

### NATIONAL ASKING CAP RATES

Sector	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
Retail	6.57%	6.57%	0
Office	7.85%	7.90%	+5
Industrial	7.23%	7.20%	-3
Overall	6.79%	6.80%	+1

### NUMBER OF PROPERTIES ON THE MARKET

Sector	Q2 2025 (Previous)	Q3 2025 (Current)	Percentage Change
Retail	4,324	4,263	-1.4%
Office	640	633	-1.1%
Industrial	637	675	6.0%
Overall	5,601	5,571	-0.5%

### MEDIAN NATIONAL ASKING VS. CLOSED CAP RATE SPREAD

Sector	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
Retail	30	29	-1
Office	60	55	-5
Industrial	27	30	+3

## Market Overview

Cap rates in the single tenant net lease sector remained stable in the third quarter of 2025, with overall cap rates increasing just one basis point to 6.80%. This minimal movement reinforces the market stabilization observed in the second quarter of 2025. Retail cap rates were unchanged at 6.57%, while office cap rates increased to 7.90% (+5 bps) and industrial cap rates compressed to 7.20% (-3 bps). After holding steady in the first half of 2025, the Federal Reserve cut rates by 25 basis points with a target range of 4.00% - 4.25%. Following two years of cap rate expansion, participants in the net lease sector appear to be adapting to the current capital markets.

Stability in the net lease market was further demonstrated in the third quarter of 2025 with the supply of net lease properties. The supply of properties was relatively stagnant as well with a 0.5% decrease in overall market supply. Retail and office inventory declined 1.4% and 1.1% respectively. Conversely, industrial properties on the market increased by 6%, suggesting increased seller activity in this sector.

Consistency in cap rates and market supply suggests greater alignment between pricing expectations between buyers and sellers. Accordingly, the bid-ask spread remained narrow across the net lease sector. The spread between asking and closed cap rates tightened to 29 basis points (-1 bp) for retail properties. Industrial spreads widened slightly but remained at levels similar to the retail sector at 30 bps (+3 bps).

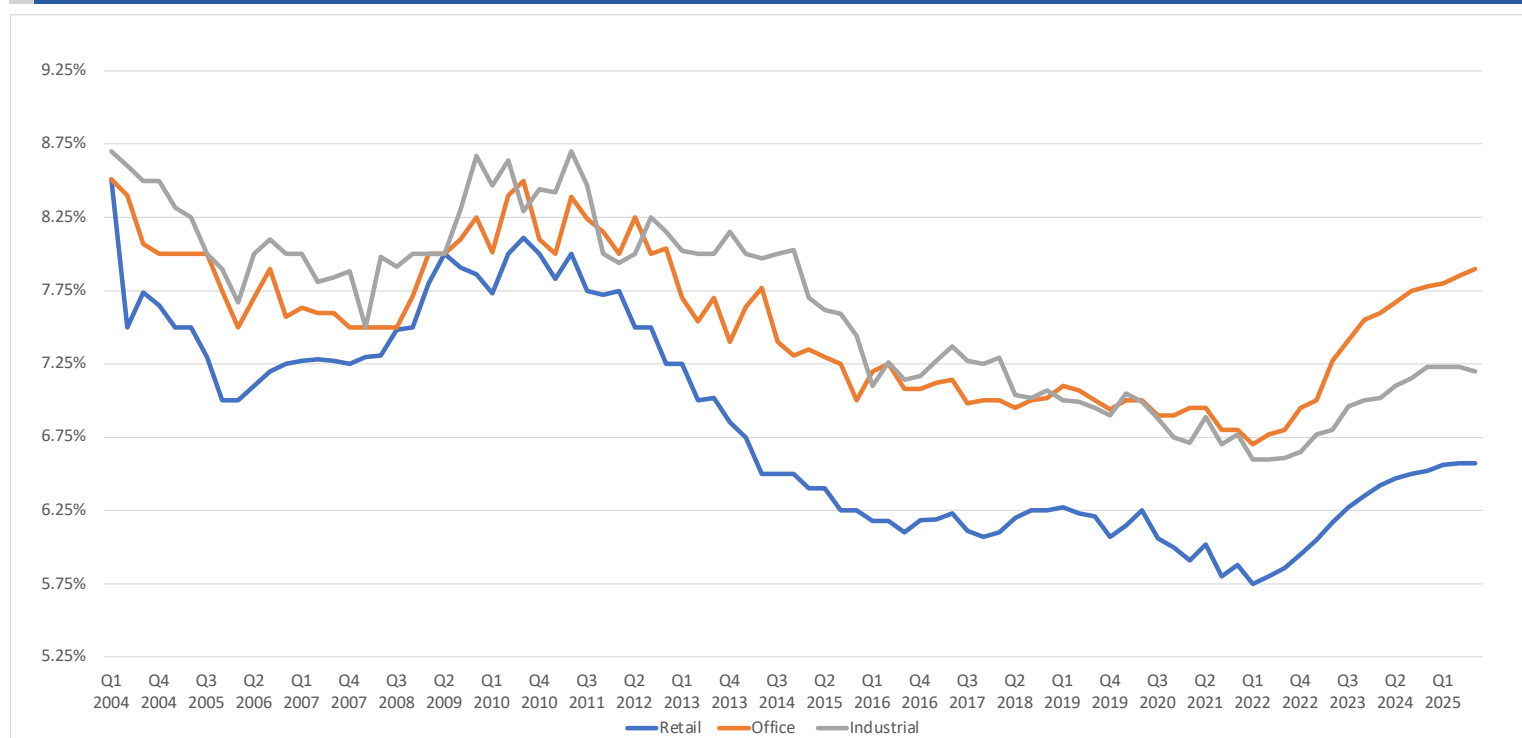
The net lease market continues to demonstrate resilience and stability in not only pricing but investor demand. Transaction velocity still lags the historical peaks, however market stability and buyer/seller alignment provide optimism for increased transaction volume in the next twelve months. Institutional demand for net lease properties remains high, however current cost of capital remains the variable for salability. Investors will be carefully monitoring the policy of the Federal Reserve with two additional meetings remaining in 2025. If rate cuts continue from the Federal Reserve, the net lease market would benefit. However, historically cap rates have not moved in lock step with interest rates and supply and demand drives pricing in the market as well.

