

# MOB Investment Rises Amid Record-High Rents

▲ \$2.7 B

Investment Volume

▼ 7.0%

Average Cap Rate

▲ 624,000 SF

Net Absorption

▶ 9.9%

Vacancy Rate

Note: Arrows indicate change from previous quarter.

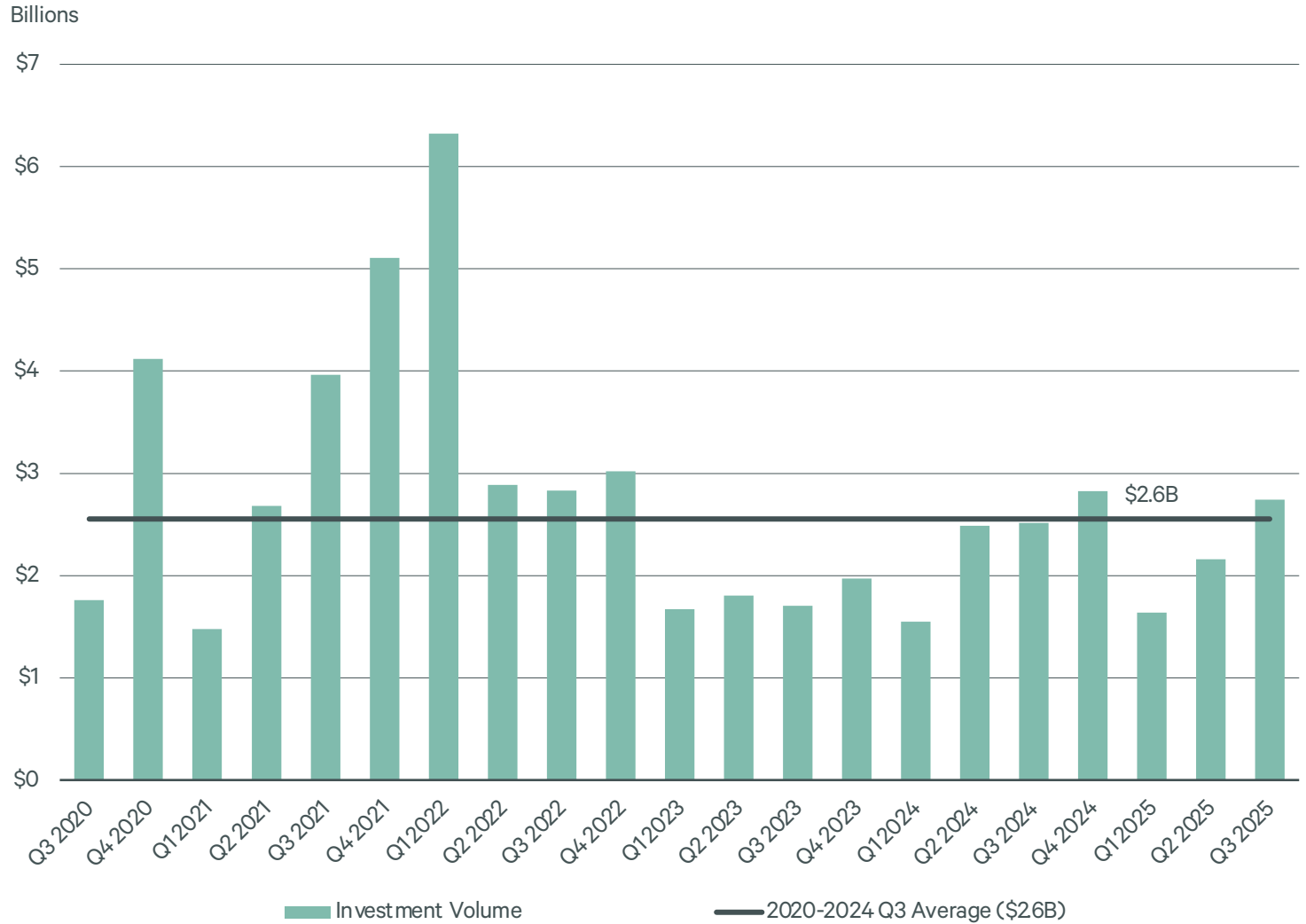
Note: Investment volume is compiled using the MSCI transactional database and deals reported by CBRE Healthcare Capital Markets and CBRE Healthcare Practice Advisory Group.

## Executive Summary

- Medical outpatient building (MOB) investment volume increased by 27% quarter-over-quarter in Q3 to \$2.7 billion, bringing the trailing-four-quarter total to \$9.4 billion.
- The average MOB sales price of \$298 per sq. ft. was 51% more than the \$197 per sq. ft. for traditional office buildings.
- The average MOB capitalization rate fell by 6 basis points (bps) quarter-over-quarter but rose by 2 bps year-over-year to 7.0%.
- Washington, D.C. was the top market for trailing-four-quarter MOB investment volume with \$559 million, followed by Phoenix with \$414 million and Dallas with \$407 million.
- Average asking rents remained at a record-high \$25.20 per sq. ft. in Q3, up by 0.5% year-over-year.
- The MOB sector had 624,000 sq. ft. of positive net absorption in Q3, its second consecutive quarter of positive demand.
- The 59 markets tracked by CBRE had a combined 2.4 million sq. ft. of MOB space under construction as of Q3, led by Dallas, Phoenix and Philadelphia.

