



SINGLE-TENANT | Q3 2026

Office

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

northmarq.com

SINGLE-TENANT OFFICE

Market Fundamentals



Q3 2026 Investment Sales Volume	\$3.90B
Change from Last Quarter (Q2 '26)	95.3%
Change from Last Year (Q3 '25)	49.8%



Q3 2026 Overall Average Cap Rate	7.12%
Change from Last Quarter (Q2 '26)	-2 bps
Change from Last Year (Q3 '25)	-8 bps

Overview | Single-Tenant Office

The single-tenant office sector recorded nearly \$3.9 billion in third-quarter sales volume, the largest total since the fourth quarter of 2022. Cap rates dipped lower, falling 2 basis points from the second quarter to 7.12% and 8 basis points from one year ago.

The West region led transaction activity for the quarter, recording \$1.3 billion in sales and accounting for 34.5% of total volume. The Southwest followed with \$940.9 million, representing 24.1% of overall volume. The Southeast ranked third with \$642.7 million, or 16.5%, while the Midwest recorded \$432.9 million, representing 11.1%. The Northeast contributed \$395.5 million, or 10.1% of total volume, while the Mid-Atlantic region trailed with \$142.6 million, accounting for 3.7%.

By region, cap rates ranged from a low of 6.84% in the Southeast to a high of 7.75% in the Mid-Atlantic. Cap rates trends were mixed across regions. Average cap rates are up 106 basis points from the recent low of 6.06% recorded in the first quarter of 2022.

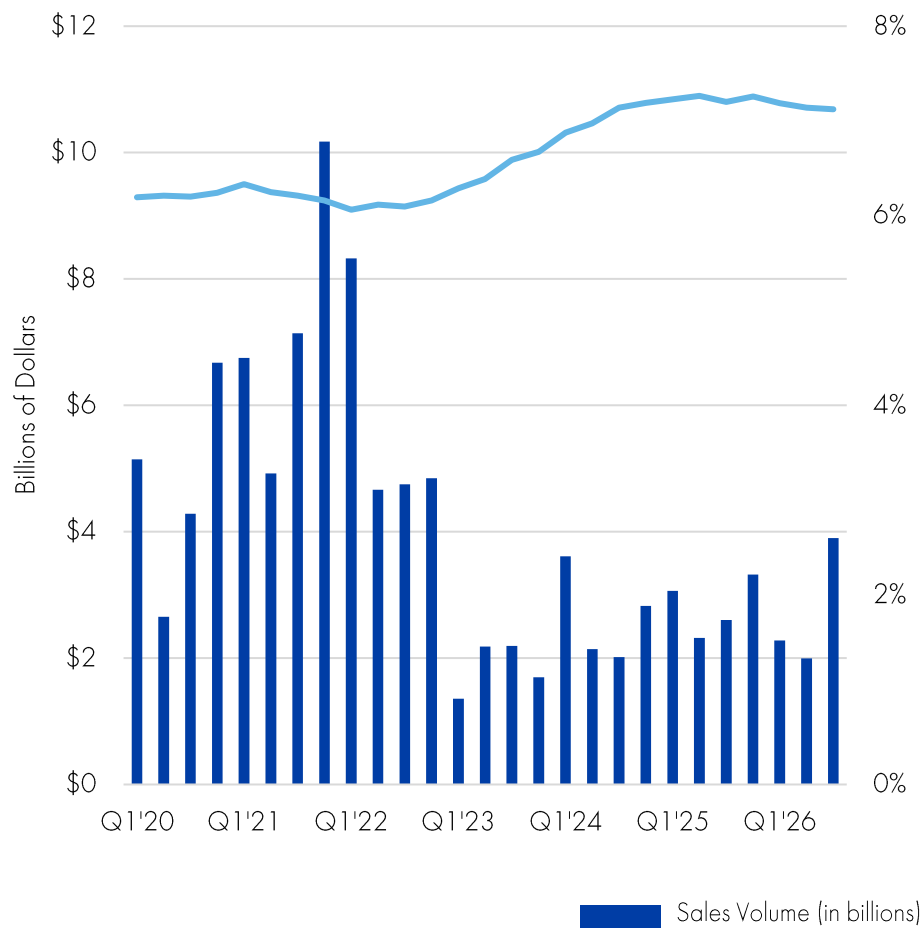
Private buyers accounted for 54% of single-tenant office acquisitions through the third quarter, followed by institutional investors at 21%. The institutional share decreased by 2% from 2025, while private investment activity declined by 3% over the same period. REIT/Listed acquisitions rose from just 4% of investment activity in 2025 to 7% as of the third quarter of 2026.



