

FIGURES | U.S. NET-LEASE INVESTMENT | Q1 2026

Net-Lease Investment Volume Falls Slightly Below Pre-Pandemic Average

▼ \$12.2 B

Investment Volume

▲ \$1.3 B

Cross-Border Capital

▶ 6.8%

Average Cap Rate

▼ 4.2%

10-Year Treasury Rate*

Arrows indicate change from the same quarter in the previous year.

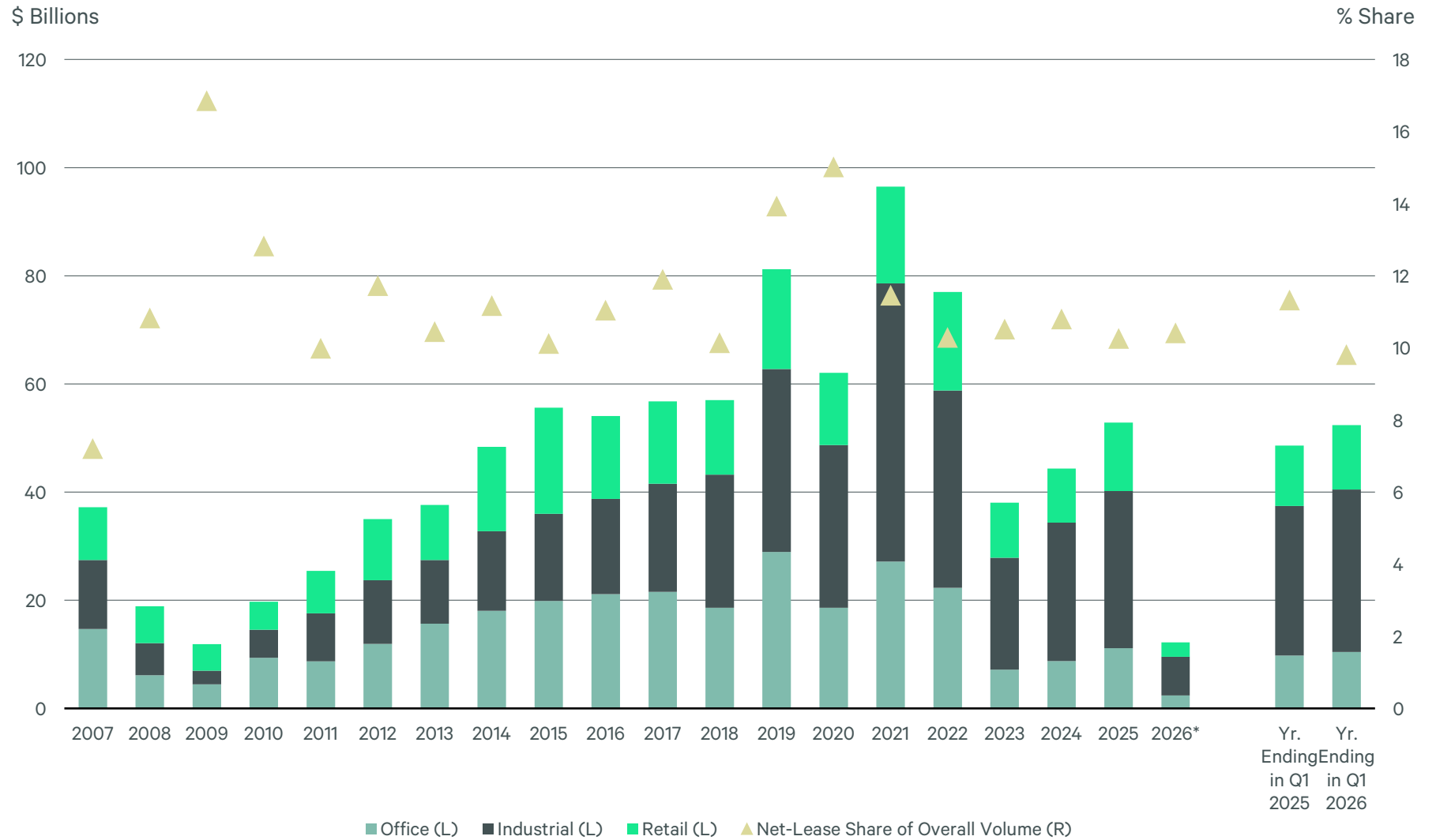
*Quarterly Average.

