

MOB Investment Rises, Cap Rates Fall

▲ \$2.9 B

Investment Volume

▼ 6.9%

Average Cap Rate

▲ 511,000 SF

Net Absorption

▶ 9.8%

Vacancy Rate

Arrows indicate change from the previous year.

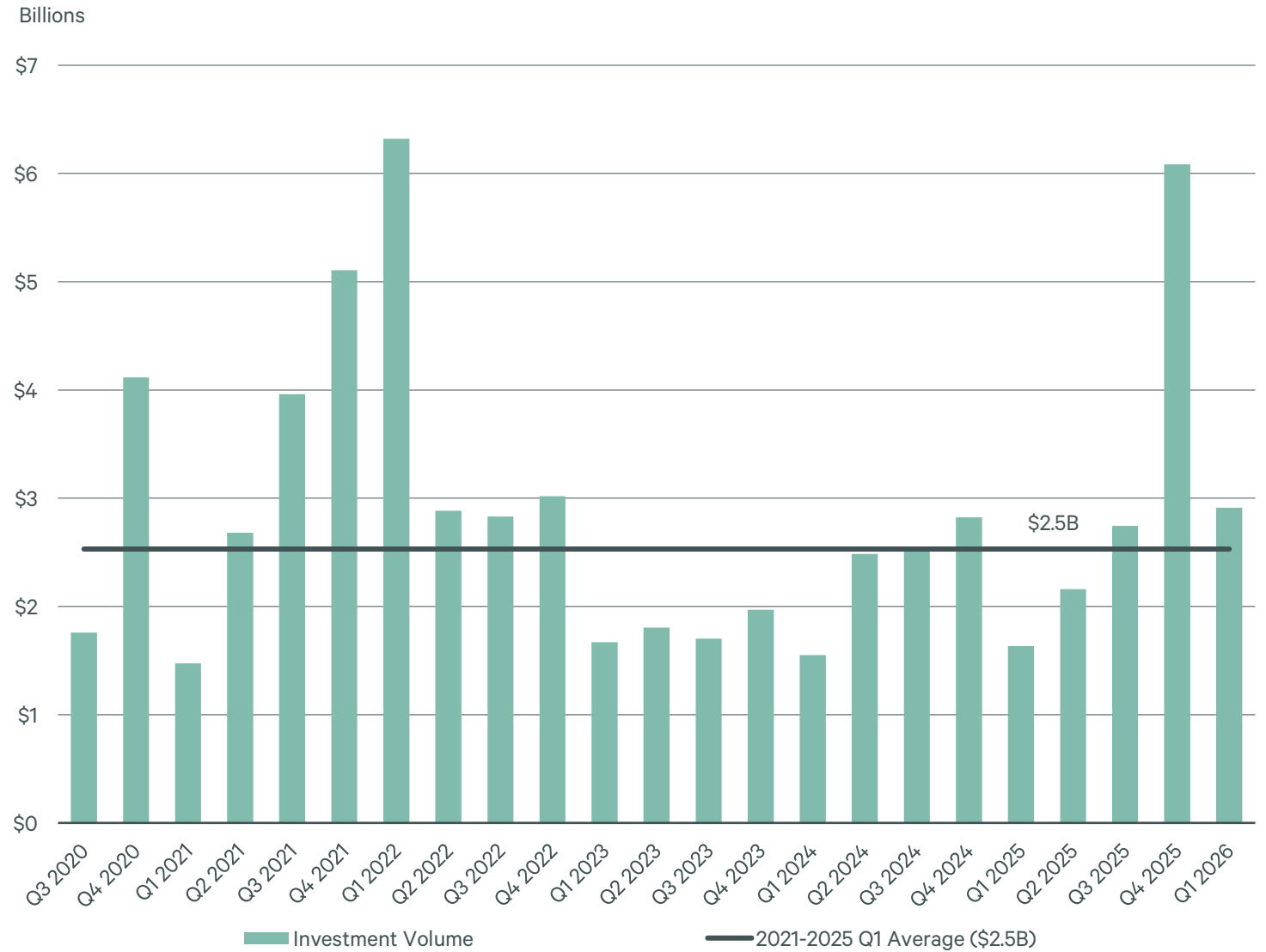
Note: Investment volume is compiled using the MSCI transactional database and deals reported by CBRE Healthcare Capital Markets and CBRE Healthcare Practice Advisory Group.

Executive Summary

- Medical outpatient building (MOB) investment volume rose by 78% year-over-year in Q1 to \$2.9 billion, 15% above the five-year Q1 average and bringing the trailing-four-quarter total to \$13.5 billion.
- The average MOB sale price of \$310 per sq. ft. in Q1 was 55% more than the \$200 per sq. ft. for traditional office buildings.
- The average MOB cap rate fell by 13 basis points (bps) year-over-year to 6.9%, the first time it has dropped below 7.0% since Q3 2024.
- Average MOB asking rent hit a record-high \$25.40 per sq. ft. in Q1, up by 1.6% year-over-year.
- The sector had 511,000 sq. ft. of positive net absorption in Q1, its fourth consecutive quarter of positive demand.
- The 59 markets tracked by CBRE had a combined 2.9 million sq. ft. of space under construction as of Q1.