## Figure 1 MOB investment volume

- MOB investment volume rose by 27% quarter-over-quarter and 9.1% year-over-year in Q3 to \$2.7 billion, 7.5% above the 2020-2024 Q3 average.
- Trailing-four-quarter volume increased by 9.9% year-over-year to \$9.4 billion.



Source: MSCI Real Assets, CBRE Research, Q3 2025.

**Figure 2**  
**MOB average price per sq. ft.**

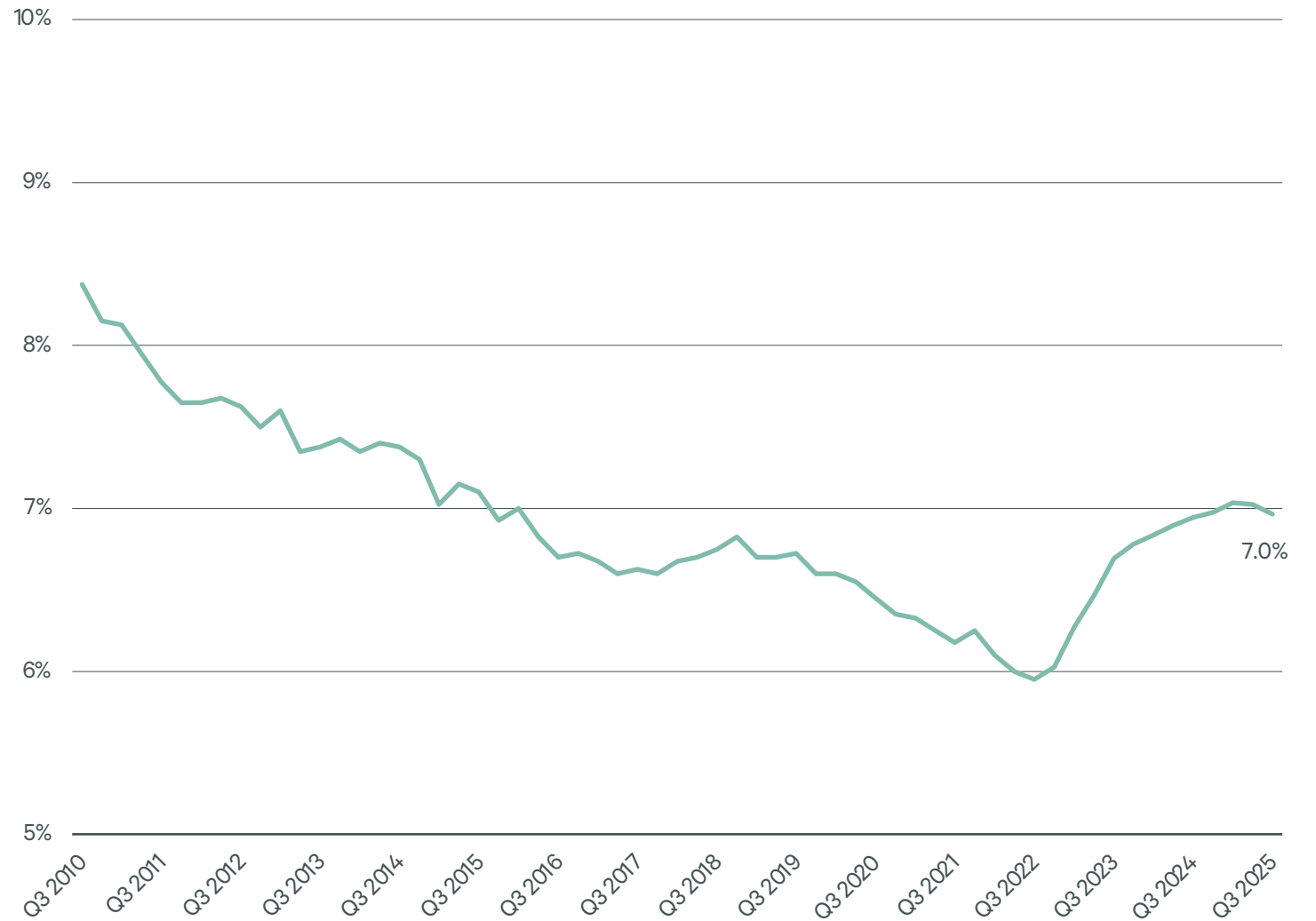
- The average MOB sale price of \$298 per sq. ft. in Q3 was 51% more than the \$197 per sq. ft. for traditional office buildings.
- The average MOB sale price declined by \$3 or 1% per sq. ft. quarter-over-quarter, while traditional office building prices rose by 0.5%.
- The average MOB sale price peaked at \$374 per sq. ft. in Q3 2022.



Note: MSCI data includes portfolio sales.  
 Source: CBRE Research, MSCI Real Assets, Q3 2025.

### Figure 3 MOB cap rates

- Average MOB cap rates fell by 6 bps quarter-over-quarter but rose by 2 bps year-over-year to 7.0%.
- This is the second consecutive quarterly decrease in MOB cap rates.
- Average cap rates for traditional office buildings fell by 10 bps quarter-over-quarter but rose by 40 bps year-over-year to 7.8%.



Note: MSCI data includes portfolio sales.  
Source: CBRE Research, MSCI Real Assets, Q3 2025.

## Figure 4 MOB investment by region

- The Southeast was the top region for Q3 MOB investment volume with \$838 million, followed by the Midwest with \$633 million and the West with \$485 million.
- The Southeast also led on a trailing-four-quarter basis with \$2.7 billion, followed by the Midwest with \$1.9 billion.