Executive Summary

- Net-lease investment volume declined by 4% year-over-year in Q1 to \$12.2 billion, slightly below the five-year pre-pandemic Q1 average of \$12.4 billion.
- For the year ending Q1 2026, net-lease investment volume increased by 8% year-over-year to \$52.4 billion.
- Net-lease industrial investment increased by 15% year-over-year to \$7.1 billion due to stronger single-asset sales. Office investment fell by 22% to \$2.4 billion, while retail volume fell by 21% to \$2.7 billion.
- The industrial sector had the largest share of total net-lease investment at 58% in Q1, up from 49% a year earlier. The office sector’s share decreased to 20% year-over-year from 24%, while the retail sector’s share fell to 22% from 27%.
- The average 10-year Treasury rate of 4.2% in Q1 was slightly lower than last year. Its spread between the average net-lease cap rate remained at 257 basis points (bps), reflecting stable pricing for net-lease assets.

Figure 1 Net-lease investment volume

- Q1 net-lease investment volume—using single-tenant asset sales as a proxy—fell by 4% year-over-year to \$12.2 billion, slightly below the five-year pre-pandemic Q1 average of \$12.4 billion.
- For the year ending Q1 2026, net-lease investment volume increased by 8% to \$52.4 billion and accounted for 10% of total commercial real estate investment volume.



*YTD value
 Note: Single-tenant asset investments used as a proxy for net-lease investment sales.
 Source: CBRE Research, MSCI Real Assets, Q1 2026.

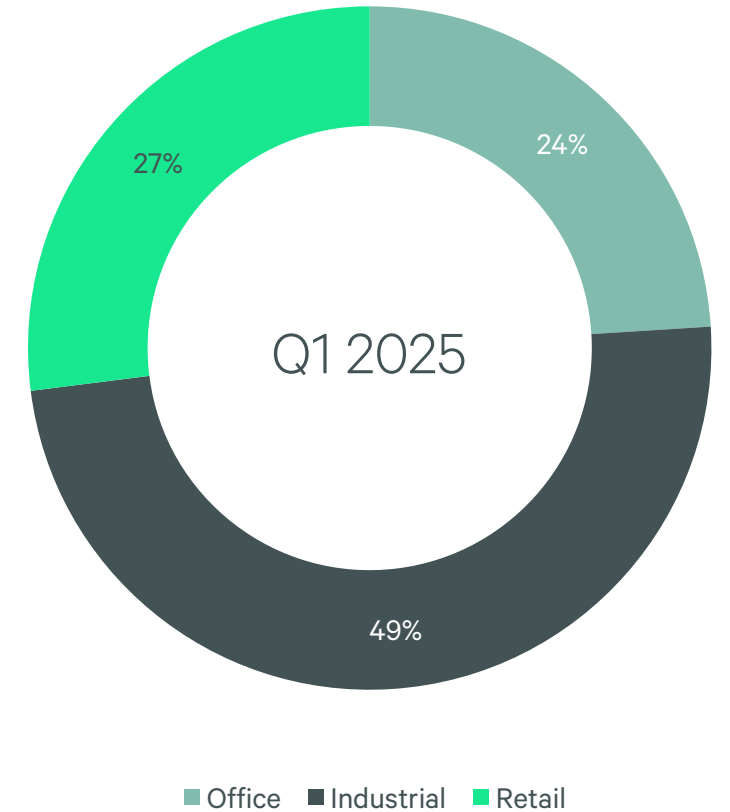
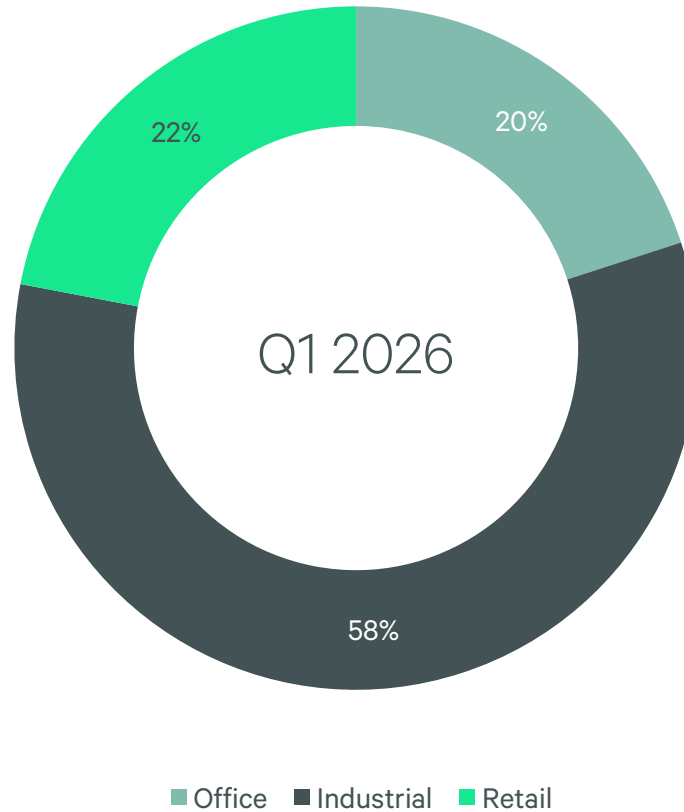
Figure 2
Net-lease investment volume
by major property type

