SINGLE-TENANT | Q2 2026

Northmarq

Retail

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

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SINGLE-TENANT RETAIL

Market Fundamentals

Q2 2026 Investment Sales Volume	**$3.21B**
Change from Last Quarter (Q1 '26)	**+11.3%**
Change from Last Year (Q2 '25)	**+18.5%**

Q2 2026 Overall Average Cap Rate	**6.85%**
Change from Last Quarter (Q1 '26)	**0 bps**
Change from Last Year (Q2 '25)	**-4 bps**

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

Overview | Single-Tenant Retail

The single-tenant retail sector posted $3.2 billion in second-quarter sales volume, up 11.3% from the prior quarter and 18.5% compared to the same period last year. Cap rates were unchanged from the prior quarter at 6.85%, but compressed 4 basis points year over year.

The Southeast region led transaction activity, recording $716.4 million in volume and accounting for 22.3% of the total. The Mid-Atlantic followed with $574.8 million, representing 17.9% of overall volume. The West ranked third with $568.7 million, or 17.7%, while the Midwest recorded $482 million, representing 15.0%. The Northeast contributed $452 million, or 14.1% of total volume, and the Southwest region trailed with $418.8 million, accounting for 13.0%.

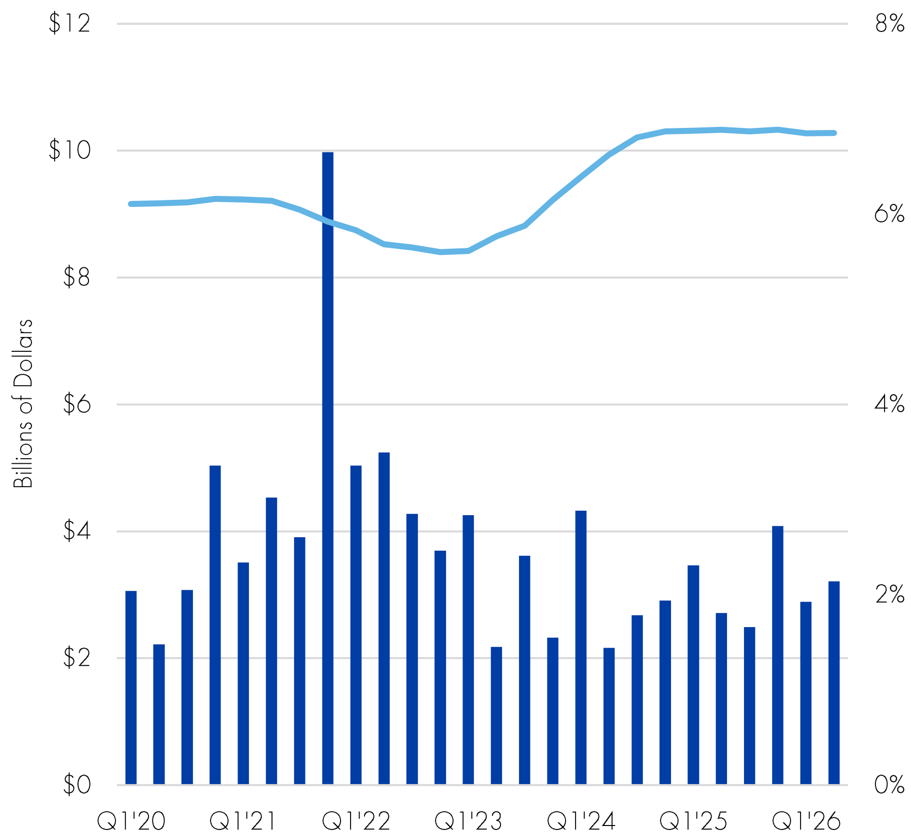
By region, cap rates ranged from a low of 6.40% in the West to a high of 7.58% in the Midwest. All regions, except the West, Southwest, and Northeast, recorded modest declines from the prior quarter. Average cap rates are up 125 basis points from the recent low of 5.60% recorded in the fourth quarter of 2022.

Private buyers accounted for 61% of single-tenant retail acquisitions through the second quarter of 2026, followed by REIT/Listed and cross-border investors both at 14% and domestic users/others at 8%. The private share decreased by 5% from 2025, while institutional investment activity also fell by 5%. The share of volume by cross-border investors increased sharply by 10% from 2025.

