April 2025 LightBox CRE Activity Index

April's Index Surpasses 100 in First Read of a Post-Tariff Market

In the first clear signal of CRE velocity following the sweeping Trump tariff announcements, the LightBox CRE Activity Index rose to 109 in April, up slightly from 107.9 in March. That marks the second consecutive triple-digit reading and the highest level since June 2022—up 1% month-over-month and 26% year-over-year.

That strength comes despite mounting headwinds: GDP contracted, consumer confidence slipped, and lenders grew more cautious in the wake of early-April volatility. In response, stocks see-sawed, and many in the CRE world braced for a slowdown. But so far, the data behind the Index isn't showing signs of contagion in deal flow.

Behind the three-pronged Index is a reassuring trend of brokers continuing to list commercial properties for sale and lenders actively seeking the environmental due diligence and appraisals that precede loan originations, refinancing, and transactions.

While the Index's upward trajectory is encouraging, the slower pace of month-over-month growth compared to the prior three months underscores a noticeable shift in tone.

Activity is continuing, but the tempo has changed. Phase I environmental site assessments (ESAs) and appraisals—critical precursors to deals—continue to move forward, and a growing universe of properties is entering the market. Collectively, this offers evidence that CRE investment and lending activity did not grind to a halt or decline in any measurable way in April.

It's worth noting that the investment, lending, and environmental due diligence activity collectively reflected in the Index may well have been momentum that was already in progress prior to April, but at least for now, the Index offers reassurance that the CRE market is not flinching measurably despite the mix of hard and soft data pointing to an inflection point. The Index offers evidence that headline sentiment appears to be more negative than the in-the-trenches activity would suggest. May's data will be pivotal in confirming whether this is a temporary breather or the start of a more sustained slowdown. For now, the fundamentals suggest a CRE market that continues to advance—even if more risk-aware.

April Marks Highest Index in Nearly Three Years

April's index reading at 109 was a welcome sign of relief that the strong momentum in dealmaking of 2025 continues across buyer types, asset classes, and geographies. More notable, however, is that the monthly pace of growth is decelerating. April's index, drawn from more than 30,000 data points from property listings, Phase I ESAs, and appraisal orders across LightBox platforms, increased by a modest 1% over March's Index. This signals a slower pace of month-over-month growth in April compared to 8% and 15% growth in March and February, respectively. Year-over-year, the Index increased by a much stronger 26% given the larger universe of properties listed for sale and a more willing mix of buyers and lenders chasing opportunities. While underwriting demand continues, there are early signs of deal flow slowing down, not necessarily from a lack of interest but due to growing caution in the lending and investment sectors. This caution was reflected in the [Q1 earnings reports from big banks] like JPMorgan Chase and Wells Fargo as well as in the latest Federal Reserve Beige Book. The market is proceeding—but more carefully than earlier in the year.

Breaking Down the April Index

Individually, the daily average volume of each of the three metrics that form the foundation of the Index shed light on April's CRE activity:

Average commercial property listings increased 3% from March but a more significant 48% year-over-year when the wide gap between sellers' and buyers' expectations thwarted dealmaking.

Phase I ESAs (typically conducted prior to major CRE loans or transactions) were flat in April but 12% higher than one year ago, in what could be an early sign of slower transactions, given that environmental due diligence is typically the last stage of underwriting conducted prior to a deal closing.

Lender-driven commercial appraisal awards climbed 6% from March and 5% year-over-year, signs of a still-engaged debt capital market addressing stronger demand for borrowed capital as well as the need to refinance maturing property loans.

