

March CRE Activity Index

LightBox CRE Activity Index Holds Firm in March as Market Enters Test Phase

The LightBox CRE Activity Index remained firmly in triple-digit territory for the third consecutive month in March coming in at 117.0, down from February’s recent high of 121.4 but still above January’s strong start to the year. The reading reinforces a consistent theme for Q1: Commercial real estate activity has held firm, even as external conditions have grown more volatile. At 7% above year-ago levels, March ranks among the strongest readings since mid-2022, a strong and encouraging sign of sustained momentum across the core functions that underpin CRE transactions. The progression from 86.7 in December to 117.0 in March marks a meaningful recovery, supported by active deal pipelines and improving capital deployment.

Index at a Glance:

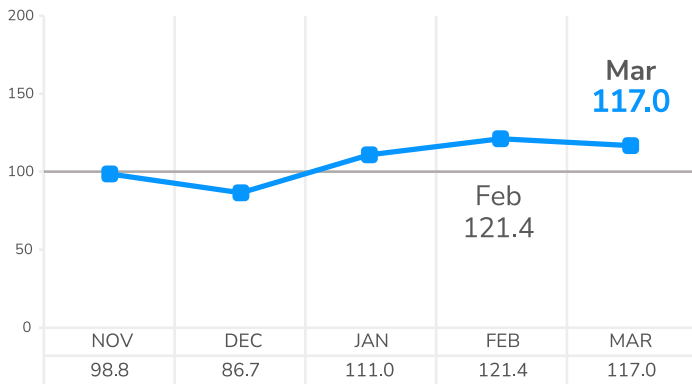


Figure 1A

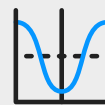
See note below figure 1B

That consistency, however, is now being tested. This week’s ceasefire with Iran has offered a brief reprieve to markets, but uncertainty around next steps remains high. Oil prices have surged toward \$120, while borrowing costs have risen by nearly 100 basis points due to higher Treasury yields and wider credit spreads. Recession risks are also building, with most forecasts pointing to a roughly one-in-three chance of a downturn.

Despite these pressures, underlying activity remains solid. Transaction pipelines are active, and key drivers of the Index—property listings, environmental due diligence, and appraisals—continue at healthy levels. Much of March’s activity was likely set in motion earlier in the quarter, and the durability of this momentum will be tested as the market moves into Q2.

Three Signals Behind March’s Index

Commercial Listings



Average daily listings fell modestly by 4% in March following February’s surge, but remain 19% higher year over year, reflecting increased seller willingness, distressed sales, and ongoing asset repositioning.

Phase I Environmental Site Assessments



Phase I ESA activity rose 3% month over month, marking the third consecutive increase and signaling continued expansion of transaction pipelines.

Lender Appraisals



Total appraisal volume increased by 4%, driven by refinancing and maturity-related demand. However, daily average volume, used as an input for the Index, declined 10%, indicating a modest cooling following February’s elevated pace.

Index Reflects Steady Momentum Across CRE

Based on more than 30,000 data points from property listings, environmental site assessments, and appraisal orders, the LightBox CRE Activity Index remains one of the earliest and broadest indicators of market activity. March's reading of 117.0 marks the third straight month above 100, following 111.0 in January and a peak of 121.4 in February, and represents a clear rebound from the late-2025 low of 86.7 in December. While slightly below February's high, the Q1 trend reflects steady momentum in transaction pipelines and lending activity.

LightBox CRE Activity Index (January 2025 - Present)

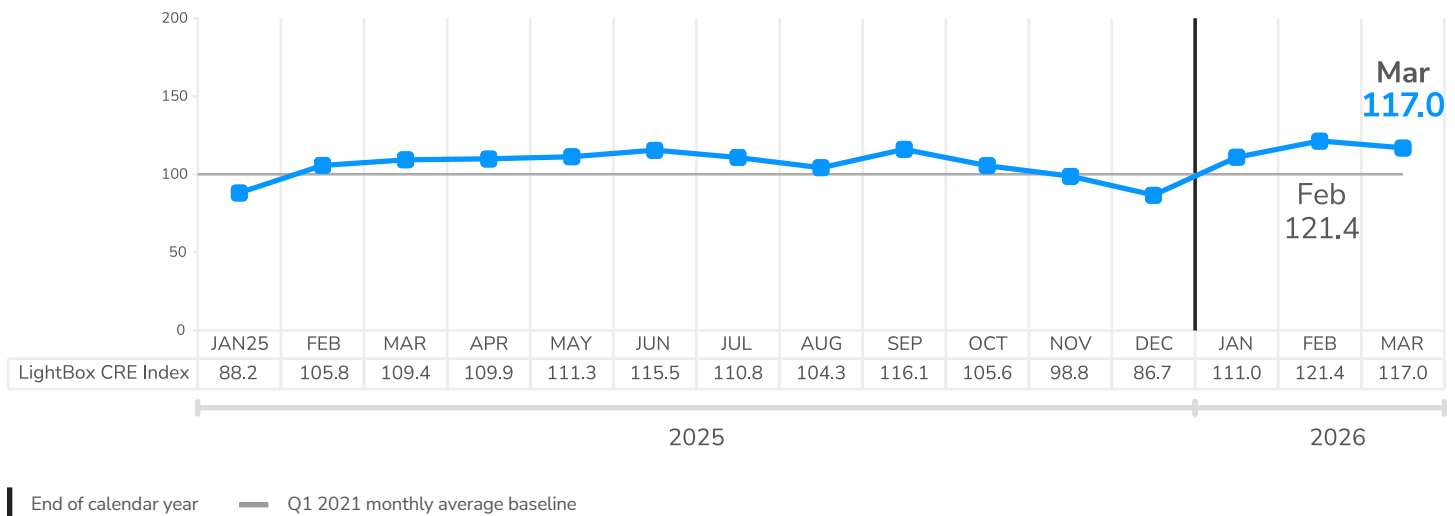


Figure 1B

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.

