



MOB CAPITAL MARKETS 2026 OUTLOOK



Are lower interest rates increasing momentum?

What do refi opportunities mean for owners?

What can MOB investors expect in 2026?

Are portfolio buyers set to drive market activity?

Will more capital flow into MOB in 2026?

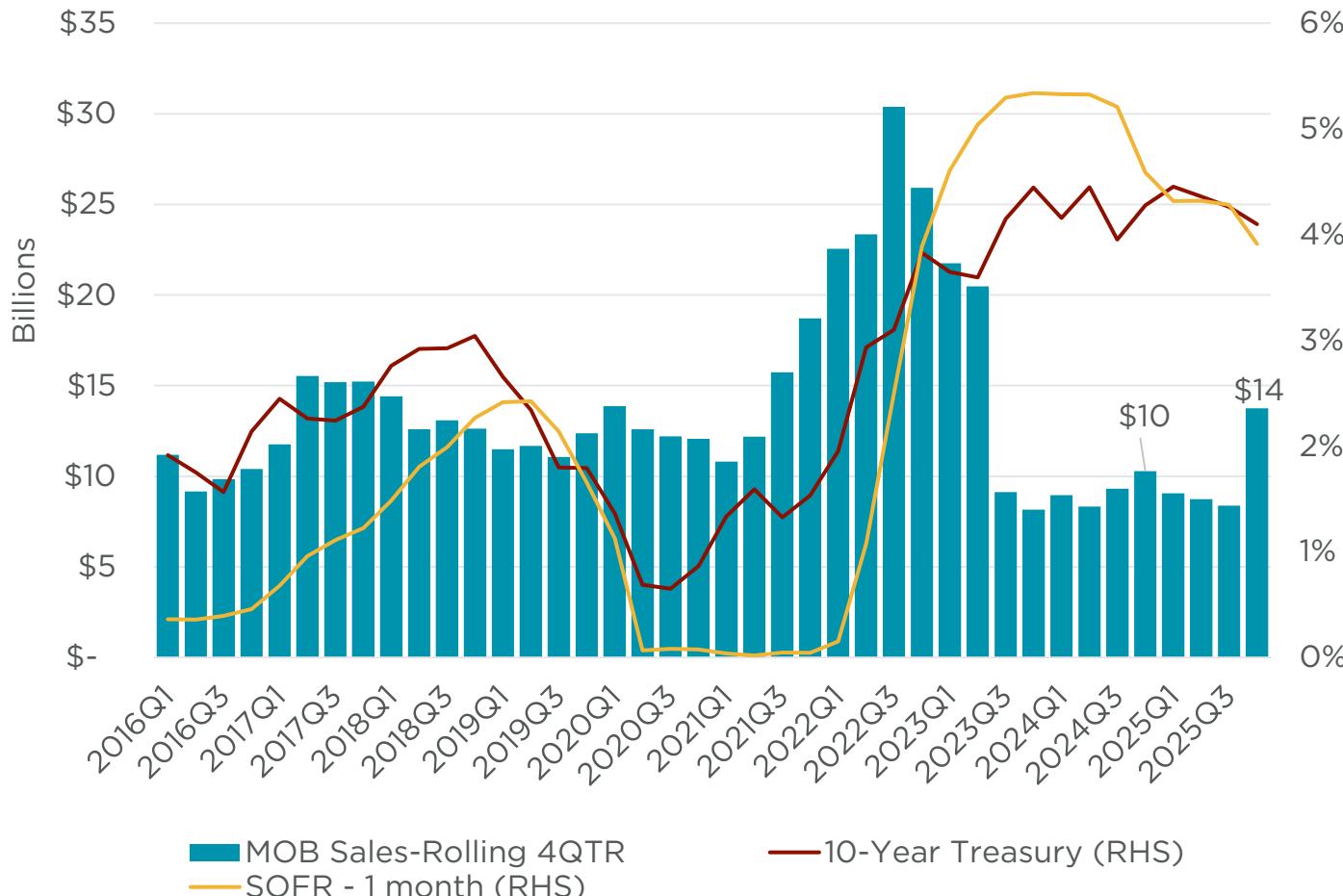


ARE LOWER INTEREST RATES INCREASING MOMENTUM?



Transaction Activity Picks Up

Positive momentum from improved sentiment



Source: RevistaMed, U.S. Board of Governors of the Federal Reserve System (FRB); Moody's Analytics

