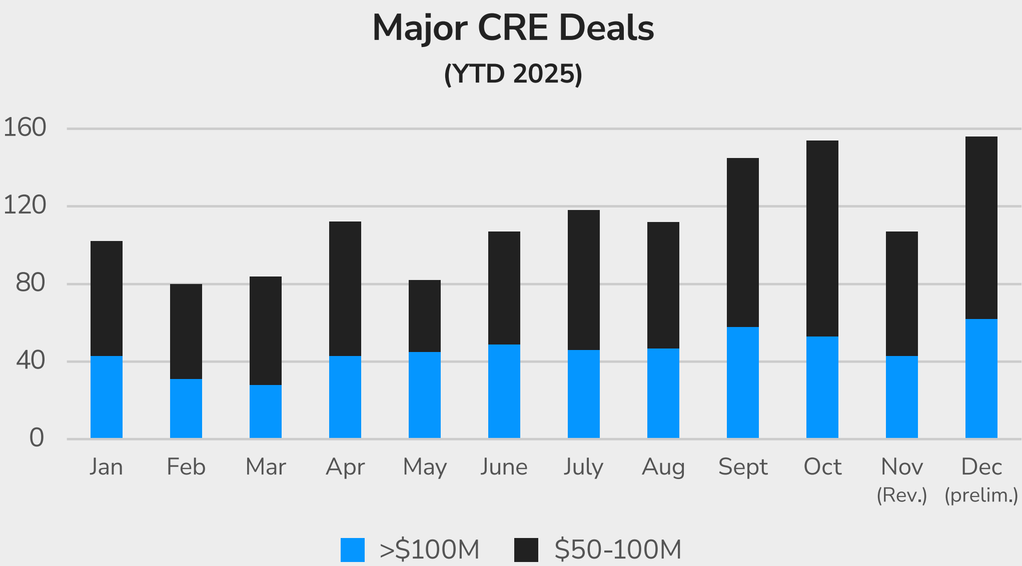
LightBox Major CRE Transaction Tracker Report

Inside December's CRE Deal Dynamics

December's CRE Transaction Flow Sets 2025's High Water Mark

December dealmaking capped 2025 with a new high-water mark, reinforcing late-year momentum in CRE transactions even as macro uncertainty intensified. LightBox data shows 1,226 deals totaling $28.1 billion, surpassing October as the busiest month and rebounding from November's holiday-shortened slowdown. Large transactions led the surge, with $100 million-plus deals up 44% month over month.

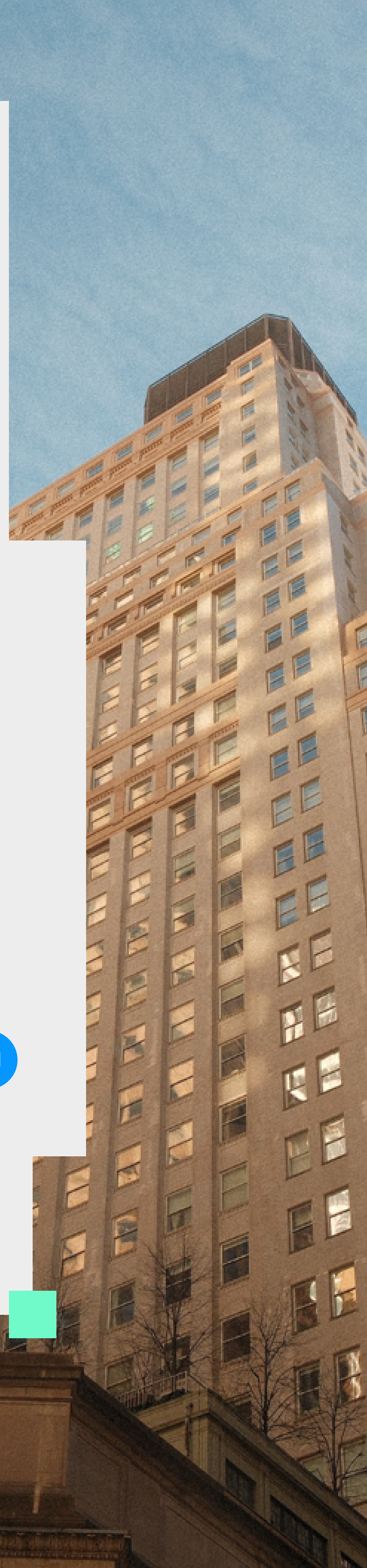


Source: LightBox Transaction Tracker

This strength persisted despite a softening labor market and growing geopolitical anxiety, underscoring investor conviction. As equity markets moved sideways and labor data continued to soften, CRE activity remained elevated through year-end, supported by deep buyer demand, disciplined capital deployment, and renewed lender participation, setting the stage for a strong start to 2026.

