

Intelligent Investment

2026 Investor & Developer Survey Results

REPORT

CBRE U.S. Healthcare
Capital Markets

February 2026

CBRE



To Healthcare Real Estate Providers, Investors and Developers:

CBRE U.S. Healthcare Capital Markets is pleased to announce the results of our 16th Annual Investor & Developer Survey. This 2026 report identifies the critical patterns and market forces currently shaping the healthcare and life sciences real estate sectors. By distilling these insights, we aim to provide our clients with a clear understanding of the present landscape and the emerging trends that will define the year ahead.

To help you apply these findings to your specific portfolio, we invite you to request a customized benchmark comparison. This analysis matches your firm's strategic outlook against our national sample to provide actionable competitive context.

Please contact the U.S. Healthcare Capital Markets team at Chris.Bodnar@cbre.com to schedule a formal presentation of our findings or to coordinate a personalized benchmarking session for your firm.

We extend our sincere thanks to all who participated in this year's survey. Your contributions continue to make this a premier resource for the industry.

Sincerely,

U.S. Healthcare Capital Markets



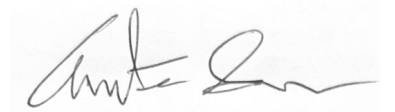
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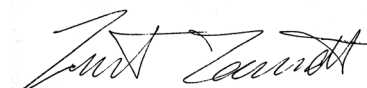
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Senior Director



Jaime Jones-Vantsa
Investment Sales Manager

Methodology

- This year's survey contained one new question for a total of 36 questions on various facets of the healthcare and life sciences real estate market.
- The survey was distributed to approximately 500 of the industry's most influential healthcare real estate investment trusts (REITs), institutional healthcare investors, private capital investors and developers throughout the United States, with a 20%+ response rate (101 respondents in 2026).
- To ensure the accuracy of our survey results, we removed duplicate responses from the same firm for specific questions as a measure to not exaggerate or inflate results.



Highlights

This primary study generated qualitative industry data that provides an understanding of investor and developer return expectations, investment criteria and, most importantly, market shifts and progressions that these key professionals anticipate in the coming year.

Among the most intriguing findings of this year's study include the following:



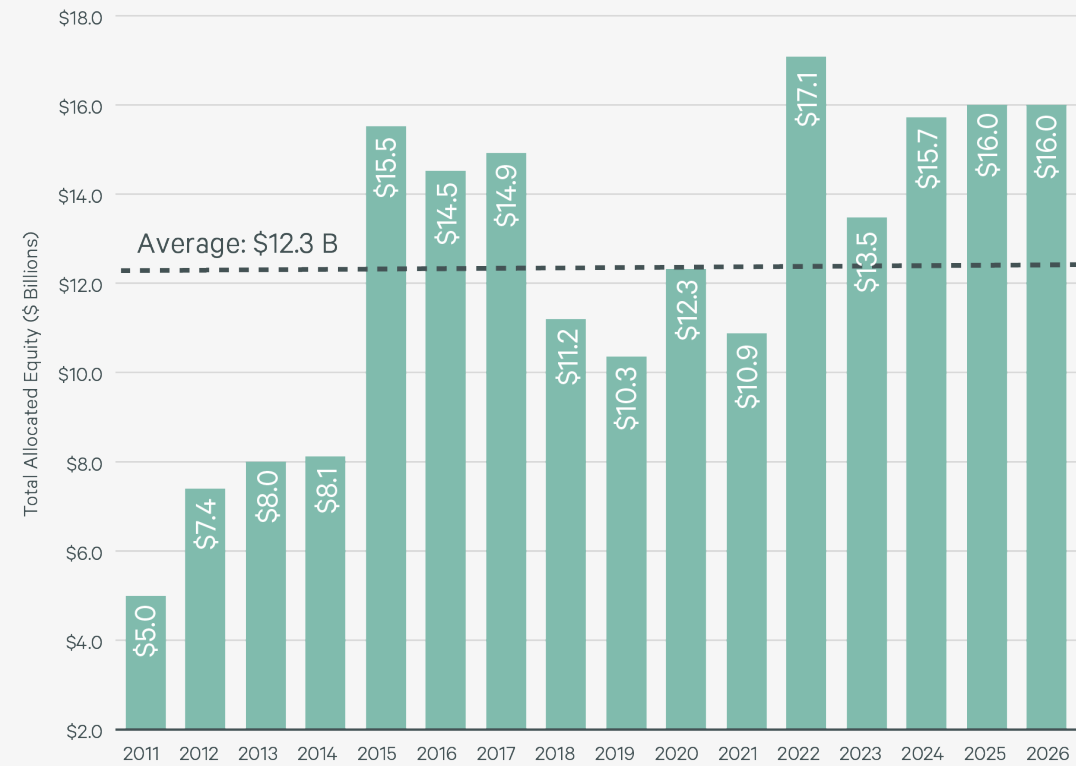
Investment Criteria

Equity Allocations Driven By New Entrants

The 2026 survey results suggest that \$16 billion of capital is being allocated to healthcare real estate in 2026, with an anticipated transaction volume of \$11.3 billion in 2025 (excluding the Remedy-Welltower sale). This estimate represents a 55% increase compared to pre-pandemic capital allocations (up from \$10.3 billion in 2019). Though the year-over-year change is flat, there is a net inflow of capital into the healthcare sector when accounting for REIT allocations dropping significantly since 2021 and shifting to senior housing.

CBRE expects additional capital sources to enter the market, as new investors shift allocations to healthcare real estate given its inelastic relationship to the broader economy and its ability to withstand recessions. As the real estate debt market continues to improve, investors may be in a better position to achieve required returns allowing them to provide additional allocations, so 2026 may still see an increase from our equity predictions.

Figure 1: Capital Allocation to Healthcare Real Estate



Highlights (continued)



2026 Challenges

Interest Rate Volatility

While interest rates have retreated from their 2023 peaks, they remain a primary headwind for commercial real estate as we move through 2026. For the fourth consecutive year, healthcare real estate investors have cited the interest rate environment as their most significant hurdle in this year's survey. Investors continue to keep an eye on inflationary pressures and other macro market events (i.e. Japanese bond market volatility).

As of late 2025, headline CPI inflation held steady at 2.7% for both November and December, remaining above the Fed's long-term 2.0% target. Consequently, at the January 28, 2026, meeting, the Fed voted to hold the federal funds rate steady at 3.50%–3.75%, effectively pausing the easing cycle that began in late 2025 to allow for further data assessment.



Top-Performing Markets

Top Choices Remain in the Sun Belt

In 2026, investors continue to be drawn to high-performing growth markets in the Sun Belt region, with Dallas/Fort Worth, Phoenix and Atlanta all ranked as favorites for several years in a row.

The Sun Belt has experienced continual growth due to its business-friendly environment, lower cost of living and mild climate. Currently, the Sun Belt region represents approximately 50% of the national population, making it an attractive destination for investment opportunities.

Other cities that saw better positioning on the list in 2026 include Miami/South Florida, Raleigh-Durham, Charlotte, Austin and San Diego. Of the top 10 cities ranked, 9 are located in the Sun Belt.



Return Requirements

*Cap Rates Decrease for On- MOB*s

Last year's 2025 survey saw capitalization rates hold steady for medical outpatient buildings (MOB) across all quality classes (Class A/B and on/off-). In 2026, cap rate expectations are shifting back down the scale, specifically for on-assets, which are projected to have a decrease of 50 basis points in 2026, while off- assets remain static. The improvement in the debt markets has put upward pressure on pricing for some asset classes.

Most respondents in the 2026 survey predict market cap rates for Class A on- product will range between 5.50% - 6.50%. Almost half of investors believe the most common cap rate will be 5.50% - 5.99%, representing a decrease of 50 basis points from last year. Overall, CBRE believes a more conservative decrease of 25 bps will occur across all healthcare product types.



Planned Investment Activity

Sustained Net Buyers in 2026

The majority (77%) of survey respondents indicate plans to be net buyers of MOB product in 2026. Most institutional investors, REITs and private capital investors consider themselves to be net buyers in 2026, with developers accounting for less of the buyer makeup this year.

Only 12% of investors expect to be net sellers of healthcare product in 2026, which is a slight decrease from 2025. However, the makeup of net sellers shifted in 2026 with healthcare real estate developers increasing to 42% of the net seller responses, along with private capital healthcare investors also accounting for 42% and REITs making up the remainder. No institutional investors identified as a net seller in 2026. Of those attempting to refinance owned healthcare product, real estate developers make up 80% of those responses.

Highlights (continued)



Market Fundamentals

Improving Occupancy and Rent Escalations

Healthcare portfolios around the country have proven to be incredibly stable, with 91% of respondents indicating that their medical outpatient portfolio occupancy is the same or higher compared to the previous year.

Investors and developers continue to believe that healthcare rental rates will grow at a tenable rate, with over half of investors expecting an annual rent growth of 2%-3%.

It is anticipated that medical outpatient buildings and ambulatory surgery centers will have increased demand in 2026. The highest increases in supply of product for-sale are expected for medical outpatient buildings and ambulatory surgery centers.



Life Sciences

Investments Slow Despite Funding Momentum

The life sciences industry in the U.S. saw a record level of venture capital funding in 2021, hitting a high of \$47.6 billion. Since then, the rapid growth of the life sciences sector has leveled out, with forecast venture capital funding in 2026 estimated to improve, building off strong investment momentum in H2 2025 and thawing capital markets conditions.

Of respondents who plan to be active in the life sciences sector, less than one third indicated they were net buyers in 2026, a slight decrease from 2025 and likely due to less crossover between MOB and life sciences with the investor base surveyed. Of this group, private capital investors and institutional investors mainly consider themselves to be net buyers.

Over half of respondents indicated no planned life sciences activity in 2026.



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01

Profile of Participating Firms

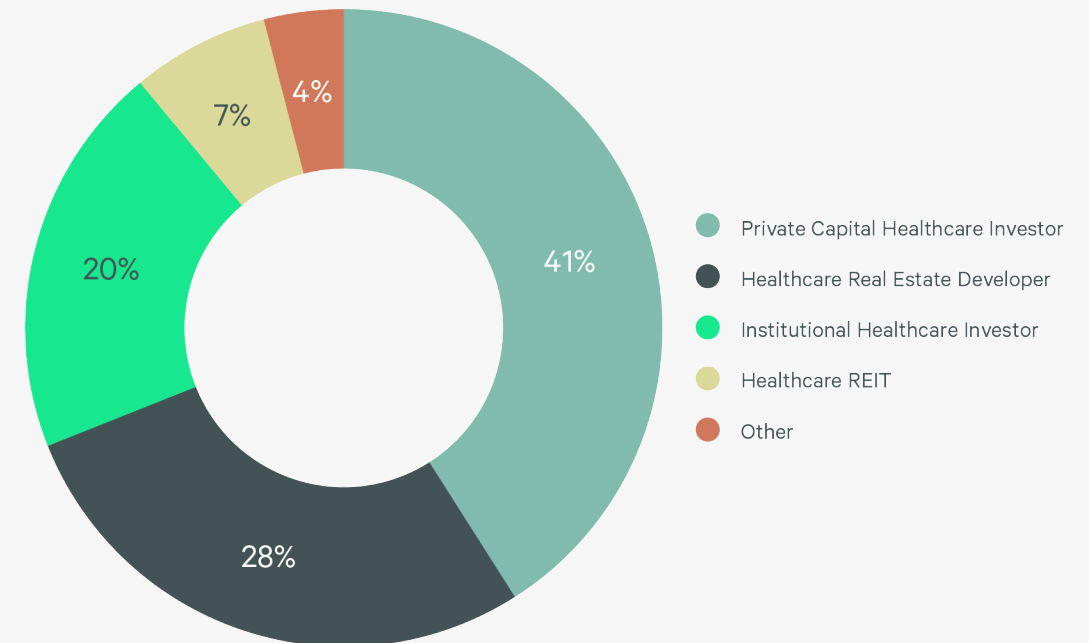
Question 1

Type of Healthcare Investor

Our survey drew a wide range of responses, with the largest type of investor represented as:

Private Capital Healthcare Investor

Figure 2: Type of Healthcare Investor



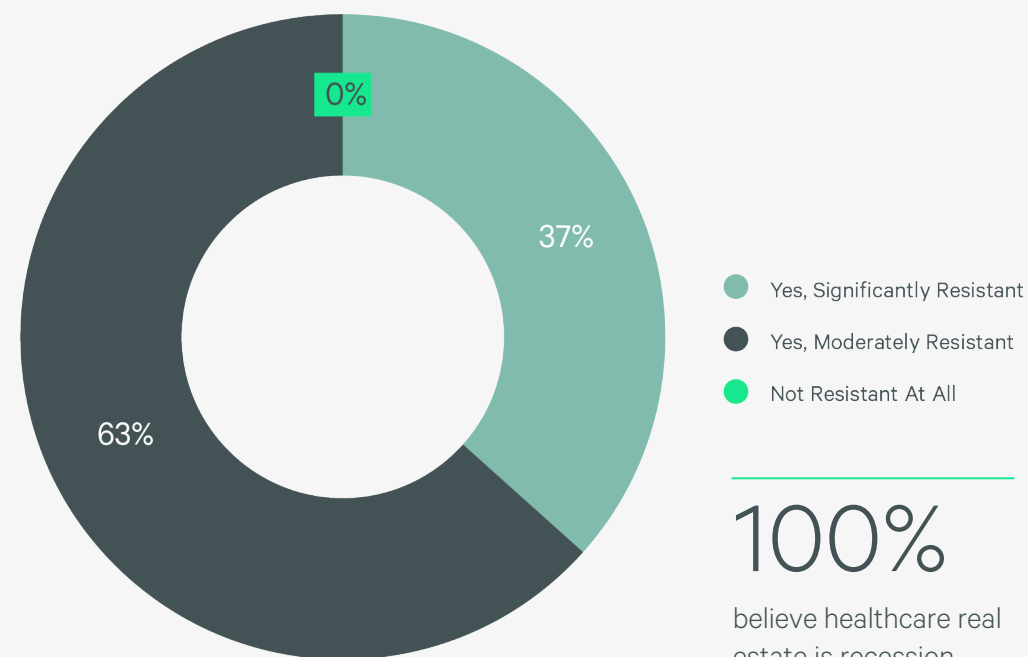
Question 2

Do you believe the healthcare real estate industry to be recession-resistant?

Healthcare real estate has historically served as a refuge for investors during economic downturns and the industry proved its resiliency during the COVID-19 pandemic. In recent years, interest rate hikes and resulting market instability have created turbulence in the overall economy and the commercial real estate industry. As such, investors continue to shift allocations to healthcare real estate given its inelastic relationship to the broader economy. **In 2026, all (100%) respondents believe that healthcare real estate is recession-resistant, a 4% year-over-year increase from 2025 (96%).**

According to Oxford Economics and Q4 2025 CBRE Research, healthcare employment is forecasted to outpace all other sectors; through 2034, employment in the Healthcare & Social Assistance industry will increase by 7.1%, outpacing the growth of many other major industries, with healthcare alone accounting for roughly 69% of all job gains in 2025. Further, consumer spending on healthcare makes up over 22% of overall inflation-adjusted consumer spending, a record-high share, with outpatient services expected to drive the forecasted growth. Outpatient care is estimated to account for 50% of Medicare spend in the next 10 years.

Figure 3: Healthcare Real Estate Sector Resiliency



100%

believe healthcare real estate is recession resistant

Question 3

What are possible headwinds that could impact the MOB market in 2026?

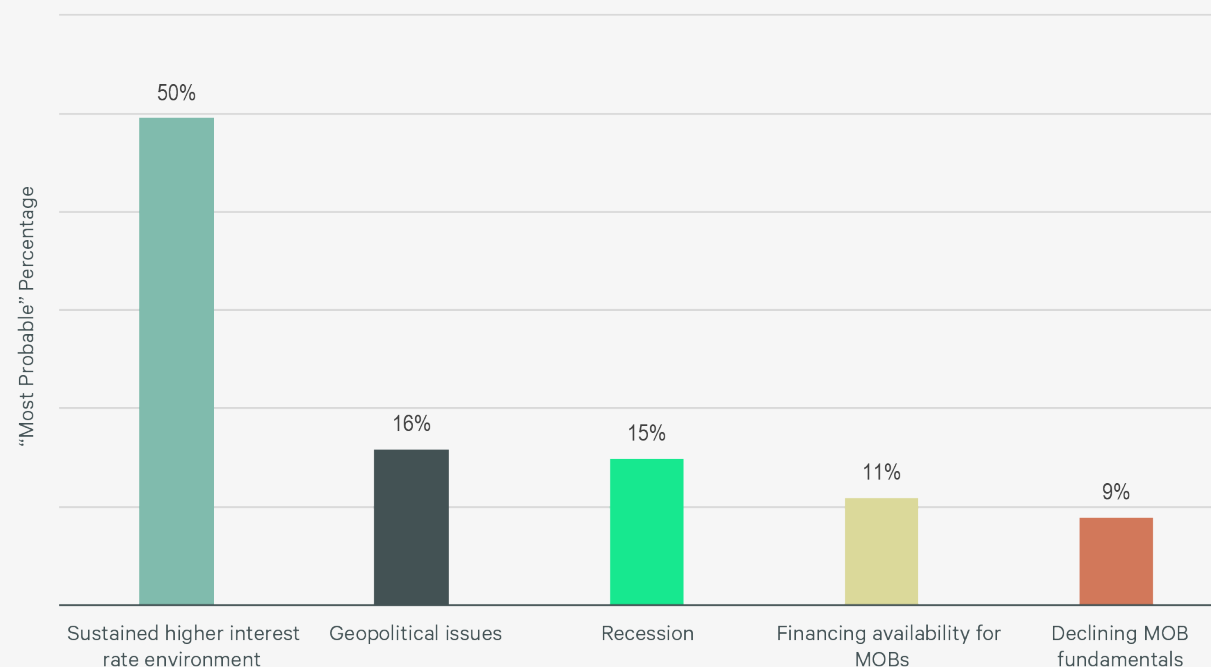
Half of respondents (50%) ranked higher interest rates as the most probable challenge that could impact the MOB market in 2026. The sentiment of a continually improving debt market remains positive with a 10% year-over-year decrease from 2025 (60%). Investors are seemingly optimistic while they expect rates to stabilize in 2026 following over a year of steady rate cuts by the Federal Reserve, but many remain cautious.

Investors' concern over the debt market liquidity significantly decreased with only 11% of respondents naming "financing availability" as their primary concern for 2026, down 16% from 2025 (27%), signaling a more robust debt market in 2026.

50%

foresee "Sustained Higher Interest Rate Environment" as the greatest challenge in 2026

Figure 4: Real Estate Challenges in 2026



Question 4

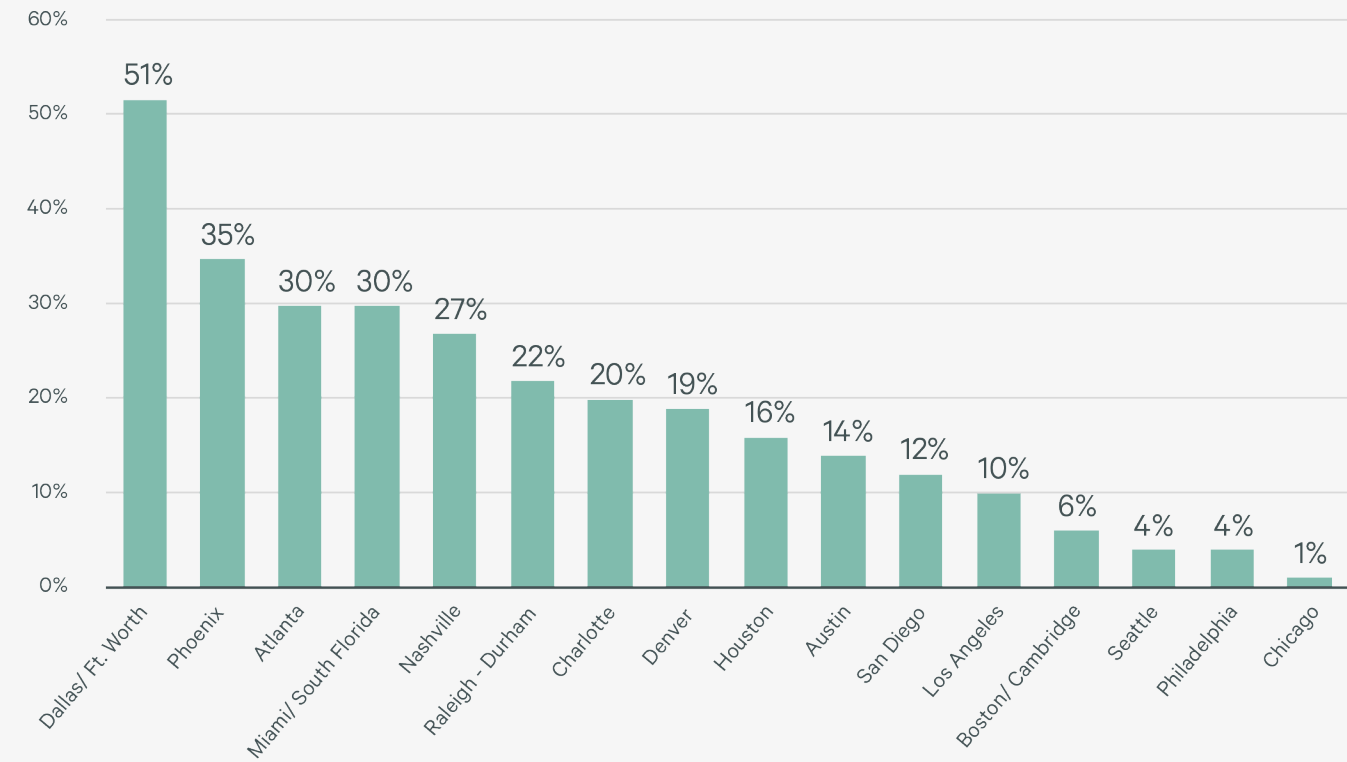
What do you expect to be the Top 3 performing markets in 2026 for MOBs?