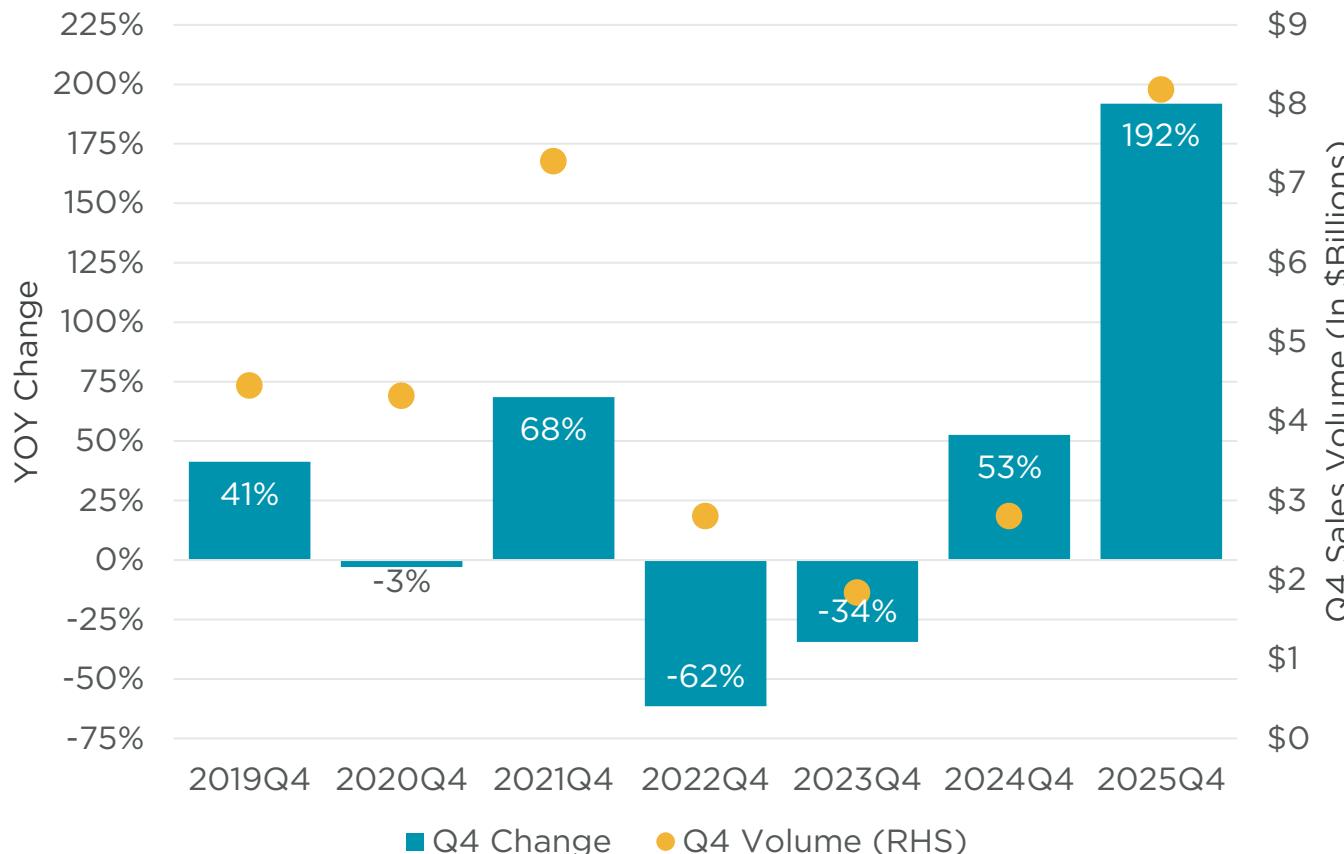
Note: Sales volume excludes entity level transactions

Lower Rates Boost Activity

- Despite increased uncertainty in 2025, rate cuts helped spur capital markets activity. Medical Outpatient Buildings (MOB) investment volume reached more than \$14 billion, a 34% year-over-year (YOY) increase, as investors looked past the uncertainty and volatility of 2025.
- Looking ahead, the Fed is expected to pause further rate cuts while it monitors inflation and labor market conditions. Still, modest easing could resume in the second half of 2026, and investors are not waiting for short-end cuts, recognizing that the Fed is nearing the end of its cutting cycle.
- MOB capital markets are well positioned for continued recovery and growth in 2026, supported by strengthening sentiment, lower borrowing costs and strong underlying fundamentals.

Fourth-Quarter Volume Signals Increased Momentum

2025 year-end rally sets the pace for 2026



Source: RevistaMed,

Note: Sales volume includes entity level transactions;

Record-Setting Q4 Volume

- Quarterly transaction volume can be volatile, but year-end closings typically bolster annual totals. In 2025, the fourth quarter emerged as one of the strongest in a decade, reaching \$8.2 billion, up 192% from fourth quarter of 2024 and nearly double the 10-year fourth-quarter average.
- Elevated portfolio activity, including the Welltower portfolio sale, drove the surge; even without that transaction, fourth-quarter volume still rose 14% YOY. This performance shows that investors continue to look past short-term volatility and focus on long-term MOB fundamentals.
- Three consecutive rate cuts and improving sentiment further supported fourth-quarter activity. Strong demographic and robust CRE fundamentals are expected to reinforce this momentum and drive MOB transaction volumes in 2026.

All Property Pricing Improving

MOB pricing aligns with positive overall market momentum



Source: MSCI Real Capital Analytics, Cushman & Wakefield Research

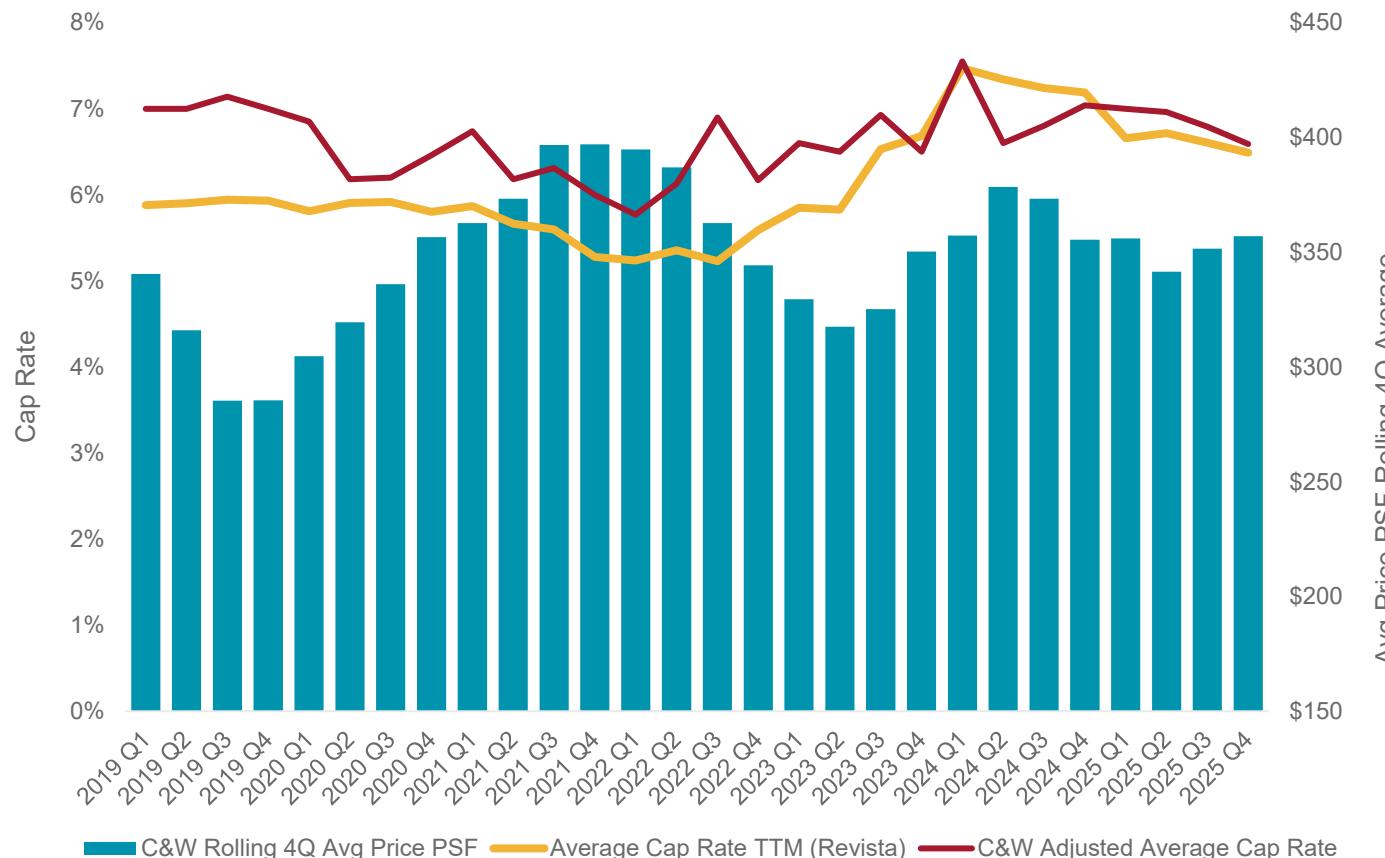
*The CPPI is a repeat sales index tracking same store property transactions.

