



MULTI-TENANT | Q4 2024

# Overall Market

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

[northmarq.com](https://northmarq.com)

## MULTI-TENANT OVERALL MARKET

### Market Fundamentals



Q4 2024 Investment Sales Volume	<b>\$53.87B</b>
Change from Last Quarter (Q3 '24)	<b>+36.8%</b>
Change from Last Year (Q4 '23)	<b>+18.9%</b>



Q4 2024 Overall Average Cap Rate	<b>7.05%</b>
Change from Last Quarter (Q3 '24)	<b>+4 bps</b>
Change from Last Year (Q4 '23)	<b>+35 bps</b>

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

### Overview | Multi-Tenant Overall Market

The multi-tenant market demonstrated a strong rebound in fourth quarter 2024, with investment sales activity climbing to \$53.9 billion. This marked a robust 36.8% increase over third quarter and pushed the total annual sales volume to \$166.9 billion, narrowly surpassing 2023 by 2.9%.

Investment sales activity was led by the industrial sector, which accounted for \$22.8 billion in fourth quarter, representing a 31.0% quarterly increase. Office transactions surged by more than 60%, reaching \$19.0 billion – the sector's strongest performance since third quarter 2022. Retail activity rounded out the quarter with \$12.0 billion in investment sales volume, marking its strongest showing in over a year.

For the year, industrial maintained its top position by capturing the largest share of total investment volume, backed by demand for modern facilities in logistics and regional hubs. Office outperformed expectations, with medical office properties and large portfolios catching investor attention. Retail activity fell just shy of 2023's totals, although the sector continues to benefit from increased interest in open-air shopping centers and service-based retail. Still, all sectors currently lag behind the strong performance reported in 2021 and 2022.

Cap rates for multi-tenant investments rose modestly at year-end, increasing just four basis points to an average of 7.05%. This marked the highest overall average in more than a decade.

Private investors drove the majority of multi-tenant acquisitions, representing 55% of the buyer pool in 2024. This group was particularly active in retail, securing 63% of assets traded within the sector. Institutional buyers accounted for 22% of the overall market, with a notable focus on industrial properties. Meanwhile, REITs captured 11% of total activity, favoring retail and office acquisitions. International buyers were relatively quiet this year, contributing to only a small fraction of transactions compared to historic averages.

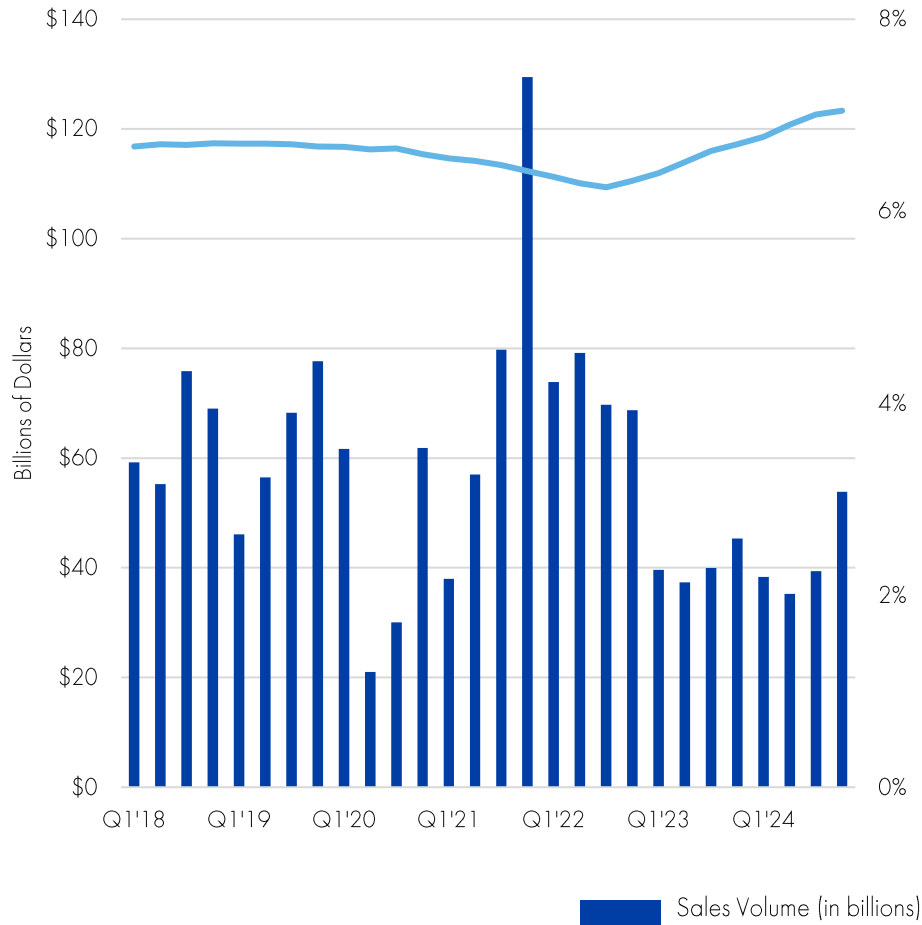
The multi-tenant market enters 2025 with optimism. Watch for investors to continue favoring industrial and e-commerce-related assets, although an increasingly opportunistic approach may drive renewed focus on recovering office and evolving retail formats.