LightBox CRE Activity Index (January 2022 - Present)

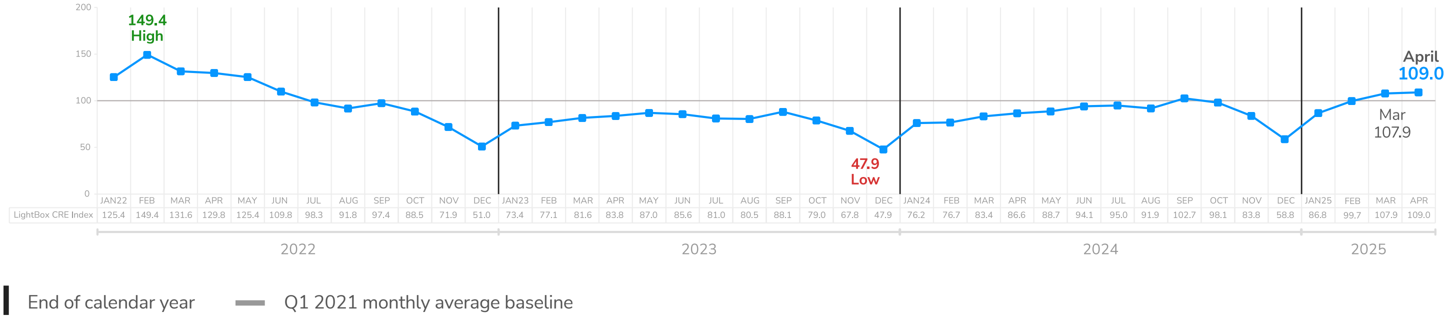


Figure 1

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) to give market watchers a pre-slowdown basis of comparison. The index is normalized to account for variations in the number of business days per month. Beginning in March 2025, the CRE Activity Index expanded the universe of LightBox's property listings to include Revere CRE's monthly volume of property listings. The historical CRE Activity Index has been normalized to consistently include historical and current listings across LightBox platforms.

April 2025: Current Month vs. Historical Benchmarks

	Current Month	Previous Month	Corresponding Month of Prior Year	12-Month Moving Average	Historic Low*	Historic High*
Overall Index	109.0	107.9	86.6	93.0	47.9 (Dec. '23)	149.4 (Feb. '22)

Figure 2

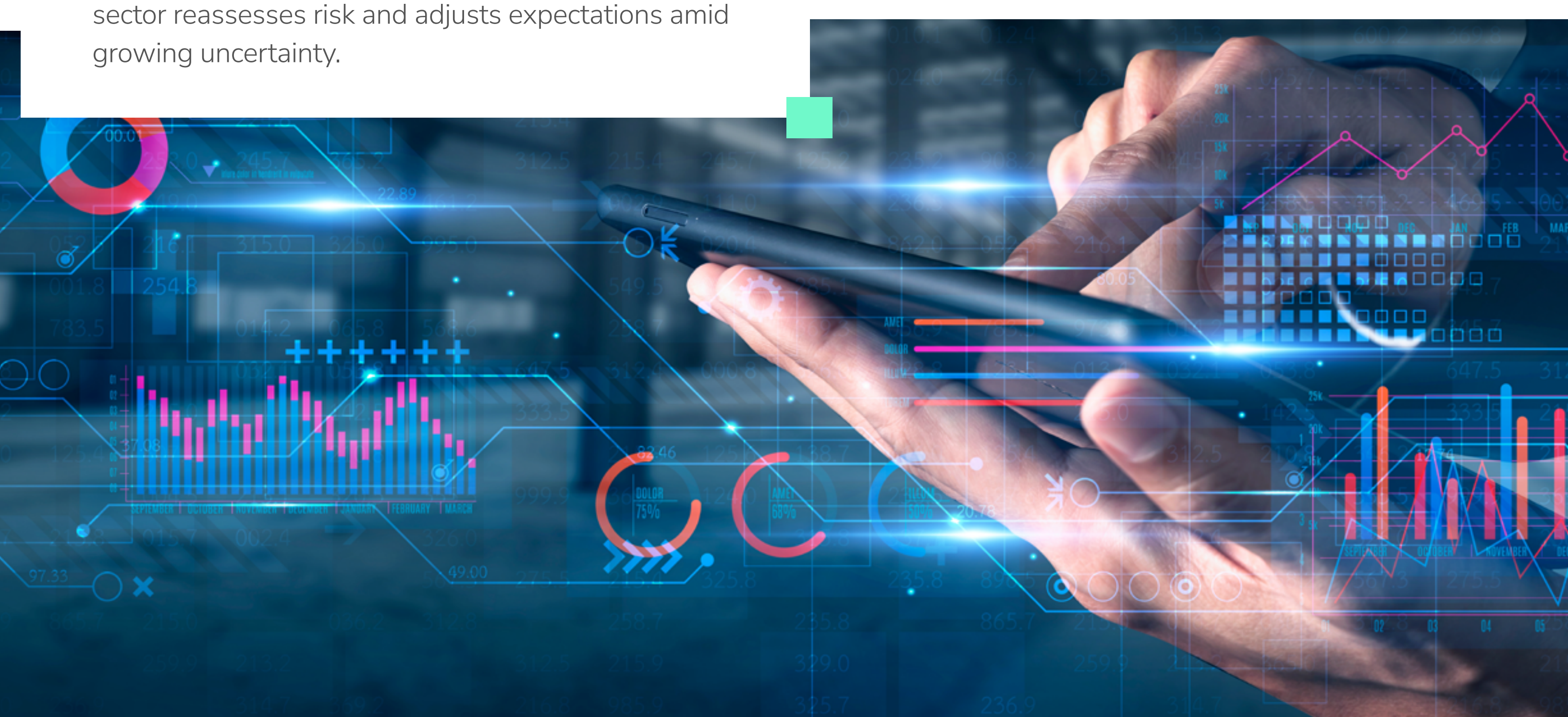
NOTE: The historic low and historic high are based on the timeframe from Q1 2021's monthly average, which serves as the baseline for the index.

