



MULTI-TENANT | Q1 2026

Office

Commercial Real Estate | Debt + Equity | Investment Sales | Loan Servicing | Fund Management

northmarq.com

MULTI-TENANT OFFICE

Market Fundamentals



Q1 2026 Investment Sales Volume	\$18.06B
Change from Last Quarter (Q4 '25)	-28.5%
Change from Last Year (Q1 '25)	+55.5%



Q1 2026 Overall Average Cap Rate	7.51%
Change from Last Quarter (Q4 '25)	-3 bps
Change from Last Year (Q1 '25)	-1 bp

Overview | Multi-Tenant Office

The multi-tenant office sector recorded nearly \$18.1 billion in investment sales during the first quarter, representing a 28.5% decline from the previous quarter but a sharp 55.5% increase year over year. This performance marks the sector's third-strongest quarter since mid-2022.

The West and Southeast regions led in transaction volume for the quarter, recording \$5.8 billion and \$3.9 billion in sales and accounting for 32.3% and 21.7% of total volume, respectively. The Northeast followed with \$3.0 billion, representing 16.8%, while the Southwest recorded \$2.8 billion, or 15.4%. The Mid-Atlantic and Northeast regions rounded out the quarter with \$1.4 billion and \$1.1 billion in transactions, accounting for 7.6% and 6.2% of total volume, respectively.

The average cap rate edged down by 3 basis points to 7.51%, suggesting that the sharp increases seen in recent years are beginning to plateau, and are currently 1 basis points lower than one year ago.

Private buyers accounted for 50% of multi-tenant office acquisitions through the first quarter of 2026, followed by institutional investors at 21%. The share of institutional acquisitions has been gradually increasing since 2023, while private investment activity has declined by 11% over the same period.



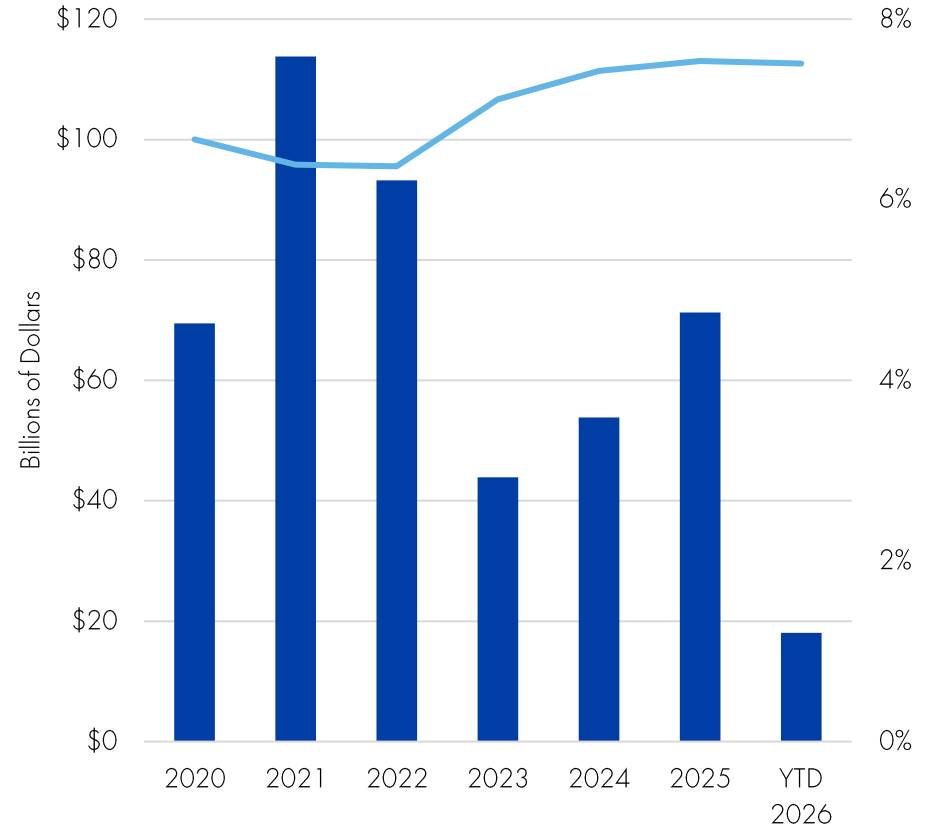
MULTI-TENANT OFFICE

Investment Sales Volume & Average Cap Rates

Q Quarterly



A Annual



■ Sales Volume (in billions) — Average Cap Rate

Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5M

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Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	\$1,066.71	\$1,757.19	\$1,005.46	\$1,850.61	\$1,368.92
Midwest	\$934.02	\$950.53	\$1,042.15	\$2,000.25	\$1,125.54
Northeast	\$2,575.48	\$3,026.26	\$4,627.79	\$6,557.69	\$3,030.82
Southeast	\$2,198.08	\$2,292.42	\$3,012.47	\$4,607.15	\$3,926.37
Southwest	\$1,759.82	\$3,676.36	\$3,088.61	\$3,000.85	\$2,783.38
West	\$3,078.46	\$5,150.92	\$4,790.48	\$6,501.41	\$5,824.98
Total	\$11,612.57	\$16,853.68	\$17,566.96	\$25,244.82	\$18,060.01