Improved Values

- U.S. commercial real estate capital markets continue to gain traction as national property pricing returns to positive territory.
- The Commercial Property Price Index (CPPI) rose 0.2% YOY as of December 2025, a marked turnaround from December 2024, when pricing fell 0.6%.
- MOB pricing strengthened through most of 2025, despite some choppiness, rising 0.1% YOY on a price-per-square-foot (psf) basis.
- As deal activity picks up and fundamentals remain solid, MOB pricing should continue its upward trajectory in 2026.

MOB Cap Rates Compress

Cap rates compressed at year-end 2025



Source: Cushman & Wakefield Research (C&W data based on proprietary market intelligence on closed deals \$5M+, buildings 10K SF+ and excluding entity level transactions; C&W Adjusted cap rates are based on deals with <10.0% cap rates), Revista Med used for reference

Improved Visibility into Pricing

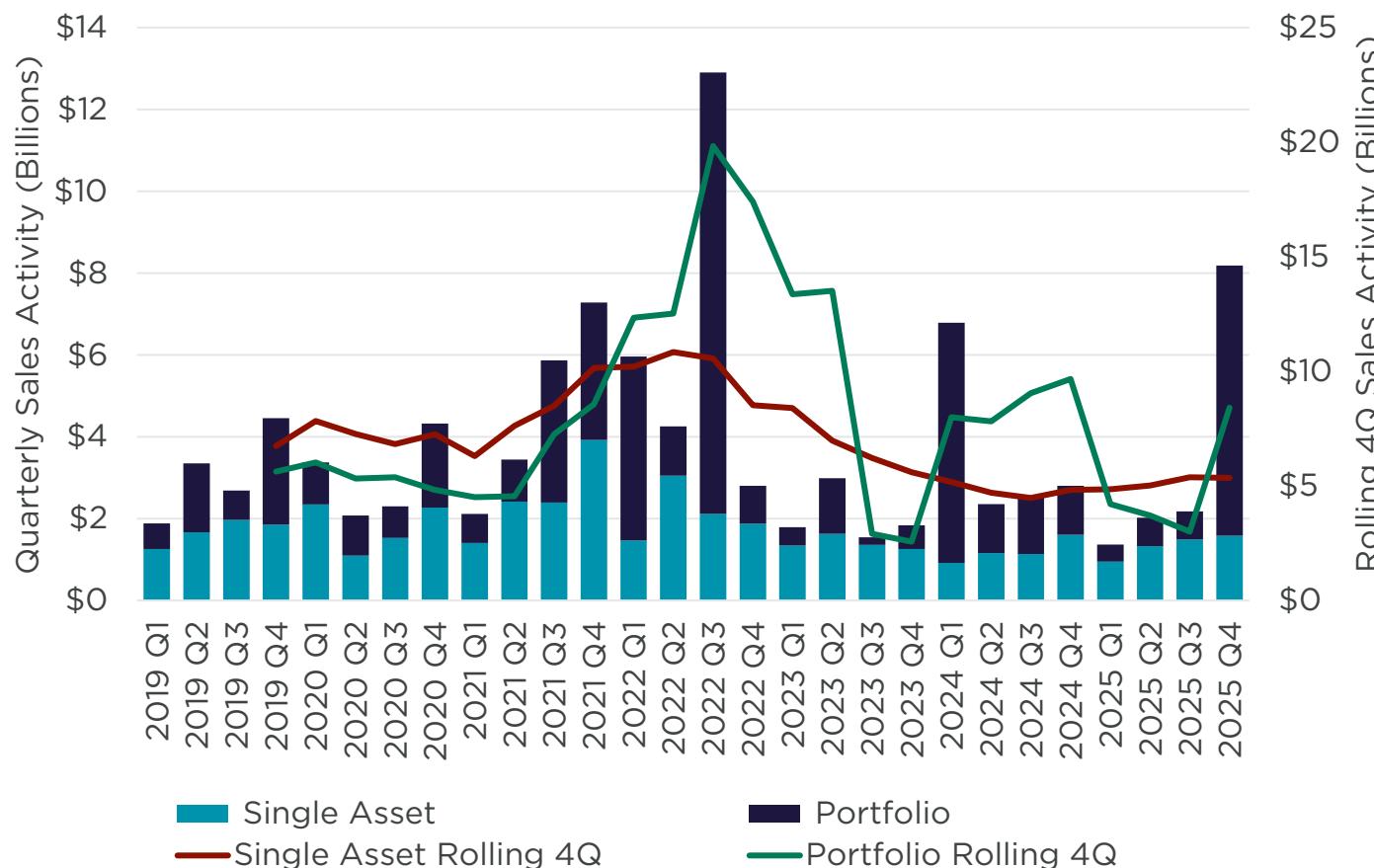
- The MOB sector experienced some cap rate compression in 2025 fueled by improving investor sentiment and robust NOI growth. Cushman & Wakefield's adjusted cap rate data shows the fourth-quarter 2025 cap rate of 6.6%, 20 bps lower than the previous quarter. Cap rates finished the year in line with the five-year average, indicating a trend toward pre-rate-hiking levels.
- On a YOY basis, adjusted cap rate compression was more pronounced, with a 40-bp decrease over the fourth quarter of 2024.
- Pricing averaged \$357 psf in the fourth quarter of 2025, up 2% quarter-over-quarter (QOQ) and flat YOY, and remained slightly below the five-year quarterly average of \$361 psf.
- Improved lending conditions and higher deal volume continue to enhance pricing clarity, setting the stage for more confident transaction activity in 2026.

