August CRE Activity Index

LightBox CRE Activity Index: August Rally Breaks a Two-Month Slide

After two consecutive monthly declines, the LightBox CRE Activity Index turned higher in August, rising to 116.5 from 113.4 in July and 112.6 in June. The Index also remained comfortably above its 104.3 reading from a year earlier, offering an encouraging sign that the summer slowdown did not deepen into a broader pullback.

The improvement was not uniform, however. Average daily commercial property listings jumped 20% from July, reversing three straight months of decline, while Phase I environmental site assessment activity increased 3% and ran 5% above year-earlier levels. Both measures point to renewed engagement at the front end of the transaction pipeline as buyers and sellers return from the summer lull and begin looking toward year-end activity. LightBox Transaction Tracker data added another positive signal: nearly 1,800 transactions closed in August, 6% more than in July.

Lender-driven appraisal activity told a different story, falling 29% from July's 2026 high-water mark. Because appraisal orders are more directly connected to financing and refinancing activity, that divergence suggests the recovery remains uneven. More properties may be entering the pipeline, but financing conditions still have the potential to slow how quickly opportunities advance from listing to underwriting to closing.

Index at a Glance:

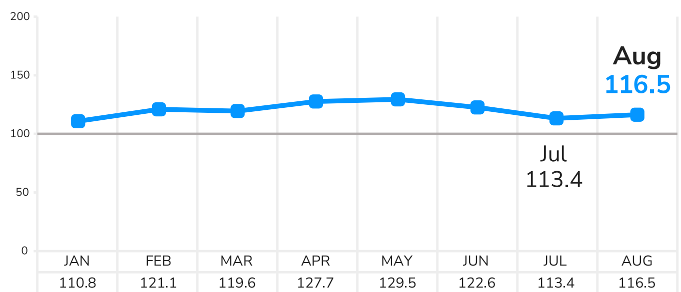


Figure 1A

See note below figure 1B

Three Signals Behind August's Index

Commercial Property Listings: The Leading Indicator

Average daily listings reversed three straight months of decline, rising 20% from July. As the earliest-stage signal in the transaction pipeline, listings typically move first, with environmental due diligence and appraisal activity following as properties progress toward a sale. The August increase suggests sellers are re-engaging as year-end dealmaking comes into focus.

Phase I Environmental Site Assessments: Confirming the Pipeline

Phase I ESA activity rose 3% in August after two months of slight and ran 5% above year-earlier levels. Activity continues to reflect demand from acquisitions, originations, refinancings and distressed transactions. The increase is consistent with a pipeline beginning to rebuild behind the rise in listings.