	\$ Millions	\$ Millions		\$ Millions			
	Trailing 4 QTRs ending Q3 2025	Trailing 4 QTRs ending Q3 2024	Change (%)	Q3 2025 Investment	Q3 2025 Transactions (Sq. Ft.)	Q3 2025 Transaction Count	Q3 2025 Price Per Sq. Ft. (\$)
Southeast	2,689.0	2,671.7	0.6	837.5	2,461,077	98	340
Midwest	1,852.1	1,430.4	29.5	633.1	2,570,505	38	246
Southwest	1,572.3	1,706.9	-7.9	342.2	1,364,612	31	251
West	1,540.1	1,398.2	10.1	484.9	1,239,560	64	391
Northeast	922.4	586.9	57.2	219.2	906,773	20	242
Mid-Atlantic	786.5	726.6	8.2	226.9	1,179,693	21	192
<b>Total</b>	<b>9,362.4</b>	<b>8,520.7</b>	<b>9.9</b>	<b>2,743.9</b>	<b>9,722,220</b>	<b>272</b>	<b>282</b>

Source: MSCI Real Assets, CBRE Research, Q3 2025.

## Figure 5 Top 20 markets for MOB investment volume

- Washington, D.C. led for trailing-four-quarter MOB investment volume with \$559 million, followed by Phoenix with \$414 million and Dallas with \$407 million.
- Annual investment volume increased in 17 of the top 20 markets in Q3.

	\$ Millions			\$ Millions		\$ Millions
	Trailing 4 QTRs ending Q3 '25	Trailing 4 QTRs ending Q3 '24	Change (%)	Q3 '25	Q3 '24	Change (%)
Washington, D.C.	559.1	374.4	49.3	138.7	41.3	235.6
Phoenix	414.1	382.5	8.3	45.1	123.6	-63.6
Dallas	406.7	101.2	302.0	89.4	9.0	896.1
South Florida	354.7	361.9	-2.0	139.4	189.3	-26.4
Los Angeles	347.8	273.2	27.3	74.6	43.2	72.6
Atlanta	287.1	220.6	30.2	51.1	61.0	-16.1
Chicago	222.6	286.1	-22.2	63.9	60.9	4.9
Las Vegas	212.6	115.1	84.7	84.7	33.0	156.6
Charlotte	208.5	117.6	77.3	44.5	38.7	15.2
Tampa	208.2	170.2	22.3	78.5	7.9	892.1
Milwaukee	203.1	126.6	60.3	119.4	9.4	1176.5
San Francisco	160.9	41.7	285.9	72.0	23.7	204.1
Northern New Jersey	160.5	112.5	42.7	27.5	0	N/A
Orlando	160.1	42.1	280.6	52.1	3.2	1527.8
Minneapolis	157.4	117.0	34.5	0	0	N/A
Boston	146.4	128.9	13.6	47.6	0	N/A
Denver	132.3	90.3	46.6	79.9	2.5	3081.2
San Antonio	127.9	172.3	-25.8	11.3	73.1	-84.5
Long Island	125.9	35.3	256.7	6.2	11.3	-45.1
New York City	122.0	24.4	399.9	18.2	0	N/A

Source: MSCI Real Assets, CBRE Research, Q3 2025.

Figure 6  
Select Q3 investment sales

	DATE	PROPERTY NAME	CITY, STATE	YEAR BUILT	PRICE	SQ. FT.	\$/SQ.FT.
West	Jul-25	Sky River Medical Building	Monroe, WA	2005	\$24,625,000	48,806	\$505
	Jul-25	Woodbridge Square Medical	Irvine, CA	2007/2021	\$24,250,000	36,104	\$672
	Sep-25	Bon Air Professional Center	Larkspur, CA	1991/2004	\$24,050,000	27,297	\$881
	Sep-25	UCLA Health Santa Barbara	Santa Barbara, CA	2007/2023	\$21,300,000	21,970	\$970
Southwest	Sep-25	HR Dallas Portfolio	Dallas, TX	1977 - 2008	\$58,800,000	448,879	\$131
	Aug-25	Highlands Ranch Medical Campus*	Highlands Ranch, CO	2000 - 2001	\$41,000,000	153,858	\$266
	Aug-25	Landmark Medical Center*	Greenwood Village, CO	2014	\$15,200,000	33,282	\$457
	Jul-25	Mineral Medical Plaza*	Littleton, CO	1999/2020	\$13,500,000	39,300	\$344
Southeast	Sep-25	MedCraft Acquisition Portfolio*	Various, FL	1970 - 2006	\$41,562,000	120,821	\$344
	Aug-25	Del Mar MOB Park Portfolio	Boca Raton, FL	1982 - 1985	\$33,600,000	101,546	\$331
	Jul-25	Augusta Oncology Multispecialty Clinic	North Augusta, GA	2015/2024	\$31,000,000	60,200	\$515
	Aug-25	Northside Medical Cumberland	Smyrna, GA	2022	\$23,000,000	60,732	\$379
Midwest	Sep-25	MedCraft Acquisition Portfolio*	Various, OH	1924 - 2009	\$243,532,471	826,352	\$295
	Jul-25	Advocate Aurora Health Portfolio	Milwaukee, WI	1960 - 1997	\$42,000,000	147,406	\$285
	Aug-25	Bellin Health Children and Adolescent Center	Ashwaubeno, WI	2025	\$30,000,000	75,000	\$400
	Sep-25	Endeavor Health Plainfield*	Plainfield, IL	2006	\$18,700,000	53,532	\$349
Northeast	Jul-25	Ortho Rhode Island	Warwick, RI	2023	\$36,000,000	55,594	\$648
	Sep-25	Winchester Outpatient Center*	Woburn, MA	1980/2013	\$31,550,000	76,701	\$411
	Jul-25	Putnam Hospital Ambulatory Surgery Center	Carmel, NY	2008	\$25,000,000	89,893	\$278
	Aug-25	Clifton Park MOB	Clifton Park, NY	2016	\$15,000,000	60,000	\$250
Mid-Atlantic	Sep-25	Willow Oaks Medical Campus	Fairfax, VA	1987 - 1988	\$70,000,000	401,000	\$175
	Sep-25	Angelos Medical Pavilion	Baltimore, MD	2013	\$29,500,000	81,500	\$362
	Jul-25	University of Maryland Laurel Health and Wellness MOB*	Laurel, MD	2024	\$16,199,312	55,598	\$291
	Sep-25	46 S. Glebe Road	Arlington, VA	1987	\$12,500,000	16,579	\$754