ARE PORTFOLIO BUYERS SET TO DRIVE MARKET ACTIVITY?



Portfolio Activity Increased in 2025

Portfolio sales drove transaction volume in the fourth quarter



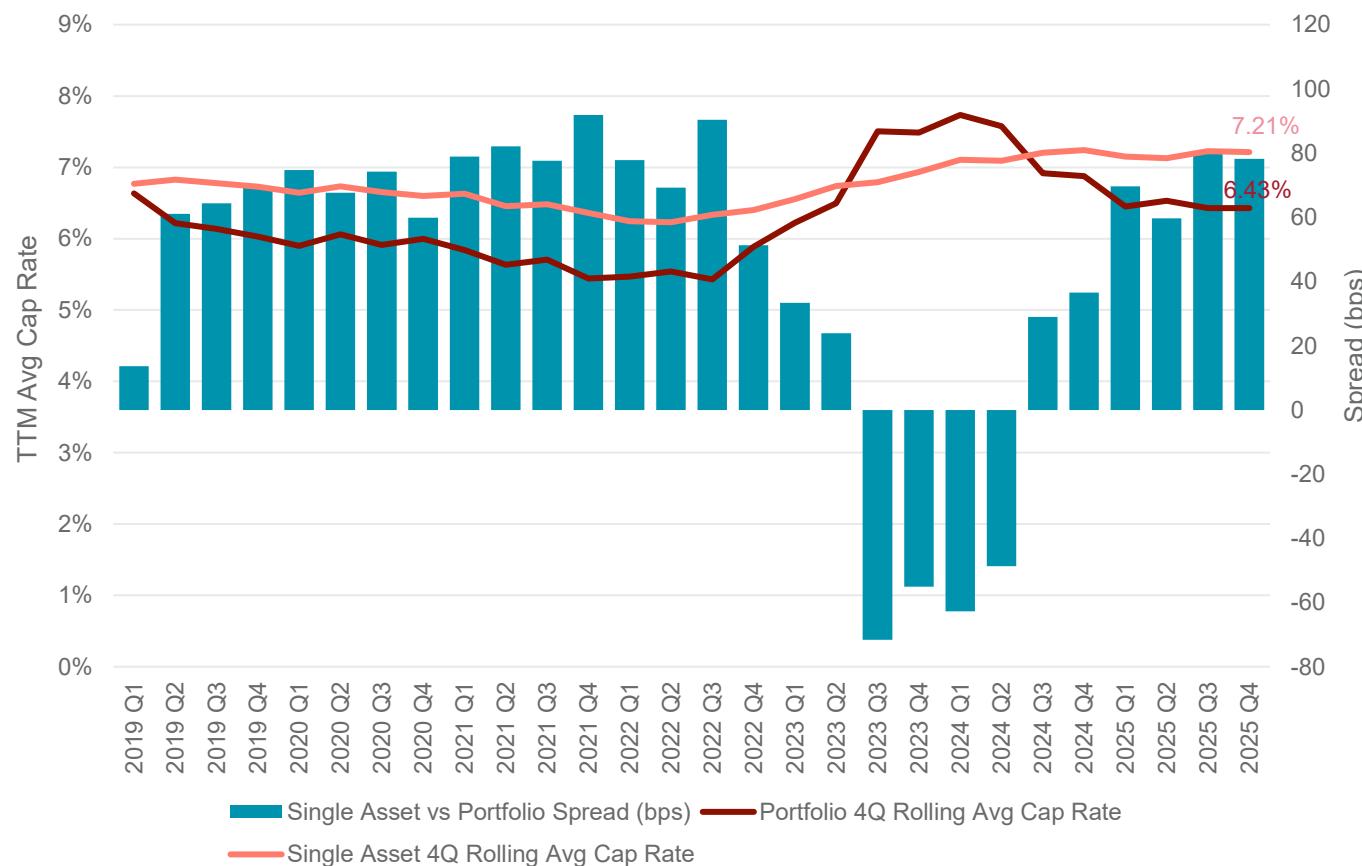
Source: RevistaMed, Cushman & Wakefield Research

Robust Portfolio Activity

- After a slow start in 2025, portfolio activity accelerated as sellers and buyers closed nearly \$7 billion in deals. Total portfolio volume reached \$6.9 billion, down 13% YOY after a very strong 2024, but still outperforming the national all-property trend, where portfolio deals have rebounded more slowly. Welltower led 2025's activity with the sale of its 18-million-square-foot (msf), 296-property portfolio to Chicago-based Remedy Medical Properties for over \$7 billion.
- With this momentum carrying into 2026, portfolio buyers are expected to drive stronger sales activity as they pursue acquisitions. However, the source of portfolio sales will shift from REITs to private capital.
- Single asset volume should strengthen, but portfolio deals will remain the dominant force as syndicators shift from acquiring individual assets to marketing larger portfolio opportunities.

