

LightBox CRE Activity Index Dips in June as Headwinds Hit

The LightBox CRE Activity Index remained firmly in triple-digit territory in June, coming in at 119.9, down 7% from May's 2026 high point of 129.3 and nearly even with March levels. The reading could be an early sign of the war in Iran taking its toll in a volatile market that, until now, CRE had largely shrugged off.

At 4% above year-ago levels, June maintains the six-month streak of triple digits, but cracks are showing across all three prongs of the Index. June marked the first month of 2026 in which property listings, environmental due diligence, and lender appraisals all declined versus the prior month at the same time, a break from the offsetting pattern (strong listings and due diligence, softer appraisals) that had defined the Index since January. Lender appraisals, the component most exposed to borrowing costs, fell the furthest. One month doesn't make a trend, however, and July will be an important early read on whether this is a pause or the start of something more durable.

Index at a Glance:

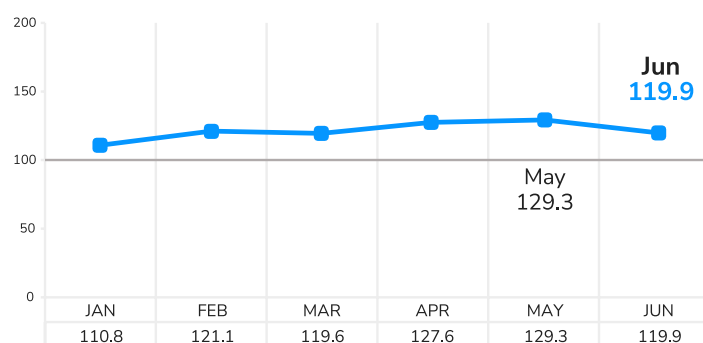


Figure 1A

See note below figure 1B

Three Signals Behind June's Index



Commercial Listings

Average daily listings slipped 6% from May, the second consecutive month of decline after hitting the 2026 peak in April. Listings remain up 14% from June 2025 as sellers are more motivated by price stabilization across asset classes or the need to move assets in distress.



