



2Q25 Fear and Greed Survey (Commercial Real Estate)

 **JOHN BURNS**
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June 17, 2025

About this report

Conducted jointly by John Burns Research and Consulting and CRE Daily, the Fear and Greed Index examines current commercial real estate investor sentiment and expectations over the next 6 months, as well as changes in access to capital and asset values. The 2Q25 report is based on 533 market ratings from members of the commercial real estate community across 4 primary sectors:



Multifamily



Industrial



Retail



Office

The 2Q25 Fear and Greed Index survey ran from May 12 to June 2. Responses, commentary, and sentiment reflect the latest shifts across commercial real estate.

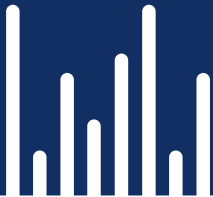
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Fear and Greed Survey



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We are pleased to share the 2Q25 Burns + CRE Daily Fear and Greed Index.



Overview of the Fear and Greed Index

The Fear and Greed Index measures investor sentiment across the US commercial real estate industry. As a composite diffusion index, ratings above 55 indicate industry **expansion (greed)**; ratings below 45 indicate industry **contraction (fear)**. Ratings between 45 and 55 indicate a more balanced market.

The Fear and Greed Index is calculated as a weighted average of 3 sub-indices:



Current Investment Strategy Index

Increasing/holding/decreasing exposure in the **current quarter** vs. the prior quarter



Expected Investment Strategy Index

Expect to increase/hold/decrease exposure over the **next 6 months**



Access to Capital Index

Easier/similar/harder to access capital in the **current quarter** vs. the prior quarter

Fear and Greed Index Rating

56
out of 100

The Fear and Greed Index is at **56** out of 100, indicating an **expanding** commercial real estate market.



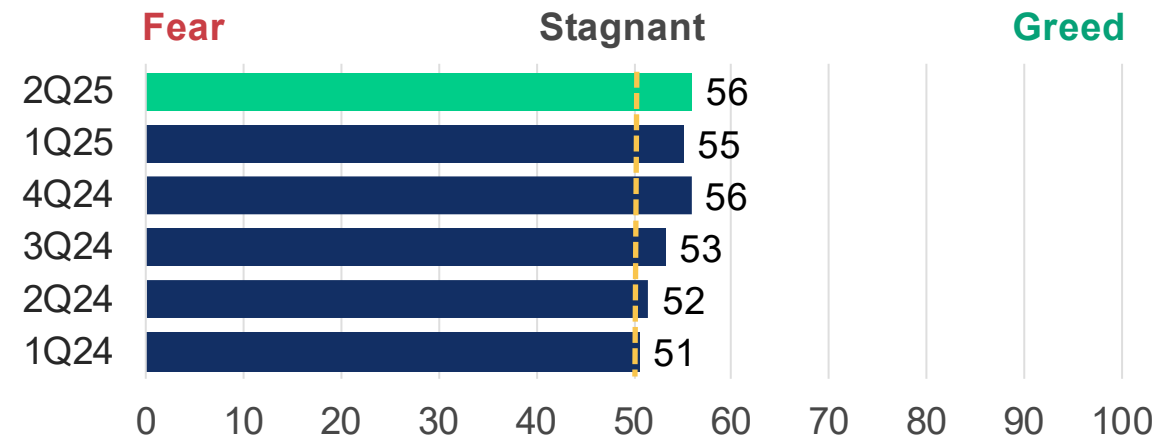
Conducted jointly by John Burns Research and Consulting and CRE Daily, the 2Q25 index reflects findings from 533 commercial real estate investors across 4 main sectors: **Multifamily, Industrial, Retail, and Office.**

The Fear and Greed Index rose slightly in 2Q25 from 1Q25. Access to capital improved slightly but remains difficult for CRE investors to access.

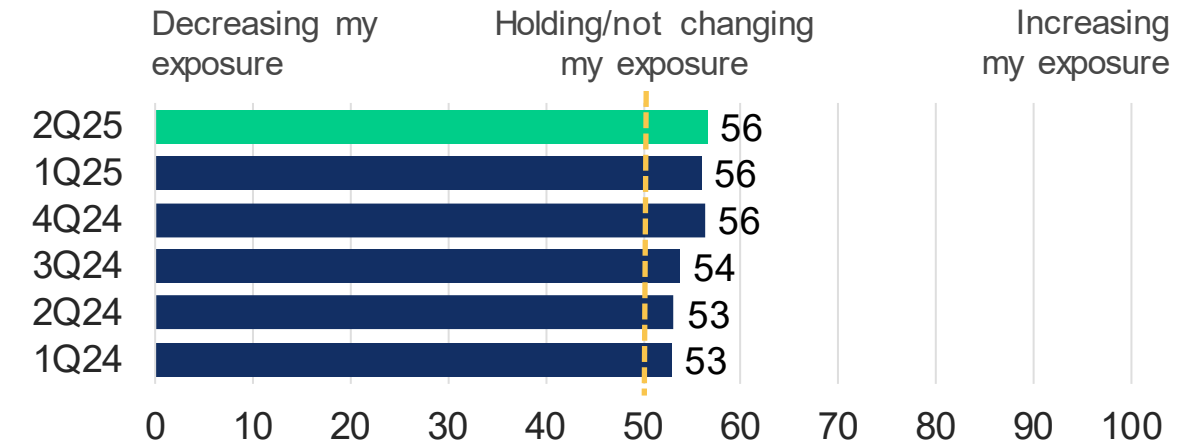
On a diffusion index, a value above 55 indicates expansion, while a value below 45 implies contraction.