Healthcare real estate investors continue to prioritize the fastest-growing markets, versus the largest markets by population. Respondents prefer metros with strong job and population growth, specifically in the Sun Belt region where nine out of the top 10 cities are located (Denver is the only city not located in this region).

For the fourth consecutive year, the Dallas/Fort Worth market has been ranked as the top market and continues to gain popularity from 46% in 2025 to 51% in 2026.

Phoenix has ranked the second top performing market for three years in a row, with a slight decrease in preference in 2026, down to 35% in 2026 from 41% in 2025. Atlanta made the top three list for its second year in a row, with consistent popularity of about 30% in 2026 and 2025. Austin made the largest advancement up +3 on the list moving to position 10, while Houston and Los Angeles both saw the largest downgrades of -3 from 2025.

Figure 5: Top Healthcare Markets for 2026



Question 4 (continued)

What do you expect to be the Top 3 performing markets in 2026 for medical outpatient buildings?

- Ranking**
- 1. Dallas/Fort Worth, TX
 - 2. Phoenix, AZ
 - 3. Atlanta, GA
 - 4. Miami/South Florida ▲+1
 - 5. Nashville, TN ▼-1
 - 6. Raleigh-Durham, NC ▲+1
 - 7. Charlotte, NC ▲+1
 - 8. Denver, CO ▲+2
 - 9. Houston, TX ▼-3
 - 10. Austin, TX ▲+3

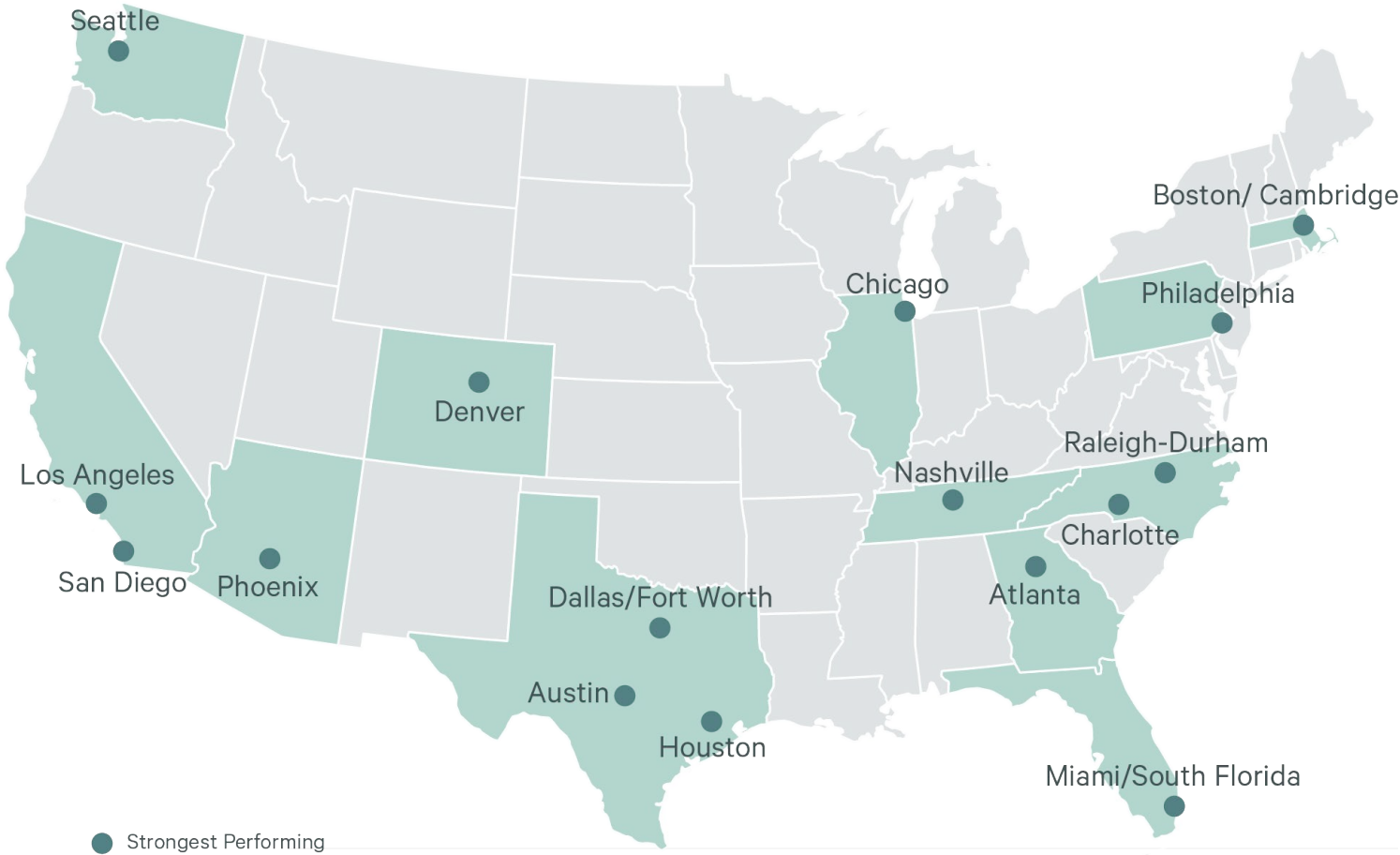
- 11. San Diego, CA ▲+1
- 12. Los Angeles, CA ▼-3
- 13. Boston/Cambridge, MA ▼-2
- 14. Seattle, WA
- 15. Philadelphia, PA ▲+1
- 16. Chicago, IL ▼-1

51%

expect Dallas/Fort Worth to be a top performing market

▲ Advancement on list in 2026
▼ Downgrade on list in 2026

Figure 6: Expected Top Performing Healthcare Markets for 2026



02

Investment Criteria

Question 5

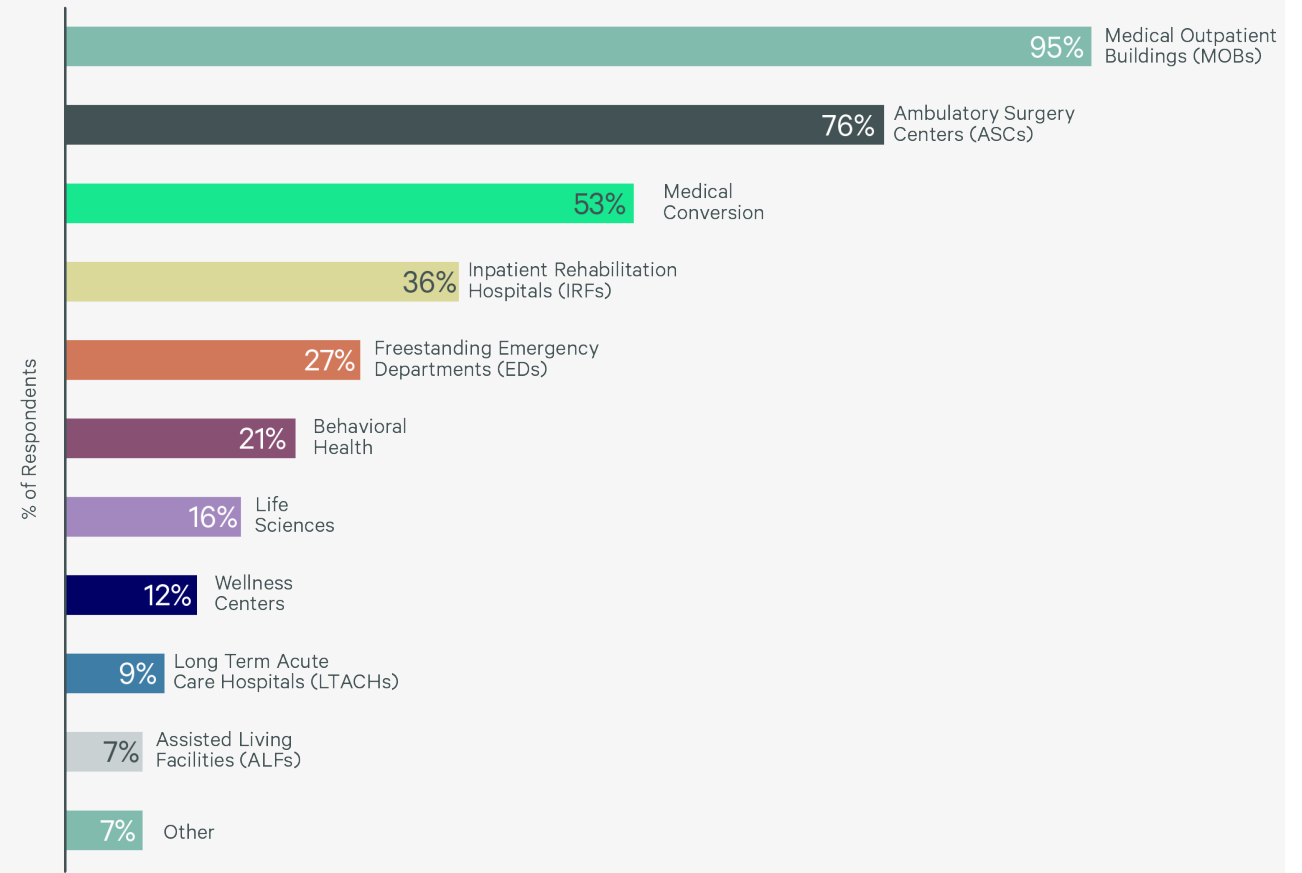
Which types of healthcare real estate properties meet your acquisition criteria?

Consistent with previous surveys, nearly all investors (95%) cited medical outpatient buildings (MOBs) as the most appealing in 2026.

Medical conversions saw the largest increase year-over-year, up 15% from 2025 and representing over half (53%) of respondents. As traditional offices continue to be redeveloped into medical outpatient facilities, medical conversions are gaining popularity due to significant cost savings, faster project completion, greater flexibility in location and the growing need for accessible, decentralized care. However, there are significant limitations to most conversion opportunities such as building infrastructure, floor plate size and parking.

Inpatient rehabilitation hospitals (IRFs) meet 36% of respondents' criteria in 2026, up 6% year-over-year from 2025 (30%). IRFs are becoming more attractive for investment due to consistent demand driven by an aging population, high operating margins and a stable regulatory environment.

Figure 7: Acquisition Criteria – Healthcare Assets



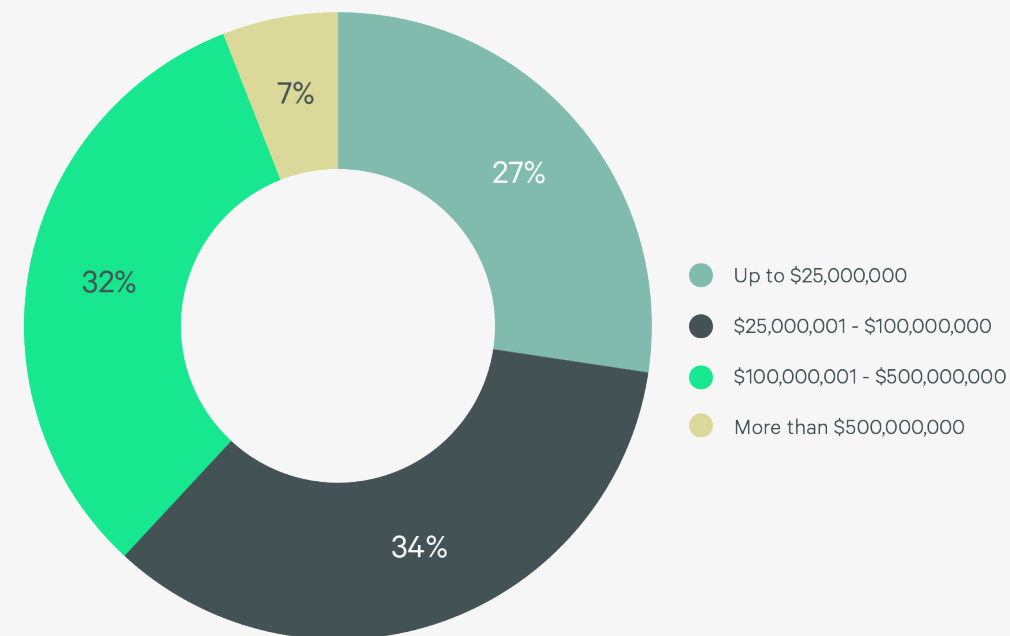
Question 6

How much equity has your firm allocated to healthcare real estate investment and development activity in 2026?

Of the survey respondents that disclosed an equity allocation, an estimated total of \$15.1 billion worth of equity has been budgeted for healthcare real estate investments in 2026. Based on CBRE's knowledge of additional capital sources entering the market, plus the unaccounted equity for respondents to this survey, we approximate at least \$16.0 billion of capital allocations in 2026. This estimate represents a 55% increase compared to pre-pandemic capital allocations (up from \$10.3 billion in 2019). The flattening out of capital allocations over the last three years is remarkable given the REIT movement to the sidelines, and the international and institutional capital that has filled-in with their absence.

2026 saw a relatively balanced spread of investments across all equity tranches, with a noticeable shift to higher allocation amounts than previous years. 39% of respondents indicated equity of \$100 million or more in 2026, representing a 15% year-over-year gain from 2025 (24%). Of the four investor groups, Private Capital Healthcare Investors make up 67% of those who indicated the highest equity tranche of more than \$500 million.

Figure 8: Equity Allocated to Healthcare Real Estate



Question 7

What is your anticipated investment volume for 2026 in comparison to 2025?

As capital continues to flow into healthcare real estate, most respondents (85%) anticipate elevated investment volume in 2026, with 96% expecting at least the same or more investment volume.

85%

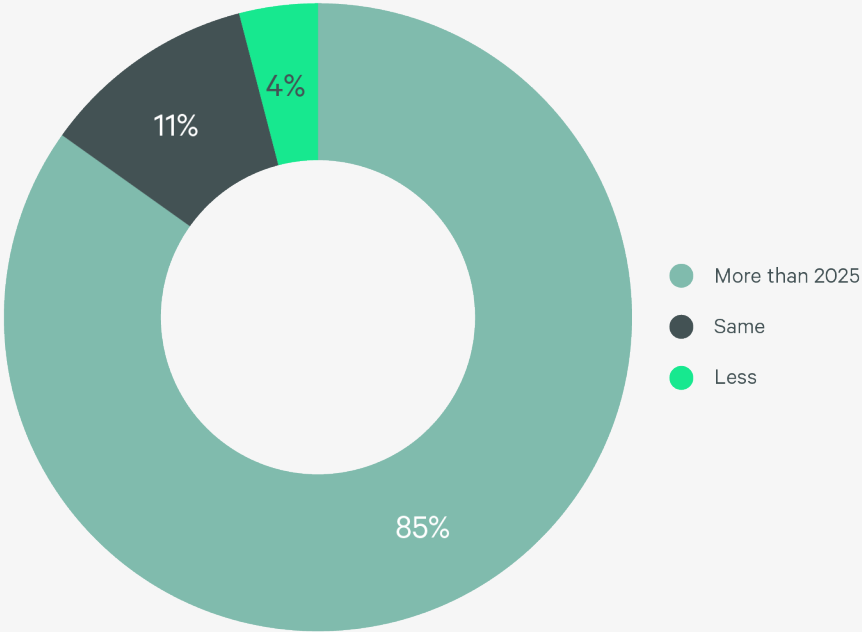
expect more investment volume in 2026



13%

increase from 2025

Figure 9: Anticipated 2026 Investment Volume



Question 8

What is your source of capital?

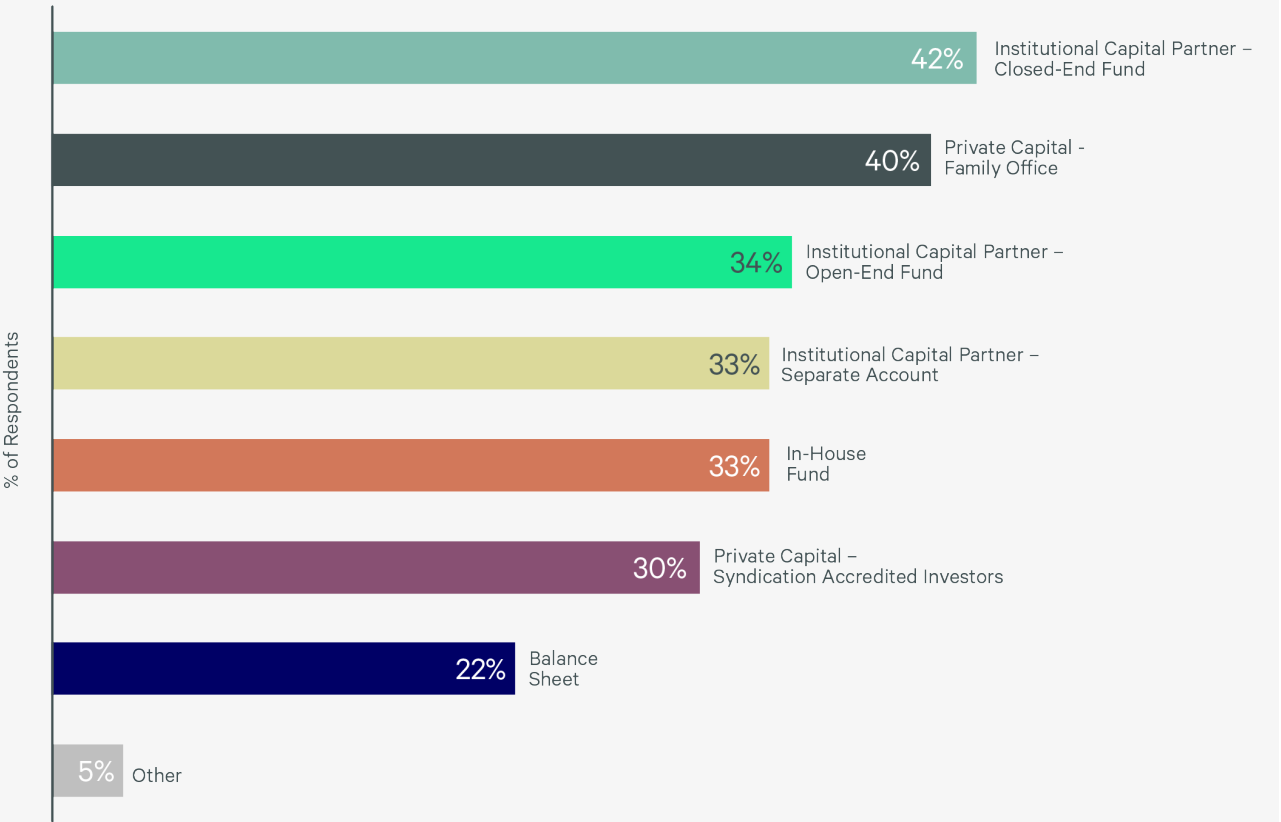
Respondents’ anticipated use of equity is relatively balanced between private and institutional capital in 2026.

This was a new question added in 2025, and the sources of capital saw a slight variation over just two years, with preferences shifting to more institutional-grade investors in 2026. After a tactical pause and a decline in target allocations in late 2024 and early 2025, there are strong signs of a renewed increase in commitment and activity from institutional capital partners as the market stabilizes.