Figure 1 MOB investment volume

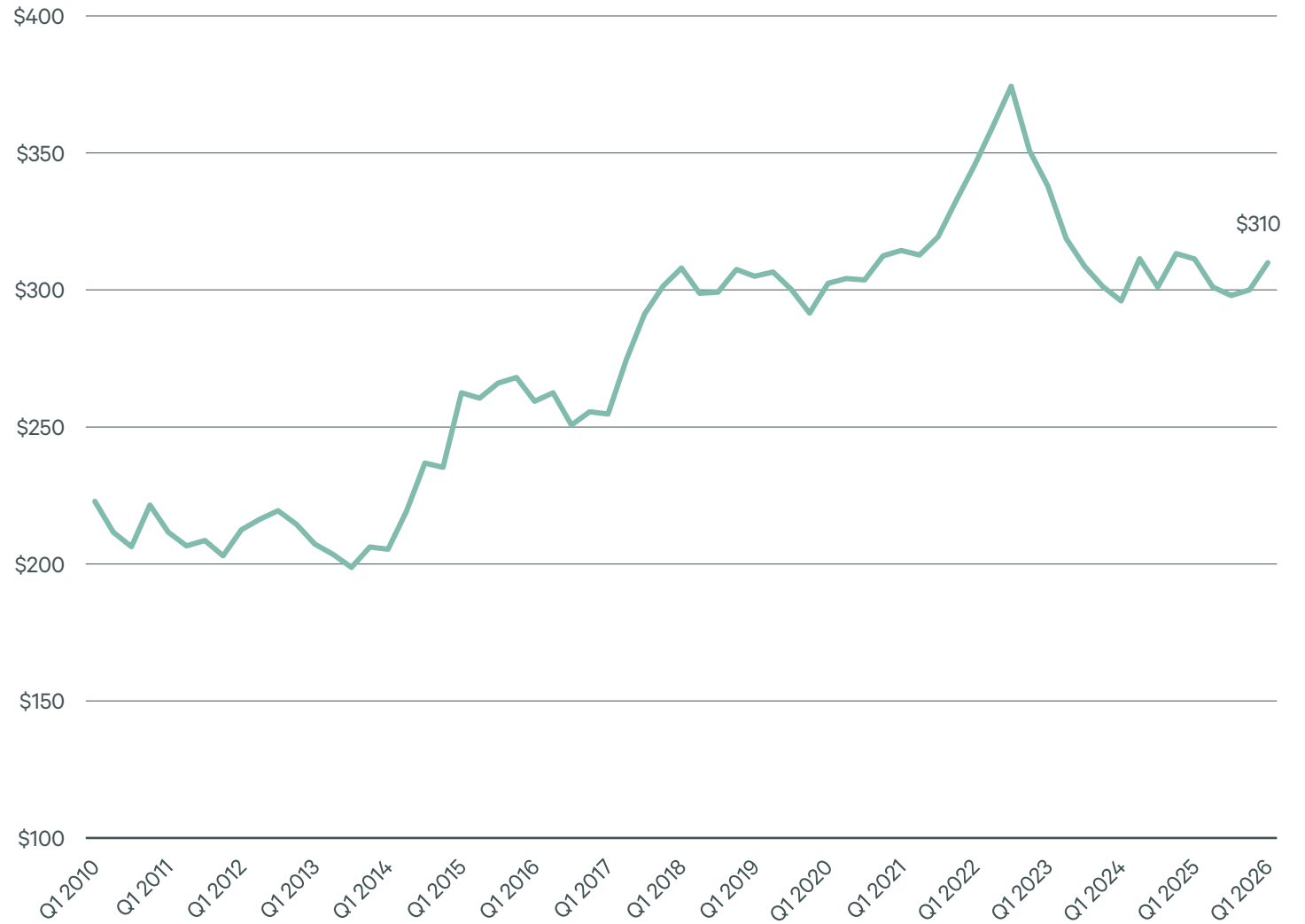
— MOB investment volume rose by 78% year-over-year in Q1 to \$2.9 billion, 15% above the five-year Q1 average and bringing the trailing-four-quarter total to \$13.9 billion.



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

Figure 2
MOB average price per sq. ft.

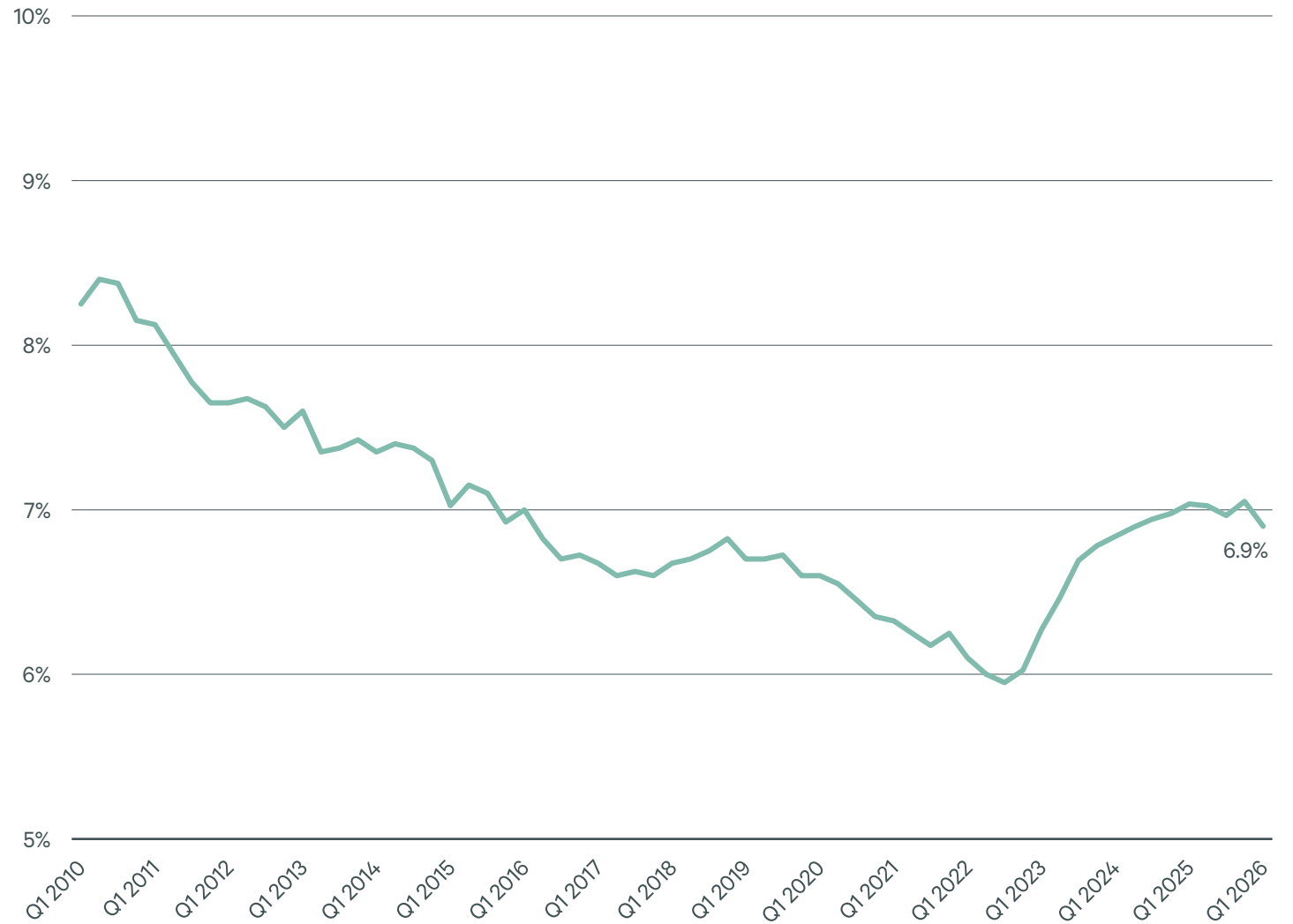
- The average MOB sale price of \$310 per sq. ft. in Q1 was 55% more than the \$200 per sq. ft. for traditional office buildings.
- Average MOB sale prices fell by \$1 or 0.4% per sq. ft. year-over-year, while traditional office building prices increased by 5.3%.
- The average MOB sale price peaked at \$374 per sq. ft. in Q3 2022.