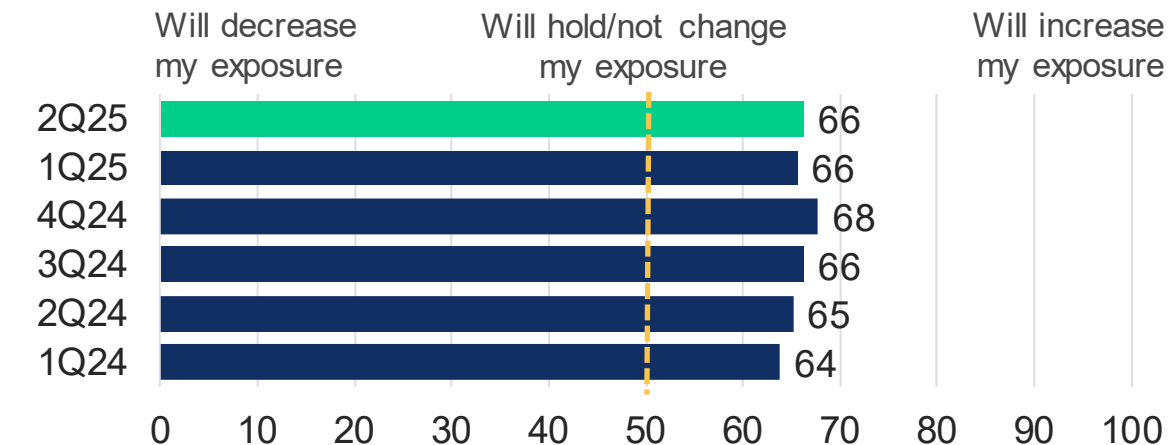
Burns + CRE Daily Fear & Greed Index



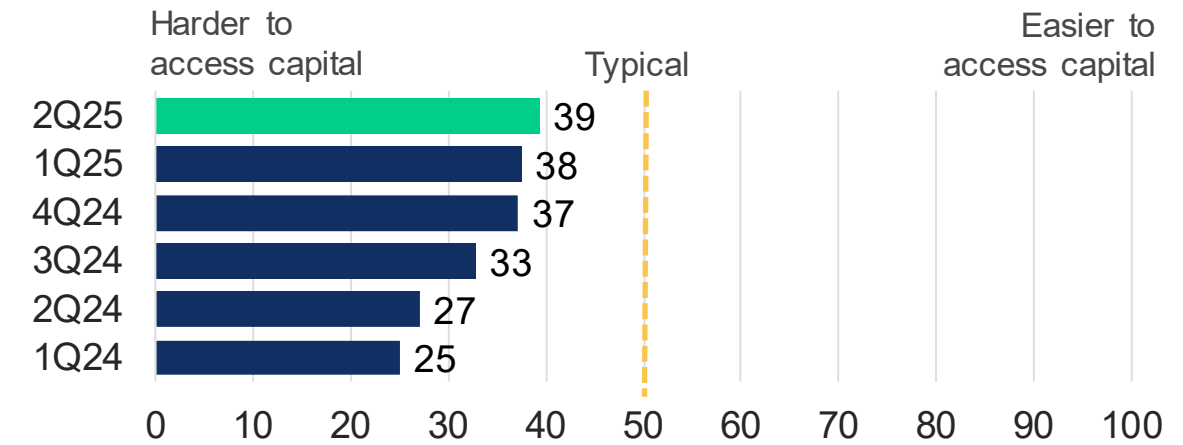
Current CRE Investment Strategy Index



Expected CRE Investment Strategy Index: Next 6 Months

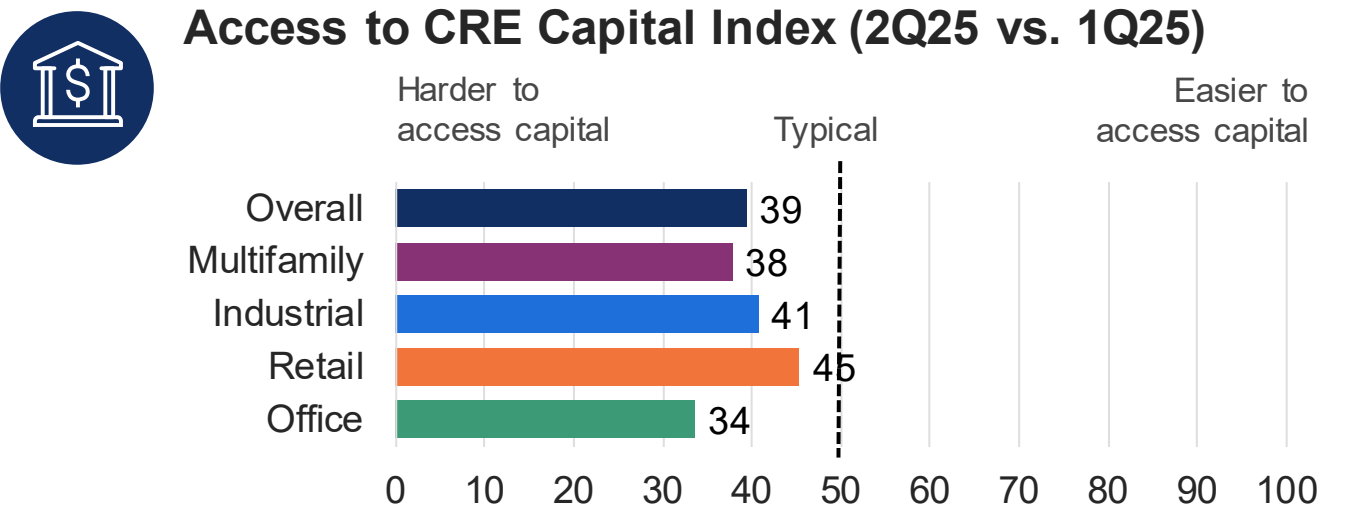
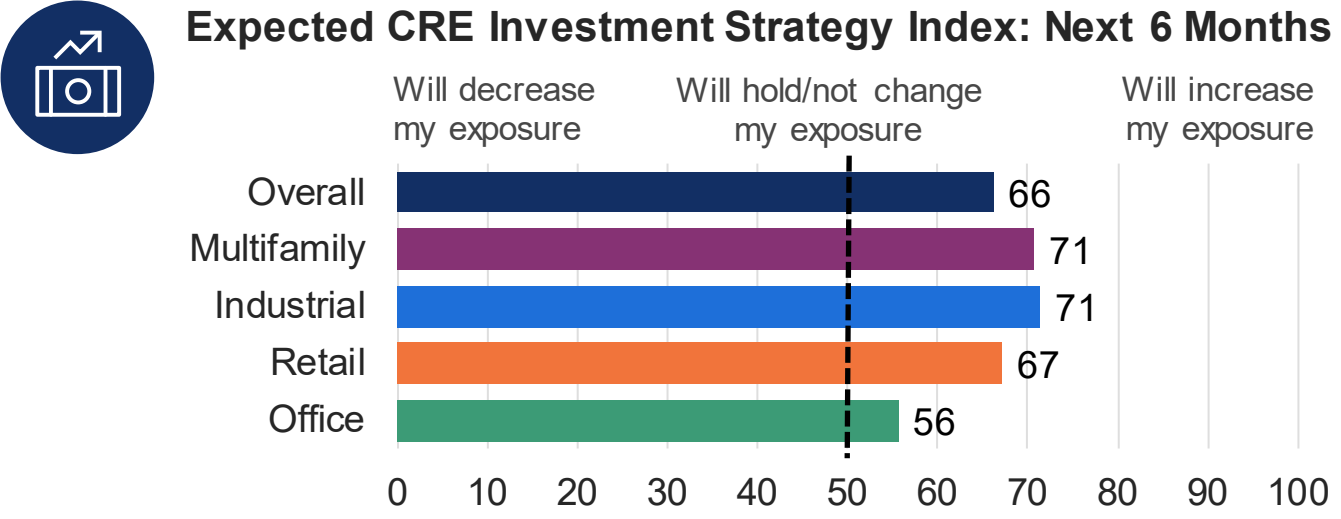
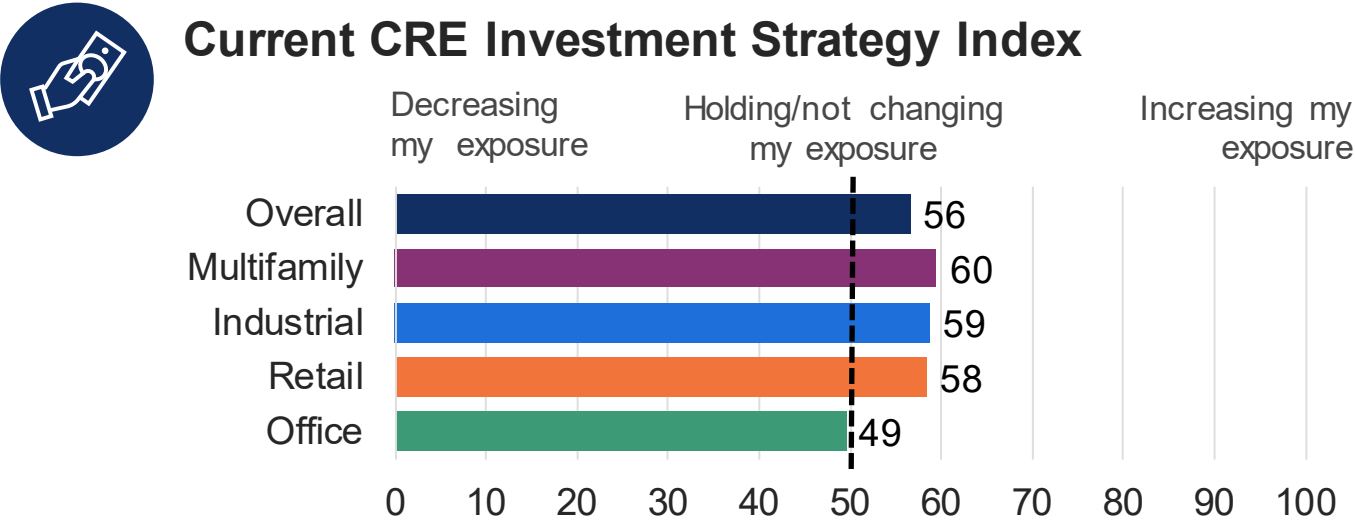
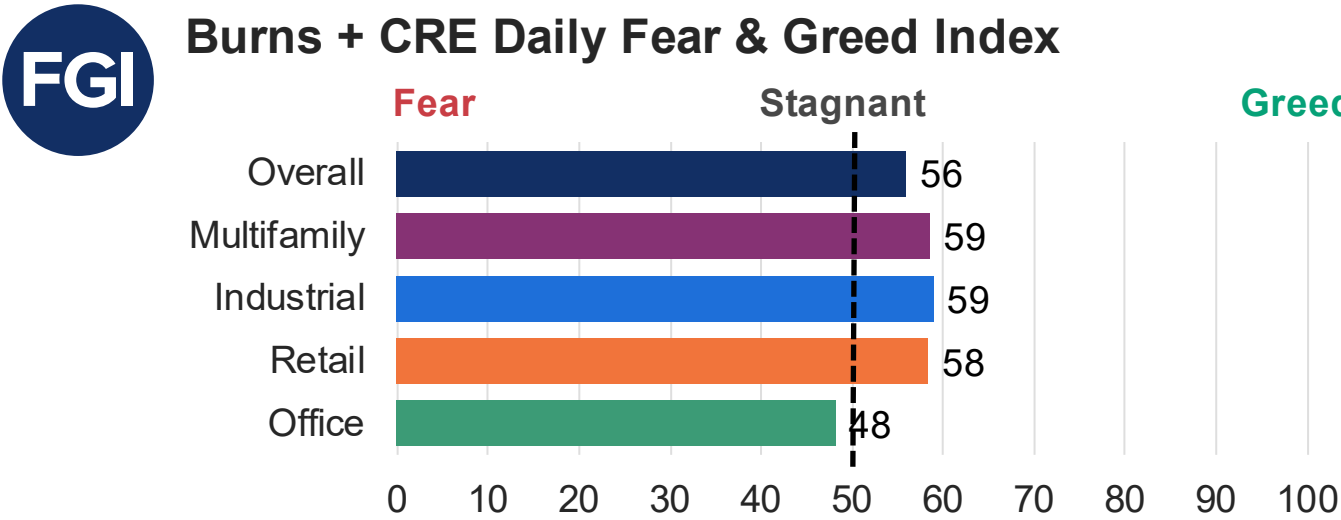


Access to CRE Capital Index (2Q25 vs. 1Q25)



Industrial and Multifamily real estate are the strongest commercial sectors, per our sector-level Fear and Greed Index. Office continues to lag.

On a diffusion index, a value above 55 indicates expansion, while a value below 45 implies contraction.

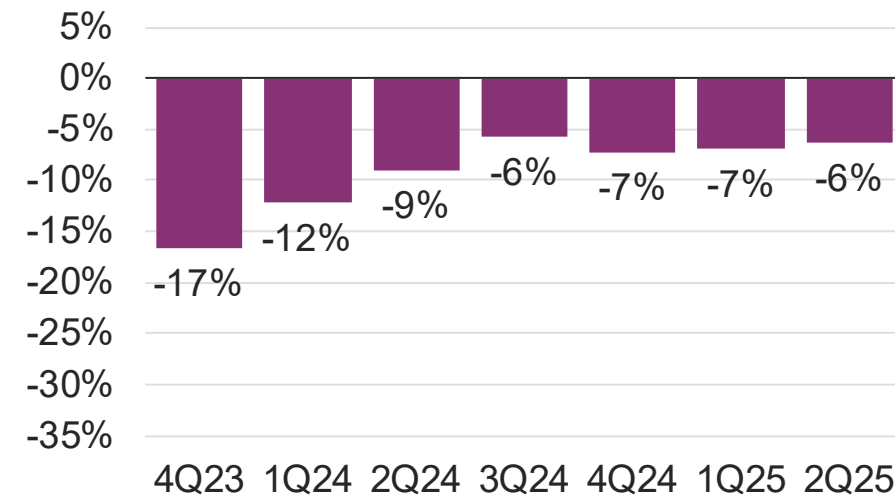


Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

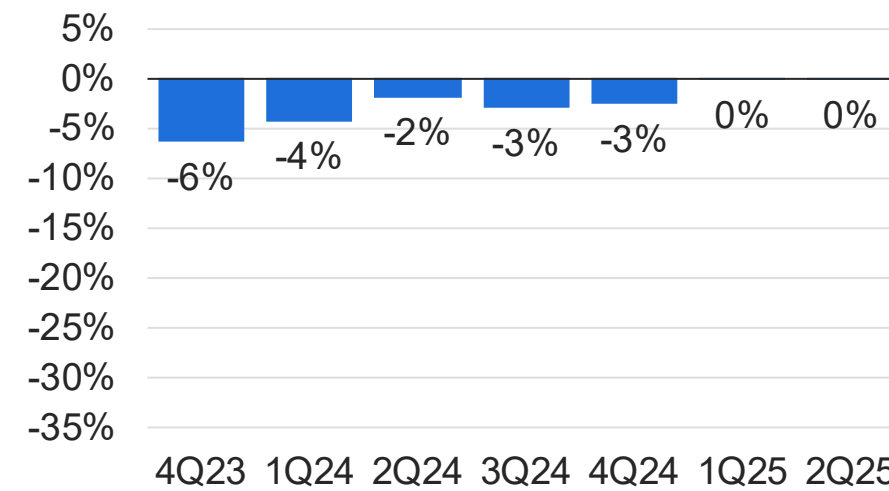
Investors believe that Multifamily and Office asset values fell YOY.

Change in Values by Asset Class (% YOY)

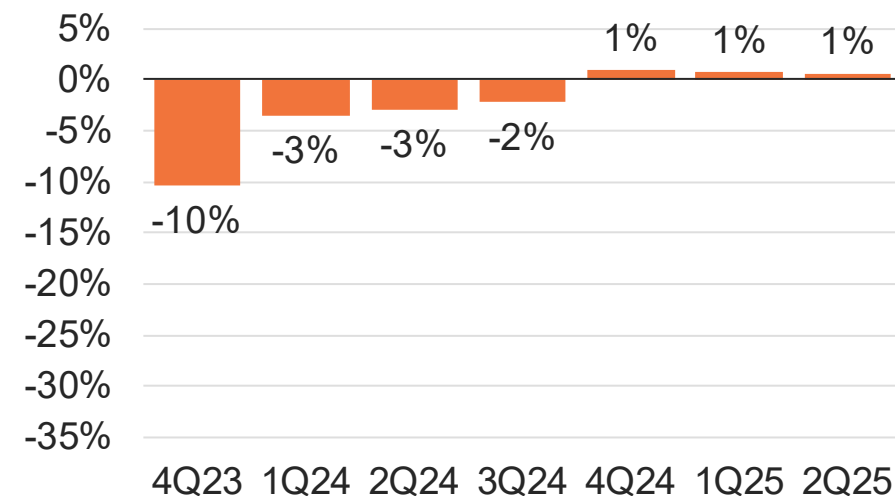
Multifamily



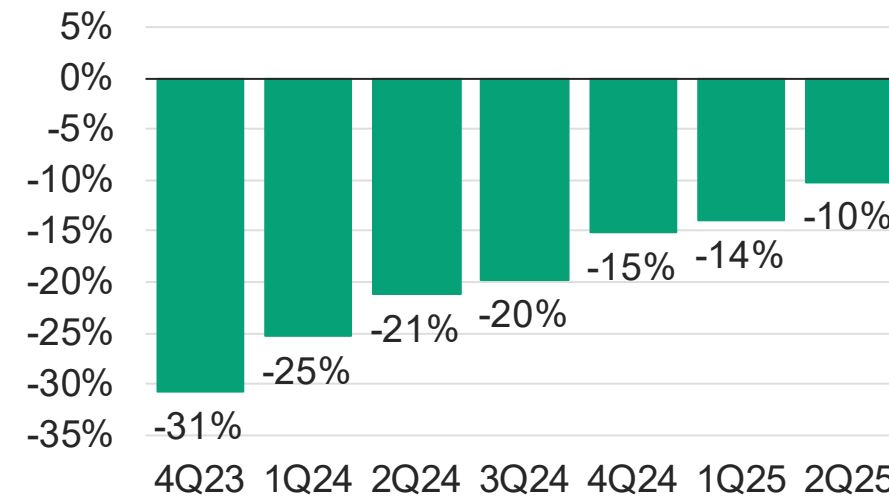
Industrial



Retail



Office



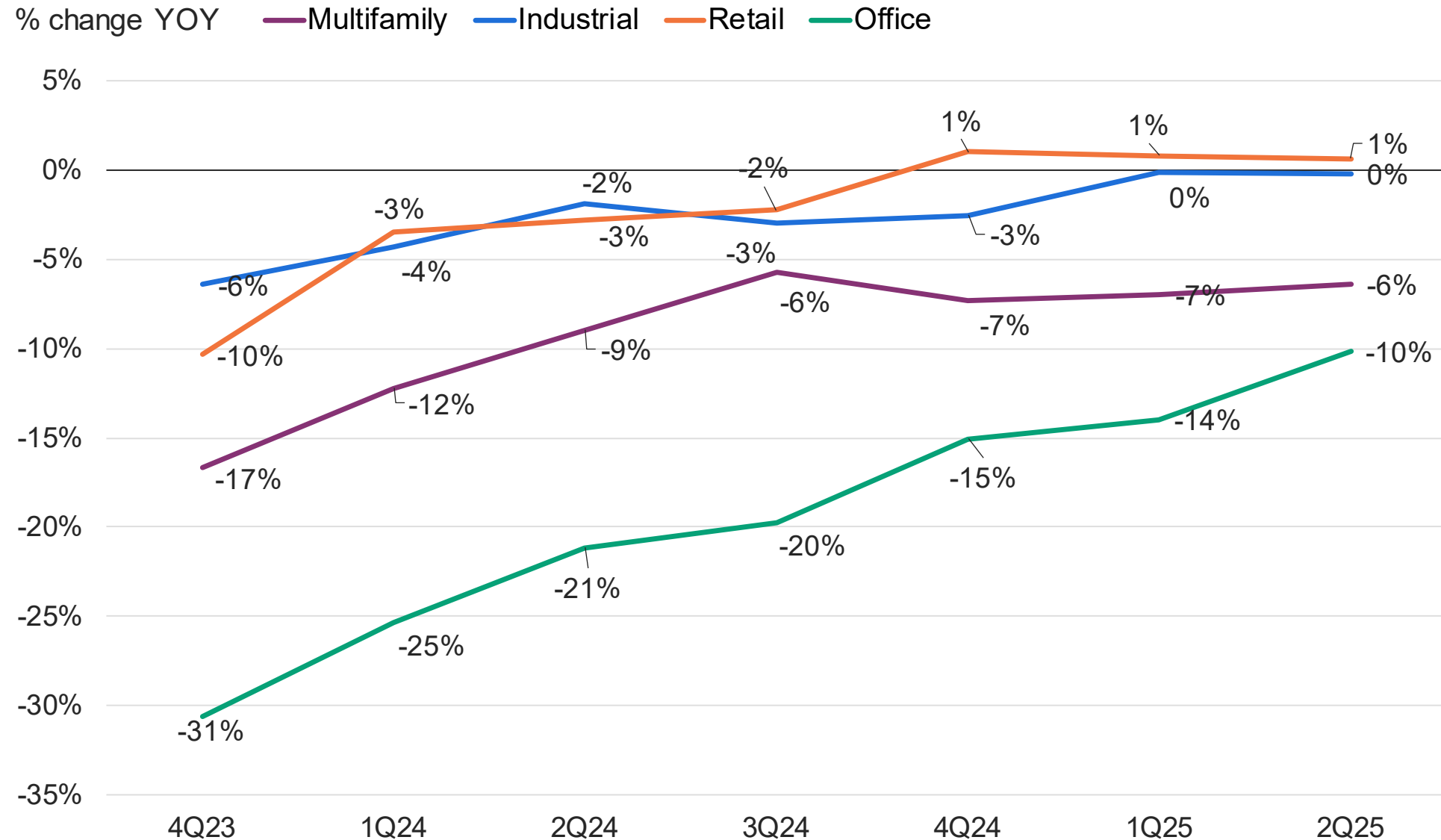
Investors believe **Retail** asset values rose +1% YOY in 2Q25, marking the third consecutive quarter of growth.

