



SINGLE-TENANT | Q4 2024

Industrial

SINGLE-TENANT INDUSTRIAL

Market Fundamentals



Q4 2024 Investment Sales Volume	\$8.78B
Change from Last Quarter (Q3 '24)	+24.0%
Change from Last Year (Q4 '23)	+87.2%



Q4 2024 Overall Average Cap Rate	6.50%
Change from Last Quarter (Q3 '24)	+7 bps
Change from Last Year (Q4 '23)	+13 bps

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

Overview | Single-Tenant Industrial

The single-tenant industrial market once again cemented its position as the leading net lease sector during the final quarter of 2024. Sales activity in fourth quarter reached \$8.8 billion, representing a 24% increase over the previous quarter and a notable 87.2% year-over-year gain. This strong close brought the total sales volume for 2024 to \$26.3 billion, exceeding 2023's results by roughly 20% and highlighting continued appeal for logistics and distribution facilities.

After declining at mid-year, cap rates for single-tenant industrial transactions have ticked up for two quarters and now average 6.50%. Recent increases have been relatively modest compared to other sectors, with industrial cap rates up just 13 basis points year-over-year. Regionally, the gap between cap rates remains relatively narrow, with the Northeast reporting an average of 6.01% and the Midwest at 7.08%.

Private investors led buying activity for single-tenant industrial assets again in 2024, accounting for 40% of transactions. Institutional buyers were close behind, representing 26% of the buyer pool. International investors increased their activity in the sector, making up 18% of buyers in 2024 – their highest market share reported since 2018. The influx of international capital has been largely concentrated in established industrial markets such as Atlanta, Chicago and the Inland Empire, among others. For example, a 1.2 million-square-foot logistics warehouse in Texas was acquired in a sale-leaseback by an international investor in the summer of 2024 in one of the year's priciest single-asset industrial transactions.

Investor interest in logistics facilities remains incredibly strong, and it's clear why. E-commerce growth, a continued push for onshore manufacturing, supply chain reshuffling and the growing demand for cold storage facilities are reshaping the market in real time, creating development and investment opportunities across the nation.

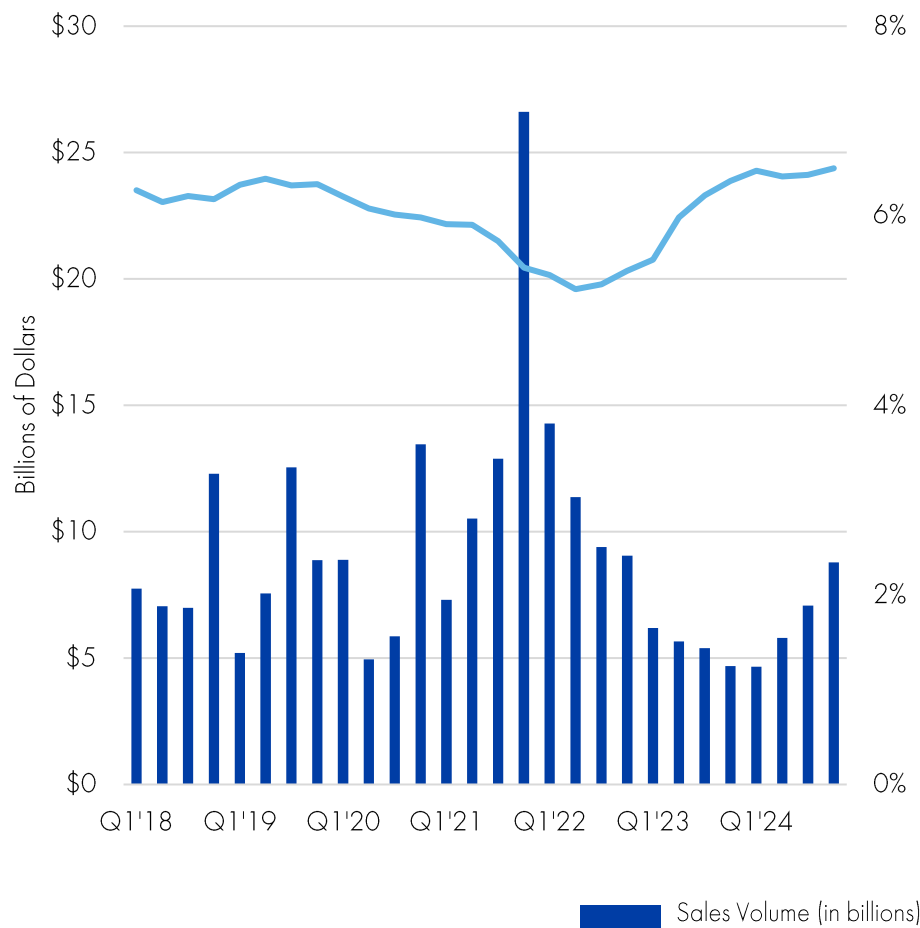
In 2025, watch for newer warehouses and distribution centers in strategic locations, such as near ports or major transportation hubs, to generate robust investor interest and report pricing stability. As supply chain adaptations and technological advancements accelerate, the industrial sector is expected to capture even greater attention from diverse investor groups.