	Total (\$ Billions)				Total (\$ Billions)			
	Q1 2026	Q1 2025	Change (%)	Market Share (%)	Yr. Ending Q1 2026	Yr. Ending Q1 2025	Change (%)	Market Share (%)
All Types of Investments								
Office	2.4	3.1	-21.9	19.7	10.4	9.8	6.5	19.9
Industrial	7.1	6.2	15.0	58.3	30.0	27.7	8.6	57.3
Retail	2.7	3.4	-21.3	22.0	11.9	11.2	6.9	22.8
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	12.2	12.7	-3.8	100.0	52.4	48.6	7.8	100.0
Single-Asset Investments Only								
Office	2.3	1.8	24.4	21.8	8.3	7.0	17.6	20.0
Industrial	5.5	4.6	19.9	53.4	22.4	21.1	6.2	54.1
Retail	2.6	2.6	-2.9	24.8	10.7	9.7	9.8	25.9
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	10.4	9.1	14.1	100.0	41.4	37.9	9.2	100.0
Portfolio Investments Only								
Office	0.1	1.3	-88.3	8.1	2.1	2.7	-21.8	19.6
Industrial	1.6	1.6	0.6	85.7	7.6	6.5	16.3	69.3
Retail	0.1	0.8	-85.1	6.2	1.2	1.4	-13.5	11.1
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	1.8	3.6	-49.0	100.0	11.0	10.7	2.6	100.0

Note: Some numbers may not total due to rounding. Single-tenant asset transactions used as a proxy for net-lease investment sales.
 Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 3 Net-lease market share by major property type

- Industrial assets accounted for \$7.1 billion or 58% of total net-lease investment volume in Q1, up from 49% a year ago. Investment in the sector rose 15% year-over-year, driven by a 20% increase in single-asset sales.
- The office sector’s share decreased to 20% (\$2.4 billion) from 24% a year ago, while the retail sector’s share fell to 22% (\$2.7 billion) from 27%.
- On a year-over-year basis, Q1 net-lease office and retail investment volume declined by 22% and 21%, respectively.



Note: MSCI Real Assets only tracks properties and portfolios of \$2.5+ million. Therefore, the total net-lease investment volume is understated, especially since a sizable share of retail transactions are below \$2.5 million.
Source: CBRE Research, MSCI Real Assets, Q1 2026.

