



MULTI-TENANT | Q4 2025

Office

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

northmarq.com

MULTI-TENANT OFFICE

Market Fundamentals



| | |
|-----------------------------------|-----------------|
| Q4 2025 Investment Sales Volume | \$22.95B |
| Change from Last Quarter (Q3 '25) | +32.2% |
| Change from Last Year (Q4 '24) | +20.7% |



| | |
|-----------------------------------|----------------|
| Q4 2025 Overall Average Cap Rate | 7.53% |
| Change from Last Quarter (Q3 '25) | +1 bp |
| Change from Last Year (Q4 '24) | +10 bps |

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

Overview | Multi-Tenant Office

The multi-tenant office sector recorded nearly \$23.0 billion in investment sales during the fourth quarter, representing a 32.2% increase from the third quarter and a sharp 20.7% increase year over year. This performance marks the sector's strongest quarter since mid-2022. Annual volume is up 28.5% from 2024.

The Northeast and West regions led in transaction volume for the fourth quarter, recording \$6.0 billion and \$5.5 billion in sales and accounting for 26.0% and 23.8% of total volume, respectively. The Southeast followed with \$4.5 billion, representing 19.6%, while the Southwest recorded \$2.7 billion, or 11.9%. The Midwest and Mid-Atlantic regions rounded out the quarter with \$1.9 billion and \$1.7 billion in transactions, accounting for 8.2% and 7.4% of total volume, respectively.

The average cap rate edged down by a single basis point to 7.53%, suggesting that the sharp increases seen in recent years are beginning to plateau, though cap rates remain 10 basis points higher than one year ago.

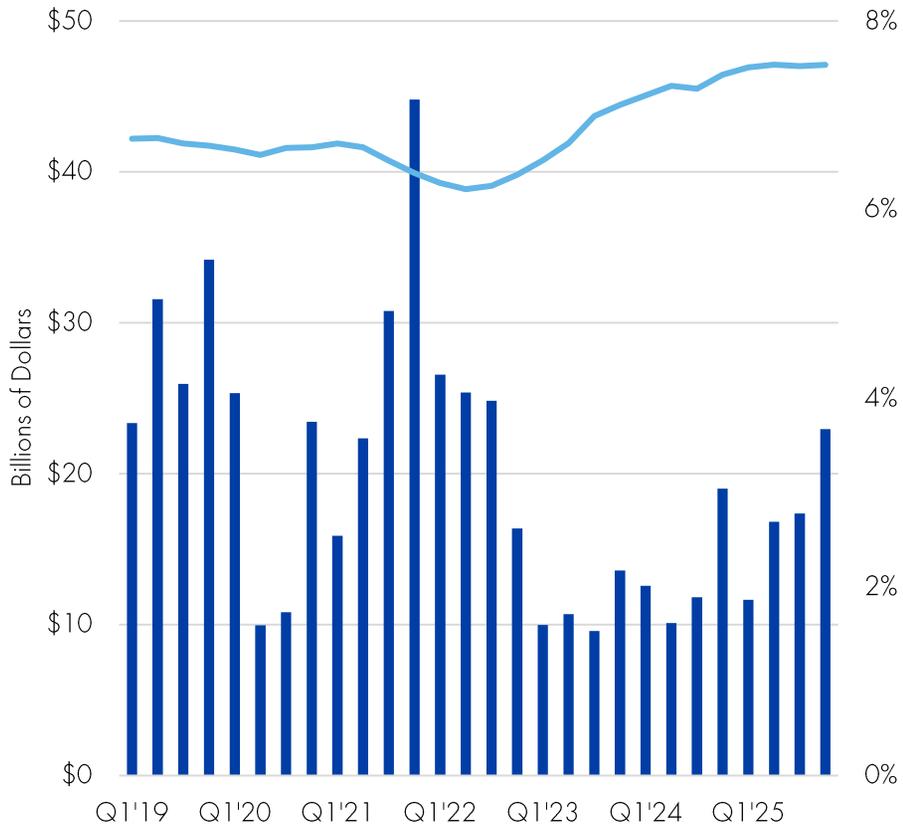
Private buyers accounted for 54% of multi-tenant office acquisitions through the fourth quarter of 2025, followed by institutional investors at 23%. The share of institutional acquisitions has been gradually increasing since 2023, while private investment activity has declined by 7% over the same period.



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



MULTI-TENANT OFFICE

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

| Type | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Mid-Atlantic | \$1,531.32 | \$1,066.71 | \$1,740.38 | \$974.49 | \$1,695.48 |
| Midwest | \$1,479.10 | \$934.14 | \$948.42 | \$1,006.88 | \$1,887.30 |
| Northeast | \$5,505.44 | \$2,575.32 | \$3,011.47 | \$4,563.36 | \$5,959.21 |
| Southeast | \$3,411.52 | \$2,190.19 | \$2,275.57 | \$3,008.22 | \$4,506.19 |
| Southwest | \$2,609.43 | \$1,800.21 | \$3,701.24 | \$2,987.76 | \$2,727.36 |
| West | \$4,476.84 | \$3,076.14 | \$5,134.97 | \$4,817.16 | \$5,466.32 |
| Total | \$19,013.65 | \$11,642.71 | \$16,812.05 | \$17,357.87 | \$22,947.05 |