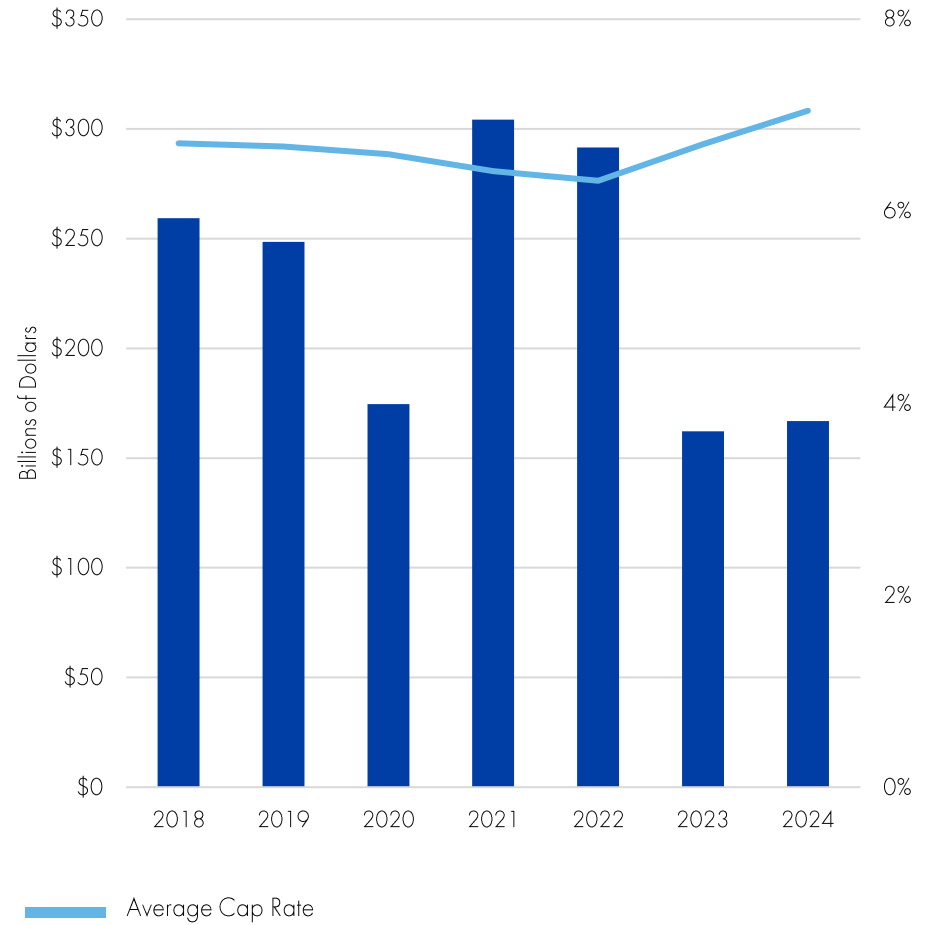
# MULTI-TENANT OVERALL MARKET

## Investment Sales Volume & Average Cap Rates

**Q** Quarterly



**A** Annual



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

## MULTI-TENANT OVERALL MARKET

### Quarterly & Annual Market Statistics By Property Type

#### Investment Sales Volume (in billions)



##### Quarterly

Type	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Office	\$14.14	\$12.87	\$9.97	\$11.86	\$19.02
Industrial	\$19.99	\$13.59	\$16.17	\$17.43	\$22.84
Retail	\$11.19	\$11.90	\$9.11	\$10.09	\$12.01
<b>Total</b>	<b>\$45.32</b>	<b>\$38.36</b>	<b>\$35.25</b>	<b>\$39.38</b>	<b>\$53.87</b>

