

## LightBox CRE Activity Index

# October Dip in CRE Activity Index Masks Broader CRE Momentum for Year-End

After a strong September surge, commercial real estate activity eased slightly in October. The LightBox CRE Activity Index edged down from 116.8 to 106.2, a modest, expected pullback given the federal government shutdown that extended into November. As a composite measure of commercial property listings, lender appraisals, and environmental due diligence across LightBox platforms, the Index offers an early view of Q4 performance.

The slowdown looks more like a brief pause than a directional shift as transaction pipelines adjusted to temporary disruptions. Core fundamentals remain steady, and capital markets welcomed a second rate cut in late October. Despite labor market concerns, a meaningful round of corporate layoffs, and softer business and consumer sentiment, the Index held firmly in three-digit territory. With Q3 bank earnings beating expectations and lenders signaling greater confidence, CRE lending conditions appear to be on strong footing. While macro headwinds persist, the market's tone has shifted from reactive to strategically forward-looking, marking a significant improvement over early 2025.

### Index At A Glance:

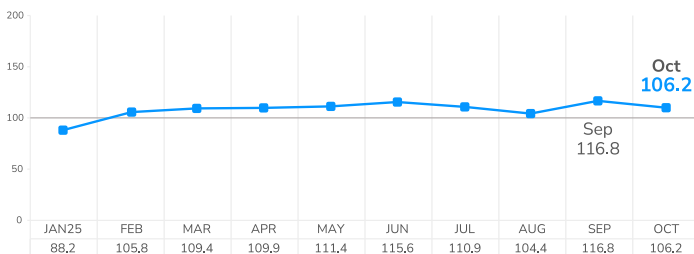


Figure 1A

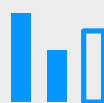
See note below figure 1B

## Three Signals from October's CRE Index

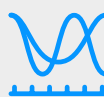
The CRE Activity Index is based on the average daily volume over the past month in each of the three functions that support CRE lending and investment:



After a 25% September surge, **commercial property listings adjusted down 8% month over month**, returning to levels consistent with May-July.



**Phase I ESA activity continues to be remarkably consistent and elevated**, just 1% below a moderate September uptick.



**Lender-driven commercial appraisal volume is similarly stable-to-modestly declining**, coming in at an average daily level that was 4% below the prior month.

## CRE Momentum Persists Despite Modest October Pause

The LightBox CRE Activity Index, built from 30,000+ real-time signals spanning appraisals, new listings, and environmental due diligence, reflects the broader market's response to factors shaping the dealmaking and lending climate in a volatile cycle. In October, the three early-stage inputs that power the LightBox CRE Activity Index eased slightly on a daily average basis yet remained firmly in line with the strong momentum of the year's second half.

Environmental due diligence volume was steady in October with growth led by demand for data center development, manufacturing and investment in multifamily and industrial assets. Public sector work tied to federal funding was impacted by the shutdown, but demand from lenders, developers and investors is still strong with growth pockets in Houston, the NY/NJ corridor, and Raleigh.

Commercial lending appraisal activity has remained remarkably steady month after month, despite a modest 4% decline in average daily volume in October. Sustaining this consistency are refinancing activity and deal flow across multiple asset classes and regions, supported by two Federal Reserve rate cuts this year that boosted borrower confidence, improved financing conditions, and kept lenders actively engaged in underwriting new and renewed deals.

Property listings across LightBox's broker platforms eased 8% month-over-month, normalizing after September's spike and returning to levels more in line with May through July. The rising volume of nondisclosure agreements filed by interested investors signals healthy competition and sustained appetite for quality opportunities. Together with data from [LightBox's Transaction Tracker](#), the pace of dealmaking remains strong, and investors are actively pursuing and closing deals across a range of property types and markets.







### CRE Index Extends Nine-Month Triple-Digit Streak

October’s CRE Activity Index reading of 106.2, while below September’s high, marks the ninth consecutive month in triple-digit territory, a clear sign of sustained market strength. The Index also remains above last September’s post-rate-cut spike to 102.7. Historically, the Index tends to dip 10 to 14% between October and November, reflecting normal seasonal slowing, so it will be telling to see how current market dynamics shape this year’s late-Q4 performance.