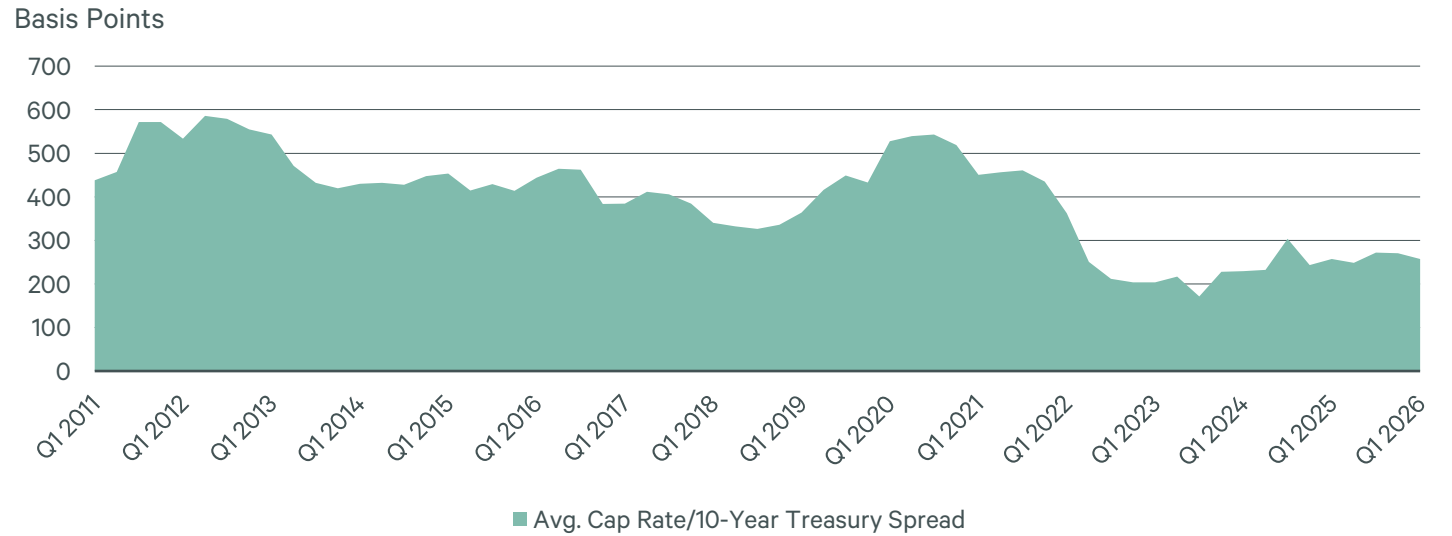
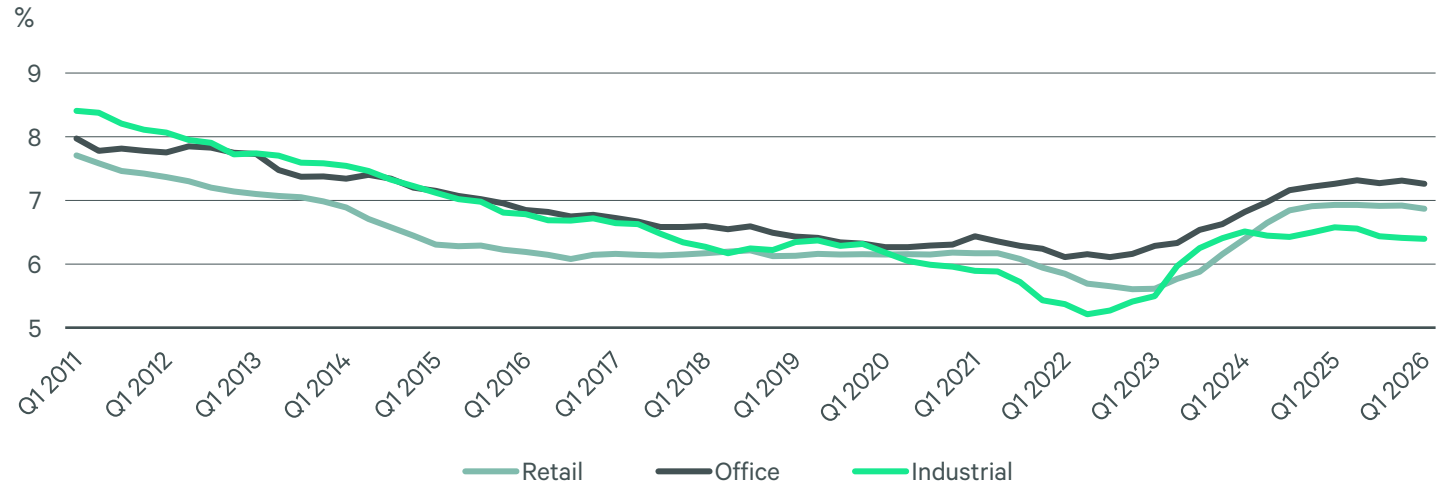
Figure 4
Top 20 markets for net-lease investment volume

Rank	Market	Q1 2026 (\$ Millions)	Q1 2025 (\$ Millions)	Change (\$ Millions)	Change (%)	Yr. Ending Q1 2026 (\$ Millions)	Yr. Ending Q1 2025 (\$ Millions)	Change (\$ Millions)	Change (%)
1	Suburban Maryland	726	41	686	1,686.1	848	200	648	323.5
2	Boston	539	755	-216	-28.6	1,275	1,487	-212	-14.2
3	Houston	500	414	86	20.8	2,234	1,107	1,128	101.9
4	Chicago	498	456	42	9.3	1,812	1,428	384	26.9
5	Atlanta	448	256	192	75.1	1,622	1,419	203	14.3
6	Los Angeles	364	244	119	48.8	2,090	1,916	174	9.1
7	San Francisco	328	50	278	554.4	1,128	161	967	598.6
8	Austin	302	112	190	169.5	469	904	-435	-48.1
9	Phoenix	299	297	1	0.4	1,719	1,805	-87	-4.8
10	Manhattan	269	646	-377	-58.3	809	1,027	-217	-21.2
11	Detroit	268	34	233	678.1	419	186	233	125.3
12	Denver	262	47	215	456.9	574	474	99	21.0
13	Orange County	253	126	127	100.6	767	557	210	37.8
14	N. New Jersey	234	168	66	39.2	1,562	1,229	333	27.1
15	Columbus	222	152	70	46.5	979	471	508	108.0
16	Dallas-Ft. Worth	219	667	-448	-67.2	2,149	1,838	311	16.9
17	Camden, NJ	203	11	192	1,683.3	474	246	228	92.9
18	Charlotte	195	100	95	94.8	1,130	725	405	55.8
19	Seattle	187	244	-56	-23.1	1,593	1,110	483	43.5
20	Philadelphia	170	121	49	40.4	579	462	117	25.3

Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 5 Cap rates & spreads between 10-year Treasury yield

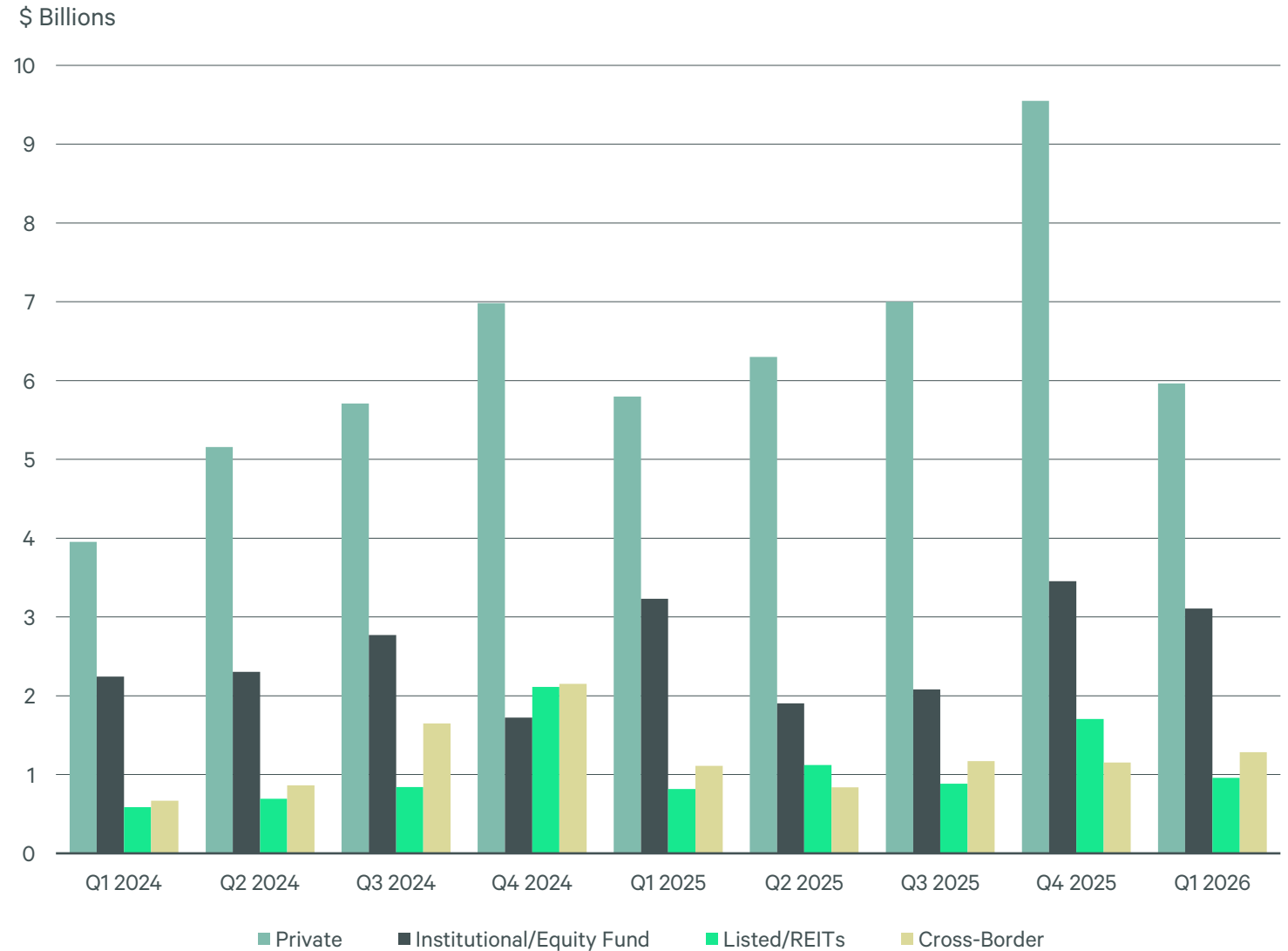
- The average net-lease cap rate remained at 6.8% year-over-year in Q1, signaling continued stability.
- The average 10-year Treasury yield of 4.2% in Q1 was slightly lower than a year ago. Its spread between the average net-lease cap rate was unchanged at 257 bps.
- The average net-lease cap rate for retail and office assets remained at 6.9% and 7.3%, respectively, while the average for industrial assets fell by 18 bps to 6.4%.