\*Properties sold by CBRE.

Source: MSCI Real Assets, CoStar, Revista, RealQuest, SEC Filings, CBRE Research, Q3 2025.

## Figure 7 Q3 loan volume for all property types

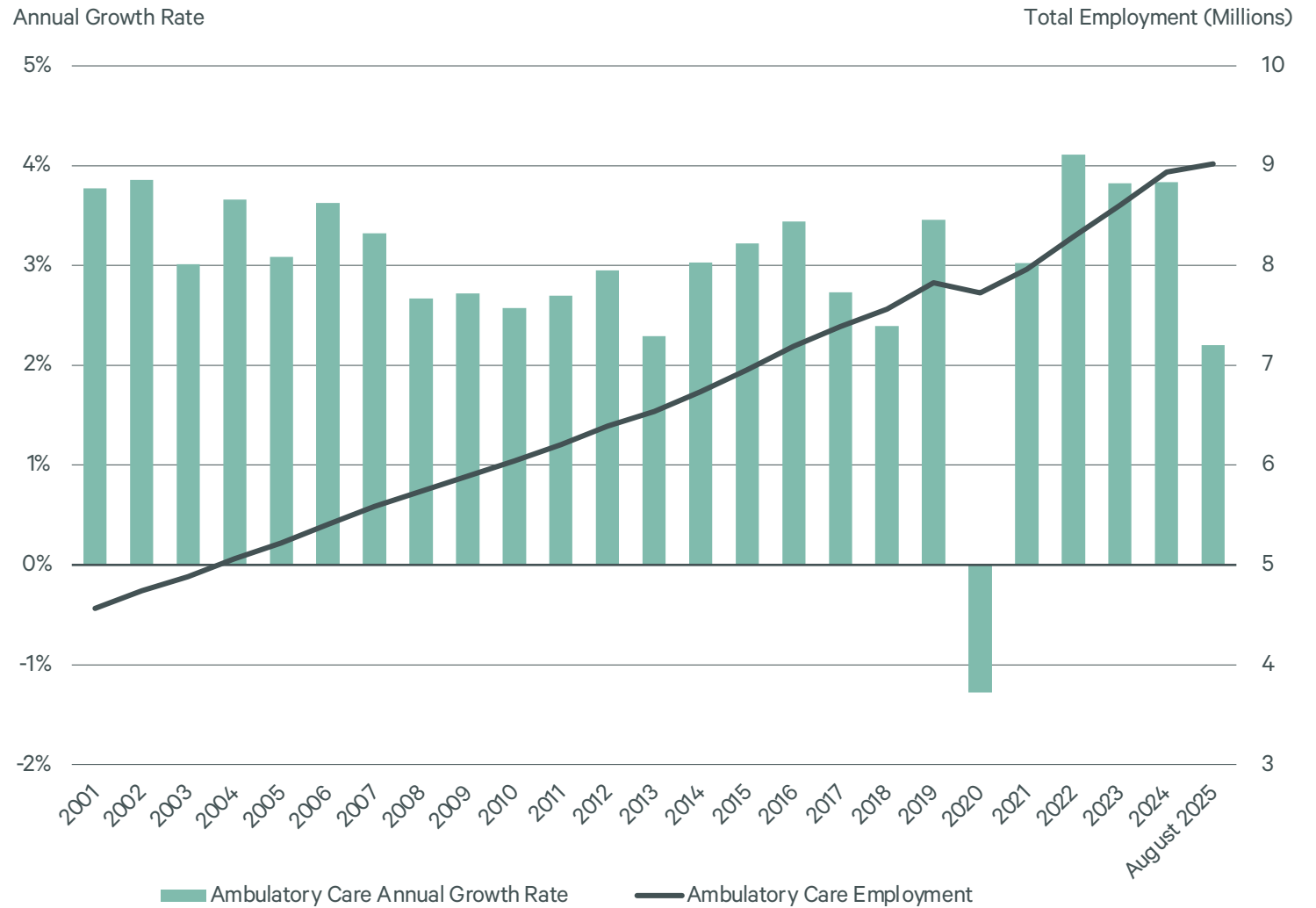
- The CBRE Lending Momentum Index across all property types rose by 0.55 points year-over-year to 1.04 in Q3 amid improved lending conditions.
- Alternative lenders were the biggest non-agency lenders, accounting for 37% of Q3 loan closings, followed by banks (31%) and life companies (16%).
- For more debt market insights, see [CBRE's Q3 2025 U.S. Capital Markets report](#).

