

3Q26 Fear and Greed Survey (Commercial Real Estate)

JOHN BURNS
RESEARCH & CONSULTING

CRE Daily | Sponsored by
InvestNext

September 8, 2026



About this report

Conducted jointly by John Burns Research and Consulting and CRE Daily, this report 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 3Q26 report is based on 314 market ratings from members of the commercial real estate community across 4 primary sectors:



Multifamily



Industrial



Retail



Office

The 3Q26 survey ran from August 3 to August 24. Responses, commentary, and sentiment reflect the latest shifts across commercial real estate.

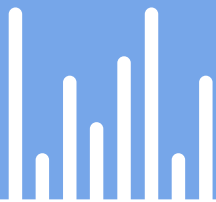
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As always, reach out with any questions or comments about our research. We're here to help.

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Jenny Reyes

*Senior
Publishing Specialist*



We are pleased to share the 3Q26 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 stagnant 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

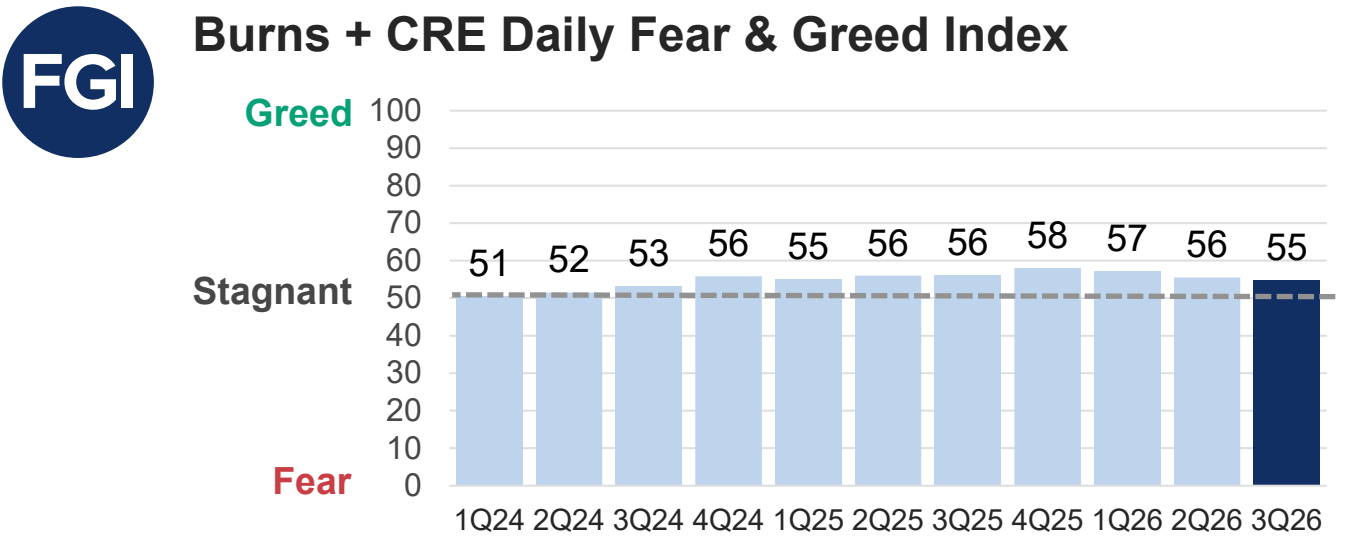
55
out of 100

The Fear and Greed Index is at **55** out of 100, indicating a **stagnant** commercial real estate market.

