



MULTI-TENANT | Q4 2025

Retail


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

northmarq.com

MULTI-TENANT RETAIL

Market Fundamentals

	Q4 2025 Investment Sales Volume	\$17.15B
	Change from Last Quarter (Q3 '25)	+10.8%
	Change from Last Year (Q4 '24)	+33.7%

	Q4 2025 Overall Average Cap Rate	7.01%
	Change from Last Quarter (Q3 '25)	-3 bps
	Change from Last Year (Q4 '24)	-13 bps

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

Overview | Multi-Tenant Retail

The multi-tenant retail sector posted \$17.2 billion in fourth quarter sales volume, up 10.8% from the third quarter and nearly 34% year-over-year. Cap rates edged down 3 basis points to 7.01%, falling 13 basis points compared with a year ago.

The Southeast region led transaction activity in the fourth quarter, recording \$4.2 billion in volume and accounting for 24.6% of the total. The Southwest followed with \$3.8 billion, representing 22.0% of overall volume. The West ranked third with \$2.9 billion, or 17.0%, while the Midwest recorded \$2.3 billion, representing 13.6%. The Northeast contributed \$2.3 billion, or 13.5% of total volume, and the Mid-Atlantic region trailed with \$1.6 billion, accounting for 9.2%.

By region, cap rates ranged from a low of 6.23% in the West to a high of 7.84% in the Midwest. All regions, except the Midwest, Northeast and Southeast, recorded a modest increase over the prior quarter. Average cap rates are up 77 basis points from the recent low of 6.23% recorded in the third quarter of 2022.

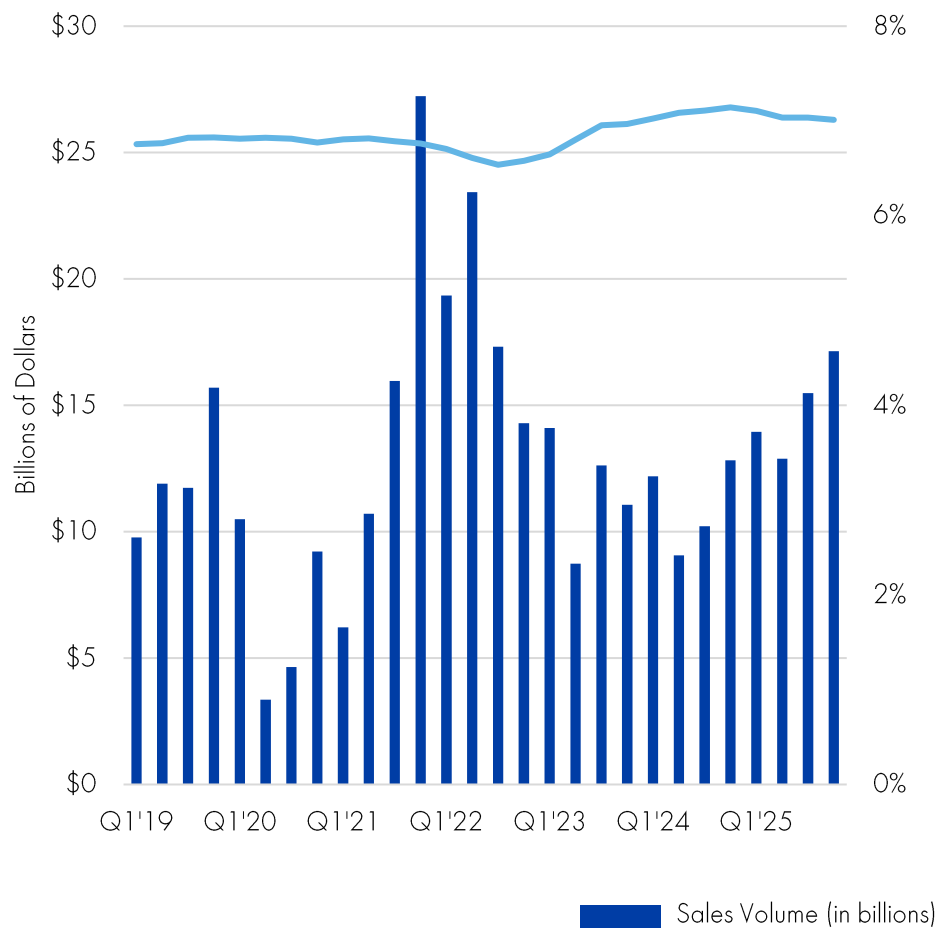
Private buyers accounted for 62% of multi-tenant retail acquisitions through the fourth quarter of 2025, followed by institutional investors at 21%. The institutional share has risen sharply from 8% in 2024, while private investment activity has declined by 6% over the same period.



