



SINGLE-TENANT | Q3 2026

Retail

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

northmarq.com

SINGLE-TENANT RETAIL

Market Fundamentals



Q3 2026 Investment Sales Volume	\$3.13B
Change from Last Quarter (Q2 '26)	-13.6%
Change from Last Year (Q3 '25)	+25.2%



Q3 2026 Overall Average Cap Rate	6.93%
Change from Last Quarter (Q2 '26)	+6 bps
Change from Last Year (Q3 '25)	+6 bps

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

Overview | Single-Tenant Retail

The single-tenant retail sector posted \$3.1 billion in third-quarter sales volume, down 13.6% from the prior quarter but up 25.2% compared to the same period last year. Cap rates inched higher by 6 basis points on both a quarterly and annual basis, reaching 6.93%.

The West region led transaction activity, recording \$722.7 million in volume and accounting for 23.1% of total volume. The Southeast followed with \$698.4 million, representing 22.3% of overall volume. The Southwest ranked third with \$622.1 million, or 19.8%, while the Northeast recorded \$536.0 million, representing 17.1%. The Midwest contributed \$351.3 million, or 11.2% of total volume. The Mid-Atlantic trailed all regions, accounting for 6.5% of transaction volume, or \$204.4 million.

By region, cap rates ranged from a low of 6.52% in the West to a high of 7.73% in the Midwest. All regions, except the Southeast and Southwest, recorded increases from the prior quarter. Average cap rates are up 133 basis points from the recent low of 5.60% recorded in the fourth quarter of 2022.

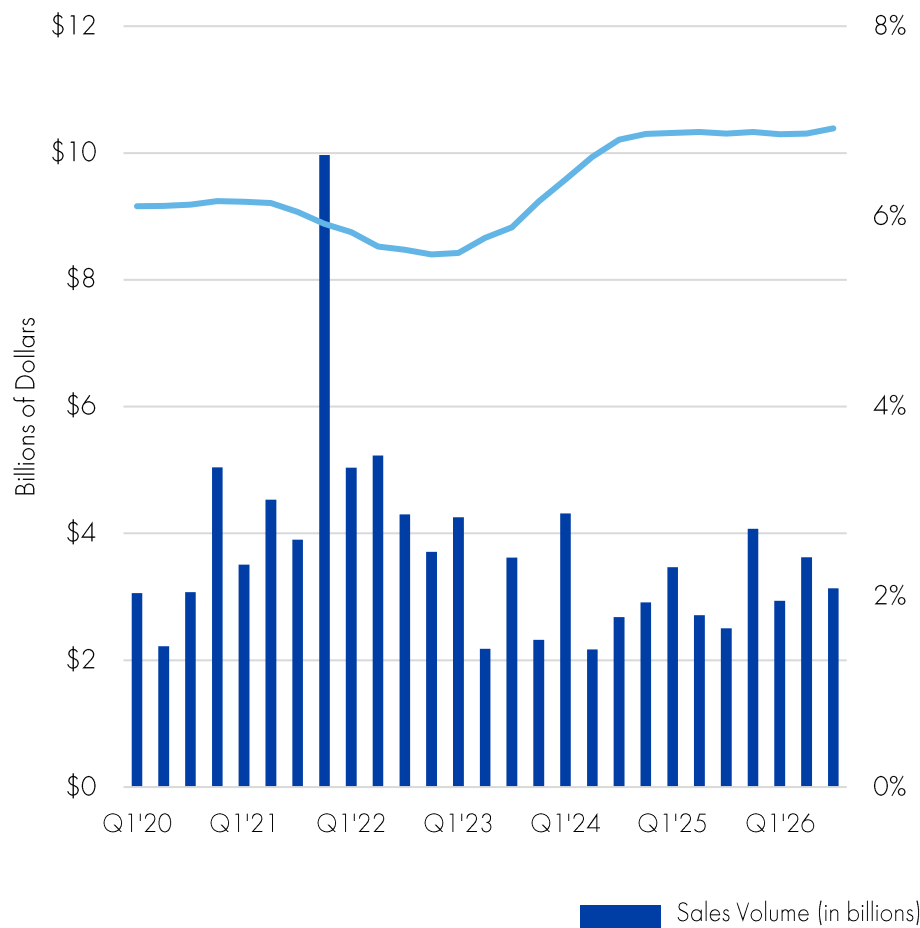
Private buyers accounted for 66% of single-tenant retail acquisition volume through the third quarter of 2026, followed by REIT/Listed at 14% and cross-border at 9%. Domestic users/others made up 8%. Cross-border investment posted a sharp increase in activity, rising from just 1% of acquisition volume in 2024 and 4% in 2025. Institutional investors have been less active, accounting for just 3% year-to-date.