- **Industrial** investors believe asset values remained flat YOY, consistent with last quarter.

Asset values fell most in the **Office** sector (-10% YOY), though this decline is less severe than in prior quarters—a sign of improvement.

Investors believe that Multifamily and Office asset values fell YOY.

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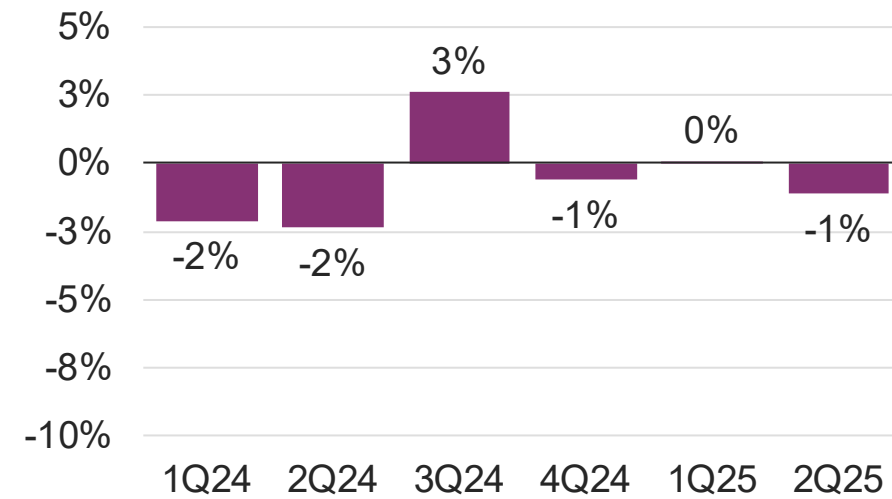
Asset values fell most in the **Office** sector (-10% YOY), though this decline is less severe than in prior quarters—a sign of improvement.

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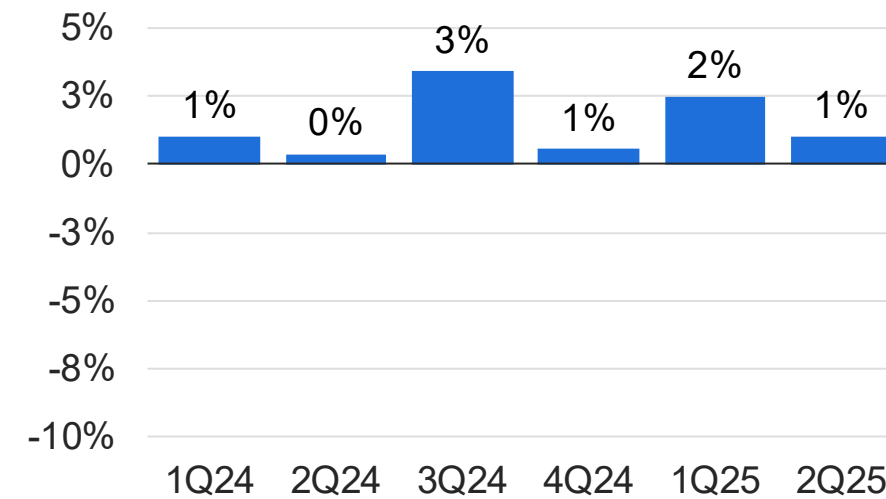
Investors believe that Multifamily and Office asset values will fall further in 2025.

Expected Change in Values by Asset Class (Next 6 Months)

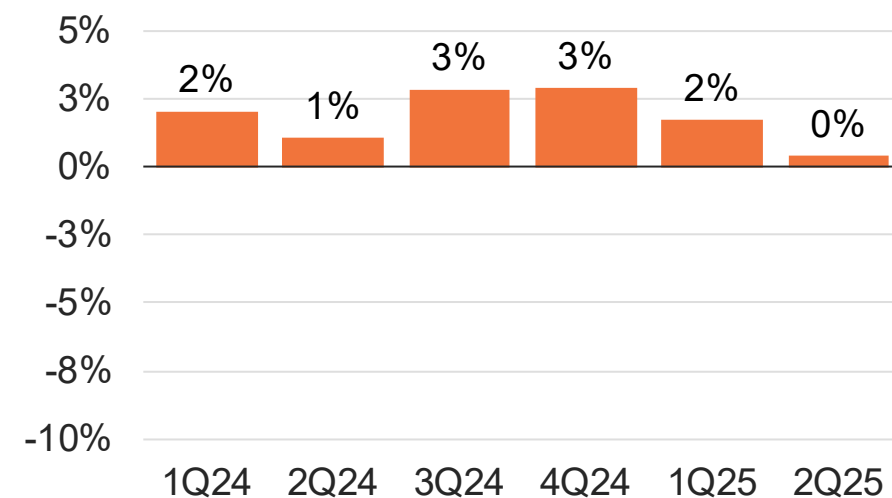
Multifamily



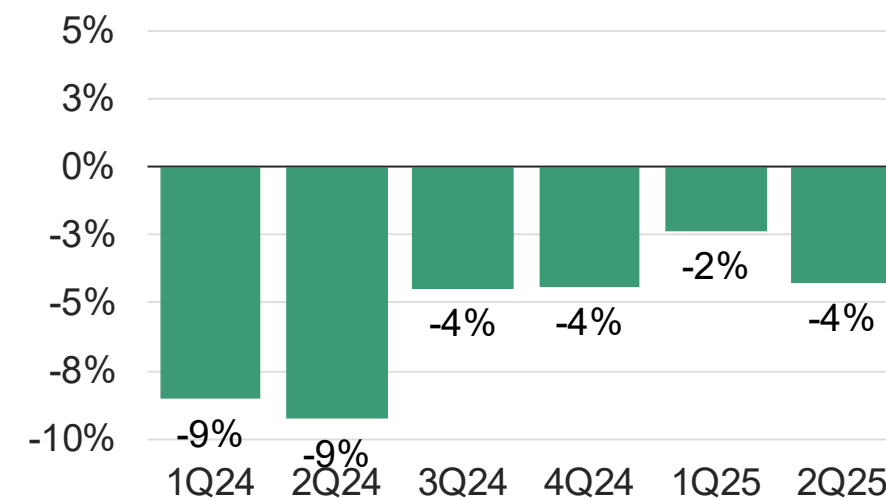
Industrial



Retail



Office



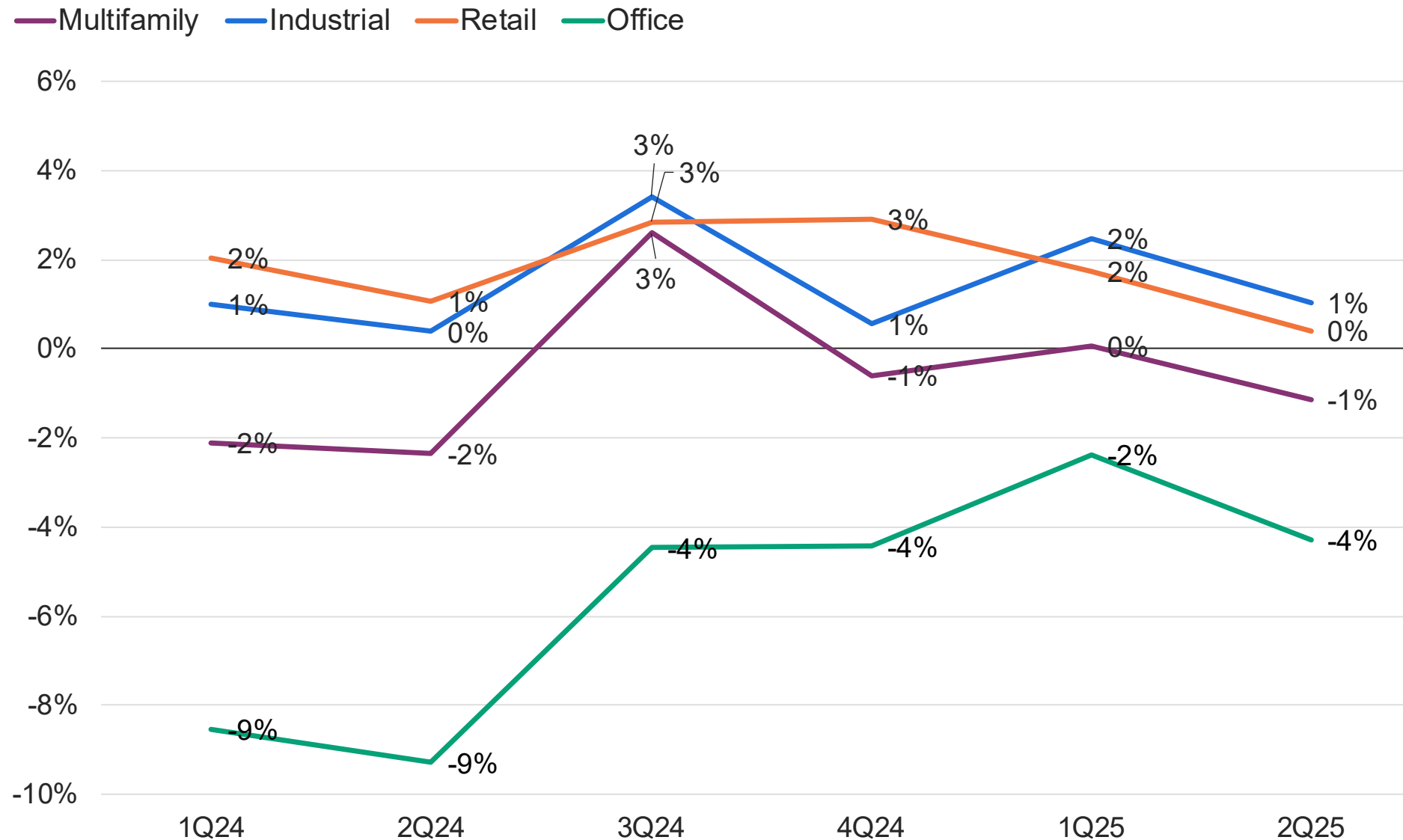
Industrial investors remain optimistic, expecting asset values to continue rising over the next 6 months.

- **Multifamily** and **Office** investors anticipate further declines, with sentiment showing little change over the past 3 quarters.

Retail investors expect asset values to remain flat over the next 6 months.

Investors in all 4 CRE asset classes lowered their expectations for asset value growth over the next 6 months.

Expected Change in Values by Asset Class (Next 6 Months)



Industrial investors expect +1% growth in asset values over the next 6 months, higher than any other sector but still low.

- **Multifamily** and **Office** investors anticipate further declines, with sentiment showing little change over the past 3 quarters.