The Return of the “Portfolio Premium”

The “Portfolio Penalty” Reverses



Source: RevistaMed, Cushman & Wakefield Research

Portfolio Cap Rates Compress

- Cap rates based on portfolio transactions in 2025 show buyers are more focused on core assets, marking a shift away from the opportunistic deals in the first half of 2024.
- Historically, portfolio transactions have carried a premium over single-asset sales. This trend reversed between the third quarter of 2023 and the second quarter of 2024, when portfolios traded at a “penalty” to single assets.
- The reversal began in the third quarter of 2024, when portfolio cap rate compression widened the single asset-to-portfolio cap rate spread.
- The expansion of single-asset cap rates in the second half of 2025 further widened the cap rate spread, pushing the difference between single-asset and portfolio cap rates to 78 bps.

WHAT DO REFI OPPORTUNITIES MEAN FOR OWNERS?

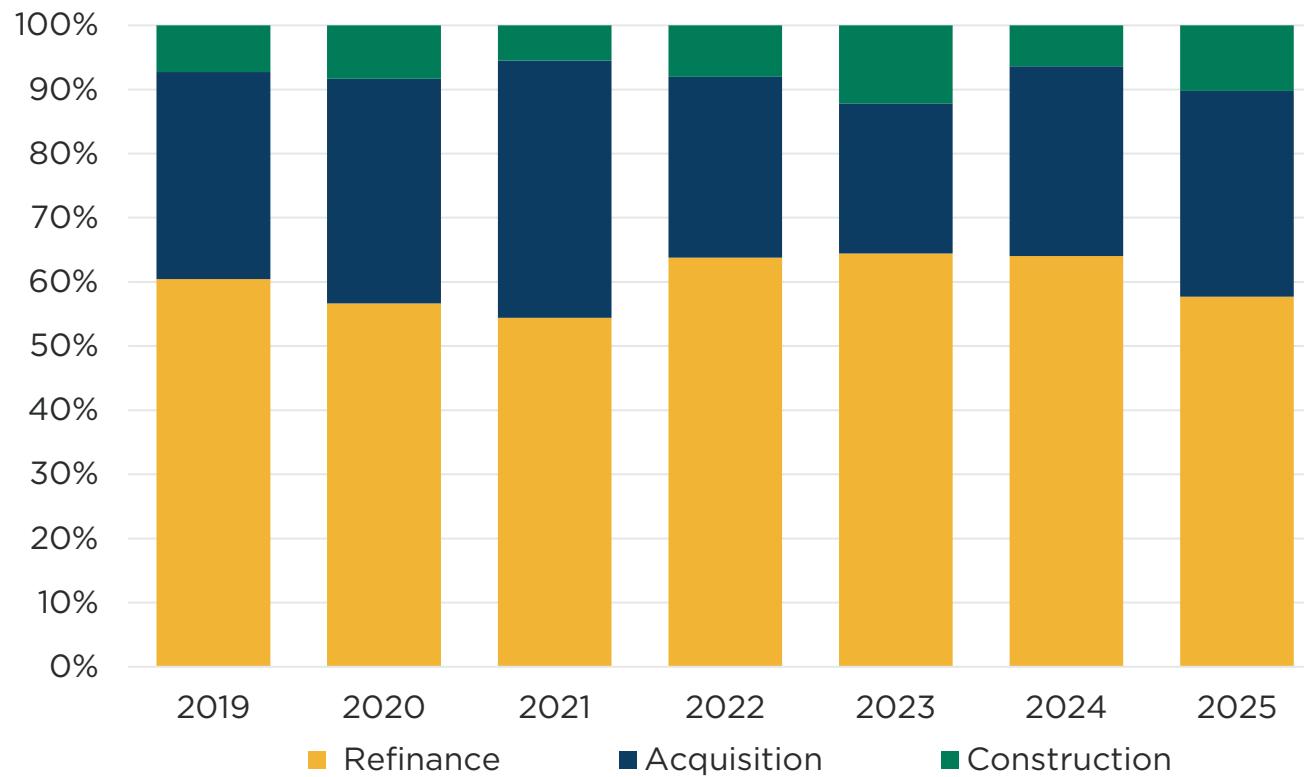


Refinancing Activity Has Increased

Upcoming maturities are facing a more favorable market

MOB Loan Origination by Origination Type

% Share



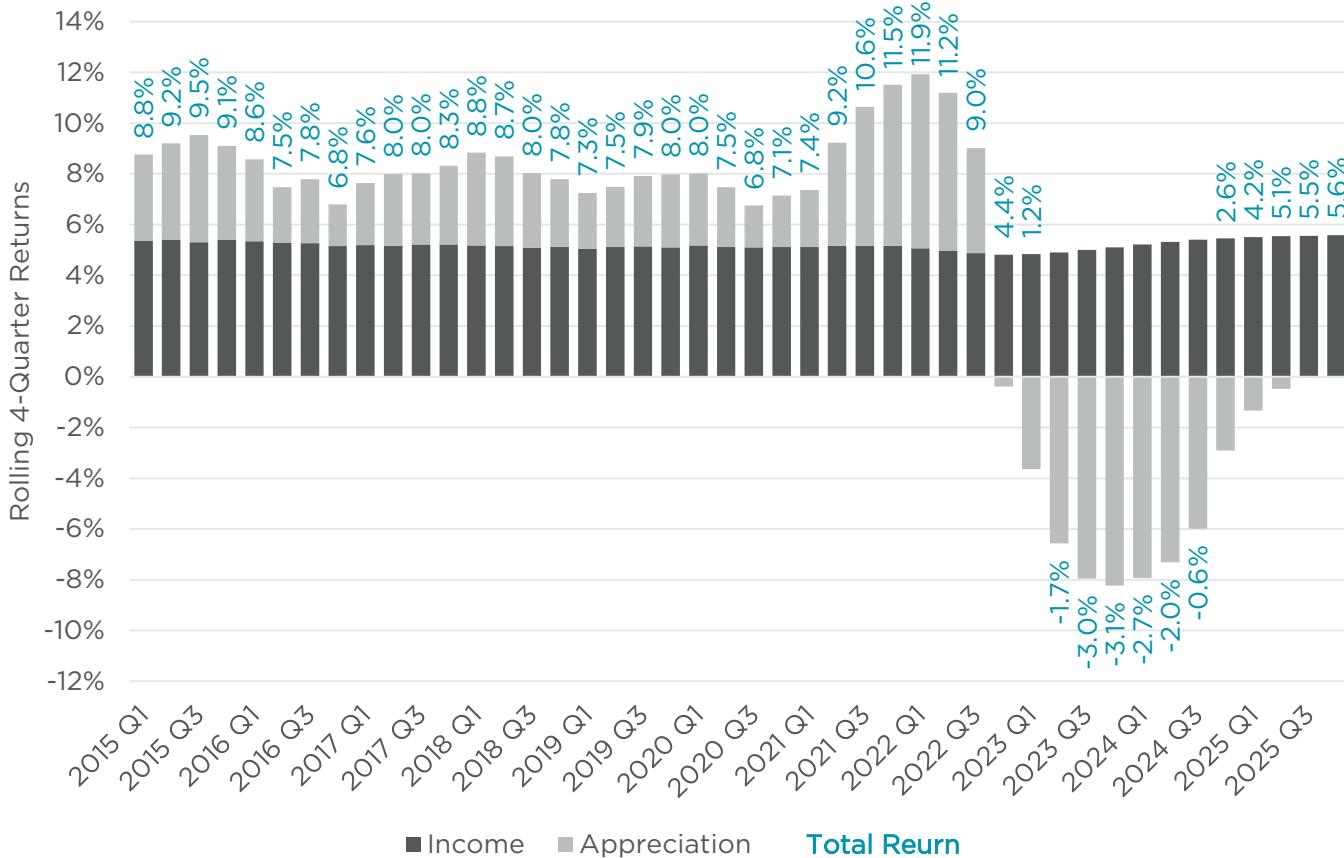
Source: MSCI Real Capital Analytics, Cushman & Wakefield Research;

