Net-Lease Investment Volume Increases by 13%

▲ $12.5 B
Investment Volume

▲ $922 M
Cross-Border Capital

▶ 6.9%
Average Cap Rate

▲ 4.5%
10-Year Treasury Rate*

Arrows indicate change from the same quarter in the previous year.
*Quarterly average.

Executive Summary

– Net-lease investment volume increased by 13% year-over-year in Q2 to $12.8 billion, accounting for 10% of total commercial real estate investment.

– For the year ending Q2 2026, net-lease investment volume increased by 14% year-over-year to $57 billion.

– Net-lease industrial investment increased by 28% year-over-year to $8.1 billion due to stronger single-asset sales. Office investment fell by 21% to $1.8 billion, while retail volume increased by 6% to $2.9 billion.

– The industrial sector had the largest share of total net-lease investment at 63% in Q2, up from 56% a year earlier. The office sector's share decreased to 14% from 20%, while the retail sector's share fell to 22% from 24%.

– The average 10-year Treasury yield in Q2 increased to 4.5% from 4.4% a year ago, while the average net-lease capitalization rate held at 6.9%. The spread between the two fell by 10 basis points (bps) to 241 bps, reflecting stable pricing for net-lease assets.

Figure 1
Net-lease investment volume

- Q2 net-lease investment volume—using single-tenant asset sales as a proxy—increased by 13% year-over-year to $12.8 billion.
- For the year ending Q2 2026, net-lease investment volume increased by 14% to $57 billion and accounted for 10% of total commercial real estate investment.

*YTD
Note: Single-tenant asset investments used as a proxy for net-lease investment sales.
Source: CBRE Research, MSCI Real Assets, Q2 2026.

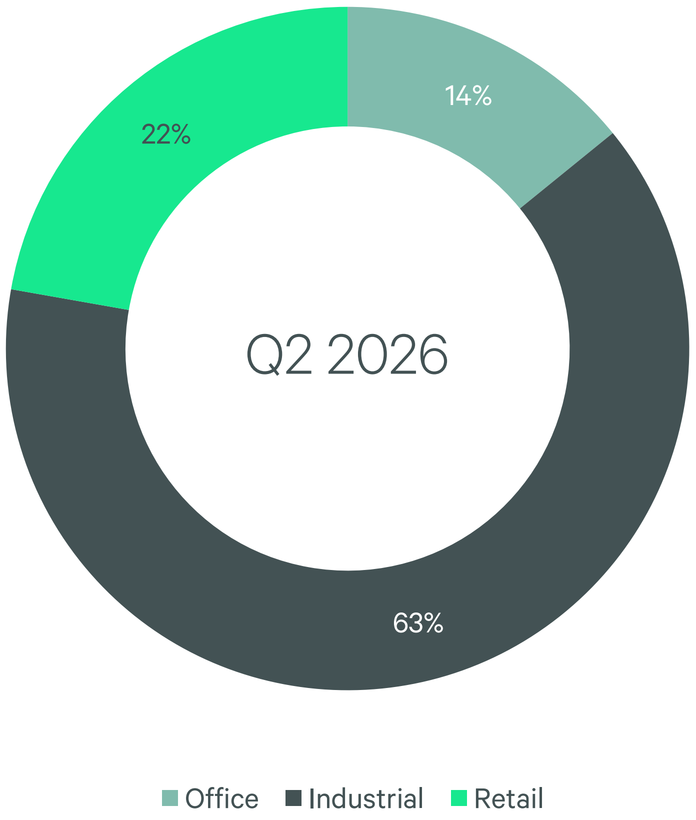
Figure 2
Net-lease investment volume by major property type

