

# MOB Rents Hit Record High as Absorption Turns Positive



Note: Arrows indicate change from previous quarter.

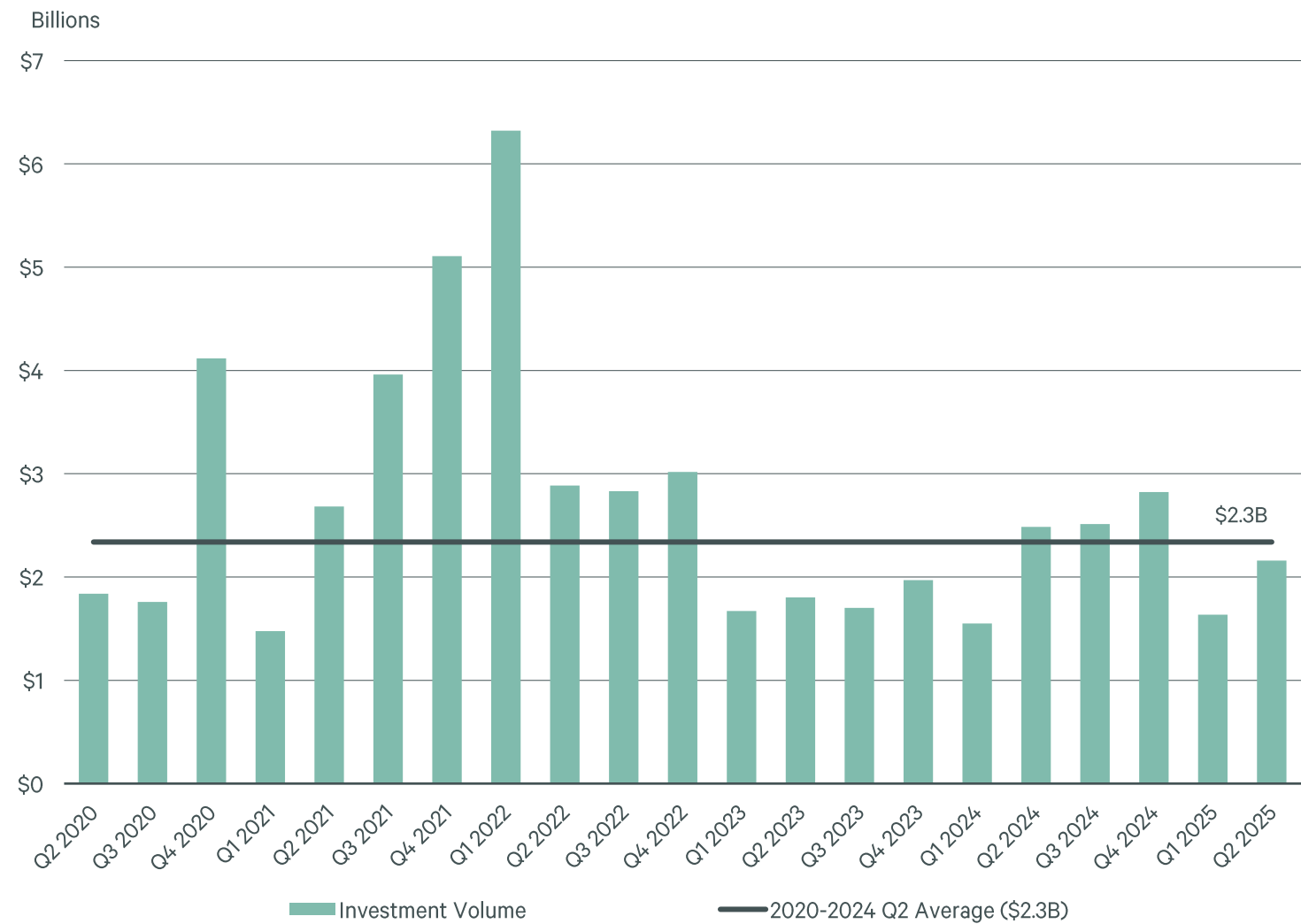
Note: Investment volume is compiled using the MSCI transactional database and deals reported by CBRE Healthcare Capital Markets and CBRE Healthcare Practice Advisory Group.

## Executive Summary

- Medical outpatient building (MOB) investment volume rose by 32% quarter-over-quarter in Q2 to \$2.2 billion, bringing the trailing-four-quarter total to \$9.1 billion.
- The average MOB sale price of \$277 per sq. ft. in Q2 was 41% more than the \$196 per sq. ft. for traditional office buildings.
- The average MOB capitalization rate rose by 10 basis points (bps) quarter-over-quarter to 7.4%, while that of traditional office buildings rose by 5 bps to 7.9%.
- Phoenix was the top market for trailing-four-quarter MOB investment volume in Q2 with \$384 million, followed by Los Angeles with \$365 million and Washington, D.C. with \$356 million.
- Average asking rent reached a record high of \$25.18 per sq. ft. in Q2, up by 0.5% quarter-over-quarter and 0.8% year-over-year.
- The MOB sector had 507,000 sq. ft. of positive net absorption in Q2, following two consecutive quarters of negative demand.
- The 59 markets tracked by CBRE had a combined 2.7 million sq. ft. of MOB space under construction as of Q2, led by Dallas, Phoenix and Austin.