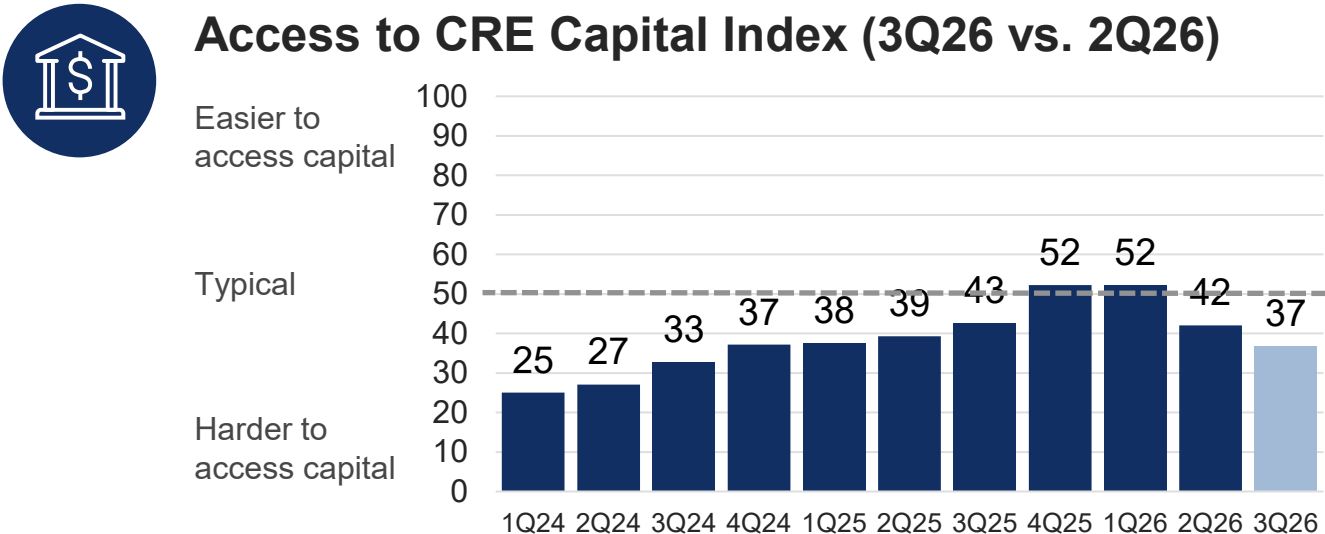
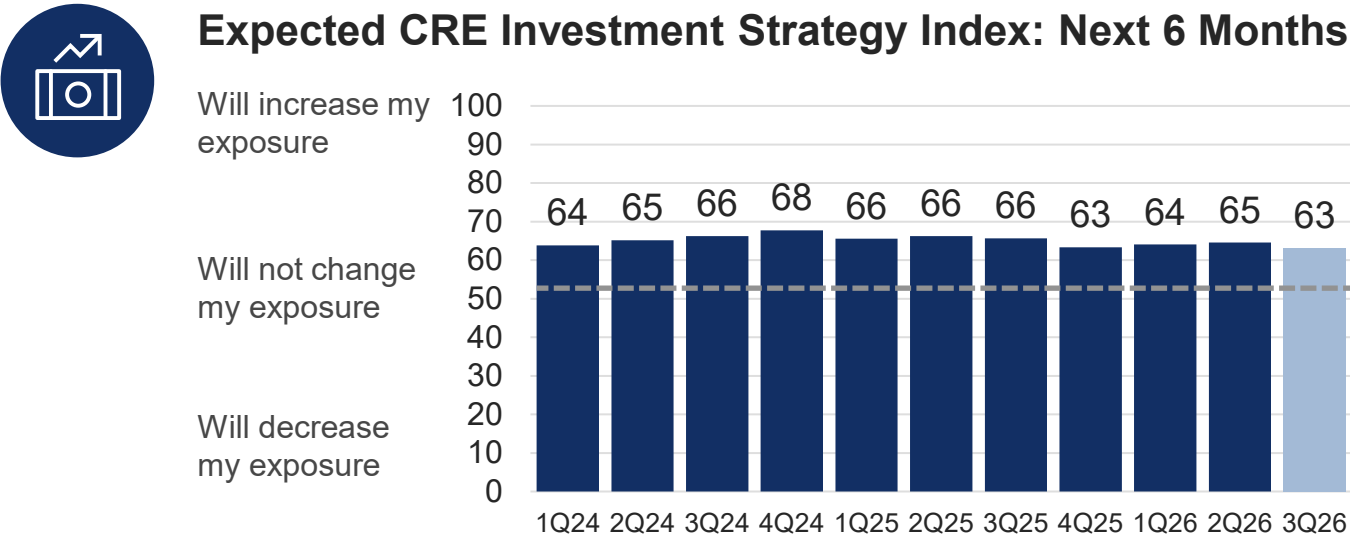
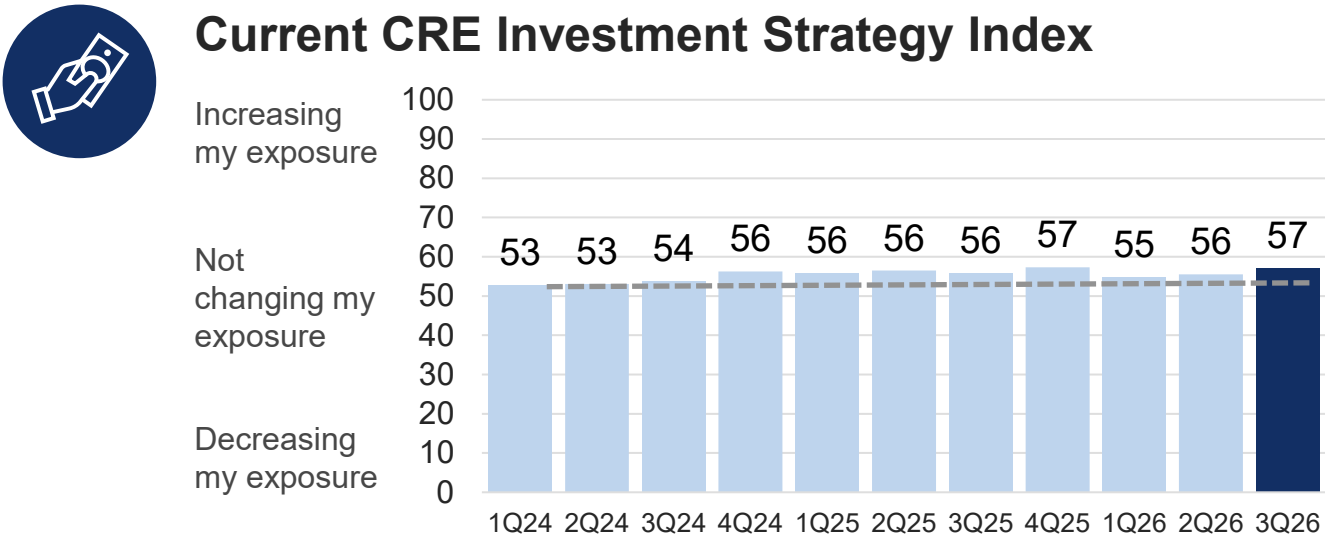