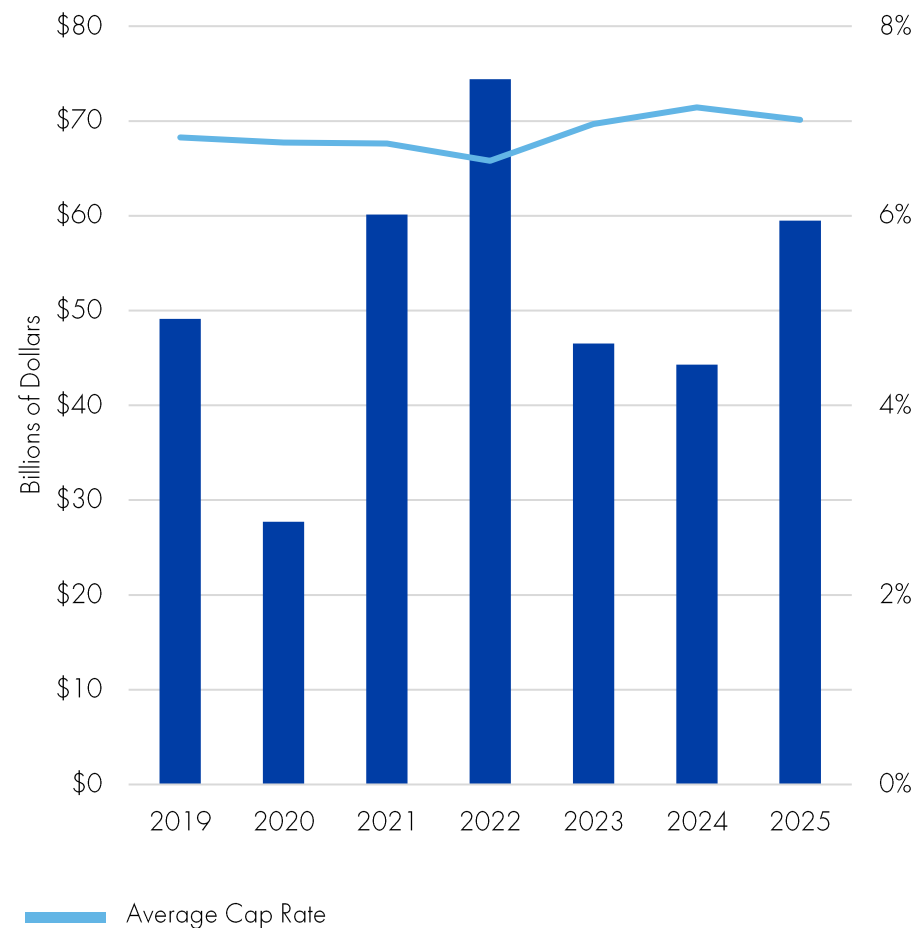
MULTI-TENANT RETAIL

Investment Sales Volume & Average Cap Rates

 Quarterly



 Annual



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



MULTI-TENANT RETAIL

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	\$1,156.78	\$788.08	\$658.43	\$824.58	\$1,582.01
Midwest	\$1,591.24	\$1,260.67	\$1,352.96	\$2,192.50	\$2,330.12
Northeast	\$1,761.09	\$1,486.59	\$1,544.84	\$1,963.49	\$2,313.04
Southeast	\$3,777.85	\$2,875.73	\$3,811.40	\$4,167.28	\$4,220.94
Southwest	\$1,507.96	\$1,505.90	\$3,140.98	\$2,503.78	\$3,778.00
West	\$3,031.19	\$6,039.43	\$2,367.48	\$3,826.80	\$2,923.10
Total	\$12,826.11	\$13,956.40	\$12,893.33	\$15,478.42	\$17,147.22

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	\$4,977.14	\$6,191.43	\$3,241.93	\$3,463.69	\$3,853.10
Midwest	\$8,223.97	\$9,003.92	\$10,147.02	\$6,727.59	\$7,136.26
Northeast	\$6,581.54	\$8,283.81	\$7,632.57	\$7,012.91	\$7,307.96
Southeast	\$14,566.29	\$18,892.24	\$10,029.77	\$11,449.64	\$15,075.35
Southwest	\$11,682.53	\$11,585.17	\$6,667.05	\$6,721.53	\$10,928.65
West	\$14,097.89	\$20,433.94	\$8,800.71	\$8,923.72	\$15,156.82
Total	\$60,129.36	\$74,390.52	\$46,519.05	\$44,299.07	\$59,475.38

