



MULTI-TENANT | Q3 2024

# Industrial

## MULTI-TENANT INDUSTRIAL

### Market Fundamentals



Q3 2024 Investment Sales Volume	<b>\$16.38B</b>
Change from Last Quarter (Q2 '24)	<b>+1.7%</b>
Change from Last Year (Q3 '23)	<b>-8.0%</b>



Q3 2024 Overall Average Cap Rate	<b>6.30%</b>
Change from Last Quarter (Q2 '24)	<b>+25 bps</b>
Change from Last Year (Q3 '23)	<b>+64 bps</b>

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

### Overview | Multi-Tenant Industrial

The multi-tenant industrial sector continued to show resilience in third quarter 2024, reporting \$16.4 billion in transaction volume. This represents a 1.7% quarter-over-quarter increase, although year-over-year activity was down by 8.0%. Year-to-date, the industrial investment market has logged nearly \$45.9 billion in sales, but due to a sluggish first quarter, 2024's annual totals are unlikely to exceed 2023's performance levels. Driven by a healthy mix of portfolio and single-asset transactions, the Southeast was this quarter's top regional performer, with \$4.3 billion in recorded trades.

Compared to other multi-tenant sectors, the industrial market reported the most significant cap rate increase during third quarter. Following a 25-basis point jump, the current average now sits at 6.30%, which is the highest since mid-2019. Average cap rates across the regions are separated by 178 basis points, anchored by the West at 5.68% and the Midwest at 7.47%. With the exception of the Mid-Atlantic region, which reported a negligible decrease, all regions witnessed increasing cap rates during the last three months.

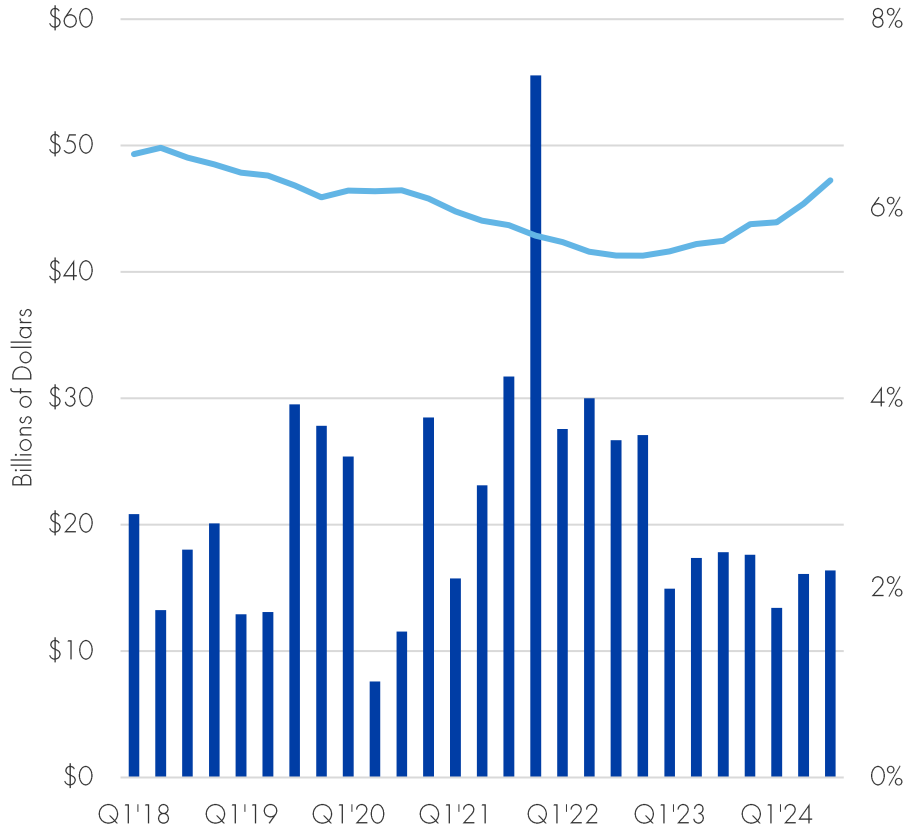
Compared to 2023, buyer distribution this year has held steady, with all investor groups reporting consistent year-to-year levels of acquisition activity. Private investors continue to lead the pack, representing half of all multi-tenant industrial buyers. Institutional investors, with 28% market share year-to-date, continue to remain active in the sector as well. International buyers and REITs, with under 10% market share each, have been focused less on multi-tenant industrial assets than in years past.



