



SINGLE-TENANT | Q1 2026

Retail

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

northmarq.com

SINGLE-TENANT RETAIL

Market Fundamentals



Q1 2026 Investment Sales Volume	\$2.69B
Change from Last Quarter (Q4 '25)	-33.9%
Change from Last Year (Q1 '25)	-22.4%



Q1 2026 Overall Average Cap Rate	6.84%
Change from Last Quarter (Q4 '25)	-5 bps
Change from Last Year (Q1 '25)	-5 bps

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

Overview | Single-Tenant Retail

The single-tenant retail sector posted \$2.7 billion in first-quarter sales volume, down 33.9% from the prior quarter and 22.4% compared to the same period last year. Cap rates recorded slight downward pressure, declining 5 basis points during the quarter to 6.84%, and were also down 5 basis points year over year.

The Southeast region led transaction activity, recording \$673.3 million in volume and accounting for 25.1% of the total. The West followed with \$632.6 million, representing 23.6% of overall volume. The Northeast ranked third with \$442.7 million, or 16.5%, while the Southwest recorded \$407.8 million, representing 15.2%. The Midwest contributed \$335.4 million, or 12.5% of total volume, and the Mid-Atlantic region trailed with \$194.6 million, accounting for 7.2%.

By region, cap rates ranged from a low of 5.98% in the Northeast to a high of 7.69% in the Midwest. All regions, except the Midwest and West, recorded a modest decline from the prior quarter. Average cap rates are up 124 basis points from the recent low of 5.60% recorded in the fourth quarter of 2022.

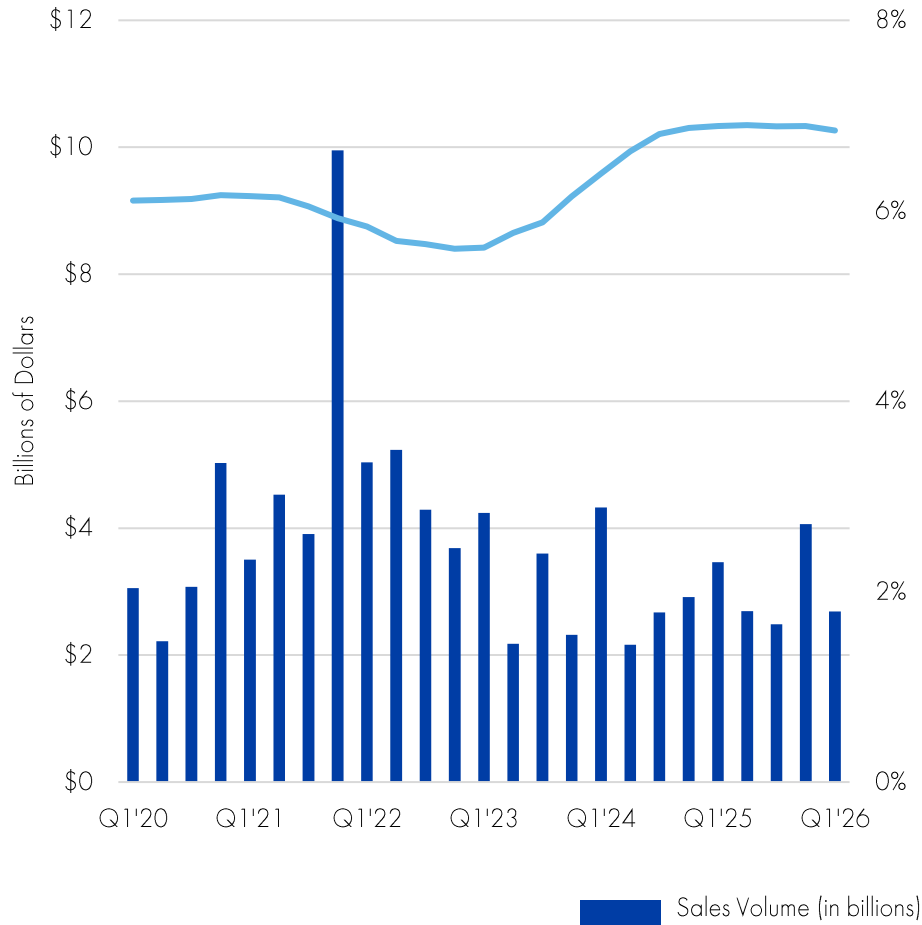
Private buyers accounted for 69% of single-tenant retail acquisitions through the first quarter of 2026, followed by REIT/Listed investors at 15% and domestic users/others at 10%. The private share increased by 3% from 2025, while institutional investment activity fell by 6%. REIT/Listed and cross-border investment edged slightly higher by 1% from 2025.