Year-over-year changes:

Institutional Capital Partner – Closed-End Fund:	▲ +9%
Private Capital - Family Office:	▲ +1%
Institutional Capital Partner – Open-End Fund:	▲ +11%
Institutional Capital Partner – Separate Account:	-1%
In-House Fund:	▲ +11%
Private Capital – Syndication Accredited Investors:	-6%
Balance Sheet:	-5%

Figure 10: Capital Sources

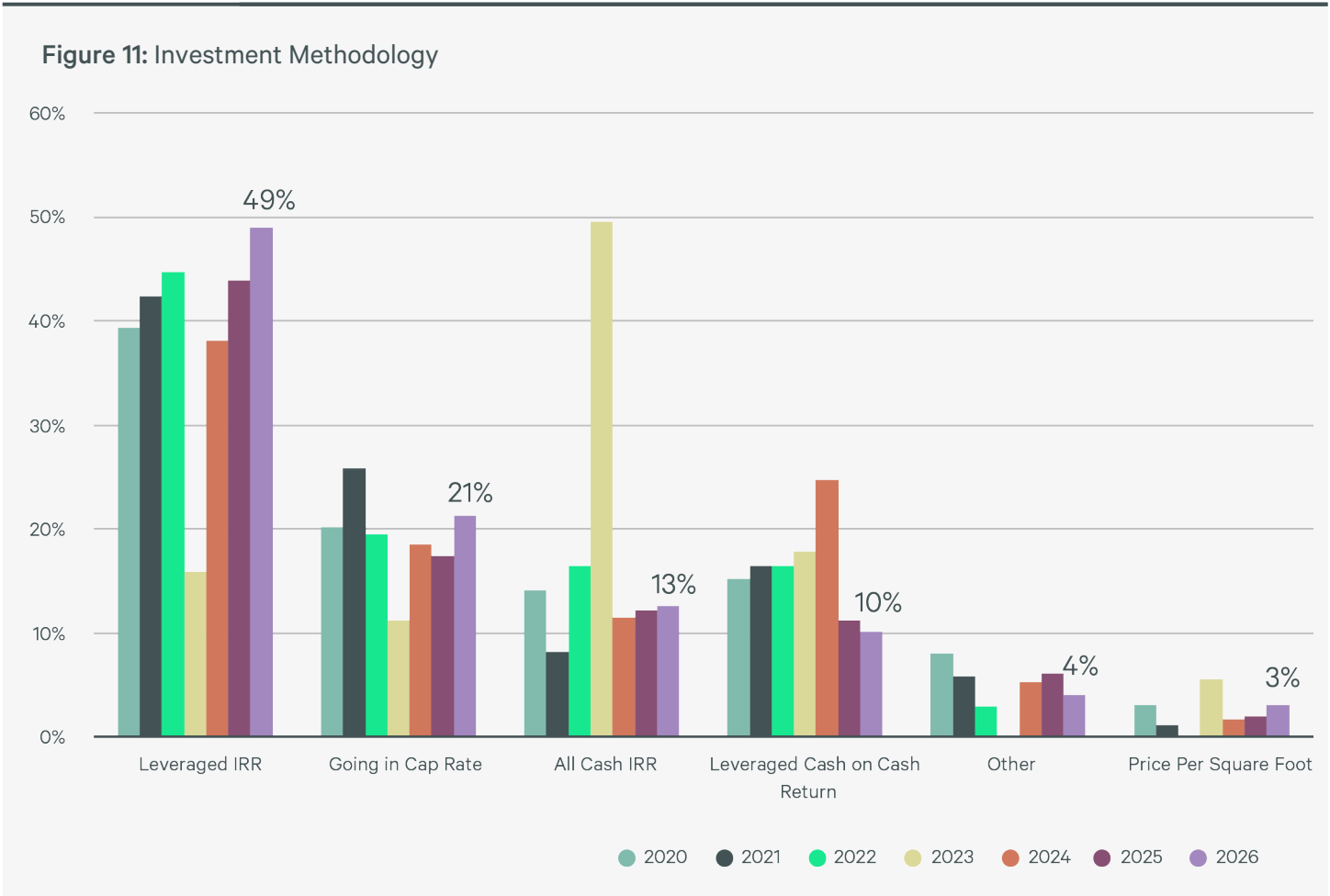


Question 9

What measurement of investment return do you rely on most?

“Leveraged IRR” accounts for almost half (49%) of respondents’ preferred investment methodology, indicating the return to traditional financing. Drastically up by 33% from the low point in 2023 (16%), healthcare real estate investors are relying on debt to achieve their investment returns in 2026.

“Going In Cap Rate” continues to influence investment decisions, with 21% of investors preferring this method, up 4% year-over-year from 2025 (17%). “Price Per Square Foot” remains a low investment methodology for healthcare real estate as it is dependent on use and location.



Question 10

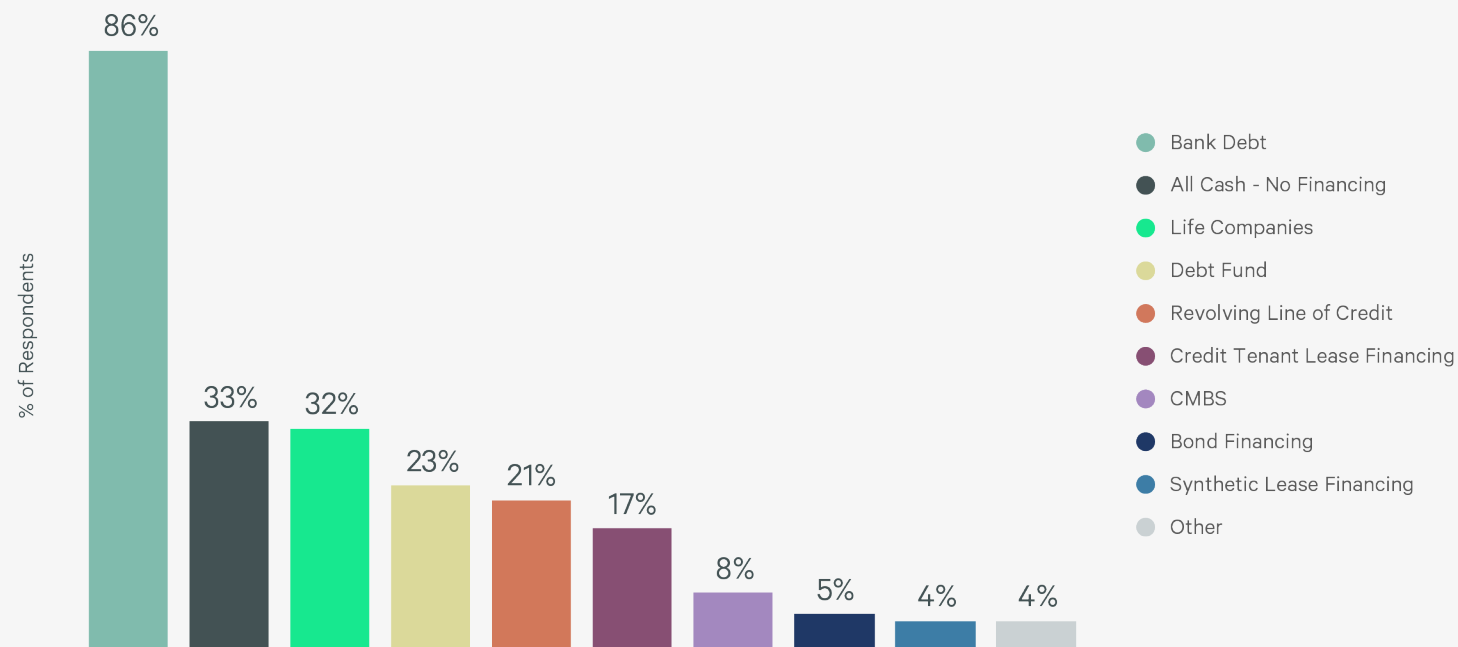
What type of financing sources are you utilizing?

Bank Debt has remained the most popular financing source among 86% of respondents, an increase of 4% from the previous year (82%).

Debt Funds experienced the highest year-over-year increase in utilization, up by 7% in 2026. Selections for Revolving Line of Credit and Life Companies also saw an increase in preference from 2025, up 6% and 3%, respectively.

All Cash – No Financing decreased the most by 8%, dropping from 41% in 2025 to 33% in 2026, further signifying investors' focus to structure debt to help achieve their investment goals this year.

Figure 12: Financing Sources



Question 11

What level of financing do you most often target?

Overall, survey respondents utilize various debt levels, with one third (33%) targeting a 60-65% loan-to-value (LTV) ratio. 2026 saw a year-over-year decrease of 9% in this 60-65% LTV range, and a 12% increase to a higher leverage point of 65-70% LTV, signifying investors’ expectations that lenders will expand their risk thresholds as the debt market continues to improve.

Of the respondents, most Healthcare Real Estate Developers (82%) prefer higher leverage of 65% LTV or greater. 83% of Private Capital Healthcare Investors target 55-70% LTV, while 80% of Institutional Healthcare Investors target 50-65% LTV. The majority of Healthcare REITs (71%) indicate they prefer lower leverage with sub-50% LTV, or no leverage at all.

Year-over-year changes:

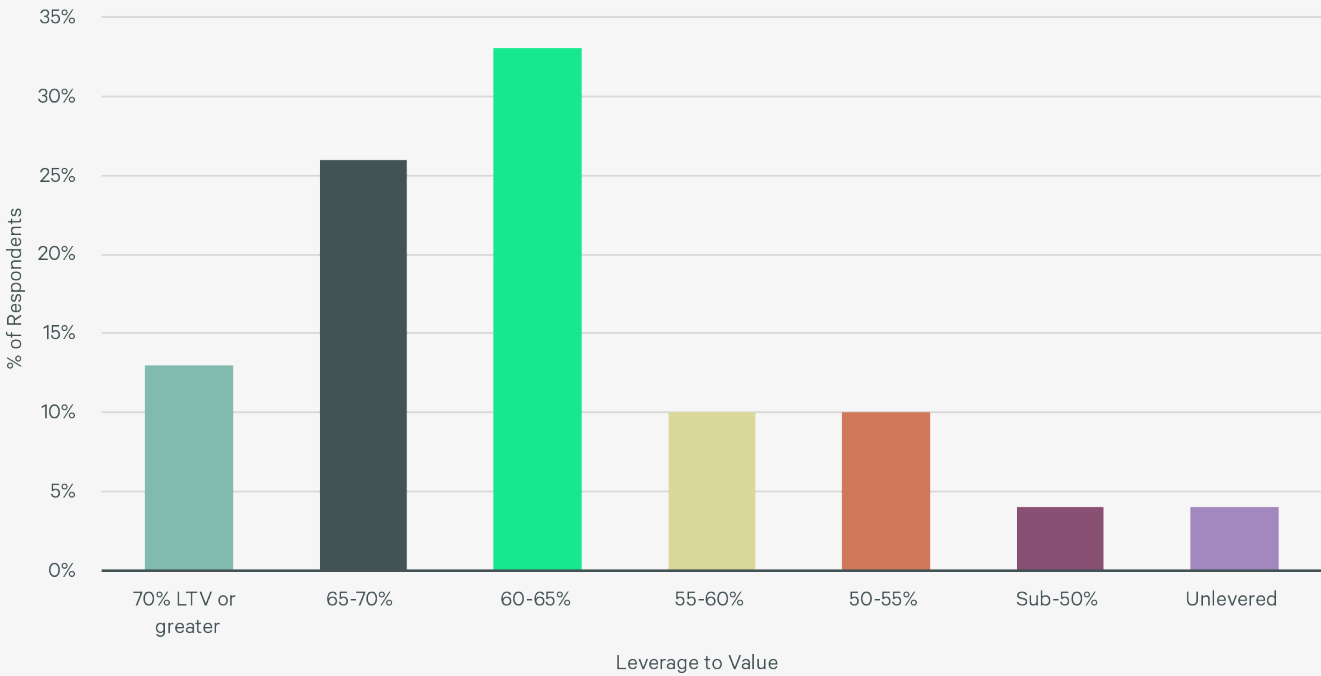
70% LTV or greater: ▼-7%
50-55% LTV: ▲+1%

65-70% LTV: ▲+12%
Sub-50% LTV: ▲+2%

60-65% LTV: ▼-9%
Unlevered: ▼-2%

55-60% LTV: ▲+4%

Figure 13: Target Leverage



Question 12

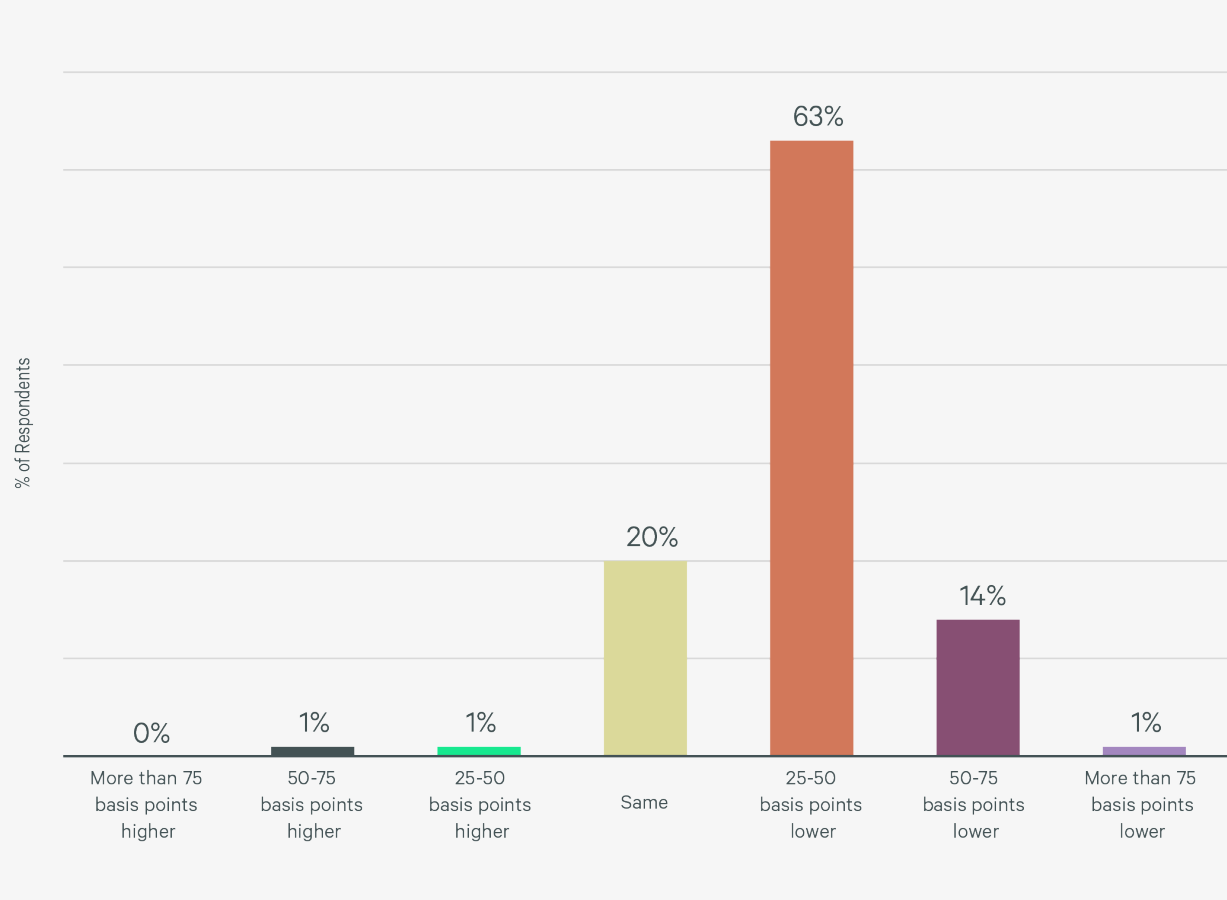
Where do you think interest rates will be at the end of 2026, relative to January?

Almost two thirds (63%) of respondents think rates will be 25-50 basis points (bps) lower at the end of 2026. The sentiment of a continually improving debt market remains positive in 2026, yet less prevalent than 2025, where 35% of investors predicted 50-75 bps lower, as compared to 14% in 2026, representing a 21% year-over-year decrease.

20% expect the “same” interest rates in 2026, as compared to only 10% in 2025, signifying that investors expect rates to stabilize in 2026 following over a year of steady rate cuts by the Federal Reserve.

Starting in September 2024, the Federal Reserve consistently reduced the rate by approximately 225 bps through year-end 2025, reflecting its efforts to ease monetary policy and lowering borrowing costs for consumers and businesses to stimulate the economy. As of January 28, 2026, the Fed voted to hold rates steady at the Open Market Committee meeting, pausing the previous easing cycle.

Figure 14: Interest Rates at Year-End 2026



Question 13

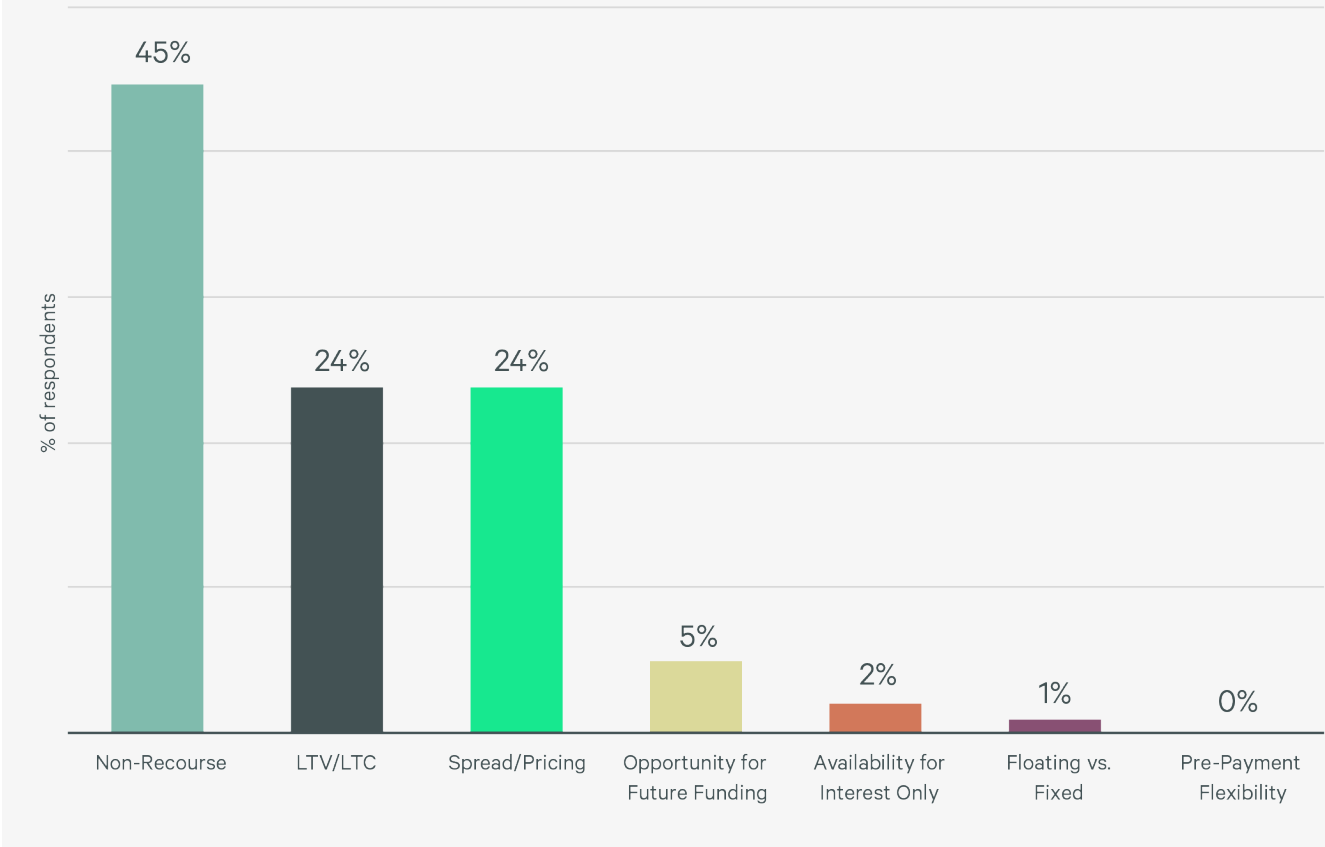
When financing an asset, what terms are most important when choosing a lender/loan?

For the fourth consecutive year, healthcare real estate investors ranked non-recourse as the most important financing term in 2026.

Though Private Capital Healthcare Investors list non-recourse as one of their top factors, more (32%) list the spread/pricing as the most important factor over non-recourse (24%).

Of the remaining investor types, Healthcare REITs, Institutional Healthcare Investors and Healthcare Real Estate Developers prefer non-recourse by 38%, 32% and 32% of their members, respectively.