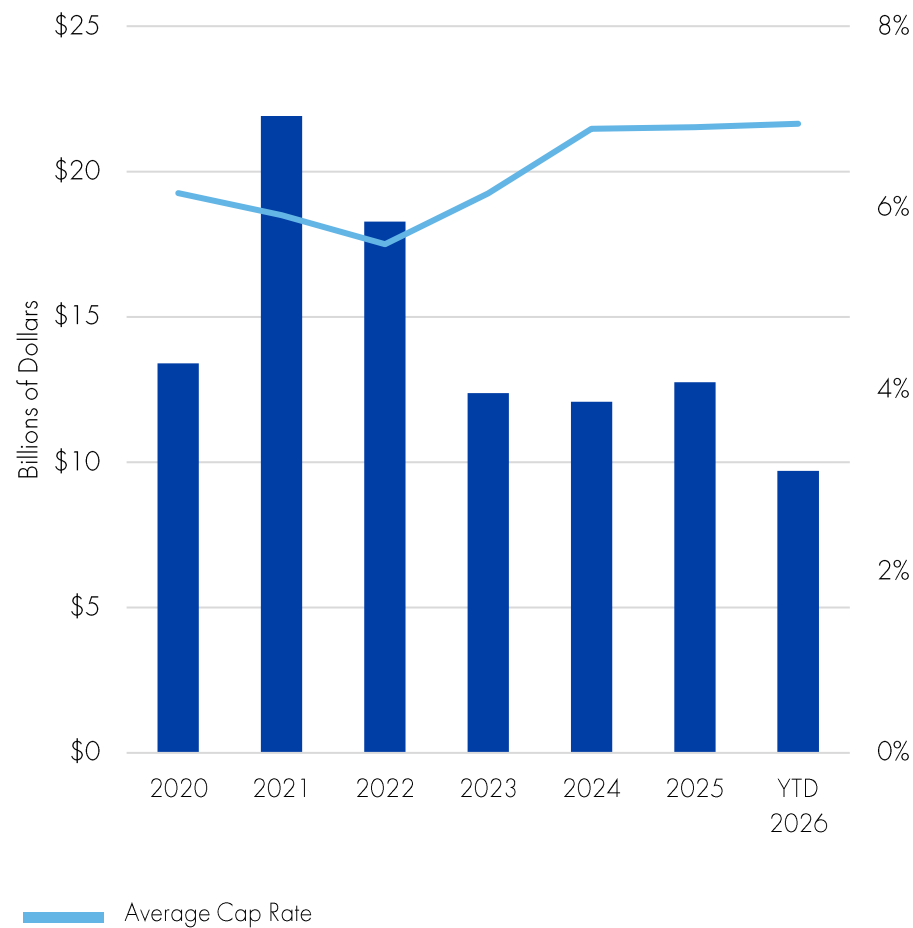
SINGLE-TENANT RETAIL

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	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Mid-Atlantic	\$137.49	\$230.29	\$239.40	\$642.10	\$204.44
Midwest	\$315.13	\$536.78	\$382.62	\$591.86	\$351.34
Northeast	\$350.09	\$582.82	\$471.64	\$510.33	\$536.00
Southeast	\$696.91	\$1,097.73	\$688.04	\$758.47	\$698.42
Southwest	\$504.84	\$726.02	\$441.50	\$476.17	\$622.08
West	\$499.75	\$897.91	\$713.10	\$647.51	\$722.66
Total	\$2,504.20	\$4,071.55	\$2,936.30	\$3,626.44	\$3,134.93

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	\$1,459.64	\$977.07	\$646.64	\$653.11	\$1,085.93
Midwest	\$3,412.04	\$1,914.05	\$2,128.30	\$1,688.55	\$1,325.81
Northeast	\$2,350.06	\$1,731.55	\$1,407.75	\$2,365.90	\$1,517.97
Southeast	\$4,895.96	\$3,602.94	\$3,419.22	\$3,427.47	\$2,144.93
Southwest	\$2,621.74	\$1,795.74	\$2,070.94	\$1,938.58	\$1,539.76
West	\$3,533.44	\$2,353.07	\$2,408.23	\$2,589.30	\$2,083.27
Total	\$18,272.88	\$12,374.41	\$12,084.09	\$12,752.37	\$9,697.67