Improved Refinance Environment

- The current maturity wall continues to push refinancing activity, with refinancing accounting for more than 60% of MOB loan volume over the past two years.
- Recent rate cuts and historically tight credit spreads have improved borrowing conditions, making refinancing more feasible for many owners.
- Strong NOI growth across the MOB sector further improves the outlook for owners with loans maturing in 2026.

MOB Income Returns Increase

Income returns continue to drive total returns higher



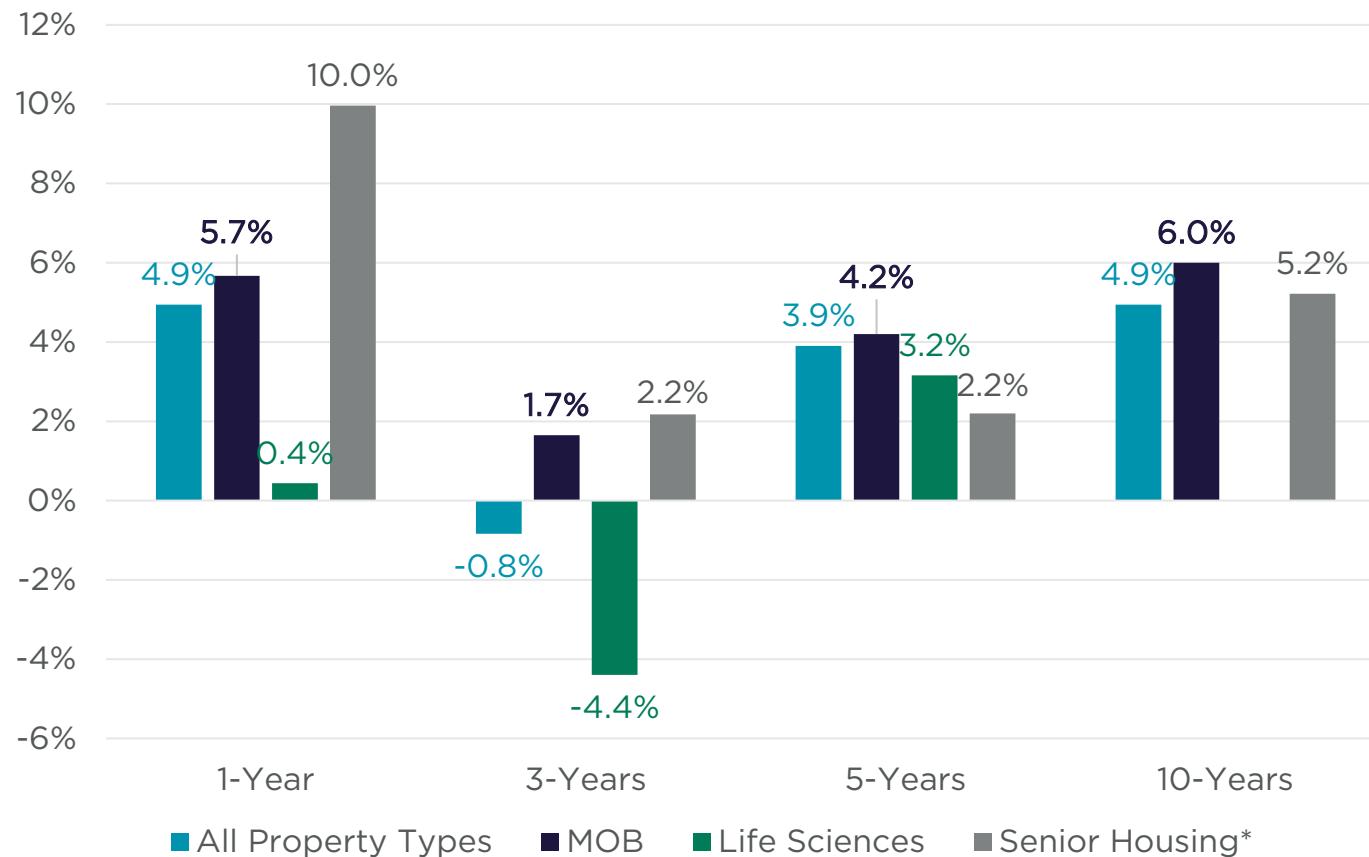
Source: NCREIF, Cushman & Wakefield Research

Improving Returns

- Over the past decade, MOB income returns have remained consistently strong, averaging 5.3% and outperforming the total NCREIF Property Index at 4.5% and Senior Housing-Assisted Living at 4.6%. By the end of 2025, income returns reached 5.6%, exceeding the MOB long-term average.
- Strong underlying fundamentals—including robust demand, high occupancy and solid rent growth—continue to support the sector's healthy income performance.
- While appreciation returns have been negative due to valuation resets, they are beginning to turn toward positive territory as appraisal-based values adjust and pricing stabilizes.
- Income returns have climbed steadily from 4.8% in the fourth quarter of 2022 to 5.6% in the fourth quarter of 2025, underscoring the sector's resilience and reinforcing MOB's appeal to investors.