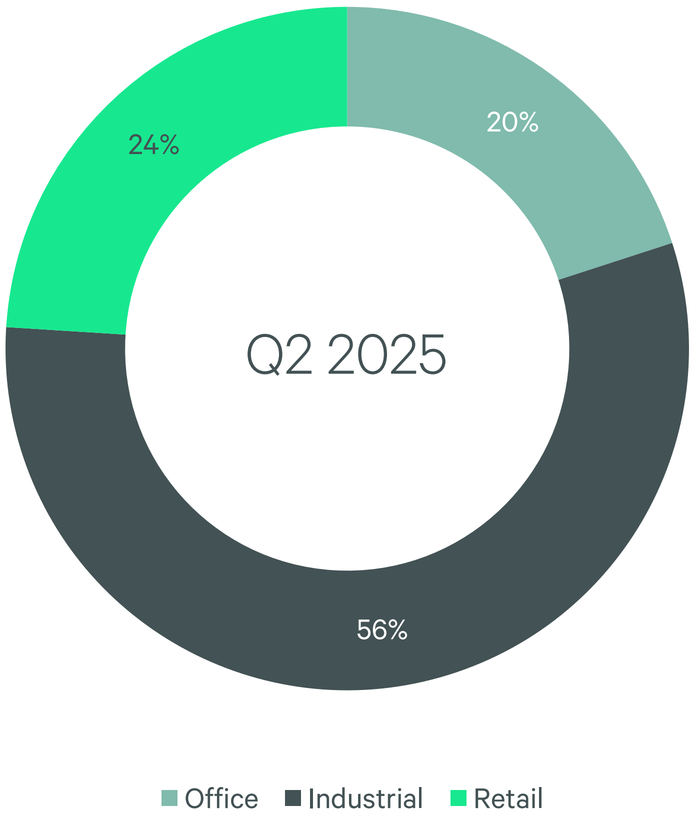
	Total ($ Billions)				Total ($ Billions)			
	Q2 2026	Q2 2025	Change (%)	Market Share (%)	Yr. Ending Q2 2026	Yr. Ending Q2 2025	Change (%)	Market Share (%)
All Types of Investments								
Office	1.8	2.3	-20.8	14.3	9.8	10.2	-3.4	17.3
Industrial	8.1	6.3	27.9	63.4	34.8	28.3	23.0	61.1
Retail	2.9	2.7	5.7	22.4	12.3	11.7	5.4	21.7
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	**12.8**	**11.4**	**12.7**	**100.0**	**57.0**	**50.2**	**13.6**	**100.0**
Single-Asset Investments Only								
Office	1.6	1.9	-16.7	15.6	7.8	7.5	4.2	17.0
Industrial	6.1	4.5	36.8	59.1	27.2	21.2	28.6	59.1
Retail	2.6	2.4	8.5	25.3	11.1	10.1	9.2	24.0
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	**10.3**	**8.8**	**17.3**	**100.0**	**46.1**	**38.8**	**18.8**	**100.0**
Portfolio Investments Only								
Office	0.2	0.4	-42.3	8.7	2.0	2.7	-24.8	18.6
Industrial	2.0	1.9	6.6	81.1	7.5	7.1	6.4	69.6
Retail	0.3	0.3	-16.8	10.2	1.3	1.6	-19.0	11.8
Other	0.0	0.0	-	0.0	0.0	0.0	-	0.0
TOTAL	**2.5**	**2.6**	**-3.3**	**100.0**	**10.8**	**11.3**	**-4.5**	**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, Q2 2026.

Figure 3
Net-lease market share by major property type

- Industrial assets accounted for $8.1 billion or 63% of total net-lease investment volume in Q2, up from 56% a year ago. Investment in the sector rose 28% year-over-year, driven by a 37% increase in single-asset sales.
- The office sector's share decreased to 14% ($1.8 billion) from 20% a year ago, while the retail sector's share fell to 22% ($2.9 billion) from 24%.
- On a year-over-year basis, Q2 net-lease office investment volume declined by 21%, while retail volume increased by 6%.





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, Q2 2026.

