



SINGLE-TENANT | Q1 2026

Office

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

northmarq.com

SINGLE-TENANT OFFICE

Market Fundamentals



Q1 2026 Investment Sales Volume	\$2.47B
Change from Last Quarter (Q4 '25)	-21.9%
Change from Last Year (Q1 '25)	-20.1%



Q1 2026 Overall Average Cap Rate	7.23%
Change from Last Quarter (Q4 '25)	-6 bps
Change from Last Year (Q1 '25)	+1 bp

Overview | Single-Tenant Office

The single-tenant office sector posted \$2.5 billion in first quarter sales volume, down 21.9% from the previous quarter and 20.1% year over year. Cap rates dipped lower, falling 6 basis points to 7.23%, up 1 basis point from one year ago.

The West region led transaction activity for the quarter, recording \$547.9 million in volume and accounting for 22.2% of total sales. The Mid-Atlantic followed with \$543.3 million, representing 22.0% of overall volume. The Midwest ranked third with \$405.9 million, or 16.4%, while the Southeast recorded \$383.8 million, representing 15.6%. The Southwest contributed \$330.0 million, or 13.4% of total volume, while the Northeast region trailed with \$256.9 million, accounting for 10.4%.

By region, cap rates ranged from a low of 6.48% in the West to a high of 8.35% in the Midwest. Cap rates trended down in all regions, except the Northeast and West. Average cap rates are up 115 basis points from the recent low of 6.08% recorded in the first quarter of 2022.

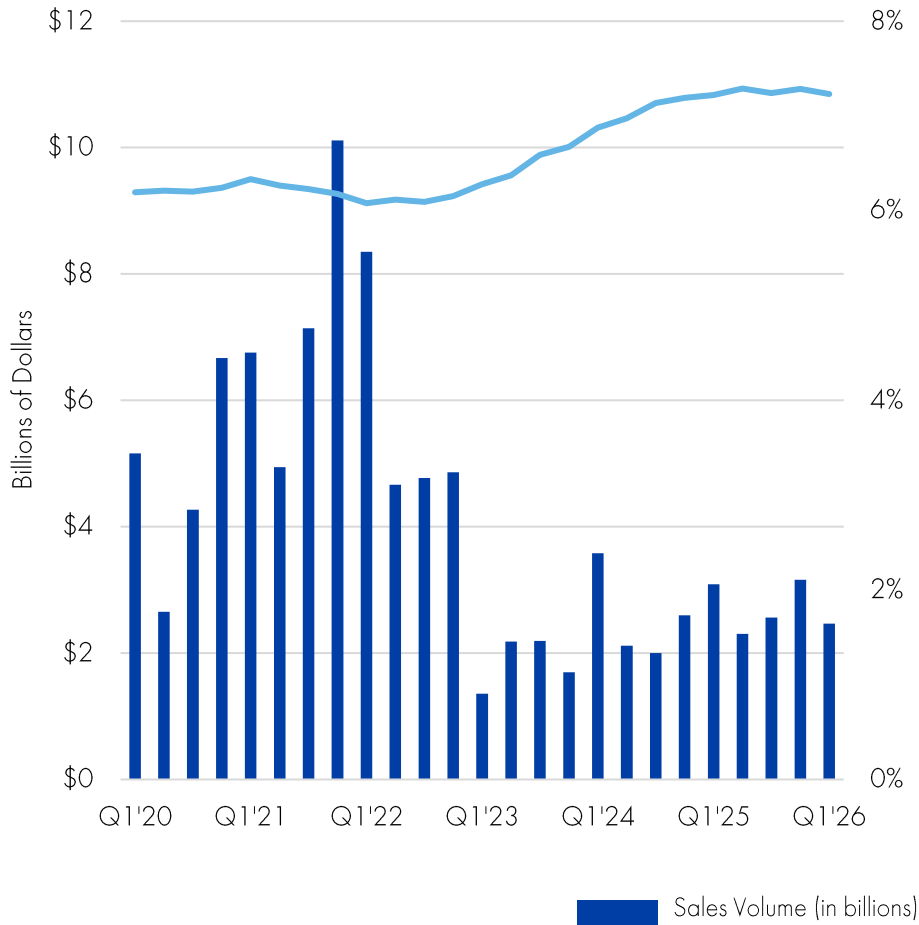
Private buyers accounted for 46% of single-tenant office acquisitions through the first quarter, followed by institutional investors at 40%. The institutional share increased sharply by 17% from 2025, while private investment activity declined 9% over the same period. REIT/Listed acquisitions rose from 4% of investment activity in 2025 to just 10% as of the first quarter of 2026.