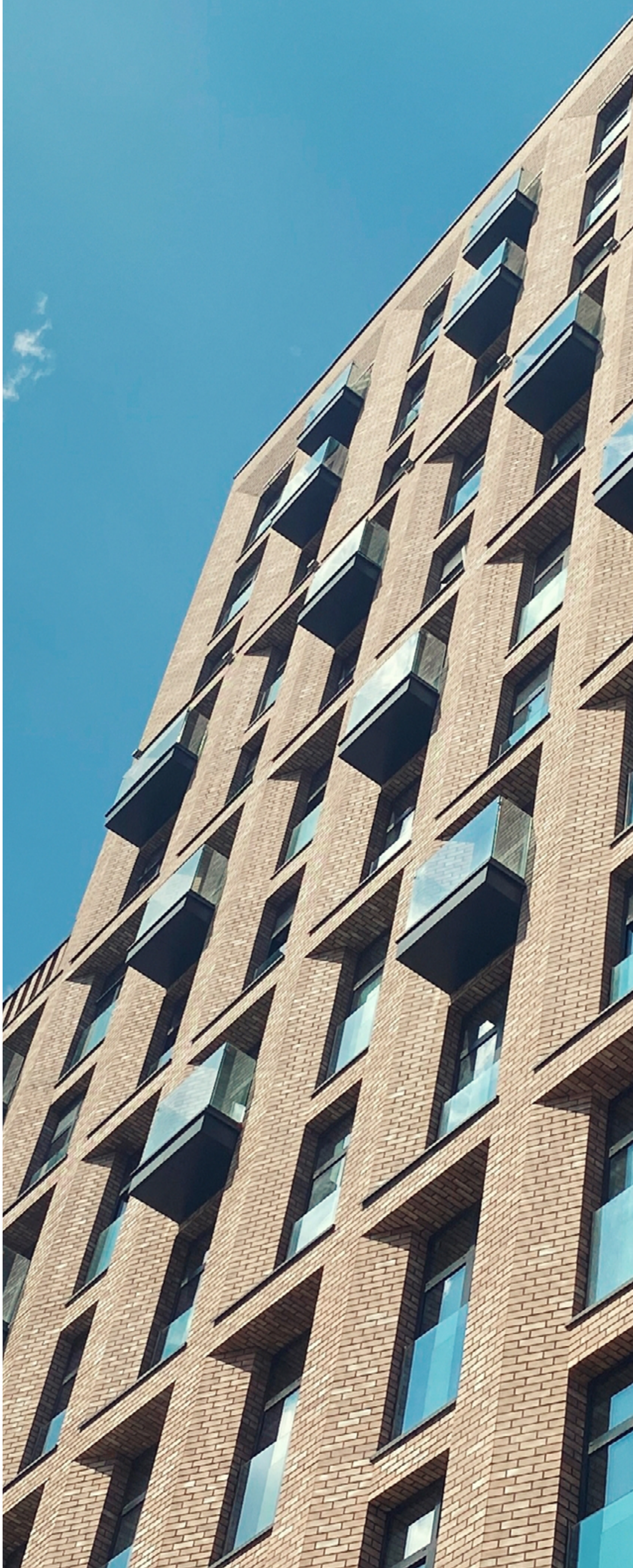
Lender Appraisals: The Outlier

Appraisal volume fell 29% from July's 2026 high, returning to levels closer to early 2026. That divergence matters because appraisal activity is the Index component most directly tied to lending and refinancing. Rising listings and Phase I activity suggest more deals are entering the pipeline, while weaker appraisals indicate financing conditions may still limit how quickly they advance.

That distinction is especially important heading into the fall. The broader CRE market continues to show meaningful activity: major transactions are closing, lenders remain active, and institutional and opportunistic investors are still deploying capital where pricing, fundamentals and structure support the risk. At the same time, the market remains highly selective. Multifamily, industrial, retail and data-center-related investments continue to attract capital, while challenged assets require a much clearer value-creation thesis.

The August reading therefore looks less like the start of a broad-based acceleration than a re-engagement after the summer slowdown. Listings and due diligence are moving in the right direction, transaction volume remains healthy, and prospective buyers continue to review opportunities with intent. The next test is whether that early-stage momentum can move deeper into the transaction pipeline as the traditional fall dealmaking season begins.

September has historically provided a seasonal lift as market participants refocus on transactions they hope to close before year-end. This year, that tailwind is colliding with a more demanding capital-markets backdrop. The September Index will help show whether renewed buyer and seller engagement is strong enough to overcome that friction or whether the recovery remains concentrated at the front end of the deal pipeline.