	Share of Loan Volume Q3 2025 (%)	Share of Loan Volume Q3 2024 (%)	% Change Year-Over-Year
<b>Alternative Lenders</b>	37	34	9%
<b>Banks</b>	31	18	72%
<b>CMBS</b>	17	5	240%
<b>Life Companies</b>	16	43	-63%

Note: Numbers may not sum to 100 due to rounding.  
Source: CBRE Research, Q3 2025.

## Figure 8 Ambulatory healthcare employment

- Ambulatory healthcare employment grew by 2.2% year-over-year in August, more than double the 0.9% growth in total nonfarm payrolls. Employment gains have slowed in 2025 due to economic uncertainty.
- Ambulatory healthcare employers added 194,400 jobs year-over-year.



Source: CBRE Research, Federal Reserve Economic Data, Q3 2025.

### Figure 9 MOB average asking rent & vacancy rate

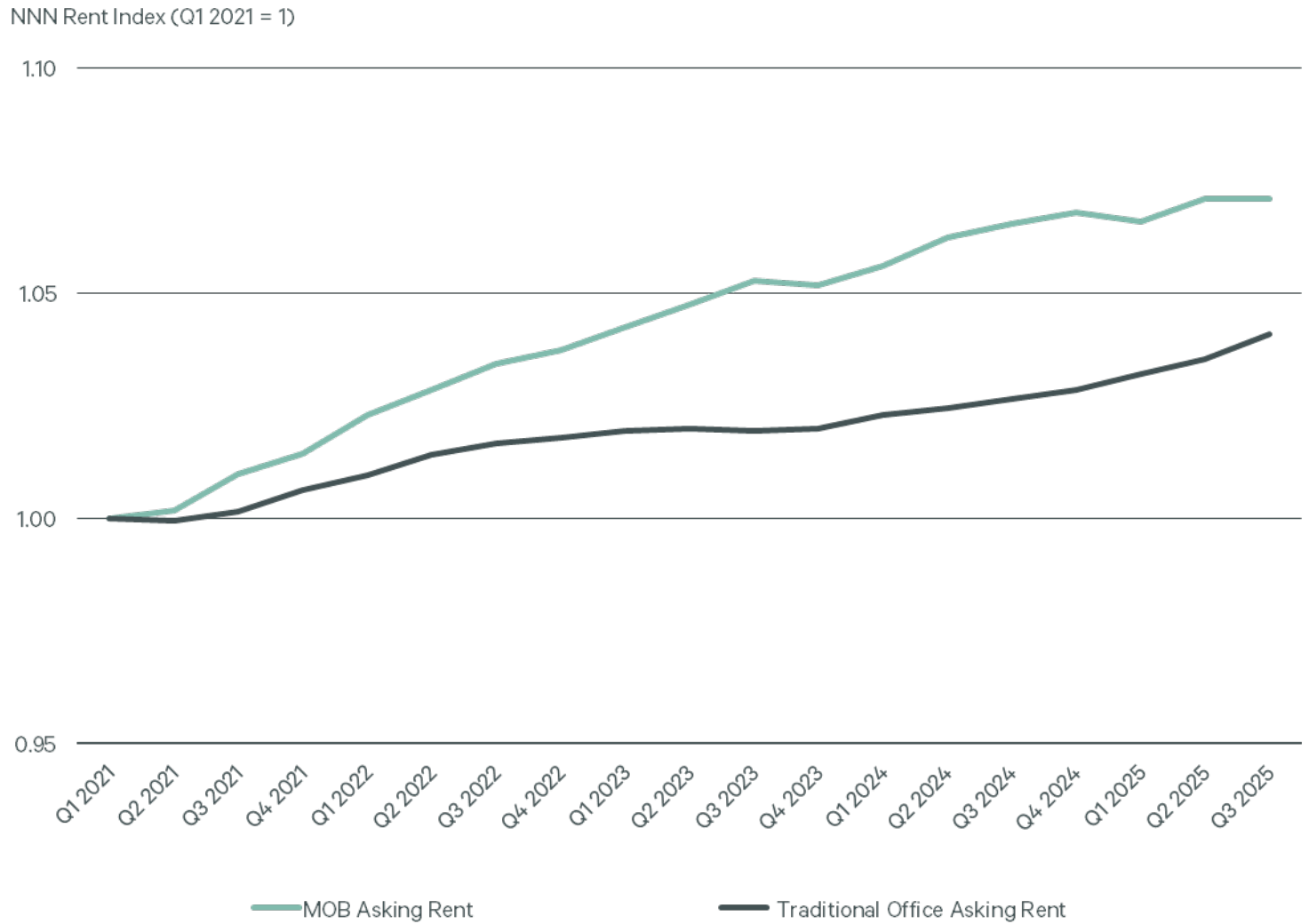
- The average MOB asking rent remained at a record-high \$25.20 per sq. ft. in Q3, up by 0.5% year-over-year.
- Markets with the biggest year-over-year average rent increases were Memphis (6.9%), Salt Lake City (4.6%) and Providence (4.5%).
- The average MOB vacancy rate rose by 2 bps quarter-over-quarter and 41 bps year-over-year to 9.9%, as construction deliveries outpaced absorption for the past five quarters.
- New high-quality MOB inventory is expected to drive asking rent growth for the rest of 2025.