Source: CBRE Research, MSCI Real Assets, U.S. Department of the Treasury, Q1 2026.

Figure 6 Net-lease investment by investor type

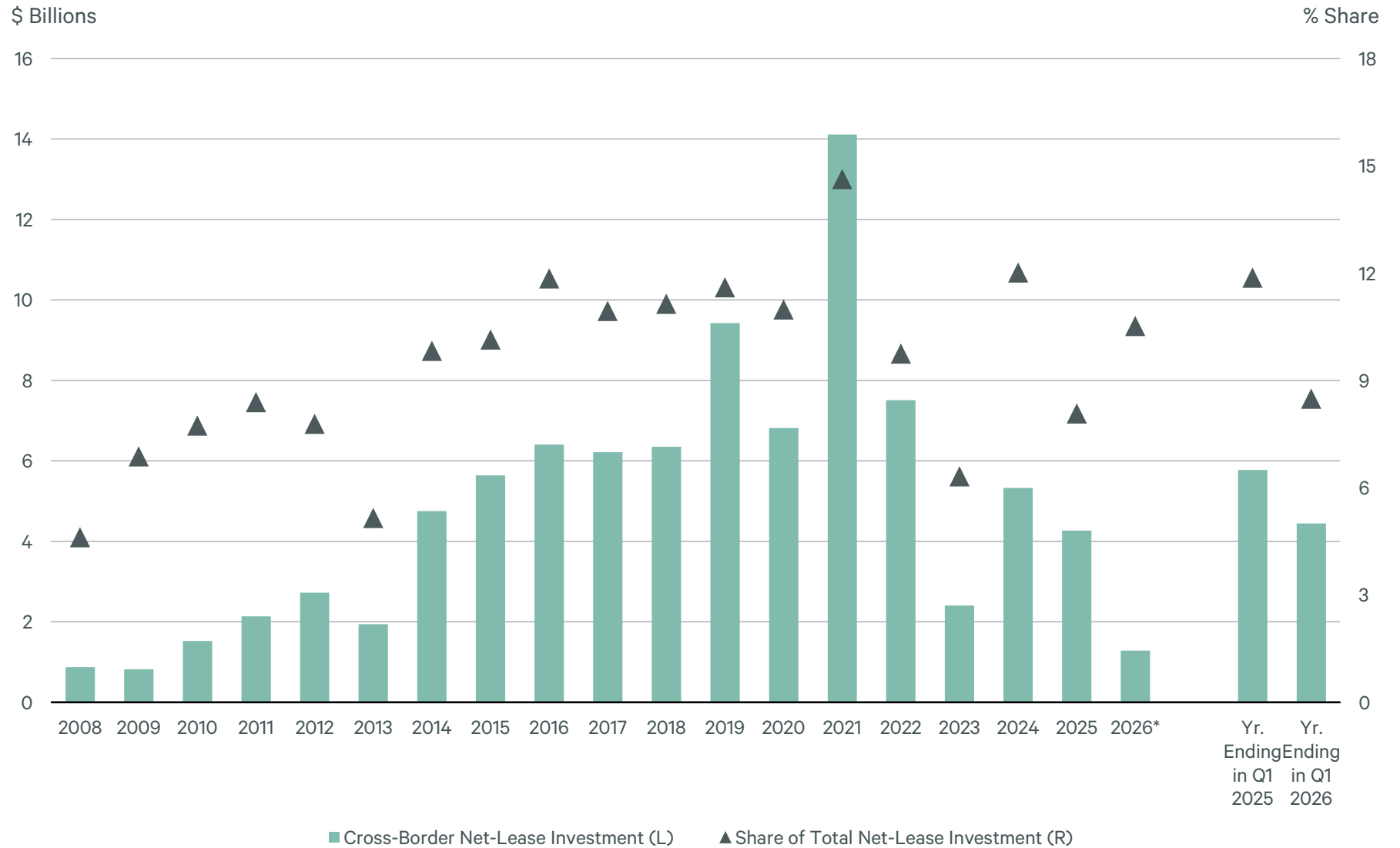
- Private investors remained the largest buyer group for net-lease assets. Total private capital volume increased by 3% year-over-year in Q1 to \$6 billion.
- Net-lease investment by institutional investors and equity funds fell by 4% to \$3.1 billion.
- REITs accounted for \$1 billion of Q1 net-lease investment volume, up by 18%.
- Quarterly cross-border net-lease investment increased by 16% to \$1.3 billion.



