

July CRE Activity Index

LightBox CRE Activity Index Slips Again as Uncertainty Takes Toll

The LightBox CRE Activity Index declined for a second consecutive month in July, falling to 110.7 from 122.5 in June and down 14% from May's 2026 high of 129.4. The pullback is meaningful, but it does not yet point to a broad market breakdown. July's reading was nearly identical to the 110.8 recorded one year ago and remained firmly above the Index baseline of 100. In effect, the market has given back the momentum built earlier this year rather than slipping into outright contraction.

Seasonality may also be contributing to the decline. Over the past four years, the Index has fallen an average of about 5% from June to July, so this year's roughly 9% pullback is sharper than usual but not entirely out of pattern. It may prove to be a seasonal lull amplified by an unusually uncertain backdrop, or an early sign of more persistent softness. The next few months should help distinguish between the two.

The three Index components also told a mixed story. Phase I environmental due diligence activity declined modestly for a second straight month, while property listings fell for a third consecutive month. Lender-driven appraisals, however, rebounded 14% in July after dropping 20% in June, suggesting financing activity remains more resilient than the headline Index might imply.

Index at a Glance:

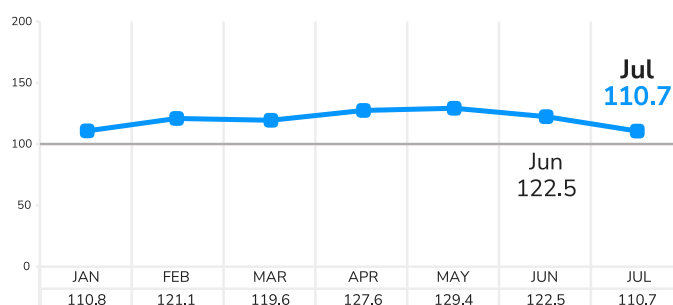


Figure 1A

See note below figure 1B

Three Signals Behind July's Index



Commercial Listings

Average daily listings slipped 20% from June, marking a third consecutive monthly decline since reaching a 2026 peak in April. Activity was roughly even with one year ago. The pullback suggests some hesitation among sellers as volatility has increased, though stabilized pricing and the need to resolve distressed situations continue to bring assets to market.