Cooling Economy Erodes Once-Strong Sentiment as Hard Data Catches Up to Softer Metrics

April 2025 marked a clear shift in the market narrative, as hard data confirmed what market sentiment had already been signaling: the U.S. economy is slowing. The late April report showed that GDP contracted by 0.3% in Q1—the first decline in three years—driven by a pre-tariff import surge and escalating policy uncertainty. In housing, steep tariffs on materials, rising mortgage rates, and weakening demand triggered double-digit declines in both starts and home sales. Inflation cooled, with the PCE index at 2.3%, but job growth decelerated to 177,000 and federal employment fell, signaling early effects of budget cuts and broader recalibration. Soft data reinforced the message: Consumer confidence dropped for a fifth straight month to 86.0—its lowest since the pandemic—and CREFC's Sentiment Index plunged 30.5%, its second-largest drop on record. Together, the data underscores a market in transition, as the CRE sector reassesses risk and adjusts expectations amid growing uncertainty.

CRE Participants Assume Defensive Stance

As the tariff wars heated up and the outlook became notably less certain, the CRE investment and lending landscape showed a discernible shift to a more cautious stance in April. Investors and lenders are recalibrating expectations in a less certain economic climate, and more carefully balancing risk and opportunity. Some may be retreating to the sidelines while others are still actively looking for opportunity. This new dynamic suggests that CRE activity is not necessarily weakening in a measurable way, but that participants are addressing risk more cautiously than in the past few months. Against a backdrop of growing macroeconomic uncertainty and volatility, capital is still being deployed, particularly for distressed assets entering the market and strategic refinancing of the growing swell of maturing loans continues.



Investors Remain Active, Though More Selective, as New Capital Enters the Market

LightBox continues to track an active CRE dealmaking climate, driven by a still-broadening base of investors—including new entrants—seeking return opportunities in a shifting landscape. These buyers are active but more discerning, targeting both distressed assets requiring resolution and stabilized properties priced above prior benchmarks. Capital chasing opportunistic acquisitions of distressed assets continues to climb. Brookfield Asset Management, for instance, has already invested approximately 25% of a $5.9 billion fund established in Q1 to capitalize on distressed commercial properties and troubled loans. In the latest sign of growing caution on the part of CRE lenders, loan modifications soared to $39.3 billion over $21.1 billion a year prior, in the largest spike since May 2024. This rise in “extend and pretend” strategies is a strong sign that lenders and borrowers are collaborating on extending maturities rather than forcing resolutions.

