



MULTI-TENANT | Q3 2025

Office

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

northmarq.com

MULTI-TENANT OFFICE

Market Fundamentals



Q3 2025 Investment Sales Volume **\$15.95B**

Change from Last Quarter (Q2 '25) **-2.4%**

Change from Last Year (Q3 '24) **+34.7%**



Q3 2025 Overall Average Cap Rate **7.55%**

Change from Last Quarter (Q2 '25) **-1 bp**

Change from Last Year (Q3 '24) **+27 bps**

Overview | Multi-Tenant Office

The multi-tenant office sector recorded \$16.0B in investment sales during the third quarter, representing a 2.4% decline from the second quarter but a sharp 34.7% increase year-over-year. This performance marks the sector's third strongest quarter since late 2022.

The West and Northeast regions led in transaction volume for the third quarter, each recording approximately \$4.5B in sales and accounting for 28.1% and 28.0% of total volume, respectively. The Southwest followed with \$2.7B, representing 17.0%, while the Southeast recorded \$2.6B, or 16.1%. The Mid-Atlantic and Midwest regions rounded out the quarter with \$0.9B in transactions each, accounting for 5.4% and 5.3% of total volume, respectively.

The average cap rate edged down by a single basis point to 7.55%, suggesting that the sharp increases seen in recent years are beginning to plateau, though cap rates remain 27 basis points higher than one year ago.

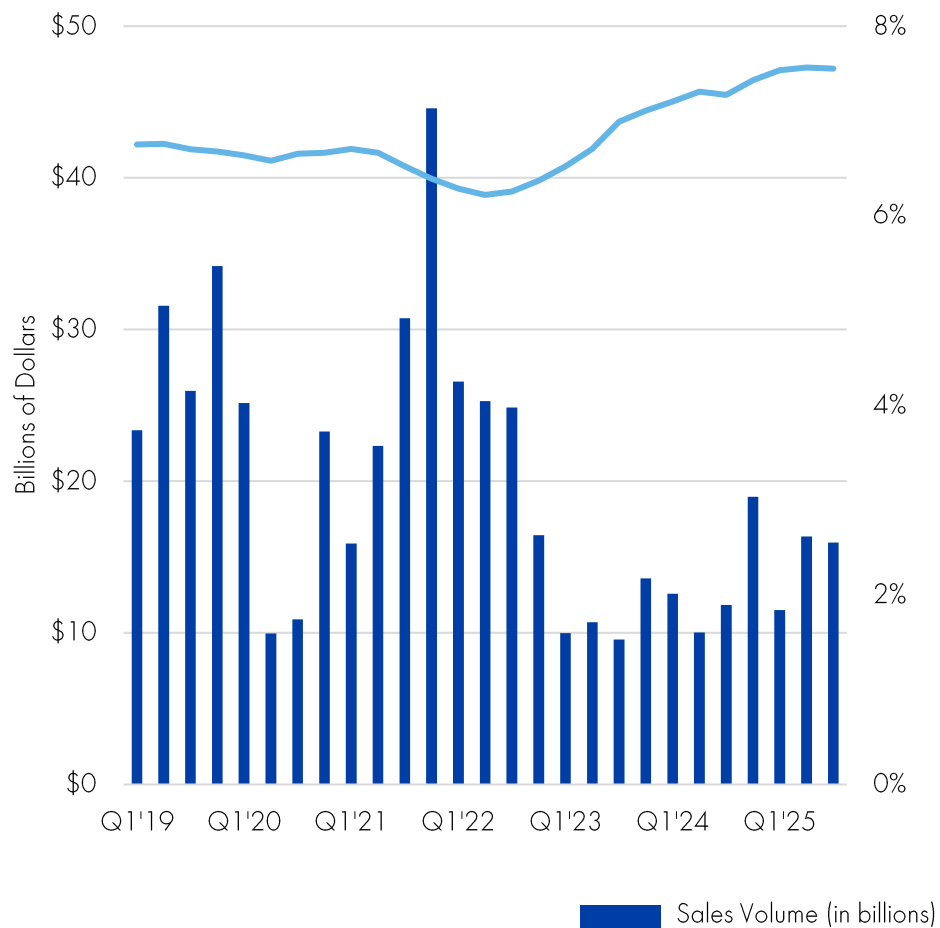
Private buyers accounted for 52% of multi-tenant office acquisitions through the third quarter of 2025, followed by institutional investors at 21%. The share of institutional acquisitions has been gradually increasing since 2023, while private investment activity has declined by 10% over the same period.