Figure 1  
MOB investment volume

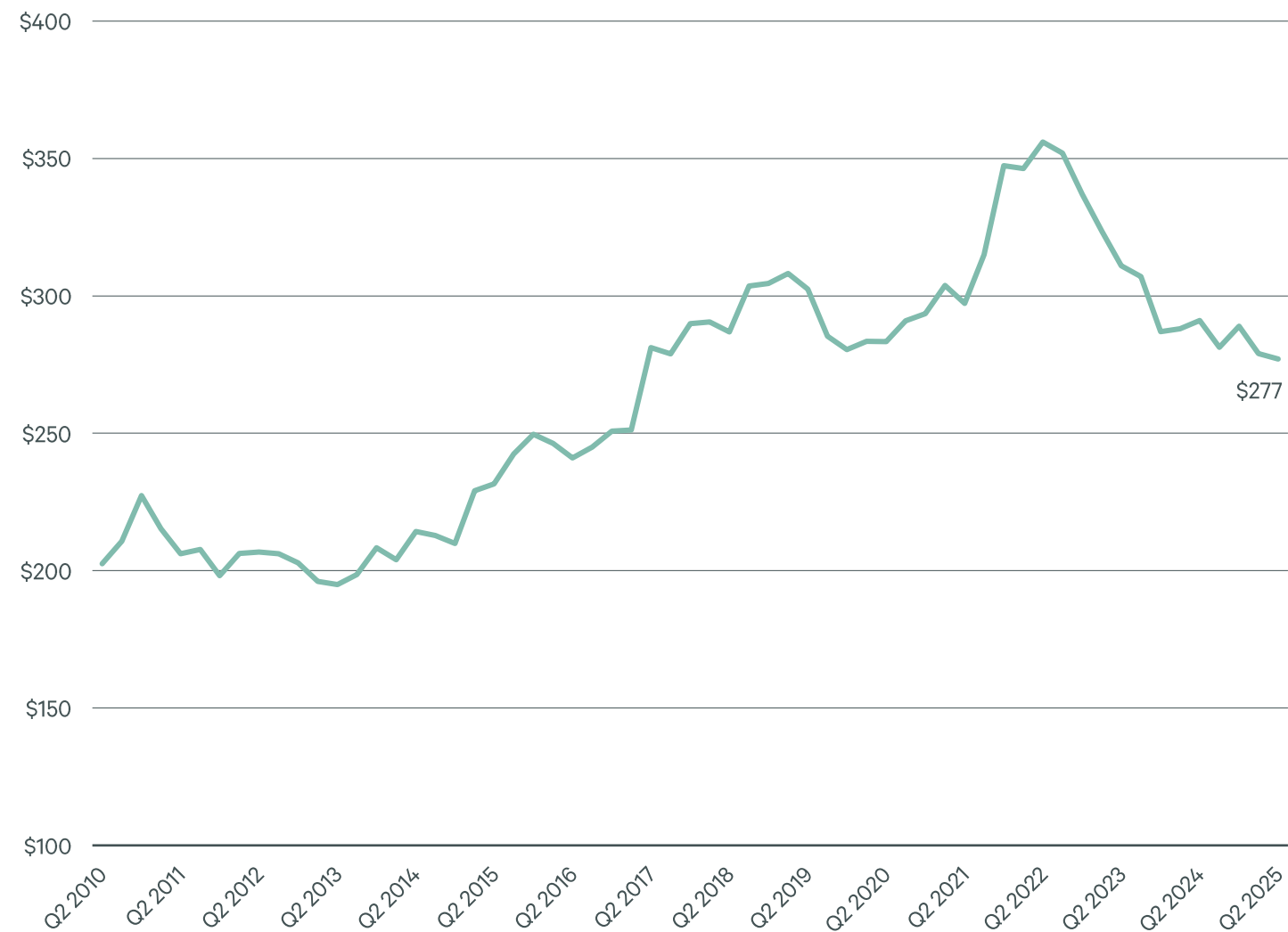
- MOB investment volume rose by 32% quarter-over-quarter but fell by 13% year-over-year in Q2 to \$2.2 billion, 8% below the 2020-2024 Q2 average.
- Trailing-four-quarter volume increased by 18.5% year-over-year to \$9.1 billion.



Source: MSCI Real Assets, CBRE Research, Q2 2025.

Figure 2  
MOB average price per sq. ft.

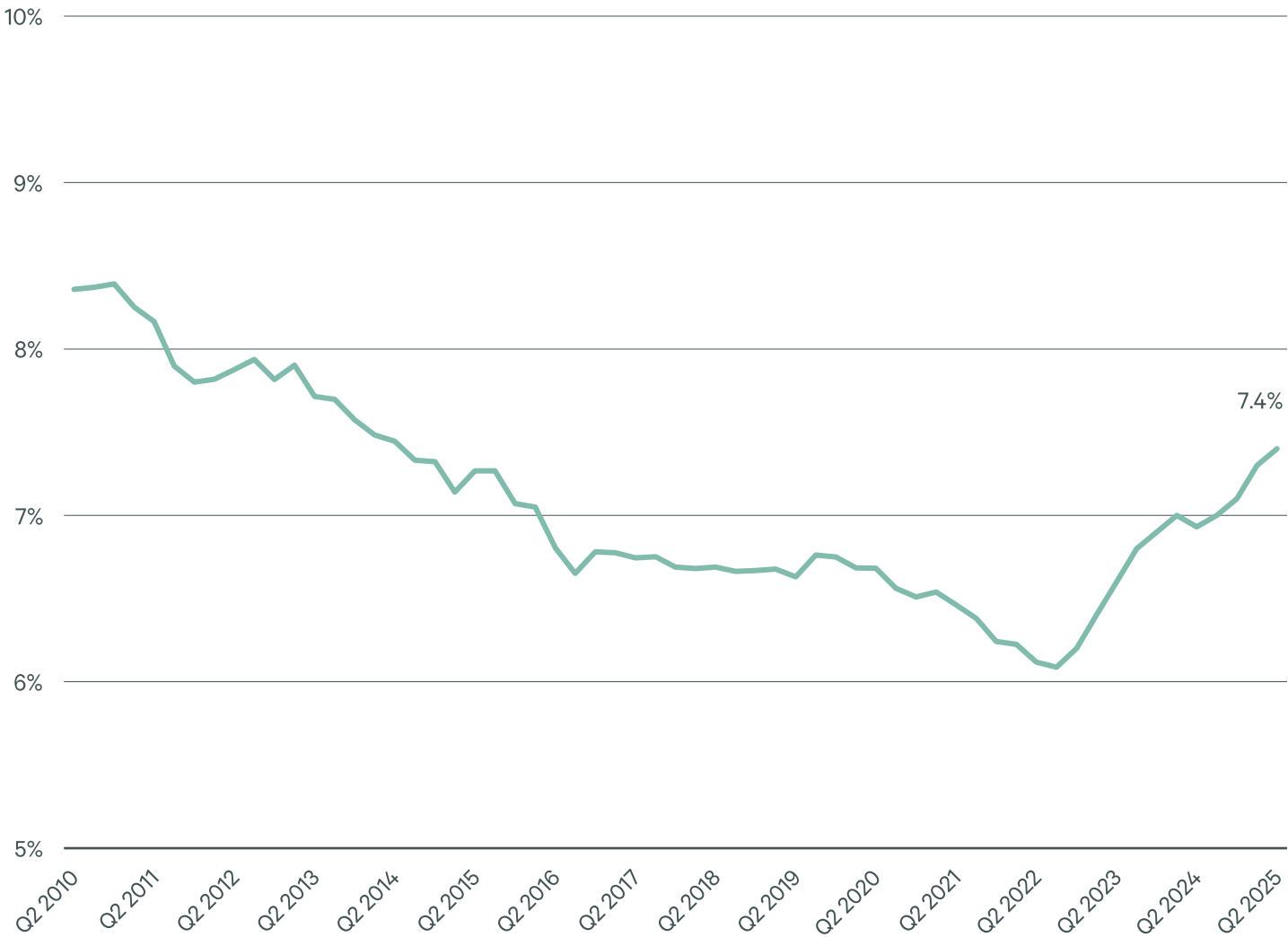
- The average MOB sale price of \$277 per sq. ft. in Q2 was 41% more than the \$196 per sq. ft. for traditional office buildings.
- Average MOB sale prices declined by \$2 or 0.7% per sq. ft. quarter-over-quarter, while traditional office building prices rose by 3.2%.
- The average MOB sale price peaked at \$356 per sq. ft. in Q2 2022 and has now fallen below its Q4 2019 pre-pandemic level of \$280.