Conducted jointly by John Burns Research and Consulting and CRE Daily, the 3Q26 index reflects findings from 314 commercial real estate investors across 4 sectors: **Multifamily**, **Industrial**, **Retail**, and **Office**.

The Fear and Greed Index ticked down slightly in 3Q26 from 2Q26.



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: Aug-26, Pub: Sep-26)

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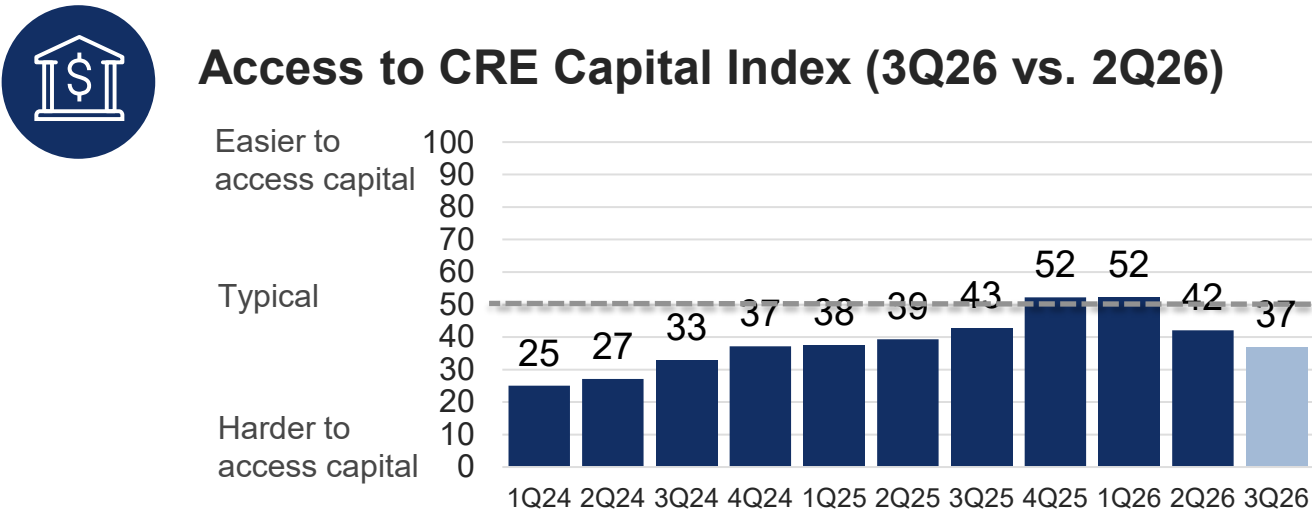
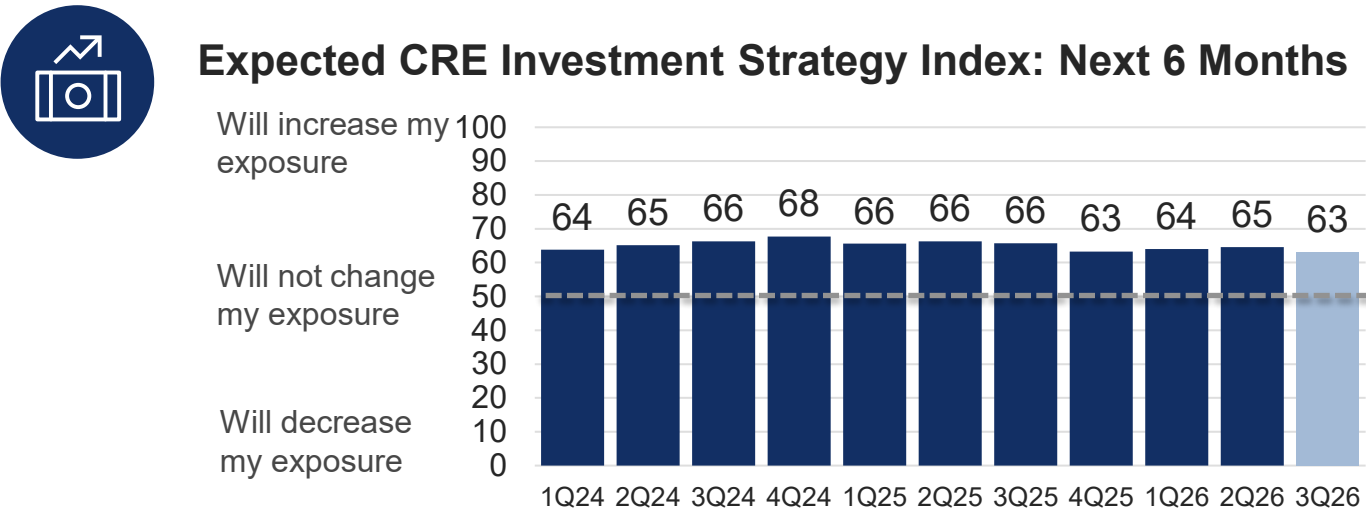
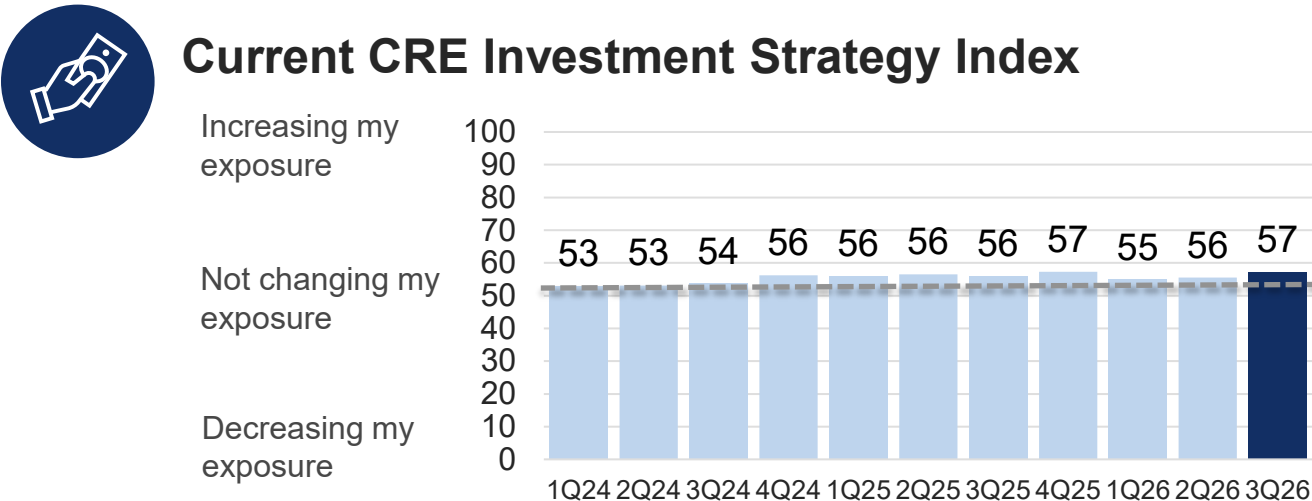
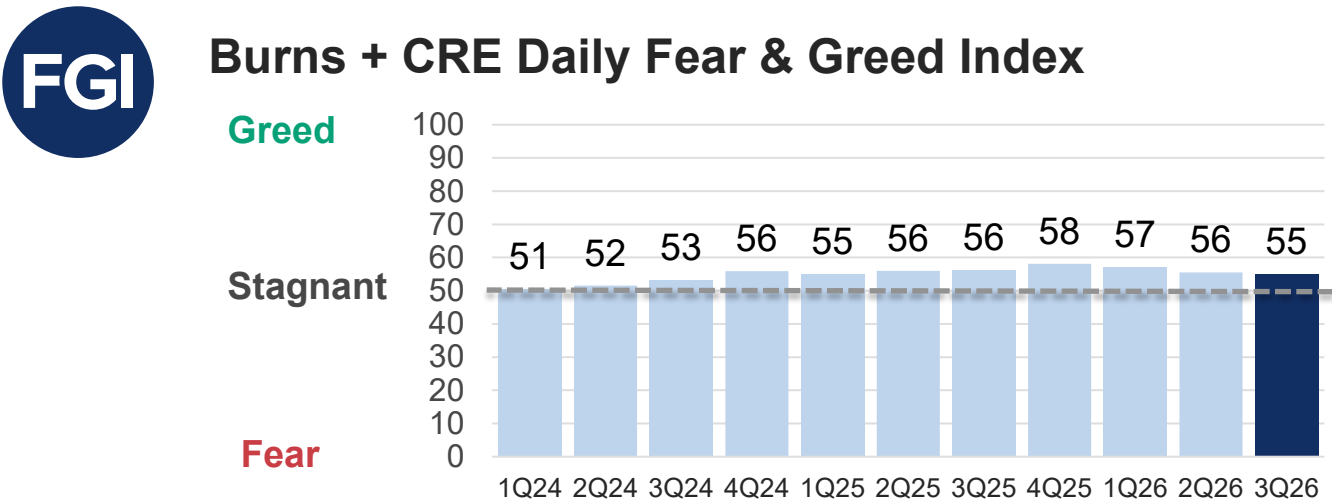
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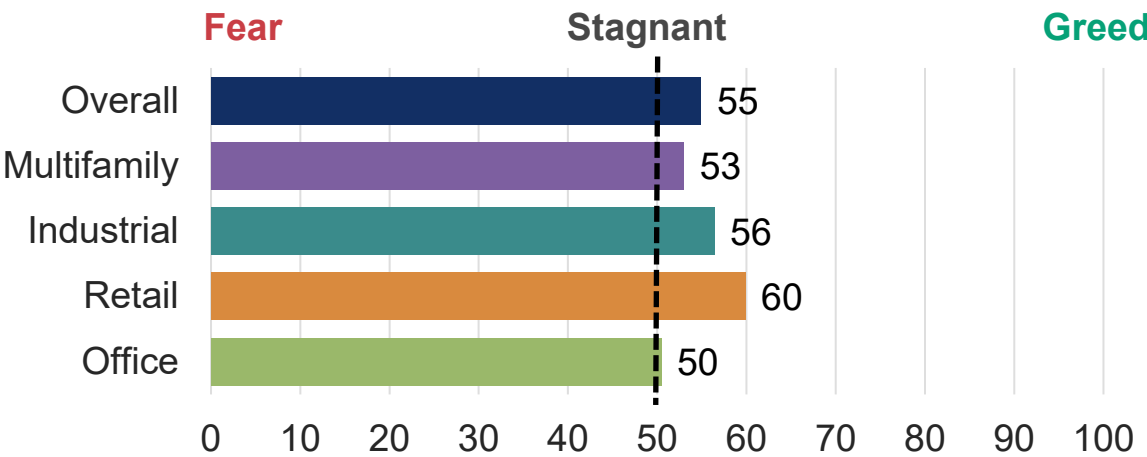
Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Per our sector-level index, retail is the strongest commercial sector. Office continues to lag.