"I'm optimistic that 'steady' will be the operative word for the CRE market this year. While I don't expect a melt-up in transaction velocity or pricing, I do see room for modest improvement on both fronts."

Manus Clancy, Head of Data Strategy, LightBox



Multifamily, Retail Lead December Deals

Multifamily, retail, office, and industrial deals made up most of December's activity, together accounting for 83% of the month's deals.

Multifamily	Retail	Office	Industrial
26%	21%	18%	18%

December Volume by Property Type

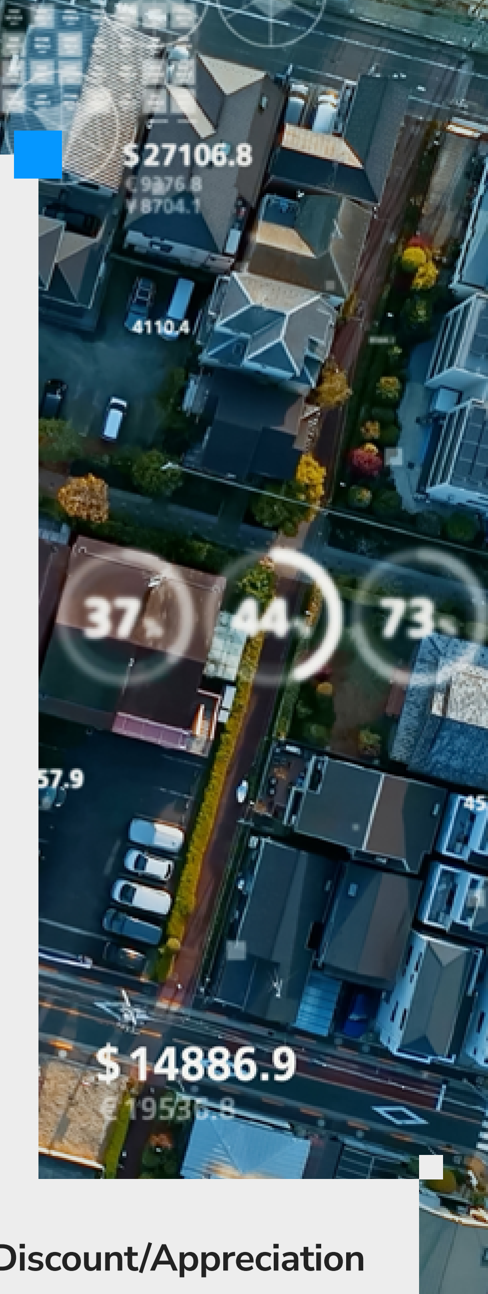
Multifamily maintains the lead with 26% of year-end deals, up from 22% in November. Multifamily investment is navigating a period of adjustment as supply overhangs persist in parts of the Sun Belt and Mountain regions, while Midwestern and select gateway markets retain healthier fundamentals. Distress has risen, largely tied to owners with floating-rate debt, optimistic rent assumptions, and limited capital for reinvestment. Despite near-term refinancing pressure, tightening construction pipelines and stable cap rate spreads are setting the stage for selective redeployment opportunities as supply and demand rebalance.

Retail investment continues to gain momentum, accounting for 21% of December deal activity, up slightly from November. Demand is driven by grocery, discount, and service-oriented retailers that depend on physical locations, supported by historically low availability, limited new construction, and positive net absorption. Grocery-anchored, neighborhood, and open-air centers, particularly in higher-income, high-growth suburbs, remain top targets, with risk-adjusted returns attracting core-plus and value-add buyers. While tenant demand is healthy, retailer and investor strategies remain shaped by cost-conscious consumers, elevated buildout costs, and selective capital deployment.