Retail investors expect asset values to remain flat over the next 6 months.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)



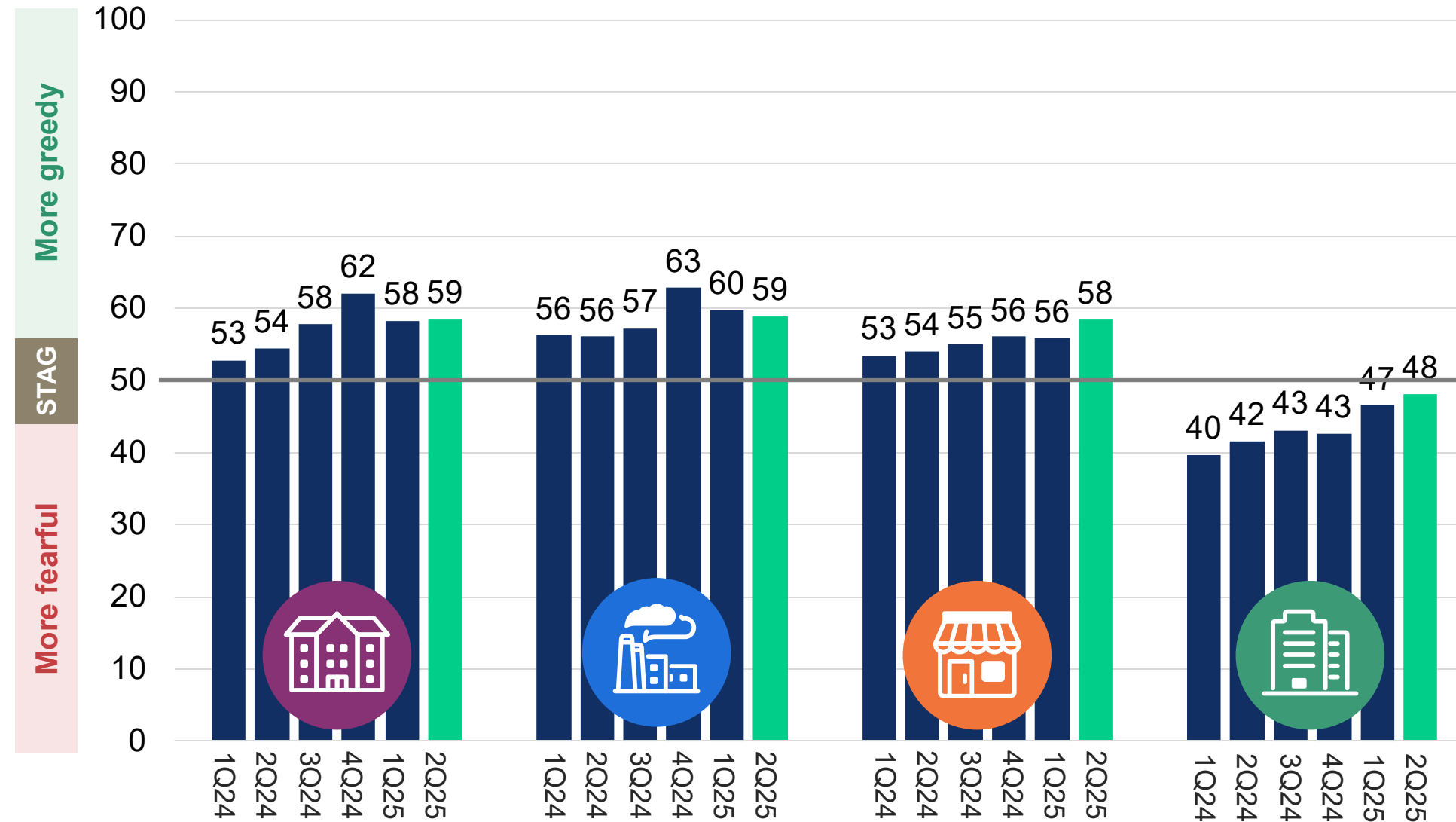
Burns + CRE Daily Fear and Greed Index (2Q25)

Multifamily

Industrial

Retail

Office



The **Industrial** Fear and Greed Index (FGI) fell in 2Q25 from 1Q25, driven by a decline in the share of investors who are currently increasing their exposure to the sector.

The **Retail** Fear and Greed Index improved the most from last quarter, likely reflecting continued resilience in consumer spending.

Office investors remain cautious given sector-specific headwinds (working from home), though sentiment improved over the last quarter as opportunistic investors believe values have bottomed and are recovering.

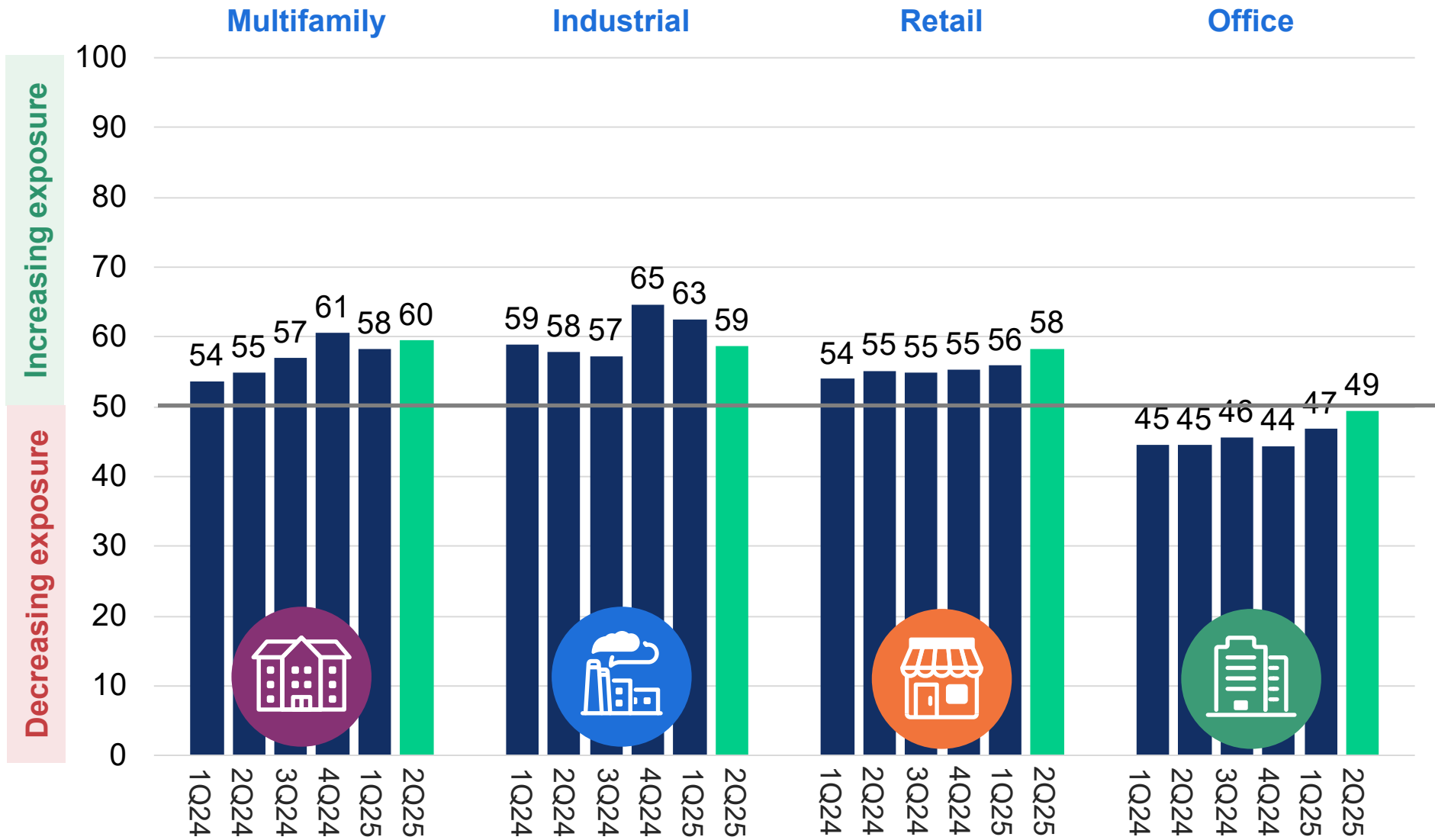
Note: Ratings above 55 indicate more “greed” among commercial real estate investors (expanding CRE market), while ratings below 45 indicate more “fear” among CRE investors (contracting CRE market). A rating between 55 and 45 indicates a stagnant market (denoted by STAG in the graph’s y-axis labels).

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)



Current CRE Investment Strategy Index (2Q25)

Measures the share of commercial real estate investors increasing, decreasing, or holding their investment exposure to commercial real estate sectors during the most recent quarter



A greater share of investors are increasing their investment exposure vs. decreasing in most sectors.

The **Industrial** sector is the exception, with investors reporting a net decrease in exposure.

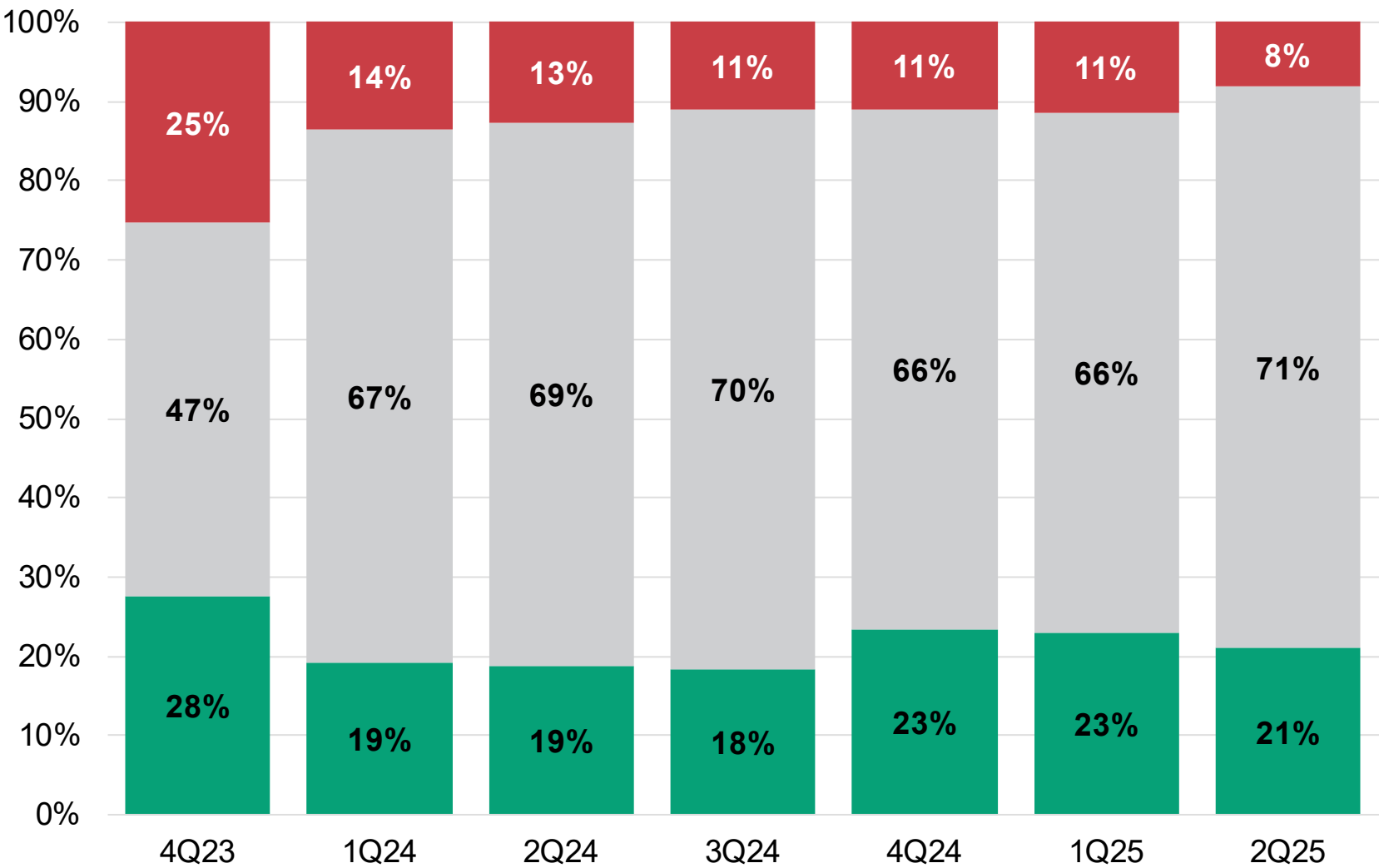
Note: Ratings above 55 indicate that more investors are increasing than decreasing their investment exposure, while ratings below 45 indicate that more investors are decreasing than increasing their investment exposure.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

71% of commercial real estate investors are holding tight in 2Q25, the highest in our survey’s history.

Current Commercial Real Estate Investment Strategy

■ Increasing exposure ■ Holding / not changing exposure ■ Decreasing exposure



Most investors remain on the sidelines given elevated rates and ongoing policy uncertainty:

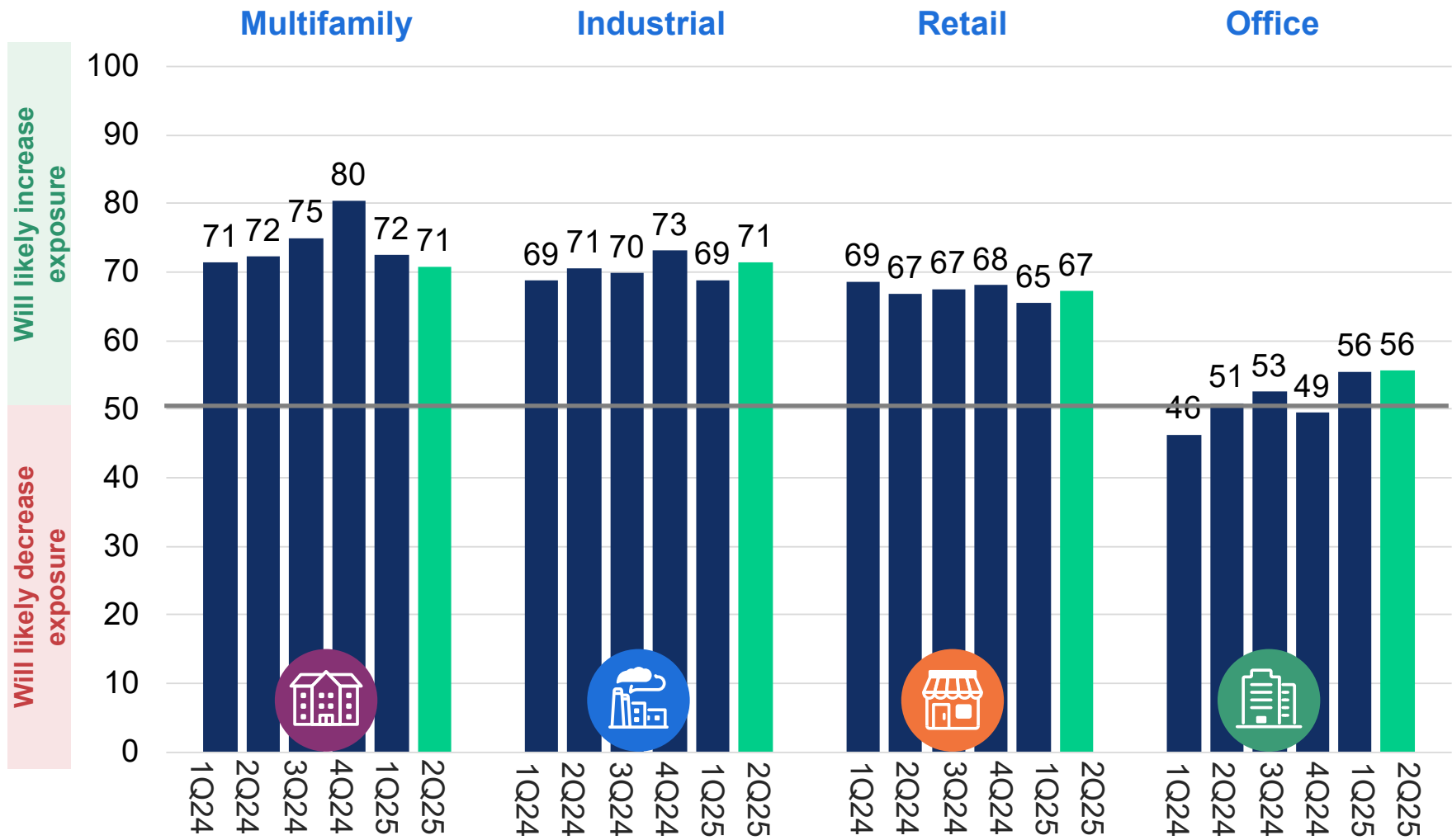
- “Tariffs [are] freezing the market, and even with trade deals, businesses are uncertain on next steps.”
- “Uncertainty has caused stagnation.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)



