

# Marcus & Millichap Releases First Half 2023 Single-Tenant Net Lease Retail Report

CALABASAS, Calif.--(BUSINESS WIRE)-- [Marcus & Millichap \(NYSE:MMI\)](#), a leading commercial real estate brokerage firm specializing in investment sales, financing, research and advisory services, has published its National Single-Tenant Net Lease (STNL) 1H 2023 research report.

“The STNL sector, comprised of restaurants and retailers who occupy freestanding buildings with no other tenants, is demonstrating sustained resilience,” stated Daniel Taub, senior vice president and national director of Marcus & Millichap’s retail division.

Marcus & Millichap’s new STNL report provides investors with vital insight and analysis on the current state and outlook of the STNL retail market sector including:

- Continued inflation, labor market concerns and high interest rates are influencing households to prioritize essential goods and social interactions over big ticket items that were popular during lockdowns. This ongoing shift in consumer spending has positive implications for net-leased retail fundamentals at a time when vacancy is already historically low.
- The single-tenant retail segment entered April on a 10-quarter stretch of positive leasing activity, helping direct national vacancy to a record low of 4.3 percent in March. As such, an uptick in construction is warranted, however, higher costs for materials, labor and capital have trimmed the single-tenant pipeline.
- Budget tightening is impacting consumers’ brand loyalty, with more willing to change where they shop in their quest for pricing relief. Dollar stores are benefiting as a result, with more openings among value retailers planned this year. These expansions will help backfill vacated properties, a boon amid a series of closures from some legacy big-box retailers.
- Capital costs elevated by tightening monetary policy from the Federal Reserve have constrained transaction velocity for retail and other property types. This has reduced the flow of investment into STNL assets from 1031 exchanges, further limiting transaction activity for the property type.

“Single-tenant retail assets have been favored by investors due to minimal operational management requirements, and STNL’s are often backed by well-established brands with national-grade credit ratings,” added Taub.

Marcus & Millichap’s complete National Single-Tenant Net Lease 1H 2023 research report is available [here](#).

***About Marcus & Millichap, Inc. (NYSE: MMI)***

*Marcus & Millichap, Inc. is a leading brokerage firm specializing in commercial real estate investment sales, financing, research and advisory services with offices throughout the United States and Canada. As of December 31, 2022, the company had 1,904 investment sales and financing professionals in 81 offices who provide investment brokerage and financing services to sellers and buyers of commercial real estate. The company also offers market research, consulting and advisory services to clients. Marcus & Millichap closed 12,272 transactions in 2022, with a sales volume of approximately \$86.3 billion. For additional information, please visit [www.MarcusMillichap.com](http://www.MarcusMillichap.com).*

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Source: Marcus & Millichap