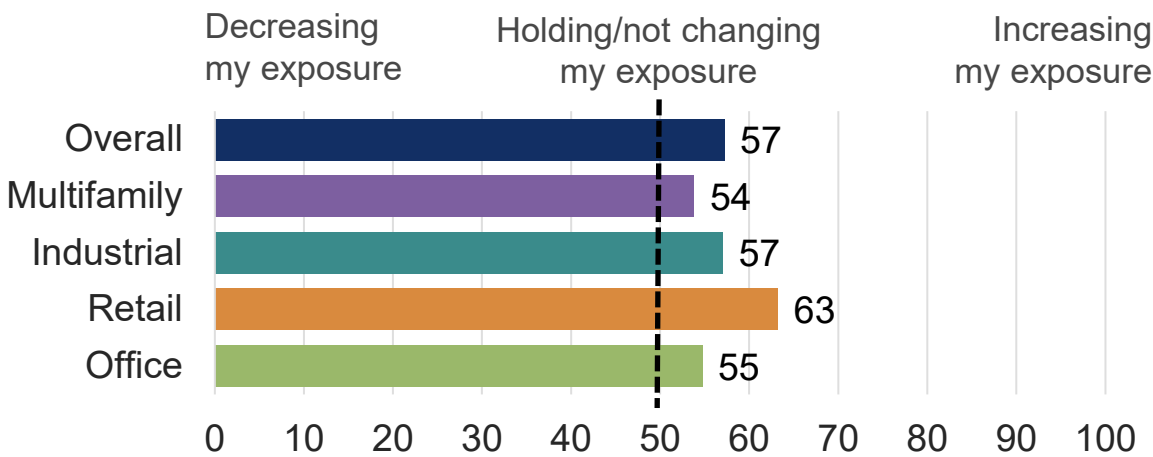
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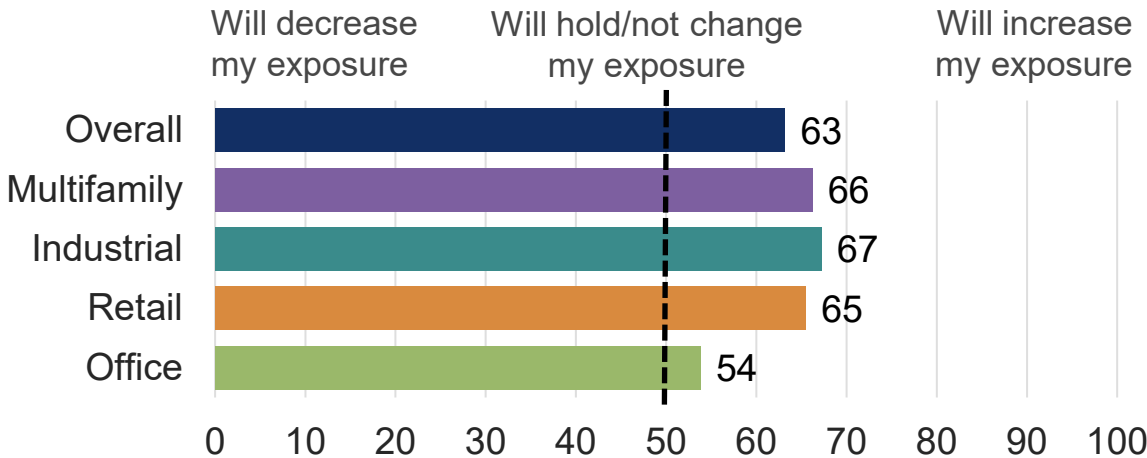
Burns + CRE Daily Fear & Greed Index