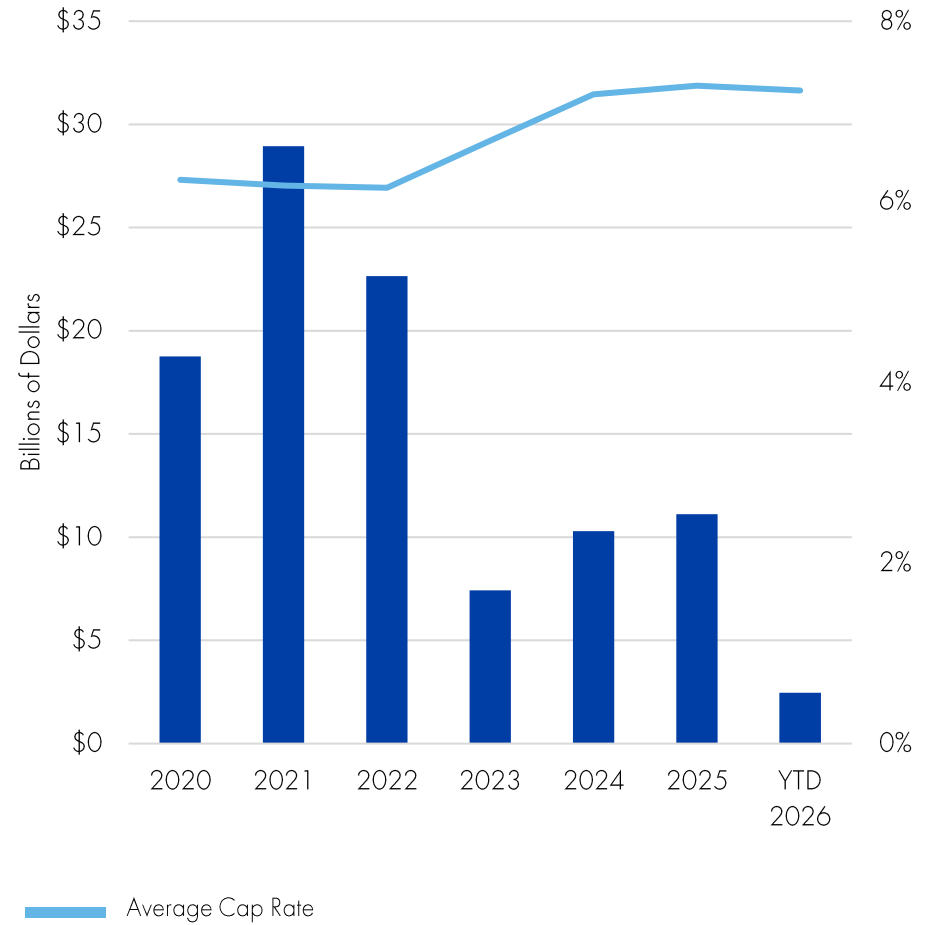
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Investment Sales Volume & Average Cap Rates

Q Quarterly



A Annual



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



SINGLE-TENANT OFFICE

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	\$241.99	\$124.60	\$172.46	\$178.70	\$543.27
Midwest	\$453.05	\$166.31	\$562.99	\$432.75	\$405.94
Northeast	\$754.74	\$152.20	\$287.33	\$670.36	\$256.85
Southeast	\$507.11	\$585.87	\$549.72	\$714.33	\$383.78
Southwest	\$293.96	\$368.13	\$251.42	\$314.83	\$330.04
West	\$837.89	\$905.64	\$739.67	\$850.69	\$547.95
Total	\$3,088.74	\$2,302.75	\$2,563.58	\$3,161.67	\$2,467.83

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	\$2,004.22	\$450.31	\$467.71	\$717.75	\$543.27
Midwest	\$2,586.56	\$1,188.38	\$1,451.32	\$1,615.09	\$405.94
Northeast	\$5,793.65	\$726.68	\$1,193.19	\$1,864.63	\$256.85
Southeast	\$3,197.44	\$985.66	\$2,246.73	\$2,357.03	\$383.78
Southwest	\$3,001.85	\$2,317.78	\$2,077.67	\$1,228.34	\$330.04
West	\$6,061.46	\$1,757.06	\$2,862.73	\$3,333.89	\$547.95
Total	\$22,645.17	\$7,425.87	\$10,299.36	\$11,116.74	\$2,467.83