Interest Rates:
In the wake of the Q1 GDP contraction and slowing inflation data, expectations for Federal Reserve rate cuts have solidified. Markets now anticipate two rate cuts in 2025, likely beginning in late summer or early fall. Any further signs of economic weakness could accelerate the timeline. Lower rates would ease financing costs and could provide a tailwind for CRE investment activity in the second half of 2025.

Caution Persists:
Capital is returning to the market, but risk sensitivity remains high. Investor focus is concentrated in sectors with durable fundamentals—industrial, multifamily, data centers, and select retail—though performance varies widely by region and sub-asset class. Some participants are adopting a “wait-and-see” approach as policy and pricing visibility remain limited while others are forging ahead as pricing stabilizes and more property listings go on the selling block.

Investment Climate:
Institutional capital and private equity firms remain active, drawn by expanding ROI potential and a growing inventory of properties coming to market. As new construction starts slow, particularly in residential and office segments, competition is intensifying for well-located, income-producing assets, especially in supply-constrained metros. Strategic investors are positioning now for future upside.

FORECAST: All Eyes on May as the CRE Momentum Faces Its First Real Test

Although April’s CRE Activity Index was the highest in nearly three years, the slower pace of month-over-month growth compared to the first three months of the year could well be the early signs of a market pause triggered by the cloudy economic forecast as tariffs take effect. Despite still-unsettled broader financial markets and wild swings in the 10-year Treasury, the Index continued to track the increased movement of commercial property assets into the market. Given the modest 1% month-over-month growth in April, May’s Index will be very telling in terms of whether the current trajectory of momentum to date in 2025 holds or begins to soften—in an early sign of a slowdown.

Uncertainty around trade policy will continue to be top of mind in May, and the market situation is extremely fluid. As the past few months have demonstrated, things can change very quickly. In response to the whipsaw developments in tariff policies, slower economic growth scenarios are becoming the new consensus among forecasters as the odds of a mild recession rise. Much remains unclear, the greatest of which is the length that tariffs will be in effect and at what level, particularly for China.

The good news is that, despite growing uncertainty and signs of economic cooling, the CRE market continues to show resilience—and in some sectors, strength. Deals are getting done, loans are being underwritten, and refinancings are moving forward. CMBS issuance is gaining momentum, insurers are returning to the lending table, and big-ticket deals across asset classes and geographies are still closing coast to coast.

"We're now four weeks into the new tariff era," said Manus Clancy, head of Data Strategy at LightBox. *"The longer the CRE wheels stay on, the more likely that confidence will return to the market. That renewed confidence could translate into tighter spreads, more active lending, and a gradual return to normalcy."*

Far from retreating, the market is recalibrating—proceeding with more discipline, not less activity. Momentum is holding, even if cautiously, and capital is still flowing. Looking ahead, watch for shifts in the volume of properties listed for sale or a retreat by willing buyers and lenders as signs of cracks in CRE. For now, CRE remains a surprisingly steady harbor in choppy economic waters.

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

At LightBox, we are at the forefront of delivering advanced and precise solutions for commercial real estate intelligence. Our dedication to innovation propels real estate professionals forward by providing them with the essential tools required to navigate complex decisions, minimize risk, and boost productivity across the spectrum of real estate operations. LightBox is renowned for its commitment to promoting excellence and fostering connections in the industry, serving an extensive clientele of over 30,000 customers. Our diverse client base spans commercial and government sectors, including but not limited to brokers, developers, investors, lenders, insurers, technologists, environmental advisors, appraisers, and other businesses that depend on geospatial information. To discover more about how LightBox can illuminate the path to informed real estate solutions, visit us at: **www.LightBoxRE.com**

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