



**SINGLE-TENANT** | Q3 2025

# Office

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

**northmarq.com**

## SINGLE-TENANT OFFICE

### Market Fundamentals



|                                   |                |
|-----------------------------------|----------------|
| Q3 2025 Investment Sales Volume   | <b>\$2.53B</b> |
| Change from Last Quarter (Q2 '25) | <b>+11.5%</b>  |
| Change from Last Year (Q3 '24)    | <b>+27.7%</b>  |



|                                   |               |
|-----------------------------------|---------------|
| Q3 2025 Overall Average Cap Rate  | <b>7.18%</b>  |
| Change from Last Quarter (Q2 '25) | <b>-7 bps</b> |
| Change from Last Year (Q3 '24)    | <b>+5 bps</b> |

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

### Overview | Single-Tenant Office

The single-tenant office sector posted \$2.5B in third quarter sales volume, up 11.5% from the second quarter and nearly 28% year-over-year. Cap rates declined, falling 7 basis points to 7.18%, though they remain up 5 basis points year-over-year.

The West region dominated transaction activity in the third quarter, recording \$864.0M in volume and accounting for 34.2% of the total. The Southeast followed with \$550.0M, representing 21.8% of overall volume. The Midwest ranked third with \$510.3M, or 20.2%, while the Northeast recorded \$255.5M, representing 10.1%. The Southwest contributed \$199.0M, or 7.9% of total volume, and the Mid-Atlantic region trailed with \$149.5M, accounting for 5.9%.

By region, cap rates ranged from a low of 6.61% in the West to a high of 8.03% in the Midwest. Cap rates were mixed across all regions. Average cap rates are up 110 basis points from the recent low of 6.08% recorded in the first quarter of 2022.

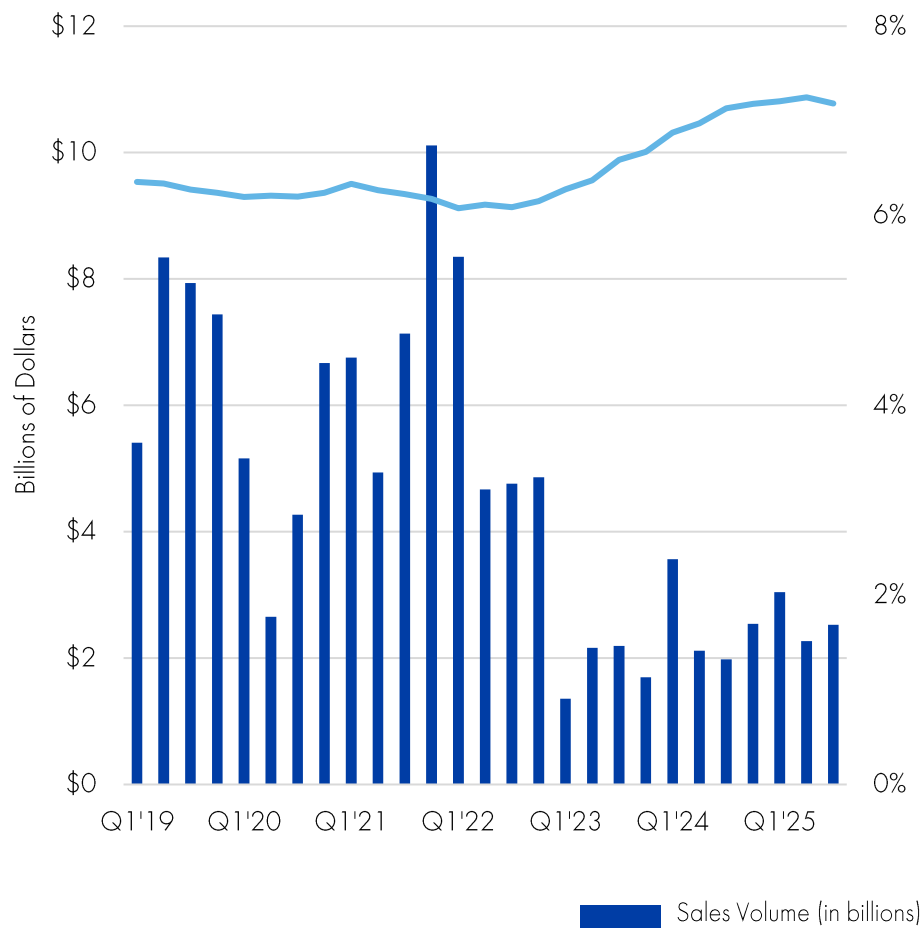
Private buyers accounted for 58% of single-tenant office acquisitions through the third quarter of 2025, followed by institutional investors at 23%. The private share increased sharply by 29% from 2024, while institutional investment activity increased by 4% over the same period. REIT/Listed acquisitions fell from 26% of investment activity in 2024 to 2% as of the third quarter of 2025.