Note: MSCI data includes portfolio sales.  
Source: CBRE Research, MSCI Real Assets, Q2 2025.

Figure 3  
MOB cap rates

- Average MOB cap rates rose by 10 bps quarter-over-quarter and 47 bps year-over-year to 7.4%.
- This is the fourth consecutive quarterly increase in MOB cap rates and the highest level since Q2 2014 (7.4%).
- Average cap rates for traditional office buildings rose by 5 bps quarter-over-quarter and 50 bps year-over-year to 7.9%.



Note: MSCI data includes portfolio sales.  
Source: CBRE Research, MSCI Real Assets, Q2 2025.

Figure 4  
MOB investment by region

- The Southeast was the top region for Q2 MOB investment volume with \$667 million, followed by the Southwest with \$408 million and the mid-Atlantic with \$340 million.
- The Southeast also led on a trailing-four-quarter basis with \$2.1 billion, followed by the West with \$1.8 billion.

	\$ Millions	\$ Millions		\$ Millions			
	Trailing 4 QTRs ending Q2 2025	Trailing 4 QTRs ending Q2 2024	Change (%)	Q2 2025 Investment	Q2 2024 Transactions (Sq. Ft.)	Q2 2025 Transaction Count	Q2 2024 Price Per Sq. Ft. (\$)
Southeast	2,117.6	2,263.5	-6.4	666.7	1,962	71	340
West	1,786.4	1,531.8	16.6	227.5	626	38	363
Southwest	1,285.0	1,328.1	-3.2	407.9	1,239	39	329
Midwest	927.9	1,213.3	-23.5	263.0	1,081	28	243
Northeast	920.6	638.9	44.1	255.5	866	30	295
Mid-Atlantic	914.7	732.8	24.8	339.5	1,356	22	250
Total	7,952.2	7,708.4	3.2	2,160.0	7,129.9	228	303

Note: Health care investment figures in this chart may differ from MSCI figures in previous charts due to the inclusion of proprietary and confidential data from the CBRE Healthcare Practice Advisory Group, and the exclusion of portfolio sales.  
Source: MSCI Real Assets, CBRE Research, Q2 2025.

Figure 5  
Top 20 markets for MOB investment volume

- Phoenix had the most trailing-four-quarter MOB investment volume with \$384 million, followed by Los Angeles with \$365 million and Washington, D.C. with \$356 million.
- Annual investment volume increased in 15 of the top 20 markets in Q2.

	\$ Millions			\$ Millions		\$ Millions
	Trailing 4 QTRs ending Q2 '25	Trailing 4 QTRs ending Q2 '24	Change (%)	Q2 '25	Q2 '24	Change (%)
Phoenix	383.7	345.1	11.2	146.1	20.4	616.0
Los Angeles	364.7	351.6	3.7	11.5	120.5	-90.5
Washington, D.C.	356.0	381.0	-6.5	210.5	44.2	376.3
South Florida	274.9	179.2	53.5	77.3	34.2	125.9
Boston	273.4	142.4	92.1	61.1	67.5	-9.5
Atlanta	260.5	221.7	17.5	85.6	24.3	252.4
San Diego	244.8	148.2	65.2	13.0	59.4	-78.2
San Antonio	196.9	99.2	98.5	104.3	30.2	245.3
Tampa	166.9	176.4	-5.3	27.2	75.3	-63.9
San Francisco	166.3	22.1	651.1	12.6	18.0	-30.0
Orange County, CA	157.7	79.4	98.6	2.5	19.9	-87.4
New York City	152.8	35.3	332.5	22.3	15.2	46.4
Northern New Jersey	145.5	179.3	-18.8	78.3	60.1	30.3
Las Vegas	128.4	85.1	50.8	4.2	41.2	-89.8
Orlando	125.1	61.6	102.9	68.7	3.5	1861.4
Houston	119.2	124.6	-4.3	3.3	13.3	-75.0
Chicago	117.0	291.4	-59.8	44.3	59.8	-25.9
Long Island	112.6	24.0	369.2	41.9	0.0	N/A
Portland	105.0	83.8	25.3	25.5	0.0	N/A
Philadelphia	101.6	76.3	33.2	32.5	51.9	-37.4

Source: MSCI Real Assets, CBRE Research, Q2 2025.

Figure 6  
Select Q2 investment sales

	DATE	PROPERTY NAME	CITY, STATE	YEAR BUILT	PRICE	SQ. FT.	\$/SQ.FT.
West	Jun-25	Multicare Yakima Portfolio*	Yakima, WA	2003	\$31,000,000	95,986	\$323
	May-25	18653 Wedge Parkway	Reno, NV	2000	\$12,200,000	47,743	\$256
	May-25	Willamette ENT & Facial Plastic Surgery	Salem, OR	2000	\$10,200,000	22,308	\$457
	Jun-25	Calista Corp. Portfolio	Bellevue, WA	1987 - 1995	\$9,250,000	21,187	\$437
Southwest	Jun-25	Heitman San Antonio Portfolio	San Antonio, TX	2007 - 2014	\$68,750,000	199,617	\$344
	May-25	Scottsdale Centre	Scottsdale, AZ	1984 / 2019	\$44,580,000	163,311	\$273
	Jun-25	Everest MOB Portfolio Tranche I	Various, AZ & TX	2012 - 2015	\$31,896,250	108,620	\$294
	May-25	Coit Medical Center*	Dallas, TX	2009	\$17,800,000	32,201	\$553
Southeast	May-25	Harbin Clinic SLB	Various, GA	1985 - 2022	\$75,000,000	308,145	\$243
	May-25	Cumberland Center IV	Atlanta, GA	1998	\$53,000,000	218,519	\$243
	Jun-25	ChenMed SLB Portfolio	Various, FL	1974 - 2024	\$45,505,091	111,168	\$409
	Jun-25	Pembroke Pines Medical Plaza	Pembroke Pines, FL	2000	\$38,300,000	91,956	\$417
Midwest	Apr-25	GMRE Graham Group Portfolio Tranche II	Des Moines, IA	1990 - 2020	\$38,100,000	297,724	\$128
	Apr-25	Bon Secours/Crown MedRealty SLB	Maumee, OH	1971 - 2000	\$33,979,000	184,963	\$184
	May-25	Arbor Lakes Medical Building*	Maple Grove, MN	2000	\$24,800,000	89,052	\$278
	Jun-25	Millennium Medical Center	Chicago Ridge, IL	2018	\$21,500,000	41,540	\$518
Northeast	Apr-25	Harvard Vanguard Medical Associates	Burlington, MA	1988	\$22,000,000	52,679	\$418
	May-25	Fairfield MOB	Fairfield, CT	2019	\$20,500,000	35,999	\$569
	Apr-25	Summit Health*	Montclair, NJ	2020	\$17,855,760	40,785	\$438
	May-25	Paramus Medical Plaza	Paramus, NJ	1979	\$12,400,000	33,755	\$367
Mid-Atlantic	Jun-25	HSRE CapMed Portfolio	Fairfax, VA	1984	\$179,250,000	655,000	\$274
	Jun-25	6354 Walker Lane	Alexandria, VA	2001	\$23,000,000	131,574	\$175
	Jun-25	Henrico MOB	Richmond, VA	1981	\$20,500,000	53,169	\$386
	Apr-25	LVHN Sale Leaseback	Various, PA	1959 - 2004	\$16,916,872	66,999	\$252

\*Properties sold by CBRE.  
Source: MSCI Real Assets, CoStar, Revista, RealQuest, SEC Filings, CBRE Research, Q2 2025.

