LightBox CRE Activity Index

December CRE Activity Index Shows Seasonal Pause as Market Turns the Page

At the close of a volatile 2025, the LightBox CRE Activity Index reflected a market settling into a typical year-end slowdown amid ongoing uncertainty. The December 2025 Index registered 86.9, a 13% decline from November's 99.4, consistent with—but less severe than—historical December pullbacks. As an aggregate measure of momentum across property listings, appraisals, and environmental due diligence, the Index remained materially stronger than a year earlier. Notably, the December decline was far more moderate than the roughly 30% November-to-December drop recorded last year, when post-election uncertainty weighed heavily on activity.

Stepping back to the broader macro environment, investors face a mixed backdrop. Elevated geopolitical risk is influencing buyer and seller sentiment, while unresolved questions around tariffs complicate financial assumptions. The Fed delivered its third rate cut of 2025 in December, bringing total easing to 100 basis points, though the outlook remains uncertain amid a softening labor market and an upcoming transition in Fed leadership.

Index At a Glance:

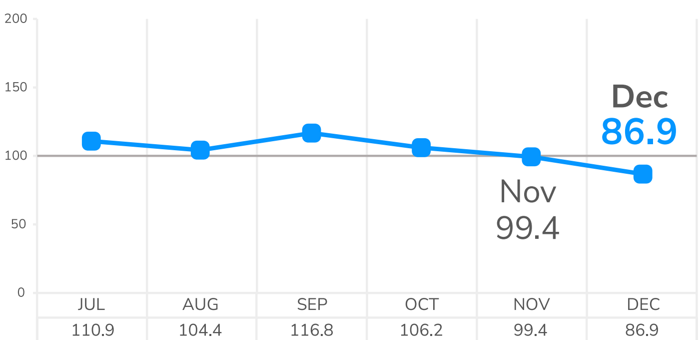


Figure 1A

See note below figure 1B

Three Signals Behind December's Index

Average daily commercial listings declined 19% from November, reflecting the typical year-end slowdown. Even so, listing activity remained robust, running 55% higher than December 2024, a strong signal of seller engagement.

Phase I ESA activity fell 9% month over month in December, consistent with holiday-related pauses. On a year-over-year basis, however, volume was still 48% higher than last December, reinforcing that early-stage deal preparation remains materially stronger than a year ago.

Appraisal activity dipped 6% from November, extending the seasonal pullback seen across other pre-deal functions. Appraisal volume was a significant 41% higher than December 2024, a sign of lenders' sustained willingness to underwrite transactions.

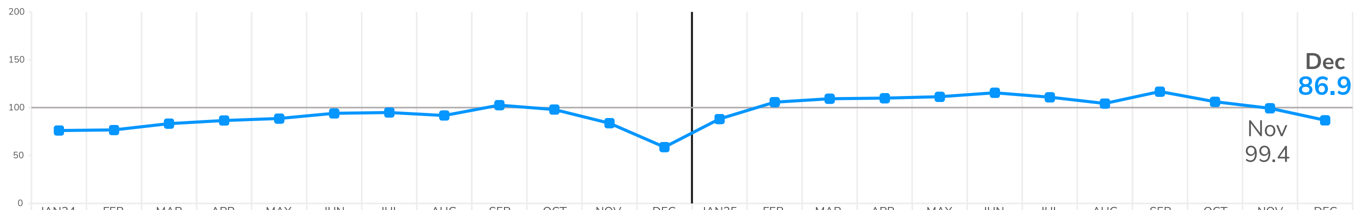
Beneath the seasonal pause in December's CRE Activity Index, however, deal momentum remained intact. Preliminary December LightBox Transaction Tracker data shows nine-figure CRE deals rose 44% month over month, reflecting the lagged impact of the Index's September peak, when new listings surged and improving sentiment translated into measurable market activity. The strength of December's large transactions highlights continued capital deployment at the high end of the market. Historically, January brings a 40–50% rebound in the CRE Activity Index, making the next reading a key signal for how Q1's deal flow is likely to take shape.

December Index Reflects Calendar Effects, Not Market Stress

Unlike December one year ago, when post-presidential election fiscal policy uncertainty weighed heavily on sentiment, the current pullback is primarily tied to holiday-related lulls in listings, appraisals, and environmental due diligence.

Importantly, the Index finished 49% higher than December 2024, highlighting the degree of recovery achieved over the past year. Elevated Index readings in September and October translated into stronger deal execution late in 2025, reinforcing the view that momentum remains intact. With election-related uncertainty largely behind the market and capital availability improving, the December decline should be interpreted as transitional rather than structural.