Note: MSCI data includes portfolio sales.
 Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 3 MOB cap rates

- Average MOB cap rates fell by 13 bps year-over-year to 6.9%.
- This is the first time since Q3 2024 that MOB cap rates have fallen below 7.0%.
- Average cap rates for traditional office buildings fell by 10 bps year-over-year to 7.7%.



Note: MSCI data includes portfolio sales.
Source: CBRE Research, MSCI Real Assets, Q1 2026.

Figure 4 MOB investment by region

- The Southeast was the top region for Q1 MOB investment volume with \$1.0 billion, followed by the West with \$770 million and the Southwest with \$347 million.
- The Southeast also led on a trailing-four-quarter basis with \$4.1 billion, followed by the West with \$2.6 billion.

	\$ Millions	\$ Millions		\$ Millions			
	Trailing 4 quarters ending Q1 2026	Trailing 4 quarters ending Q1 2025	Change (%)	Q1 2026 Investment	Q1 2026 Transactions (Sq. Ft.)	Q1 2026 Transaction Count	Q1 2026 Price Per Sq. Ft. (\$)
Southeast	4,147.4	2,914.7	42.3	1,019.4	2,976,567	89	342
West	2,589.8	1,802.4	43.7	770.2	1,336,882	55	576
Midwest	2,277.9	1,502.0	51.7	328.2	1,274,376	34	258
Southwest	2,256.7	1,859.8	21.3	347.1	1,246,670	41	278
Mid-Atlantic	1,375.6	634.2	116.9	200.2	1,214,369	19	165
Northeast	1,253.2	745.1	68.2	246.0	788,643	18	312
Total	13,900.6	9,458.2	47.0	2,911.1	8,837,507	256	329

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

Figure 5 Top 20 markets for MOB investment volume

- South Florida had the most MOB investment volume for the year ending in Q1 2026 with \$610 million, followed by Atlanta with \$605 million and Chicago with \$477 million.
- Annual investment volume increased in 19 of the top 20 markets in Q1 2026.

	\$ Millions			\$ Millions		\$ Millions
	Trailing 4 quarters ending Q1 '26	Trailing 4 quarters ending Q1 '25	Change (%)	Q1 '26	Q1 '25	Change (%)
South Florida	609.6	361.6	68.6	143.4	45.4	216.1
Atlanta	605.1	235.6	156.9	378.8	52.1	626.8
Chicago	476.7	235.1	102.8	162.6	51.5	215.8
Phoenix	459.1	366.9	25.1	83.3	91.9	-9.3
Washington, D.C.	454.7	280.3	62.2	18.6	99.9	-81.4
San Jose	401.7	73.7	445.5	359.5	-	N/A
Richmond	371.7	33.8	1000.8	41.8	6.8	511.5
Dallas-Fort Worth	365.1	293.4	24.4	28.9	9.6	200.2
Charlotte	334.0	194.1	72.1	90.9	7.0	1191.0
Los Angeles	296.8	425.3	-30.2	73.8	73.3	0.7
San Antonio	285.8	115.6	147.2	55.6	3.9	1326.4
Orange County, CA	277.3	57.8	379.7	92.1	10.8	756.4
Las Vegas	271.8	197.9	37.4	29.7	60.0	-50.6
Tampa	266.4	153.9	73.1	37.6	53.8	-30.0
New York City	252.4	96.8	160.9	5.5	42.0	-86.8
Boston	235.4	105.2	123.7	32.2	16.5	94.8
San Francisco	222.4	117.9	88.6	21.4	25.3	-15.5
Orlando	220.6	42.9	414.0	14.7	21.0	-29.8
Philadelphia	215.8	103.5	108.5	112.8	21.7	419.8
Minneapolis	181.1	122.4	48.0	30.8	25.6	20.3

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

Figure 6
Select Q1 investment sales

	DATE	PROPERTY NAME	CITY, STATE	YEAR BUILT	PRICE	SQ. FT.	\$/SQ.FT.
West	Feb-26	Richard Boureston CA Portfolio	Corona MSA, CA	2018	\$52,999,985	85,121	\$623
	Mar-26	UCLA Health	Los Angeles, CA	1933	\$38,200,000	9,690	\$3,942
	Feb-26	UNLV Outpatient Center	Las Vegas, NV	1993	\$24,500,000	43,580	\$562
	Mar-26	MemorialCare Health System CA*	Orange County, CA	1963 - 2000	\$17,790,000	39,689	\$448
Southwest	Feb-26	Bexar County TX MOB Portfolio	San Antonio, TX	1986 & 1992	\$50,000,000	171,509	\$292
	Mar-26	St. Joseph MOB*	Denver, CO	2020	\$44,500,000	99,503	\$447
	Mar-26	Greenhouse Medical Plaza	Houston, TX	1997	\$30,300,000	116,869	\$259
	Mar-26	United Surgical Orthoarizona ASC	Gilbert, AZ	2019	\$25,125,000	49,318	\$509
Southeast	Mar-26	Evergreen/Bain Atlanta Portfolio	Atlanta MSA, GA	Various	\$221,000,000	664,737	\$332
	Mar-26	Grandview Physicians Plaza II*	Birmingham, AL	2022	\$89,250,000	143,576	\$622
	Mar-26	Fleming Island Medical Plaza*	Fleming Island, FL	2010	\$24,115,400	82,550	\$292
	Mar-26	Fort Mill On-Campus MOB*	Fort Mill, SC	2022	\$21,000,000	60,000	\$350
Midwest	Feb-26	Silver Cross Hospital MOB - Pavilion A*	New Lenox, IL	2010	\$86,124,709	174,855	\$493
	Jan-26	Trihealth Kenwood	Kenwood, OH	2015	\$35,275,305	114,809	\$307
	Feb-26	Kildeer Ambulatory Care	Kildeer, IL	2019	\$32,100,000	51,100	\$628
	Feb-26	Elk Grove Village Medical Campus*	Elk Grove Village, IL	1988 - 1998	\$10,915,959	52,126	\$209
Northeast	Mar-26	Long Ridge Medical Center	Stamford, CT	1970	\$71,000,000	197,000	\$360
	Feb-26	West Boston Medical Center	Watertown, MA	1929	\$32,150,000	53,000	\$607
	Mar-26	Center for Orthopaedics	Portland, ME	1989	\$23,500,000	54,817	\$429
	Feb-26	Summer Street Properties Portfolio*	Stamford, CT	1980 - 1985	\$17,000,000	106,851	\$159
Mid-Atlantic	Feb-26	Cooper Voorhees Medical Mall	Voorhees, NJ	1957	\$53,900,000	116,451	\$463
	Feb-26	Virginia Women's Center	Mechanicsville, VA	2024	\$22,000,000	44,000	\$500
	Mar-26	501 South University Avenue	Philadelphia, PA	1960	\$17,456,225	69,120	\$253
	Mar-26	Stone Manor MOB*	Warrington, PA	2007	\$17,245,000	62,750	\$275

*Properties sold by CBRE.