Figure 7  
Q2 overall loan volume

- The CBRE Lending Momentum Index across all property types increased by 45% year-over-year but fell by 6% quarter-over-quarter to a level of 275 at the end of Q2.
- Alternative lenders were the biggest non-agency lenders, accounting for 34% of Q2 loan closings, followed by banks (24%) and life companies (23%).
- For more debt market insights, see [CBRE's Q2 2025 U.S. Capital Markets report](#).

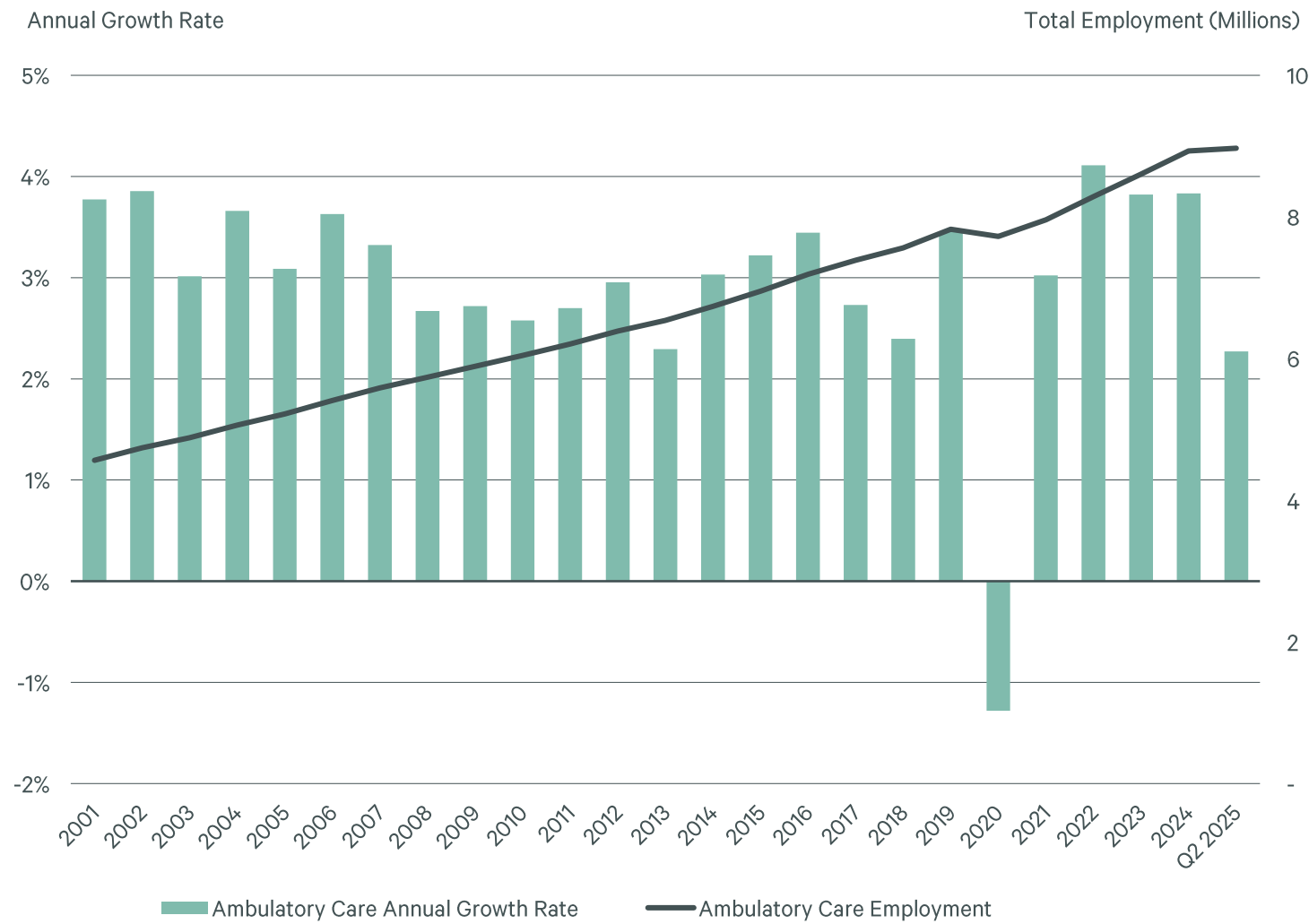
	Share of Loan Volume Q2 2025 (%)	Share of Loan Volume Q1 2025 (%)	% Change Quarter-Over-Quarter
Banks	24	34	-29%
Life Companies	23	21	10%
Alternative Lenders	34	19	79%
CMBS	19	26	-27%

Note: Numbers may not sum to 100 due to rounding.  
Source: CBRE Research, Q2 2025.