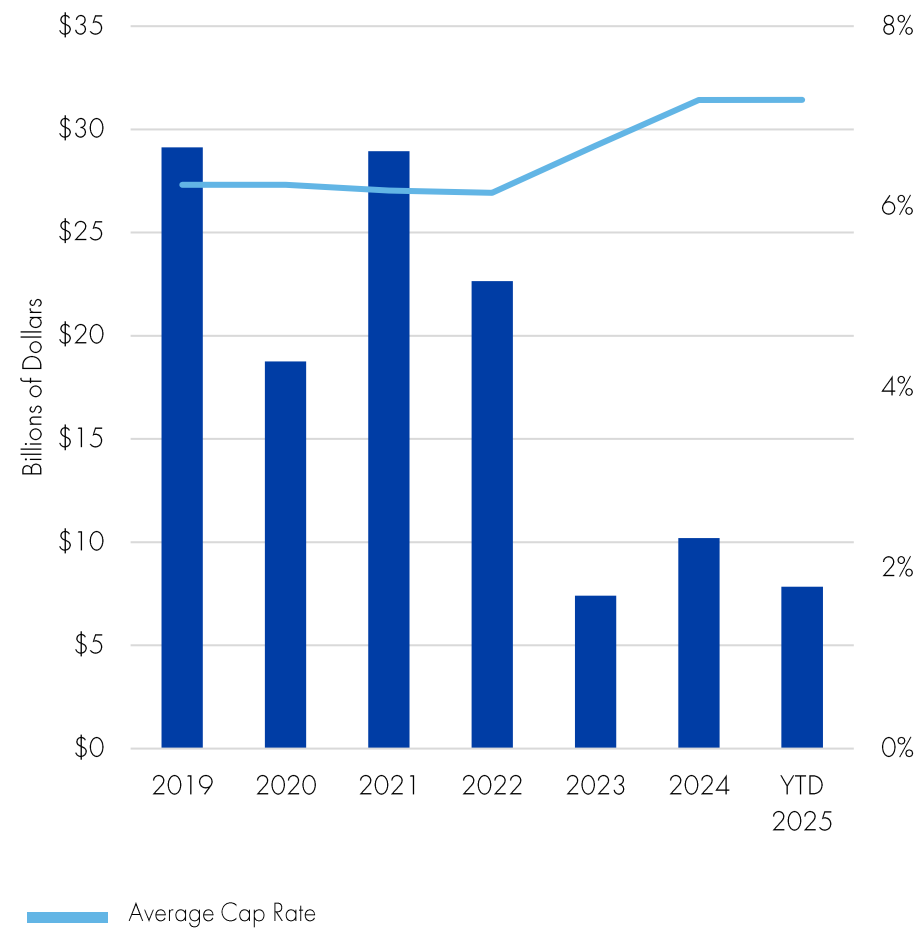
## SINGLE-TENANT OFFICE

### Investment Sales Volume & Average Cap Rates

 Quarterly



 Annual



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



## SINGLE-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 | \$44.75           | \$135.92          | \$241.99          | \$113.38          | \$149.48          |
| Midwest      | \$185.34          | \$168.39          | \$445.43          | \$148.32          | \$510.30          |
| Northeast    | \$31.93           | \$625.01          | \$754.74          | \$152.20          | \$255.53          |
| Southeast    | \$327.49          | \$396.07          | \$472.53          | \$580.64          | \$550.03          |
| Southwest    | \$318.25          | \$834.27          | \$294.21          | \$364.01          | \$198.93          |
| West         | \$1,071.45        | \$380.92          | \$834.06          | \$909.14          | \$863.96          |
| <b>Total</b> | <b>\$1,979.21</b> | <b>\$2,540.58</b> | <b>\$3,042.96</b> | <b>\$2,267.69</b> | <b>\$2,528.23</b> |

##### Annual

| Type         | 2021               | 2022               | 2023              | 2024               | YTD 2025          |
|--------------|--------------------|--------------------|-------------------|--------------------|-------------------|
| Mid-Atlantic | \$2,061.84         | \$1,997.07         | \$450.31          | \$467.71           | \$504.86          |
| Midwest      | \$2,537.94         | \$2,586.56         | \$1,188.38        | \$1,415.80         | \$1,104.05        |
| Northeast    | \$5,595.33         | \$5,793.65         | \$726.68          | \$1,193.19         | \$1,162.47        |
| Southeast    | \$4,007.51         | \$3,205.94         | \$970.34          | \$2,174.18         | \$1,603.20        |
| Southwest    | \$3,244.33         | \$3,000.10         | \$2,317.78        | \$2,090.29         | \$857.14          |
| West         | \$11,497.72        | \$6,058.21         | \$1,753.51        | \$2,858.63         | \$2,607.15        |
| <b>Total</b> | <b>\$28,944.67</b> | <b>\$22,641.53</b> | <b>\$7,407.01</b> | <b>\$10,199.80</b> | <b>\$7,838.88</b> |