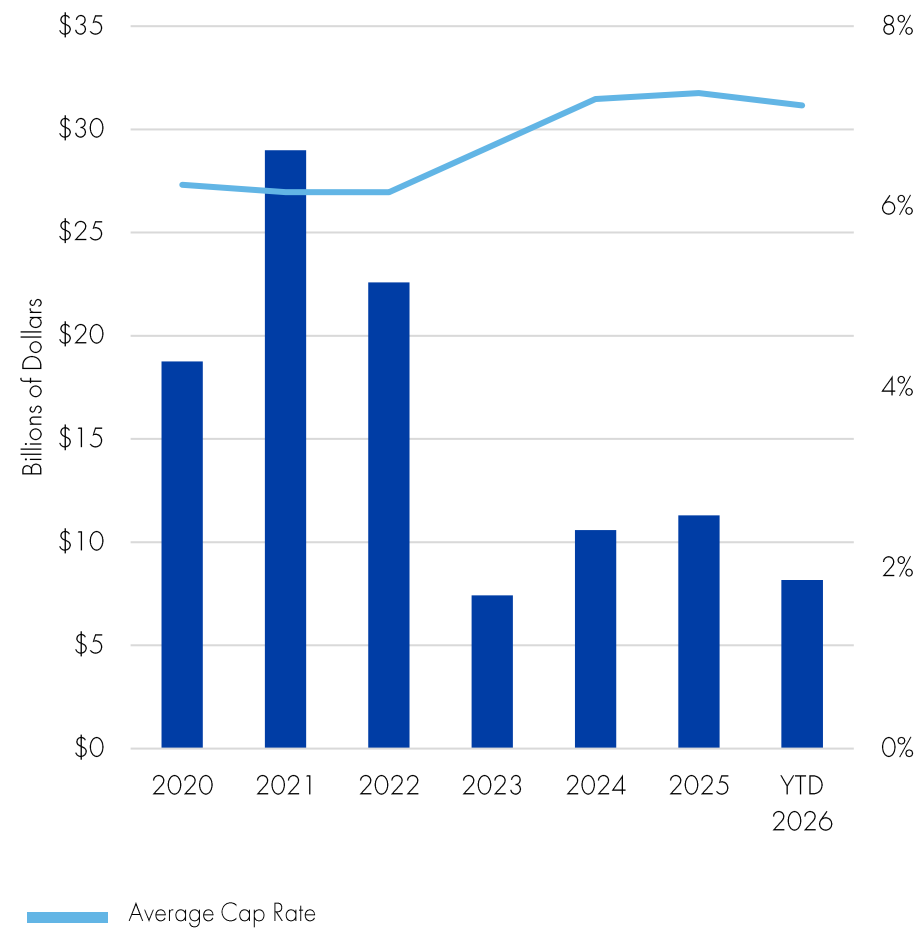
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Investment Sales Volume & Average Cap Rates

 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 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Mid-Atlantic	\$174.68	\$215.20	\$328.27	\$102.29	\$142.63
Midwest	\$562.99	\$460.50	\$436.16	\$413.03	\$432.85
Northeast	\$287.33	\$670.36	\$270.79	\$150.45	\$395.52
Southeast	\$553.80	\$709.83	\$553.77	\$535.49	\$642.68
Southwest	\$251.42	\$413.87	\$302.80	\$320.38	\$940.90
West	\$771.33	\$850.69	\$386.48	\$474.88	\$1,343.66
Total	\$2,601.55	\$3,320.46	\$2,278.26	\$1,996.52	\$3,898.23

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	\$2,004.22	\$450.31	\$467.71	\$741.62	\$573.19
Midwest	\$2,565.31	\$1,185.88	\$1,455.51	\$1,643.64	\$1,282.04
Northeast	\$5,793.65	\$726.68	\$1,437.28	\$1,864.63	\$816.76
Southeast	\$3,197.44	\$985.66	\$2,280.96	\$2,356.61	\$1,731.94
Southwest	\$2,988.56	\$2,317.78	\$2,077.93	\$1,320.09	\$1,564.07
West	\$6,036.01	\$1,757.06	\$2,872.23	\$3,375.40	\$2,205.02
Total	\$22,585.19	\$7,423.37	\$10,591.61	\$11,301.99	\$8,173.01