Figure 8  
Ambulatory healthcare employment

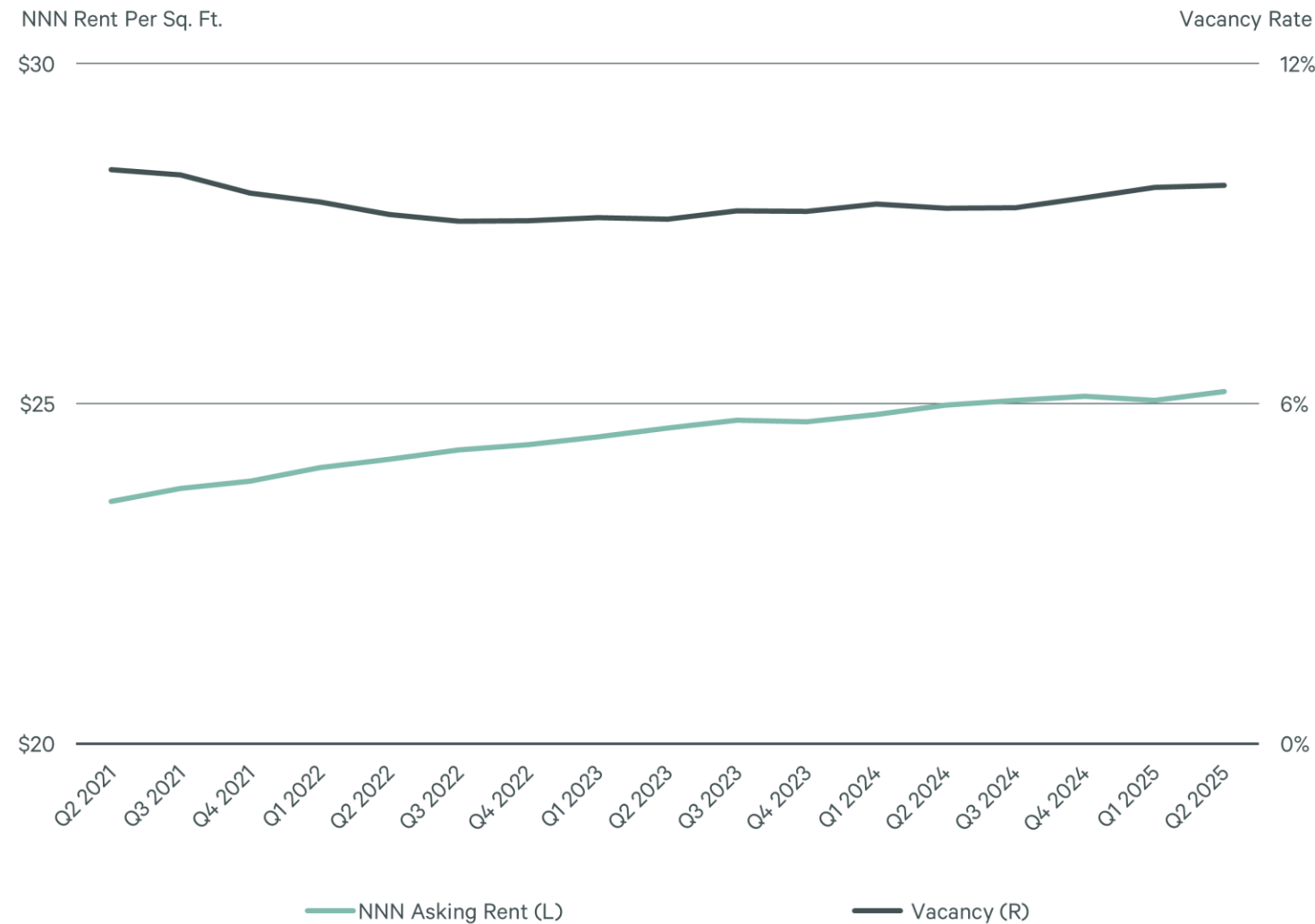
- Ambulatory healthcare employment grew by 2.3% year-over-year in Q2, more than double the 1.0% growth in total nonfarm employment. Employment gains have slowed in 2025 due to economic uncertainty.
- Ambulatory healthcare employers added 199,200 jobs year-over-year, while employment fell by 11,300 quarter-over-quarter. This decrease is the result of job losses in April, according to the Bureau of Labor Statistics.



Source: CBRE Research, Federal Reserve Economic Data, Q2 2025.

Figure 9  
MOB average asking rent & vacancy rate

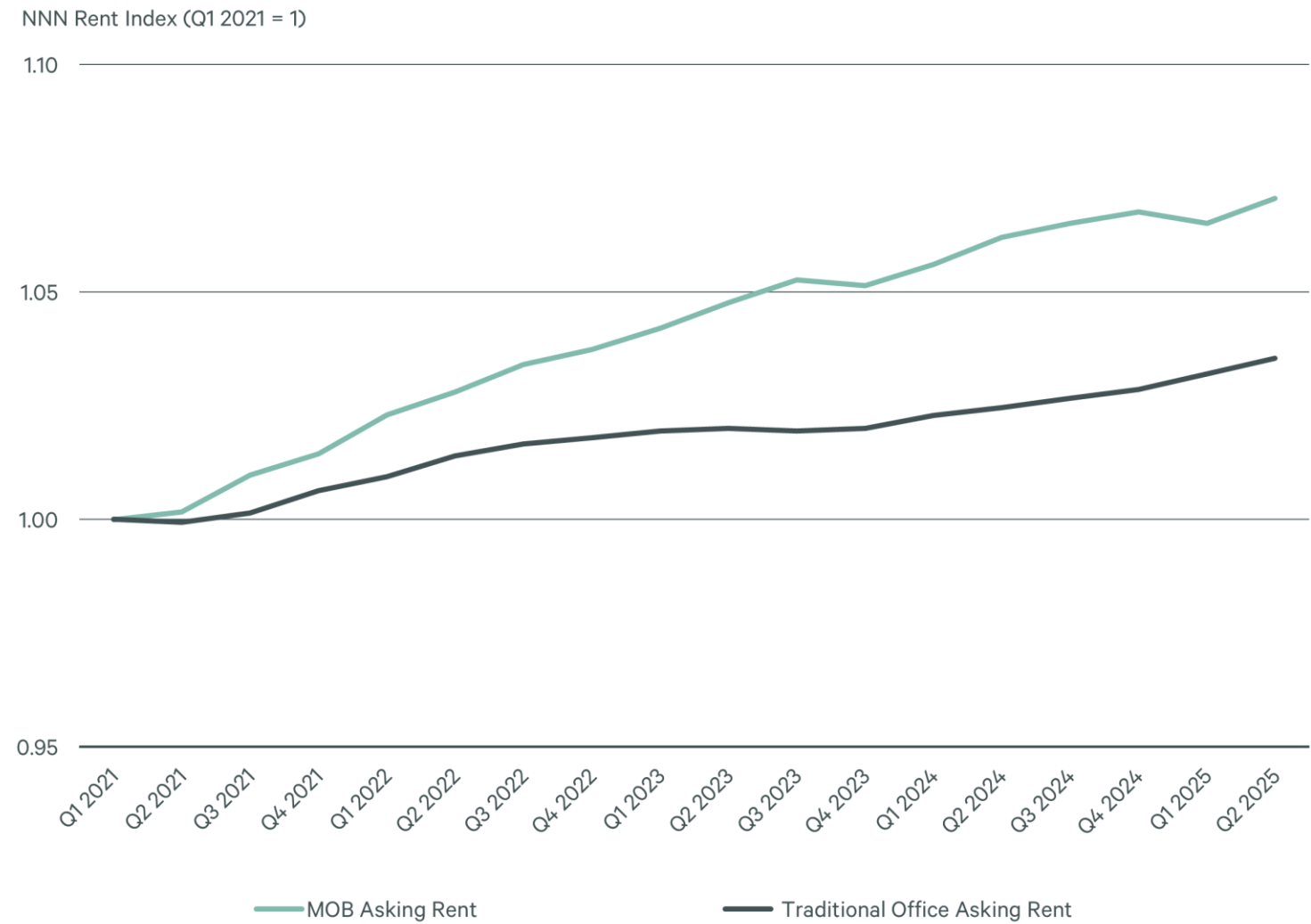
- Average MOB asking rent rose by 0.5% quarter-over-quarter and 0.8% year-over-year to a record-high \$25.18 per sq. ft. in Q2.
- Markets with the biggest year-over-year average rent increases were Birmingham (16.4%), Salt Lake City (9.5%) and Raleigh (5.2%).
- The average MOB vacancy rate rose by 3 bps quarter-over-quarter and 41 bps year-over-year to 9.9% due to construction deliveries outpacing absorption for four consecutive quarters.
- The addition of high-quality MOB inventory is expected to boost asking rents this year, while vacancy rates are expected to remain relatively low.