##### Annual

Type	2020	2021	2022	2023	2024
Office	\$70.36	\$116.71	\$94.85	\$45.27	\$53.71
Industrial	\$75.99	\$127.23	\$121.77	\$70.33	\$70.04
Retail	\$28.23	\$60.28	\$74.91	\$46.63	\$43.11
<b>Total</b>	<b>\$174.58</b>	<b>\$304.21</b>	<b>\$291.53</b>	<b>\$162.23</b>	<b>\$166.86</b>

#### Average Cap Rates



##### Quarterly

Type	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Office	7.04%	7.17%	7.32%	7.34%	7.47%
Industrial	5.83%	5.85%	6.03%	6.24%	6.17%
Retail	6.98%	7.05%	7.12%	7.17%	7.20%
<b>Total</b>	<b>6.70%</b>	<b>6.77%</b>	<b>6.90%</b>	<b>7.01%</b>	<b>7.05%</b>

##### Annual

Type	2020	2021	2022	2023	2024
Office	6.70%	6.41%	6.38%	7.04%	7.47%
Industrial	6.11%	5.72%	5.51%	5.83%	6.17%
Retail	6.79%	6.79%	6.61%	6.98%	7.20%
<b>Total</b>	<b>6.59%</b>	<b>6.42%</b>	<b>6.32%</b>	<b>6.70%</b>	<b>7.05%</b>



