



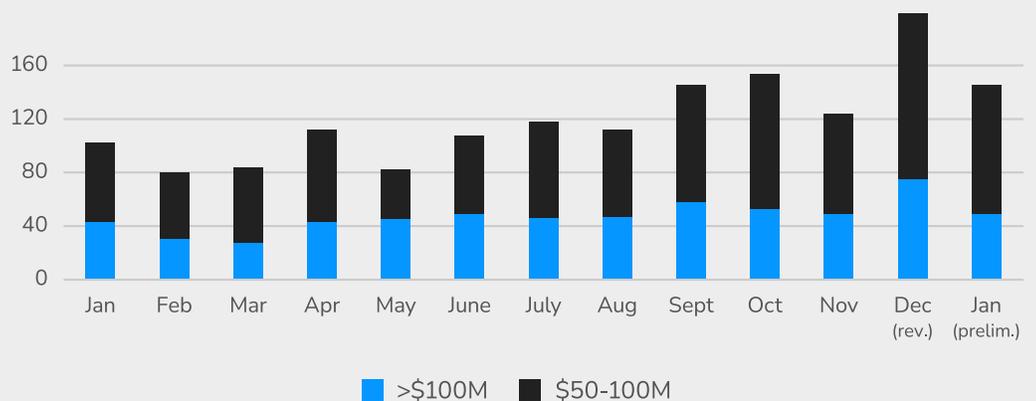
LightBox Major CRE Transaction Tracker Report

Inside January's CRE Deal Dynamics

January Opens 2026 with a \$24 Billion Vote of Confidence

January transaction activity carried late-2025 momentum into the new year, delivering performance consistent with the strong pace seen in September and October, though below December's year-end high-water mark. LightBox Transaction Tracker data recorded 1,163 deals totaling \$24.1 billion, following December's surge to \$32.9 billion as closings accelerated before year-end. Institutional capital remained active, with 49 transactions above \$100 million and 96 deals between \$50 million and \$100 million.

Major CRE Deals (Jan 2025 - Jan 2026)

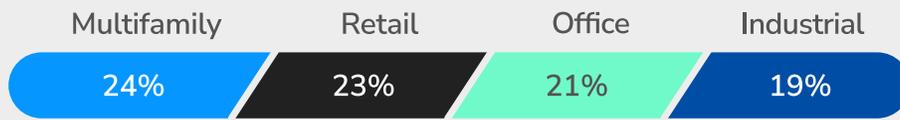


Source: LightBox Transaction Tracker

Capital markets are stabilizing and gradually strengthening. Lending rebounded in 2025, largely driven by refinancing, and most lender categories, excluding office, have returned to pre-pandemic levels. Debt markets remain functional with tight spreads and ample liquidity, supported by significant dry powder and the re-entry of regional banks. The 10-year Treasury, near 4.15%, has improved refinancing feasibility and deal economics. The recovery remains uneven across sectors, with capital increasingly favoring high-quality, durable assets. Constrained new supply and disciplined underwriting continue to shape competitive positioning. Even so, the broader trajectory points to sustained momentum in 2026.

Even Split Across Major Food Groups

January deals were almost evenly split across the four biggest asset classes of multifamily, retail, office, and industrial. Collectively, these four property types accounted for 87% of all monthly transactions.



January Volume by Property Type

Multifamily held a narrow lead over retail with 24% of January deals. Multifamily remains a preferred asset class, even as the sector works through a record oversupply hang as the result of the 1.2 to 1.4 million units delivered over the past few years. Slowing new supply and relatively stable vacancy are expected to support modest rent growth in 2026, but performance is highly metro-specific. Sun Belt and Mountain markets continue to absorb excess inventory and face softer rent trends, while many Midwestern metros and select gateway cities show healthier fundamentals. Positive net demand continues as high homeownership costs incentivize renters to stay in place, yet this sector faces significant refinancing pressure, elevated operating expenses, and lingering distress as key headwinds.

Retail maintains its strong 23% hold of deal flow. Retail continues to attract motivated investment capital, particularly in high-income suburbs where the high end of the K-shaped consumer spending patterns support stronger foot traffic and rent growth. Grocery-anchored, neighborhood, and open-air centers remain favored targets, benefiting from historically low availability, limited new construction, and positive net absorption. Deal volume is solid, loan delinquency rates remain low, and valuations are trending upward as supply stays constrained. While performance varies significantly by metro, retail fundamentals remain strong, supported by steady consumer spending and disciplined development pipelines.