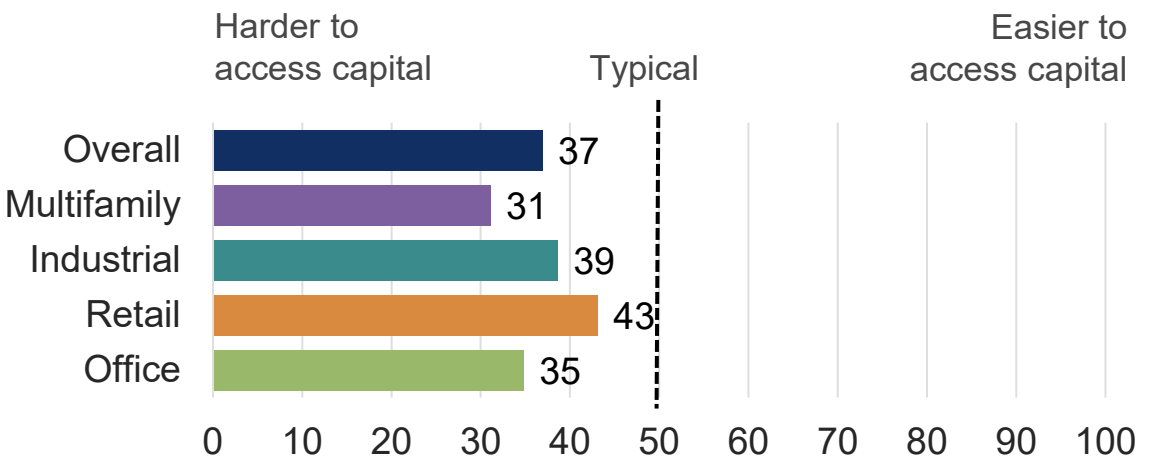
Current CRE Investment Strategy Index



Expected CRE Investment Strategy Index: Next 6 Months



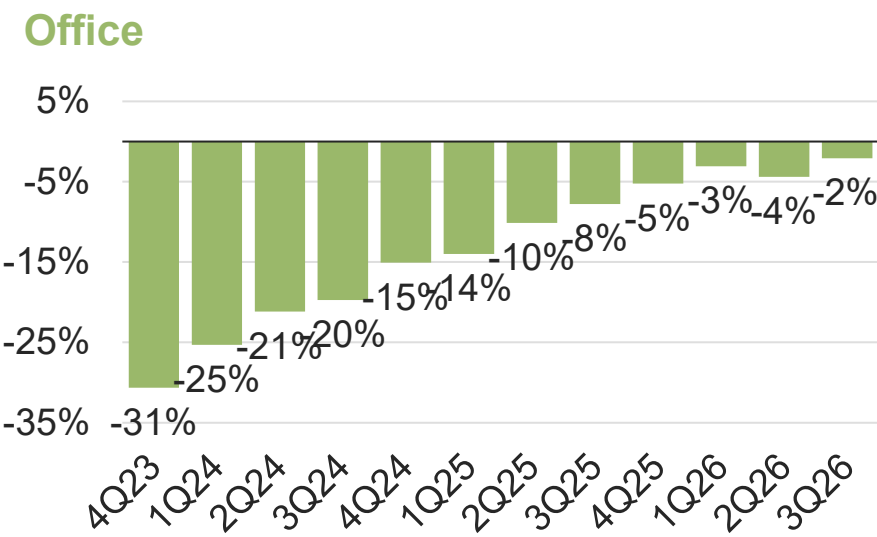
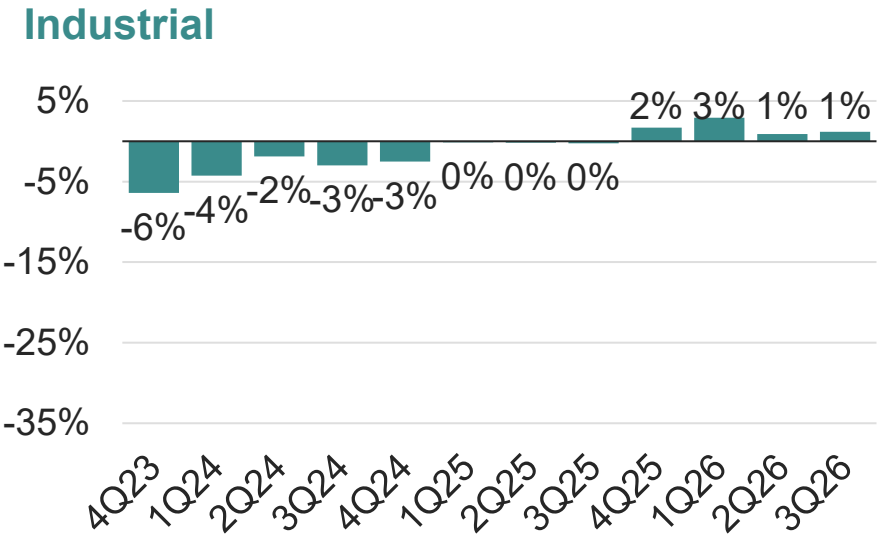
