



SINGLE-TENANT | Q4 2025

Retail

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

northmarq.com

SINGLE-TENANT RETAIL

Market Fundamentals



Q4 2025 Investment Sales Volume	\$3.33B
Change from Last Quarter (Q3 '25)	+36.5%
Change from Last Year (Q4 '24)	+14.6%



Q4 2025 Overall Average Cap Rate	6.92%
Change from Last Quarter (Q3 '25)	+3 bps
Change from Last Year (Q4 '24)	+5 bps

Overview | Single-Tenant Retail

The single-tenant retail sector posted \$3.3 billion in fourth quarter sales volume, up 36.5% from the third quarter and 14.6% year-over-year. Cap rates recorded slight upward pressure, rising 3 basis points to 6.92%, and 5 basis points year over year.

The Southeast region led transaction activity in the fourth quarter, recording \$949.9 million in volume and accounting for 28.5% of the total. The West followed with \$862.9 million, representing 25.9% of overall volume. The Southwest ranked third with \$659.4 million, or 19.8%, while the Northeast recorded \$402.4 million, representing 12.1%. The Midwest contributed \$286.1 million, or 8.6% of total volume, and the Mid-Atlantic region trailed with \$168.3 million, accounting for 5.1%.

By region, cap rates ranged from a low of 6.02% in the Northeast to a high of 7.62% in the Midwest. All regions, except the Mid-Atlantic, Midwest, Northeast, and Southeast, recorded a modest increase over the prior quarter. Average cap rates are up 132 basis points from the recent low of 5.60% recorded in the fourth quarter of 2022.

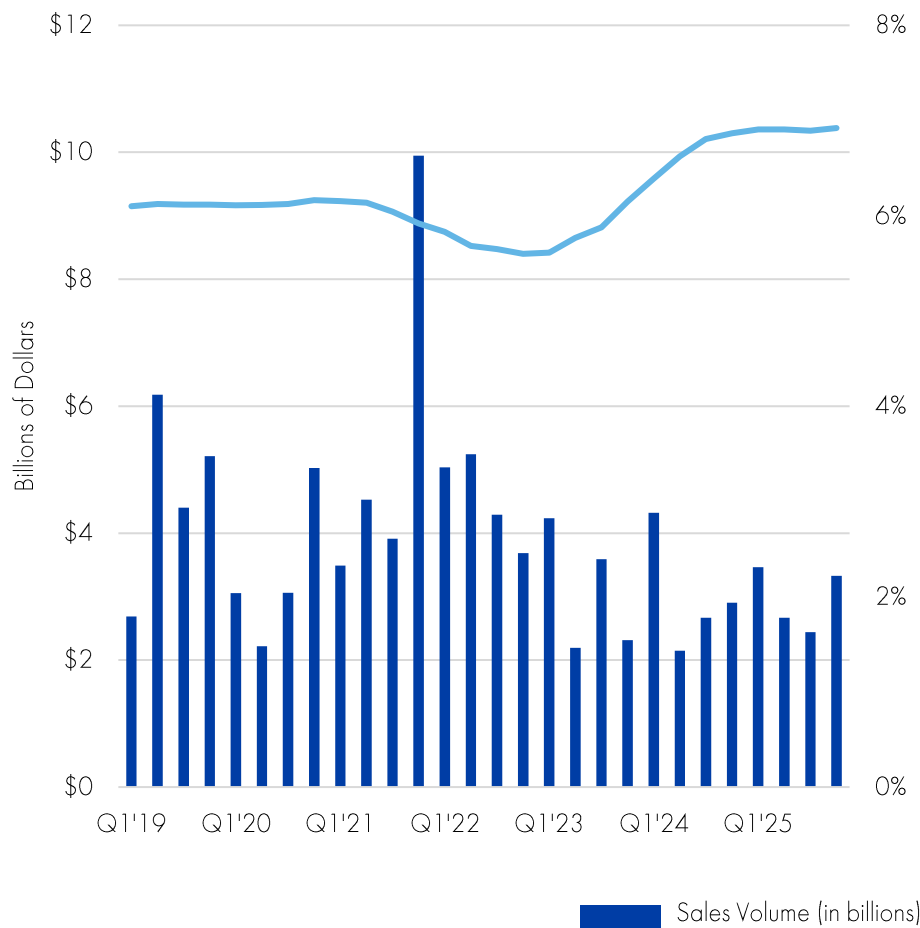
Private buyers accounted for 69% of single-tenant retail acquisitions through the fourth quarter of 2025, followed by REIT/Listed investors at 10% and institutional at 8%. The private share rose sharply by 11% from 2024, while institutional investment activity increased by 2%. REIT/Listed acquisitions fell from 26% of investment activity in 2024 to 10% as of year-end 2025.