Office accounted for 21% of total deal flow for the month, up three percentage points from last month, and narrowing the gap with retail and multifamily. The office sector continues to reflect renewed investor engagement coming off of a low base as prices reset. The market remains truly bifurcated with distressed assets trading at discounts of 50% to 80%, while well-located Class A and trophy properties attract competitive capital and tighter spreads. Return-to-office momentum and limited new supply are supporting gradual rent stabilization, though long-term demand growth remains a concern especially given muted office-using employment gains. Investment volume is rising year over year but remains well below pre-COVID levels.

Industrial captured 19% of the total. While the sector continues to digest post-pandemic oversupply, rent growth is moderating and vacancy is beginning to stabilize. Large bulk warehouses face softer conditions following the development surge, while smaller-bay facilities near population centers show tighter vacancies and stronger demand. Leasing remains driven by the tailwinds of e-commerce, reshoring, and third-party logistics, though trade policy shifts are influencing long-term space decisions.



January Deals: Pricing Dispersion Continues

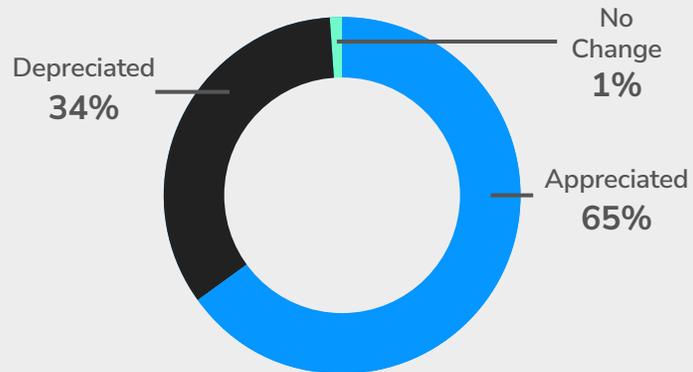
The 1,163 U.S. transactions that closed in January spanned the full pricing spectrum, from a \$300,000 retail sale in Greensboro, NC to a \$1 billion New York City self-storage portfolio. Excluding the mega-portfolio, the average deal size was \$26.5 million.

As the 2025 price reset plays out, outcomes remain mixed. Among the 12% of deals with prior pricing available, 65% traded at higher values while 34% sold at a discount. The average markdown was \$31.7 million, with eight of the ten largest discounts occurring in office, including a foreclosure in Seattle.

At the same time, gains were not limited to one sector. The largest price increase was an industrial asset in Pompano Beach, FL that sold for \$55 million above its 2021 price. Even office showed selective strength, with a Tysons, VA building trading for \$103 million versus \$48.6 million in 2021.

January Deals vs. Prior Sale Price

(based on the 12% of deals where prior purchase price was available)



Source: LightBox Transaction Tracker

Average Price Discount/Appreciation

(January 2026)



(in millions)

Source: LightBox Transaction Tracker

Buyer Depth Expands as More Capital Positions to Deploy

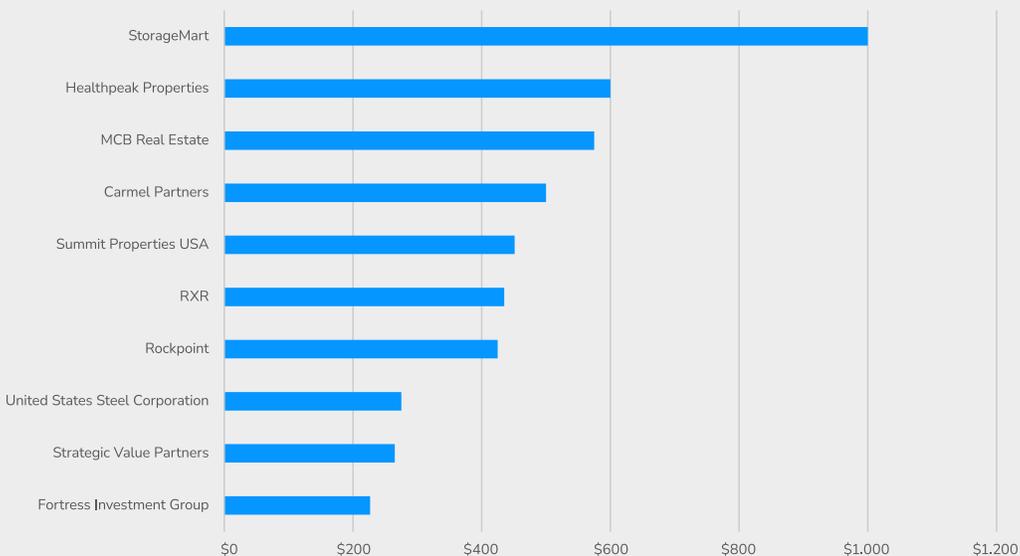
Transaction Tracker data continue to show a buyer pool that is both deep and increasingly diverse, with investors eager to deploy capital, but not recklessly chasing value. January's ten largest transactions reflect that breadth (see figure see chart below). Three were portfolio deals, led by the largest: StorageMart's acquisition of a New York City self-storage portfolio from Carlyle, underscoring continued institutional appetite for scaled platforms in defensive sectors.