SINGLE-TENANT INDUSTRIAL

Investment Sales Volume & Average Cap Rates

Quarterly



Annual



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



SINGLE-TENANT INDUSTRIAL

Quarterly & Annual Market Statistics

Investment Sales Volume (in millions)



Quarterly

Type	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Mid-Atlantic	\$488.85	\$457.01	\$481.83	\$895.22	\$537.50
Midwest	\$1,170.46	\$611.20	\$755.30	\$1,050.13	\$1,879.73
Northeast	\$391.26	\$359.81	\$696.82	\$433.14	\$773.96
Southeast	\$987.63	\$969.23	\$1,821.43	\$1,831.67	\$1,762.15
Southwest	\$510.43	\$753.64	\$819.69	\$1,364.97	\$1,031.27
West	\$1,142.03	\$1,501.82	\$1,223.96	\$1,506.07	\$2,795.35
Total	\$4,690.66	\$4,652.71	\$5,799.03	\$7,081.19	\$8,779.95

Annual

Type	2020	2021	2022	2023	2024
Mid-Atlantic	\$2,987.29	\$4,947.19	\$4,710.16	\$2,517.94	\$2,371.57
Midwest	\$7,187.10	\$11,250.46	\$8,774.66	\$4,137.15	\$4,296.36
Northeast	\$4,010.00	\$6,789.49	\$4,261.36	\$2,410.57	\$2,263.72
Southeast	\$5,991.59	\$11,170.97	\$9,283.67	\$4,441.23	\$6,384.48
Southwest	\$4,799.24	\$7,565.69	\$5,759.82	\$2,143.81	\$3,969.56
West	\$8,169.11	\$15,593.68	\$11,291.35	\$6,281.83	\$7,027.19
Total	\$33,144.31	\$57,317.48	\$44,081.02	\$21,932.54	\$26,312.88

Average Cap Rates



Quarterly

Type	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Mid-Atlantic	6.40%	6.26%	6.29%	6.38%	6.55%
Midwest	6.87%	7.00%	6.79%	6.73%	7.08%
Northeast	5.91%	6.05%	5.95%	5.80%	6.01%
Southeast	6.69%	6.66%	6.59%	6.64%	6.57%
Southwest	6.40%	6.67%	6.66%	6.75%	6.83%
West	5.69%	5.94%	6.06%	6.04%	6.04%
Total	6.37%	6.48%	6.41%	6.43%	6.50%

Annual

Type	2020	2021	2022	2023	2024
Mid-Atlantic	6.05%	5.71%	5.55%	6.40%	6.55%
Midwest	6.72%	6.44%	6.38%	6.87%	7.08%
Northeast	5.58%	5.41%	5.45%	5.91%	6.01%
Southeast	6.21%	5.56%	5.50%	6.69%	6.57%
Southwest	6.19%	5.56%	5.05%	6.40%	6.83%
West	5.27%	4.70%	4.62%	5.69%	6.04%
Total	5.98%	5.45%	5.42%	6.37%	6.50%

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



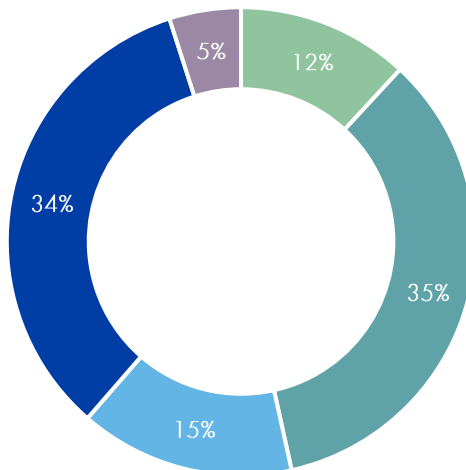
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Buyer Distribution

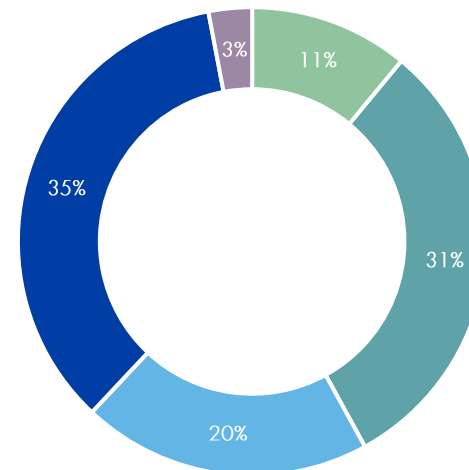
Annual



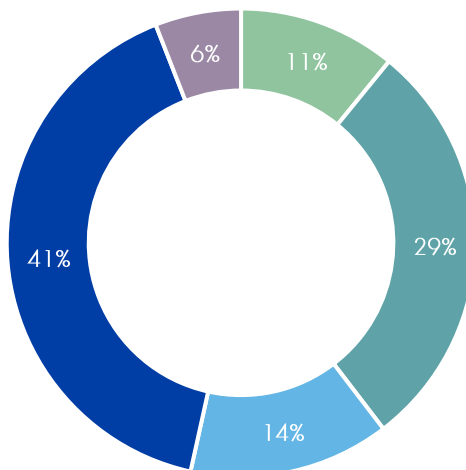
2021



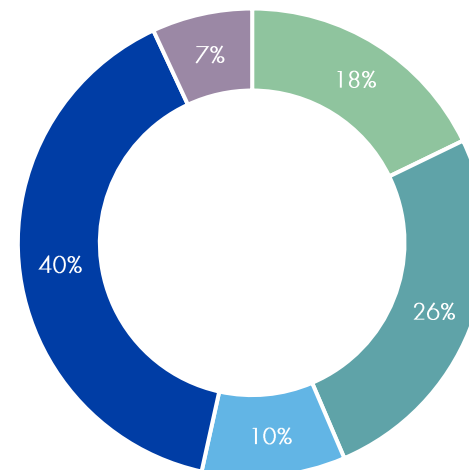
2022



2023



2024





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