Figure 15: Key Financing Point



Question 14

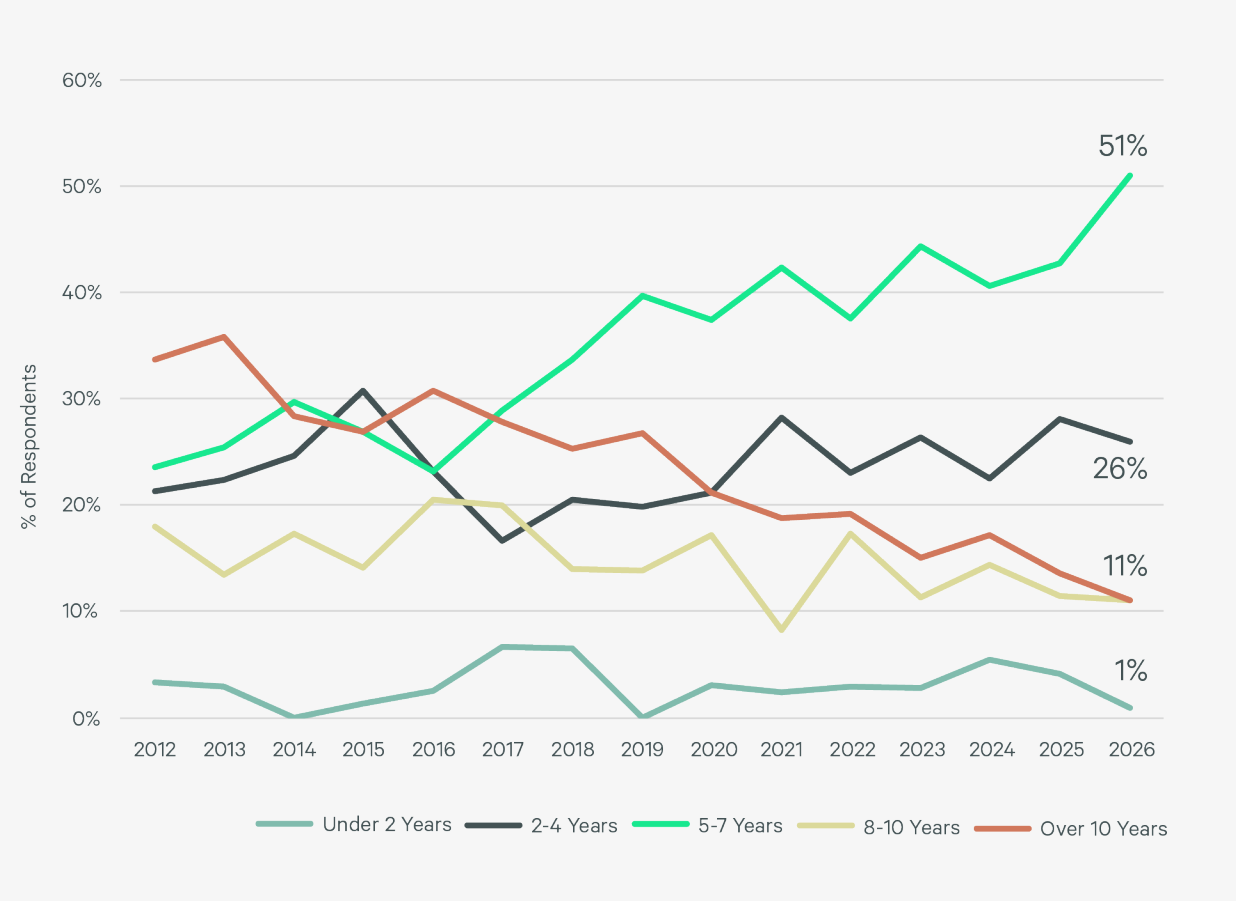
What is the average hold time for your investments?

For a decade, the average hold time of “5-7 years” has been the most preferred option. In 2026, over half (51%) of respondents selected this category, which also experienced the largest year-over-year increase of 8% from 2025 (43%). All other hold times saw lowered preferences in 2026, with “Under 2 years” seeing the largest decline from the previous year, down from 4% in 2025 to just 1% in 2026.

Healthcare Real Estate Developers account for 50% of respondents that would consider a hold time of “2-4 years,” followed by Private Capital Healthcare Investors (42%). However, the majority of Private Capital Healthcare Investors (59%) still prefer longer hold periods of “5-7 years”. Likewise, 60% of Institutional Healthcare Investors prefer “5-7 years”, as well as longer-term periods with 25% of this group selecting “8-10 years”.

Healthcare REITs heavily prefer longer hold periods, with 86% indicating an investment horizon of “Over 10 years” in 2026 and the remaining 14% selecting “8-10 years”.

Figure 16: Average Hold Period



03

Return Requirements

Question 15

What will be the “market” capitalization rate for multi-tenant MOBs in 2026?

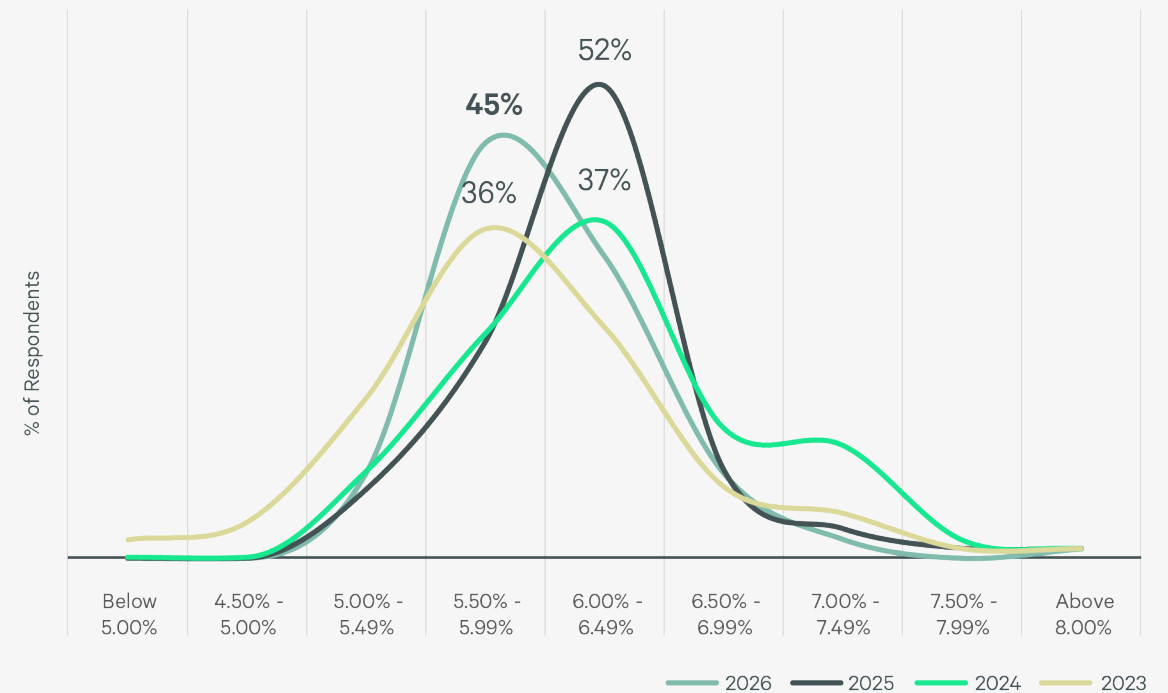
2026 responses indicate that cap rate expectations for the MOB investment market may experience a downward shift for certain asset types. For on- assets, investors expect cap rates to decrease by 50 basis points (bps). For Off- assets, responses indicate static cap rates.

When compared to the 2024 survey, where investors projected a 50 bps cap rate increase, and the 2025 survey that further confirmed stabilized cap rates holding at the higher percentages, 2026 sees a positive outlook and expectations of increased pricing for on- assets. Overall, CBRE believes a more conservative decrease of 25 bps will occur across all healthcare product types.

Class A Product

Class A On-: Most (78%) of respondents predict that a market cap rate for Class A on- product will range between 5.50% - 6.50% in 2026. In 2025, 52% of investors believed the most common cap rate would hold steady at 6.00% - 6.49%, yet in 2026 the leading response saw 45% projecting 5.50% - 5.99%, a clear shift to lower cap rate expectations.

Figure 17: Class A On- MOB Cap Rates



Question 15 (continued)

What will be the “market” capitalization rate for multi-tenant MOBs in 2026?

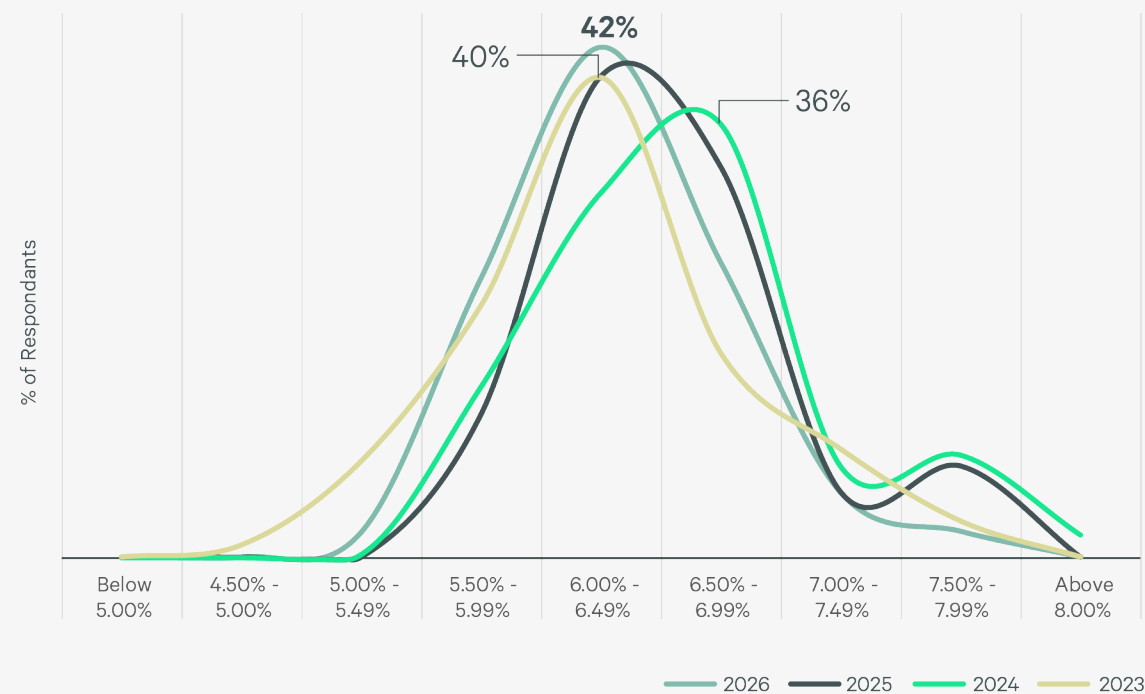
Class A Off-: As mentioned previously, cap rate expectations for off- assets remain static with 2025, but with an increased conviction: 42% of investors believe the most common cap rate will hold steady at 6.00% - 6.49%, a 2% year-over-year gain from 2025 (40%). Overall, the majority (66%) predicts cap rates between 6.00% - 6.99% for Class A off- assets.

Class B Product

Class B On-: We observed a favorable shift in investor pricing sentiment for on- assets, including Class B MOBs, with a 50 bps decrease in cap rate projections for 2026. The most popular response of 6.00% - 6.49% was selected by 36% of respondents in 2026, representing a significant 21% year-over-year gain from 2025 (15%). 71% of respondents expect Class B on- assets will start with a 6-handle in 2026, compared to 52% in 2025.

Class B Off-: 35% of respondents project cap rates of 7.00% - 7.49% in 2026, consistent with 2025 expectations (38%). The majority (64%) anticipate a cap rate between 6.50% - 7.49% for Class B off- assets in 2026.

Figure 18: Class A Off- MOB Cap Rates



40% in 2025 and 2023 (smoothed line curvature does not indicate value properly)

Figure 19: Class B On- MOB Cap Rates

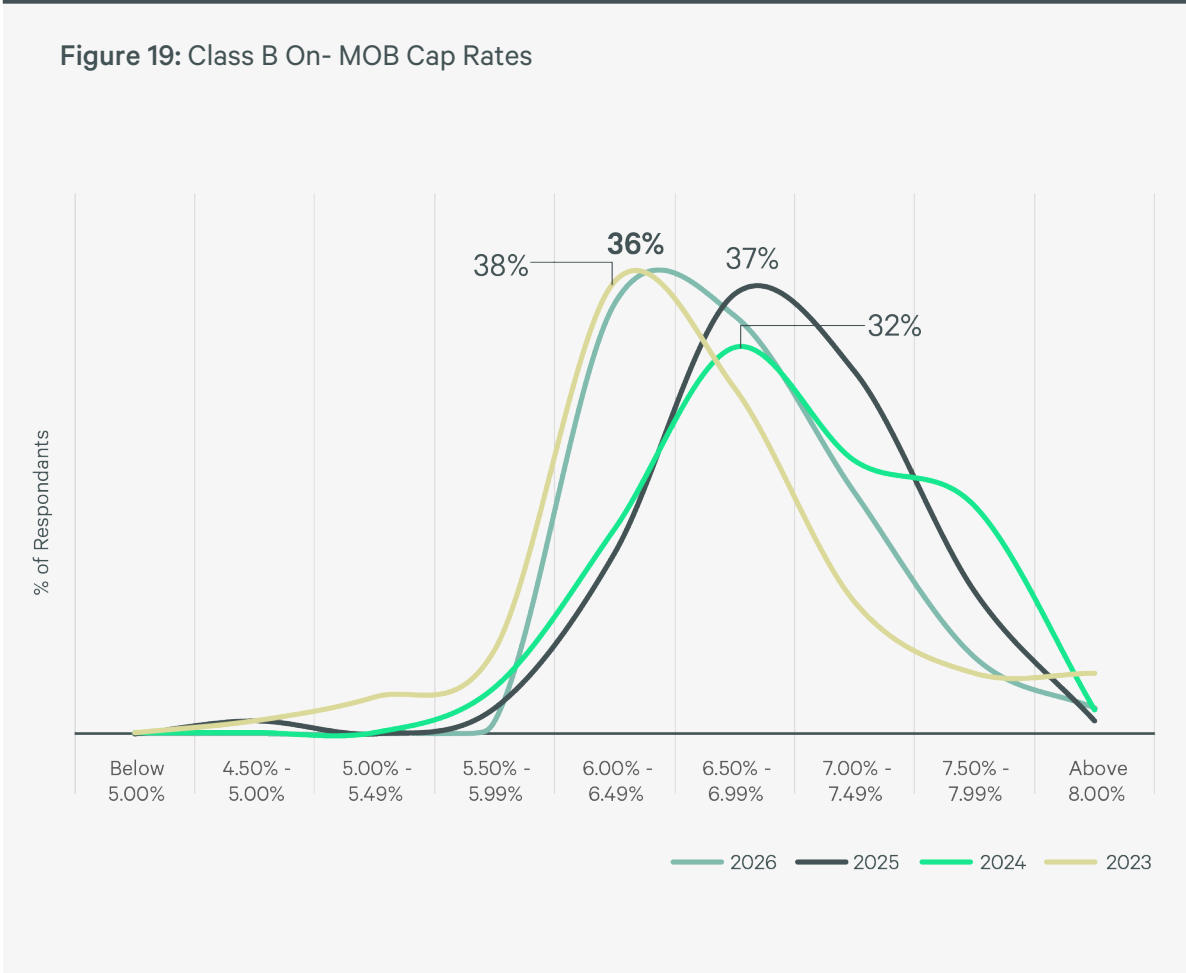
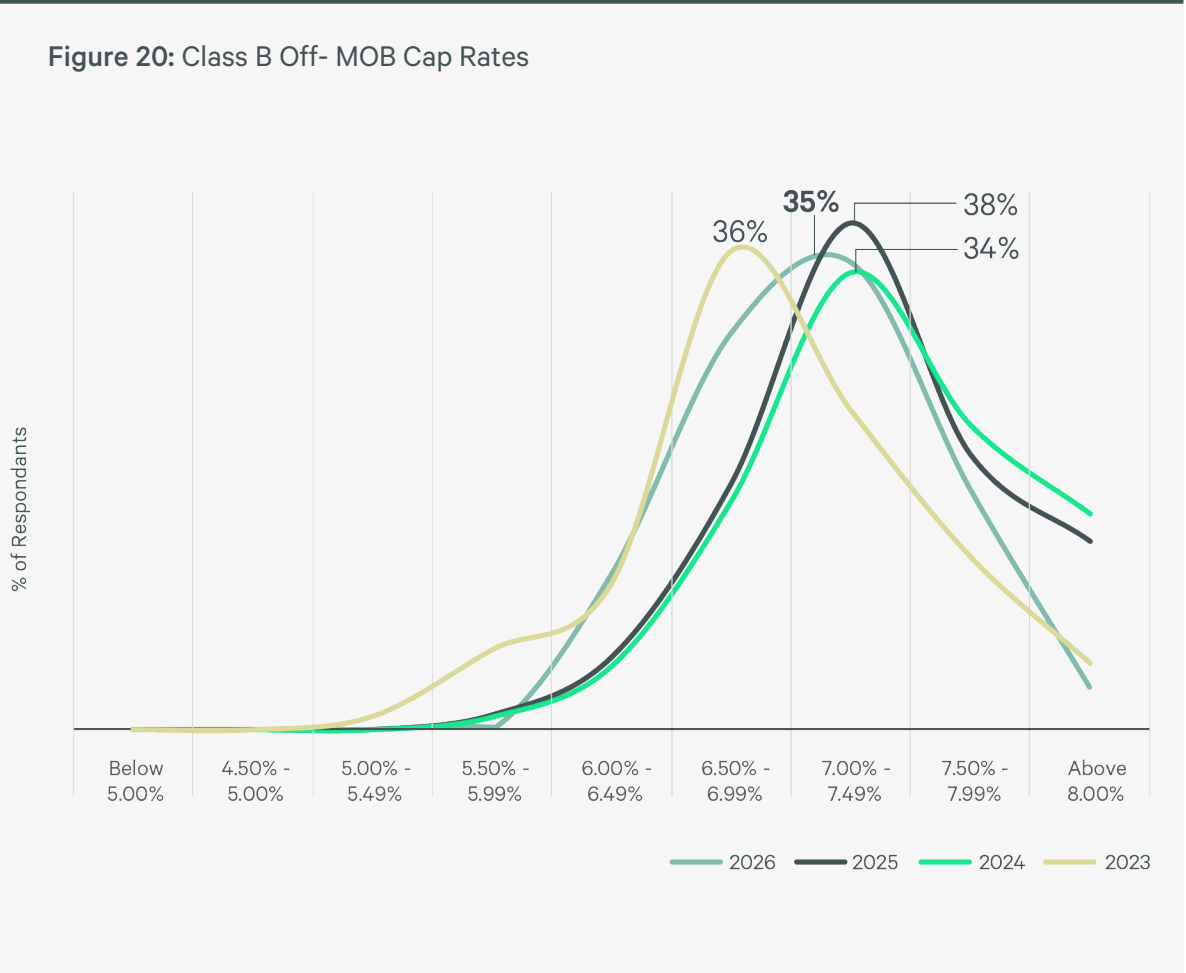


Figure 20: Class B Off- MOB Cap Rates



Question 16

What is your target 10-year IRR (all-cash) for multi-tenant MOBs in 2026?

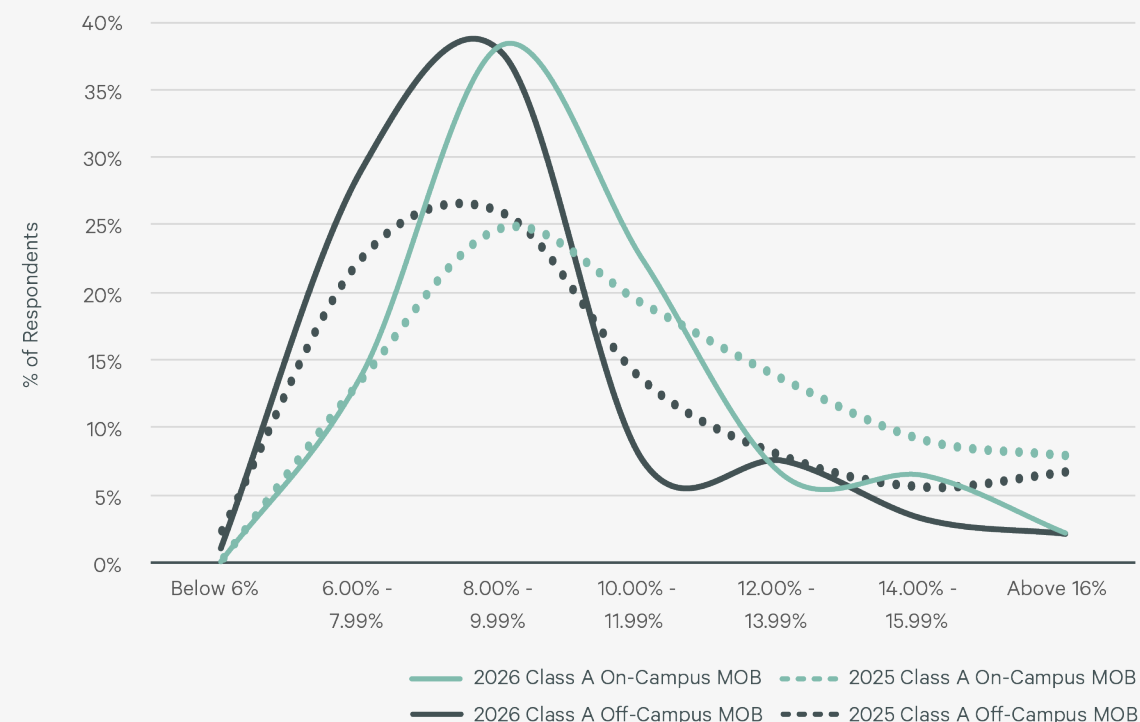
As the cost of capital and interest rates decreased year-over-year, the all-cash IRR requirements for certain asset types have also lowered for most healthcare investors and developers in 2026.