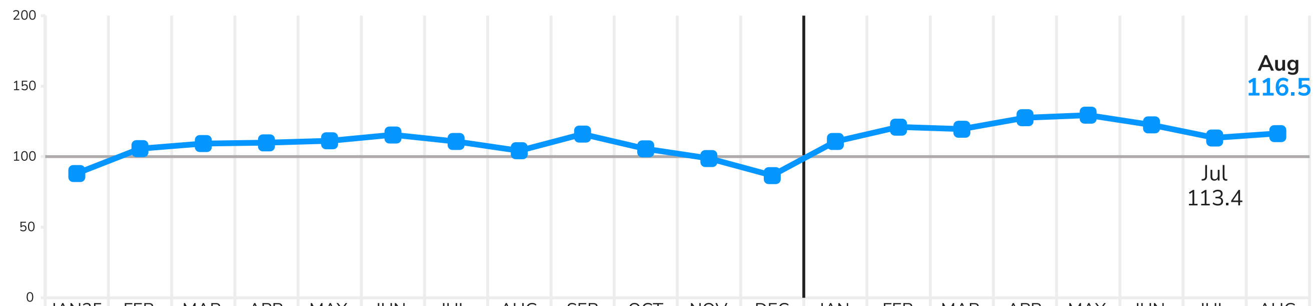


CRE Momentum Rebounds, but Recovery Remains Uneven

On a broader timeframe, the Index climbed from 121.1 back in February to a 2026 high of 129.4 in May before easing through June and July. August's 116.5 reading remains below the spring peak but comfortably above last August's 104.3. That pattern reinforces an important theme for 2026: CRE activity is advancing unevenly rather than in a straight line. Transaction volumes remain healthy, but individual markets, property types and financing situations continue to perform very differently.

The September reading will offer an important test of whether the typical post-summer pickup is taking hold and whether August's improvement in listings and environmental due diligence translates into greater activity deeper in the transaction pipeline.

LightBox CRE Activity Index: January 2025 to Present



	JAN25	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
LightBox CRE Index	88.2	105.8	109.4	109.9	111.3	115.5	110.8	104.3	116.1	105.6	98.8	86.7	110.8	121.1	119.6	127.7	129.5	122.6	113.4	116.5

2025 2026

End of calendar year — Q1 2021 monthly average baseline

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.

CRE Activity Index: Current Month vs. Historical Benchmarks

Current 116.5	One Year Ago 104.3
Last Month 113.4	12-Month Moving Avg 114.0

>100 <100

Figure 2

Market Pulse

Macro Data Points to Slower Growth, Not a Broader Breakdown

August's signals were mixed but not recessionary. Consumer confidence weakened as households grew more concerned about inflation and gasoline prices, while payrolls rose 162,000 and unemployment held at 4.1%. Construction remains uneven: multifamily development is slowing under higher financing and building costs, while data centers and other large projects continue to support nonresidential activity. For CRE, the message is slower, more selective growth, not a collapse in demand.

Investors Still Actively Seeking ROI

LightBox Transaction Tracker data show that investment capital is not abandoning CRE; it is concentrating around assets with durable income, strong occupancy and identifiable upside. Institutional and private-equity buyers remain active in multifamily, industrial, retail and data-center-related investments, while opportunistic capital is targeting repriced office and multifamily assets where the basis better reflects today's risk. August reinforced that investors are willing to transact, but increasingly demand strong fundamentals and a defensible path to returns.

CRE Lending Active Across Sectors

The Fed's Beige Book showed stable-to-rising loan demand across many districts, including growth in CRE lending, while competition among banks, life companies, CMBS lenders and private credit continues to support capital availability. The bigger constraint today is whether deals can support the cost of debt, not whether lenders will show up. LightBox nondisclosure-agreement activity offers another encouraging signal: prospective buyers continue to review listings with intent, suggesting uncertainty has not driven them to the sidelines.

FORECAST: Will Q4 Reveal a Year-End Push?

August improved the setup for fall, and seasonality is working in CRE's favor. September has historically brought a pickup in activity as the summer slowdown fades and buyers and sellers turn their attention toward year-end closings.

The complication is the cost of capital. The 10-year Treasury has moved above the psychologically important 5% threshold, while the Fed's 25-basis-point increase, its first hike since 2023, marked a sharp reversal from expectations earlier this year that policy easing was ahead. Combined with oil above $100 and continued geopolitical uncertainty, those forces raise the hurdle for transactions heading into Q4.

For debt-reliant buyers, higher financing costs can widen bid-ask spreads and slow price discovery. Well-capitalized institutional investors, however, may find opportunity in that dislocation, particularly through larger portfolio or entity-level transactions.

The Index reflects that tension. Listings and Phase I ESA activity increased in August, signaling renewed engagement at the front end of the pipeline, while weaker appraisal volume highlights continued financing friction farther along.

For now, the most likely path is continued uneven activity rather than a sharp reversal. If oil prices ease and geopolitical tensions calm, the seasonal pickup could strengthen. But with borrowing costs elevated, the bar for converting increased listings and due diligence into closed transactions is higher. Whether CRE delivers its traditional year-end push will depend less on whether interest exists (given that August data suggests it does), and more on whether buyers, sellers and lenders can make the numbers work.

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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