Source: CBRE Research, MSCI Real Assets, CoStar, Revista, RealQuest, SEC Filings, Q1 2026.

Figure 7 Q1 overall loan volume

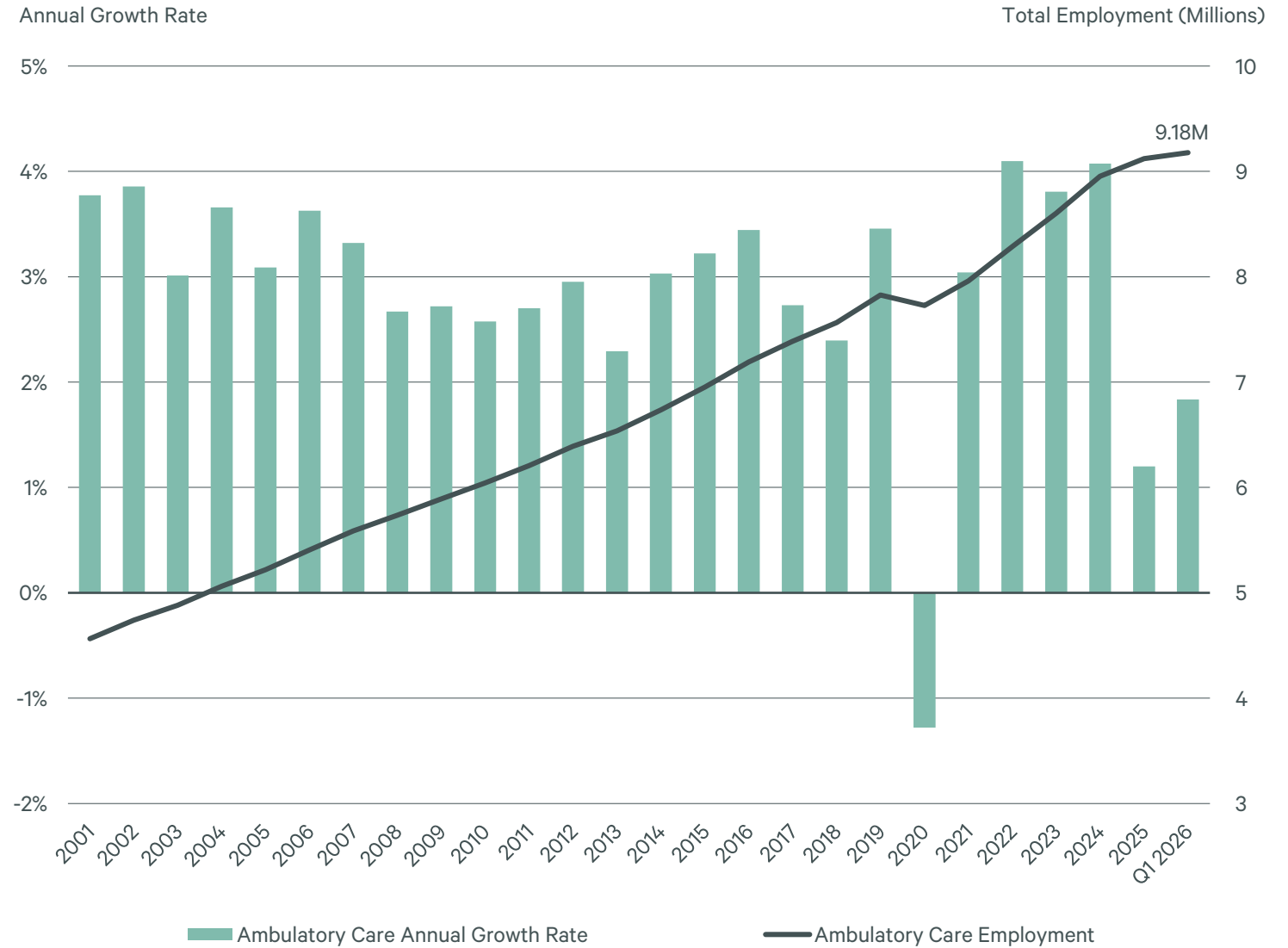
- The CBRE Lending Momentum Index rose to 1.5 in Q1 from 1.2 in Q4 2025 and 0.3 a year earlier, its highest level since 2021.
- Alternative lenders accounted for more than half of total Q1 loan volume.
- For more debt market insights, see [CBRE's Q1 2026 U.S. Capital Markets report](#).

	Share of Loan Volume Q1 2026 (%)	Share of Loan Volume Q1 2025 (%)	% Change Year-Over-Year
Alternative Lenders	53	19	179%
Banks	22	34	-35%
Life Companies	17	21	-19%
CMBS	8	26	-69%

Note: Numbers may not sum to 100 due to rounding.
Source: CBRE Research, Q1 2026.