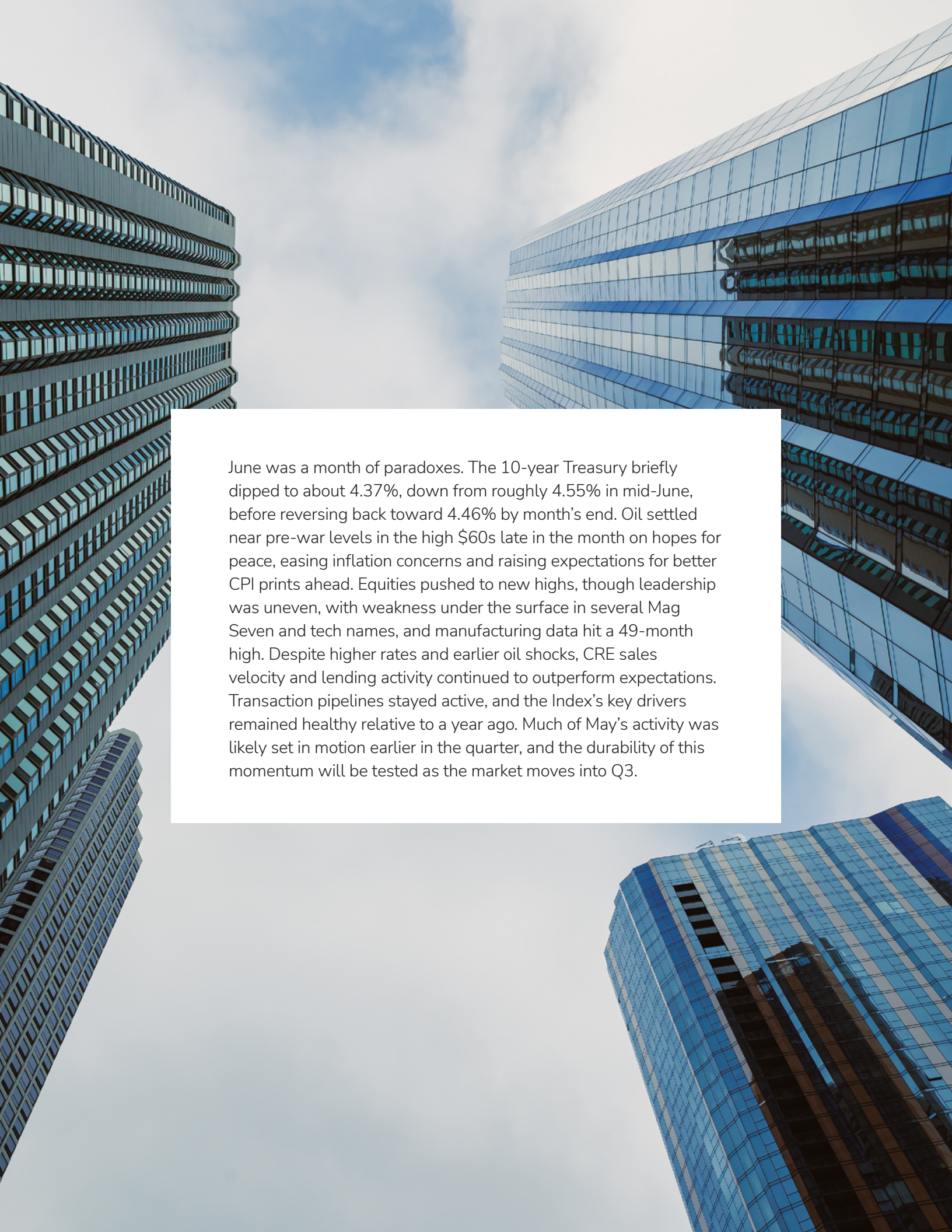
Phase I Environmental Site Assessments

Average daily Phase I ESA activity, a key indicator of underwriting ahead of transactions and loan originations, came down a slight 1%, snapping a four-month streak of consecutive increases. Activity is still 2% above year-ago levels.



Lender Appraisals

Average daily lender-driven appraisal volume declined by 20% from May, the steepest of the three components, following a strong 8% uptick in May. On a year-over-year basis, volume was down 17%. The drop tracks a month in which Treasury yields whipsawed and the Fed's new chair struck a notably hawkish tone.

A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top of the frame. The sky is a pale blue with soft, white clouds. The glass reflects the sky and each other, creating a complex pattern of light and dark blue. The perspective creates a sense of height and architectural scale.

June was a month of paradoxes. The 10-year Treasury briefly dipped to about 4.37%, down from roughly 4.55% in mid-June, before reversing back toward 4.46% by month's end. Oil settled near pre-war levels in the high \$60s late in the month on hopes for peace, easing inflation concerns and raising expectations for better CPI prints ahead. Equities pushed to new highs, though leadership was uneven, with weakness under the surface in several Mag Seven and tech names, and manufacturing data hit a 49-month high. Despite higher rates and earlier oil shocks, CRE sales velocity and lending activity continued to outperform expectations. Transaction pipelines stayed active, and the Index's key drivers remained healthy relative to a year ago. Much of May'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 Q3.

Six-Month Streak Holds, But June Breaks the Pattern

June didn't deliver a breakout, but it did deliver the Index's first across-the-board pullback of 2026. The LightBox CRE Activity Index came in at 119.9, down 7% from May's 129.3 and roughly back to March's level. The six-month run in the first half of 2026 reflects industry momentum that has been resilient but is now showing its first real crack.

Based on tens of thousands of data points across property listings, Phase I ESAs, and appraisal orders on LightBox platforms, June marked the sixth consecutive triple-digit reading, and the first month all three components moved in the same direction together. Previously, strong listings and due diligence activity had offset softer lender appraisal volume. In June, that cushion disappeared. LightBox Transaction Tracker data will be an important cross-check on whether June's dip reflects a genuine slowdown in deal-making or a temporary pause tied to the Iran conflict's escalation in late June and early July.