Class A Product

Class A On-: The 8.00% - 9.99% IRR range is the most popular for the second year in a row, with an increased preference of 12% year-over-year in 2026 (38%) compared to 2025 (26%). 58% of respondents in 2026 target an all-cash IRR of at least 8.00%, similar to 2025. 20% of investors seek IRRs of at least 10.00% in 2026, down from 34% in 2025.

Class A Off-: 76% of investors are targeting an all-cash IRR of at least 8.00%, representing a 2% gain from 2025 (74%). 2025 saw almost half (49%) expecting 10.00% IRRs and higher, whereas 2026 saw a decrease of 12% to just over one third (37%).

Figure 21: All-Cash IRRs Across Class A MOB Product



Question 16 (continued)

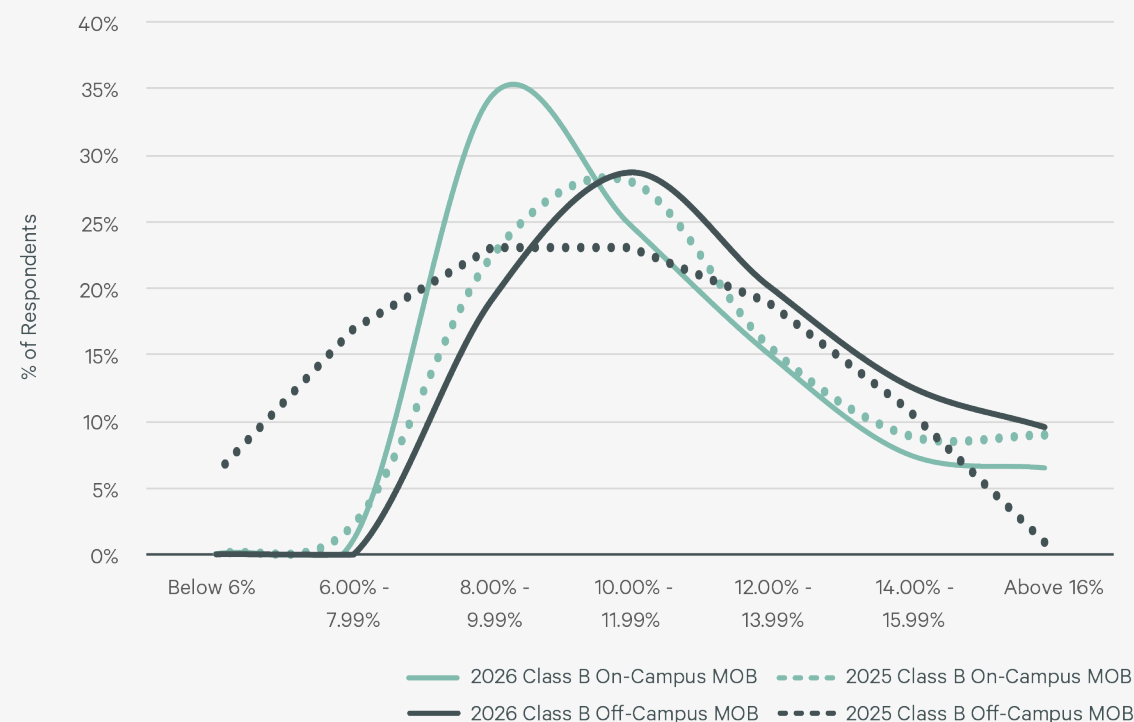
What is your target 10-year IRR (all-cash) for multi-tenant MOBs in 2026?

Class B Product

Class B On-: The 8.00% - 9.99% IRR range is the most popular with 34% of respondents in 2026, a clear shift down from the most popular response of 10.00% - 11.99% in 2025 when 28% of investors selected this higher IRR. Overall, 88% of respondents in 2026 target an all-cash IRR of at least 8.00%, 54% seek IRRs of at least 10.00% and 29% expect IRRs of 12.00% or higher.

Class B Off-: The 10.00% - 11.99% IRR range is the most selected by 29% of respondents in 2026, similar to 2025. 71% of investors are targeting an all-cash IRR of at least 10.00%; 43% expect 12.00% IRRs and higher, representing a 12% year-over-year increase from 2025 (31%). The increased risk profile commands higher returns, with 10% of respondents requiring all-cash IRRs above 16.00% for Class B off- assets.

Figure 22: All-Cash IRRs Across Class B MOB Product



Question 17

What is your target 10-year IRR (leveraged) for multi-tenant MOBs in 2026?

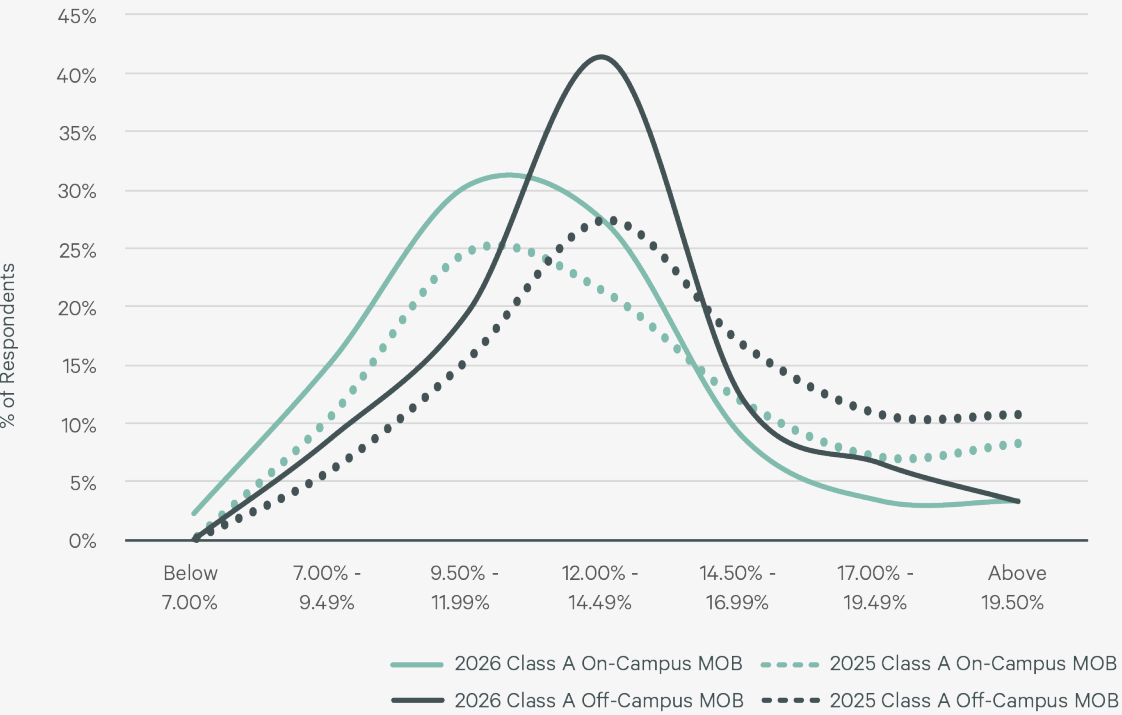
Lowered interest rates and the cost of capital year-over-year have lowered investors’ leveraged IRR requirements for certain product types in 2026.

Class A Product

Class A On-: 73% of respondents in 2026 target a levered IRR of 9.50% or greater, similar to 2025, with the most popular category of 9.50% - 11.99% selected by 30% of respondents in 2026. Expectations for higher IRRs have decreased, with only 15% expecting IRRs of 14.50% and higher, a 12% year-over-year decrease from 2025 (27%). Though lower interest rates naturally lower return requirements, only 17% of investors are willing to accept leveraged IRRs below 9.50%, and only 2% will accept IRRs below 7.00% in 2026.

Class A Off-: 63% of investors are targeting a levered IRR of at least 12.00%, with the highest preference for 12.00% - 14.49% selected by 41% of respondents. In 2026, 22% expect IRRs of 14.50% and higher, a year-over-year decrease of 16% from 2025 (38%).

Figure 23: Leveraged IRRs Across Class A MOB Product



Question 17 (continued)

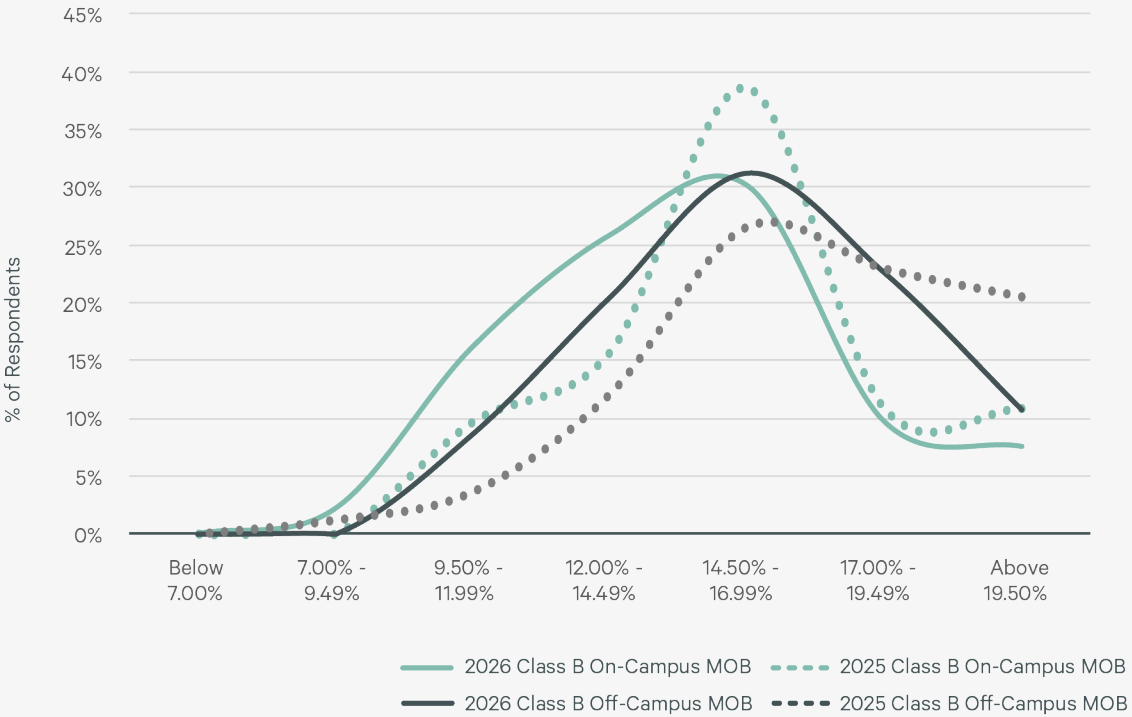
What is your target 10-year IRR (leveraged) for multi-tenant MOBs in 2026?

Class B Product

Class B On-: In 2025, 60% of respondents identified a levered IRR of at least 14.50%, whereas 2026 saw a 13% year-over-year decrease of this expectation by only 47% of investors. Only 17% of 2026 respondents expect IRRs of 17.00% and higher, a decrease of 5% from 2025 (22%).

Class B Off-: 65% of investors are targeting a levered IRR of at least 14.50% (down 5% from 70% in 2025) and 33% expect IRRs of 17.00% and higher (down 10% from 43% in 2025). The increased risk profile allows for higher returns, with 11% of respondents still requiring IRRs above 19.50%, representing a 9% year-over-year decrease from 2025 (20%).

Figure 24: Leveraged IRRs Across Class B MOB Product



Question 18

What will be a market cap rate for the following single-tenant healthcare investments in 2026?
Assume 10 years of lease term remaining and average credit.

MOBs are expected to remain among the most competitively priced asset types, with 86% of respondents anticipating a market cap rate of less than 6.50%, compared to 74% in 2025. Additionally, almost half (47%) of investors believe cap rates for MOBs will start with a 5-handle in 2026, a 15% year-over-year increase from the previous year (32%).

Ambulatory surgery centers (ASC) made the largest gains in 2026 with 75% pricing ASCs below a 6.50% cap rate, a significant 23% year-over-year increase from 2025 (52%). Likewise, over a third (35%) of investors believe cap rates for ASCs will start with a 5-handle in 2026, an impressive 20% year-over-year increase from 2025 (15%).

Life Sciences saw the largest decrease in 2026, with only 27% expecting cap rates of less than 6.50%, representing a 27% year-over-year decrease from 2025 (54%).

Figure 25: Market Cap Rate for 2026 Healthcare Investments

CAP RATE	Above 9.00%	8.50% - 8.99%	8.00% - 8.49%	7.50% - 7.99%	7.00% - 7.49%	6.50% - 6.99%	6.00% - 6.49%	5.50% - 5.99%	5.49% & Below
Medical Outpatient Building (MOB)	0%	1%	0%	1%	2%	7%	39%	37%	10%
Freestanding Emergency Department	1%	1%	3%	6%	19%	33%	29%	8%	1%
Ambulatory Surgery Center (ASC)	0%	1%	2%	2%	2%	17%	40%	27%	8%
Wellness Center	3%	0%	9%	19%	32%	24%	13%	0%	1%
Acute Care Hospital	0%	3%	7%	18%	29%	16%	18%	8%	1%
Long-Term Acute Care Hospital	8%	5%	9%	20%	26%	16%	11%	3%	1%
Rehabilitation Hospital	0%	3%	6%	13%	31%	31%	15%	1%	0%
Behavioral Hospital	3%	9%	11%	25%	38%	9%	4%	1%	0%
Life Sciences	3%	4%	9%	14%	19%	24%	22%	4%	1%

Question 19

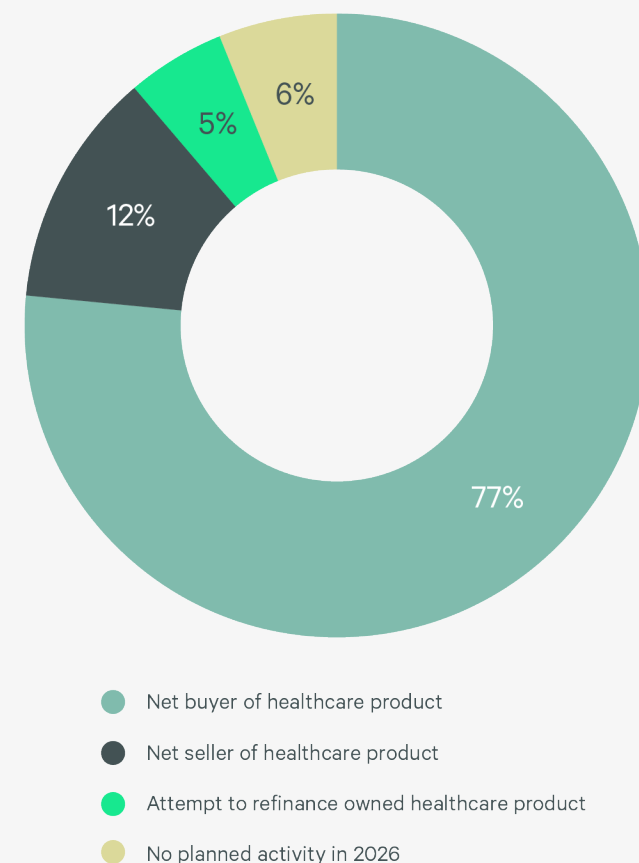
For 2026, how would you characterize your MOB investment activity?

Most survey respondents (77%) indicate plans to be “net buyers” of healthcare product in 2026, a year-over-year increase of 9% from 2025 (68%). Of the respondent groups, 89% of Institutional Healthcare Investors and 71% of Healthcare REITs consider themselves to be net buyers, similar to the previous year. 2026 saw more makeup of Private Capital Healthcare Investors that identified net buyers (85%), a year-over-year increase of 17% from 2025 (68%), as well as Healthcare Real Estate Developers with 61%, up from 52% in 2025.

During recent years, “no planned activity” did not fluctuate from 12% of respondents in 2024 and 13% in 2025, likely due to investors waiting to see how the financing and political landscapes may change. Conversely, 2026 reflects an increased confidence in the current markets: only 6% selected “no planned activity”, with Institutional Healthcare Investors and Healthcare Real Estate Developers each accounting for about one third of the respondents (33%).

The remaining two categories remained static, with those considering themselves “net sellers” primarily Private Capital Healthcare Investors at 42% of the makeup (down from 54% in 2025) and Healthcare Real Estate Developers, also at 42% (up from 23% in 2025). Of those respondents who will “attempt to refinance owned healthcare product,” Healthcare Real Estate Developers make up 80% of the total.

Figure 26: Net Healthcare Activity for 2026



- Net buyer of healthcare product
- Net seller of healthcare product
- Attempt to refinance owned healthcare product
- No planned activity in 2026

04

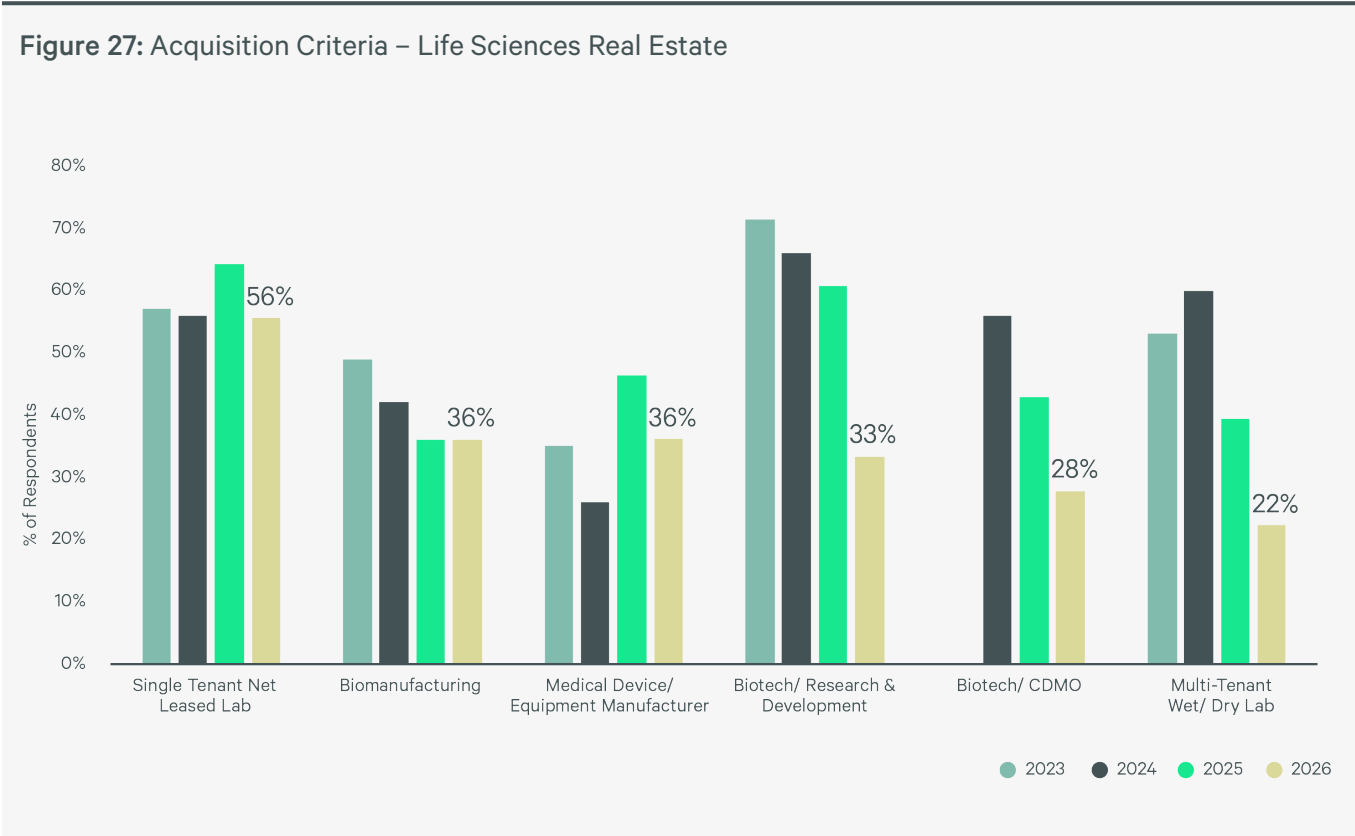
Life Sciences

Question 20

What types of life sciences real estate properties meet your acquisition criteria?