Average Cap Rates



Quarterly

Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	7.36%	7.39%	7.29%	7.36%	7.60%
Midwest	7.98%	7.98%	7.88%	7.91%	7.84%
Northeast	6.89%	6.77%	6.73%	6.73%	6.67%
Southeast	7.20%	7.25%	7.17%	7.20%	7.11%
Southwest	7.17%	7.05%	6.98%	6.95%	6.99%
West	6.30%	6.31%	6.25%	6.21%	6.23%
Total	7.14%	7.11%	7.04%	7.04%	7.01%

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	7.06%	7.21%	7.55%	7.36%	7.60%
Midwest	7.58%	7.34%	7.88%	7.98%	7.84%
Northeast	6.35%	6.37%	6.40%	6.89%	6.67%
Southeast	7.05%	6.79%	7.16%	7.20%	7.11%
Southwest	6.64%	6.38%	7.03%	7.17%	6.99%
West	5.98%	5.72%	6.03%	6.30%	6.23%
Total	6.76%	6.58%	6.97%	7.14%	7.01%

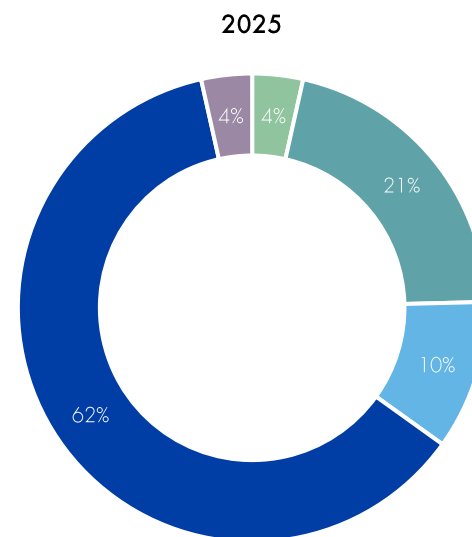
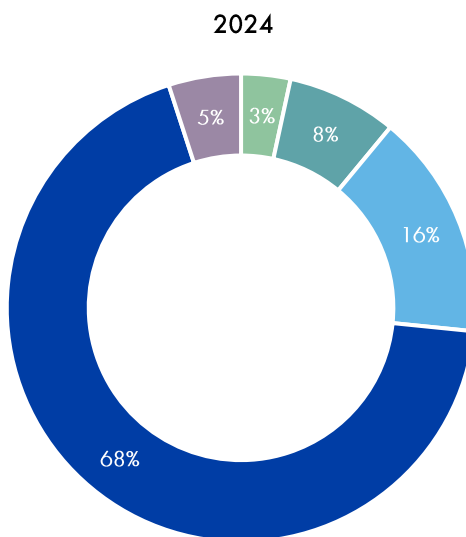
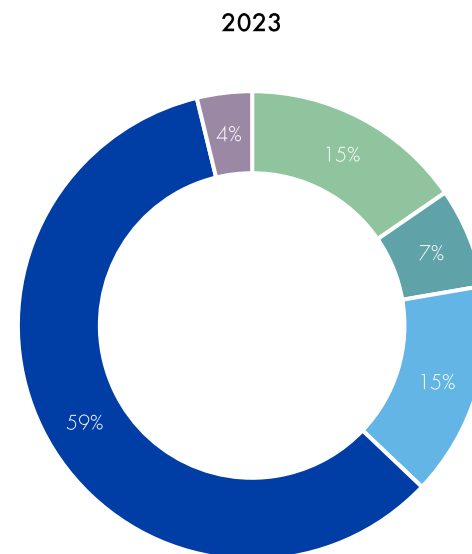
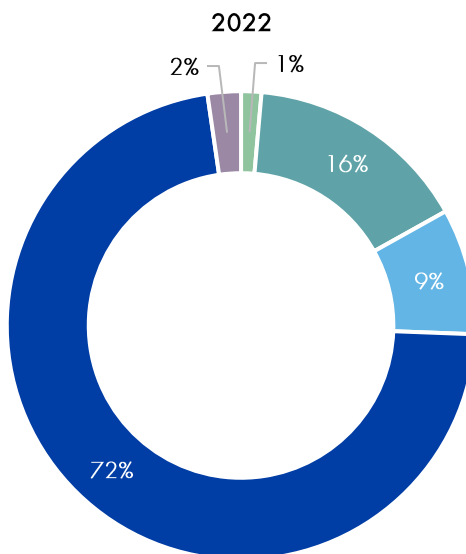
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; totals may not equal the sum of individual property types due to rounding



MULTI-TENANT RETAIL

Buyer Distribution

Annual





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