Expected CRE Investment Strategy Index: Next 6 Months (2Q25)

Measures the share of commercial real estate investors that expect to increase, decrease, or hold their investment exposure to commercial real estate sectors over the next 6 months



Across all sectors, more investors expect to increase than decrease their CRE exposure over the next 6 months.

Office investors' relatively lower sentiment weighs down the overall Expected CRE Investment Strategy Index to **66** despite more positive outlooks in other sectors.

Multifamily investor sentiment dipped in 2Q25 to the lowest level since 1Q24.

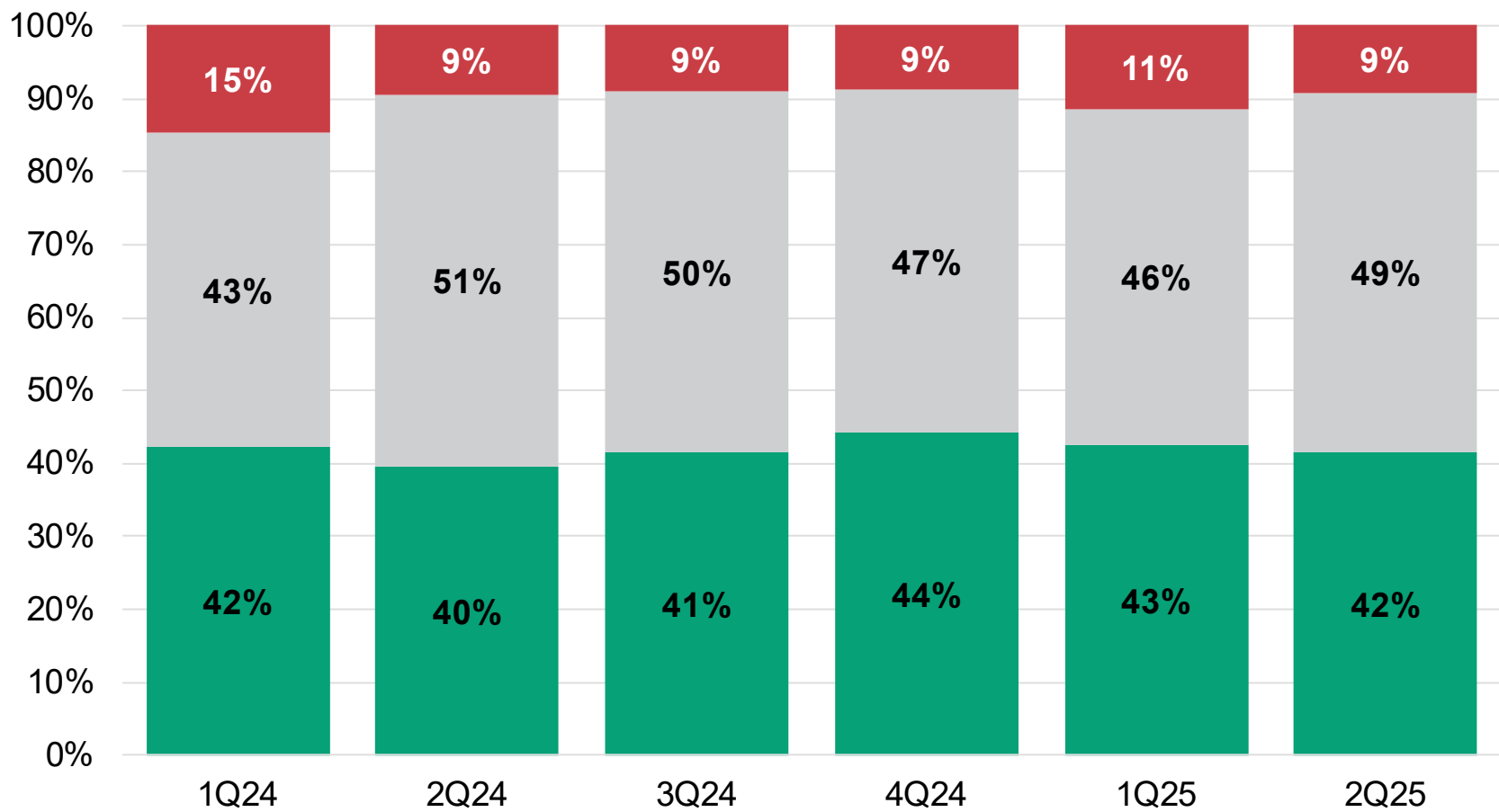
Note: Ratings above 50 indicate that more investors expect to increase than decrease their investment exposure over the next 6 months, while ratings below 50 indicate that more investors expect to increase rather than decrease their investment exposure over the next 6 months.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

9% of CRE investors expect to decrease their investment exposure over the next 6 months.

Expected Commercial Real Estate Investment Strategy (Next 6 Months)

- I expect to decrease my investment exposure
- I expect to hold / not change my investment exposure
- I expect to increase my investment exposure



Most investors expect to maintain or increase their exposure (91%), signaling cautious optimism despite headwinds. As investors noted in our survey:

- “I expect [the market] to accelerate as soon as interest rates lower and the tax bill has been passed.”
- “Overall, our outlook is cautiously optimistic.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)



Access to CRE Capital Index (2Q25)

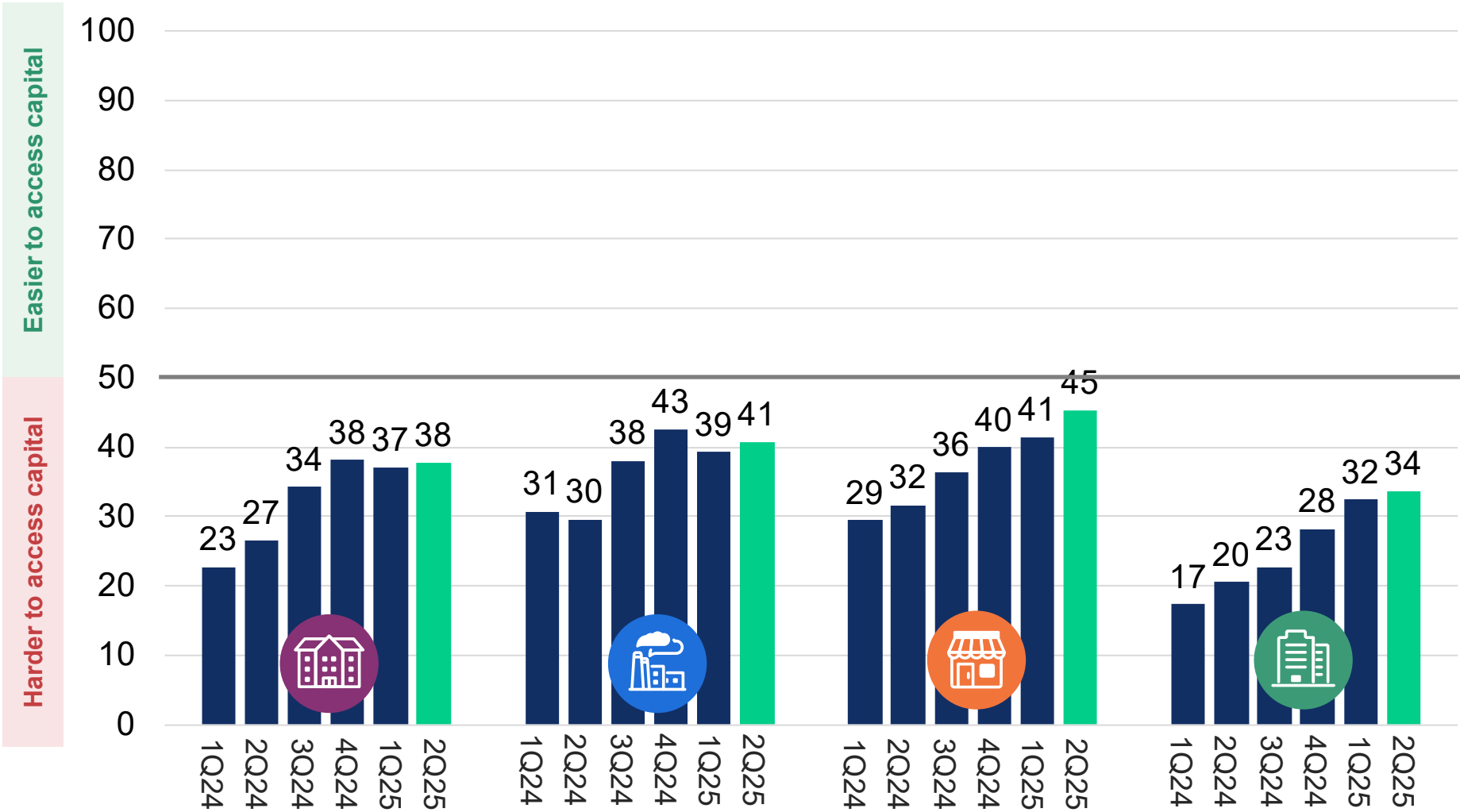
Measures the share of commercial real estate investors who found it easier, harder, or roughly the same to access capital in the current quarter versus the prior quarter

Multifamily

Industrial

Retail

Office



Credit conditions remain tight across all CRE sectors, though investors across asset classes note significant improvement in their ability to access capital compared to 1 year ago.

Interest rates for short-term CRE debt are typically tied to the Secured Overnight Financing Rate (SOFR).

- SOFR has fallen ~100bps over the last year and provided relief for some borrowers, but the flattening forward curve indicates that expectations for future declines are muted.

Long-term CRE debt rates more closely follow the 10-year Treasury yield, which has declined since early 2025 but remains elevated.

Note: Ratings above 50 indicate that more investors found it easier to access capital in the current quarter vs. the prior quarter, while ratings below 50 indicate that more investors found it harder to access capital in the current quarter vs. the prior quarter.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

Access to capital is still a major constraint for CRE investors.