Geographically, the concentration of capital is telling. Four of the top ten deals were in New York City, reinforcing Manhattan's continued role as a liquidity hub for office, multifamily, and specialty assets. California also featured prominently, with major transactions in South San Francisco, Pittsburg, and San Diego, highlighting sustained investor conviction in life sciences, industrial, and coastal markets. Additional activity in Morrisville, NC reflects ongoing interest in high-growth Sun Belt and research-oriented markets.

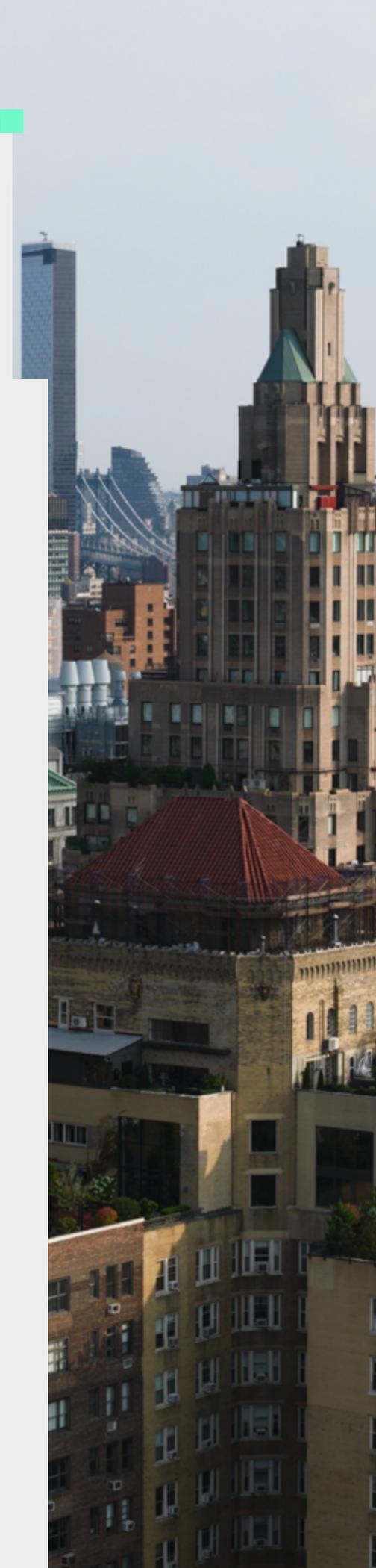
Beyond portfolios, buyer types spanned public REITs, private equity, credit investors, and strategic operators. Healthpeak acquired a South San Francisco life sciences campus. Rockpoint invested in Midtown Manhattan office. Fortress targeted a manufacturing campus in North Carolina. U.S. Steel's real estate arm stepped into industrial land in California. Structured and minority-stake investments further illustrate capital flexibility across the stack.

Across metros and asset types, these top ten investments are the latest evidence that capital is targeting quality and clarity, strong locations, operational scale, and well-defined repositioning potential. The diversity of buyers and markets signals a confident but disciplined CRE environment in early 2026.

Top 10 CRE Investors January (in millions)



Source: LightBox Transaction Tracker



2026 Near-Term Outlook: Emphasis on Underwriting, Tenant Retention, and Asset Management

January's strong transaction level is the year's earliest sign of CRE's strong foundation. A key tailwind is the fact that capital markets continue to function well, debt remains available, and equity capital is active but with cautious guardrails and disciplined underwriting. Regional banks are gradually re-entering the market, alternative lenders remain active, and significant dry powder from institutional investors continues to support liquidity. The loan maturity cycle is progressing at a steady, rolling pace rather than an abrupt wave, driving a steady stream of refinancings and targeted asset sales.

Returns in 2026 are likely to be income-driven, placing greater emphasis on asset selection, operational execution, and rigorous due diligence.

Looking ahead, interest rates, labor market conditions, and broader volatility remain important watchpoints. Unless macro conditions deteriorate materially, the trajectory behind the LightBox Transaction Tracker suggests steady improvement as disciplined capital moves where the fundamentals support the math.

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LIGHTBOX

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ABOUT LIGHTBOX

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