Figure 8 Ambulatory healthcare employment

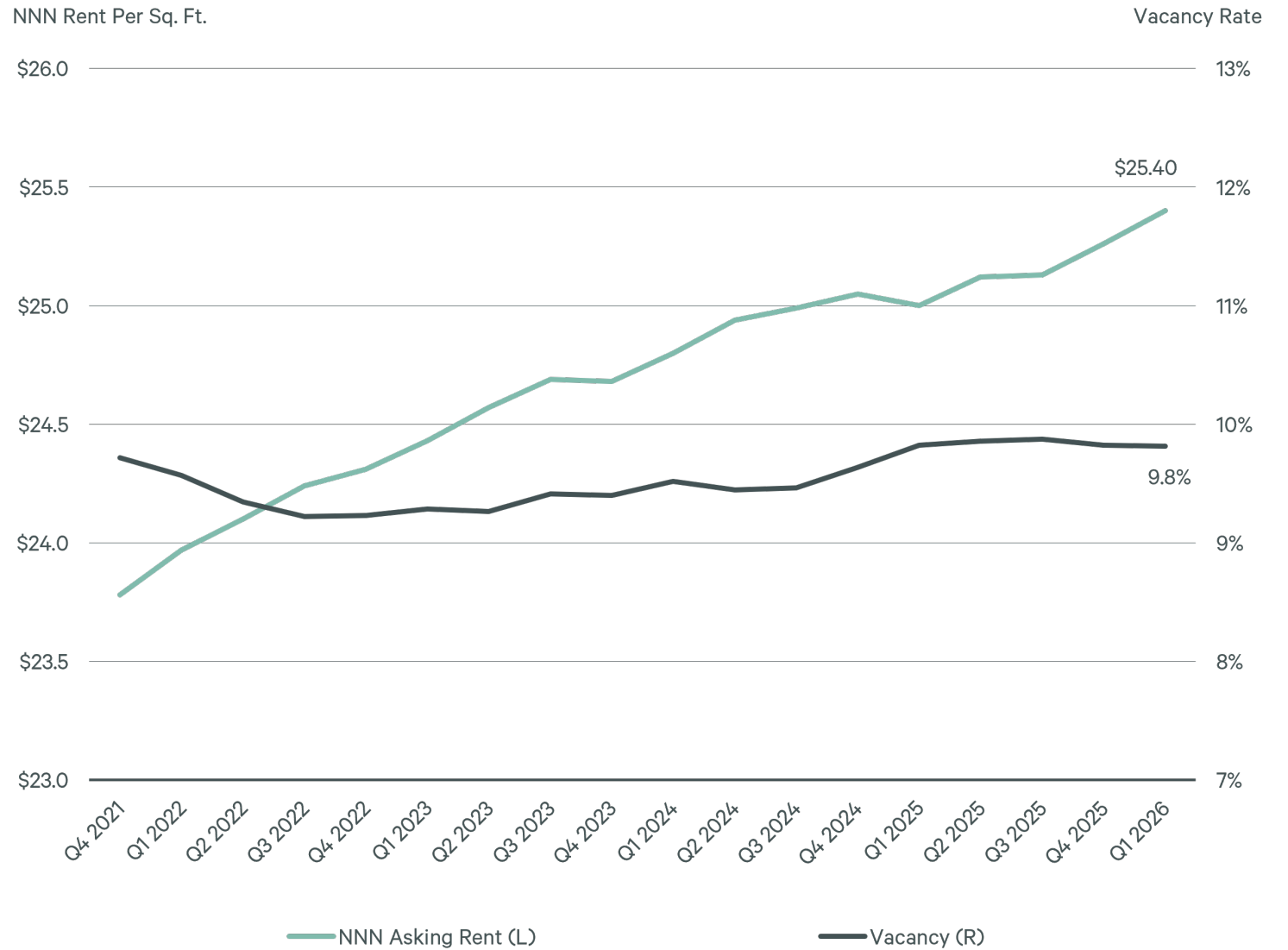
- Ambulatory healthcare employment grew by 1.8% year-over-year in Q1, well ahead of the 0.2% growth in total non-farm employment.
- Ambulatory healthcare employers added 54,300 jobs in Q1 and 165,400 year-over-year.



Source: CBRE Research, Federal Reserve Economic Data, Q1 2026.

Figure 9
MOB average asking rent & vacancy rate

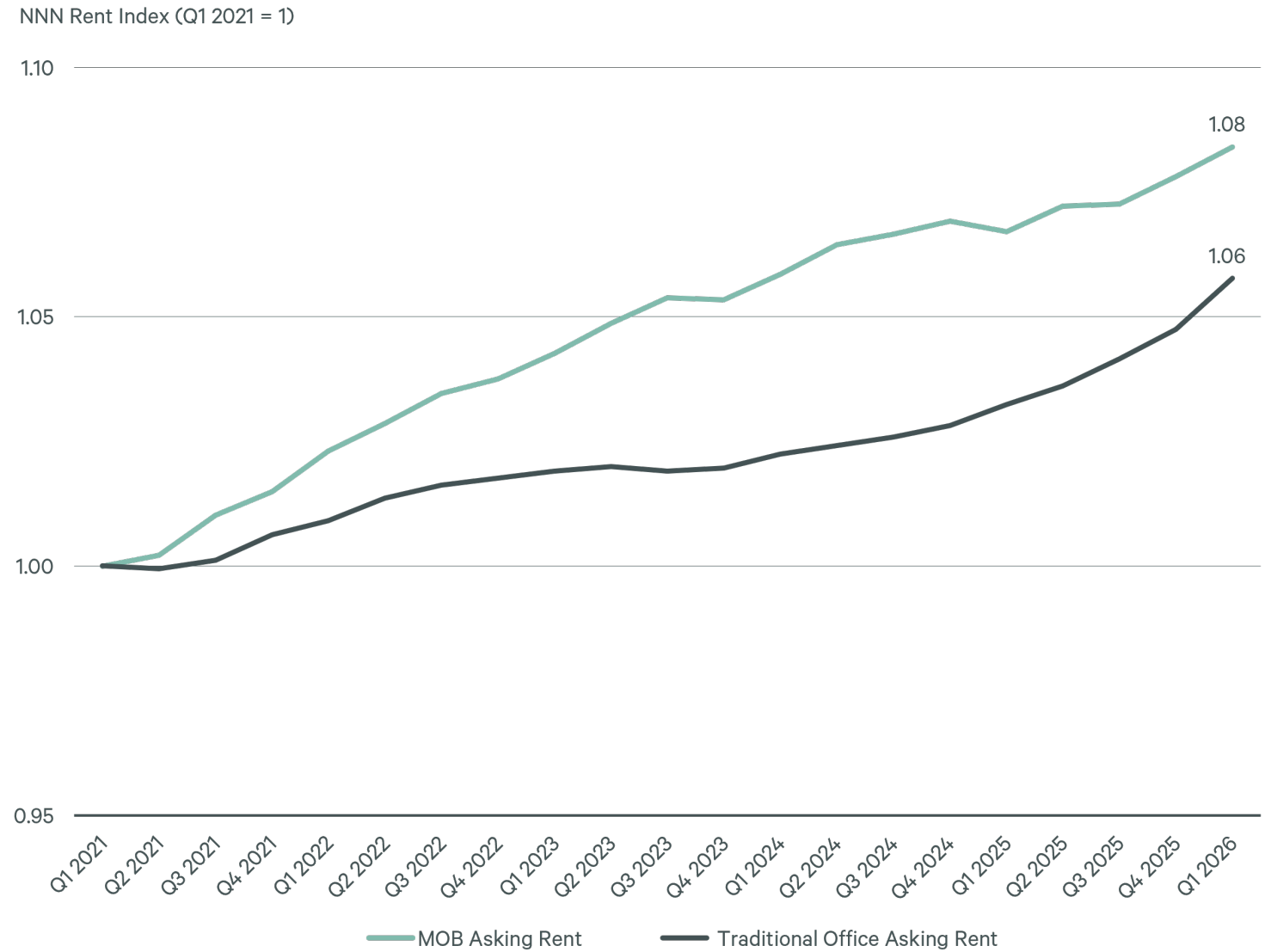
- The average MOB asking rent hit a record high of \$25.40 per sq. ft. in Q1, up by 1.6% year-over-year.
- Markets with the biggest year-over-year average rent increases were Louisville (11.5%), Hartford (7.8%) and Orlando (7.8%).
- The average MOB vacancy rate was flat year-over-year at 9.8%.



Source: CBRE Econometric Advisors, CBRE Research, Q1 2026.