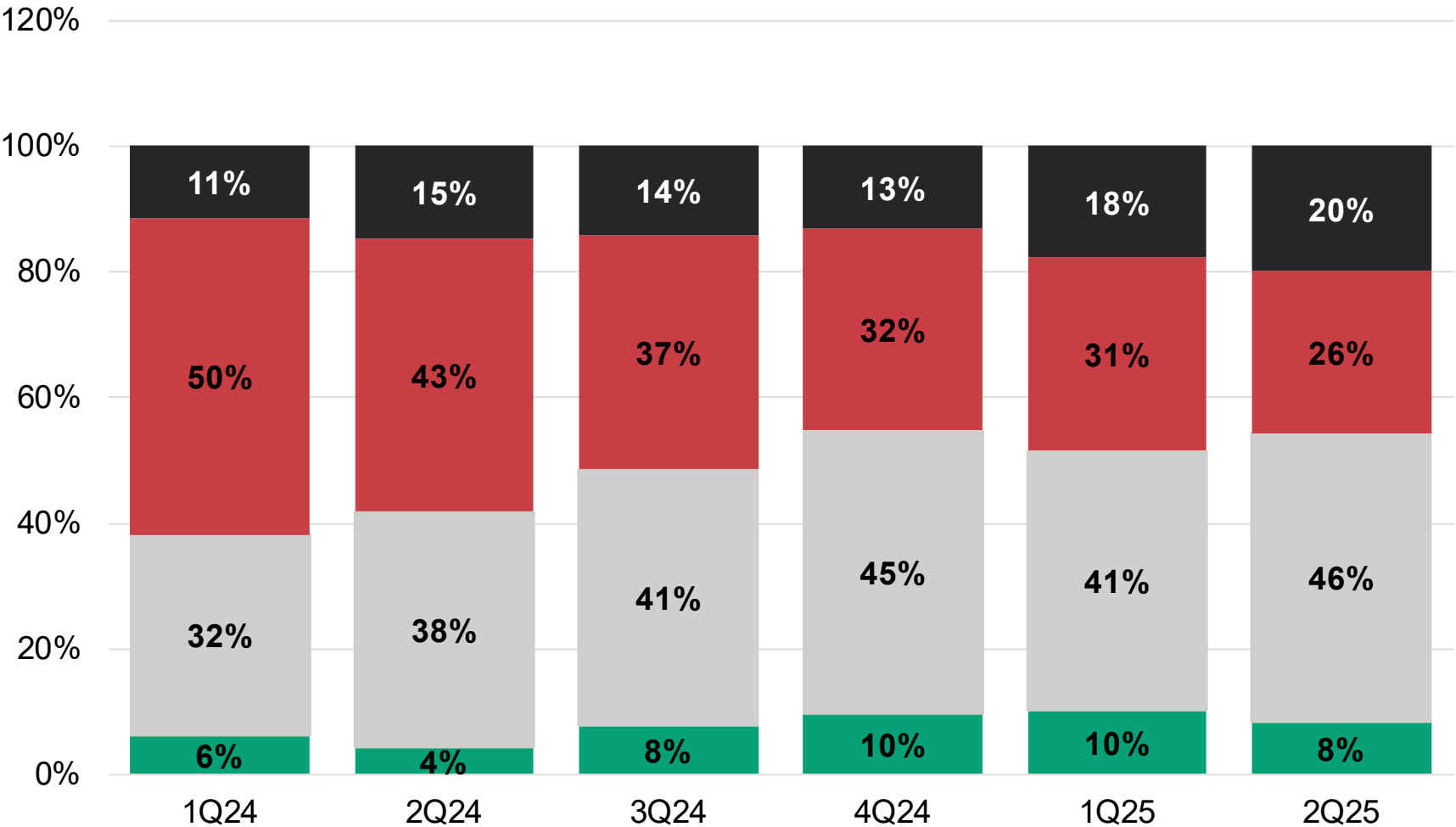
Access to Capital for Commercial Real Estate vs. Prior Quarter

- I do not use outside capital

■ Harder to access capital today

■ Similar/unchanged today

■ Easier to access capital today



46% of investors note unchanged capital conditions from last quarter as elevated rates and strict underwriting standards persist. As one investor says:

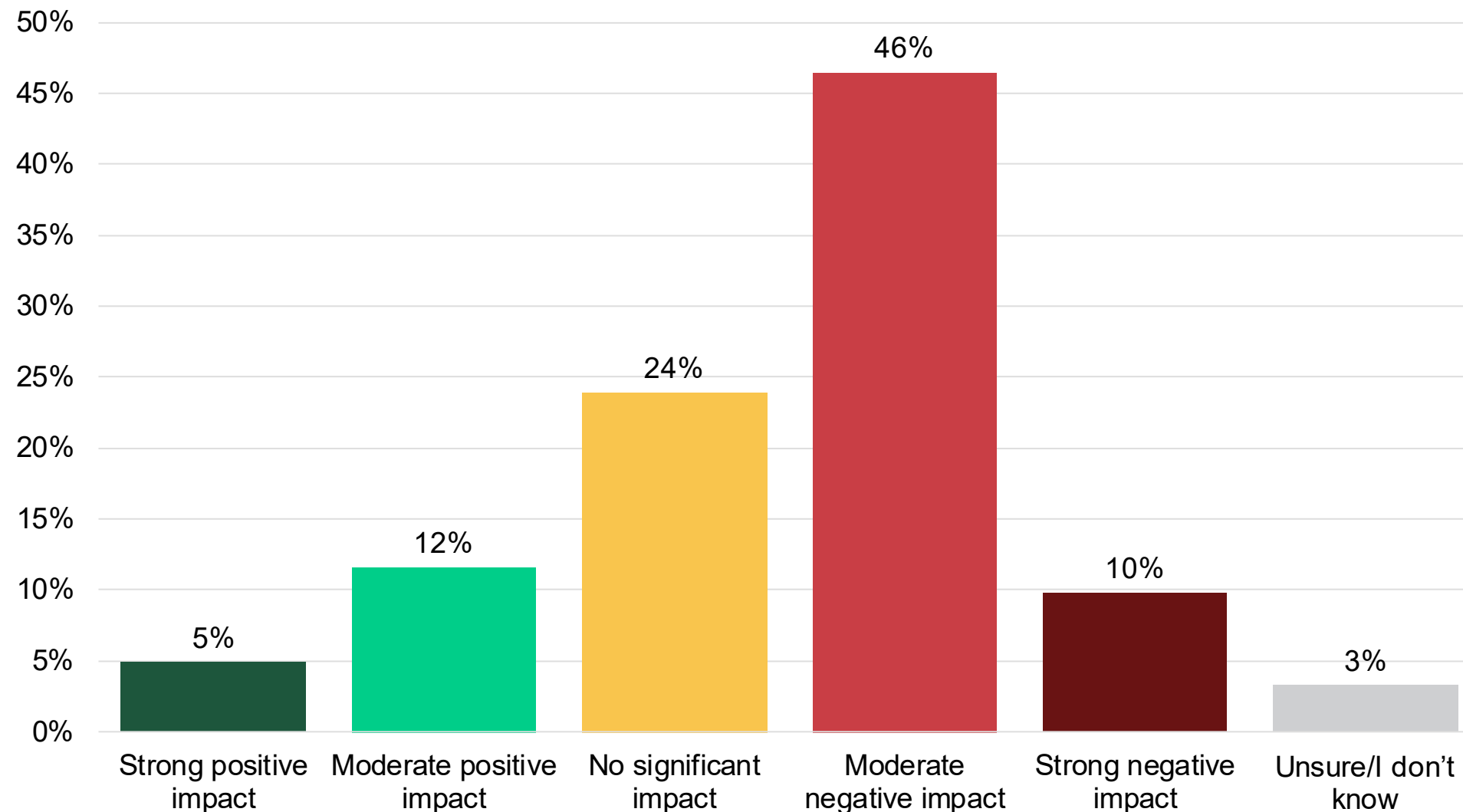
- “I don’t believe we will see any significant improvement until rates come down and lenders relax criteria.”

The share of investors who are not using outside capital is rising.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

56% of CRE Investors expect trade policy changes to have a negative impact on commercial real estate over the next 12 months.

How do you expect changes in US trade policy to affect investment in CRE over the next 12 months?



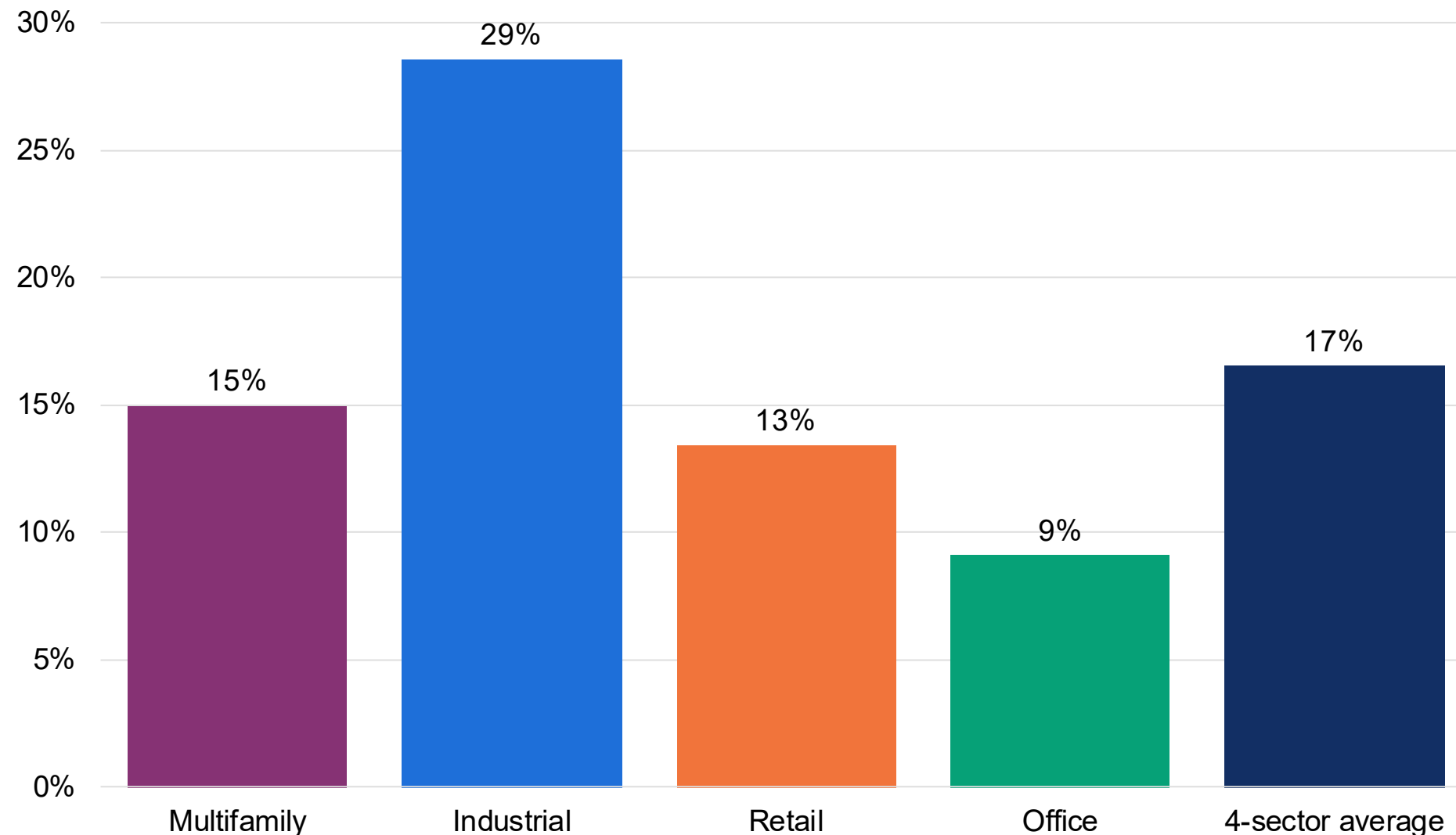
CRE investors cite policy unpredictability as a major factor freezing investment decisions:

- “Getting decisions to be made is much harder due to the uncertainty.”
- “The Trump administration has created global uncertainty, the impact of which is yet to be determined for CRE assets, although the expectation is that it’ll be negative. Markets like stability, and the current administration is anything but stable.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

29% of industrial investors expect that US trade policy changes will positively impact their sector in the near term.

Share of Investors Who Expect Changes in US Trade Policy to Positively Impact Their CRE Sector over the Next 12 Months



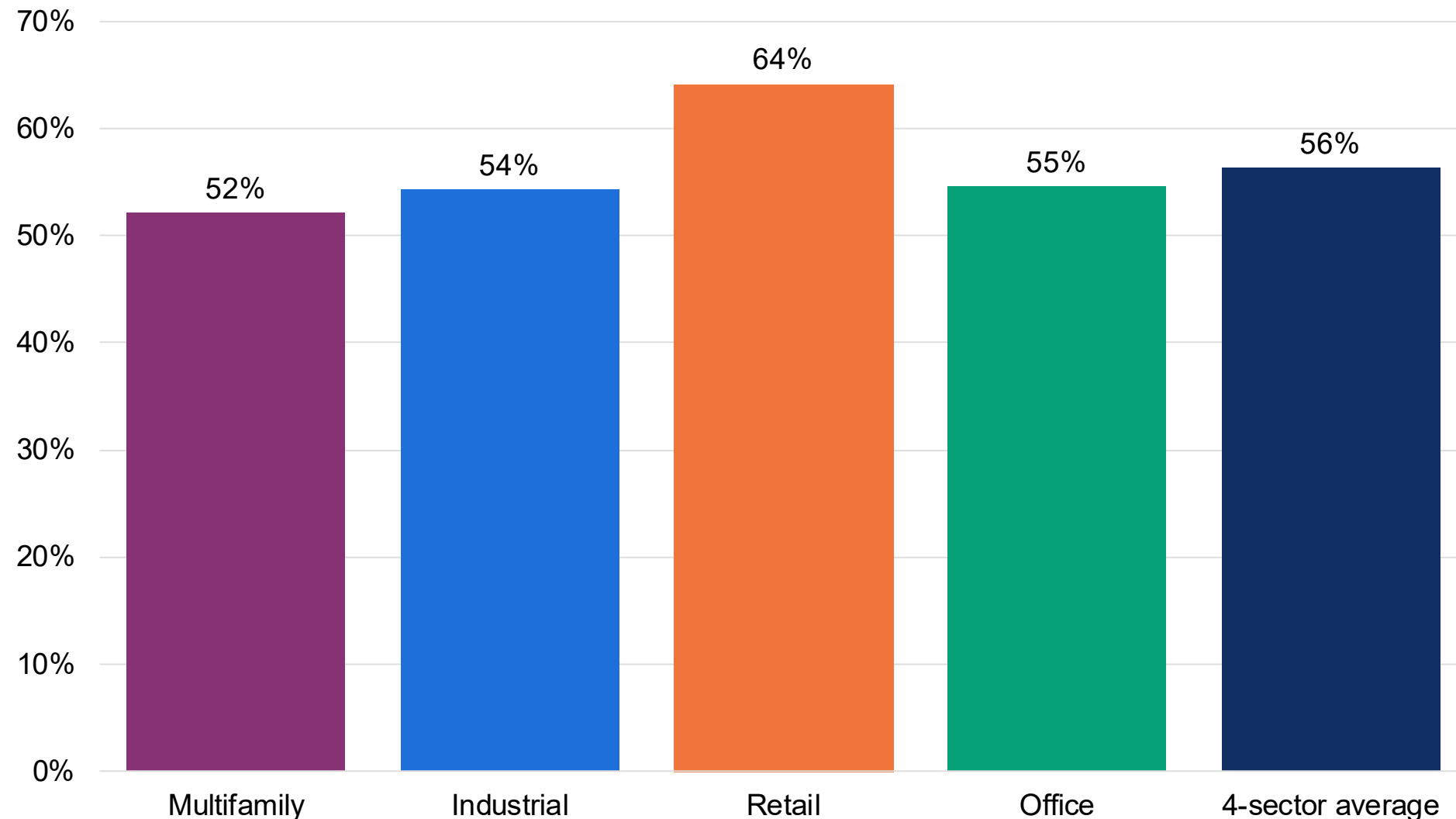
Industrial investors may be optimistic that tariff front-running will support demand for US industrial real estate in the near term.