LightBox CRE Activity Index (January 2024 - Present)



	JAN24	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN25	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
LightBox CRE Index	76.2	76.7	83.4	86.6	88.7	94.1	95.0	91.9	102.7	98.1	83.8	58.8	88.2	105.8	109.4	109.9	111.4	115.6	110.9	104.4	116.8	106.2	99.4	86.9

2024 2025

End of calendar year — Q1 2021 monthly average baseline

Figure 1B

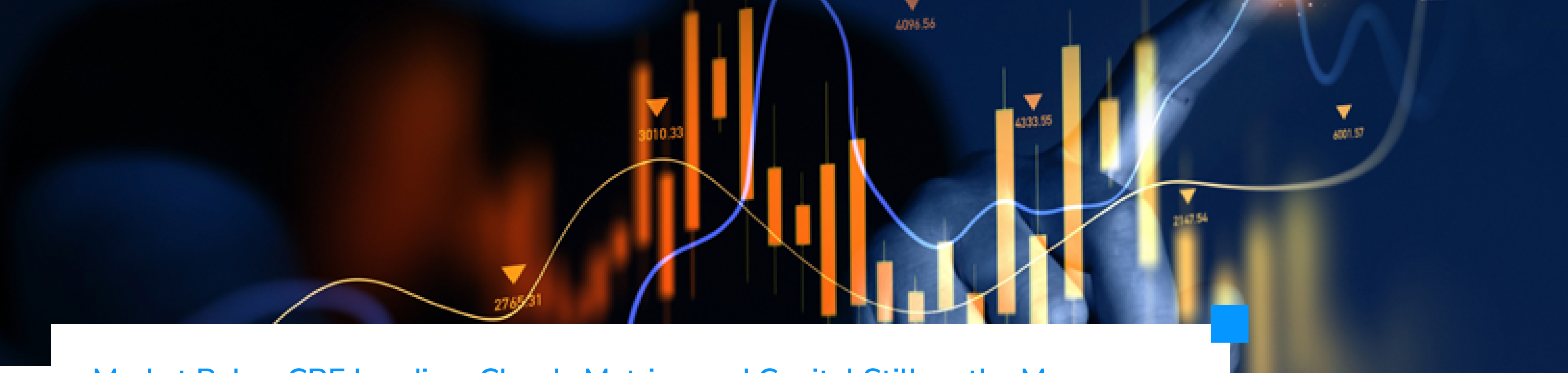
NOTE: The LightBox CRE Activity Index is based on changes in environmental due diligence (measured by Phase I ESA volume), commercial property listings, and valuation market activity indexed to a baseline (Q1 2021 monthly average =100). The index is normalized to account for variations in the number 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.

CRE Activity Index: Current Month vs. Historical Benchmarks

Current 86.9	**One Year Ago** 58.5
Last Month 99.4	**12-Month Moving Avg** 105.9

>100 <100

Figure 2



Market Pulse: CRE Lending, Cloudy Metrics, and Capital Still on the Move

December data across lending, macro indicators, and transaction activity point to a market stabilizing beneath the surface, even as broader economic signals remain uneven.

December Reinforces a More Constructive Lending Backdrop

Commercial real estate lending closed 2025 on firmer footing, with December activity confirming a steady recovery rather than a late-cycle surge. Just-released Q4 bank earnings, led by JPMorgan Chase, point to resilient credit conditions, healthy balance sheets, and sustained demand for lending as banks enter 2026. While detailed CRE disclosures are still emerging, management commentary has emphasized refinancing activity and selective loan growth rather than retrenchment. CMBS issuance remained near multi-year highs through year-end, and easing interest rates continue to unlock sidelined capital. After the muted conditions of 2024, marked by elevated borrowing costs and post-election uncertainty, 2025 delivered a slower, more disciplined rebound. Liquidity is returning, refinancing demand is rising, and lending spigots appear set to remain open as CRE fundamentals stabilize.