***“Cap Rate Stabilization  
Continues in Net Lease Sector”***

### SELECTED SINGLE TENANT SALES COMPARABLES

Sale Date	Sector	Tenant	City	State	Price	Price Per SF	Cap Rate	Lease Term Remaining
Jul-25	Industrial	General Mills	Social Circle	GA	\$75,000,000	\$50	6.10%	5
Aug-25	Industrial	Vanderlande Industries	White	GA	\$34,000,000	\$117	5.69%	5
Sep-25	Retail	Lowe's Home Improvement	Framingham	MA	\$32,600,000	\$212	6.76%	6
Aug-25	Industrial	Burr Computer Environments	Atlanta	GA	\$26,235,000	\$153	5.35%	5
Aug-25	Industrial	Ferguson	Mansfield	TX	\$23,587,000	\$180	5.83%	10
Sep-25	Industrial	Giant Eagle	Columbus	OH	\$22,000,000	\$210	6.60%	11
Sep-25	Retail	Dick's Sporting Goods	Avon	OH	\$19,091,000	\$318	6.60%	10
Sep-25	Retail	EOS Fitness	Phoneix	AZ	\$13,972,000	\$223	7.10%	20
Aug-25	Retail	Chick-fil-A	Atlanta	GA	\$12,148,000	--	4.25%	15
Aug-25	Retail	Sprouts	Ocala	FL	\$10,976,000	\$472	6.25%	15
Aug-25	Industrial	Frito Lay	Fort Walton	FL	\$9,813,000	\$619	6.40%	10
Aug-25	Retail	Best Buy	Aurora	CO	\$7,800,000	\$170	7.73%	4
Aug-25	Retail	Carvana	San Antonio	TX	\$6,925,000	\$391	7.55%	14
Aug-25	Retail	Chase Bank	Miami	FL	\$6,650,000	--	5.70%	6
Sep-25	Industrial	New Era Technology	Indianapolis	IN	\$5,600,000	\$89	7.25%	5
Aug-25	Retail	The Learning Experience	Fitchburg	WI	\$5,487,000	\$549	7.93%	20
Aug-25	Retail	Kiddie Academy	Wheaton	IL	\$5,150,000	\$490	7.44%	19
Sep-25	Retail	Firestone	Alachua	FL	\$4,880,000	\$737	5.36%	15
Sep-25	Retail	Wawa	Noblesville	IN	\$4,839,000	--	5.25%	20
Sep-25	Retail	Walgreens	Overland Park	KS	\$4,350,000	\$288	6.95%	14

### NET LEASE CAP RATE TRENDS





## Net Lease Sectors

---

1. Auto Sector
2. Casual Dining
3. Dollar Stores
4. Drug Stores
5. Quick Service Restaurants (QSR)

## 1. Net Lease Auto Sector

### NATIONAL ASKING CAP RATES

	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
<b>Auto Sector</b>	6.50%	6.55%	+5

### MEDIAN ASKING CAP RATES BY PROPERTY TYPE

Sector	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
<b>Auto Parts</b>	6.52%	6.58%	+6
<b>Auto Service</b>	6.15%	6.15%	0
<b>Collision</b>	6.70%	6.71%	+1

### MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Auto Parts	Auto Service	Collision
<b>16-20 Years</b>	5.65%	5.80%	6.60%
<b>11-15 Years</b>	6.00%	6.00%	6.85%
<b>6-10 Years</b>	7.05%	7.00%	7.10%
<b>5 Years &amp; Under</b>	8.00%	7.13%	7.95%



## 2. Net Lease Casual Dining Sector

### NATIONAL ASKING CAP RATES

Tenant	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
<b>All Corporate Casual Dining</b>	6.60%	6.64%	+4
<b>Applebee's</b>	7.55%	7.60%	+5
<b>Buffalo Wild Wings</b>	6.78%	6.70%	-8
<b>Chili's</b>	6.00%	6.02%	+2
<b>IHOP</b>	7.20%	7.08%	-12
<b>Olive Garden</b>	5.85%	5.87%	+2
<b>Outback Steakhouse</b>	6.53%	6.50%	-3
<b>Red Lobster</b>	5.30%	5.35%	+5
<b>Texas Roadhouse (Ground Lease)</b>	5.17%	5.30%	+13

### MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Cap Rate
<b>16-20 Years</b>	6.05%
<b>11-15 Years</b>	6.40%
<b>6-10 Years</b>	7.08%
<b>5 Years &amp; Under</b>	7.60%



### 3. Net Lease Dollar Store Sector

#### NATIONAL ASKING CAP RATES

Tenant	Q2 2024 (Previous)	Q3 2025 (Current)	Basis Point Change
Dollar General	7.05%	7.05%	0
Family Dollar	8.30%	8.40%	+10
Dollar Tree	7.50%	7.52%	+2
Dollar Store Sector	7.35%	7.35%	0



#### MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Dollar General	Family Dollar	Dollar Tree
12-15 Years	6.90%	N/A	N/A
9-11 Years	7.25%	8.25%	7.25%
6-8 Years	7.90%	8.32%	7.75%
3-5 Years	8.45%	9.05%	8.02%
Under 3 Years	9.00%	9.50%	8.83%

### 4. Net Lease Drug Store Sector

#### NATIONAL ASKING CAP RATES

Tenant	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
Walgreens	7.75%	7.90%	+15
CVS	6.55%	6.65%	+10
Drug Store Sector	7.53%	7.66%	+13



#### MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Walgreens	CVS
20+ Years	N/A	N/A
15-19 Years	6.90%	6.20%
10-14 Years	7.45%	7.00%
6-9 Years	8.40%	7.40%
Under 5 Years	9.10%	8.32%

## 5. Net Lease Quick Service Restaurant (QSR) Sector

### CORPORATE NATIONAL ASKING CAP RATES

Tenant	Q2 2025 (Previous)	Q3 2025 (Current)	Basis Point Change
All Corporate QSR	5.80%	5.82%	+2
Chick-fil-A (Ground Lease)	4.45%	4.55%	+10
Chipotle	5.50%	5.50%	0
McDonald's (Ground Lease)	4.38%	4.48%	+10
Panera Bread	5.75%	5.75%	0
Raising Cane's	5.00%	5.00%	0
Starbucks	6.40%	6.42%	+2

### FRANCHISEE NATIONAL ASKING CAP RATES

Tenant	Q2 2024 (Previous)	Q3 2025 (Current)	Basis Point Change
All Franchisee QSR	6.65%	6.70%	+5
Burger King	6.25%	6.30%	+5
Dunkin'	5.90%	6.00%	+10
KFC	6.25%	6.28%	+3
Taco Bell	5.48%	5.50%	+2
Wendy's	5.55%	5.55%	0

### MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

Years Remaining	Corporate QSR	Franchisee QSR
20+ Years	5.00%	5.85%
15-19 Years	5.50%	6.23%
10-14 Years	5.92%	6.75%
Under 10 Years	6.85%	7.50%



## For More Information:

### Chicago:

**RANDY BLANKSTEIN**  
President  
[randy@bouldergroup.com](mailto:randy@bouldergroup.com)

**JIMMY GOODMAN**  
Partner  
[jimmy@bouldergroup.com](mailto:jimmy@bouldergroup.com)

**JOHN FEENEY**  
Senior Vice President  
[john@bouldergroup.com](mailto:john@bouldergroup.com)

**CARTER HIMLEY**  
Senior Analyst  
[carter@bouldergroup.com](mailto:carter@bouldergroup.com)

**PAT LEAVY**  
Analyst  
[pat@bouldergroup.com](mailto:pat@bouldergroup.com)

### Denver:

**ZACH WRIGHT**  
Vice President  
[zach@bouldergroup.com](mailto:zach@bouldergroup.com)

**BRANDON WRIGHT**  
Associate  
[brandon@bouldergroup.com](mailto:brandon@bouldergroup.com)