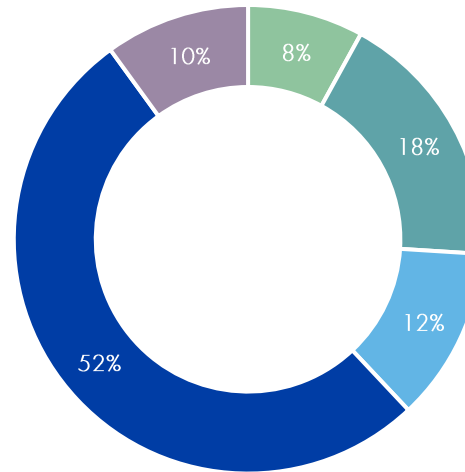
# MULTI-TENANT OVERALL MARKET

## Buyer Distribution Quarterly, by Property Type

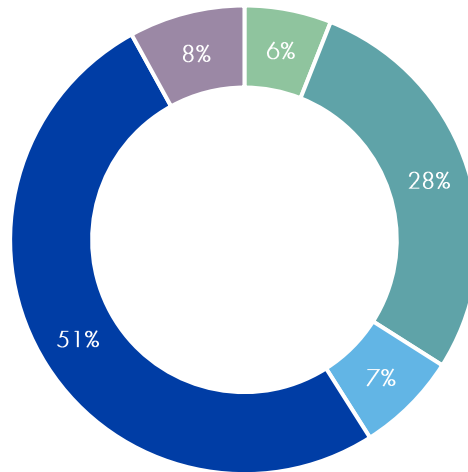
YTD as of Q4 2024

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

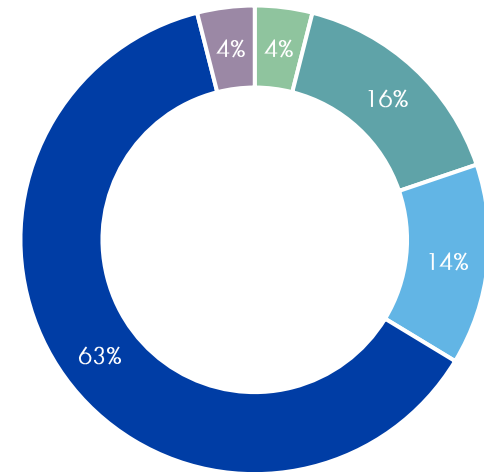
Multi-Tenant Office



Multi-Tenant Industrial



Multi-Tenant Retail



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



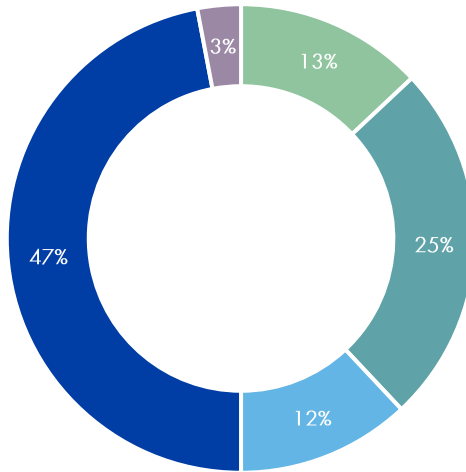