LightBox CRE Activity Index (January 2024 - Present)

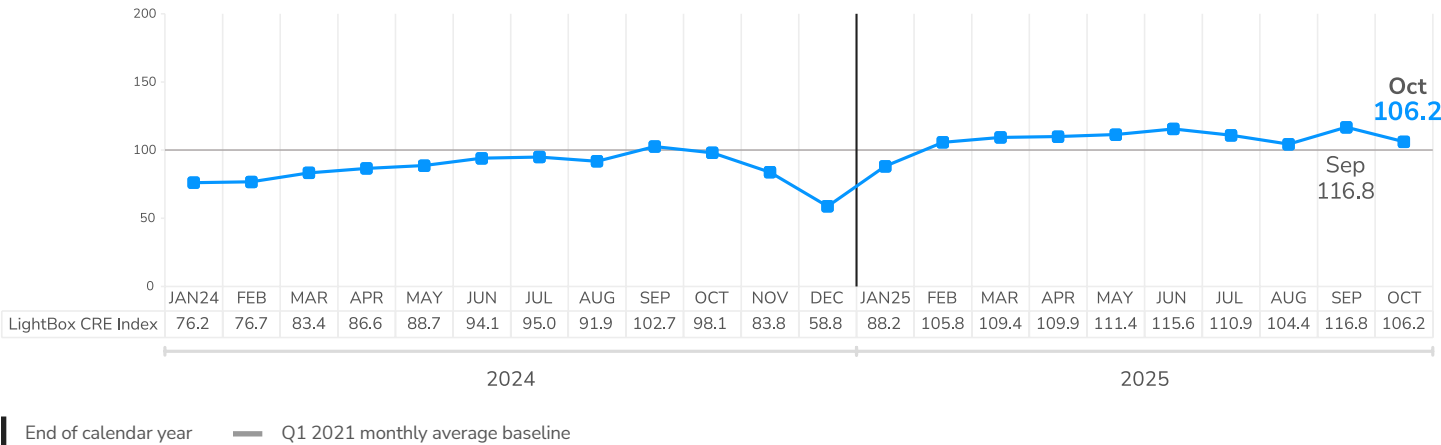


Figure 1B

NOTE: The LightBox CRE Activity Index is based on changes in environmental due diligence (measured by Phase I ESA volume), commercial property listings, and valuation market activity indexed to a baseline (Q1 2021 monthly average =100). The index is normalized to account for variations in the number of business days per month. The historical CRE Activity Index has been normalized to consistently include historical and current listings across LightBox platforms. The Index value reported for the most recent month may be revised in the subsequent publication as LightBox finalizes the input datasets.

October 2025: Current Month vs. Historical Benchmarks

	Current Month	Previous Month	Corresponding Month of Prior Year	12-Month Moving Average	Historic Low*	Historic High*
Overall Index	106.2	116.8	98.1	101.8	47.9 (Dec. '23)	149.4 (Feb. '22)

Figure 2

NOTE: The historic low and historic high are based on the timeframe from Q1 2021’s monthly average, which serves as the baseline for the index.



## Market Pulse: CRE Lending, Rates, Employment, and Sentiment

October's CRE landscape was shaped by a powerful mix of improving credit conditions, easing interest rates, and emerging cracks in employment and consumer confidence. Together, these forces are defining the tone for year-end deal flow, investment activity, and sentiment.



### CRE Lending on the Rebound

October brought encouraging Q3 earnings from major banks, many beating expectations and signaling that credit conditions are turning a corner. Notably, the worst of the office markdowns appears to be fading, helping to restore confidence across the sector. With stronger balance sheets, large banks are now better positioned to support refinancing and new loan originations into year-end.

Adding to the optimism, the Mortgage Bankers Association reported an 18% increase in commercial and multifamily loan originations in Q3 over Q2, the fifth consecutive quarter of growth. Gains were strongest in office, retail, and hospitality, with overall originations now trending well above historical norms as banks move past the balance-sheet repair and risk-mitigation focus that defined much of 2024.