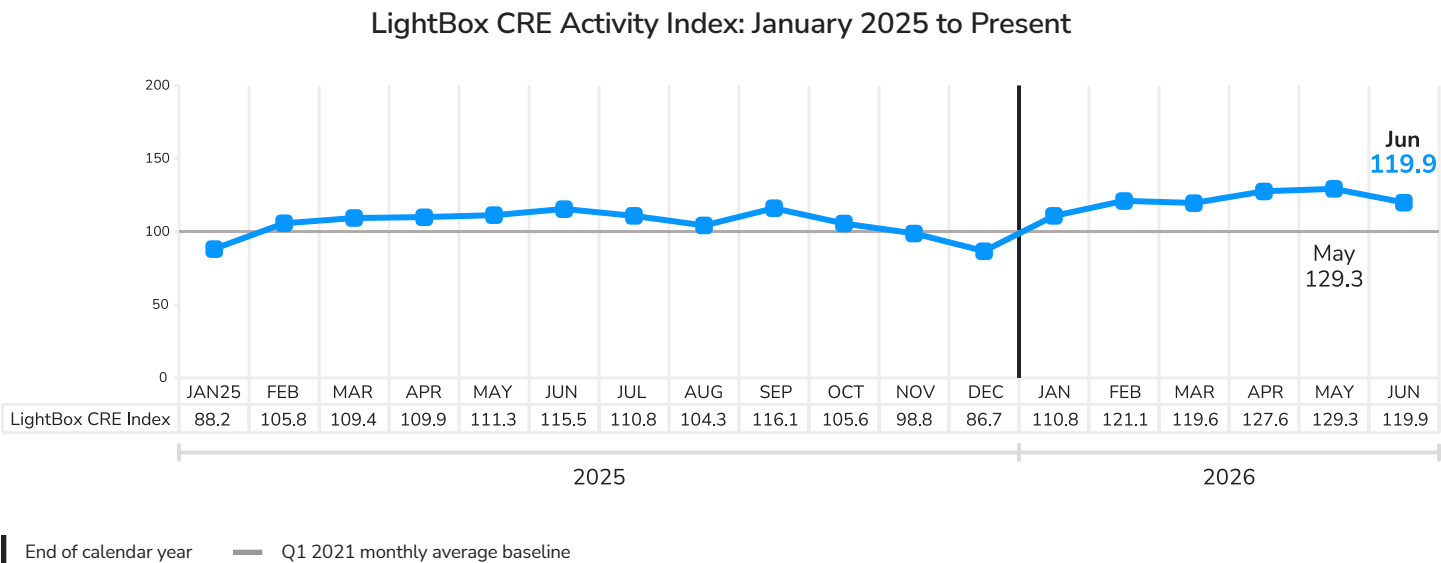


Figure 1B

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. Index values for the most recent month may be revised in subsequent publications as LightBox finalizes the input datasets.

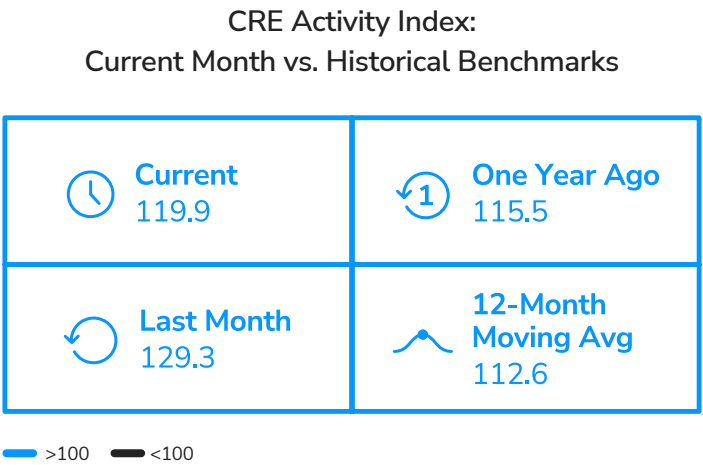


Figure 2

Economic Data Shows Modest Downshift Without Breaking

The Federal Reserve held its benchmark rate at 3.50%–3.75% at its mid-June meeting, Warsh's first as chair, keeping policy on hold for a fourth straight meeting. Treasury yields stayed choppy throughout the month, easing to roughly 4.4% by late June before climbing back above 4.5% in early July as renewed U.S.-Iran strikes reignited inflation fears and pushed oil sharply higher. The labor market cooled but stayed more stable than it looked six months ago. Gains stayed narrowly concentrated, and an unexpected 61,000-job loss in leisure and hospitality (despite World Cup crowds) was enough to drag down the national total. On the whole, the economy has averaged about 92,000 jobs per month so far in 2026, a sharp improvement from the average monthly losses of late 2025. On the inflation front, May CPI (released June 10) rose 4.2% year-over-year, the highest since 2023, driven by Iran-war-related energy costs. Fed Chair Warsh has already struck a hawkish tone, warning in early July that "prices are too high." For CRE, the takeaway is cautious stability. Softer hiring reduces pressure for additional Fed tightening, but steady job creation and sticky inflation limit the case for fast rate cuts. July's jobs report will confirm whether June's labor-force drop was a statistical fluke or the start of a more concerning trend. Over the near term, investors should expect rates to stay range-bound, with underwriting still anchored to income durability and debt costs.