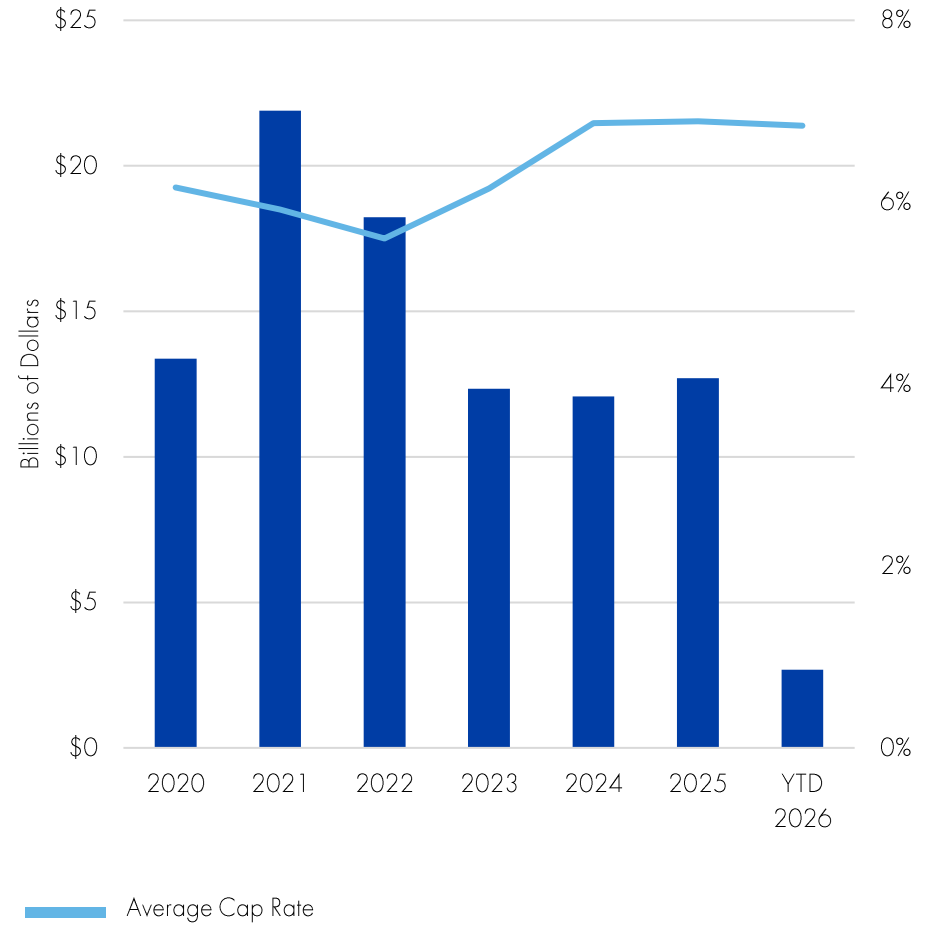
SINGLE-TENANT RETAIL

Investment Sales Volume & Average Cap Rates

Q Quarterly



A Annual



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



SINGLE-TENANT RETAIL

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	\$167.59	\$117.94	\$137.49	\$230.29	\$194.62
Midwest	\$423.34	\$412.58	\$303.33	\$532.53	\$335.38
Northeast	\$864.30	\$568.69	\$347.64	\$569.22	\$442.66
Southeast	\$907.04	\$704.06	\$700.11	\$1,121.32	\$673.25
Southwest	\$359.89	\$346.66	\$497.62	\$714.30	\$407.81
West	\$650.48	\$541.16	\$501.88	\$896.98	\$632.66
Total	\$3,463.13	\$2,691.08	\$2,488.07	\$4,064.65	\$2,686.39

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	\$1,459.64	\$977.07	\$644.09	\$653.31	\$194.62
Midwest	\$3,386.23	\$1,911.55	\$2,141.20	\$1,671.79	\$335.38
Northeast	\$2,344.21	\$1,720.16	\$1,404.17	\$2,349.85	\$442.66
Southeast	\$4,903.59	\$3,602.09	\$3,403.46	\$3,432.53	\$673.25
Southwest	\$2,609.43	\$1,789.59	\$2,070.94	\$1,918.47	\$407.81
West	\$3,533.44	\$2,337.12	\$2,411.24	\$2,590.51	\$632.66
Total	\$18,236.54	\$12,337.59	\$12,075.10	\$12,706.93	\$2,686.39