MOB Total Returns Edge Higher

Consistent outperformance through market cycles



Source: NCREIF, Cushman & Wakefield Research; *Senior Housing includes only Assisted Living

Long-term Outperformance

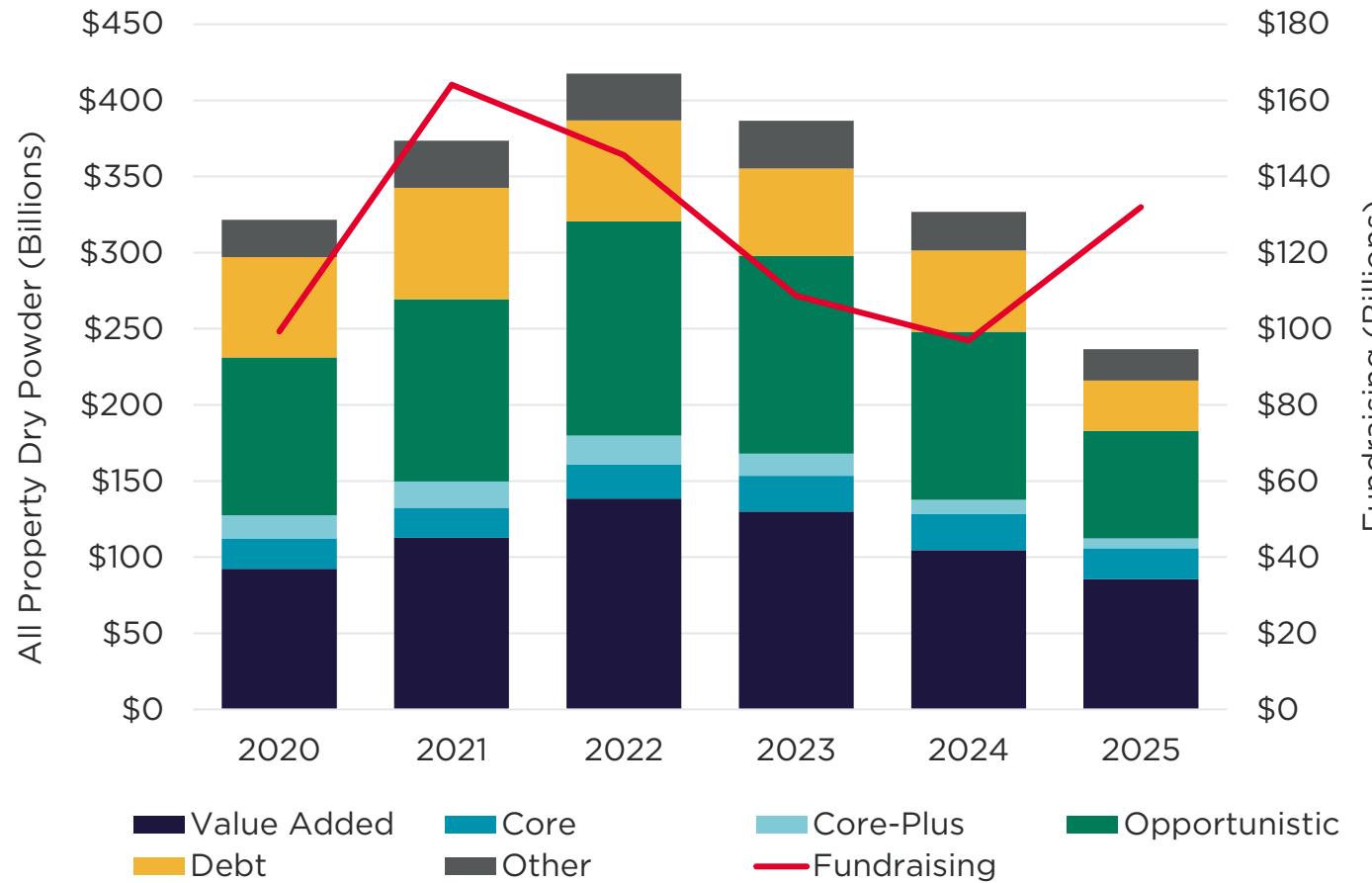
- MOB total returns have remained positive over the past decade and continue to outperform major property types and complementary alternatives, according to NCREIF's 2025 Q4 report.
- Across all measured periods, MOB assets outperform the total NCREIF Property Index. Over a 10-year horizon, MOB returns of 6% exceed the index's 4.9% and are comparable to the NAREIT equity index (not shown) at 5.7%.
- Strong fundamentals and resilient performance through multiple market cycles continue to reinforce MOB's appeal as a compelling long-term investment.

WILL MORE CAPITAL FLOW INTO MOB IN 2026?