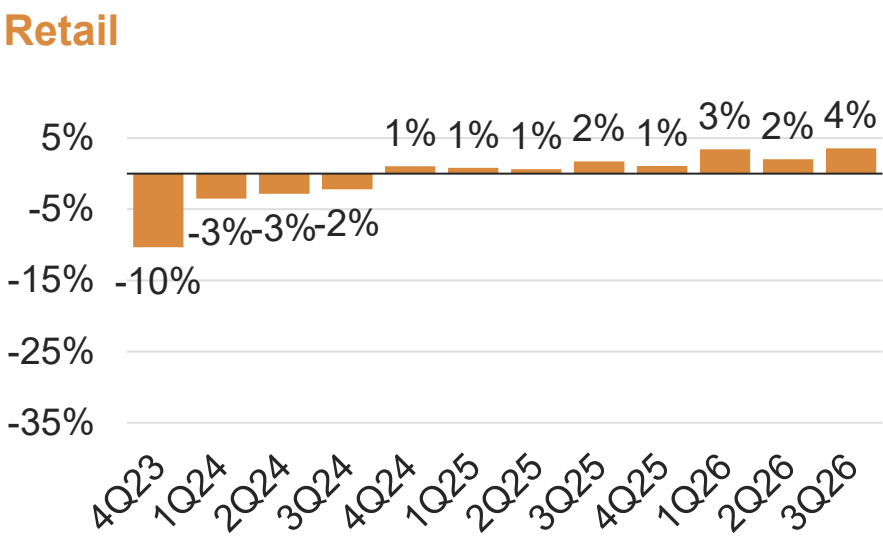
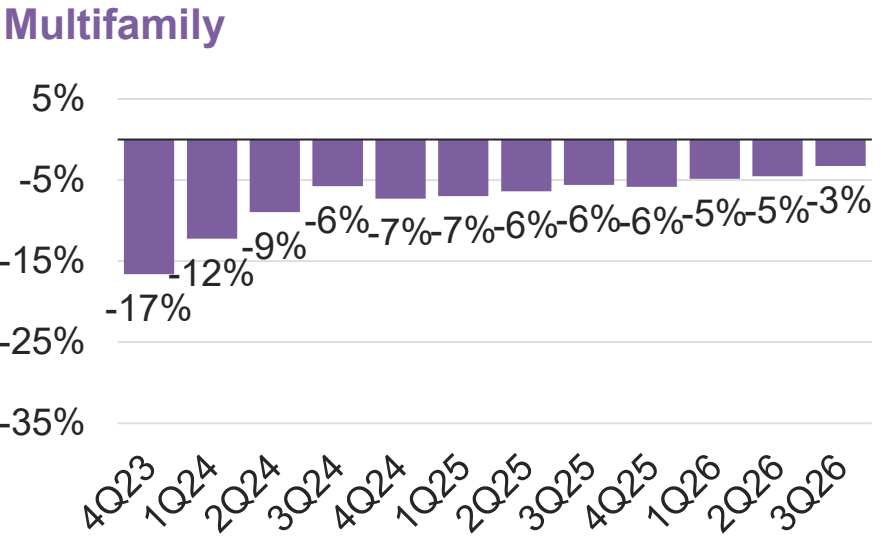
Access to CRE Capital Index (3Q26 vs. 2Q26)



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Investors indicate that Multifamily and Office asset values fell YOY.