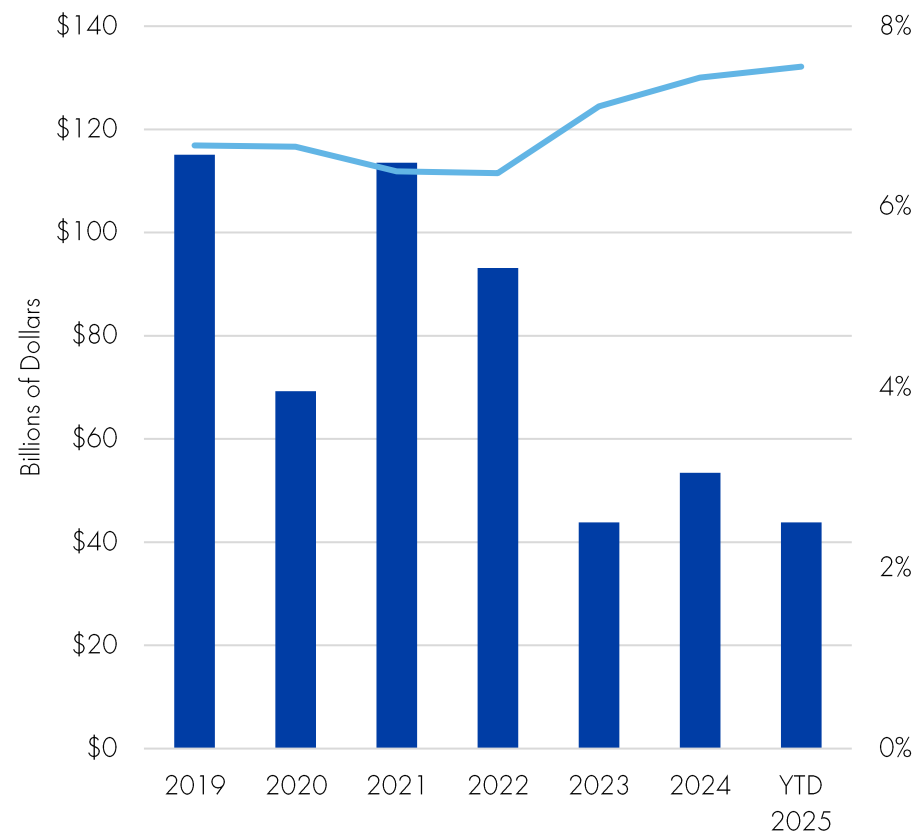
MULTI-TENANT OFFICE

Investment Sales Volume & Average Cap Rates

Quarterly



Annual



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



MULTI-TENANT OFFICE

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Mid-Atlantic	\$817.85	\$1,531.32	\$1,079.18	\$1,797.21	\$867.85
Midwest	\$950.03	\$1,465.65	\$924.04	\$877.54	\$850.16
Northeast	\$2,868.85	\$5,505.44	\$2,556.31	\$2,984.92	\$4,469.32
Southeast	\$1,896.00	\$3,426.03	\$2,181.02	\$2,285.05	\$2,572.96
Southwest	\$1,536.31	\$2,601.78	\$1,733.38	\$3,294.59	\$2,707.50
West	\$3,528.39	\$4,446.62	\$3,026.96	\$5,113.14	\$4,484.69
Total	\$11,843.76	\$18,976.84	\$11,500.89	\$16,352.45	\$15,952.48

Annual

Type	2021	2022	2023	2024	YTD 2025
Mid-Atlantic	\$10,927.79	\$8,470.70	\$4,761.40	\$4,701.64	\$3,744.24
Midwest	\$8,275.21	\$9,956.16	\$3,874.92	\$5,375.81	\$2,651.74
Northeast	\$27,398.93	\$18,861.49	\$9,937.72	\$13,384.62	\$10,010.55
Southeast	\$19,556.14	\$16,957.86	\$7,607.83	\$10,001.55	\$7,039.02
Southwest	\$17,834.20	\$17,579.55	\$7,420.50	\$8,071.43	\$7,735.46
West	\$29,541.11	\$21,315.18	\$10,218.81	\$11,631.12	\$12,624.79
Total	\$113,533.39	\$93,140.95	\$43,821.19	\$53,430.05	\$43,805.81