Source: CBRE Econometric Advisors, CBRE Research, Q2 2025.

Figure 10  
MOB vs. traditional office asking rent growth

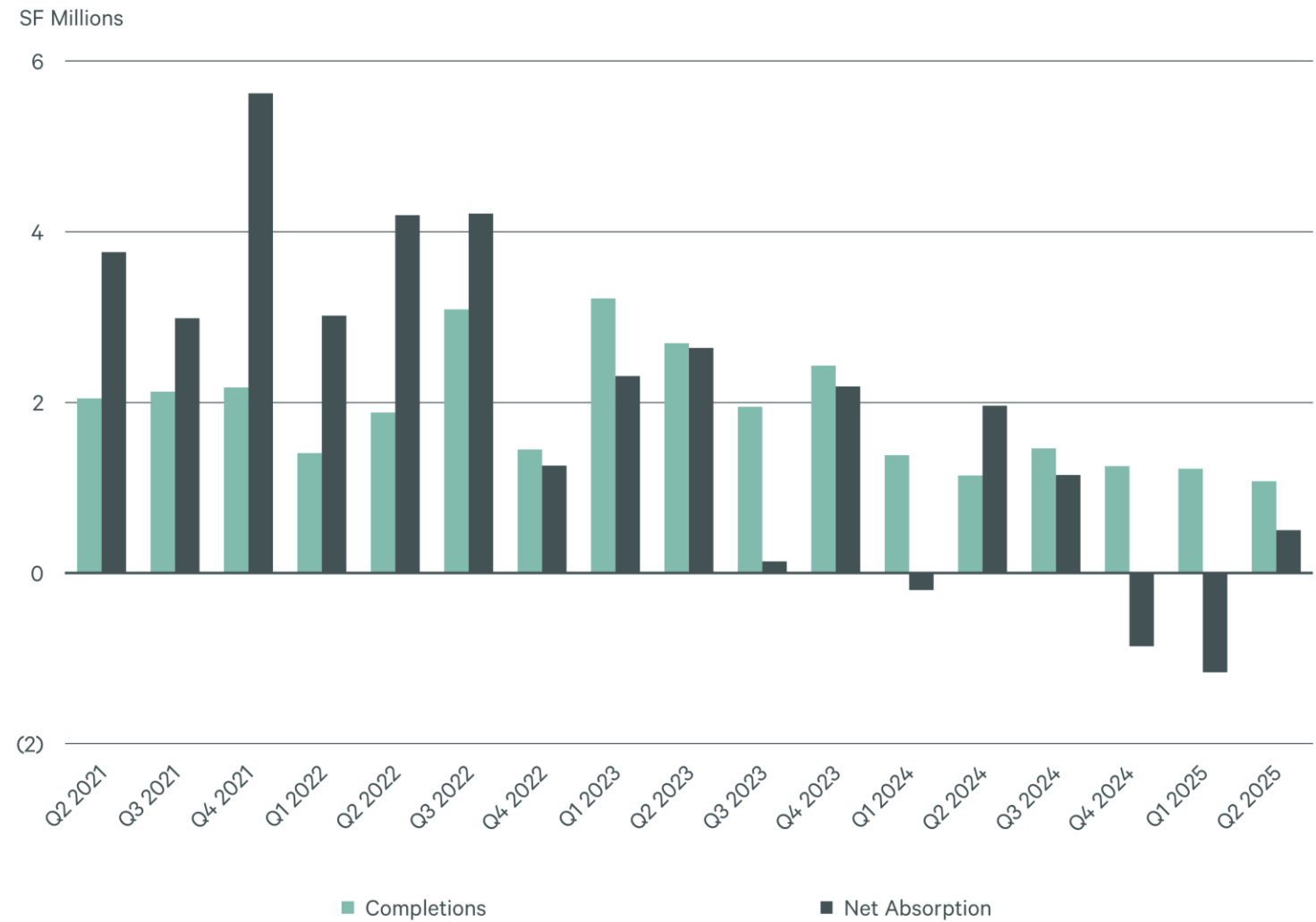
- MOB asking rent growth continued to far outpace that of traditional office buildings, as healthcare services remained in demand.
- Average MOB asking rent has increased by 7.1% since 2021, compared with 3.5% for traditional office space.



Source: CBRE Econometric Advisors, CBRE Research, Q2 2025.