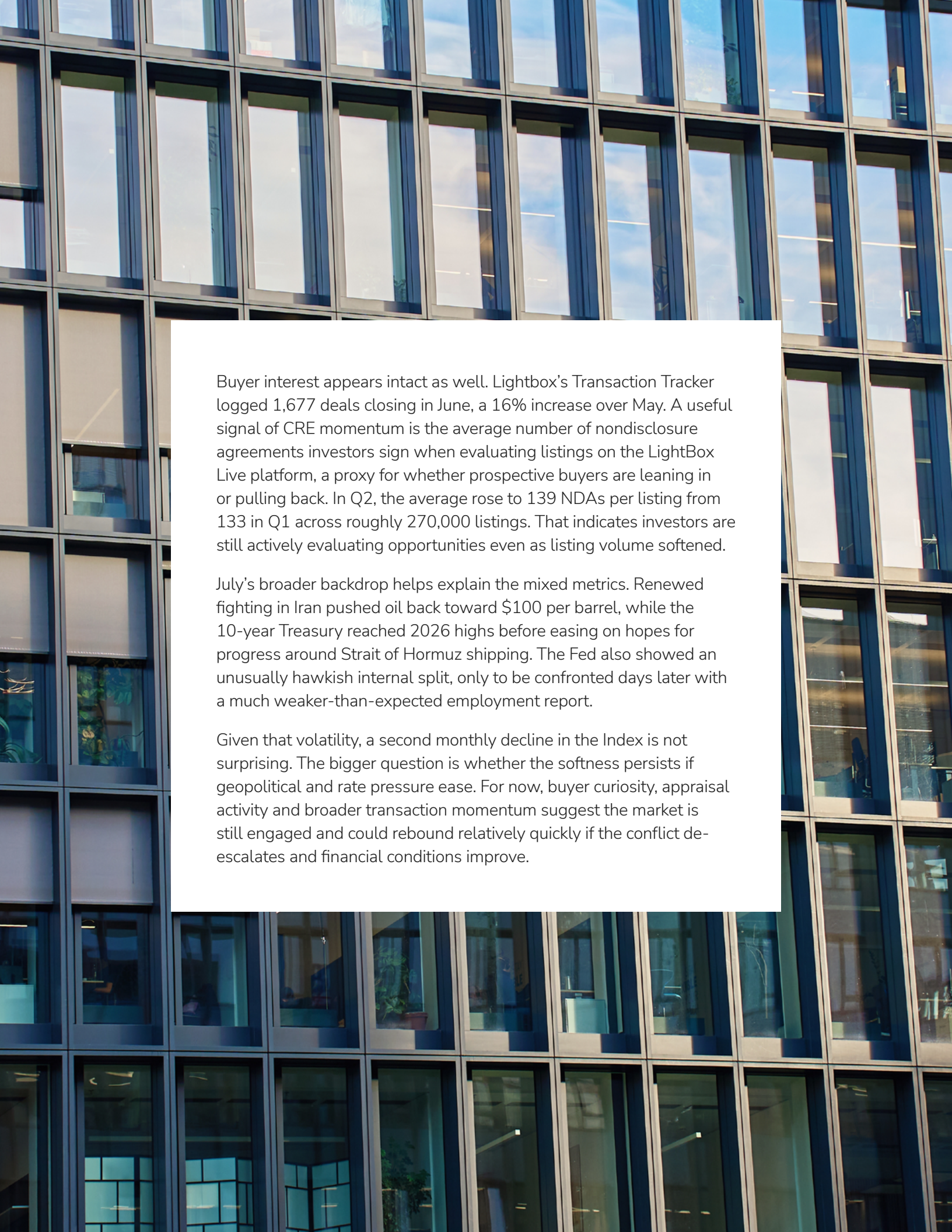
Phase I Environmental Site Assessments

Average daily Phase I ESA activity declined 6% from June, its second consecutive modest monthly decrease. Activity nevertheless remained 3% above year-ago levels, suggesting that environmental due diligence tied to transactions, refinancing and redevelopment remains active despite a more cautious market.



Lender Appraisals

Lender-driven appraisal volume rose 14% in July, reversing much of June's 20% decline. The rebound is notable because it occurred while Treasury yields remained near their highest levels of the year. Strong Q2 bank earnings, including record profits at several major institutions, may be helping support lender confidence and willingness to deploy debt capital even as borrowing costs remain elevated.



Buyer interest appears intact as well. Lightbox's Transaction Tracker logged 1,677 deals closing in June, a 16% increase over May. A useful signal of CRE momentum is the average number of nondisclosure agreements investors sign when evaluating listings on the LightBox Live platform, a proxy for whether prospective buyers are leaning in or pulling back. In Q2, the average rose to 139 NDAs per listing from 133 in Q1 across roughly 270,000 listings. That indicates investors are still actively evaluating opportunities even as listing volume softened.

July's broader backdrop helps explain the mixed metrics. Renewed fighting in Iran pushed oil back toward \$100 per barrel, while the 10-year Treasury reached 2026 highs before easing on hopes for progress around Strait of Hormuz shipping. The Fed also showed an unusually hawkish internal split, only to be confronted days later with a much weaker-than-expected employment report.

Given that volatility, a second monthly decline in the Index is not surprising. The bigger question is whether the softness persists if geopolitical and rate pressure ease. For now, buyer curiosity, appraisal activity and broader transaction momentum suggest the market is still engaged and could rebound relatively quickly if the conflict de-escalates and financial conditions improve.

Seven Months In: 2026's Momentum Pauses

Viewed across the full year, July marks the second leg of a two-month retreat following a strong opening stretch for CRE. The Index climbed from 121.1 in February to 129.4 in May before reversing in June and July. At 110.7, it has now returned close to where it stood a year ago. That makes the recent decline look more like a reset from an unusually strong spring than evidence of a market falling sharply below normal activity.