Since the life sciences industry in the U.S. saw record levels of venture capital funding in 2021, hitting a high of \$47.6 billion, the rapid growth of the life sciences sector has leveled out in recent years, with annual totals in 2022 at \$34.2 billion, 2023 at \$25.8 billion, 2024 at \$29.7 billion and 2025 at \$30.0 billion. The amount of venture capital funding expected in 2026 is projected to improve, building off strong investment momentum in the 2nd Half of 2025 and thawing capital markets conditions (source: CBRE Life Sciences Research).

Of the 28 respondents to this question, all indicate an overall lower preference across all but one product type in 2026, likely due to less crossover between MOB and life sciences with the investor base surveyed. In 2023 and 2024, Biotech/R&D properties were favored but have declined significantly in recent years, with just one third (33%) of respondents in 2026, representing a 28% year-over-year decrease from 2025 (61%). For two consecutive years, Single Tenant Net Leased Labs has been the most popular choice with 56% in 2026 (down from 64% in 2025). Biomanufacturing was the only product type that was static year-over-year.



Question 21

What will be a market cap rate for the following single-tenant life sciences investments in 2026? Assume 10 years of lease term remaining and investment-grade credit.

Of the 29 life sciences investors and developers who answered this question, Lab Space is expected to have the most competitive pricing. 2026 saw an upward shift in market cap rate expectations for Lab Space, where 61% of respondents anticipate a sub-7% cap rate, as compared to 71% in 2025. Further, 29% expect a rate of 7.00% - 7.49%, representing a 22% year-over-year increase from 2025 (7%).

Manufacturing saw a more distinct increase for cap rate expectations in 2026, with less than half (48%) expecting sub-7% cap rates, compared to 60% a year ago. In 2026, 34% expect a rate of 7.00% - 7.49%, which is a 22% year-over-year increase from 2025 (12%).

Figure 28: Market Cap Rate for 2026 Life Sciences Investments

CAP RATE	8.50% & Above	8.00% - 8.49%	7.50% - 7.99%	7.00% - 7.49%	6.50% - 6.99%	6.00% - 6.49%	5.50% - 5.99%	5.00% - 5.49%	Below 5.00%
Lab Space	4%	4%	4%	29%	25%	29%	0%	7%	0%
Manufacturing (GMP)	3%	3%	10%	34%	28%	7%	7%	3%	3%



Question 22

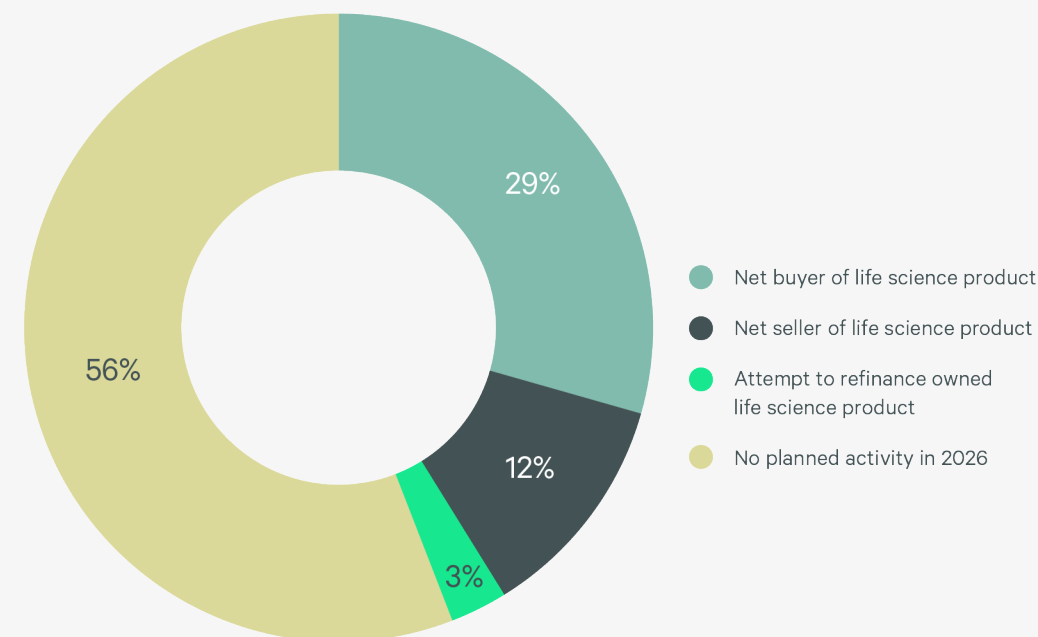
For 2026, how would you characterize your life sciences investment activity?

Based on the 34 life sciences investors and developers who answered this question, only 29% indicate plans to be “net buyers” of life sciences product in 2026, down 6% from 2025 (35%). Of the respondent groups, 57% of Institutional Healthcare Investors, followed by 36% of Private Capital Healthcare Investors, consider themselves to be net buyers.

2026 saw a gain in anticipated “net sellers” of life sciences product, with 12% of respondents planning to sell, which is a 6% year-over-year increase from 2025 (6%). Institutional Healthcare Investors make up 50% of those who selected this option, a significant shift from their 0% indications in 2025. Conversely, 100% of the makeup of net sellers in 2025 were Private Capital Healthcare Investors, where 2026 saw this number drop to 25%.

As the life sciences market continues to shift and adjust to pricing expectations, more than half (56%) of respondents have “no planned activity in 2026,” which is a 4% increase from 2025 (52%). Of the respondent groups, 67% of Healthcare REITs and 90% of Healthcare Real Estate Developers indicate no plans for activity.

Figure 29: Life Sciences Investment Activity for 2026



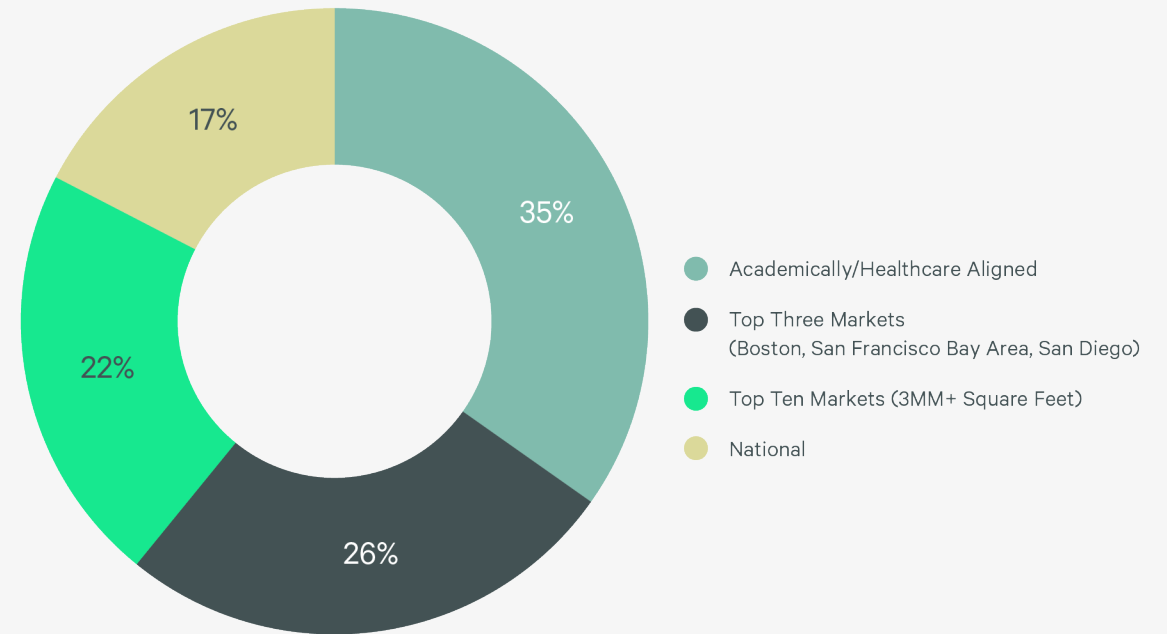
Question 23

What markets will you target for life sciences acquisitions or developments in 2026?

For the groups that are targeting life sciences in their 2026 acquisition and development plans, over one third (35%) will prioritize “academically/healthcare aligned” markets for acquisitions and developments.

The “top three markets” of Boston, San Francisco Bay Area and San Diego are the next priority, followed by the “top ten markets” with 3 million or more square feet.

Figure 30: Target Markets for Life Sciences Acquisitions and Developments



05

Market Fundamentals

Supply vs. Demand

Questions 24 & 25

Where do you see investment demand and supply for healthcare assets in 2026 compared to 2025?

The majority of responses reflect that investors believe demand will remain the same for 80% of the healthcare asset types, with none expected to have decreased demand. It is anticipated that medical outpatient buildings (MOB), ambulatory surgery centers (ASC), behavioral health hospitals and medical conversions will have most increased demand in 2026.

Likewise, on the supply side, investors generally anticipate no change in for-sale product for 8 of the 10 asset types, with none expected to have decreased supply. The highest increases in supply of for-sale product are expected for MOBs and ASCs.

Overall, supply and demand are expected to remain consistent in 2026, with the highest probability to see increases among certain product types – specifically MOBs and ASCs.



Demand

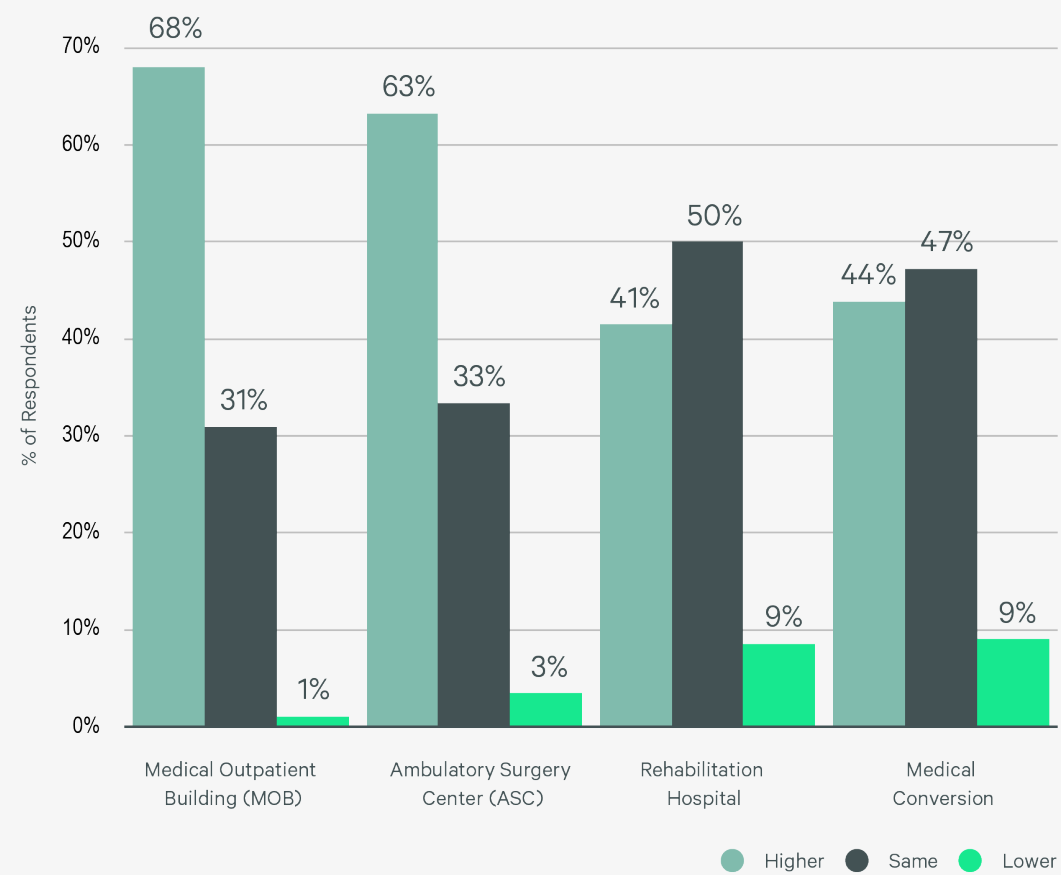
Question 24

Where do you see investment demand in 2026 compared to 2025?

For the third year in a row, respondents anticipate that MOB and ASCs will be the asset types that will continue to see the highest increases in demand. Rehabilitation hospitals and medical conversions have less variation, with responses indicating similar expectations between the same and higher demand.

Across all 10 healthcare asset types (excluding hospitals in this survey), the overall outlook by half (51%) of respondents is that demand will stay the same in 2026, a 2% decrease from the average rate in 2025 (53%). Expectations that demand will increase across all asset types saw a 2% gain from the previous year, up to a 35% the average rate in 2026. Consistent with 2025, an average rate of only 14% of investors anticipate a decreased demand for all asset types in 2026.

Figure 31: Investment Demand for Healthcare Assets



Supply

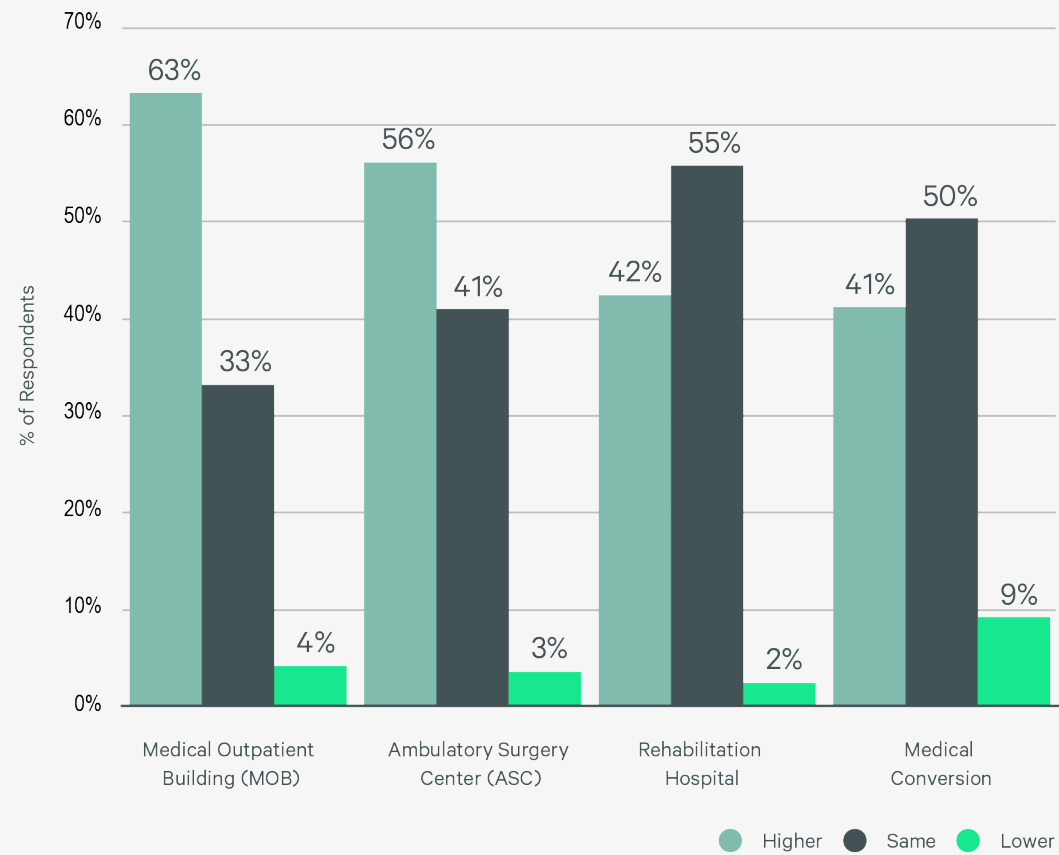
Question 25

Where do you see investment supply (for-sale product) in 2026 compared to 2025?

On the supply side, investors anticipate that medical outpatient buildings and ambulatory surgery centers will see the highest levels of increased supply in 2026, with more for-sale product than in 2025. 63% of respondents think supply of MOB's will continue to increase, and 56% believe that ASCs will have increased supply of for-sale product, in line with previous years. Rehabilitation hospitals and medical conversions are expected to remain the same, though an increasing percentage expects higher supply of these asset types in 2026.

Across all 10 asset types (excluding hospitals in this survey), respondents generally anticipate no change in the supply of healthcare real estate assets for-sale, responding with “same” at an average rate of 57% across all asset types, reflecting a 9% gain from 2025 (48%). Respondents expecting a “lower” supply across all asset types decreased from 8% average rate in 2025 down to 6% in 2026. In 2026, just over a third (36%) believe that supply of for-sale product will be “higher” across all asset types, which is an 8% year-over-year decrease of the average rate from 2025 (44%).

Figure 32: Investment Supply of Healthcare Assets



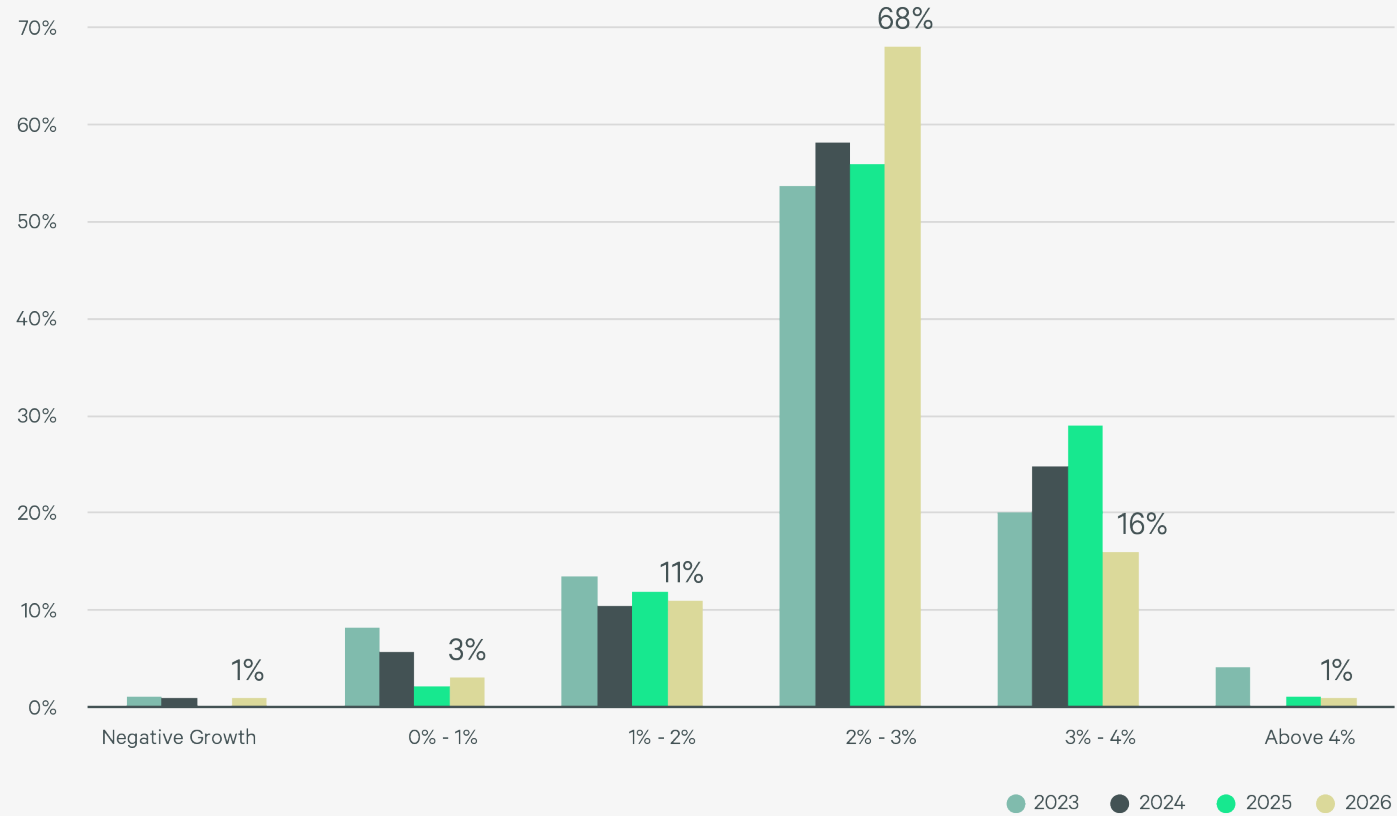
Question 26

Where would you project annual growth for MOB lease rates in 2026?