Still, the majority of CRE investors in all sectors expect US trade policy changes to negatively impact their sector in the near term.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

The majority of CRE investors in all sectors expect changes in US trade policy to negatively impact their sector in the near term.

Share of Investors Who Expect Changes in US Trade Policy to Negatively Impact Their CRE Sector over the Next 12 Months



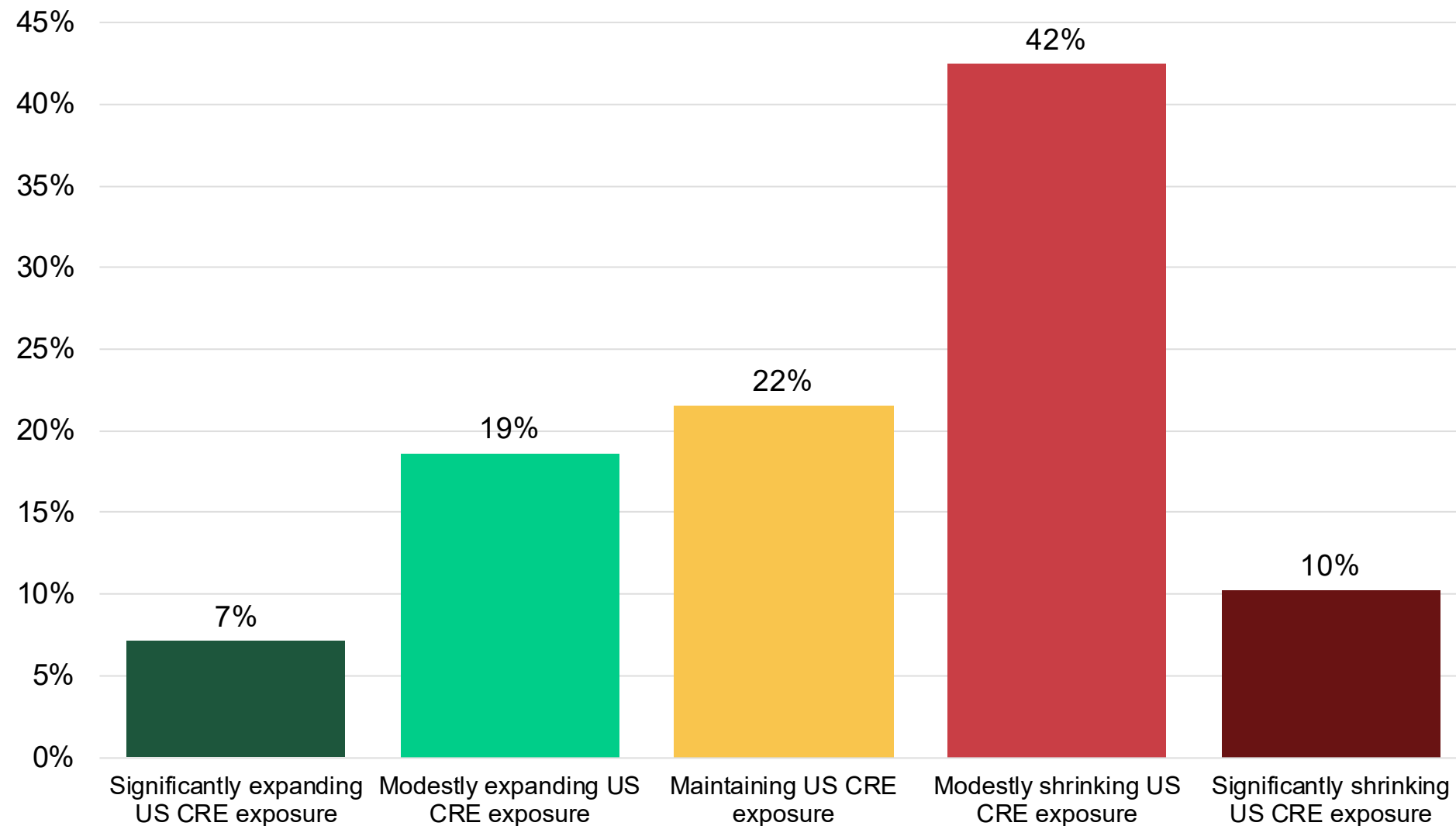
Retail investors are the most pessimistic, with nearly two-thirds (64%) expecting trade policy changes to negatively impact their sector.

- Tariffs may complicate supply chains in the near term and will likely raise prices for goods made outside the US, which could negatively impact valuations for brick-and-mortar stores.
- Near-term uncertainty may also weigh on consumer retail spending.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

52% of CRE investors report that foreign capital is reducing willingness to invest in US CRE assets compared to 2024.

How are foreign investors changing their appetite for US CRE investments today vs. 2024?

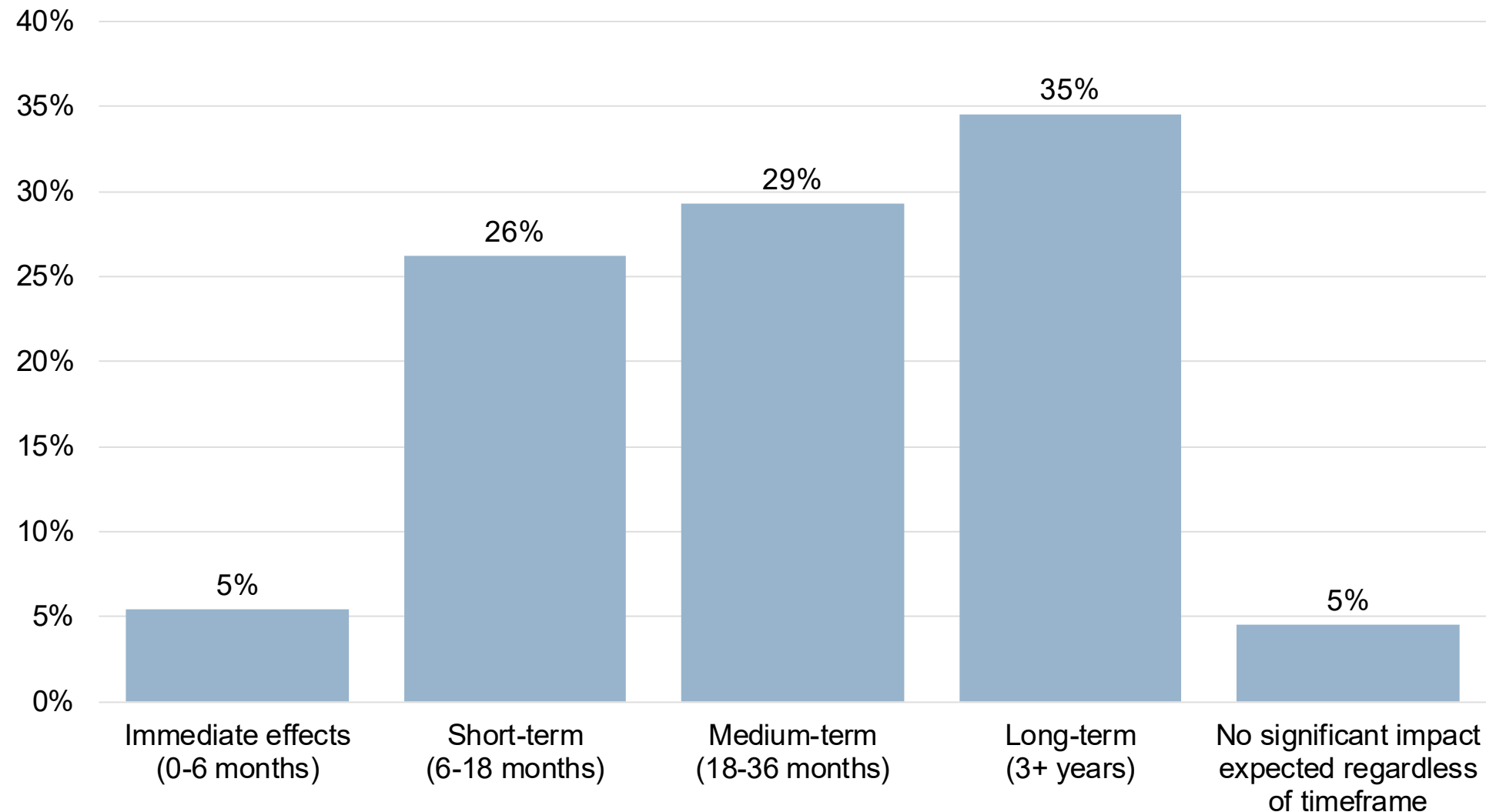


The commercial real estate market is already facing pressure from high interest rates and low transaction volumes. Reduced foreign capital could intensify liquidity pressures, especially in gateway markets that rely heavily on international investment.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

35% of Industrial Investors expect to wait 3+ years to see meaningful impacts from new manufacturing and trade policies.

Industrial investors: How long until we see meaningful impacts from new trade/manufacturing policies on US industrial real estate markets?



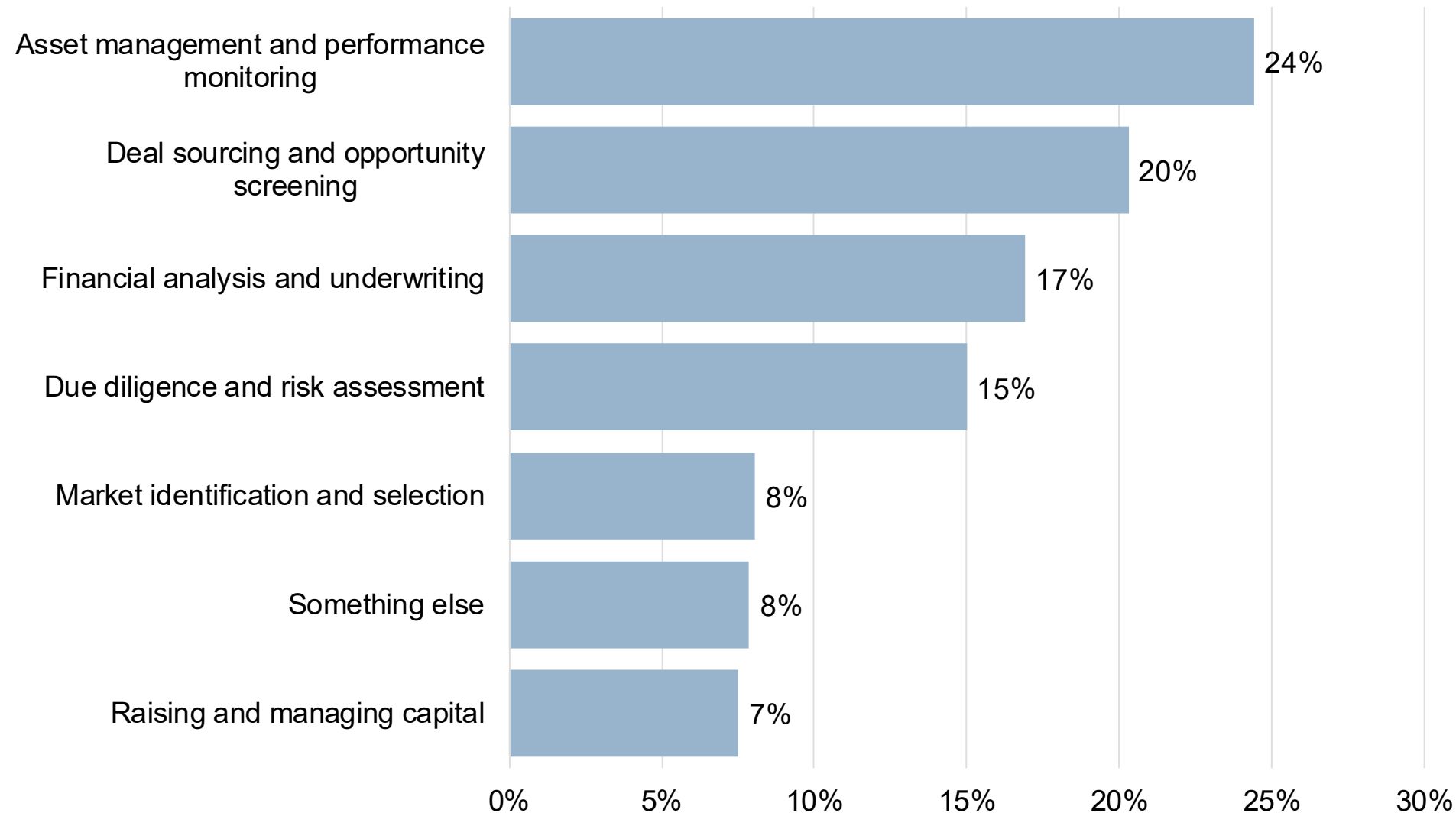
Most investors (64%) expect impacts to the Industrial CRE market to take 18+ months, causing investors to adopt a wait-and-see approach as they attempt to time their investment decisions around an unclear policy implementation timeline:

- “The unprecedented levels of uncertainty have caused investors and debt sources to pause until stability (predictability) returns.”
- “Tariffs [are] freezing the market, and even with trade deals, businesses are uncertain on next steps.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

24% of CRE investors cite asset management and performance monitoring as seeing the biggest gains from technology investments.