The Index draws on tens of thousands of data points across property listings, Phase I ESAs and lender appraisal orders on LightBox platforms. This year's pattern reinforces that CRE activity rarely moves in a straight line, particularly in an environment where oil prices, Treasury yields, geopolitical risk and Fed expectations are shifting so rapidly. August will provide an important test of whether activity stabilizes near current levels or the summer slowdown extends into the third quarter.

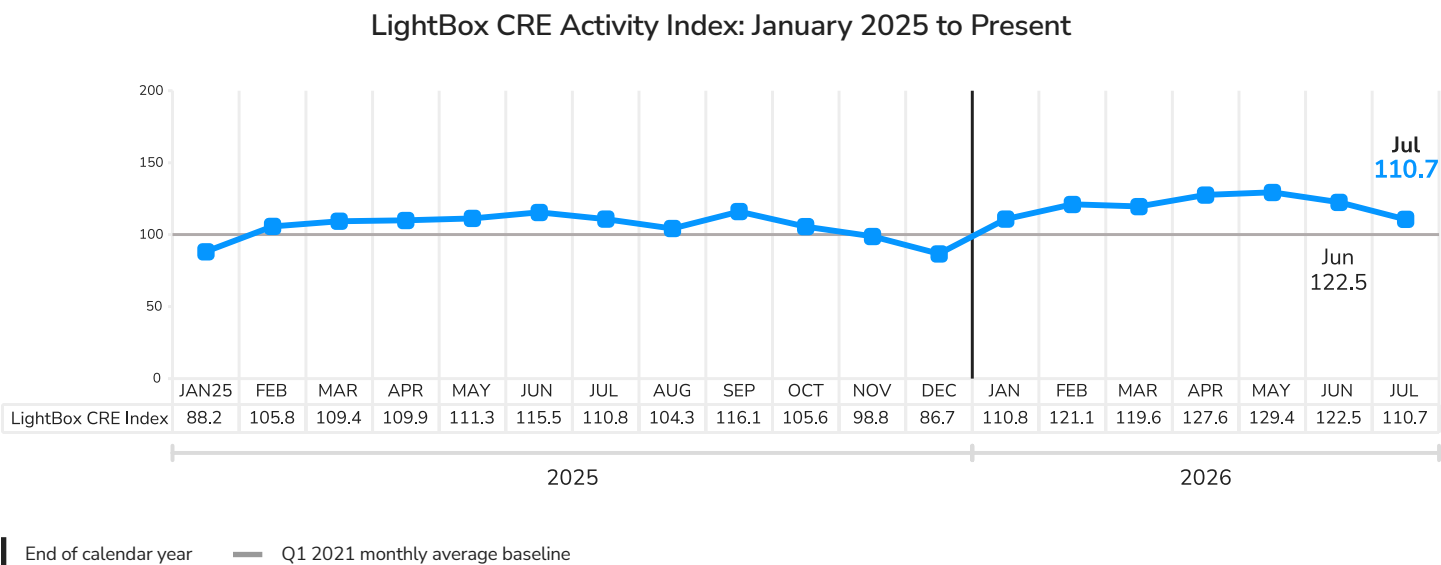


Figure 1B

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.