Average Cap Rates



Quarterly

Type	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Mid-Atlantic	8.24%	8.56%	8.47%	8.26%	8.48%
Midwest	7.74%	7.88%	8.24%	8.30%	8.35%
Northeast	6.68%	6.65%	6.57%	6.84%	6.91%
Southeast	7.76%	7.39%	7.40%	7.31%	7.14%
Southwest	7.93%	8.01%	8.07%	8.02%	7.42%
West	6.68%	7.22%	7.54%	7.53%	7.63%
Total	7.28%	7.43%	7.54%	7.56%	7.55%

Annual

Type	2021	2022	2023	2024	YTD 2025
Mid-Atlantic	6.90%	7.04%	7.67%	8.56%	8.48%
Midwest	7.35%	7.41%	8.20%	7.88%	8.35%
Northeast	6.11%	6.22%	6.95%	6.65%	6.91%
Southeast	6.48%	6.55%	7.32%	7.39%	7.14%
Southwest	6.68%	6.46%	7.40%	8.01%	7.42%
West	5.92%	5.59%	6.20%	7.22%	7.63%
Total	6.39%	6.37%	7.11%	7.43%	7.55%



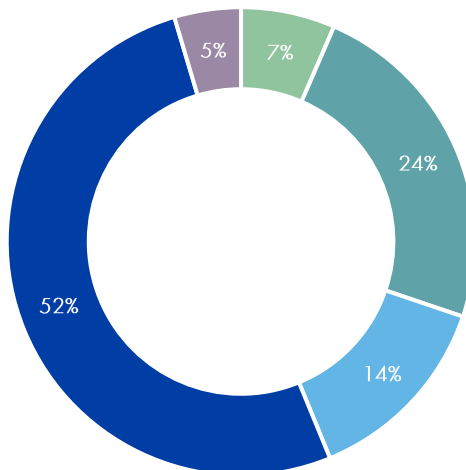
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Buyer Distribution

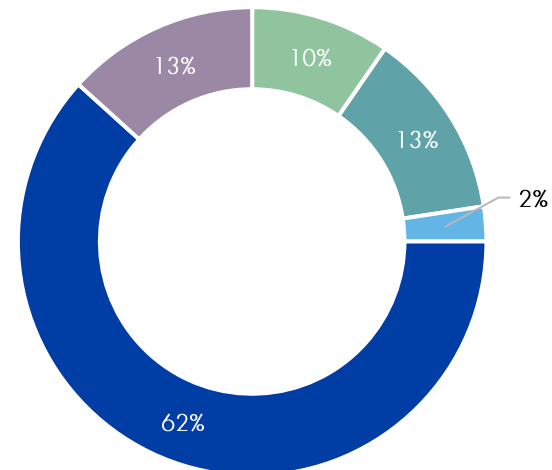
Annual



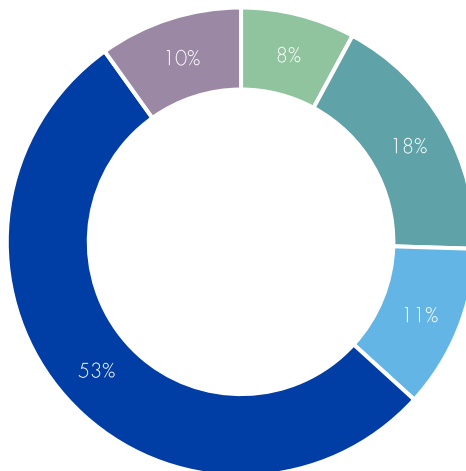
2022



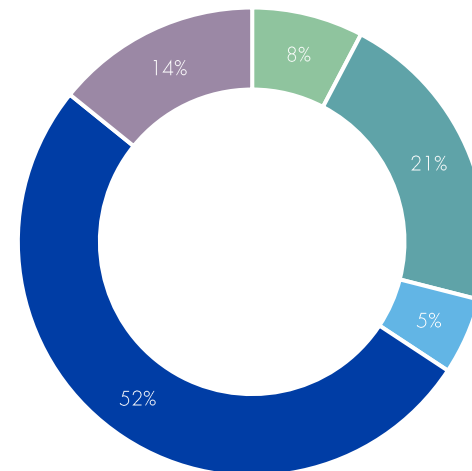
2023



2024



YTD 2025





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