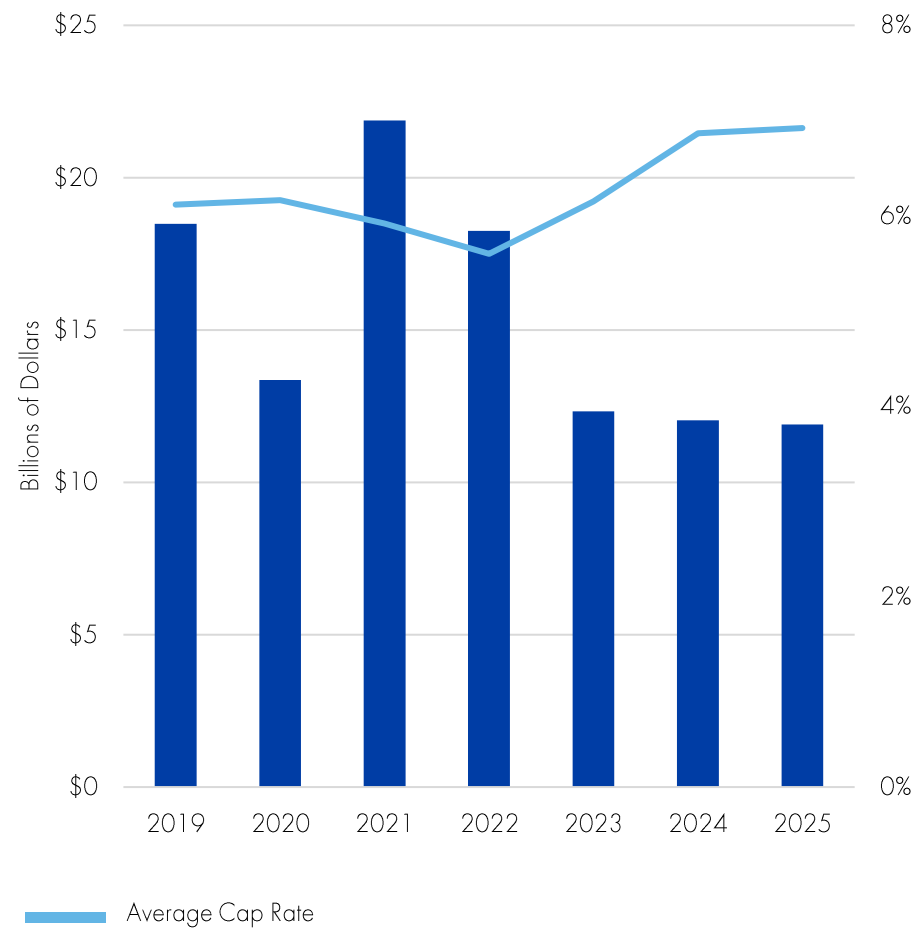
SINGLE-TENANT RETAIL

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	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	\$197.64	\$164.59	\$114.44	\$141.79	\$168.26
Midwest	\$364.71	\$422.38	\$412.22	\$286.27	\$286.12
Northeast	\$540.94	\$864.30	\$568.69	\$351.87	\$402.36
Southeast	\$730.78	\$916.30	\$690.75	\$706.79	\$949.89
Southwest	\$422.37	\$355.65	\$338.39	\$463.28	\$659.41
West	\$648.23	\$650.48	\$541.15	\$488.07	\$862.95
Total	\$2,904.67	\$3,464.18	\$2,665.63	\$2,438.07	\$3,328.98

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	\$1,570.15	\$1,462.34	\$977.06	\$635.84	\$589.08
Midwest	\$4,416.58	\$3,386.23	\$1,900.33	\$2,126.84	\$1,406.99
Northeast	\$2,681.91	\$2,344.21	\$1,719.37	\$1,404.17	\$2,187.21
Southeast	\$5,273.06	\$4,903.59	\$3,617.41	\$3,389.33	\$3,263.73
Southwest	\$3,682.66	\$2,619.00	\$1,781.69	\$2,070.94	\$1,816.73
West	\$4,251.46	\$3,533.44	\$2,334.35	\$2,411.24	\$2,542.65
Total	\$21,875.81	\$18,248.81	\$12,330.22	\$12,038.37	\$11,896.86