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	\$8,433.88	\$4,761.40	\$4,753.05	\$5,679.96	\$1,368.92
Midwest	\$9,969.32	\$3,879.76	\$5,373.63	\$4,926.95	\$1,125.54
Northeast	\$18,852.99	\$9,956.12	\$13,376.40	\$16,787.22	\$3,030.82
Southeast	\$17,002.31	\$7,614.48	\$10,000.40	\$12,110.12	\$3,926.37
Southwest	\$17,590.45	\$7,440.27	\$8,118.62	\$11,525.64	\$2,783.38
West	\$21,401.57	\$10,228.89	\$11,938.29	\$19,521.27	\$5,824.98
Total	\$93,250.53	\$43,880.93	\$53,824.27	\$71,278.03	\$18,060.01

Average Cap Rates



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	8.23%	8.09%	8.24%	7.68%	7.86%
Midwest	8.23%	8.32%	8.42%	8.51%	8.53%
Northeast	6.72%	7.02%	6.97%	7.00%	7.05%
Southeast	7.48%	7.36%	7.30%	7.51%	7.54%
Southwest	7.79%	7.78%	7.51%	7.46%	7.33%
West	7.43%	7.37%	7.39%	7.40%	7.26%
Total	7.52%	7.55%	7.53%	7.54%	7.51%

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	7.06%	7.67%	8.56%	7.68%	7.86%
Midwest	7.41%	8.20%	7.88%	8.51%	8.53%
Northeast	6.21%	6.95%	6.65%	7.00%	7.05%
Southeast	6.55%	7.32%	7.38%	7.51%	7.54%
Southwest	6.44%	7.40%	8.01%	7.46%	7.33%
West	5.59%	6.20%	7.21%	7.40%	7.26%
Total	6.37%	7.11%	7.43%	7.54%	7.51%

Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5M; totals may not equal the sum of individual property types due to rounding



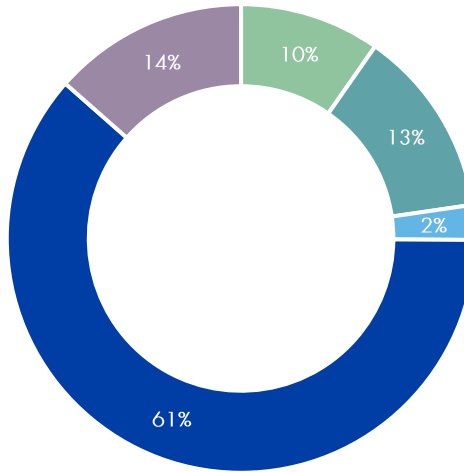
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Buyer Distribution

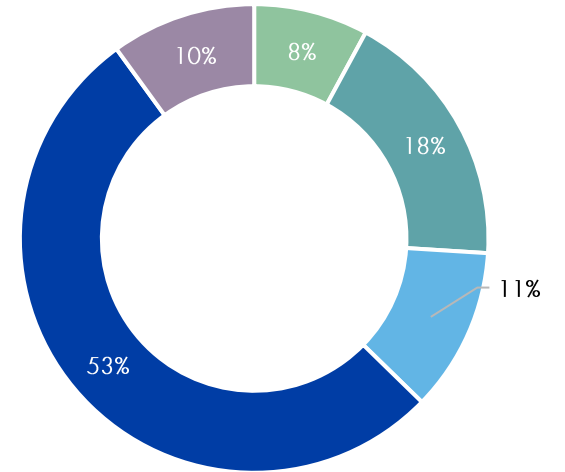
Annual

- International Buyer
- Domestic Institutional
- Domestic Public REIT
- Domestic Private Buyer
- Domestic User/Other

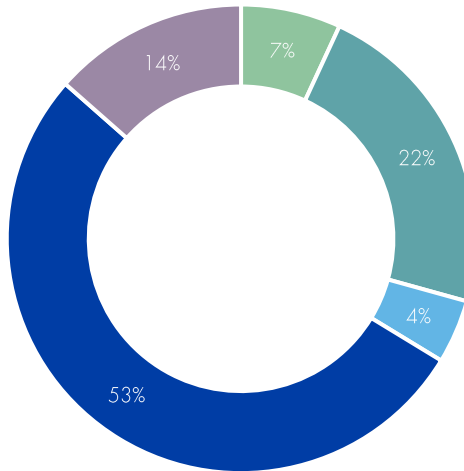
2023



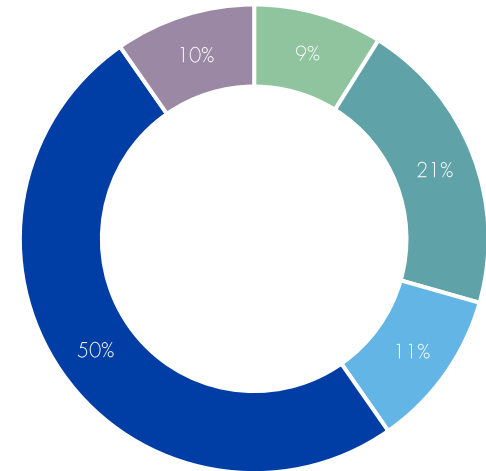
2024



2025



YTD 2026



Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5M; graphs may not total 100 percent due to rounding





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