Source: CBRE Econometric Advisors, CBRE Research, Q3 2025.

## Figure 10 MOB vs. traditional office asking rent growth

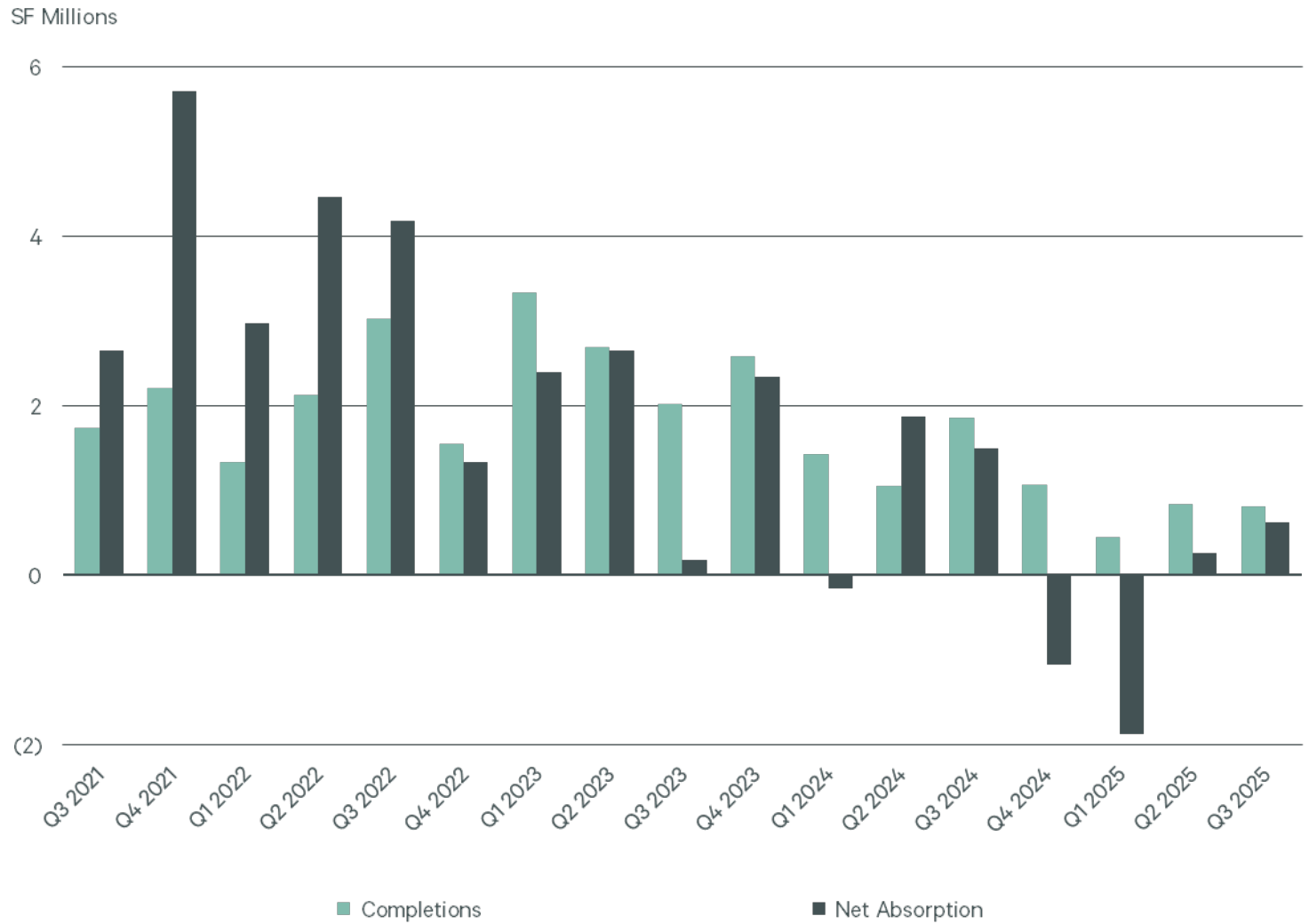
- MOB asking rent growth has moderated since mid-2024, underperforming traditional office rents that have significantly increased due to improved fundamentals.
- Nevertheless, average MOB asking rents remained at 7.1% above their Q1 2021 level, while traditional office rents were 4.1% above their Q1 2021 level.



Source: CBRE Econometric Advisors, CBRE Research, Q3 2025.