### Easing Rates a Tailwind for Investment and Lending

With October delivering a second rate cut, a third in December is not guaranteed. Despite the uncertainty, the cumulative impact of easing has already bolstered confidence among both investors and lenders. Lower rates are improving financing conditions, narrowing spreads, and encouraging borrowers to re-engage, helping sustain steady deal flow. Key metrics to watch include labor trends, inflation's response to tariff pressures, and long-end yields, all of which will shape cap rate movement and financing sensitivity. If the data continue to support moderation, the Fed's "ease-more-if-needed" stance should keep liquidity flowing and listings active through year-end.



### Labor Market and Consumer Confidence Showing Cracks

U.S. companies shed an average of 11,250 jobs per week in the four weeks ending October 25, based on the latest data from ADP Research, signaling a slowdown in hiring momentum despite a modest 42,000 job gain for the month. The uptick in layoffs and cooling payroll data suggests the labor market's foundation is beginning to soften.

At the same time, consumer confidence is slipping. The Conference Board Consumer Confidence Index fell to 94.6 in October down from 95.6 in September, and the latest University of Michigan Sentiment Index dropped to 50.3, nearing its pandemic-era low. These are signs of consumers growing increasingly anxious about job stability, inflation, and the prolonged shutdown. While equity and credit markets remain resilient, persistent weakness in sentiment could impact discretionary spending in travel, dining, and retail, putting pressure on CRE sectors sensitive to consumer behavior like shopping centers and mixed-use properties as the holiday season approaches.



An aerial view of a city skyline at sunset, featuring a prominent white clock tower in the foreground. The sky is filled with colorful clouds in shades of orange, pink, and blue. Digital overlays include a green square in the top left, a purple triangle on the left, a purple line with circles on the left, a purple line with circles on the right, and a blue triangle in the bottom left. A dashed white line runs vertically through the center of the image.

## Outlook: Near-Term Caution, Long-Term Optimism

October's CRE Activity Index reading of 106.2 reflects a cautious market, shaped by the long federal shutdown, rate uncertainty, and job market concerns. Historically, the Index shows a modest seasonal slowdown in November; a trend likely to play out again as the year draws to a close. Still, after nine straight months above 100, the market's steady performance underscores resilience amid broader economic headwinds.

Those headwinds are real: tariff tensions, persistent inflation, rising layoffs, and softening small business optimism continue to weigh on the market. Yet LightBox's Transaction Tracker shows that CRE dealmaking remains robust, signaling that bond-yield volatility, trade disruptions, and news from inside the Beltway have done little to derail underlying strength.

Investors are looking to 2026 with measured optimism. Lenders are re-engaging, private credit remains deep, and capital is gravitating toward digital infrastructure, logistics, multifamily, office, and retail. October's moderation suggests that the market is responding to conflicting barometers' signals and proceeding with caution. If policy and credit conditions stay supportive, 2026 could open as a year of disciplined capital deployment.



## ABOUT THE MONTHLY LIGHTBOX CRE ACTIVITY INDEX

The LightBox Monthly CRE Activity Index is an aggregate that represents a composite measure of movements across activity in appraisals, environmental due diligence, and commercial property listings as a barometer of broad industry shifts in response to changes in market conditions. To receive LightBox reports, [subscribe to Insights](#).

## ABOUT LIGHTBOX

At LightBox, we are at the forefront of delivering advanced and precise solutions for commercial real estate intelligence. Our dedication to innovation propels real estate professionals forward by providing them with the essential tools required to navigate complex decisions, minimize risk, and boost productivity across the spectrum of real estate operations. LightBox is renowned for its commitment to promoting excellence and fostering connections in the industry, serving an extensive clientele of over 30,000 customers. Our diverse client base spans commercial and government sectors, including but not limited to brokers, developers, investors, lenders, insurers, technologists, environmental advisors, appraisers, and other businesses that depend on geospatial information. To discover more about how LightBox can illuminate the path to informed real estate solutions, visit us at: [www.LightBoxRE.com](http://www.LightBoxRE.com)

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