What aspect of your investment process has been most improved by your recent technology investments?



Uncertain market conditions are driving investors to seek better data and to monitor capabilities for their existing portfolios and identify opportunities.

Raising and managing capital ranks lowest at just 7%, despite access to capital being one of the industry's biggest current challenges.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

Commentary from CRE investors

Policy and tariffs

“

“It’s uncertainty that will destabilize everything. Tariffs are a tax, and if 10% tariff slows economic investment by even 1%, it is bad. Consumer cutbacks may be even higher. Retail & distribution warehouse (retailers/suppliers) are exposed to 35%-135% China tariffs, and that creates even bigger problems across the board.”

“The Trump administration has created global uncertainty, the impact of which is yet to be determined for CRE assets, although the expectation is that it’ll be negative. Markets like stability, and the current administration is anything but stable.”

“The unprecedented levels of uncertainty have caused investors and debt sources to pause until stability (predictability) returns.”

“Banks have investors now at their mercy. With [the] new administration, unfounded hopes were that the market would skyrocket due to Trump’s promises. They have...for the extremely wealthy or corporations. For the small investor, however, they are struggling (with capital raises, products & supplies, and skilled labor) and [are performing worse than under] the previous administration.”

“

“I don’t believe we will see any significant improvement until rates come down and lenders relax criteria.”

“I believe the extend and pretend period is coming to an end. [In] 6 months, the collateralized loan obligations will start unwinding.”

“As a limited partner in most deals, the #1 challenge has been general partners pausing distributions because they made poor decisions on the debt they initially secured on the property.”

“Distress for the 2020-2022 deals continues to grow.”

Awaiting opportunity

“

“The CRE investment market continues to be somewhat stuck: sellers want the prices they could have gotten several years ago, and buyers aren’t willing to pay those prices. Lots of investors sitting on the sidelines watching.”

“It’s becoming a buyer’s market, and I’m seeing investors hold the line until some prices come down and the cost of capital is reduced.”

“I am optimistic but still remain cautious. I continue to make investments, but at or below minimums, and I am doing a truly deep and thorough level of due diligence that is at least 10 times more involved than it previously was...”

“In my opinion, a shakeout of marginal firms will increase in the near term.”

Burns + CRE Daily Fear and Greed Index

This report gauges the pulse of the commercial real estate industry in the United States. Conducted jointly by **CRE Daily** and **John Burns Research and Consulting**, the Fear and Greed report is based on a quarterly survey of commercial real estate investors primarily involved in **Multifamily**, **Industrial**, **Retail**, and **Office** sectors.

The Fear and Greed Index is a proprietary diffusion index that compares 3 key aspects of commercial investors’ business:

- 1) **Current investment strategy** (currently increasing or decreasing CRE exposure)
- 2) **Expected investment strategy** (next 6 months)
- 3) **Access to capital** (easier or harder vs. prior quarter)

Survey Responses

Sector	Responses	% of Sample
Multifamily	200	38%
Industrial	98	18%
Retail	96	18%
Office	89	17%
Other	50	9%
Total:	533	100%

In survey work, a diffusion index highlights the main results on how a market, field, or industry is generally performing within a given time frame.

Our Fear and Greed diffusion index value (ranging from 0 to 100) demonstrates how far responses vary from the baseline (50). A value not far from the baseline indicates little change, whereas a value far from the baseline indicates great change. For example, a value less than 45 indicates a tendency toward contraction, and a value over 55 indicates a tendency toward expansion.

Index Components

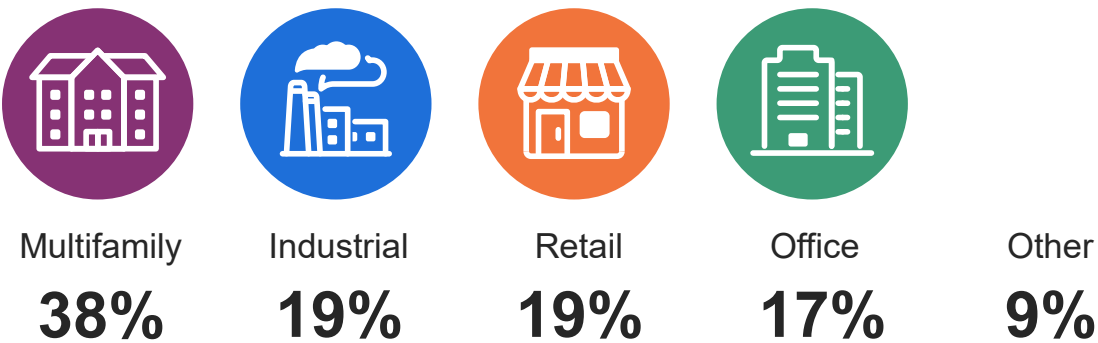
Metric
Current CRE investment strategy
Expected CRE investment strategy (next 6 months)
Access to capital for CRE

Note: investment strategy refers to increasing, decreasing, or holding investment exposure to each commercial real estate sector.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

Sample details

Responses by segment:

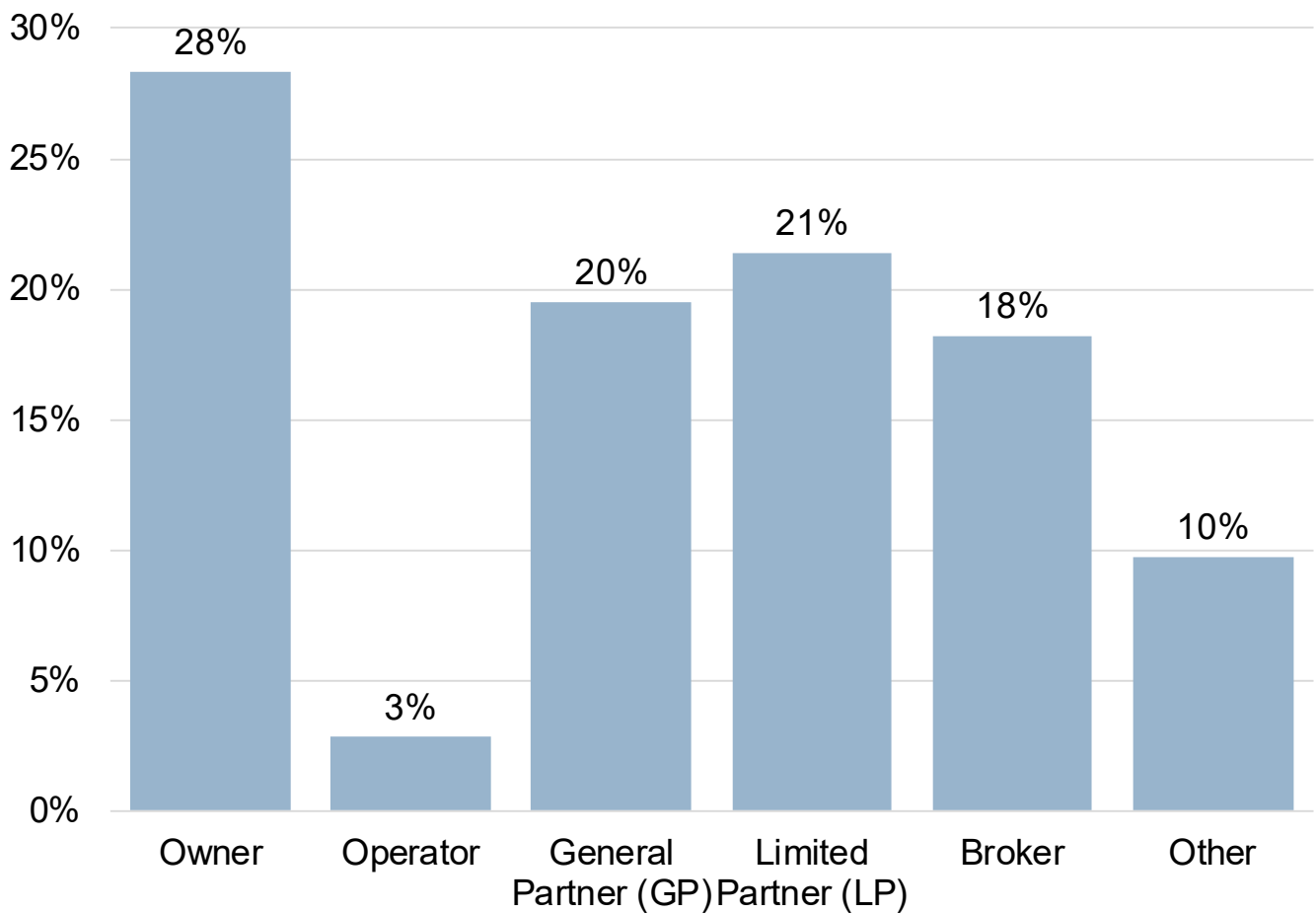


Responses by region:

Note that participants could select more than one region in which they are active. Thus, the total will not add to 100%.

- **California:** 17%
- **Florida:** 36%
- **Midwest:** 34%
- **Northeast:** 21%
- **Northwest:** 14%
- **Southeast:** 28%
- **Southwest:** 30%
- **Texas:** 36%

Primary Role



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: May-25, Pub: Jun-25)

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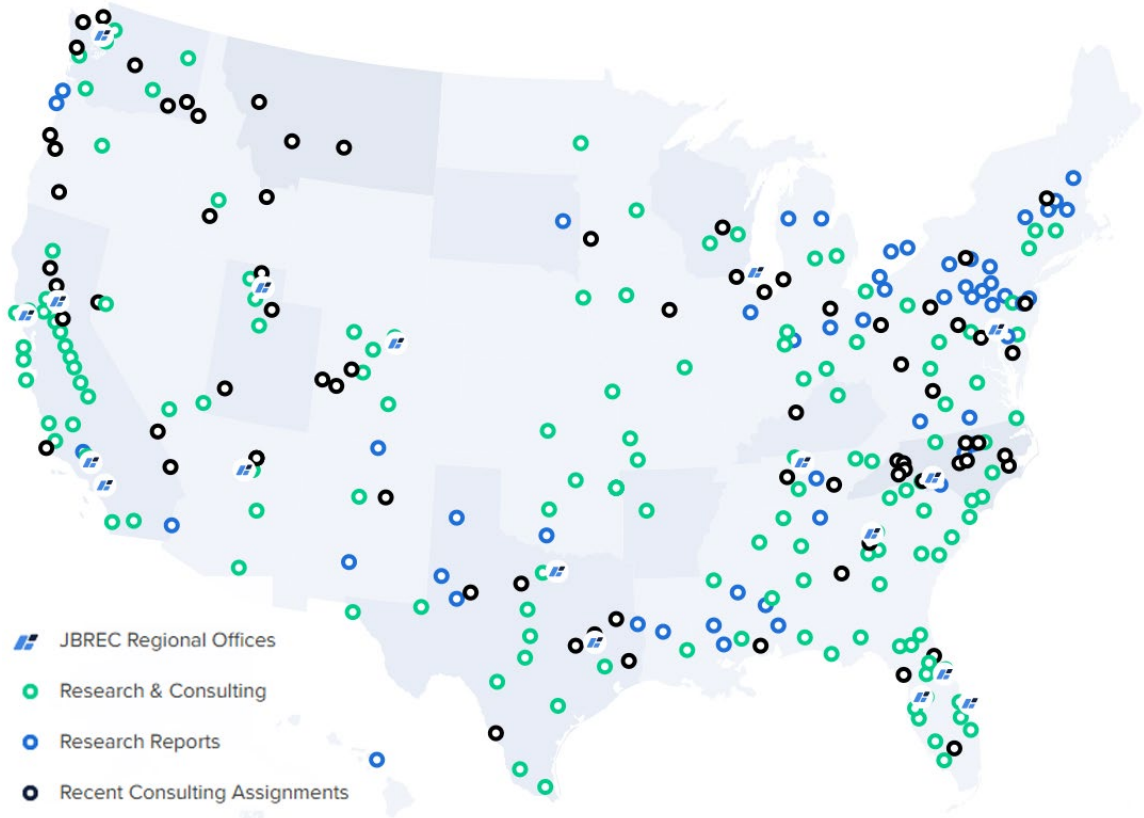
- **Research memberships:** We provide our research members with subscription packages of informative, timely analysis supported by data and dashboards. We also service our members by answering their individual questions and hosting them at our client-only events.
- **Consulting services:** We provide our consulting clients with customized analysis to help them answer specific questions on topics ranging from developing strategy to acquiring a specific property or company.

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