CRE Activity Index: Current Month vs. Historical Benchmarks

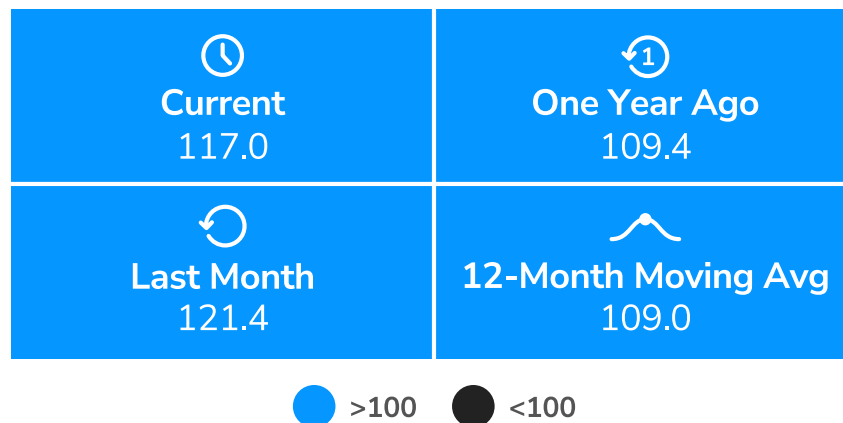


Figure 2



MARKET PULSE

Macro Signals Mixed as Tension Builds



Economic data continues to send mixed signals. The labor market remains stable but is losing momentum, with jobless claims edging higher. Construction spending has held up, reflecting resilience in real asset investment, while consumer sentiment dropped to 53.3 in March, a sign of growing caution. Inflation remains persistent, with core PCE above the Fed's target and limiting the likelihood of near-term rate cuts. Treasury volatility has pushed borrowing costs higher, creating additional pressure on deal economics.

CRE Lending Holds, but Higher Borrowing Costs Drive Selectivity



Lending activity remained active in March, though increasingly selective. Banks are cautiously re-engaging through relationship-driven, lower-leverage deals. CMBS and insurance capital continue to support stabilized assets, while private debt funds remain highly active, offering flexible but higher-cost capital. There is little evidence of a slowdown in deal execution, but underwriting discipline is clearly tightening as lenders adjust to higher costs and risk.

Investment Activity Broadens



Investor sentiment remains steady, with activity broadening across smaller transactions and diverse asset classes. LightBox Transaction Tracker data shows a balanced mix of deals across multifamily, retail, office, and industrial, with **75% of transactions trading above prior values**, reflecting ongoing price discovery. At the same time, distress is becoming more visible, particularly in office, where deeply discounted trades are accelerating valuation resets. This dynamic is helping unlock new investment strategies, including conversions and repositioning plays. Emerging tailwinds could also support activity. Volatility in private credit markets is beginning to push capital toward real estate as a more stable, income-producing alternative, while potential regulatory changes may unlock additional bank lending capacity.



OUTLOOK: Resilience Will be Tested in Q2

The strong start to 2026 raises a critical question: can CRE momentum persist as macro pressures intensify? The Federal Reserve's March meeting reinforced a higher-for-longer stance, holding rates steady as inflation remains elevated. With borrowing costs rising and geopolitical uncertainty lingering, the environment for dealmaking is becoming more challenging.

For now, CRE fundamentals remain intact. Transaction pipelines are active, capital is still deploying, and early signs of stress have yet to materially impact activity levels. However, much of the recent momentum reflects deals initiated earlier in the quarter.

This means that April will be a critical inflection point. If elevated rates and geopolitical risks persist, activity could begin to slow, particularly in rate-sensitive segments. Conversely, stabilization in yields or a flight to safety into Treasuries could provide support.

LightBox's March data prove that the CRE market is holding its footing. Whether that continues will depend on how quickly clarity emerges on inflation, rates, and global stability.



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

LightBox is the leading data and workflow platform for commercial real estate (CRE) and location intelligence. The Company provides authoritative property, ownership, zoning, environmental, and transaction data powered by a proprietary nationwide parcel fabric and the LightBox ID — a standardized identifier that brings clarity and consistency to complex real estate assets. Through its LightBox Live platform and suite of capital markets, lending, and due diligence solutions, LightBox supports critical workflows across investors, lenders, brokers, environmental professionals, government agencies, and infrastructure operators. By transforming fragmented public and private records into structured, connected intelligence, LightBox enables customers to reduce risk, accelerate transactions, improve underwriting accuracy, and make more informed decisions about physical assets and portfolio exposure. Visit us at: www.LightBoxRE.com

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