

LightBox CRE Activity Index

# January's Index Surges Back into Triple Digits

## A Strong Start to 2026, But Can It Last?

Historically, January delivers a strong rebound in the CRE Activity Index, and 2026 followed that pattern. The LightBox CRE Activity Index rebounded sharply, rising 28% to 110.7 from December's 86.7, snapping back from the typical year-end slowdown. The reading marked the first return to triple digits since October and came in well above 88.2 one year ago, one of the strongest showings of the past three years.

The rebound came despite mixed macro signals. January labor market data showed the level of job growth well below the pace typically associated with a strong expansion, and persistent crosscurrents in inflation data continue to cloud interest rate decisions by the Fed. Yet, with the upcoming transition in Fed Chair, markets are increasingly pricing in a more dovish Fed outlook, with potential rate relief expected later this year.

The Index, which aggregates activity across property listings, appraisals, and environmental due diligence, reflects strengthening capital deployment, improving lender participation, and rising transaction velocity. The year-over-year gain reinforces a gradual rebuilding of investor confidence as market participants recalibrate expectations for 2026 amid ongoing policy and economic uncertainty.

### Index At a Glance:

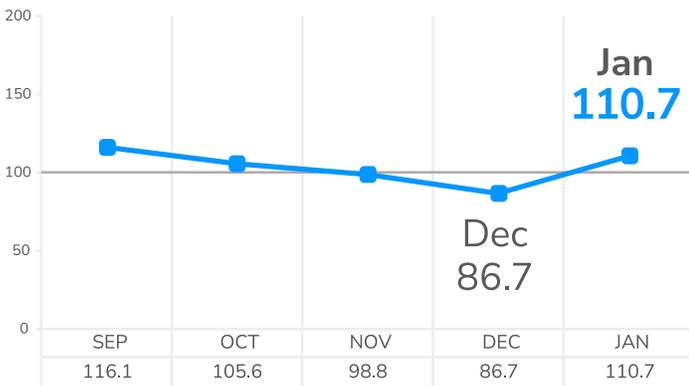


Figure 1A

See note below figure 1B

CRE lending is firming, and the latest 2026 forecasts suggest volumes could approach pre-COVID levels, depending on rates and refinancing trends. Still, late-January equity market volatility and broader economic and geopolitical uncertainty introduced caution into the outlook, tempering what was otherwise a strong start to the year.

### Three Signals Behind January's Index

**Average daily listings picked up considerably (81%)** after December's seasonal dip and landed a solid 38% above last January, as sellers put assets on the selling block, and an expanding pool of potential investors lined up to view them.

**Phase I ESA activity declined by a slight 4%** on average in December. On a year-over-year basis, however, volume was 17% higher than last January, suggesting increased transaction activity in the coming months as buyers and lenders ramp up assessments after the pricing reset that characterized 2025.

**Average appraisal activity was on a similar trajectory, down 5%** month over month but growing 40% over last January, a sign of lenders' continued willingness to underwrite new loans and support demand for refinancing as loans mature.



## January Index Reclaims Triple-Digit Momentum

Unlike last January, when post-election fiscal uncertainty dampened sentiment, December's dip reflected seasonal lulls in listings, appraisals, and environmental due diligence rather than structural weakness. January's resurgence reinforces that late-2025 deal momentum carried into the new year. While still below the historic peak of 162.2 reached in February 2022, the return to 2025's February-October triple-digit territory signals renewed transactional energy and improving capital availability. If macro conditions remain stable, the January reading suggests the market has re-established a stronger footing entering 2026.