Investors and developers continue to believe that healthcare rental rates will grow at a tenable rate, with the majority (68%) anticipating an annual rent growth of 2% - 3% in 2026, a significant 12% year-over-year increase from 2025 (56%). The 3% - 4% escalation range experienced the largest decrease of 13% from 2025 (29%) to 2026 (16%), ending a three-year streak of continual gains in respondents' preference, likely due to less perceived risk in the debt markets and more flexibility from landlords in 2026.

Only 15% of respondents expect rental increases under 2%, further demonstrating investor confidence in the stability of the healthcare real estate sector.

Figure 33: Projected Rent Growth 2026



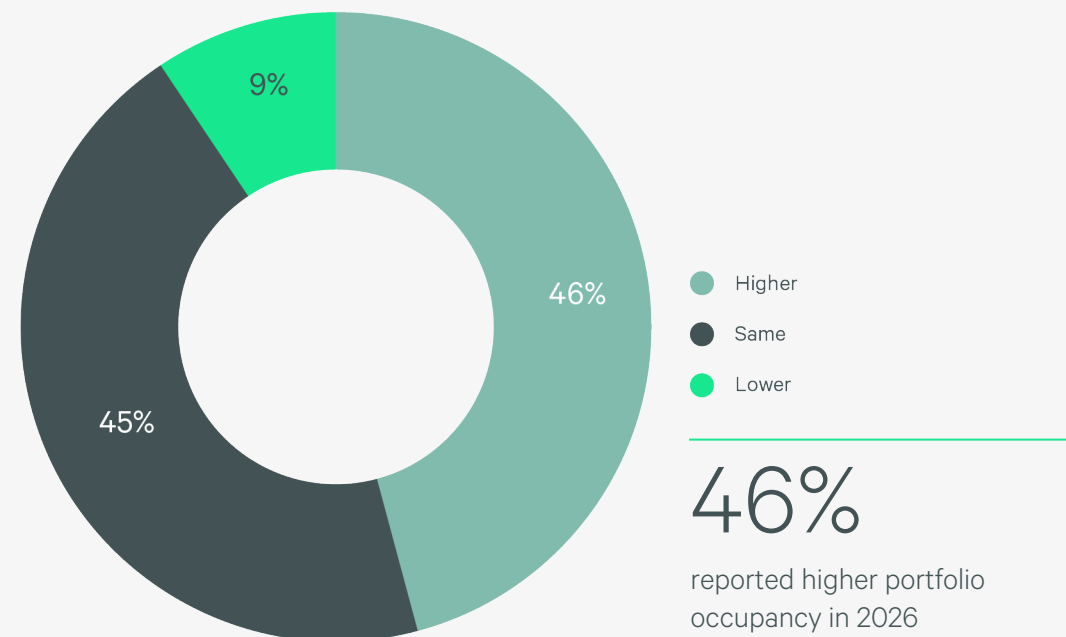
Question 27

How does the occupancy of your MOB portfolio compare to a year ago?

While commercial real estate capital markets were disrupted in recent years by rising interest rates, fundamental healthcare sector performance was largely unaffected, with 45% of respondents stating that their medical outpatient portfolio occupancy remained the same. In 2026, we saw a static number of investors indicating that occupancy is higher at 46% for the second year in a row. Only 9% state that their portfolio occupancy is lower than last year, indicating just 1% higher than in 2025, yet still a significantly low number in the overall total.

Despite previous years of higher costs of capital due to rising interest rates and declining stock prices, the fundamentals behind the healthcare sector remain strong into 2026. As the debt market continues to improve, healthcare real estate will experience stable occupancy and continued rent growth.

Figure 34: Healthcare Portfolio Occupancy Year-over-Year



06

Health System Monetization and Development Criteria

A portion of the survey was dedicated to MOB investors and developers seeking monetization or development opportunities with health systems.

Question 28

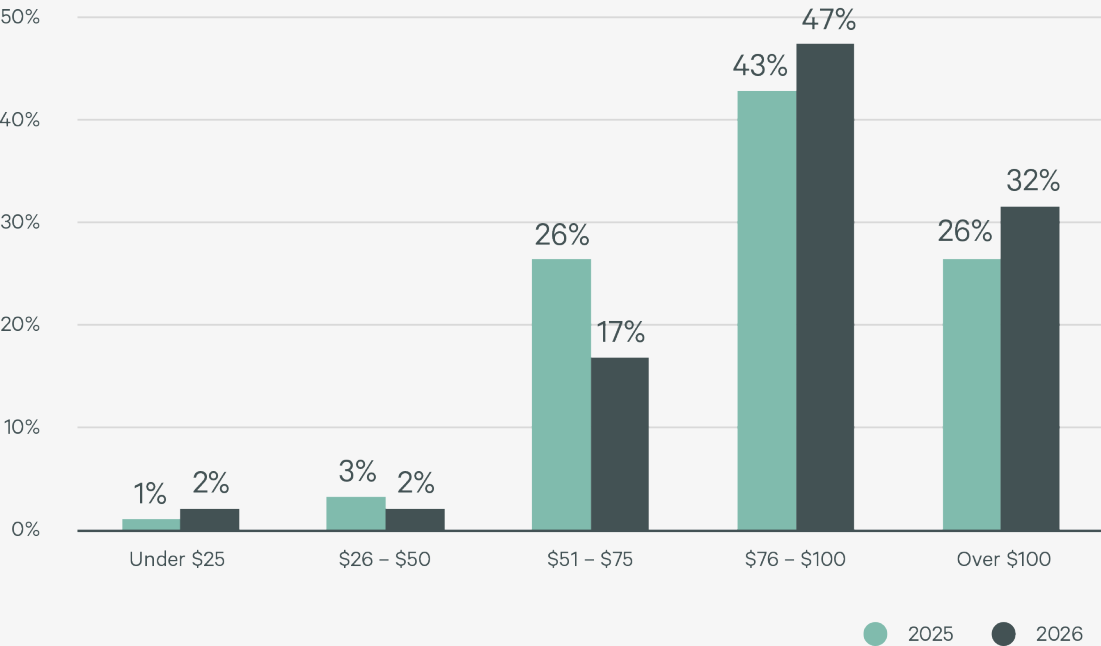
What is the average TI allowance per square foot that you see in your market for newly built MOBs?

This was a new question added in 2025, with investors indicating an upward shift in Tenant Improvement Allowances (TIA) in just two years. 2026 saw 79% of respondents expecting TIAs over \$75 per square foot, a 10% year-over-year increase from 2025 (69%).

The two higher allowances both increased in 2026, further signaling a shift to higher TIAs. The \$76 - \$100 per square foot range was the most selected choice for the second year in a row with 47% of respondents expecting this range for newly built MOBs. The mid-range TIA of \$51 - \$75 per square foot experienced the largest decrease of 9% year-over-year, down from 26% in 2025.

79%
expect TIAs over
\$75 per square foot

Figure 35: Average TI Allowance for New MOBs



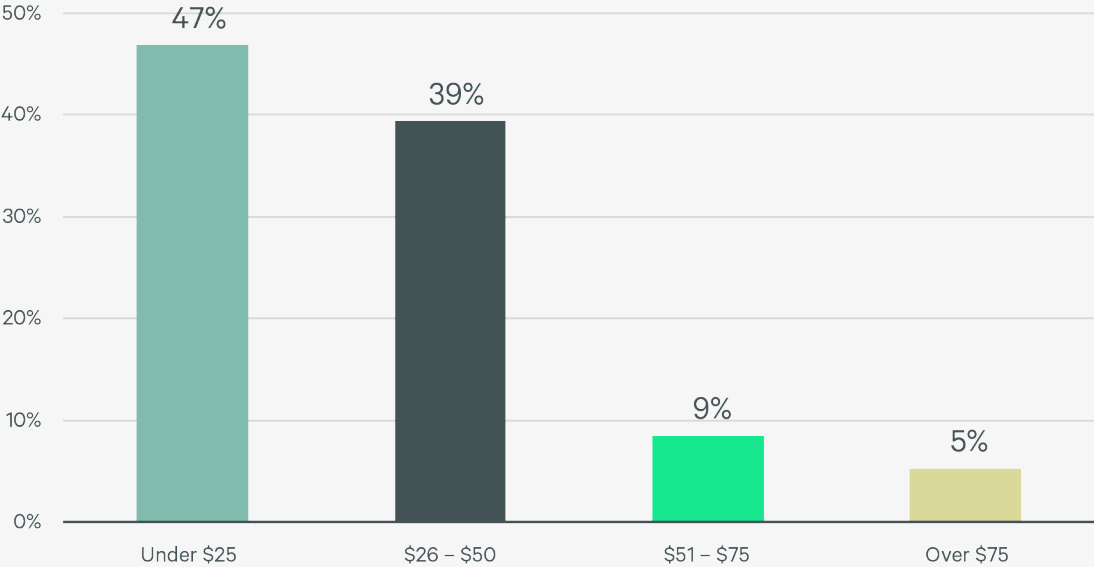
Question 29 - New Question for 2026 Survey

For renewals, what is the average TI allowance per square foot that you see in your market for MOBs?

The majority (86%) of respondents expect TIAs under \$50 per square foot for MOB renewals. Under \$25 per square foot was the most popular selection with 47% of investors for this new question in 2026.

86%
expect TIAs under \$50 per square foot

Figure 36: Average TI Allowance for Renewals



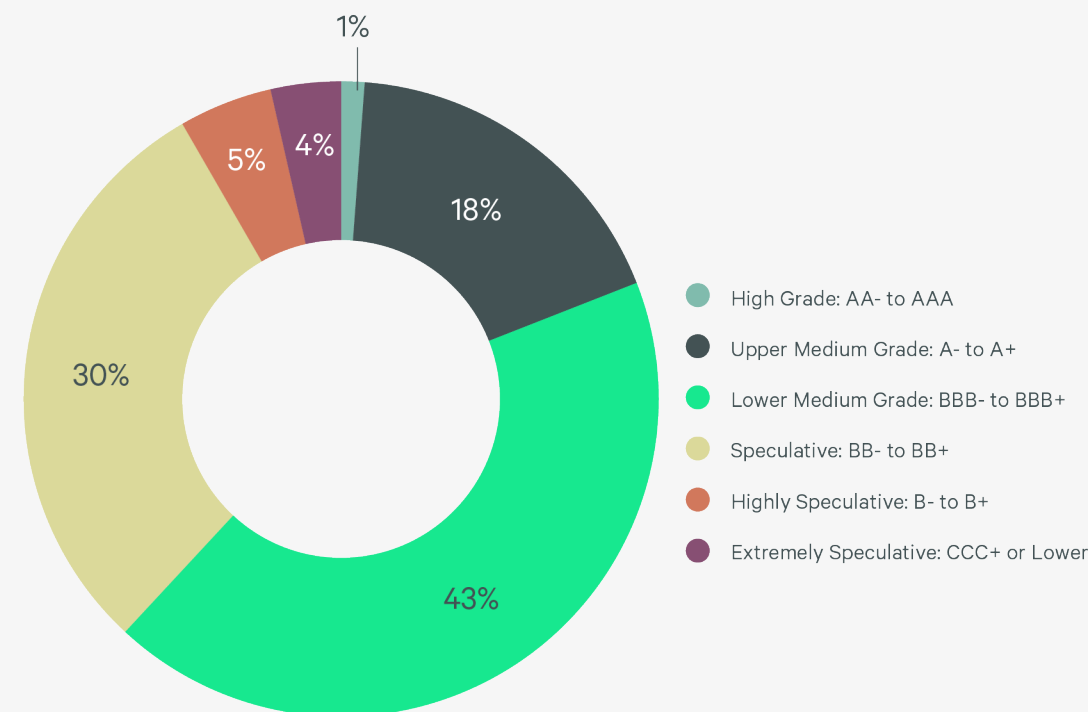
Question 30

What is the minimum hospital credit rating you would consider for investment?

Since this question was first asked in 2012, “Lower Medium Grade: BBB- to BBB+” has been the most popular response every year. This threshold set by the investors for 15 years running indicates a clear line in risk profile at an investment grade credit level. However, the percentage of respondents selecting this threshold has consistently declined by 12% since 2023 (55%), with 2026 at a lower 43%. Additionally, investors with higher risk aversion that would only consider “Upper Medium Grade” and “High Grade” credit has dropped by 8% year-over-year from 27% in 2025 to 19% in 2026.

This shift may signify a renewed faith in hospitals, as 2025 saw more upgrades than downgrades and an improved overall performance through better volume, expense management and new funding that helped many health systems. The increased sense of confidence in health systems may also dictate a more flexible credit rating threshold in the years to come, as 2026 may see investors loosen the reins. Further, the rating that had the most gain in 2026 was “Speculative”, with 30% of investors that would be willing to consider a rating of BB- to BB+, up 12% from 2025 (18%).

Figure 37: Minimum Hospital Credit Rating

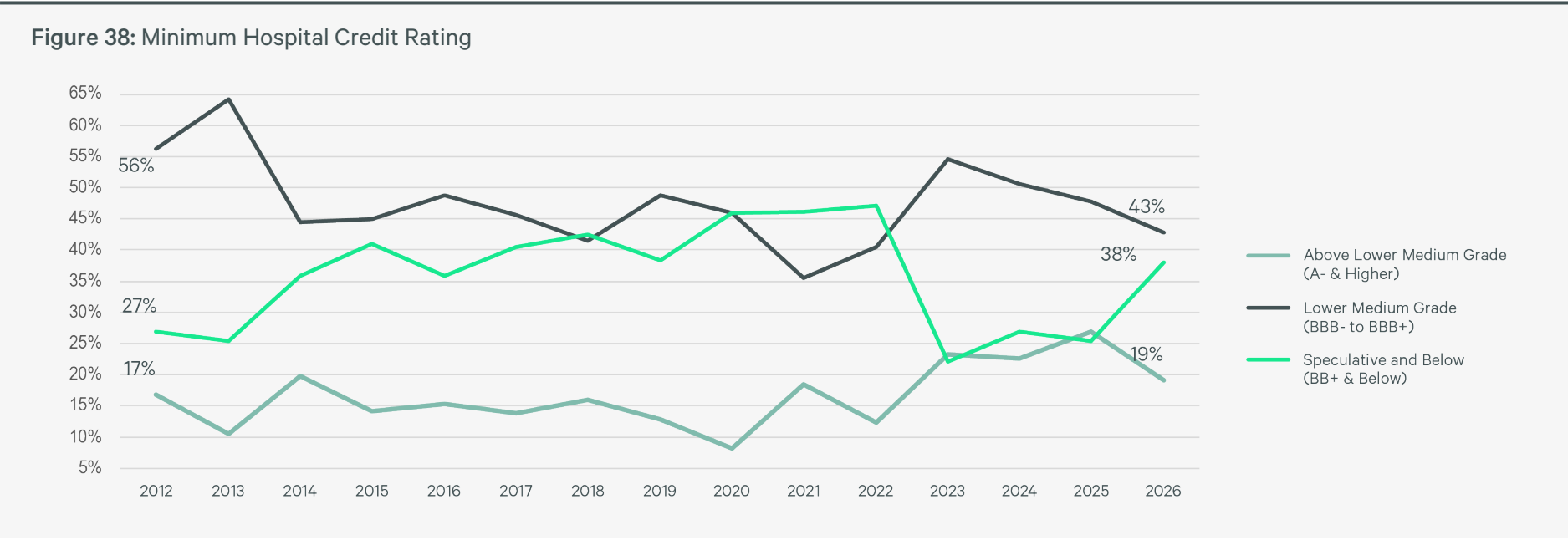


Question 30 (continued)

What is the minimum hospital credit rating you would consider for investment?

Investors and developers have adjusted their risk profiles to match the changes in the economy, with peaks and valleys reflective of economic recessions and upturns. Though fluctuations of economic activity are unpredictable, the natural and recurring phases of the business cycle are constant, as is long-term rebalancing.

Since 2012, respondents that would only consider “Above Lower Medium Grade” (A- & Higher) have increased overall by 2% when compared to 2026, “Lower Medium Grade” (BBB- to BBB+) has decreased by 13%, and “Speculative and Below” (BB+ & Below) has increased by 11% since 2012.



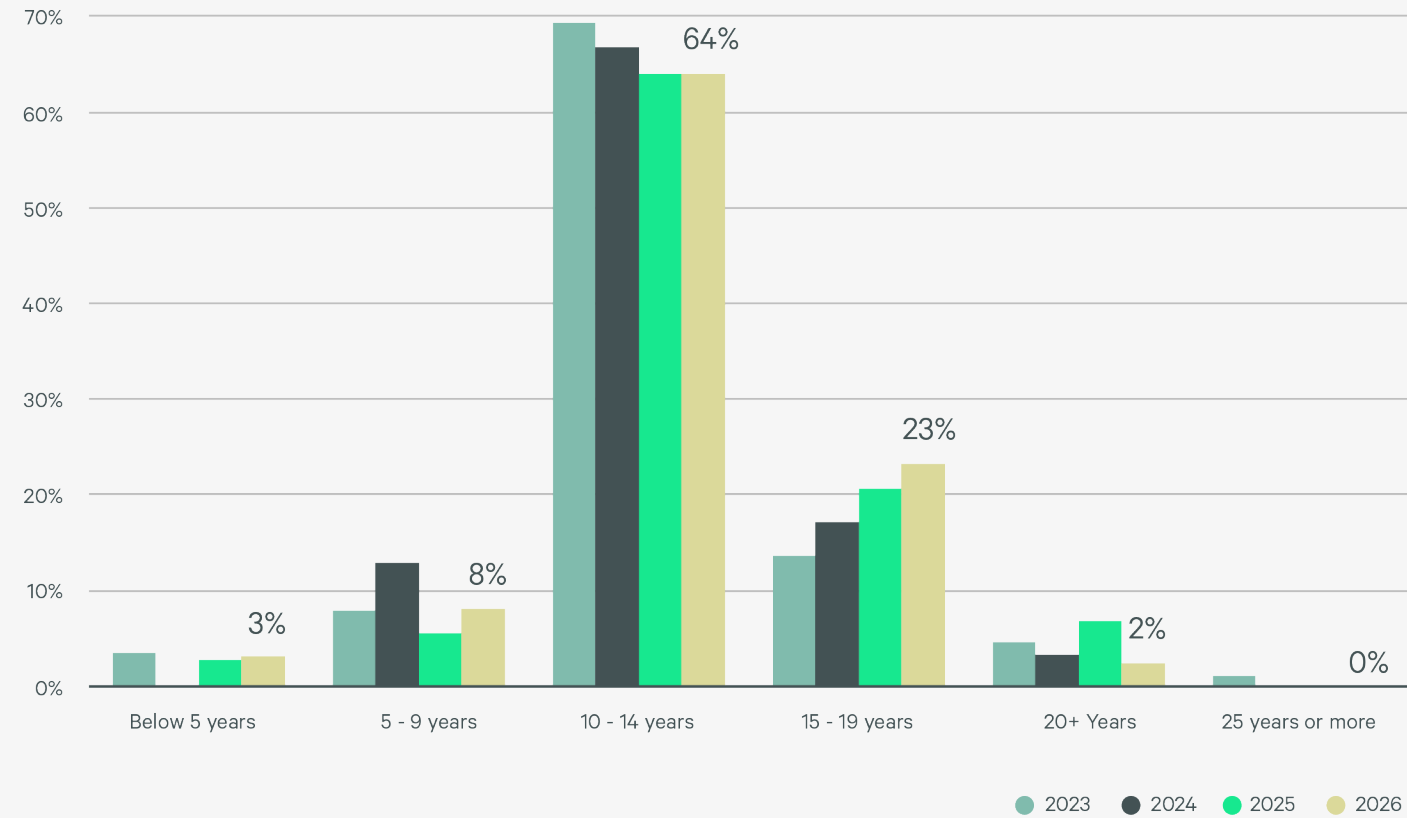
Question 31

What is the minimum lease term you would consider for a sale-leaseback by a health system?

Survey results reveal a sustained level of investor comfort with lease terms of at least 10-14 years. In 2026, responses showed no deviation from that trend, with 64% of respondents selecting this range in both 2026 and 2025.

Longer lease terms are gaining momentum, with 15-19 years accounting for 23% of respondents in 2026, an increase of 9% since 2023 (14%).