Figure 11  
MOB absorption & construction completions

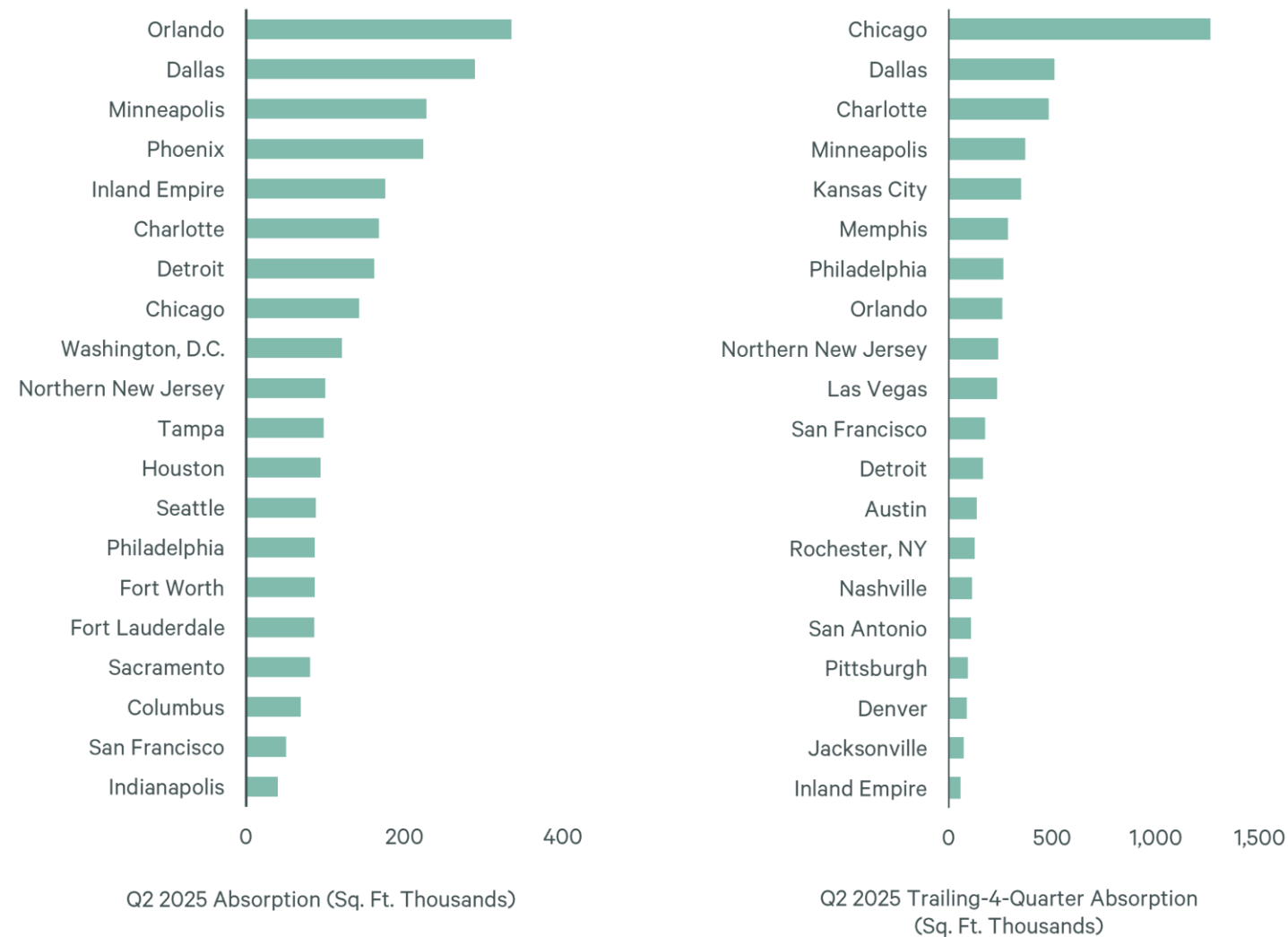
- The MOB sector registered 507,000 sq. ft. of positive net absorption in Q2, following two consecutive quarters of negative demand.
- MOB completions of 1.1 million sq. ft. in Q2 were 49% of the five-year quarterly average and brought the trailing-four-quarter total to 5.0 million sq. ft.
- Completions have trended downward due to high construction costs and interest rates.



Source: CBRE Econometric Advisors, Q2 2025

Figure 12  
Top 20 markets for absorption

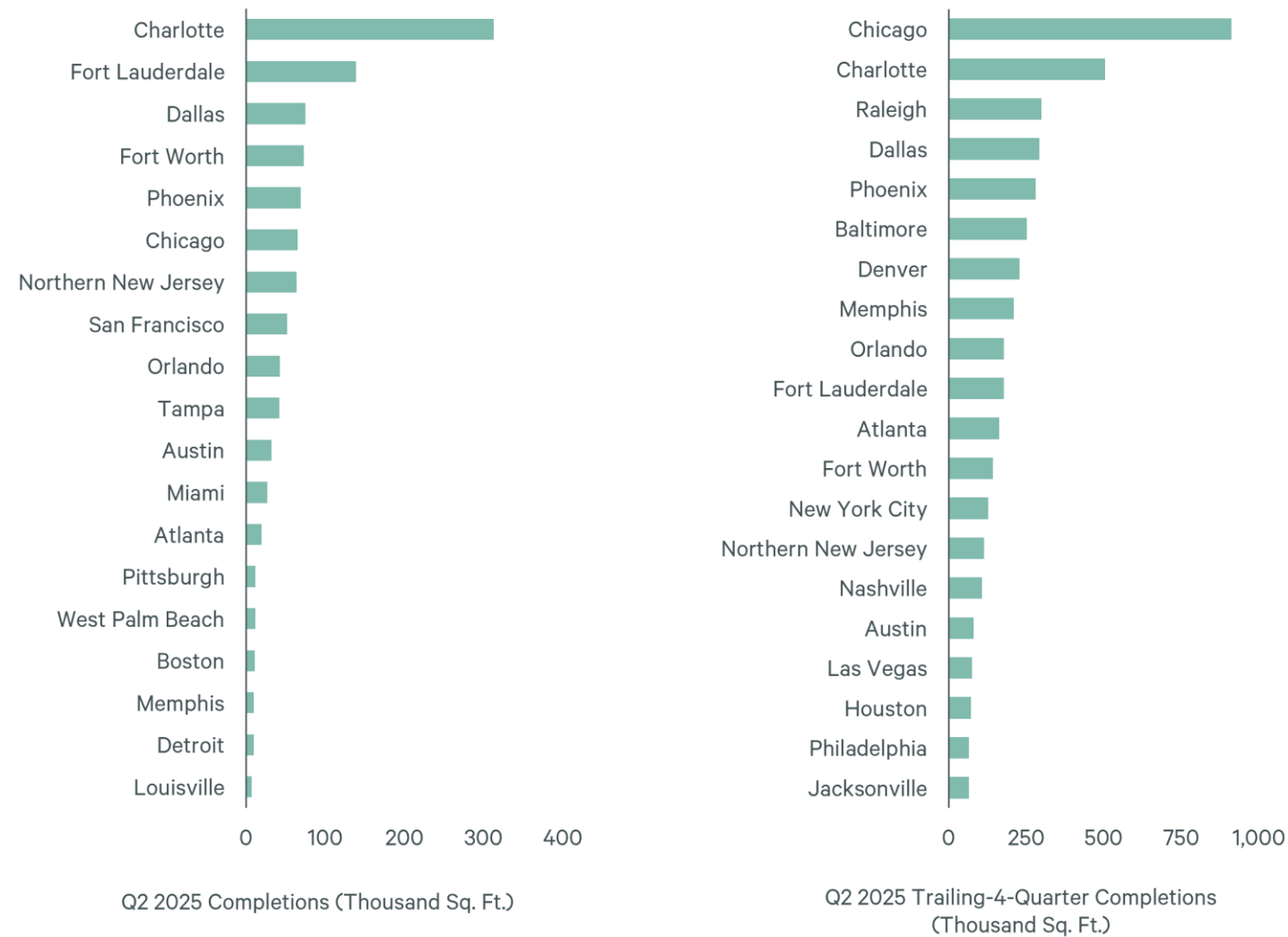
- Twenty-nine of the 59 markets tracked by CBRE had positive net absorption in Q2, led by Orlando with 335,000 sq. ft., Dallas with 289,000 and Minneapolis with 228,000.
- Chicago, Dallas and Charlotte had the most net absorption on a trailing-four-quarter basis.



Source: CBRE Econometric Advisors, Q2 2025.