Figure 10 MOB vs. traditional office asking rent growth

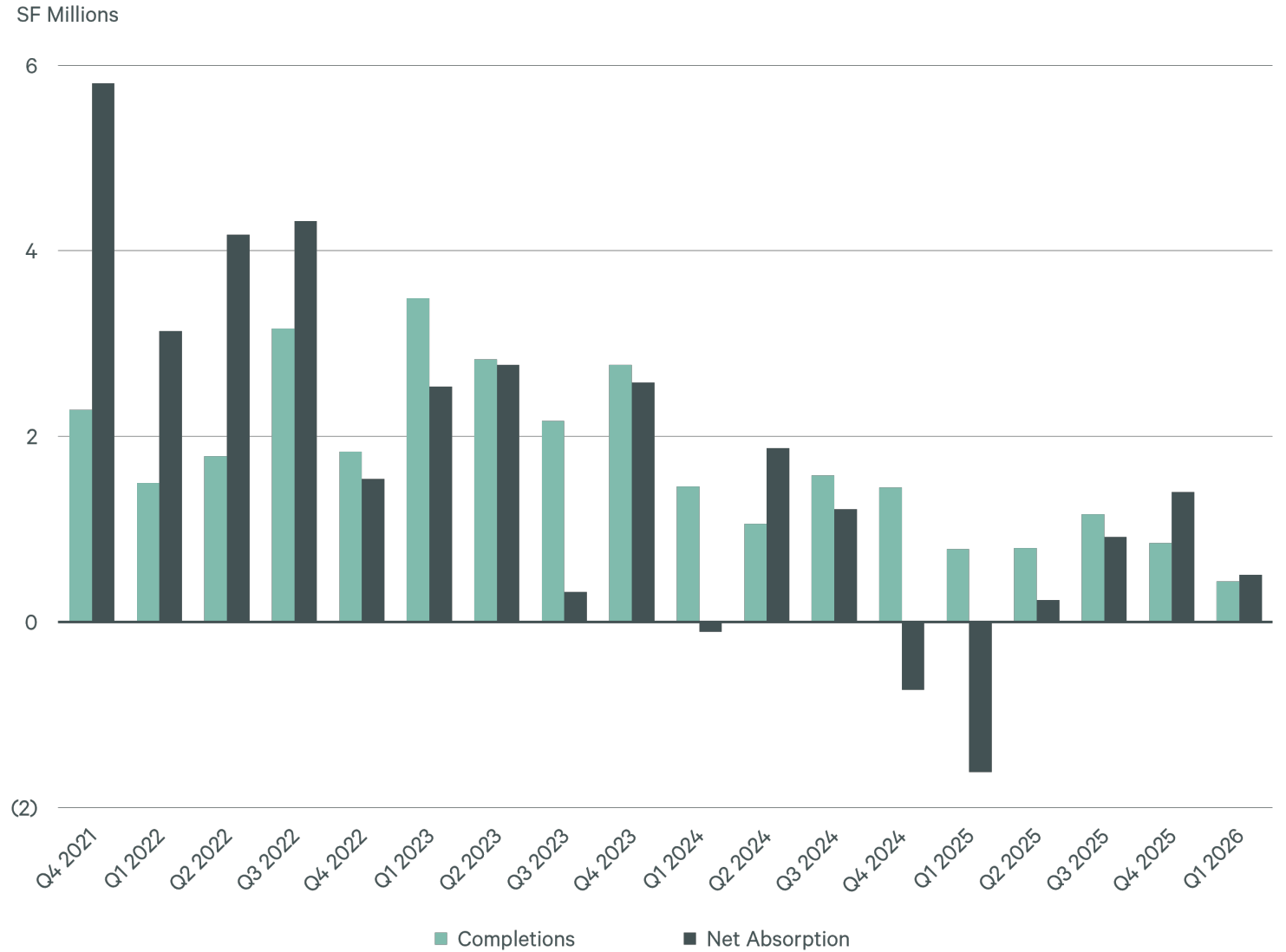
- MOB asking rent growth has moderated since mid-2024, while traditional office rents have improved significantly.
- While healthcare demand remains stable, improving office-sector fundamentals have resulted in strong rent gains.
- MOB rents were 8.4% above their Q1 2021 level, while traditional office rents were 5.8% above.



Source: CBRE Econometric Advisors, CBRE Research, Q1 2026.

Figure 11 MOB absorption & construction completions

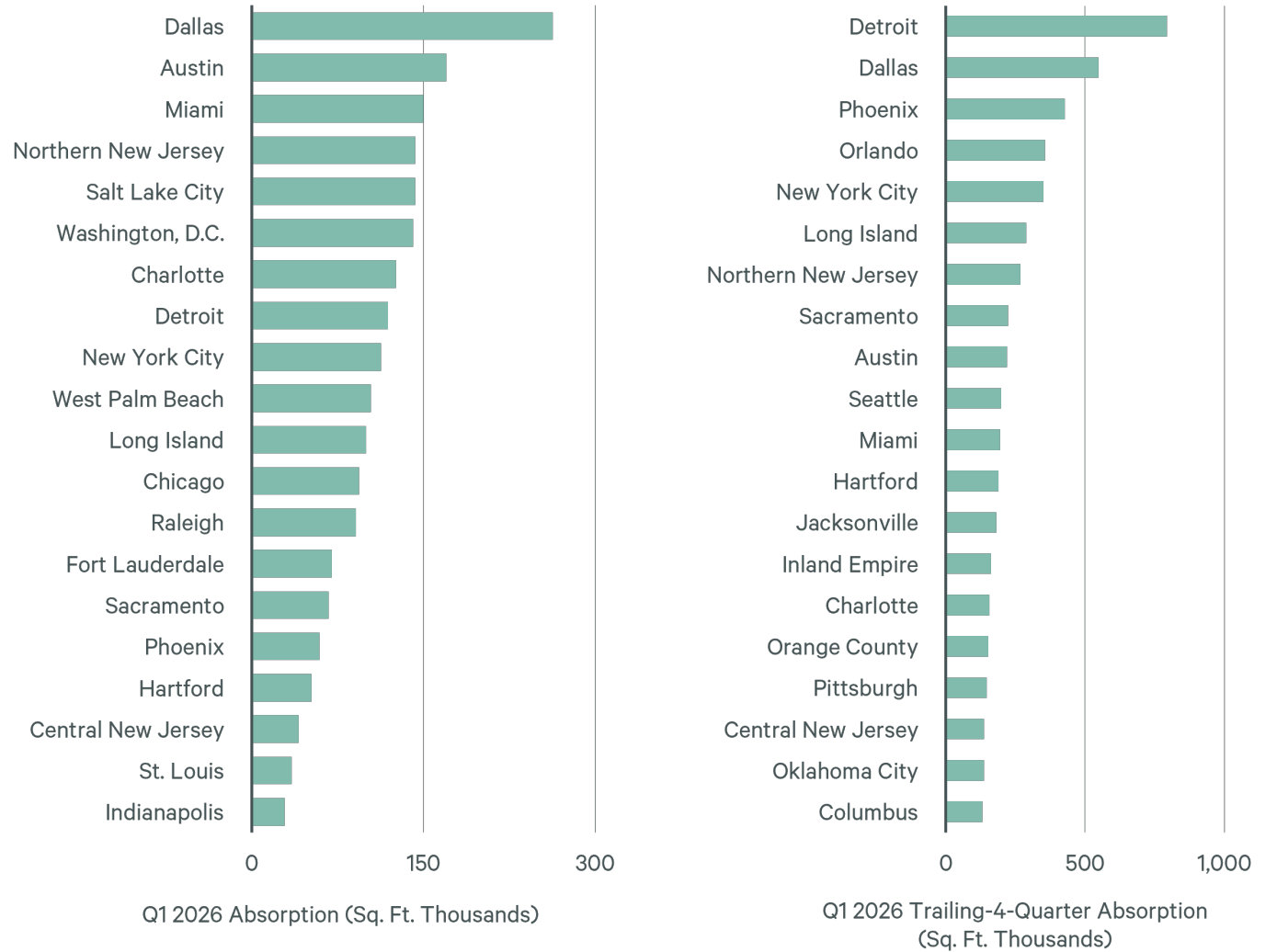
- The MOB sector had 511,000 sq. ft. of positive net absorption in Q1, its fourth consecutive quarter of positive demand.
- MOB construction completions totaling 440,000 sq. ft. in Q1 were 25% of the five-year quarterly average and brought the trailing-four-quarter total to 3.2 million sq. ft.
- Completions have declined due to high construction costs and interest rates.