Average Cap Rates



Quarterly

Type	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Mid-Atlantic	8.15%	8.27%	8.11%	7.59%	7.75%
Midwest	7.98%	8.23%	8.15%	7.82%	7.73%
Northeast	7.63%	7.53%	7.60%	7.21%	6.90%
Southeast	6.96%	6.89%	6.81%	6.77%	6.84%
Southwest	7.01%	7.21%	7.16%	7.26%	7.14%
West	6.60%	6.52%	6.62%	6.83%	6.87%
Total	7.20%	7.26%	7.19%	7.14%	7.12%

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	6.46%	7.52%	6.80%	8.27%	7.75%
Midwest	6.83%	6.79%	7.68%	8.23%	7.73%
Northeast	6.13%	7.27%	6.92%	7.53%	6.90%
Southeast	6.16%	6.69%	7.25%	6.89%	6.84%
Southwest	6.07%	6.45%	7.24%	7.21%	7.14%
West	5.58%	6.17%	6.81%	6.52%	6.87%
Total	6.16%	6.67%	7.19%	7.26%	7.12%

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



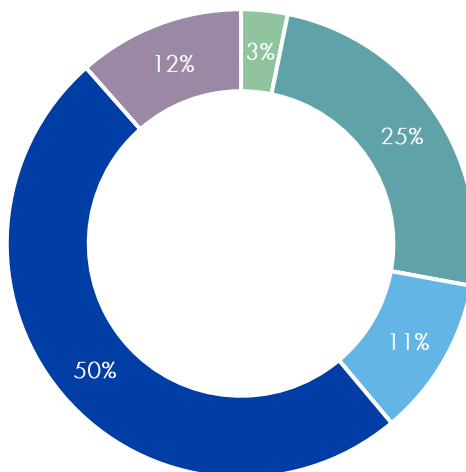
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Buyer Distribution

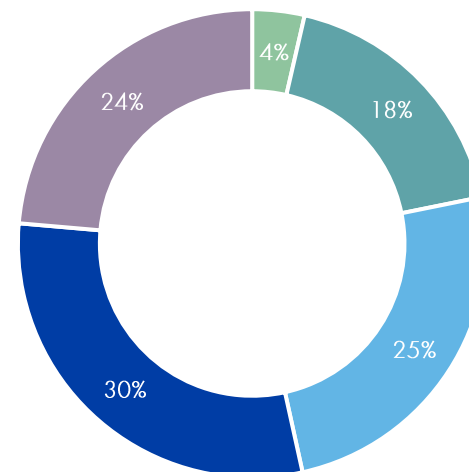
Annual



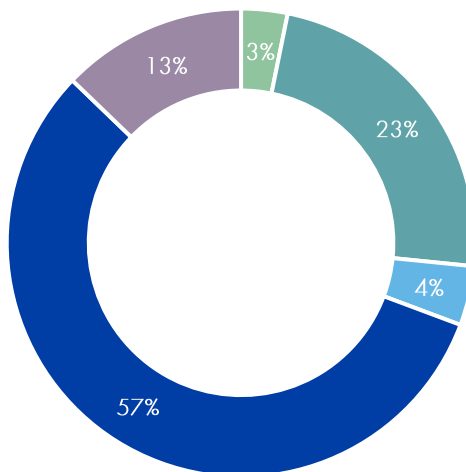
2023



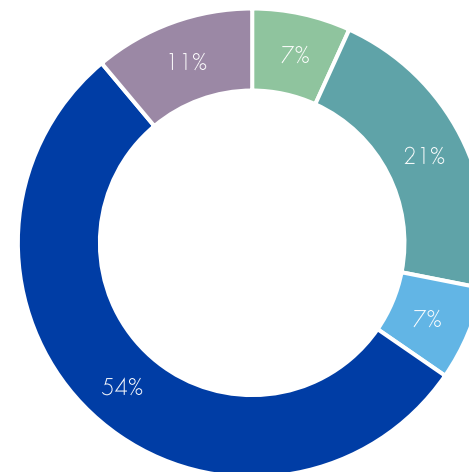
2024



2025



YTD 2026





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