Office accounted for 18% of total deal flow for the month as investor interest continued to rebuild from a low base. Conversions and demolitions now outpace new construction signaling a structural inflection point that is tightening future supply. The second half of the month saw a noticeable pickup in office sales activity, though many transactions still reflected steep discounts, often 50% or more below prior valuations, consistent with the distress that has defined the sector over the past 24 months. As availability of prime space continues to shrink, spillover demand is expected to support well-located Class A assets, particularly in early-recovery markets, as institutional capital grows more comfortable re-entering the sector.

Industrial also accounted for 18% of the total, reflecting the sector's continued appeal despite a period of normalization. Investor demand remains focused on modern logistics facilities in population-growth markets and key transportation hubs, supported by solid leasing activity, moderating new supply, and stabilizing vacancy. E-commerce fulfillment, domestic logistics, manufacturing-related demand, and expanding third-party logistics activity continue to underpin fundamentals. With construction easing, rent growth remaining positive, and absorption improving in the second half of the year, industrial is entering 2026 from a position of balance and long-term strength.

Spate of Year-End Deals Reveals Sharp Pricing Divides Across CRE



LightBox's Transaction Tracker logged more than 1,200 deals across the U.S. in December, ranging from a $329,000 retail property in Milwaukee slated for conversion to a massive 66-hotel portfolio that traded for $534 million. Among the 16% of transactions with both current and prior pricing disclosed, 60% sold above their previous purchase price, while 39% traded at a discount.

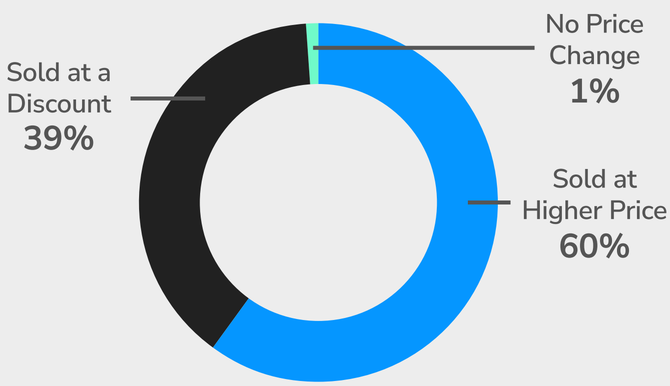
Office deals continued to dominate the discount side, with most transactions priced below replacement cost as the sector works through elevated vacancies, though conditions could begin to stabilize in 2026. Roughly half of December's steepest discounts were in office, with another quarter in multifamily. The largest discounted sale was a 50-story Midtown East office tower that traded for $270 million, roughly half of the $566 million paid in 2019. The cluster of similar office sales late in the month suggests some owners were eager to crystallize losses before year-end.

Not all office transactions reflected distress, however. Empire State Realty Trust's $386 million acquisition of a SoHo office building, well above its prior sale price, underscored ongoing demand for well-leased, high-quality office assets with strong in-place cash flow and value-add potential.

Standout gains were led by multifamily. Royal Crest Apartments, a 588-unit garden-style community in the Boston metro, sold for $254 million, about $161 million above its 2022 sale price, highlighting continued investor appetite for scale assets in supply-constrained Northeast markets.

December CRE Deals: Discount vs. Appreciation

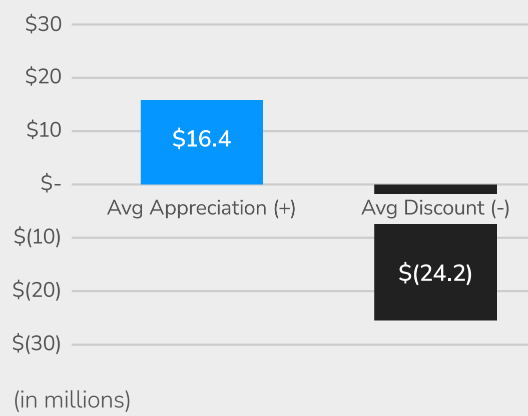
(based on the 16% of deals where prior purchase price was available)



Source: LightBox Transaction Tracker

Average Price Discount/Appreciation

(December 2025)



Source: LightBox Transaction Tracker

Big December Trades Highlight Selective Strength Across CRE

December wrapped up the year with a run of high-profile CRE transactions that highlighted both the depth of available capital and the sharp pricing differences emerging across property types. Deals spanned retail, office, industrial, multifamily, hospitality, life sciences, and data centers, with buyers ranging from global institutions and REITs to private operators and corporate users.