Figure 39: Minimum Lease Term



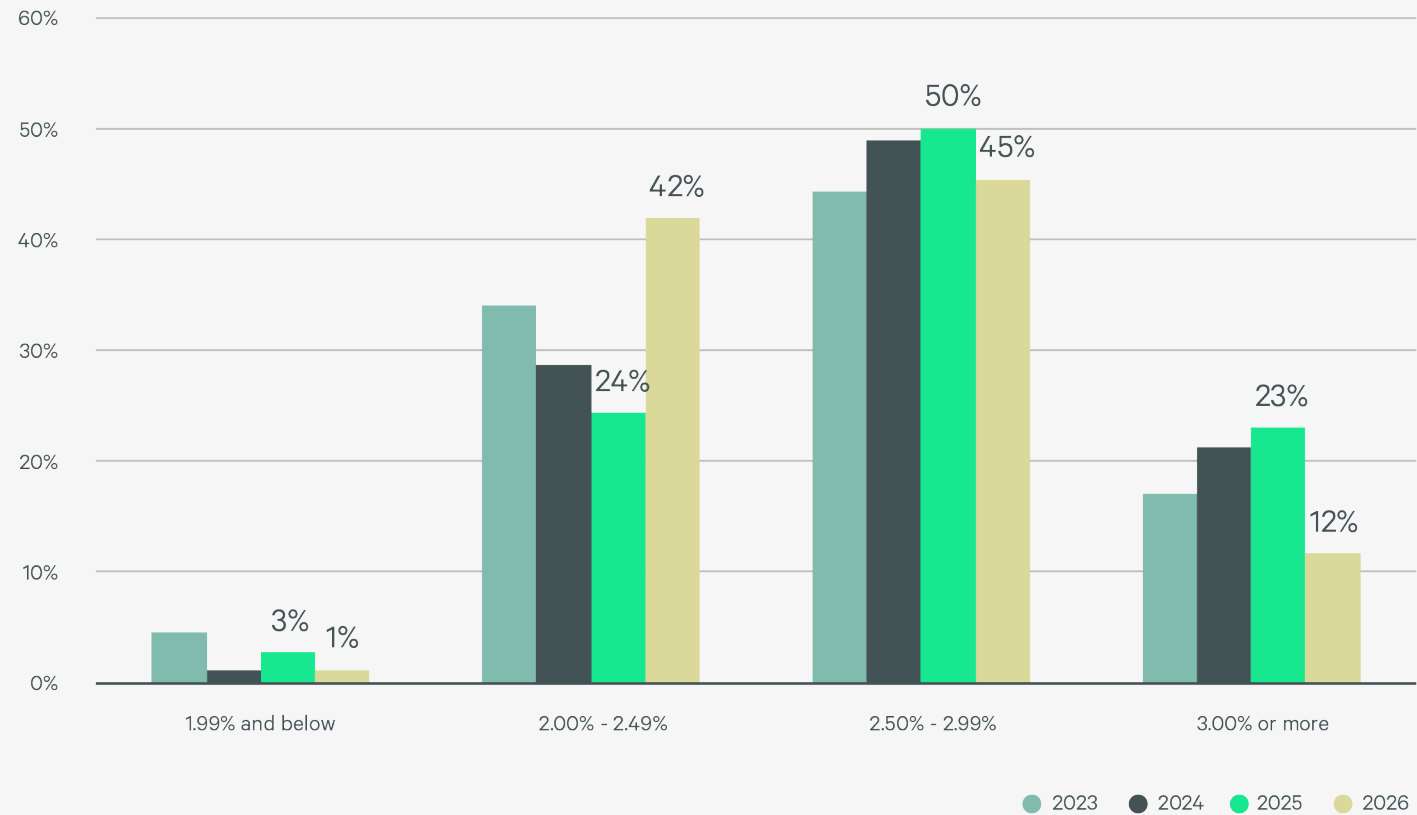
Question 32

What is the minimum annual rental rate escalation you would consider for a sale-leaseback by a health system?

In recent years, significant increases in inflation influenced investors to push for higher rent escalations. As inflation has decreased significantly from 9.1% in June 2022 to 2.7% in December 2025, investors are likewise adjusting their rent expectations back down, with most (87%) expecting 2.00% - 2.99% escalations.

In line with inflationary trends, rental rate escalation expectations shifted to the highest in the history of this survey in 2025, with the majority (73%) of respondents stating they will require annual rent increases of 2.50% or more. In 2026, this category saw the largest decrease of 16% year-over-year, with the higher rent escalations lessening (57%). 2026 saw a shift back down the scale, with the 2.00% - 2.49% escalations representing the preference of 42% of respondents, a significant year-over-year gain of 18% from 2025 (24%).

Figure 40: Minimum Annual Rent Escalations



Question 33

What is the minimum ground lease term you would consider for investment (including extension options)?

The majority (71%) of respondents prefer terms over 70 years, a gain of 5% from 2025 (66%). Of the respondent groups, 57% of Healthcare REITs, 74% of Private Capital Healthcare Investors, 69% of Institutional Healthcare Investors and 77% of Healthcare Real Estate Developers require a ground lease of at least 70 years to be considered for an investment.

In 2026, respondents showed the biggest shift in preferences away from a 90+ year ground lease, with 16% requiring this option, down 13% year-over-year from the jump to 29% in 2025. Of the respondent groups, Private Capital Healthcare Investors and Healthcare Real Estate Developers each account for 43% of those who selected 90+ years.

>70 Years
remaining ground lease term preference



Question 33 (continued)

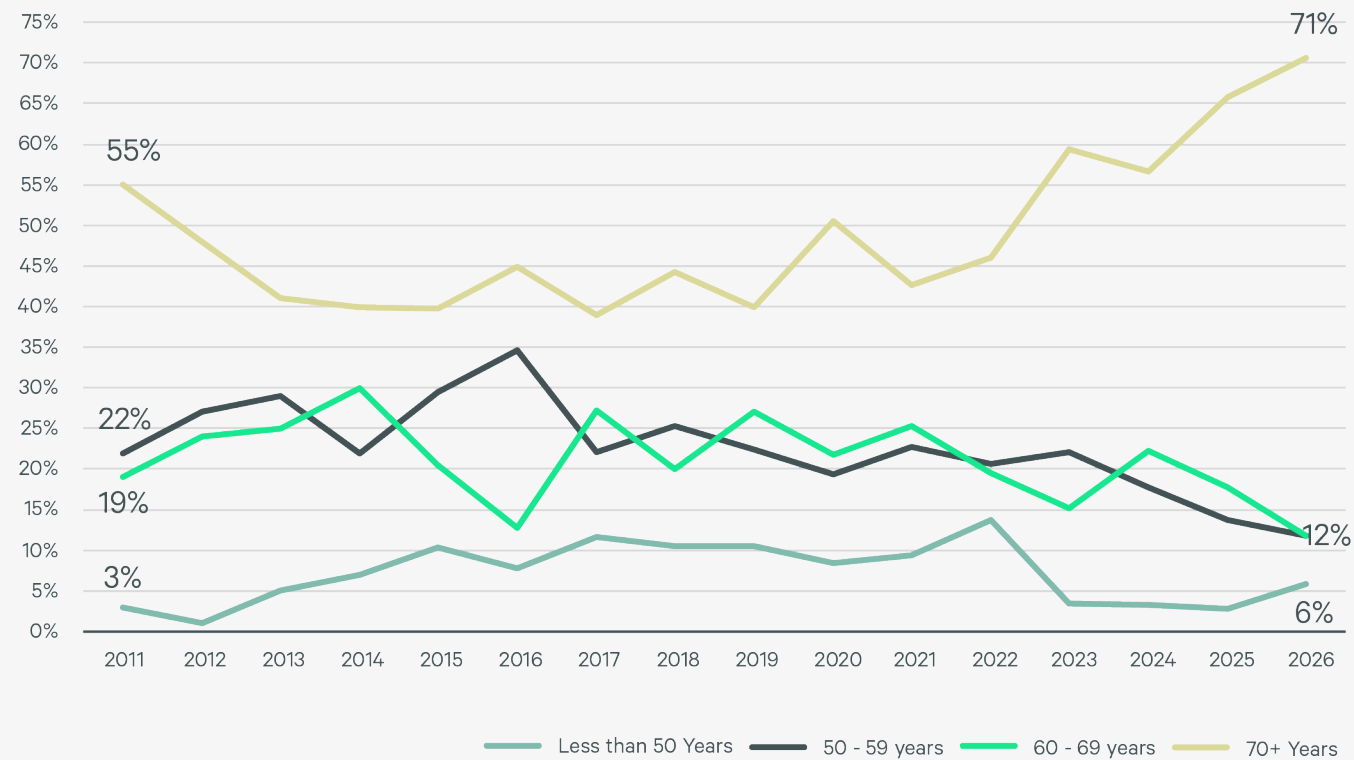
What is the minimum ground lease term you would consider for investment (including extension options)?

The preference for longer ground lease terms of 70+ years has increased from 55% in 2011 to 71% in 2026, a 16% overall gain through the years.

In contrast, mid-range terms of 50 – 59 years have declined by 10% and 60 – 69 years have declined by 7% since 2011, with each dropping to 12% in 2026.

Terms of less than 50 years saw a slight 3% gain from 2011 (3%) to 2026 (6%).

Figure 42: Minimum Ground Lease Term



07

MOB Development

Question 34

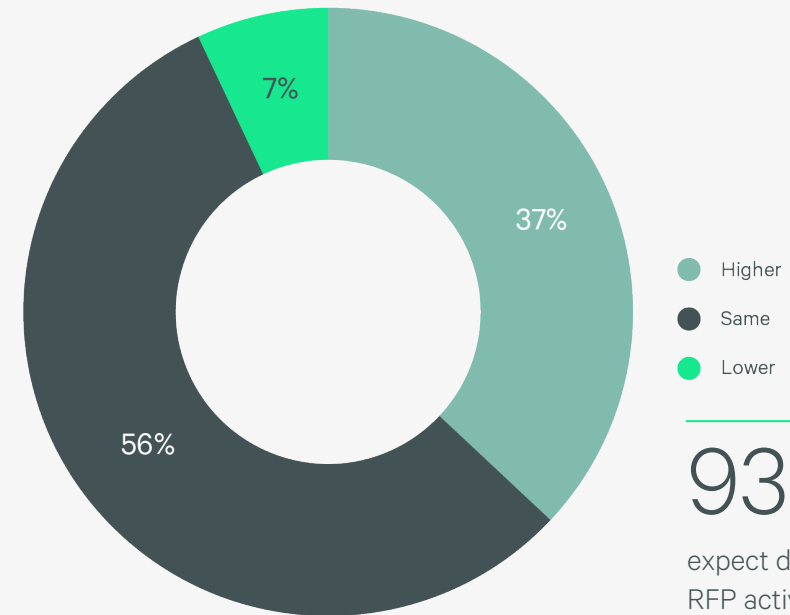
For developers, where do you expect health system development RFP activity to be in 2026 compared to a year ago?

For the 54 respondents that answered this question, over half (56%) of respondents expect the same RFP activity in 2026, representing a year-over-year increase of 8% from 2025 (48%). From the four investor groups, 100% of Healthcare REITs, 60% of Private Capital Healthcare Investors and 75% of Institutional Healthcare Investors anticipate consistent RFP activity.

37% anticipate that development RFP activity will increase in 2026, in line with 2025 expectations. Of those who selected this response, Healthcare Real Estate Developers make up 65% of this group.

Only 7% anticipate that development RFP activity will be lower in 2026, an 8% decrease from 2025 (15%).

Figure 43: Health System RFP Activity for 2026



93%

expect development RFP activity to stay the same or increase in 2026

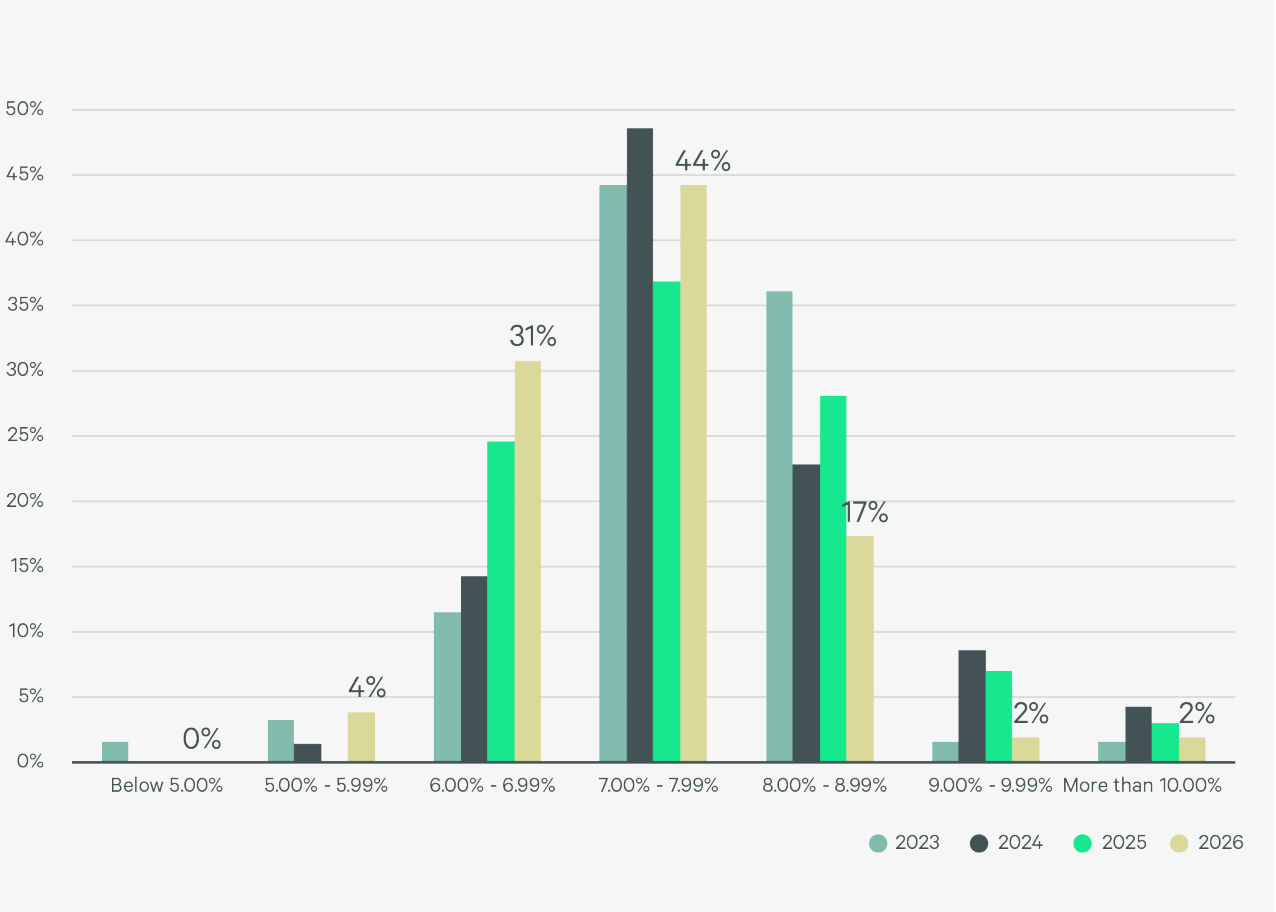
Question 35

For developers, what is the minimum lease constant you would consider for an MOB development meeting your highest standards (assuming current market conditions)?

In 2026, developers will accept slightly lower lease constants than in 2025 when 75% of respondents required 7.0% or higher; in 2026 that rate has dropped by 10% year-over-year to 65%. Developers may have continued optimism that debt markets will continue to improve, thus lowering their risk aversion and coinciding return requirements on build-to-suit MOB projects. In 2026, almost one third (31%) of the 52 respondents to this question indicated that they would consider a lease constant of 6.00% - 6.99%, a gain of 6% from 2025 (25%), further demonstrating the shift to lowered lease constant expectations.

92% of developers prefer lease constants between 6.00% - 8.99%. The range with the highest year-over-year increase of 7% in 2026 was 7.00% - 7.99%, the most popular choice by 44% of respondents,; meanwhile, the highest year-over-year decrease of 11% was 8.00% - 8.99%.

Figure 44: Minimum Development Yield

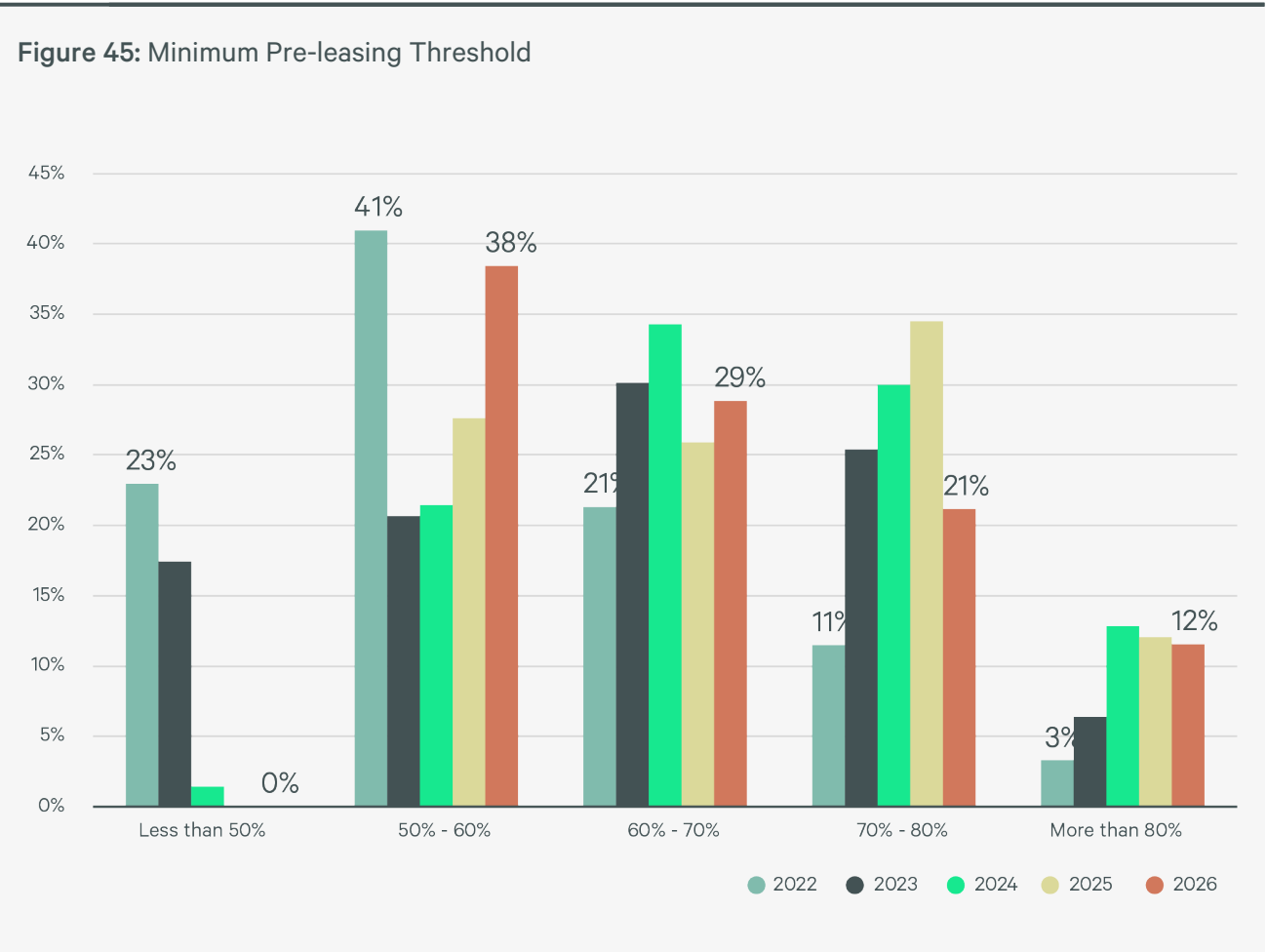


Question 36

For developers, what is the minimum pre-leased threshold percentage you (or your lender) would consider for an MOB development meeting your highest standards?

Like the previous question, 2026 indicates that developers are lowering their risk aversion for MOB developments with the continued improvement of the debt markets and overall stabilization of the economy. 2026 shows a clear shift to lower pre-leased thresholds, with the 50% - 60% range being the most popular choice by 38% of respondents, which is a 10% year-over-year increase from 2025 (28%). This lower threshold mirrors investors' preferences of 2022, prior to the Fed starting to raise interest rates in March and inflation spiking to 9.1% by June 2022. As inflation and interest rates decrease, these pre-leased thresholds should continue to follow suit.

Unlike 2022, where 23% of respondents would accept a pre-leased threshold of less than 50%, 2026 saw none of the 52 respondents accept this, signaling that developers may be optimistic but remain cautious.



Contacts

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Team Website

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