Figure 13  
Top 20 markets for construction completions

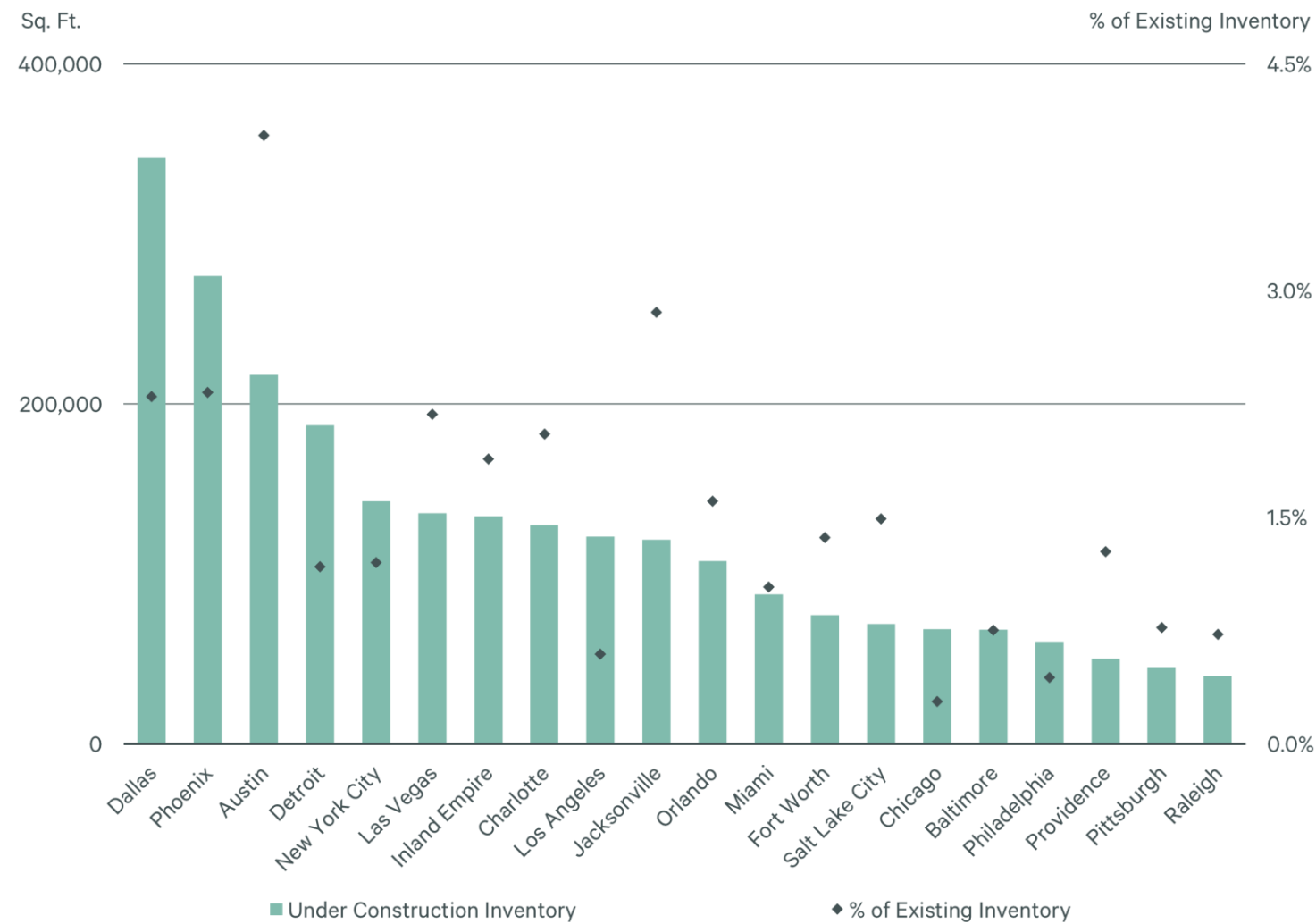
- Charlotte was the top market for MOB construction completions in Q2 with 313,000 sq. ft., followed by Fort Lauderdale with 139,000 and Dallas with 75,000.
- Chicago led trailing-four-quarter completions with 912,000 sq. ft., followed by Charlotte with 505,000 and Raleigh with 300,000.



Source: CBRE Econometric Advisors, Q2 2025.

Figure 14  
MOB space under construction

- The 59 markets tracked by CBRE had a combined 2.7 million sq. ft. of space under construction as of Q2.
- Dallas was the leading market for MOB construction with 345,000 sq. ft., followed by Phoenix with 275,000 and Austin with 217,000.
- Austin was the only top construction market in the country with space under construction representing more than 3.0% of existing inventory.



Source: CBRE Econometric Advisors, Q2 2025.

Figure 15  
Select Q2 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	36,518,000	20,000	26,495	8.6%	11.0%	-134,000	24.56	0.7%	3.5%
Austin	13,498,000	32,000	217,017	10.7%	13.8%	-12,000	27.28	-0.3%	-0.6%
Chicago	60,945,000	65,000	67,450	10.8%	13.9%	143,000	19.46	-0.6%	0.7%
Columbus	13,845,000	0	0	8.8%	11.9%	69,000	16.25	0.0%	-1.0%
Dallas	37,590,000	75,000	344,856	13.3%	15.9%	289,000	23.99	0.2%	0.0%
Denver	26,062,000	0	0	10.6%	13.9%	-96,000	20.86	1.2%	-0.3%
Houston	48,693,000	0	20,807	13.8%	18.3%	94,000	23.12	0.0%	1.3%
Los Angeles	51,463,000	0	122,000	10.3%	13.0%	-372,000	39.29	-1.0%	-0.2%
Miami	21,203,000	27,000	88,000	7.1%	8.9%	-73,000	38.05	0.4%	0.4%
Nashville	16,136,000	0	30,000	6.3%	7.8%	-74,000	26.01	1.4%	0.9%
Orange County	23,354,000	0	15,196	11.3%	14.7%	-16,000	32.43	-0.6%	-0.6%
Orlando	16,784,000	43,000	107,441	8.7%	10.5%	335,000	25.71	2.9%	2.0%
Philadelphia	34,247,000	0	60,000	9.3%	13.4%	87,000	23.19	1.7%	0.7%
Phoenix	29,695,000	69,000	275,209	13.3%	16.3%	224,000	24.90	0.2%	2.0%
Salt Lake City	11,828,000	0	70,406	8.2%	9.6%	-172,000	21.23	7.2%	9.5%
San Antonio	15,760,000	0	23,777	12.4%	14.9%	-40,000	20.47	-0.7%	-2.5%
San Diego	18,232,000	0	0	7.1%	9.6%	31,000	33.63	-0.4%	3.1%
Seattle	18,996,000	0	0	5.7%	7.4%	88,000	32.08	0.7%	2.5%
Tampa	19,010,000	42,000	12,750	6.6%	8.5%	98,000	23.19	-1.8%	-1.2%
Washington, D.C.	48,817,000	0	0	12.9%	17.3%	121,000	29.54	0.3%	1.7%

Source: CBRE Econometric Advisors, Q2 2025.



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