### Figure 11 MOB absorption & construction completions

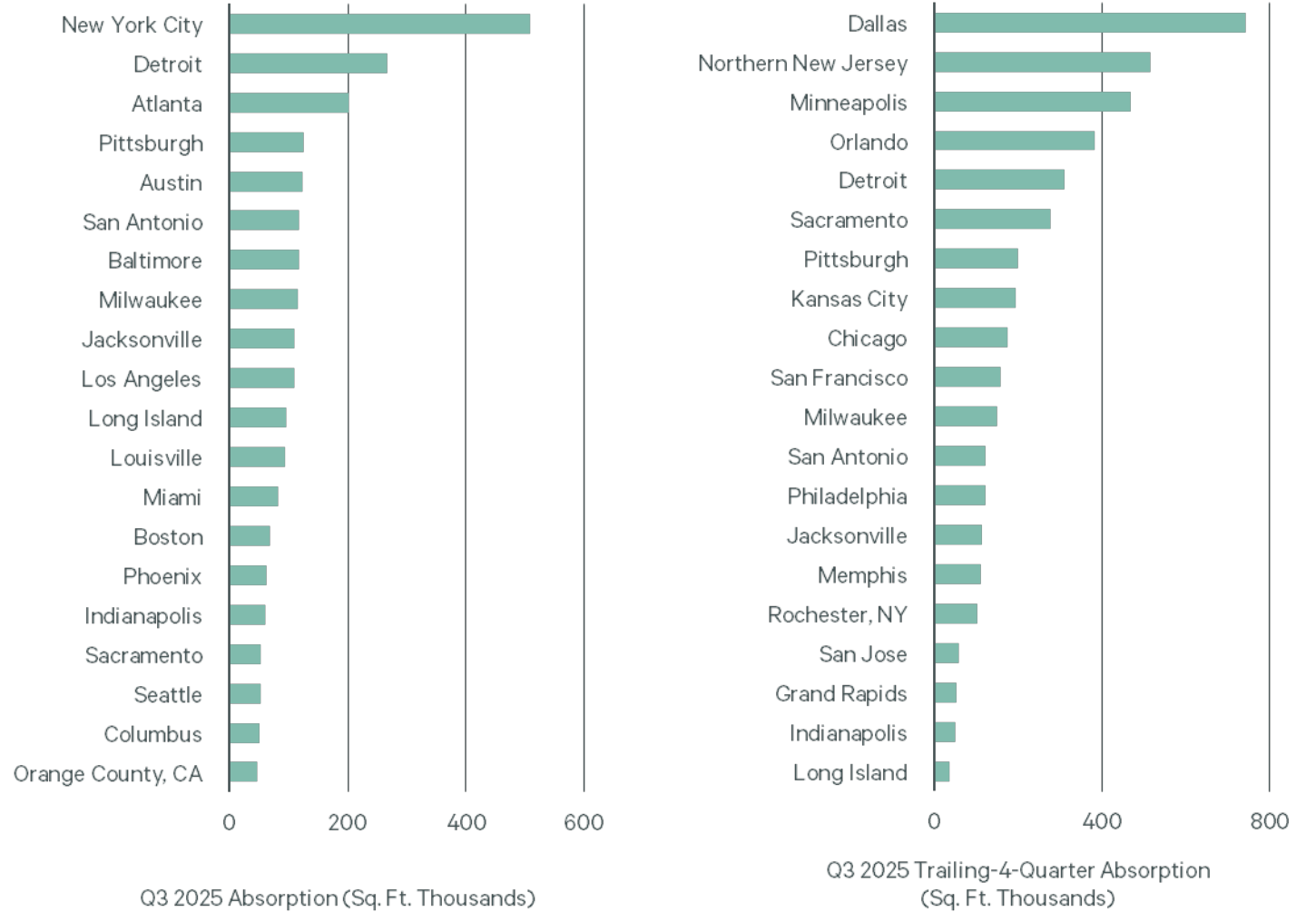
- The MOB sector had 624,000 sq. ft. of positive net absorption in Q3, its second consecutive quarter of positive demand.
- MOB completions of 816,000 sq. ft. in Q3 were 43% of the five-year quarterly average and brought the trailing-four-quarter total to 3.2 million sq. ft.
- Completions have trended downward due to high construction costs and interest rates.



Source: CBRE Econometric Advisors, Q3 2025.

## Figure 12 Top 20 markets for absorption

- Thirty-six of the 59 markets tracked by CBRE had positive net absorption in Q3, led by New York City with 509,000 sq. ft., Detroit with 267,000 and Atlanta with 202,000.
- Dallas, Northern New Jersey and Minneapolis had the most net absorption on a trailing-four-quarter basis.



Source: CBRE Econometric Advisors, Q3 2025.

