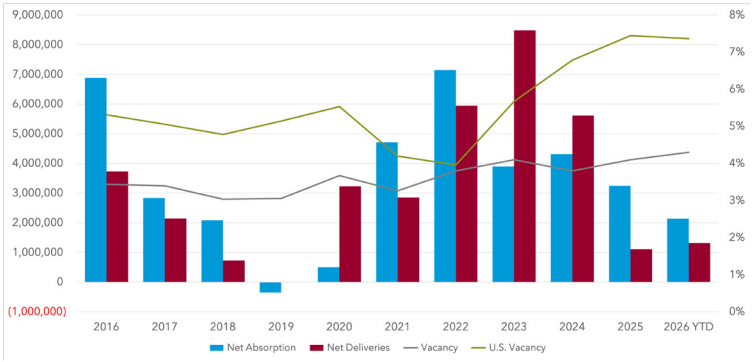
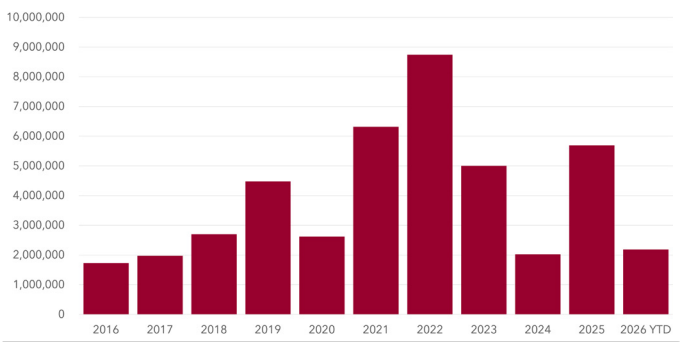
The Minneapolis industrial market posted 1.37 million square feet of 12-month net absorption, while vacancy held at 4.3%. Average sale prices reached $106 per square foot, and 8.75 million square feet remained under construction. Strong absorption and steady vacancy point to continued demand, while the substantial construction pipeline gives occupiers more options to watch as new space comes online. For tenants and owners, the next year will be shaped by where that new supply delivers and how quickly the market absorbs it

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	1,366,992	(408,327)	647,036	2,726,330	3,664,888
▼ Vacancy Rate	4.30%	4.60%	4.30%	4.10%	3.80%
▲ Avg NNN Asking Rate PSF	$9.61	$9.07	$9.58	$9.55	$9.46
◄ ► Sale Price PSF	$106.00	$106.00	$106.00	$105.00	$101.00
▲ Cap Rate	8.80%	8.70%	8.70%	8.60%	8.80%
▲ Under Construction SF	8,750,226	7,778,765	6,704,262	7,025,637	7,616,444
▲ Inventory SF	443,017,773	440,631,346	439,231,974	438,807,143	437,996,331

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2565 Kasota Ave St. Paul, MN	206,665 SF	$10,950,000 $52.98 PSF	Gengar Holdings Hempel	Class C
420 37th Ave NE Minneapolis, MN	130,439 SF	$20,670,000 $158.46 PSF	Pendulum Property Partners Clarion Partners	Class A
7300 36th Ave N (Portfolio Sale) Minneapolis, MN	170,682 SF	$32,870,000 $192.58 PSF	New Mountain Capital Realty Income Corporation	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11435 Hudson Road Woodbury, MN	238,000 SF	Stotan Industrial	Champions Hall	Sports Industry
7350 Commerce Lane NE Mineapolis, MN	250,117 SF	Endeavor Development	Blu Dot	Furniture
3705 Pheasant Ridge Drive NE Blaine, MN	83,886 SF	Broadway Street Devel-opment	nVent	Electrical

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