CRE Fundraising Activity Increased in 2025

Significant dry powder remains



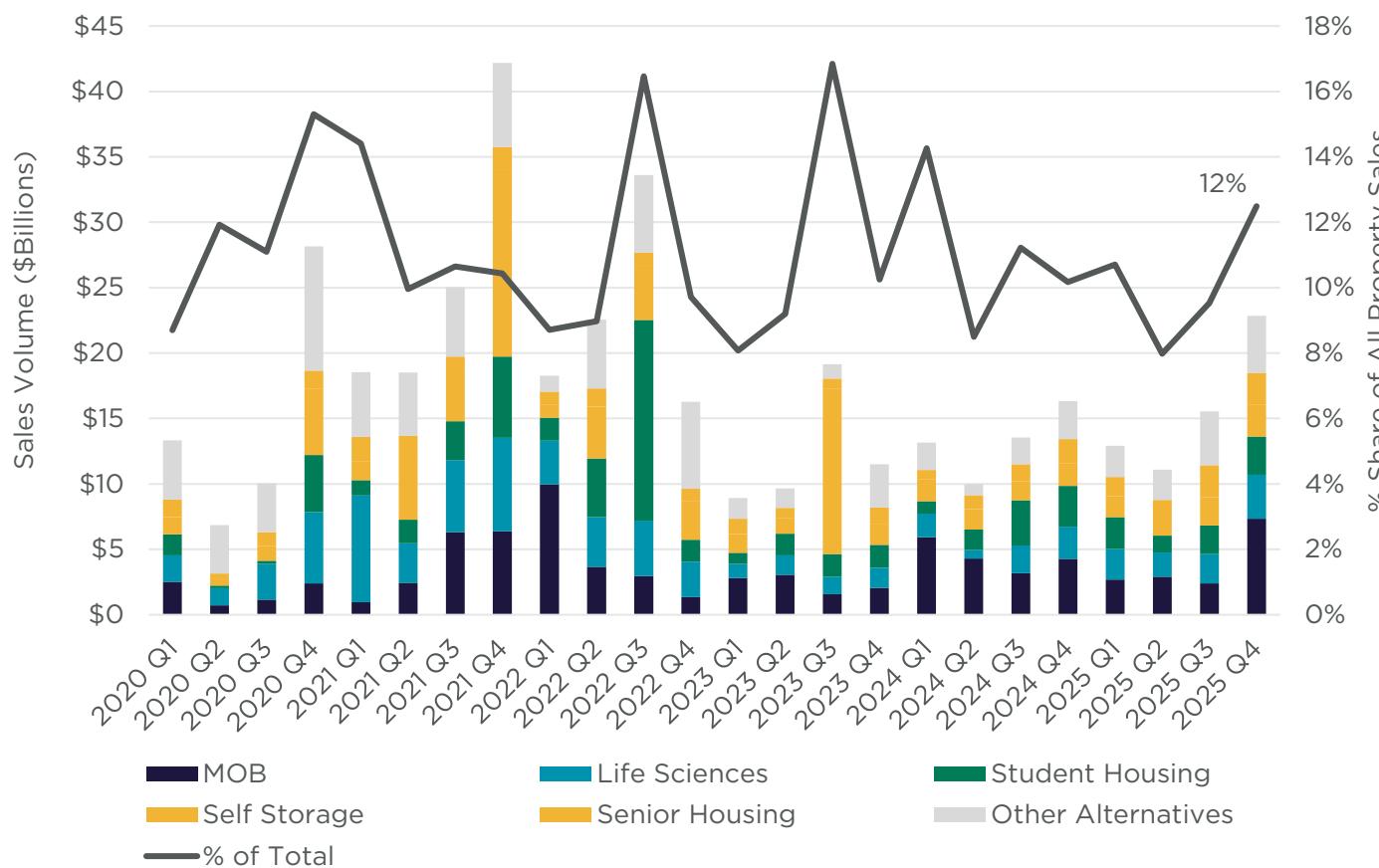
Source: Preqin, Cushman & Wakefield Research; North America is a proxy for U.S.

Fundraising Gains Momentum

- After three years of declines, fundraising activity rebounded in 2025 as North America-focused funds raised nearly \$132 billion—a 36% YOY increase, helping to stabilize capital availability.
- Dry powder for North America-focused CRE funds has trended lower over the past three years as capital was gradually deployed. Even with slower fundraising replenishment, an impressive \$240 billion in dry powder remains available.
- Value-add strategies captured the largest share of fundraising at 36%, marking a shift from 2024 when opportunistic strategies led with 34%.
- Although most dry powder and fundraising remain concentrated in major property types, a more liquid capital environment broadly supports rising interest in MOB.
- As investor sentiment improves and new commitments replenish dry powder, deployment activity is expected to rise, creating stronger opportunities for MOB capital investment in 2026.

Alternatives Investment Activity Ticks Up

Investor interest in alternatives continues to accelerate



Source: Cushman & Wakefield Research; MSCI Real Capital Analytics; Senior Housing includes Assisted Living and Nursing Care Facilities; Does not include data center sales ; MOB data based on C&W's proprietary market intelligence on closed deals \$5M+, buildings 10K SF+ and excluding entity level transactions,

Improved Sentiment Lifts Activity

- Over the past five years, alternative asset sales have averaged 11% of total market volume. In the fourth quarter of 2025, sales jumped 47% QOQ and 40% YOY, lifting their total market share to 12%.
- MOB assets accounted for 32% of alternative investment sales in the fourth quarter of 2025, up from 21% over the past five years.
- After a tentative first half, market sentiment improved meaningfully in the second half, boosting sales activity across both traditional and alternative assets. This momentum is poised to carry into 2026, encouraging greater investor interest in alternatives.

WHAT CAN MOB INVESTORS EXPECT IN 2026?

Key Takeaways

- As uncertainty eased in the fourth quarter, deal activity—especially portfolio sales—accelerated. This momentum is expected to continue in 2026, driven by a shift in portfolio opportunities from REITs to private owners.
- Pricing continues to firm, driven by strong fundamentals and rising investor confidence. As deal flow rises, greater pricing clarity will help advance overall market activity by improving price discovery.
- Cap rates have moved off their peak and compressed through 2025, and further compression is expected in 2026 as broader market conditions strengthen.
- With a large wave of maturities approaching, owners are entering 2026 on stronger footing, backed by lower interest rates and stronger income performance.
- Capital flows into MOB are expected to build in 2026, supported by strengthening fundamentals, improving investor conviction, and a gradually more active transaction environment.



About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

Gino Lollo

Executive Director,
Healthcare Capital Markets
gino.lollo@cushwake.com

Tyler Morss

Director, Equity Debt & Structured Finance
Healthcare Capital Markets
tyler.morss@cushwake.com

Sandy Romero

Head of Office and Alternatives Insights
Global Research
sandy.romero@cushwake.com

Travis Ives

Executive Director,
Healthcare Capital Markets
travis.ives@cushwake.com

Lorie Damon

Executive Managing Director
Healthcare Advisory Group
lorie.damon@cushwake.com