Average Cap Rates



Quarterly

Type	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Mid-Atlantic	7.05%	7.13%	7.46%	7.46%	7.28%
Midwest	7.45%	7.42%	7.57%	7.64%	7.62%
Northeast	6.49%	6.49%	6.23%	6.07%	6.02%
Southeast	6.80%	6.88%	6.88%	6.88%	6.85%
Southwest	6.96%	6.93%	6.99%	7.05%	7.37%
West	6.20%	6.29%	6.22%	6.32%	6.40%
Total	6.87%	6.91%	6.91%	6.89%	6.92%

Annual

Type	2021	2022	2023	2024	2025
Mid-Atlantic	6.26%	6.04%	6.14%	7.05%	7.28%
Midwest	6.26%	6.05%	6.68%	7.45%	7.62%
Northeast	5.66%	5.42%	6.02%	6.49%	6.02%
Southeast	5.90%	5.57%	6.22%	6.80%	6.85%
Southwest	5.78%	5.48%	6.27%	6.96%	7.37%
West	5.64%	5.24%	5.54%	6.20%	6.40%
Total	5.92%	5.60%	6.15%	6.87%	6.92%

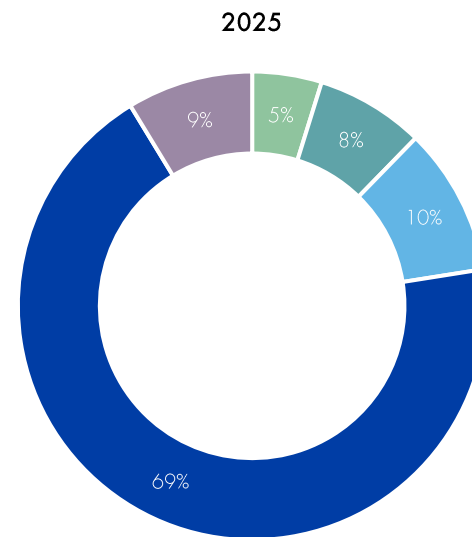
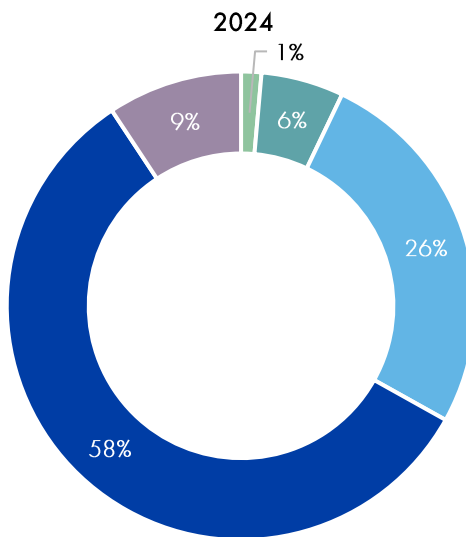
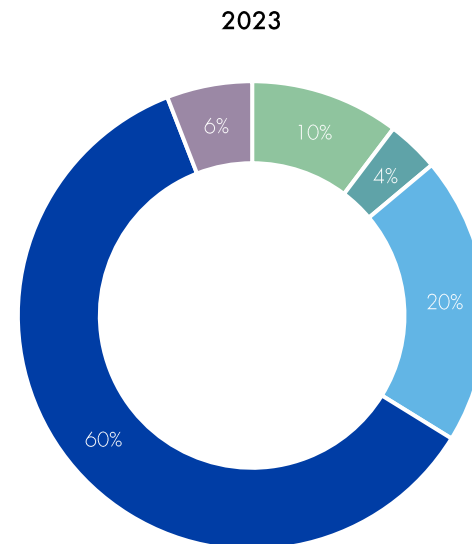
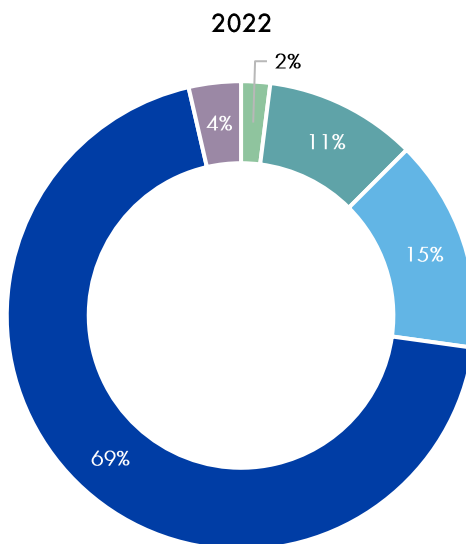
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; totals may not equal the sum of individual property types due to rounding



SINGLE-TENANT RETAIL

Buyer Distribution

Annual





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