Average Cap Rates



Quarterly

Type	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Mid-Atlantic	7.07%	7.44%	7.43%	7.27%	7.03%
Midwest	7.43%	7.57%	7.64%	7.62%	7.69%
Northeast	6.52%	6.26%	6.06%	6.00%	5.98%
Southeast	6.86%	6.89%	6.90%	6.88%	6.78%
Southwest	6.88%	6.96%	7.03%	7.24%	7.21%
West	6.26%	6.17%	6.30%	6.33%	6.35%
Total	6.89%	6.90%	6.89%	6.89%	6.84%

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	6.04%	6.14%	7.05%	7.27%	7.03%
Midwest	6.05%	6.68%	7.45%	7.62%	7.69%
Northeast	5.42%	6.02%	6.49%	6.00%	5.98%
Southeast	5.57%	6.22%	6.80%	6.88%	6.78%
Southwest	5.49%	6.27%	6.96%	7.24%	7.21%
West	5.24%	5.54%	6.20%	6.33%	6.35%
Total	5.60%	6.15%	6.87%	6.89%	6.84%

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

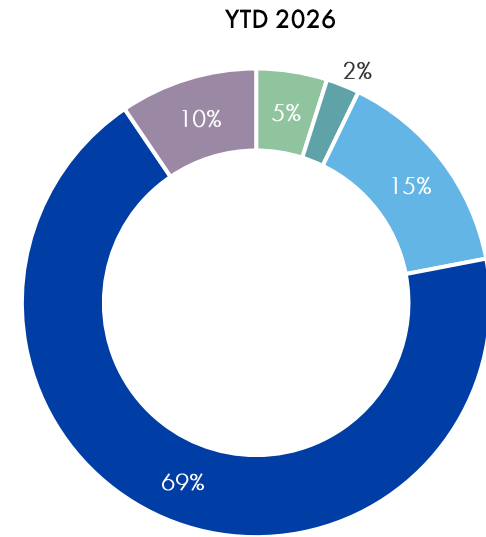
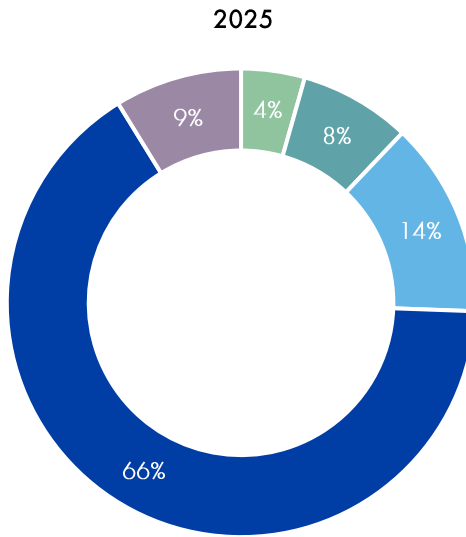
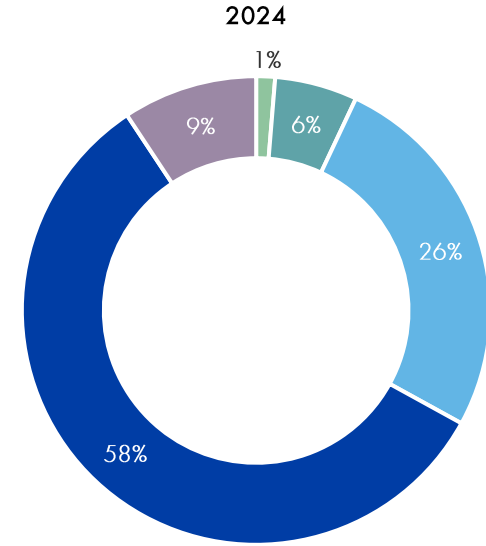
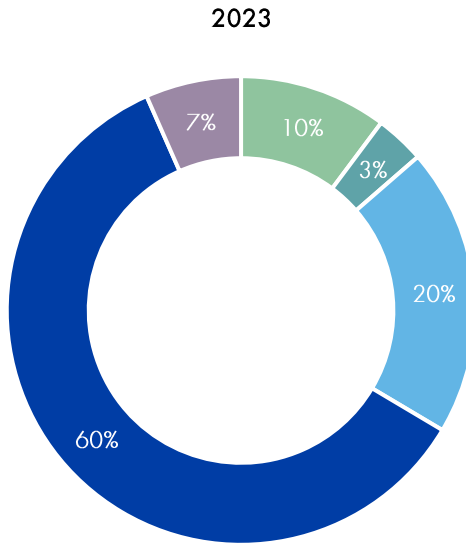


SINGLE-TENANT RETAIL

Buyer Distribution

Annual

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



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

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