Average Cap Rates



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	7.50%	8.13%	8.15%	8.27%	8.11%
Midwest	7.84%	7.99%	7.98%	8.37%	8.35%
Northeast	6.99%	7.61%	7.81%	7.67%	7.79%
Southeast	7.16%	7.19%	7.03%	6.92%	6.88%
Southwest	7.10%	7.03%	6.98%	7.10%	7.07%
West	6.84%	6.73%	6.51%	6.40%	6.48%
Total	7.22%	7.29%	7.24%	7.29%	7.23%

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	6.46%	7.52%	6.80%	8.27%	8.11%
Midwest	6.77%	6.79%	7.68%	8.37%	8.35%
Northeast	6.13%	7.27%	6.92%	7.67%	7.79%
Southeast	6.16%	6.69%	7.24%	6.92%	6.88%
Southwest	6.07%	6.45%	7.24%	7.10%	7.07%
West	5.58%	6.17%	6.81%	6.40%	6.48%
Total	6.16%	6.67%	7.19%	7.29%	7.23%

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



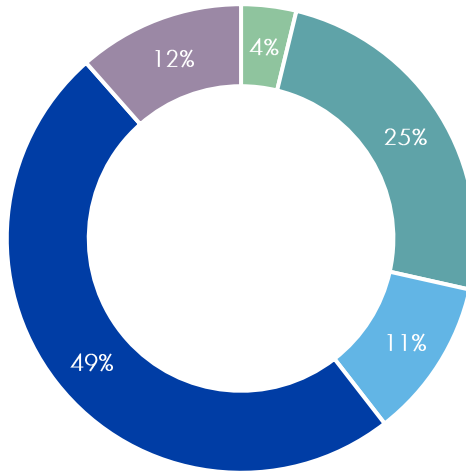
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Buyer Distribution

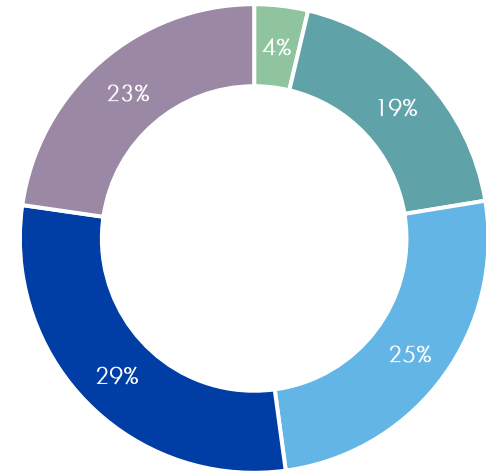
Annual

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

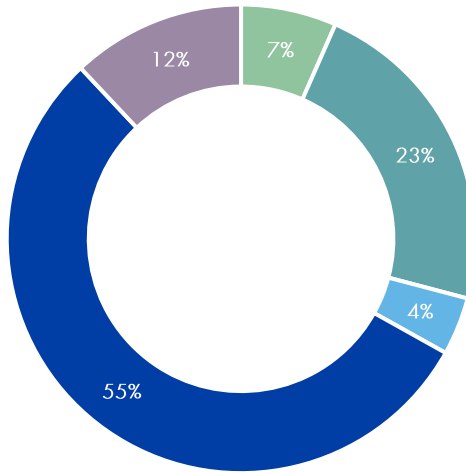
2023



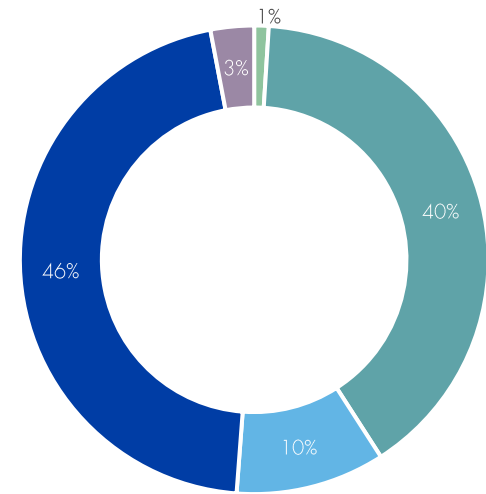
2024



2025



YTD 2026



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





JOHN TAGG

Research Manager

jtagg@northmarq.com

northmarq.com/trends-insights/research-library/marketsnapshot

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