Average Cap Rates



Quarterly

Type	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Mid-Atlantic	7.44%	7.37%	7.18%	7.06%	7.14%
Midwest	7.60%	7.64%	7.71%	7.57%	7.73%
Northeast	6.04%	6.12%	6.28%	6.51%	6.54%
Southeast	6.89%	6.87%	6.73%	6.70%	6.68%
Southwest	7.02%	7.22%	7.24%	7.29%	7.21%
West	6.31%	6.32%	6.34%	6.42%	6.52%
Total	6.87%	6.89%	6.86%	6.87%	6.93%

Annual

Type	2022	2023	2024	2025	YTD 2026
Mid-Atlantic	6.04%	6.14%	7.05%	7.37%	7.14%
Midwest	6.04%	6.68%	7.45%	7.64%	7.73%
Northeast	5.42%	6.08%	6.49%	6.12%	6.54%
Southeast	5.57%	6.22%	6.80%	6.87%	6.68%
Southwest	5.49%	6.27%	6.96%	7.22%	7.21%
West	5.24%	5.54%	6.20%	6.32%	6.52%
Total	5.60%	6.16%	6.87%	6.89%	6.93%

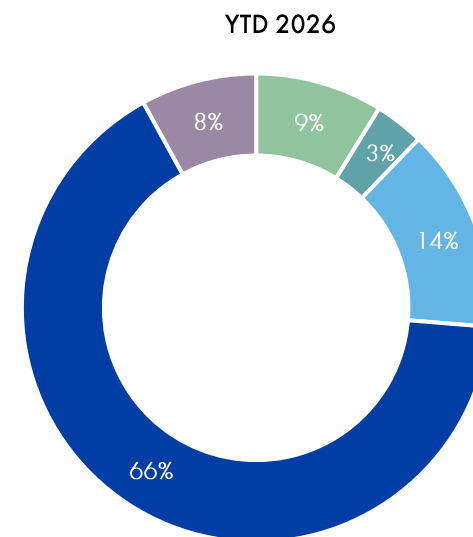
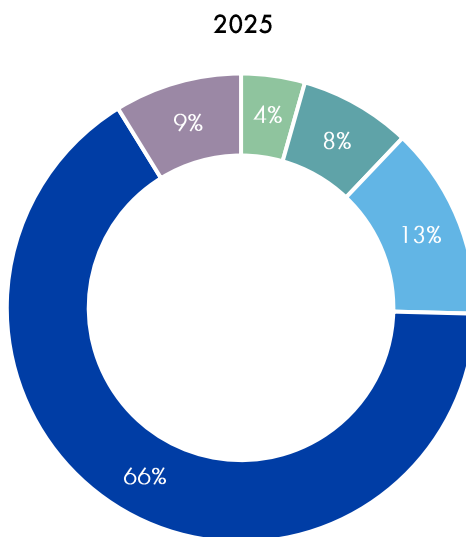
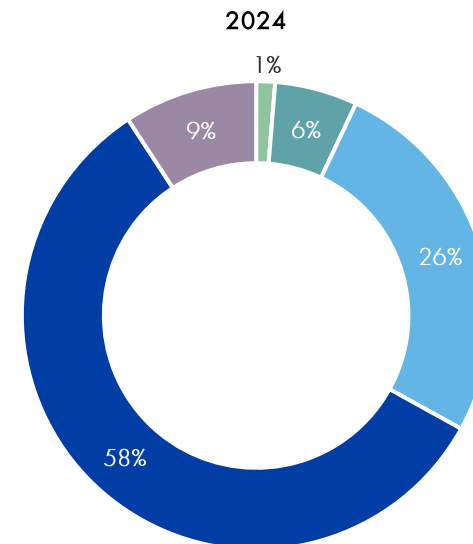
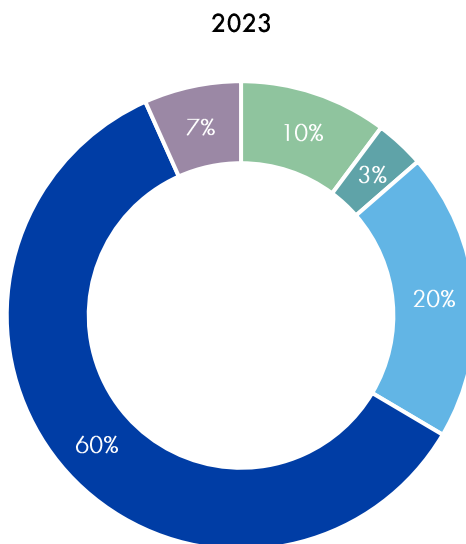
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5M; totals may not equal the sum of individual property types due to rounding



SINGLE-TENANT RETAIL

Buyer Distribution

Annual





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