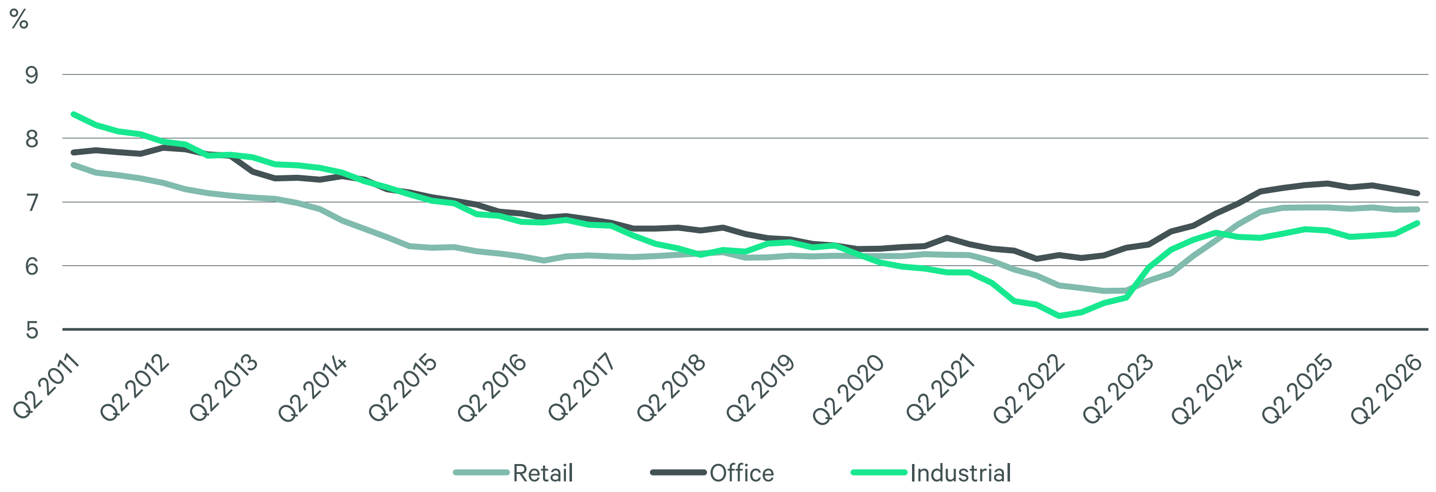
Figure 4
Top 20 markets for net-lease investment volume