### Figure 13

#### Top 10 markets for construction completions

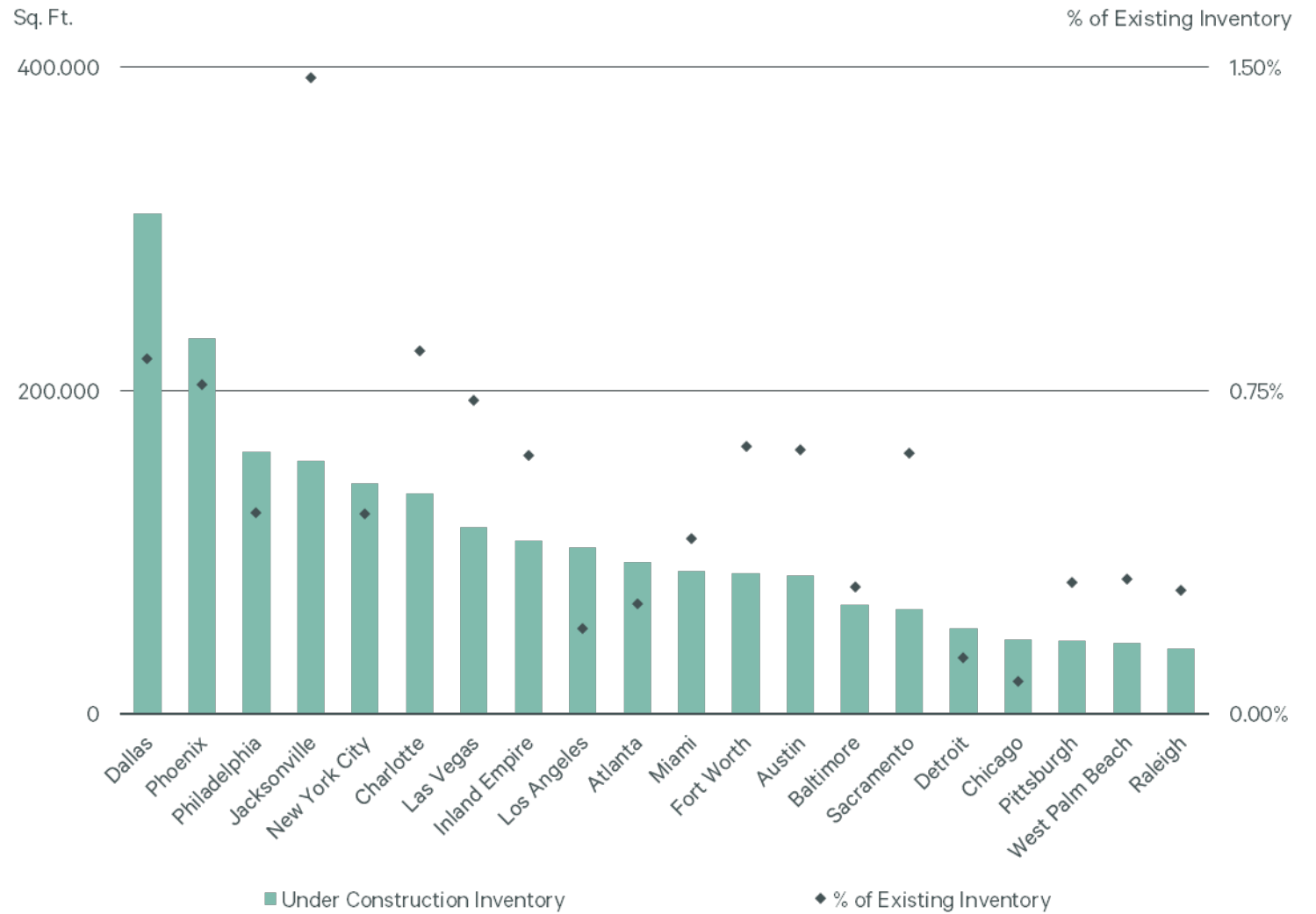
- Boston was the top market for MOB construction completions in Q3 with 210,000 sq. ft., followed by Austin with 180,000 and Phoenix with 100,000.
- Phoenix led trailing-four-quarter completions with 321,000 sq. ft., followed by Dallas with 316,000 and Sacramento with 254,000.



Source: CBRE Econometric Advisors, Q3 2025.

## Figure 14 MOB space under construction

- The 59 markets tracked by CBRE had a combined 2.4 million sq. ft. of space under construction as of Q3.
- Dallas was the leading market for MOB construction with 309,000 sq. ft., followed by Phoenix with 232,000 and Philadelphia with 162,000.
- Jacksonville was the only top market with space under construction totaling more than 1% of existing inventory.



Source: CBRE Econometric Advisors, Q3 2025.

Figure 15  
Select Q3 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	36,773,000	0	93,495	8.0%	10.2%	202,000	\$24.60	0.0%	3.0%
Austin	13,925,000	180,000	85,188	11.0%	14.1%	124,000	\$27.31	0.0%	0.3%
Chicago	61,252,000	0	45,600	10.9%	13.9%	-89,000	\$19.52	0.4%	0.3%
Columbus	14,218,000	0	0	8.4%	11.2%	51,000	\$16.23	-0.1%	-0.8%
Dallas	37,549,000	69,000	308,956	13.4%	15.8%	21,000	\$24.09	0.5%	1.2%
Denver	26,664,000	0	0	10.7%	13.9%	-31,000	\$21.55	2.7%	2.5%
Houston	49,016,000	0	17,889	14.3%	18.7%	-251,000	\$23.39	0.9%	1.8%
Los Angeles	52,378,000	0	103,000	10.1%	12.4%	109,000	\$39.23	-0.1%	-1.2%
Miami	21,636,000	45,000	88,000	6.9%	8.6%	82,000	\$38.77	1.9%	3.1%
Nashville	16,162,000	0	30,000	6.4%	7.9%	-18,000	\$25.18	-3.2%	-2.6%
Orange County	23,760,000	0	15,196	11.1%	14.1%	47,000	\$32.97	1.2%	-2.1%
Orlando	16,914,000	41,000	24,600	8.8%	10.3%	12,000	\$25.69	0.1%	-0.6%
Philadelphia	34,831,000	80,000	162,000	9.7%	13.8%	-63,000	\$23.13	-0.3%	1.3%
Phoenix	30,404,000	100,000	232,375	13.4%	16.8%	62,000	\$25.01	0.3%	1.6%
Salt Lake City	11,827,000	70,000	0	9.4%	10.6%	-76,000	\$21.06	0.0%	4.6%
San Antonio	16,011,000	8,000	23,777	11.7%	14.3%	118,000	\$21.06	2.7%	-1.1%
San Diego	18,392,000	0	0	7.4%	10.3%	-70,000	\$33.49	-0.3%	-0.1%
Seattle	19,131,000	0	0	5.4%	7.2%	52,000	\$31.42	-1.9%	0.1%
Tampa	19,201,000	0	12,750	7.1%	8.8%	-99,000	\$23.95	2.7%	2.7%
Washington, D.C.	49,808,000	0	0	13.6%	18.4%	-334,000	\$29.52	-0.1%	1.7%

Source: CBRE Econometric Advisors, Q3 2025.

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