Note: Investor types reflect transactions reported to MSCI Real Assets and may not fully reflect market activity.
Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 7 Cross-border net-lease investment

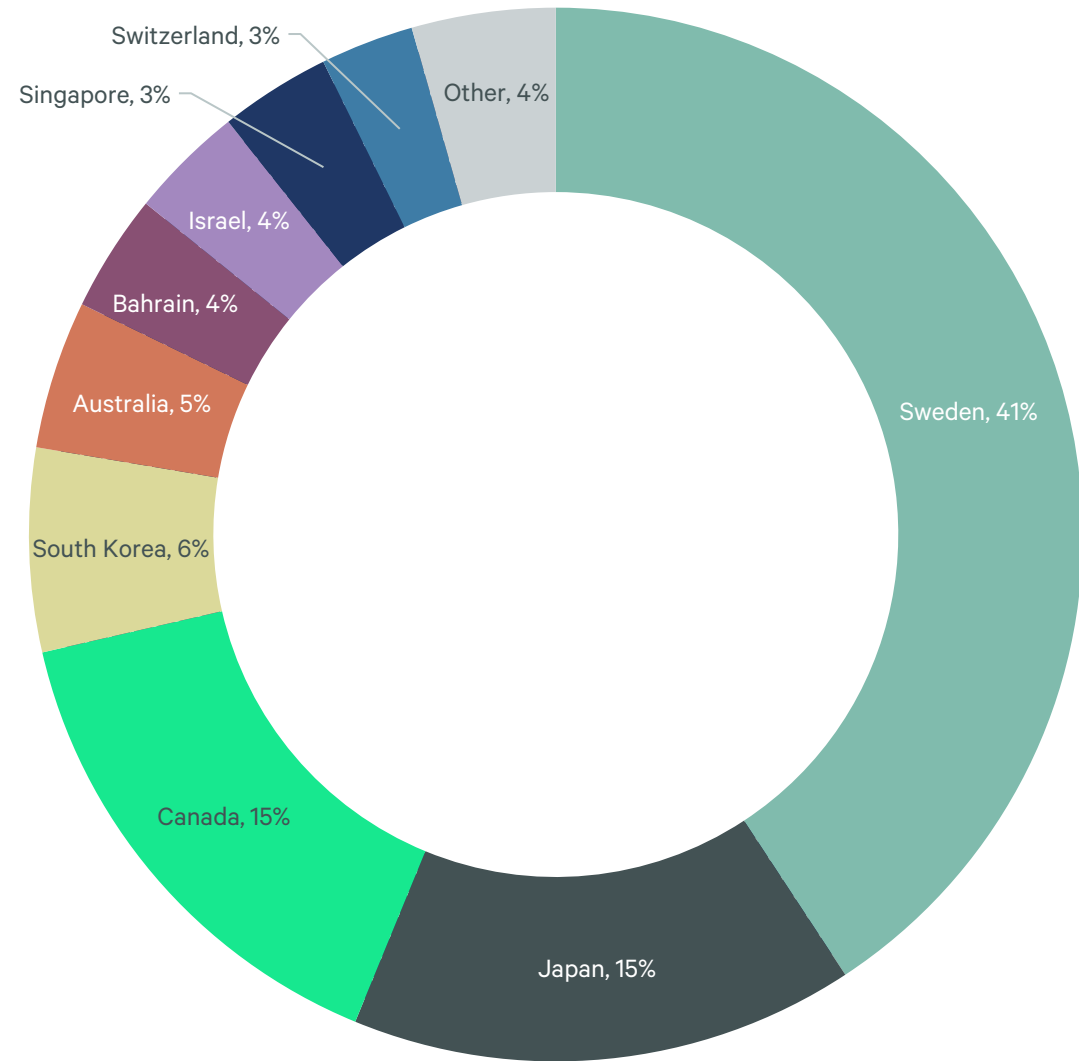
- International buyers accounted for 11% of total U.S. net-lease investment volume in Q1, up from 9% from a year ago.
- Strong foreign interest in net-lease assets drove cross-border investment in the sector to 22% of total cross-border U.S. commercial real estate investment in Q1.
- For the year ending Q1 2026, foreign net-lease investment fell by 23% to \$4.4 billion from the same period a year ago.