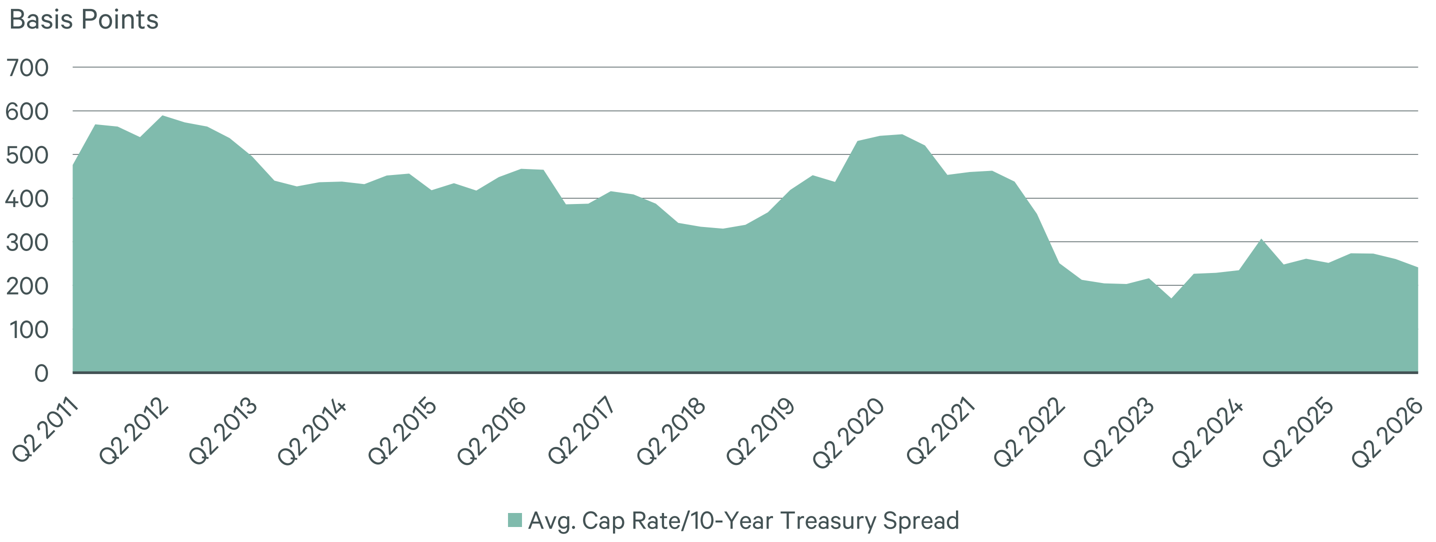
Rank	Market	Q2 2026 ($ Millions)	Q2 2025 ($ Millions)	Change ($ Millions)	Change (%)	Yr. Ending Q2 2026 ($ Millions)	Yr. Ending Q2 2025 ($ Millions)	Change ($ Millions)	Change (%)
1	Inland Empire	875	226	650	288.1	1,758	1,498	260	17.4
2	Dallas-Ft. Worth	699	437	263	60.2	2,488	2,063	425	20.6
3	Chicago	639	429	210	48.9	1,841	1,689	151	9.0
4	Houston	622	544	78	14.3	2,283	1,423	860	60.5
5	Phoenix	496	530	-34	-6.4	1,749	1,974	-225	-11.4
6	Los Angeles	434	324	110	33.9	2,214	1,733	480	27.7
7	Seattle	399	596	-197	-33.0	1,396	1,410	-14	-1.0
8	Nashville	380	37	343	929.1	761	587	174	29.7
9	San Jose	348	316	31	9.8	833	1,494	-660	-44.2
10	Boston	307	310	-3	-1.1	1,282	1,866	-583	-31.3
11	Indianapolis	293	42	252	606.6	640	477	164	34.3
12	Charlotte	256	395	-139	-35.3	991	776	215	27.7
13	N. New Jersey	245	364	-119	-32.8	1,461	1,330	131	9.8
14	Cincinnati	198	44	154	351.7	411	277	134	48.5
15	Atlanta	195	179	16	8.9	1,645	1,238	407	32.9
16	Broward	186	68	118	172.4	627	239	388	162.1
17	Milwaukee	184	97	87	90.2	431	296	135	45.5
18	Minneapolis	173	146	28	18.9	579	670	-90	-13.5
19	Philadelphia	173	143	30	21.2	618	519	98	18.9
20	East Bay	152	62	90	145.3	595	462	134	28.9

Source: CBRE Research, MSCI Real Assets, Q2 2026.

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

- The average net-lease cap rate remained at 6.9% year-over-year in Q2, signaling continued stability. The average 10-year Treasury yield in Q2 increased to 4.5% from 4.4% a year ago. Its spread between the 10-year Treasury yield fell by 10 bps to 241 bps.
- The average net-lease cap rate for retail remained at 6.9%, while the average for industrial assets increased by 12 bps to 6.7%. The average net-lease cap rate for office assets fell by 15 bps to 7.1%.