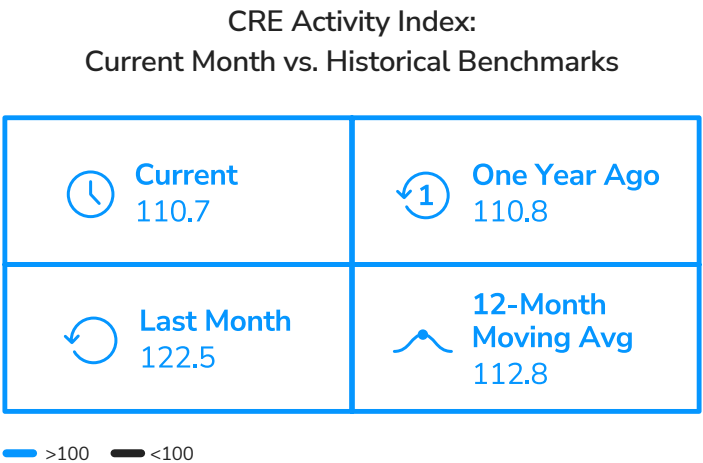


Figure 2



Market Pulse

Mixed Signals Keep Markets Guessing

The Federal Reserve held its benchmark rate at 3.50%–3.75% again at its July 29 meeting, but the vote drew more attention than the decision itself. Three officials favored an immediate quarter-point hike, the strongest same-direction dissent in nearly a decade. Treasury yields reflected that uncertainty. The 10-year reached roughly 4.70%–4.73% in late July before easing toward 4.63% as hopes grew for a Strait of Hormuz shipping agreement. The message for CRE is straightforward: even with the Fed holding steady, financial conditions remain restrictive because long-term borrowing costs are elevated and highly sensitive to geopolitical developments.

Late-July Jobs Report Throws Fed a Curve Ball

The labor market delivered a much softer message. Job openings eased to 7.4 million in June from 7.5 million in May, but July's employment report was the bigger surprise. Payrolls unexpectedly fell by 23,000, compared with expectations for an 83,000 increase, while May and June job growth was revised down by a combined 103,000. The unemployment rate edged down to 4.1%, but the decline reflected in part a shrinking labor force rather than stronger hiring. Inflation provided a somewhat more encouraging signal. June headline CPI eased to 3.5% year over year from 4.2% in May, while core CPI held at 2.6%. Some of that relief, however, reflected lower energy prices during an earlier lull in Middle East tensions, a tailwind that may prove temporary.

What of the Interest Rate Path?

The weak jobs report materially complicated the outlook for the Fed. A labor market losing momentum makes another rate hike harder to justify, even as elevated inflation and energy prices keep tightening on the table. The result is a policy debate that has shifted from relatively straightforward to highly data-dependent. For CRE, that means continued rate volatility and cautious underwriting. The next round of jobs and inflation data, combined with the direction of the Iran conflict, will matter as much as any Fed rhetoric in determining where borrowing costs go next.

FORECAST: CRE is Absorbing the Shocks, A Resolution Could Unleash a Q4 Rebound

Last month, the question was whether June's decline was a temporary pause. July's second consecutive drop shows that uncertainty is having a more persistent effect. But the decline should be viewed in context. The Index has fallen sharply from its May high, yet the broader CRE market continues to function. Transaction activity remains active, banks are lending, major deals are closing and leasing fundamentals remain constructive in several important sectors. Industrial and data center demand continue to hold up, multifamily is benefiting from a slowing supply pipeline, and even office leasing is showing pockets of recovery.

The weakness captured in July appears less like a collapse in property demand and more like a market reacting to a difficult mix of elevated borrowing costs, geopolitical uncertainty and shifting expectations for monetary policy. Some of the softness may also reflect the normal summer slowdown that tends to emerge around this point in the year, making it harder to separate cyclical weakness from seasonal effects in a single month's reading.

The Iran conflict has persisted far longer than markets initially expected, keeping oil prices and Treasury yields elevated and making financing decisions harder. Yet CRE has continued to perform reasonably well through that volatility. If hostilities ease, oil retreats and the 10-year moves lower, there is good reason to expect activity to respond relatively quickly. The July jobs report may also reduce pressure on the Fed to tighten further. Payrolls fell by 23,000, and prior months were revised sharply lower, reinforcing signs that economic momentum is cooling rather than overheating.

For now, the most likely near-term scenario is continued uneven activity rather than a sharp contraction. If geopolitical risk and borrowing costs remain elevated through August, the Index could stay under pressure. But a credible resolution in the Middle East could remove one of the market's largest sources of uncertainty and set the stage for a stronger rebound later in the year. Whether CRE momentum returns with the Index in August or gets pushed further into Q3 will depend almost entirely on how the next month of geopolitical and Fed headlines unfold.



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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