Source: CBRE Econometric Advisors, Q1 2026.

Figure 12 Top 20 markets for quarterly & annual absorption

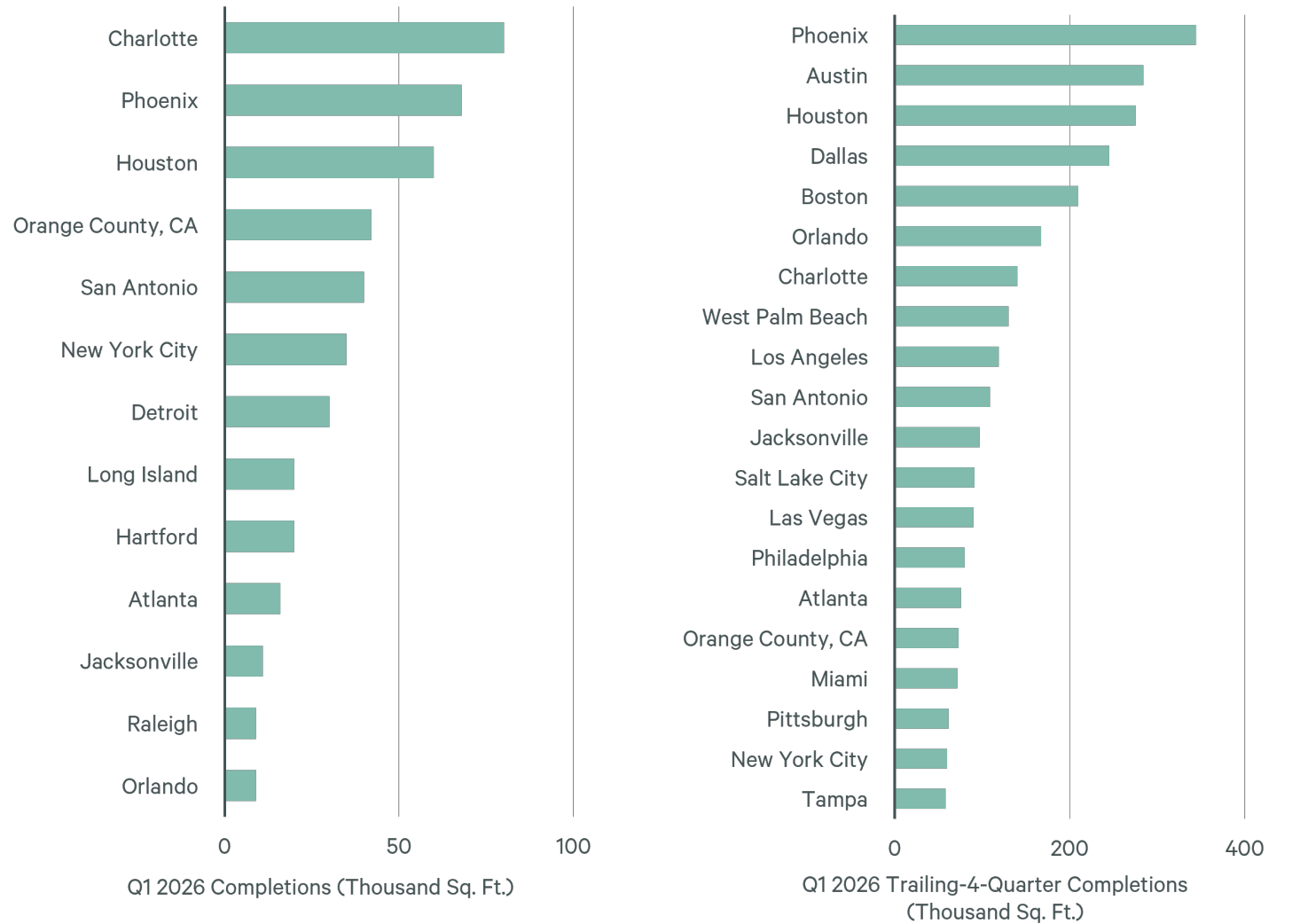
- Thirty-five of the 59 markets tracked by CBRE had positive net absorption in Q1, led by Dallas with 263,000 sq. ft., Austin with 170,000 sq. ft. and Miami with 150,000 sq. ft.
- Detroit, Dallas and Phoenix had the most net absorption on a trailing-four-quarter basis.



Source: CBRE Econometric Advisors, Q1 2026.