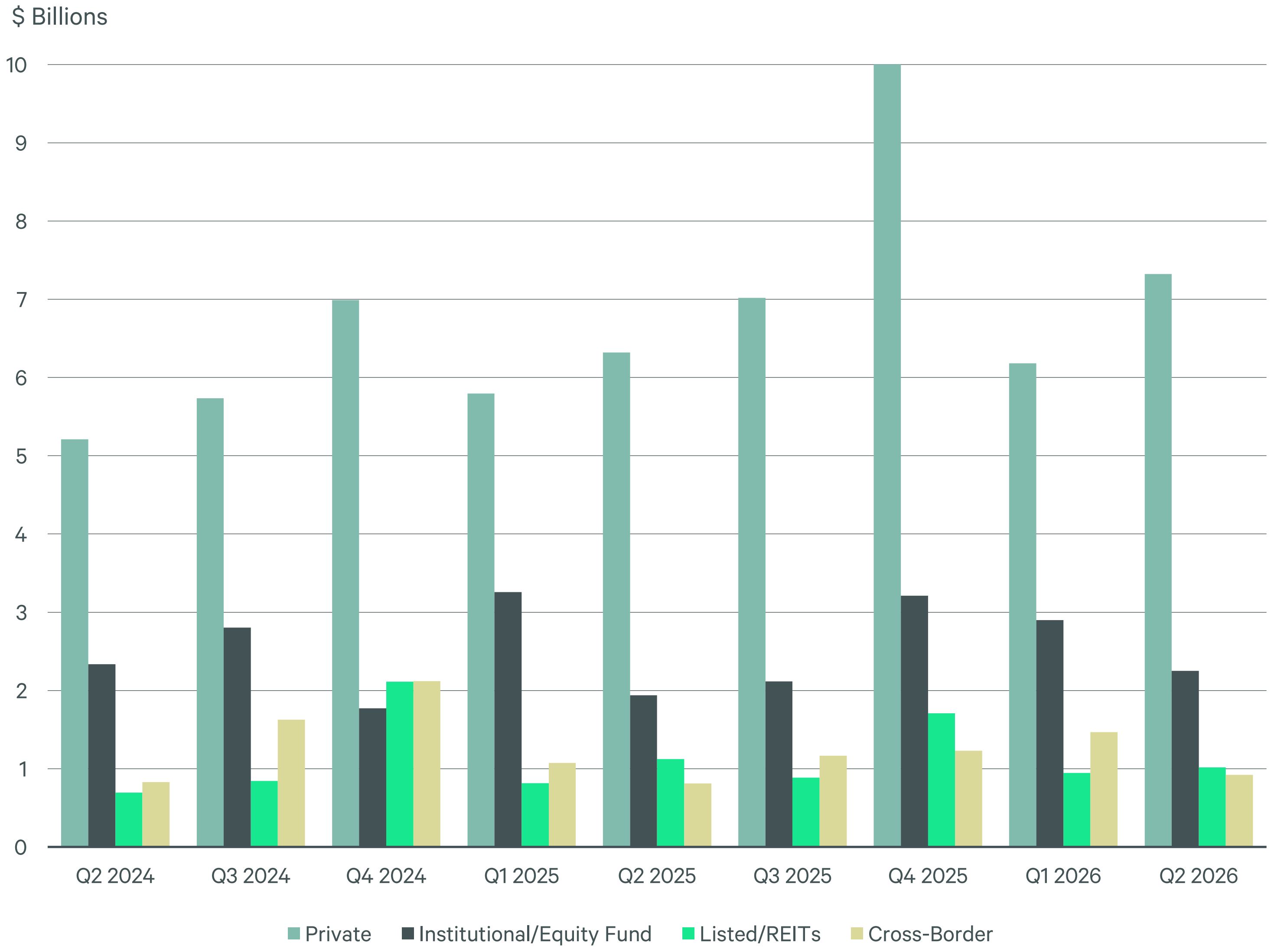




Source: CBRE Research, MSCI Real Assets, U.S. Department of the Treasury, Q2 2026.

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 16% year-over-year in Q2 to $7.3 billion.
- Net-lease investment by institutional investors and equity funds increased by 16% to $2.3 billion.
- REITs accounted for $1 billion of Q2 net-lease investment volume, down by 9%.
- Quarterly cross-border net-lease investment increased by 14% to $922 million.



Note: Investor types reflect transactions reported to MSCI Real Assets and may not fully reflect market activity.
Source: CBRE Research, MSCI Real Assets, Q2 2026.

