



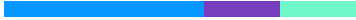
LIGHTBOX

The Market Didn't Get the Memo

What LightBox Numbers Say
About CRE's Quiet Resilience

by Manus Clancy, Head of Data Strategy, LightBox





For commercial real estate investors, lenders, brokers, and money managers, the next catastrophe always seems to be just around the corner.

In 2022, war in Ukraine was supposed to push energy prices into the stratosphere, drive up the cost of capital, and freeze transaction velocity. In 2025, tariffs were going to drag the country into recession and choke off liquidity. In 2026, war in the Middle East was supposed to slam the brakes on CRE buying and selling.

None of it came to pass.

The Market Has Heard This Before

Since the Global Financial Crisis, there has been one genuine upheaval in commercial real estate and a handful of real tremors.

The upheaval came when interest rates sprinted from near zero to more than 5%. Property values fell sharply. Buyers pulled back. Lenders pulled back. Distress rose. That was a true reset.

The tremors were real too. The Silicon Valley Bank collapse pushed lending spreads higher for months. A flood of new multifamily supply crushed rents in many markets. Class B and C office assets, already struggling, slid into deeper trouble.

But Ukraine, tariffs, and the Middle East? Speed bumps. Every one of them.

What the Data Shows

LightBox data tells a different story than the headlines.

Over the last twelve months, the CRE market has absorbed shock after shock. The April 2, 2025 tariff announcement triggered a sharp selloff in equities. CRE barely flinched. Lending, buying, and selling continued without meaningful interruption.

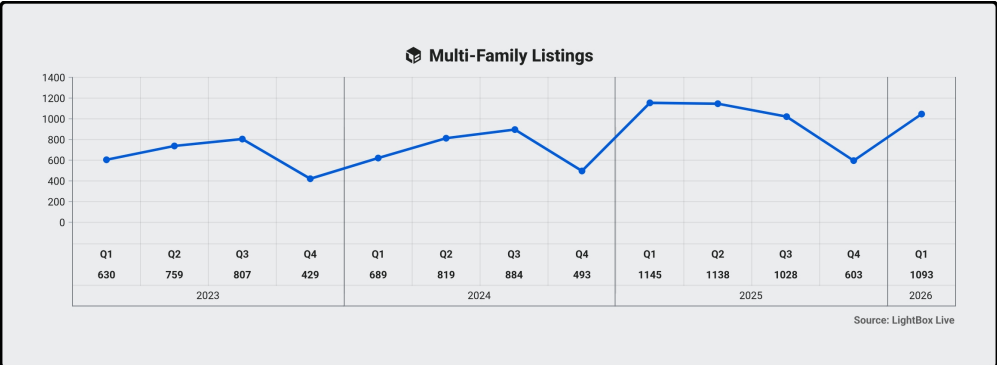
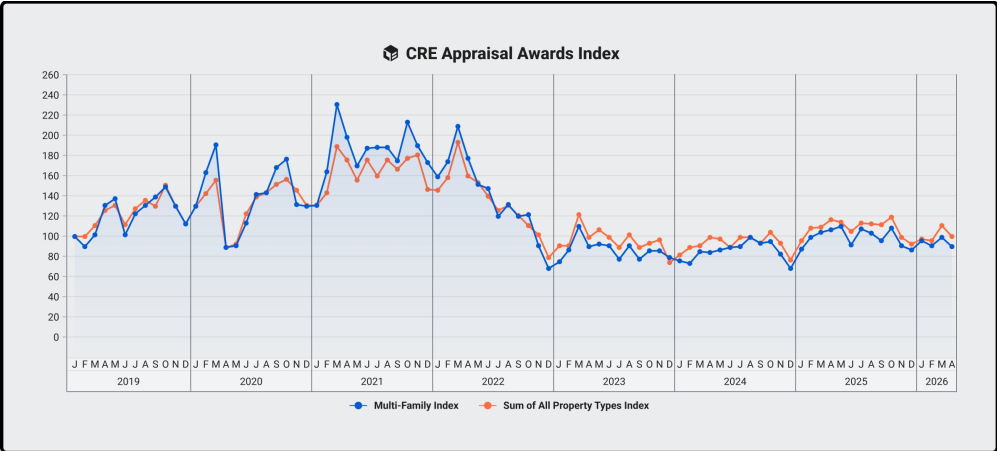
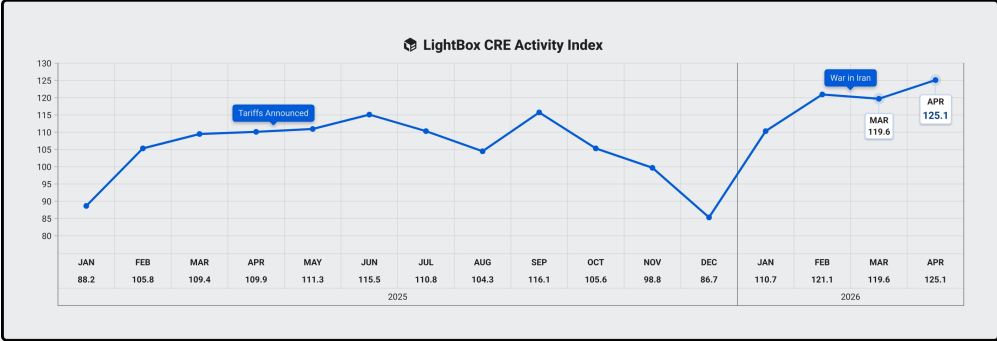
Now two months into the war in Iran, the pattern holds. Treasury yields are up nearly 50 basis points. Risk premiums have widened. Oil prices have doubled. CRE activity has declined by almost nothing.