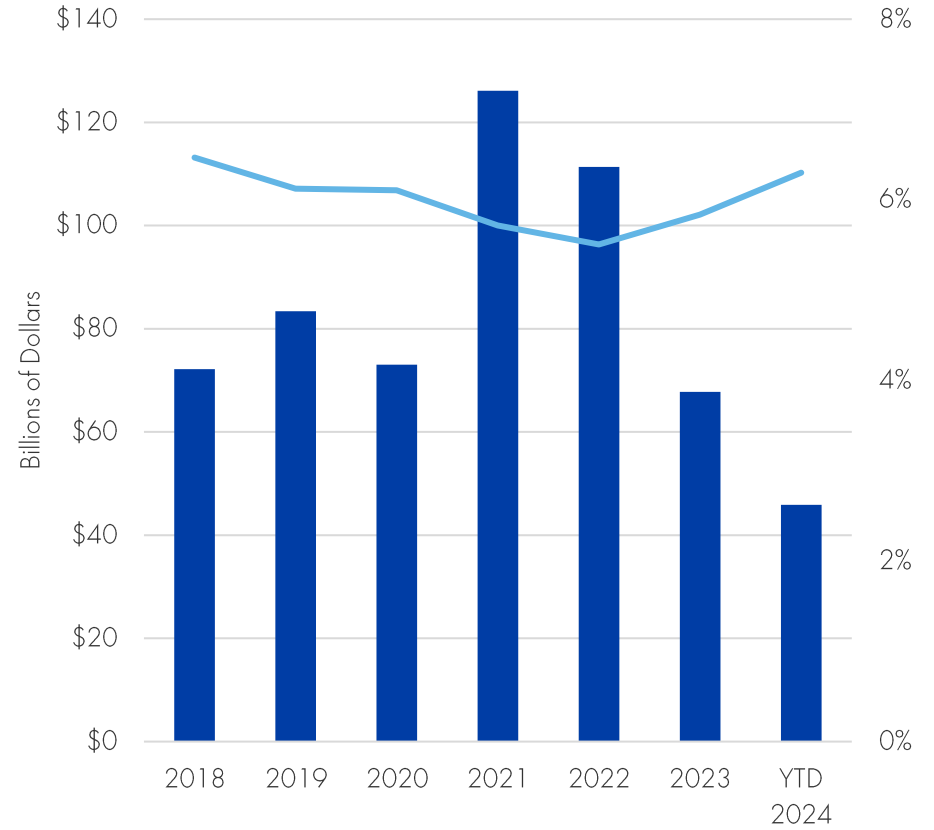
# MULTI-TENANT INDUSTRIAL

## Investment Sales Volume & Average Cap Rates

**Q** Quarterly



**A** Annual



■ Sales Volume (in billions)

— Average Cap Rate

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



## MULTI-TENANT INDUSTRIAL

### Quarterly & Annual Market Statistics

#### Investment Sales Volume (in millions)



##### Quarterly

Type	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Mid-Atlantic	\$2,514.95	\$1,302.35	\$912.90	\$1,158.15	\$1,222.26
Midwest	\$2,371.02	\$2,506.15	\$2,457.60	\$2,603.29	\$2,261.29
Northeast	\$1,558.21	\$1,961.90	\$1,048.78	\$1,463.90	\$1,506.58
Southeast	\$3,981.68	\$4,081.77	\$2,796.07	\$3,579.75	\$4,315.96
Southwest	\$2,883.97	\$3,103.84	\$2,281.25	\$3,289.96	\$3,560.63
West	\$4,504.52	\$4,076.43	\$3,911.41	\$4,004.74	\$3,242.54
<b>Total</b>	<b>\$17,814.36</b>	<b>\$17,634.80</b>	<b>\$13,408.01</b>	<b>\$16,099.79</b>	<b>\$16,381.01</b>

##### Annual

Type	2020	2021	2022	2023	YTD 2024
Mid-Atlantic	\$9,683.53	\$11,020.58	\$10,185.15	\$6,613.36	\$3,293.30
Midwest	\$12,374.23	\$22,494.76	\$16,173.21	\$9,203.87	\$7,322.18
Northeast	\$7,956.98	\$11,606.31	\$11,204.93	\$7,366.57	\$4,019.27
Southeast	\$13,288.82	\$26,200.37	\$22,824.62	\$14,130.18	\$10,691.78
Southwest	\$11,352.54	\$21,555.94	\$18,417.42	\$10,993.43	\$9,131.84
West	\$17,905.15	\$33,267.77	\$32,521.45	\$18,834.91	\$11,158.69
<b>Total</b>	<b>\$73,021.95</b>	<b>\$126,152.75</b>	<b>\$111,349.61</b>	<b>\$67,744.67</b>	<b>\$45,888.80</b>