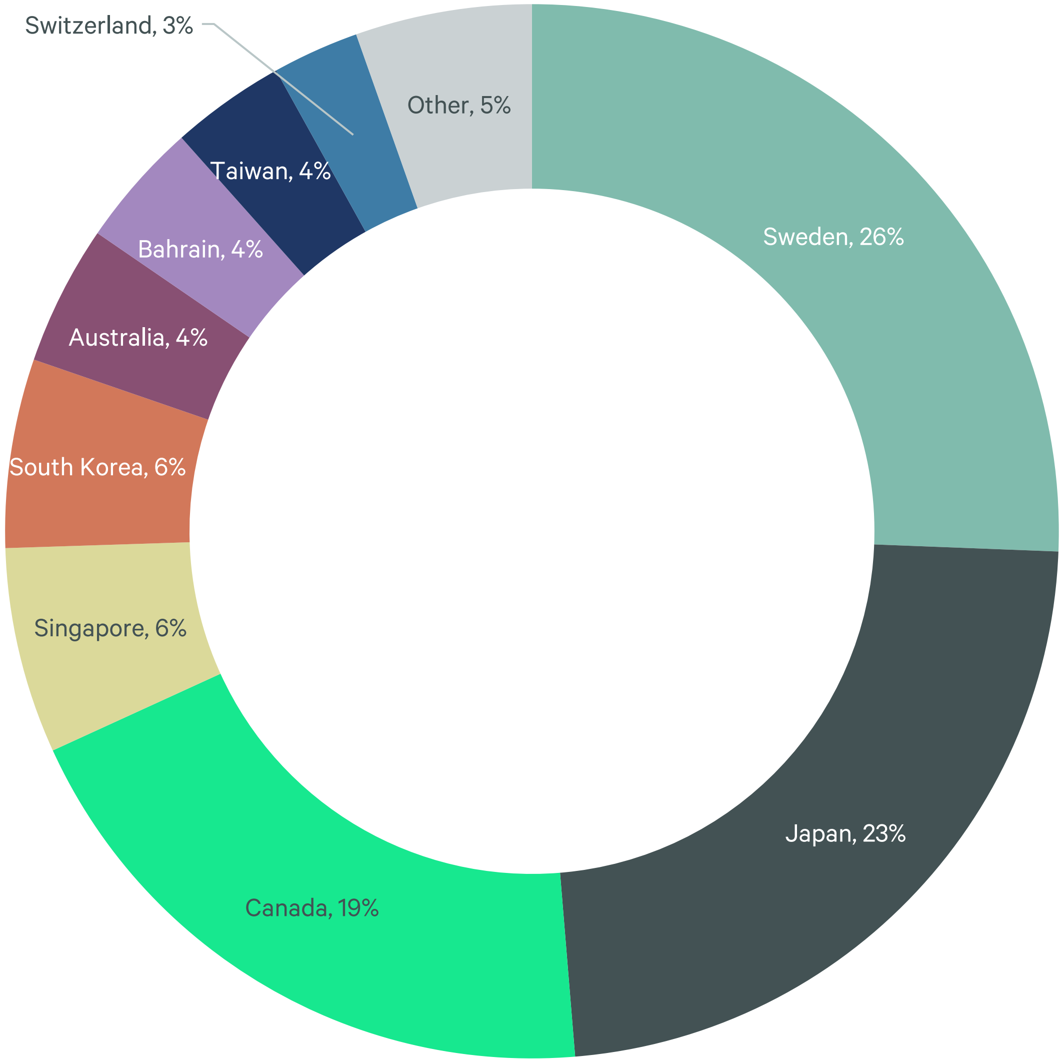
Figure 7
Cross-border net-lease investment

- International buyers accounted for 7% of total U.S. net-lease investment volume in Q2, the same share as last year.
- For the year ending Q2 2026, foreign net-lease investment fell by 15% to $4.8 billion from the same period a year ago.

* YTD value.
Source: CBRE Research, MSCI Real Assets, Q2 2026.

Figure 8
Cross-border net-lease investment by country of origin, year ending Q2 2026

- Sweden, Japan, Canada, Singapore and South Korea led international investment in U.S. net-lease properties for the year ending Q2 2026. Together, they accounted for 80% of total cross-border investment volume.
- Sweden had the biggest share of cross-border net-lease volume over the past year at 26% due to industrial portfolio acquisitions by a single investor. For Q2 alone, Japan had the biggest share at 32%, driven by a single industrial portfolio acquisition.



Source: CBRE Research, MSCI Real Assets, Q2 2026.

Figure 9
Sale/leaseback net-lease investment volume

- Sale/leaseback net-lease investment volume declined by 54% year-over-year in Q2 to $606 million. Volume for the year ending Q2 2026 fell by 59% to $3.4 billion.
- Sale/leasebacks accounted for 5% of total net-lease investment volume in Q2, reflecting delayed M&A transactions and a more selective environment.

* YTD

Source: CBRE Research, MSCI Real Assets, Q2 2026.

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