Figure 13 Top 20 markets for quarterly & annual construction completions

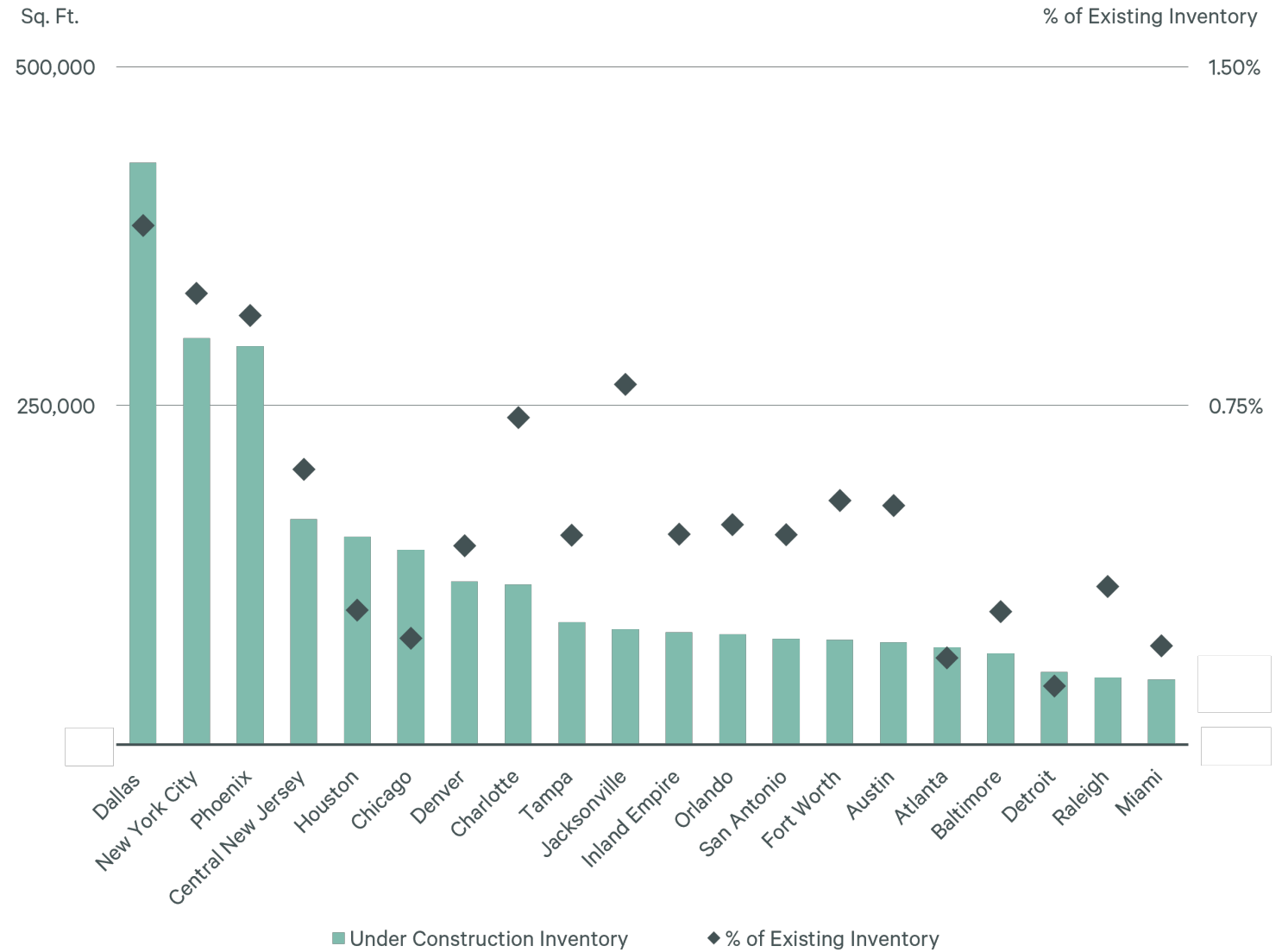
- Charlotte was the top market for construction completions in Q1 with 80,000 sq. ft., followed by Phoenix with 68,000 sq. ft. and Houston with 60,000 sq. ft.
- Phoenix led for trailing-four-quarter completions with 344,000 sq. ft., followed by Austin with 284,000 sq. ft. and Houston with 275,000 sq. ft.



Source: CBRE Econometric Advisors, Q1 2026.

Figure 14 MOB space under construction

- The 59 markets tracked by CBRE had a combined 2.9 million sq. ft. of space under construction as of Q1.
- Dallas was the leading market for MOB construction with 429,000 sq. ft., followed by New York City with 300,000 sq. ft. and Phoenix with 294,000 sq. ft.
- Dallas and New York City were the only top markets with space under construction totaling more than 1.0% of existing inventory.



Source: CBRE Econometric Advisors, Q1 2026.

Figure 15
Select Q1 MOB market statistics

	Inventory (Sq. Ft.)	Completions (Sq. Ft.)	Under Construction (Sq. Ft.)	Vacancy Rate (%)	Availability Rate (%)	Net Absorption (Sq. Ft.)	Net Rent (\$)	QoQ Change (%)	YoY Change (%)
Atlanta	37,303,000	16,000	71,500	8.0%	9.8%	-6,000	\$24.38	-0.9%	0.4%
Austin	14,234,000	0	75,295	10.7%	13.3%	170,000	\$26.74	0.7%	0.4%
Chicago	61,120,000	0	143,702	11.0%	13.9%	94,000	\$19.49	-0.4%	-0.5%
Columbus	14,322,000	0	24,314	8.3%	10.6%	-34,000	\$16.53	-0.4%	1.5%
Dallas	37,368,000	0	428,996	13.0%	15.4%	263,000	\$24.04	0.9%	0.3%
Denver	27,299,000	0	120,000	11.5%	14.2%	-132,000	\$21.53	2.2%	4.2%
Houston	51,591,000	60,000	153,159	16.2%	20.1%	-732,000	\$23.45	1.4%	2.3%
Los Angeles	52,964,000	0	3,000	10.5%	12.6%	-94,000	\$39.39	0.4%	-0.6%
Miami	21,977,000	0	47,900	6.0%	7.3%	150,000	\$38.40	0.3%	2.9%
Nashville	16,057,000	0	16,772	7.8%	9.1%	-5,000	\$25.02	-1.3%	-3.1%
Orange County, CA	24,548,000	42,000	15,196	10.8%	14.0%	20,000	\$33.94	1.9%	4.6%
Orlando	16,679,000	9,000	81,132	9.2%	10.7%	-63,000	\$28.04	1.1%	7.5%
Philadelphia	35,157,000	0	15,000	10.1%	13.5%	-65,000	\$22.30	0.1%	0.6%
Phoenix	30,943,000	68,000	293,768	13.4%	16.4%	59,000	\$25.10	-1.3%	0.1%
Salt Lake City	12,042,000	0	36,000	7.5%	8.6%	143,000	\$20.90	1.0%	3.5%
San Antonio	16,777,000	40,000	77,811	12.3%	14.5%	7,000	\$21.74	2.4%	4.4%
San Diego	18,411,000	0	0	7.2%	10.3%	0	\$35.52	2.1%	4.5%
Seattle	19,117,000	0	5,200	5.1%	7.0%	6,000	\$31.21	-0.2%	0.4%
Tampa	19,476,000	0	90,255	6.7%	8.3%	22,000	\$24.23	0.8%	2.8%
Washington, D.C.	49,990,000	0	0	13.1%	17.9%	141,000	\$30.25	-0.8%	2.6%

Source: CBRE Econometric Advisors, Q1 2026.

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