Housing Data Flips the Script on Multifamily

May housing starts (released June 16) told a very different story than April's. Total starts fell 15.4% to a seasonally adjusted annual rate of 1.177 million, the lowest since May 2020. Multifamily starts, which had jumped in April, plunged roughly 40% to their weakest pace since 2009, while single-family starts slipped a more modest 1.9%. That's a reversal from the April data cited in last month's report, and it complicates the "less for-sale housing, more renters" tailwind thesis for multifamily CRE. It's worth watching whether this proves to be a one-month air pocket or the start of a broader construction pullback. The housing data told a more cautious story. Builder confidence slipped to 35 in June, showing that sentiment remains under pressure from elevated mortgage rates, affordability constraints, and construction costs. That soft-data warning showed up in the hard data as well: May housing starts fell 15.4%, while building permits dipped 0.7%, suggesting builders are pulling back on new activity even as demand remains uneven. The bright spot was the consumer, with retail sales rising 0.9% in May and 6.9% year over year, a reminder that household spending has not rolled over. For CRE, the data reinforces a split-screen economy: consumers are still spending, but builders and manufacturers are cautious. In the second half of 2026, capital will favor sectors tied to durable demand, disciplined supply, and income visibility, while rate-sensitive development and housing-adjacent activity remain exposed to affordability and cost headwinds.

CRE Lending Rebounds as Banks Step Up

The latest round of data on CRE lending pointed to a sharp rebound in the first quarter, with MBA reporting commercial and multifamily mortgage originations up 52% year over year, a trend that continued into Q2. The biggest move came from depository lenders, where lending rose 80%, helped by a wave of maturing bank-held loans and improved refinancing conditions. The rebound suggests banks are finding their footing after several difficult years, but this is not a return to easy credit. More stable pricing, higher loan coupons and greater clarity around asset values are helping lenders re-engage, especially on refinancings. At the same time, banks are competing with private credit while remaining selective on sector, sponsor, and structure. For CRE, more bank capital is encouraging, and the rebound came sooner than many expected, but discipline is still the defining theme. CRE lending enters the second half of 2026 with capital ready, but conviction conditional. Refinancing, not expansion, is setting the pace as owners work through maturity walls, interest rate uncertainty and valuation resets. Lenders will compete for clean stories, durable cash flow and strong sponsors, while weaker assets will face tougher terms or workouts.



FORECAST: Was June a Warning Shot or a Blip?

The first half of 2026 proved how quickly CRE forecasts can become obsolete: war in Iran, an oil shock, a volatile 10-year Treasury, and rising borrowing costs repeatedly forced investors to recalibrate. By mid-year, the Index fell 7% from May's high, and for the first time in 2026, listings, due diligence, and appraisals all moved lower together, albeit at different degrees. This is the market's first plausible indication that higher-for-longer borrowing costs and a re-escalating Iran conflict are starting to weigh on deal underwriting. Hopes for a peace deal that had built in late June faded quickly in early July as the conflict escalated again, undercutting the brief rally in oil and Treasury yields.

Still, it's one month. The market has absorbed shocks: six straight months above the 100 threshold, five of them above 115, and June's reading of 119.9 remains well within that range and still 4% above year-ago levels. Whether this becomes a trend or proves a temporary pause tied to the early-July flare-up will hinge largely on July's data. A cooling of the conflict, steadier equities, and a benign June CPI print due July 14 could help stabilize Treasury yields and bring appraisal activity back in line with listings and due diligence. A continuation of the current escalation, with oil and Treasury yields staying elevated, would likely pressure all three components further.

If oil settles near current levels, the 10-year moves into the low 4% range, and lenders stay active, transactions and refinancing activity could accelerate in the second half without tipping into 2022-style excess. Yet, labor-market softness, geopolitical risk, and inflation remain real caveats. Heading into Q3, the question from May's report still stands, but with more urgency: does macro pressure finally slow transaction velocity, or does CRE find a way to keep moving through the noise? July will tell us a lot more than June alone can.

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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