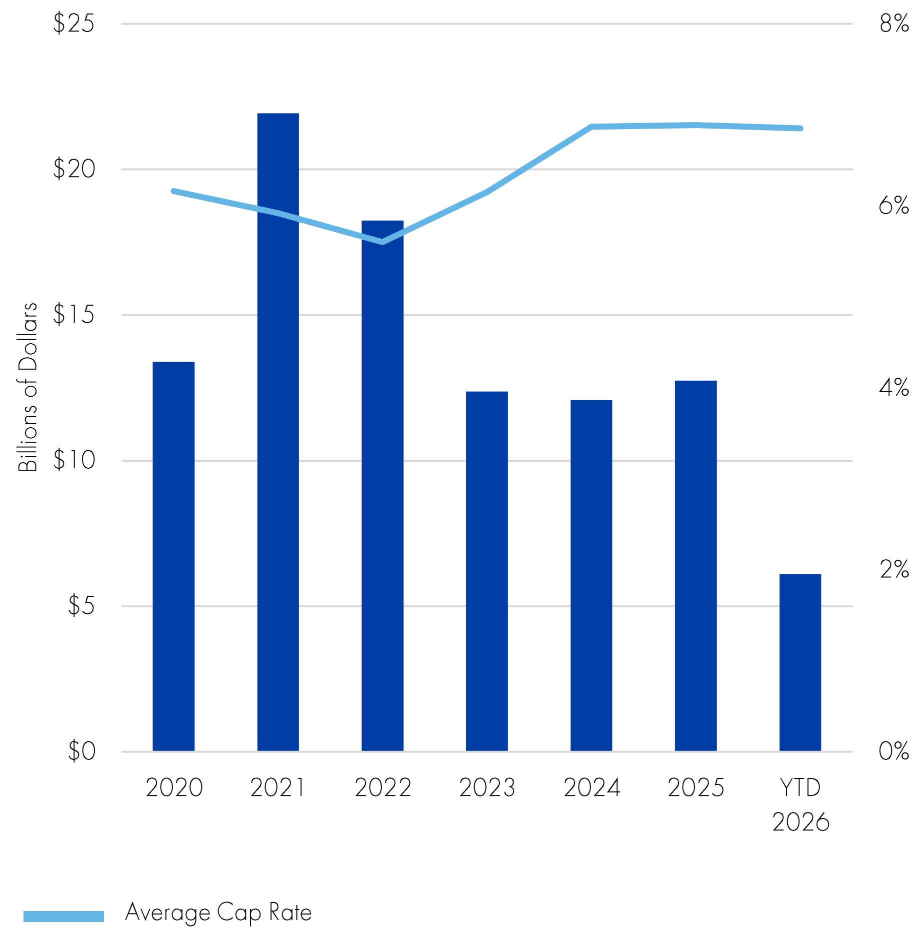
SINGLE-TENANT RETAIL

Investment Sales Volume & Average Cap Rates

Quarterly



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	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Mid-Atlantic	$117.94	$137.49	$230.29	$237.93	$574.81
Midwest	$414.28	$313.73	$536.78	$375.32	$482.05
Northeast	$568.69	$347.64	$577.72	$458.29	$452.05
Southeast	$721.75	$696.91	$1,115.23	$681.86	$716.38
Southwest	$346.66	$497.62	$724.90	$421.36	$418.85
West	$541.16	$497.34	$896.98	$713.10	$568.73
Total	**$2,710.47**	**$2,490.72**	**$4,081.90**	**$2,887.87**	**$3,212.85**

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	$1,459.64	$977.07	$646.64	$653.11	$812.74
Midwest	$3,390.37	$1,914.05	$2,141.20	$1,687.15	$857.37
Northeast	$2,350.06	$1,731.55	$1,402.17	$2,358.35	$910.34
Southeast	$4,910.59	$3,605.44	$3,410.06	$3,444.97	$1,398.24
Southwest	$2,604.28	$1,795.74	$2,070.94	$1,926.59	$840.21
West	$3,533.44	$2,353.07	$2,405.53	$2,585.96	$1,281.83
Total	**$18,248.37**	**$12,376.91**	**$12,076.54**	**$12,745.59**	**$6,100.73**

Average Cap Rates

Quarterly

Type	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Mid-Atlantic	7.44%	7.44%	7.37%	7.19%	6.96%
Midwest	7.56%	7.60%	7.64%	7.72%	7.58%
Northeast	6.24%	6.04%	6.12%	6.23%	6.45%
Southeast	6.88%	6.89%	6.87%	6.73%	6.71%
Southwest	6.96%	7.02%	7.23%	7.21%	7.30%
West	6.17%	6.31%	6.31%	6.33%	6.40%
Total	**6.89%**	**6.87%**	**6.89%**	**6.85%**	**6.85%**