Annual

| Type | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| Mid-Atlantic | \$10,929.99 | \$8,433.88 | \$4,761.40 | \$4,718.74 | \$5,477.05 |
| Midwest | \$8,317.13 | \$9,957.07 | \$3,878.92 | \$5,364.39 | \$4,776.74 |
| Northeast | \$27,411.47 | \$18,852.99 | \$9,956.12 | \$13,376.39 | \$16,109.36 |
| Southeast | \$19,556.14 | \$16,977.86 | \$7,610.88 | \$9,999.43 | \$11,980.18 |
| Southwest | \$17,814.81 | \$17,619.83 | \$7,408.79 | \$8,090.08 | \$11,216.57 |
| West | \$29,776.29 | \$21,308.32 | \$10,227.95 | \$11,688.75 | \$18,494.60 |
| Total | \$113,805.83 | \$93,149.95 | \$43,844.06 | \$53,501.66 | \$68,759.67 |

Average Cap Rates



Quarterly

| Type | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Mid-Atlantic | 8.56% | 8.41% | 8.20% | 8.39% | 8.03% |
| Midwest | 7.88% | 8.22% | 8.35% | 8.41% | 8.50% |
| Northeast | 6.65% | 6.57% | 6.89% | 7.00% | 6.98% |
| Southeast | 7.38% | 7.41% | 7.32% | 7.16% | 7.40% |
| Southwest | 8.01% | 7.82% | 7.82% | 7.57% | 7.50% |
| West | 7.22% | 7.46% | 7.38% | 7.39% | 7.40% |
| Total | 7.43% | 7.51% | 7.54% | 7.52% | 7.53% |

Annual

| Type | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Mid-Atlantic | 6.90% | 7.04% | 7.67% | 8.56% | 8.03% |
| Midwest | 7.35% | 7.41% | 8.20% | 7.88% | 8.50% |
| Northeast | 6.11% | 6.22% | 6.95% | 6.65% | 6.98% |
| Southeast | 6.47% | 6.55% | 7.32% | 7.38% | 7.40% |
| Southwest | 6.68% | 6.46% | 7.40% | 8.01% | 7.50% |
| West | 5.92% | 5.59% | 6.20% | 7.22% | 7.40% |
| Total | 6.39% | 6.37% | 7.11% | 7.43% | 7.53% |

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

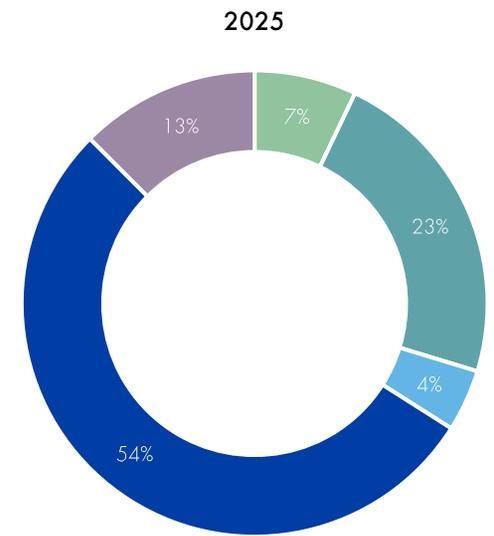
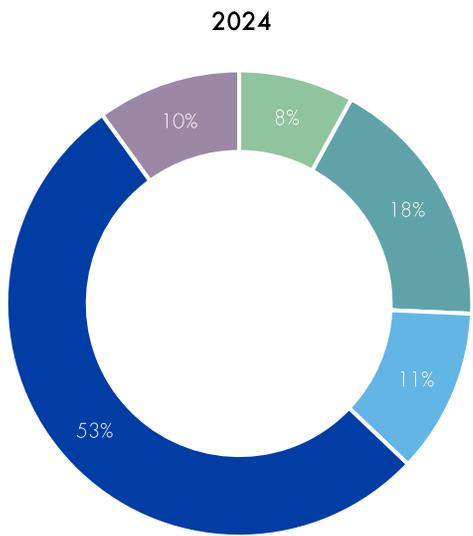
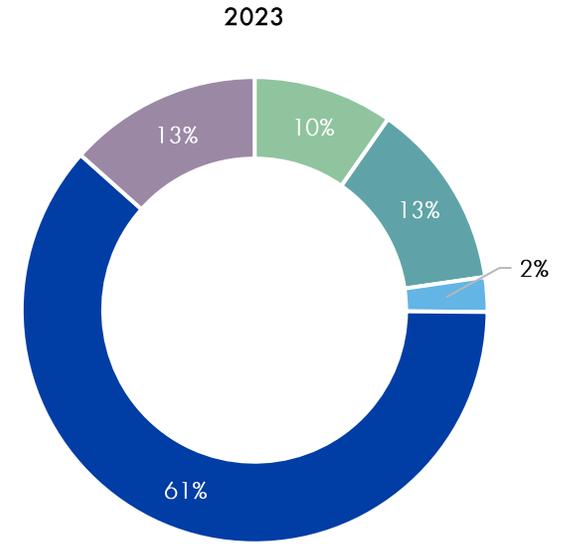
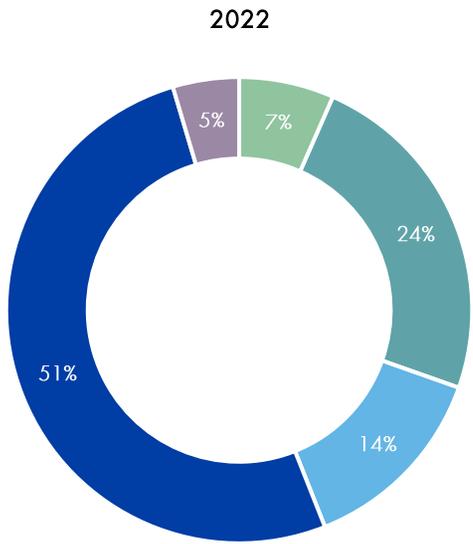


MULTI-TENANT OFFICE

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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