Several trades stood out for their scale and signaling value. Hines Global Income Trust's $199 million purchase of an Indianapolis retail asset and Highgate, Gencom, and Argent Ventures' acquisition of the InterContinental New York Times Square pointed to sustained demand for well-located, income-producing assets. Office transactions continued to reflect a bifurcated market, from Empire State Realty Trust's $386 million purchase of Scholastic's SoHo headquarters to David Werner's deeply discounted acquisition of One Dag Hammarskjöld Plaza in Midtown East.

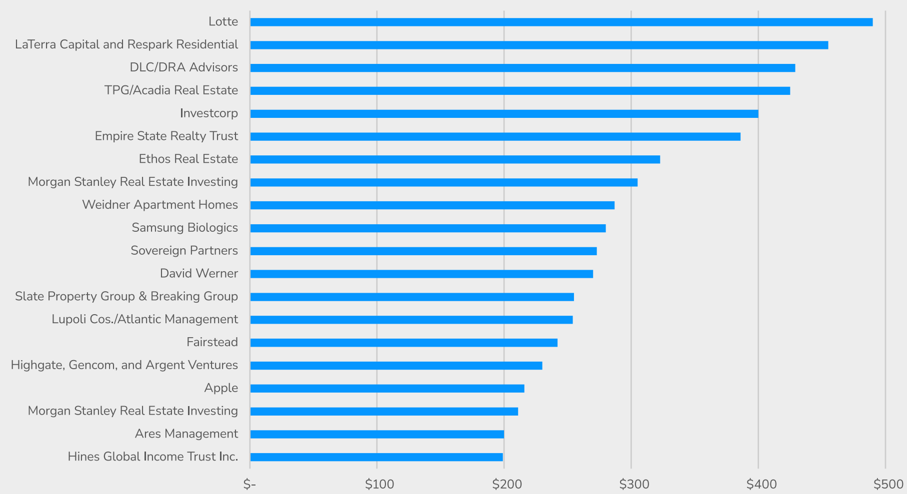
Multifamily delivered some of the clearest evidence of value creation, led by the $254 million sale of Royal Crest Apartments north of Boston and LaTerra Capital's $455 million acquisition of an Aimco portfolio in Chicago. Industrial activity remained steady, with Investcorp acquiring a 2.6 million-square-foot portfolio for $400 million and Morgan Stanley Real Estate Investing closing on a major logistics asset.

One of the most closely watched deals was Ares Management's acquisition of a large data center asset in Leesburg, Virginia, the latest CRE hot spot for investing in digital infrastructure tied to AI and cloud growth.

Taken together, December's largest trades showed major buyers moving to get deals across the finish line before year-end, offering clear evidence that as more property listings came to market last year, capital was ready and willing to step in where pricing made sense.

Top 20 CRE Investors

December 2025 (in millions)



Source: LightBox Transaction Tracker

The Road Ahead: Steady Deal Flow Backed by Willing Capital

Commercial real estate entered 2026 on firmer footing, with LightBox's December Transaction Tracker recording the strongest deal volume of the year. Investors moved decisively to close transactions before the calendar turned, signaling renewed confidence despite lingering macro uncertainty. Reinforcing that momentum, the LightBox CRE Activity Index, a leading, aggregated measure of appraisals, environmental due diligence, and property listings, finished December nearly 49% higher than a year earlier. In contrast to late 2024, when post-election uncertainty sharply curtailed activity, year-end 2025 reflected a market far more willing to transact.

> ***"Market sentiment may feel a bit uneven, and I do worry that valuations look stretched on the equity side, which could make 2026 a more middling year for investors than the last two. But CRE lending should be a bright spot, with the spigots remaining open and loan volumes continuing to climb."***
>
> — Manus Clancy

That strength was underpinned by meaningfully improved capital conditions. Recent Q4 bank earnings, led by JPMorgan Chase, point to continued loan growth rather than retrenchment, while CMBS issuance remained near multi-year highs through year-end. Easing interest rates have begun to unlock sidelined capital, restoring liquidity after the borrowing-cost and policy-driven volatility of 2024.

Looking ahead to 2026, positive factors include wide availability of debt and equity capital, narrower pricing gaps, and diligent underwriting. December's surge in large transactions—with nine-figure deals up 44% month over month—reflects the lagged impact of improving sentiment earlier in the fall. While risks remain, the data suggests investors are poised to continue deploying capital this year.

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