#### Average Cap Rates



##### Quarterly

Type	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Mid-Atlantic	6.25%	6.59%	6.57%	6.34%	6.32%
Midwest	7.14%	7.14%	7.03%	7.27%	7.47%
Northeast	5.95%	5.95%	5.77%	5.87%	6.07%
Southeast	5.71%	5.84%	5.94%	6.08%	6.50%
Southwest	5.49%	5.65%	5.68%	5.90%	6.10%
West	5.13%	5.27%	5.38%	5.55%	5.68%
<b>Total</b>	<b>5.66%</b>	<b>5.84%</b>	<b>5.86%</b>	<b>6.05%</b>	<b>6.30%</b>

##### Annual

Type	2020	2021	2022	2023	YTD 2024
Mid-Atlantic	6.06%	6.09%	5.64%	6.59%	6.32%
Midwest	7.67%	6.90%	6.68%	7.14%	7.47%
Northeast	5.40%	5.21%	5.34%	5.95%	6.07%
Southeast	6.34%	5.84%	5.70%	5.84%	6.50%
Southwest	6.30%	5.79%	5.31%	5.65%	6.10%
West	5.26%	5.03%	4.83%	5.27%	5.68%
<b>Total</b>	<b>6.11%</b>	<b>5.72%</b>	<b>5.51%</b>	<b>5.84%</b>	<b>6.30%</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



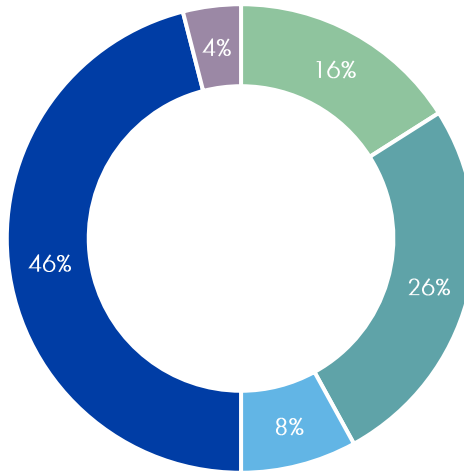
# MULTI-TENANT INDUSTRIAL

## Buyer Distribution

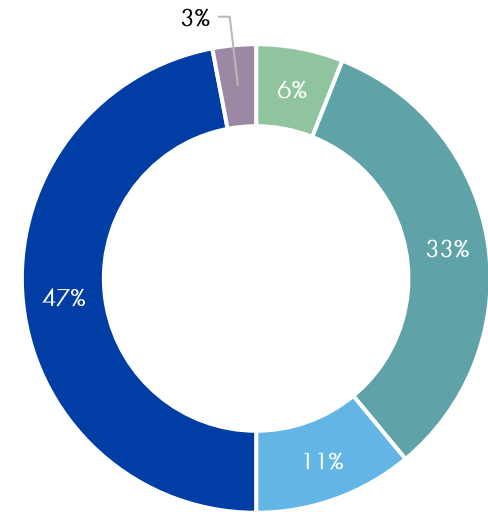
### Annual

- International Buyer
- Domestic Institutional
- Domestic Public REIT
- Domestic Private Buyer
- Domestic User/Other

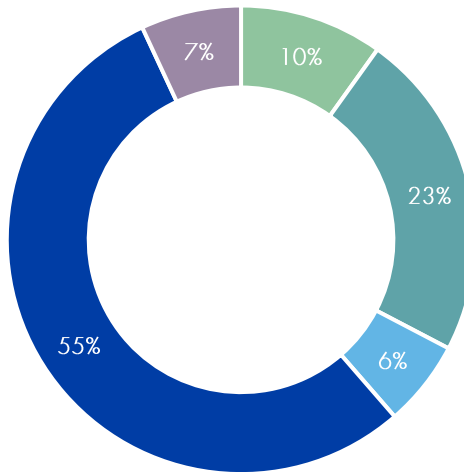
2021



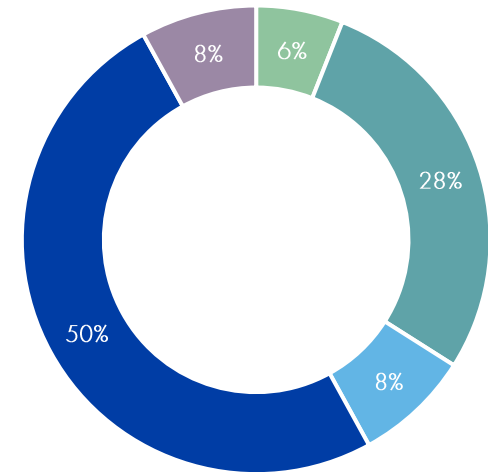
2022



2023



YTD 2024



Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; graphs may not total 100 percent due to rounding







## LANIE BECK

*Senior Director, Content & Marketing Research*

[lbeck@northmarq.com](mailto:lbeck@northmarq.com)

---

[northmarq.com/trends-insights/research-library/marketsnapshot](https://northmarq.com/trends-insights/research-library/marketsnapshot)

©2024 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.