* YTD value.
Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 8
Cross-border net-lease investment by country of origin, year ending Q1 2026

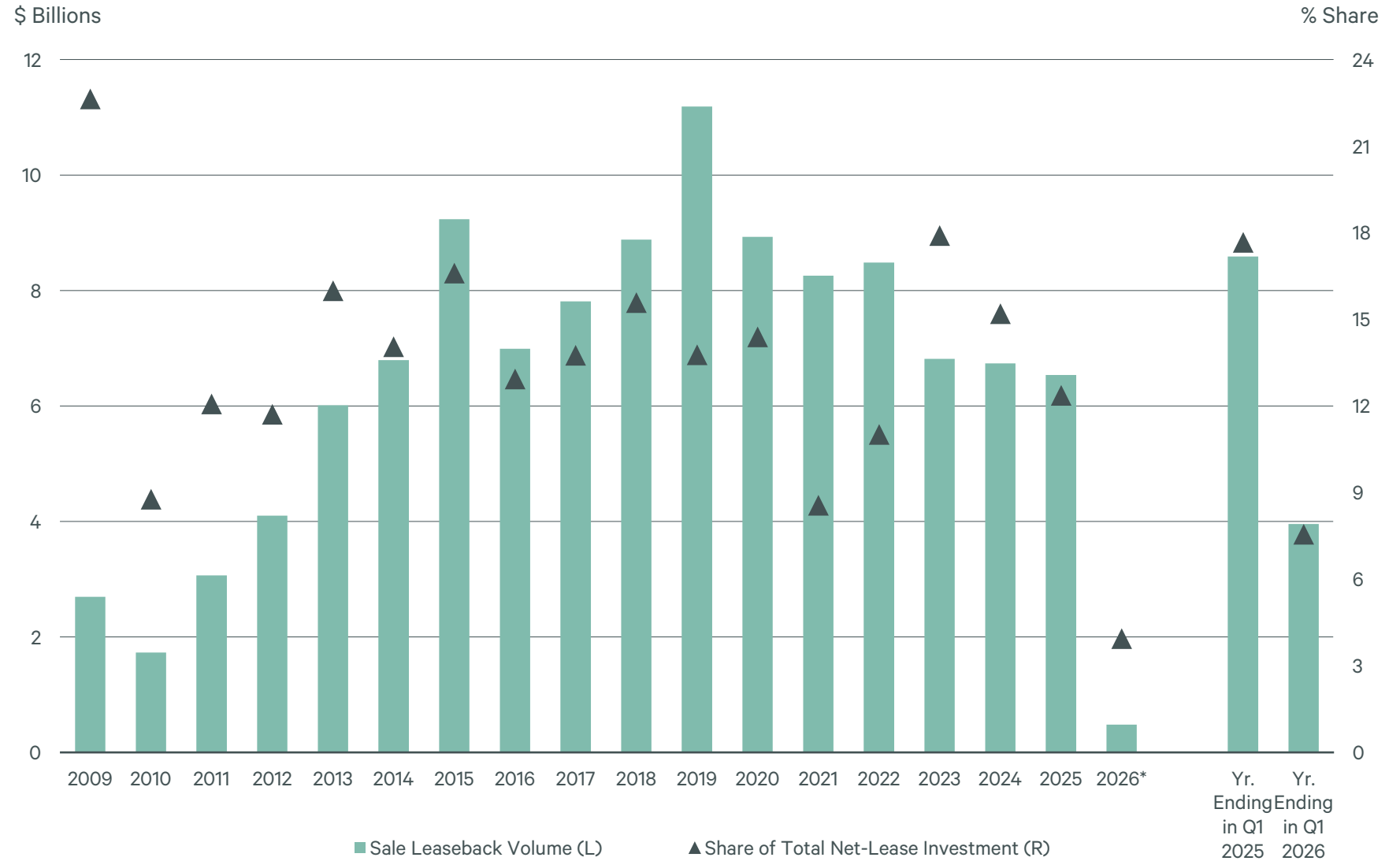
- Sweden, Japan, Canada, South Korea and Australia led international investment in U.S. net-lease properties for the year ending Q1 2026. Together, they accounted for 82% of total cross-border investment volume.
- Sweden accounted for 41% of all cross-border net-lease volume over the past year due to industrial portfolio acquisitions by a single investor.



Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 9 Sale/leaseback net-lease investment volume

- Sale/leaseback net-lease investment volume declined by 84% year-over-year in Q1 to \$481 million. Volume for the year ending Q1 2026 fell by 54% to \$4 billion.
- Sale/leasebacks fell to their lowest share of total net-lease investment volume since 2010 at 4%, reflecting delayed M&A transactions and a more selective environment amid economic and geopolitical uncertainty.



* YTD value
Source: CBRE Research, MSCI Real Assets, Q1 2026.

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