

Retail



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

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

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.

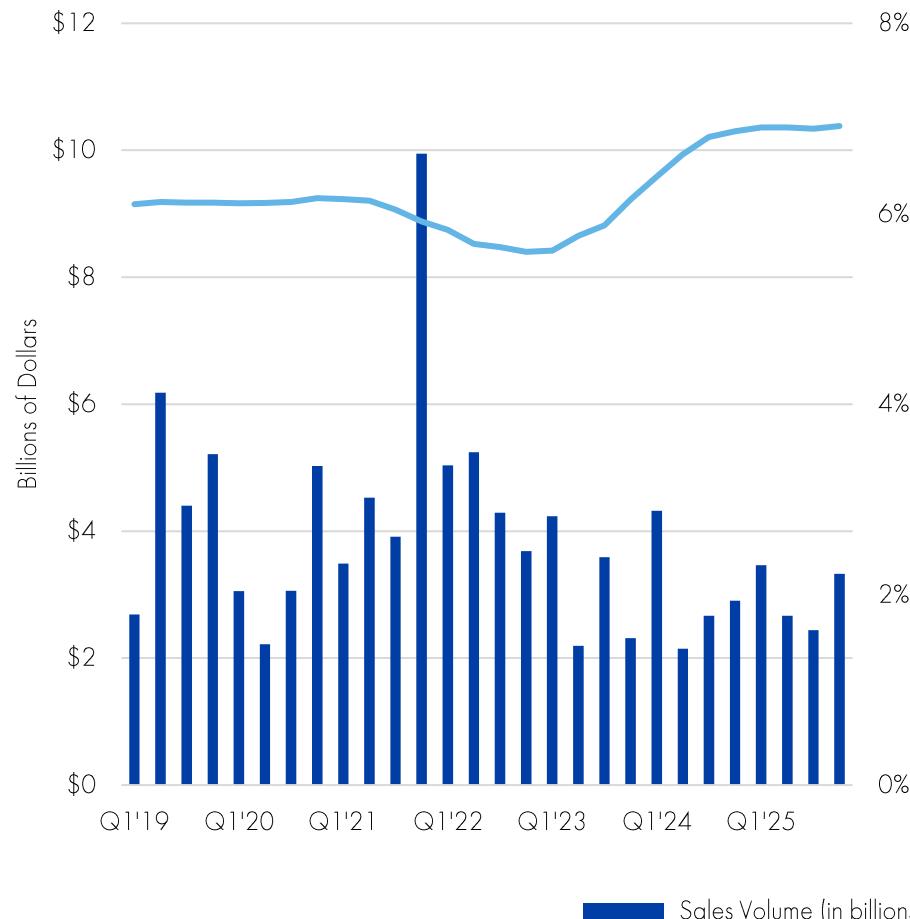
Private buyers accounted for 69% of single-tenant retail acquisitions through the fourth quarter of 2025, followed by REIT/Listed investors at 10% and institutional at 8%. The private share rose sharply by 11% from 2024, while institutional investment activity increased by 2%. REIT/Listed acquisitions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

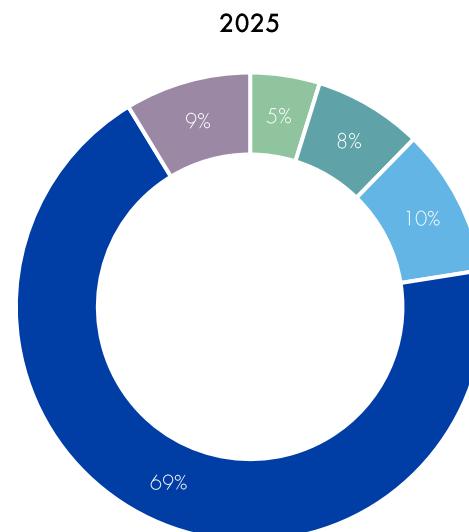
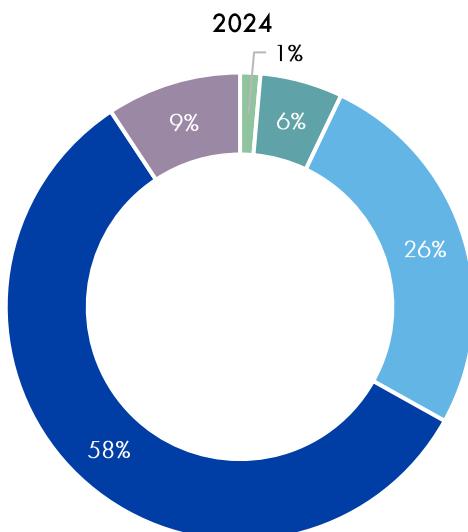
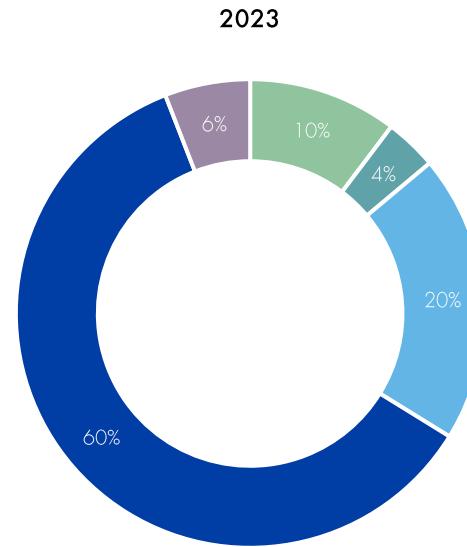
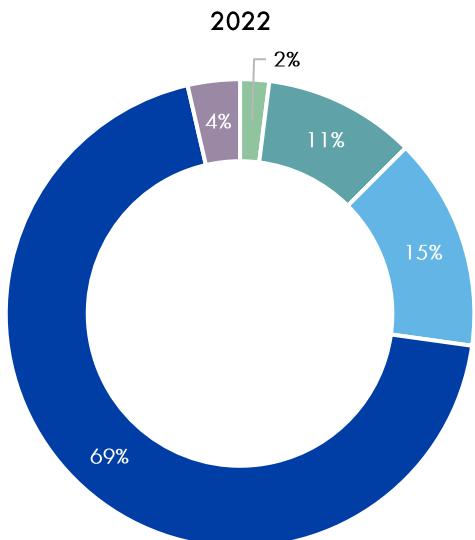


SINGLE-TENANT RETAIL

Buyer Distribution

Annual

- 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





JOHN TAGG

Research Manager

jtagg@northmarq.com

northmarq.com/trends-insights/research-library/marketsnapshot

©2026 Northmarq. All rights reserved. No part of this publication may be reproduced by any means without prior written permission of Northmarq. The information contained in this publication has been compiled from sources believed to be reliable. Northmarq accepts no liability or responsibility for the accuracy or completeness of the information contained herein and no reliance should be placed on the information contained in this publication.