# MULTI-TENANT OVERALL MARKET

## Buyer Distribution Annual, Overall Market

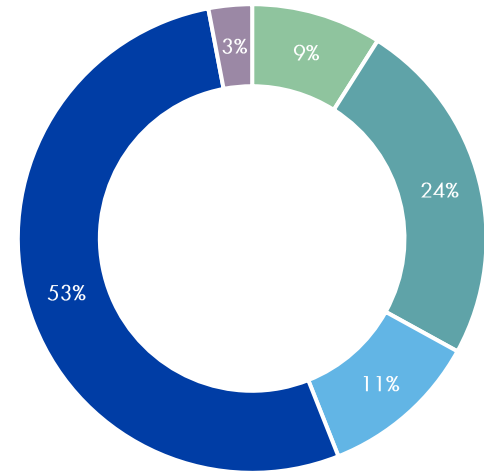
### Annual

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

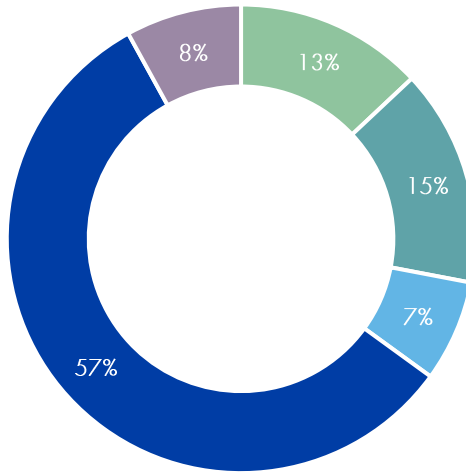
2021



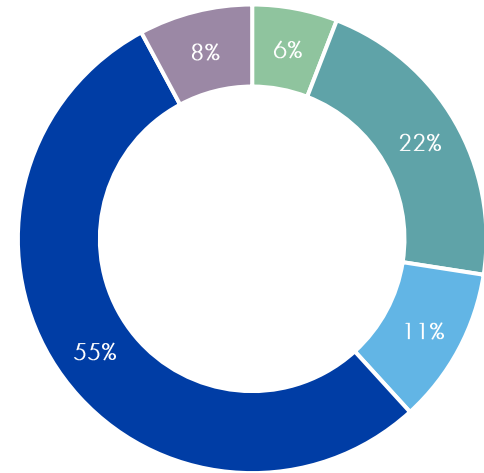
2022



2023



2024



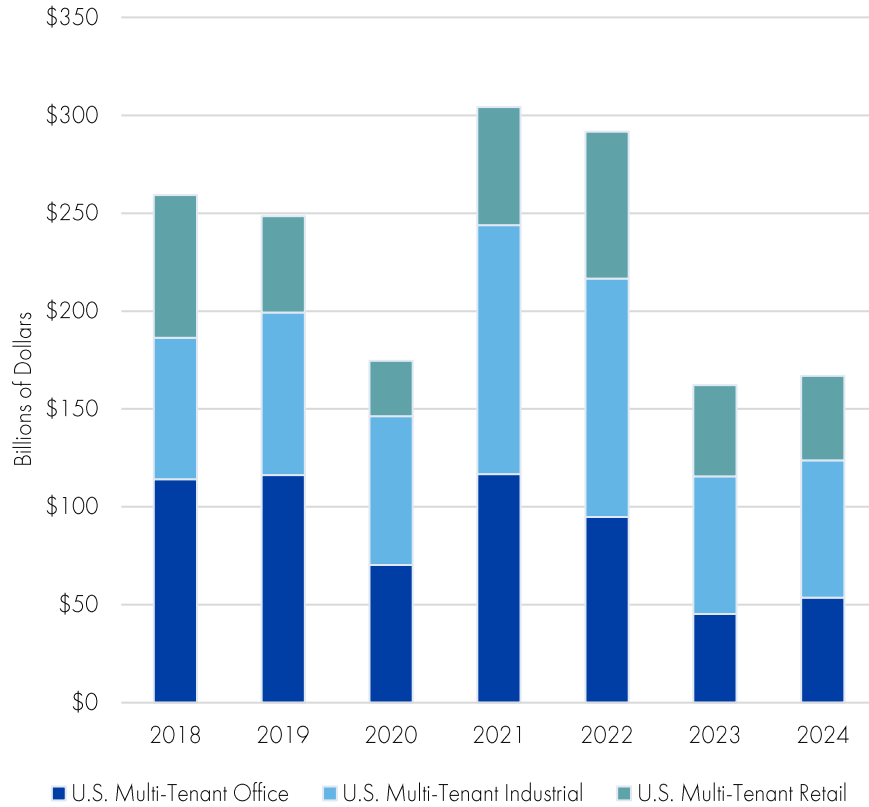
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; graphs may not total 100 percent due to rounding