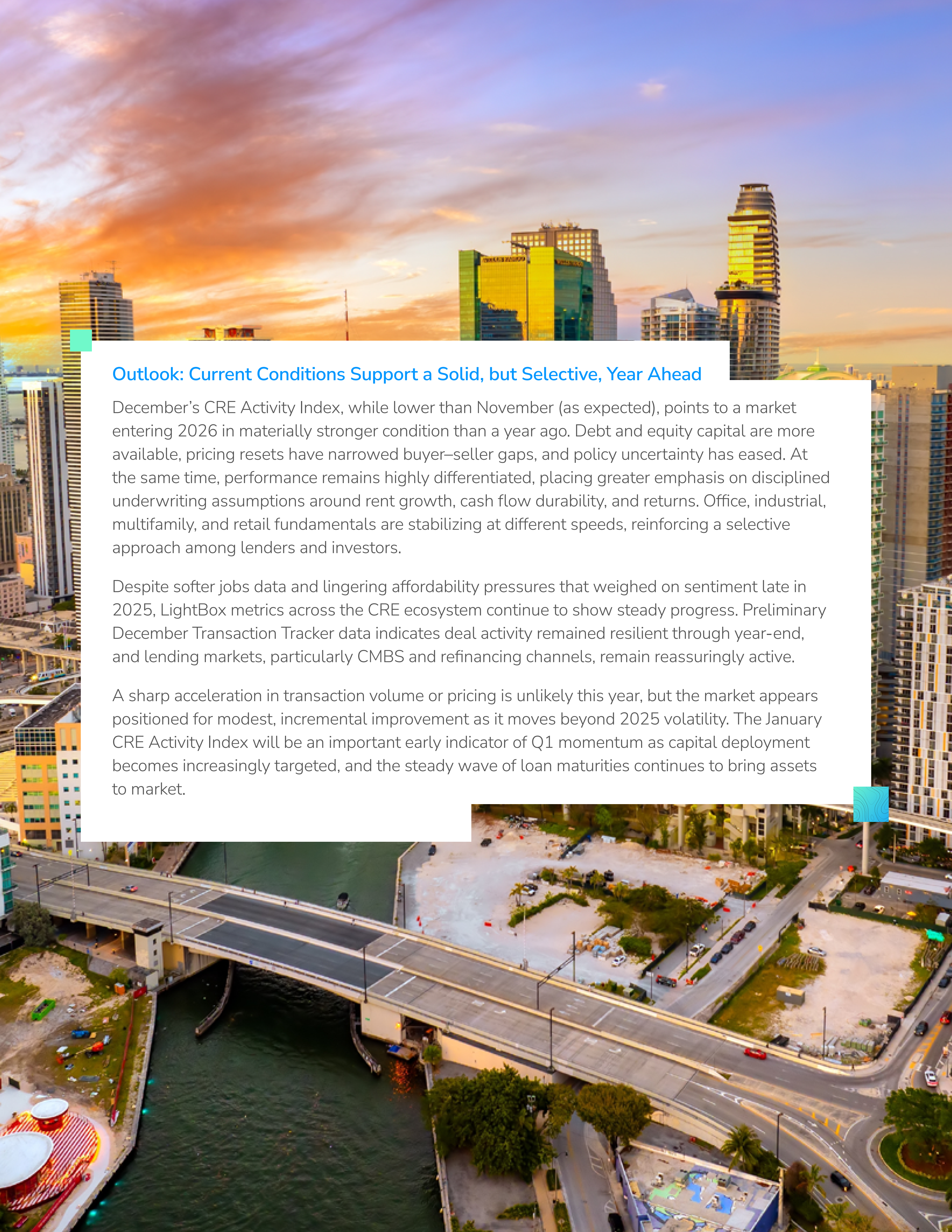
Stress Points in Macro Data Inject Unease

December ended with a palpable sense of unease across markets, even as some headline indicators remained supportive. Investor surveys around CRE lending stayed broadly upbeat, but sentiment turned more cautious than at any point in the prior six months. Much of that anxiety stemmed from increasingly discouraging labor market data. U.S. job growth slowed further in December, with employers adding just 50,000 jobs, below forecasts and slightly under November's pace. The unemployment rate edged down to 4.4%, but for all of 2025 payrolls increased by only 584,000 jobs, averaging roughly 49,000 per month—the weakest annual pace outside recession years since the early 2000s.

The labor market now appears stuck in a "low hire, low fire" phase, with businesses hesitant to add workers amid cost pressures, tariff uncertainty, and labor supply constraints, even as they avoid widespread layoffs. Combined with soft manufacturing data, flat retail spending, and unreliable inflation readings, the jobs report reinforced expectations that the Federal Reserve will hold rates steady at its January meeting, keeping markets cautious as 2026 gets underway.

Strong and Steady CRE Deal Flow at Year-End

While broader market metrics drifted in December, CRE dealmaking strengthened. The LightBox Transaction Tracker reflects that weekly announced property sales remained elevated even through the final holiday week, a strong sign of sustained investor engagement. Preliminary December data showed the volume of nine-figure deals ($100M+) coming in at 44% above November. Broader deal activity was supported by a steady flow of large transactions across asset classes, including multifamily portfolio sales, hotel trades, and land acquisitions tied to data center development. Office sales also picked up late in the month, often at sharply reset pricing, suggesting owners were willing to clear the decks before year-end. Importantly, capital remained available for both stabilized assets and capital-intensive projects such as ground-up construction and office-to-residential conversions.



Outlook: Current Conditions Support a Solid, but Selective, Year Ahead

December's CRE Activity Index, while lower than November (as expected), points to a market entering 2026 in materially stronger condition than a year ago. Debt and equity capital are more available, pricing resets have narrowed buyer–seller gaps, and policy uncertainty has eased. At the same time, performance remains highly differentiated, placing greater emphasis on disciplined underwriting assumptions around rent growth, cash flow durability, and returns. Office, industrial, multifamily, and retail fundamentals are stabilizing at different speeds, reinforcing a selective approach among lenders and investors.

Despite softer jobs data and lingering affordability pressures that weighed on sentiment late in 2025, LightBox metrics across the CRE ecosystem continue to show steady progress. Preliminary December Transaction Tracker data indicates deal activity remained resilient through year-end, and lending markets, particularly CMBS and refinancing channels, remain reassuringly active.

A sharp acceleration in transaction volume or pricing is unlikely this year, but the market appears positioned for modest, incremental improvement as it moves beyond 2025 volatility. The January CRE Activity Index will be an important early indicator of Q1 momentum as capital deployment becomes increasingly targeted, and the steady wave of loan maturities continues to bring assets to market.

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**

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