#### Average Cap Rates



##### Quarterly

| Type         | Q3 2024      | Q4 2024      | Q1 2025      | Q2 2025      | Q3 2025      |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Mid-Atlantic | 6.65%        | 6.80%        | 7.35%        | 7.65%        | 7.83%        |
| Midwest      | 7.59%        | 7.68%        | 7.84%        | 7.82%        | 8.03%        |
| Northeast    | 6.71%        | 6.92%        | 6.88%        | 7.62%        | 7.62%        |
| Southeast    | 7.24%        | 7.23%        | 7.17%        | 7.24%        | 7.06%        |
| Southwest    | 7.49%        | 7.23%        | 7.05%        | 6.97%        | 6.93%        |
| West         | 6.66%        | 6.81%        | 6.92%        | 6.96%        | 6.61%        |
| <b>Total</b> | <b>7.13%</b> | <b>7.18%</b> | <b>7.21%</b> | <b>7.25%</b> | <b>7.18%</b> |

##### Annual

| Type         | 2021         | 2022         | 2023         | 2024         | YTD 2025     |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Mid-Atlantic | 6.54%        | 6.46%        | 7.52%        | 6.80%        | 7.83%        |
| Midwest      | 6.84%        | 6.77%        | 6.79%        | 7.68%        | 8.03%        |
| Northeast    | 5.98%        | 6.13%        | 7.27%        | 6.92%        | 7.62%        |
| Southeast    | 6.02%        | 6.16%        | 6.69%        | 7.23%        | 7.06%        |
| Southwest    | 6.18%        | 6.07%        | 6.45%        | 7.23%        | 6.93%        |
| West         | 5.86%        | 5.58%        | 6.17%        | 6.81%        | 6.61%        |
| <b>Total</b> | <b>6.18%</b> | <b>6.15%</b> | <b>6.67%</b> | <b>7.18%</b> | <b>7.18%</b> |

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



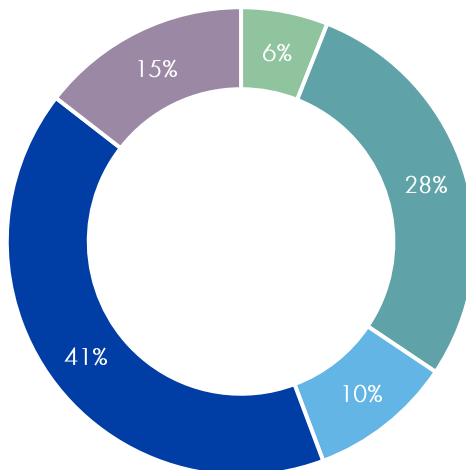
## SINGLE-TENANT OFFICE

### Buyer Distribution

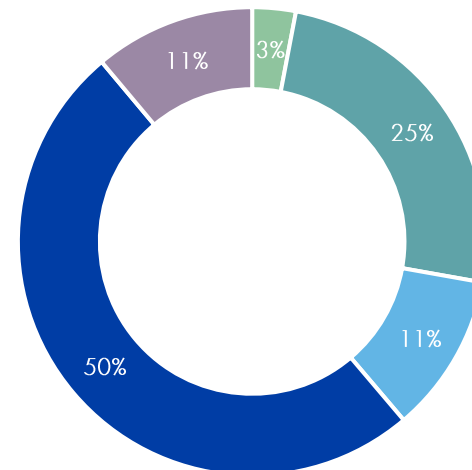
#### Annual



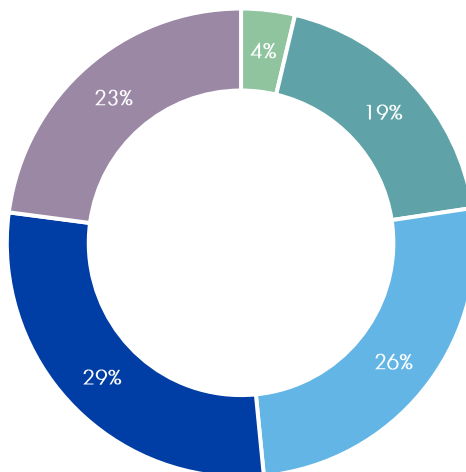
2022



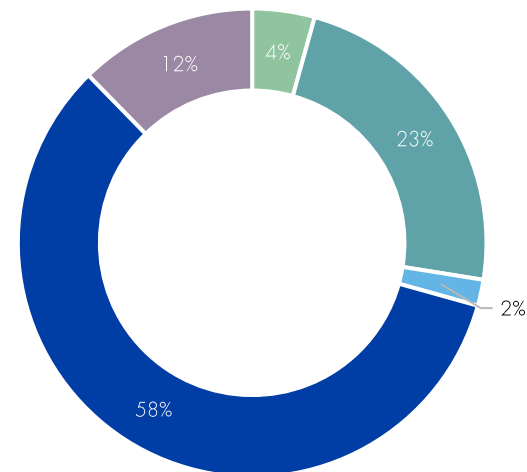
2023



2024



YTD 2025







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