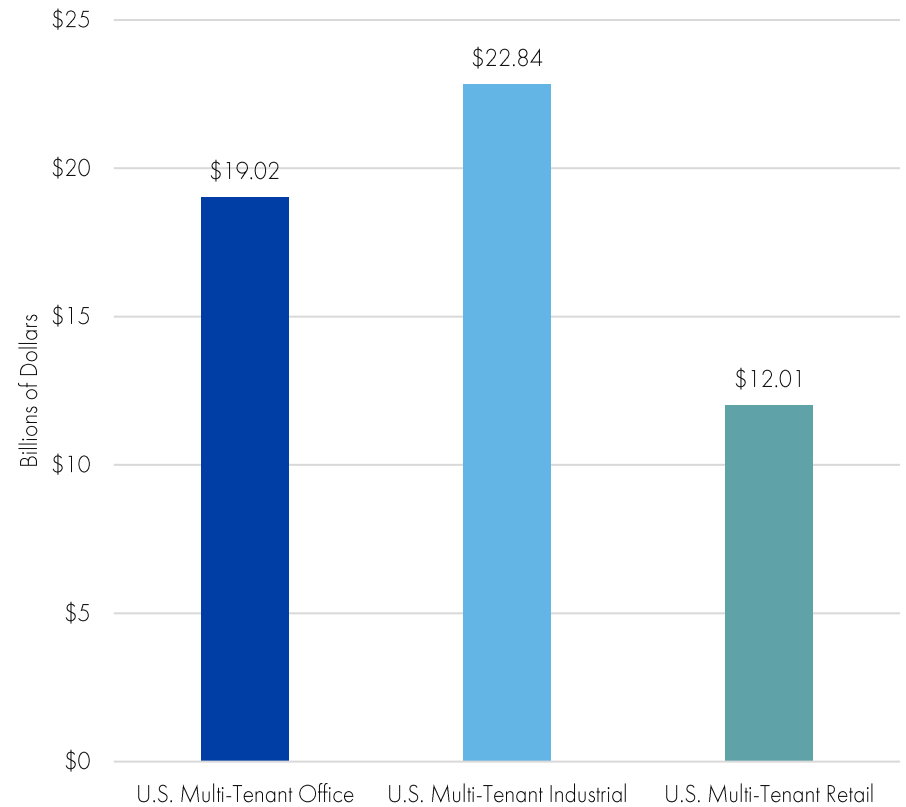
# MULTI-TENANT OVERALL MARKET

## Investment Sales Volume By Property Type

**Annual**



**Q4 2024**



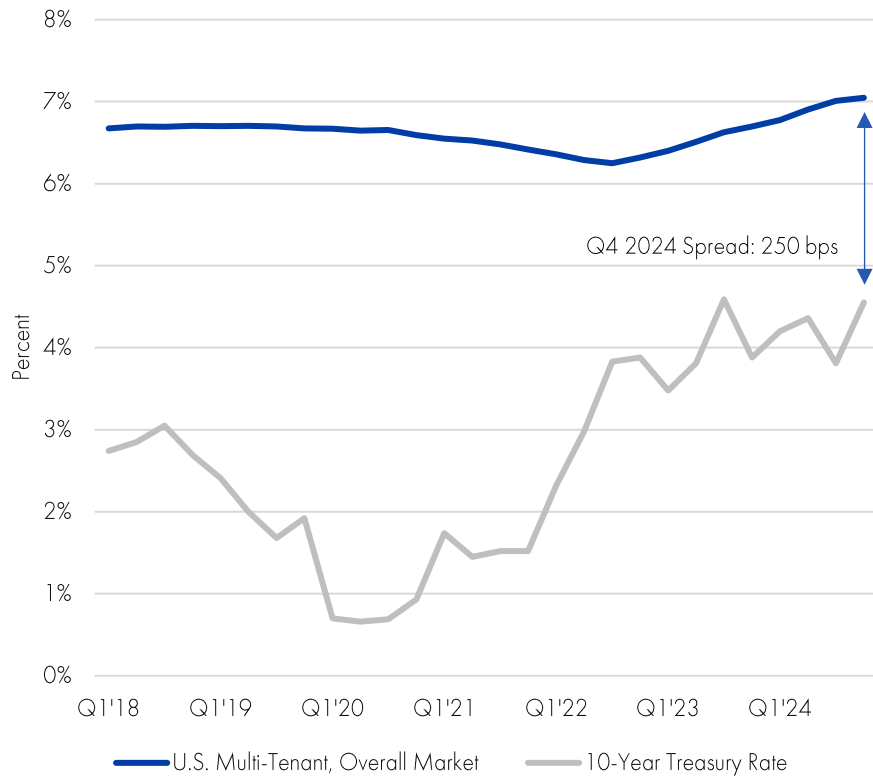
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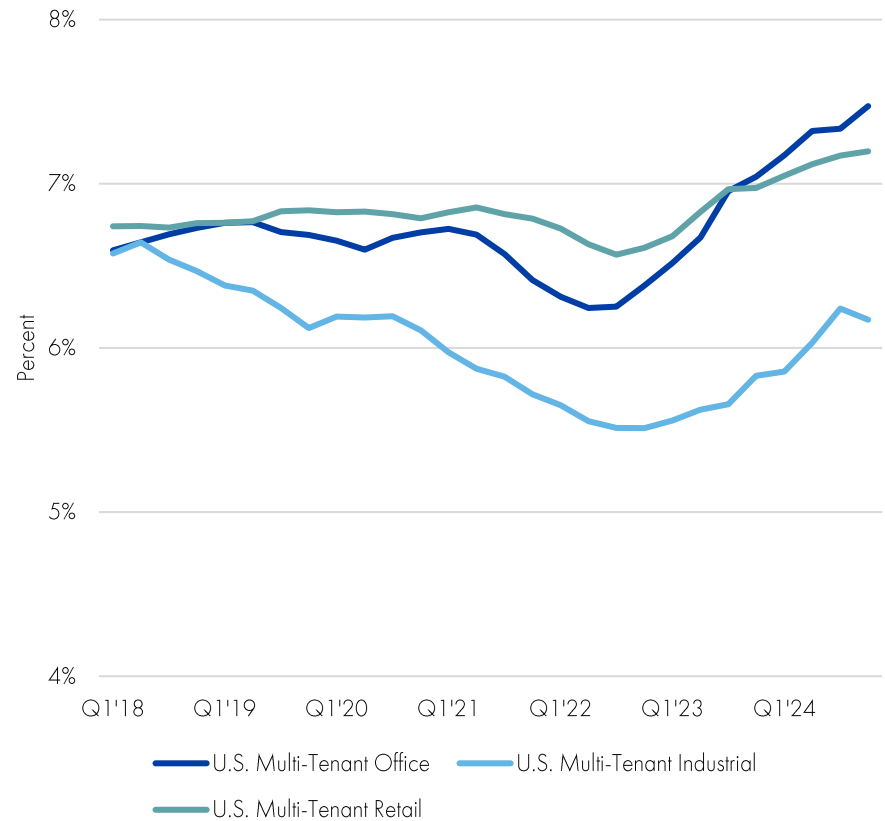
# MULTI-TENANT OVERALL MARKET

## Average Cap Rates

Overall Average Cap Rate vs. 10-Year Treasury, with Current Spread



Average Cap Rates, by Property Type



Source: Northmarq, Real Capital Analytics, U.S. Federal Reserve; analysis includes sales greater than \$2.5m; 10-year treasury graph includes quarter-end values and may not illustrate actual daily high or low points







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