A market in retreat does not look like this.

The multifamily data mirrors the broader story. LightBox's Appraisal Awards Index, which tracks monthly appraisal procurement across more than 1,200 U.S. banks, shows a clear arc: a surge in 2021 and 2022, a pullback in 2023 and 2024 as rates climbed, and a measured recovery beginning in late 2024. There was no visible dip in April 2025. There was no dip in March or April 2026 either, as the Iran conflict intensified.

New multifamily sales listings show the same pattern, if bumpier.

2025 up 35% over 2024	Q1 down 5% YoY
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Why H2 2026 Could Be the Best in Years

We will take the contrarian position: the second half of 2026 is shaping up to be terrific for CRE, and especially for multifamily.

The war in Iran ends, and oil prices come off hard. Treasury yields retreat toward their early 2026 lows. Risk premiums contract. The total cost of borrowing drops roughly 75 basis points.

Private equity corporate loan stress continues to push institutional capital toward CRE, deepening and broadening the buyer pool. The Fed, watching the same stress, cuts rates once or twice. By year-end, CRE could post its two strongest quarters since 2022.

There is one condition: the war in Iran cannot drag deep into summer. A prolonged conflict changes the math. But based on what we are seeing today, a war that extends into the summer is not our base case.

Multifamily Gets Its Own Tailwind

Beyond the macro setup, multifamily has a structural tailwind coming.

The wave of new supply that battered property owners throughout 2024 and 2025 is finally cresting. Deliveries are slowing. The years of downward rent pressure are nearing their end. Still, this remains a market that defies broad generalizations, with some metros already seeing stronger rent growth than others as supply and demand begin to rebalance.

The early evidence is already showing up in earnings. Late last month, both Equity Residential and AvalonBay reported better-than-expected funds from operations, driven by stronger lease rates. One quarter is not a trend. But it points in the right direction.

LightBox's Contrarian View: The CRE Turn is Coming

75bps

Drop in
borrowing costs

≈2

Fed rate cuts
anticipated

Q3–Q4

Strongest quarters
since 2022



The Last Word

Geopolitical events can always rewrite the script. A prolonged conflict, another inflation shock, or a sudden disruption in capital markets could change the picture fast.

But the more interesting observation is this: CRE has already been tested, more than once, and it has not cracked in the way the narratives predicted.

The real reset came from interest rates. Everything else, including wars, bank failures, and tariff scares, has created volatility and sector-specific pain, but not collapse.

That is why we are constructive heading into the back half of 2026. The headlines sound anxious. The market, however, looks resilient.

LightBox is the Decision Foundation for the Built World.

For more than 30 years, it has helped commercial real estate professionals work from a clearer, more consistent view of property in a market long slowed by fragmented information. LightBox creates a connected property record that helps organizations move faster, reduce risk, and make better-informed decisions across real estate workflows. It gives organizations clarity they can stand on.

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Clarity you can stand on.