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	6.04%	6.14%	7.05%	7.37%	6.96%
Midwest	6.05%	6.68%	7.45%	7.64%	7.58%
Northeast	5.42%	6.02%	6.49%	6.12%	6.45%
Southeast	5.57%	6.22%	6.80%	6.87%	6.71%
Southwest	5.49%	6.27%	6.96%	7.23%	7.30%
West	5.24%	5.54%	6.20%	6.31%	6.40%
Total	**5.60%**	**6.15%**	**6.87%**	**6.89%**	**6.85%**

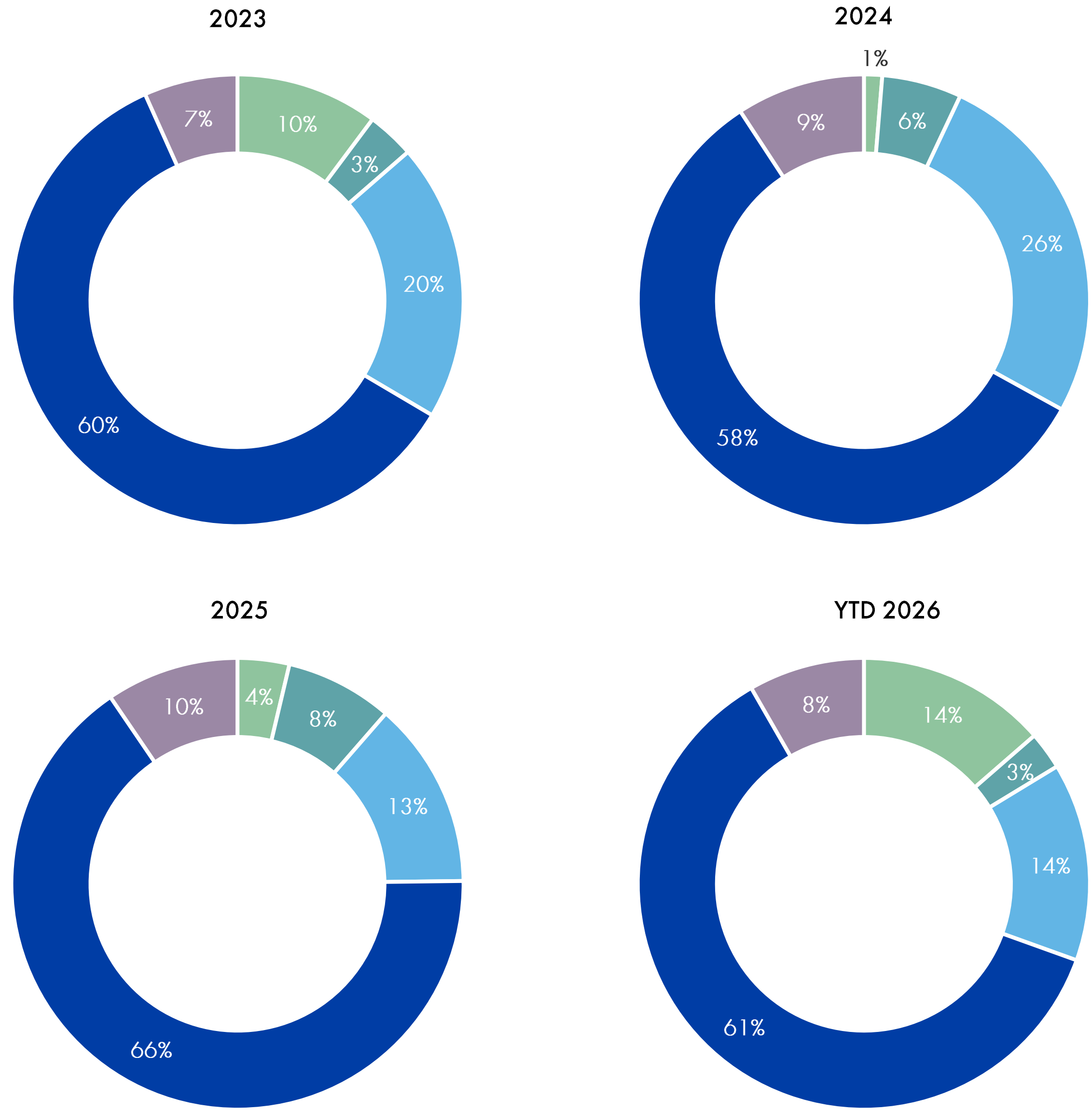
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than $2.5M; totals may not equal the sum of individual property types due to rounding

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

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