### LightBox CRE Activity Index (January 2024 - Present)

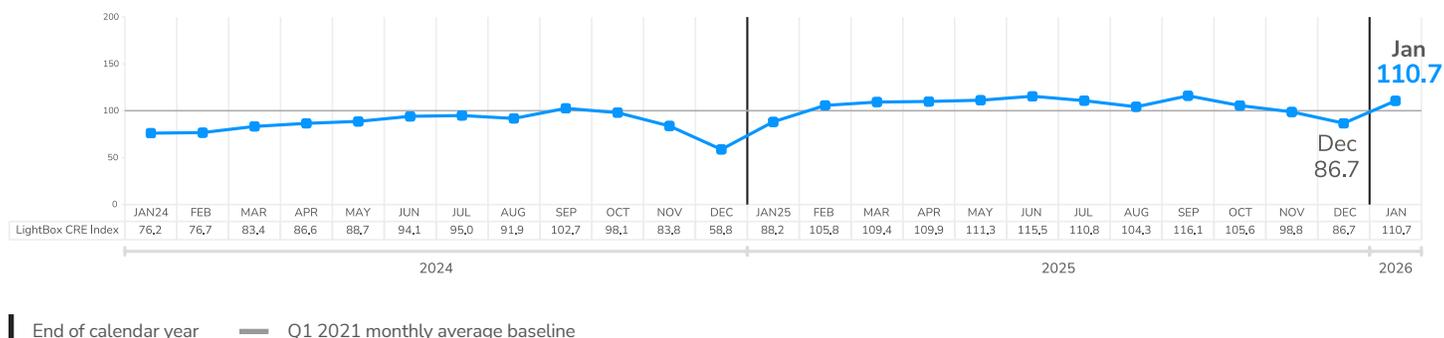


Figure 1B

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



## The Market Pulse

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



### Momentum in CRE Lending Builds

CRE lending ended 2025 on solid footing, with December confirming a steady recovery rather than a short-lived surge. Q4 bank earnings signaled resilient credit quality, active refinancing, and selective loan growth, while CMBS issuance remained near multi-year highs. The Mortgage Bankers Association forecasts a robust 20.5% increase in CRE originations and refinancings in 2026, potentially bringing volumes close to pre-COVID levels. Despite concerns over loan maturities collapsing the lending sector, refinancing activity has exceeded expectations with payoffs at maturity higher than expected. Banks are cautiously re-engaging, multifamily lending caps at Fannie Mae and Freddie Mac have expanded capacity, and rising property listings point to renewed capital deployment, supporting a constructive lending outlook for 2026.



### Selective Capital in a Differentiated Market

Construction is pulling back across most property types due to higher rates, labor shortages, and material costs. Data centers are the clear exception, where spending is projected to rise 23% as AI-driven demand overwhelms supply constraints. Investment activity, however, is strengthening across the major food groups. CBRE is forecasting a 16% increase in transaction volume this year, supported by tighter cap rates, returning liquidity, and abundant dry powder. Returns will be income-driven, with disciplined underwriting critical. Office and retail are stabilizing, particularly prime assets and grocery-anchored centers. Industrial and multifamily are working through supply imbalances but remain favored sectors. Healthcare and data centers are benefitting from powerful demographic and AI tailwinds. Across asset classes, constrained new supply is creating selective value-add opportunities, while capital flows toward modern, high-quality assets in growth markets.



### Institutional Capital Holds the Line in January

LightBox Transaction Tracker data shows deal flow remained robust following December's year-end surge. After 199 transactions above \$50 million closed in December, January recorded 145 such deals totaling \$24.1 billion. Overall, 1,163 properties traded for \$24.1 billion, compared to 1,334 deals totaling \$32.9 billion in December. Importantly, 49 nine-digit transactions and 96 deals between \$50 million and \$100 million underscore continued institutional engagement across asset classes.



## Outlook for 2026: Building on a Stable Foundation

January's strong rebound reflects both a renewed willingness to deploy capital into U.S. CRE and a market steadily working through the ongoing drumbeat of maturing loans. Large institutional investors demonstrated increased conviction, with 49 transactions exceeding \$100 million. Still, broader economic volatility continues to keep some investors and lenders cautious.

Concerns are building around private equity firms potentially facing losses in corporate lending portfolios. If those stresses were to spill into broader credit markets and prompt banks to pull back, lending momentum could stall. On the other hand, if CRE is increasingly viewed as a relative safe haven and the 10-year Treasury yield drifts below 4%, that would provide a meaningful tailwind that improves refinancing math, supports property values, and boosts sales velocity.

### **CRE remains a nuanced, highly differentiated market.**

Opportunities and expected losses vary widely by MSA and property type, reinforcing the need for rigorous data analysis and local market insight. As fundamentals rebalance and financing conditions gradually improve, leasing and sales activity are gaining traction, supported by narrowing bid-ask spreads and clearer pricing floors.

Importantly, LightBox metrics indicate bidding pools are getting deeper across product types, and the composition of buyers is becoming more diversified than in recent years. That growing competition is increasing pressure on pricing, even as market participants maintain underwriting discipline coming out of the down cycle.

Despite softer labor data and uneven inflation signals, listings, appraisals, and environmental due diligence activity continue to show steady forward movement. Properties are coming to market at a healthy pace, and underwriting-related demand remains firm.

While a sharp surge in transaction volume or aggressive repricing appears unlikely, the market is positioned for measured, incremental improvement building on the foundation laid in 2025. The February Index will offer an early indication of whether Q1 momentum can persist amid potentially choppy macro conditions.



## 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](http://www.LightBoxRE.com)

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