Change in Values by Asset Class (% YOY)



Investors believe **Industrial** and **Retail** asset values rose YOY in 3Q26.

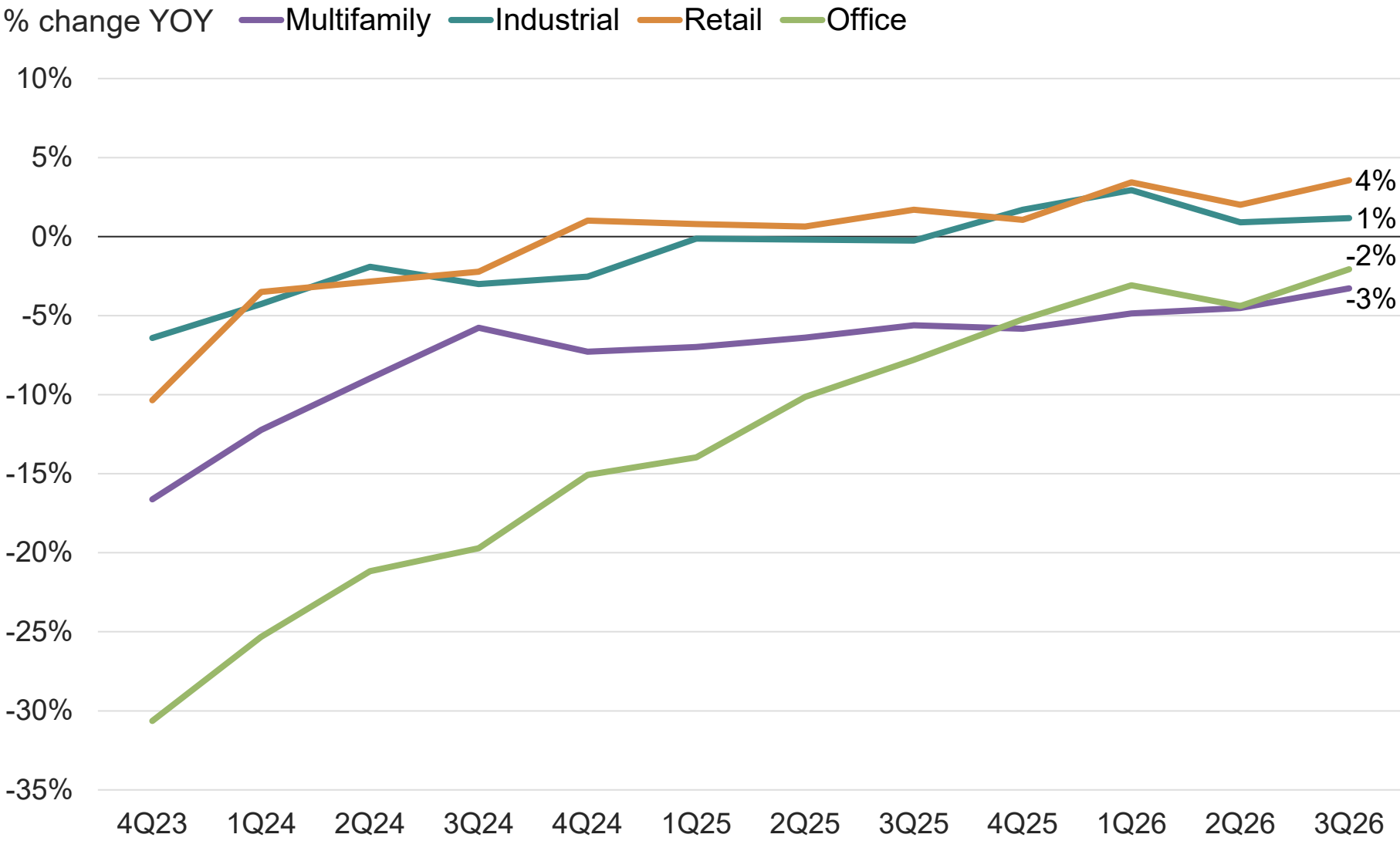
Asset values fell the most in the **Multifamily** sector (-3% YOY).

Office sector asset values declined -2% YOY; improving from -4% last quarter.

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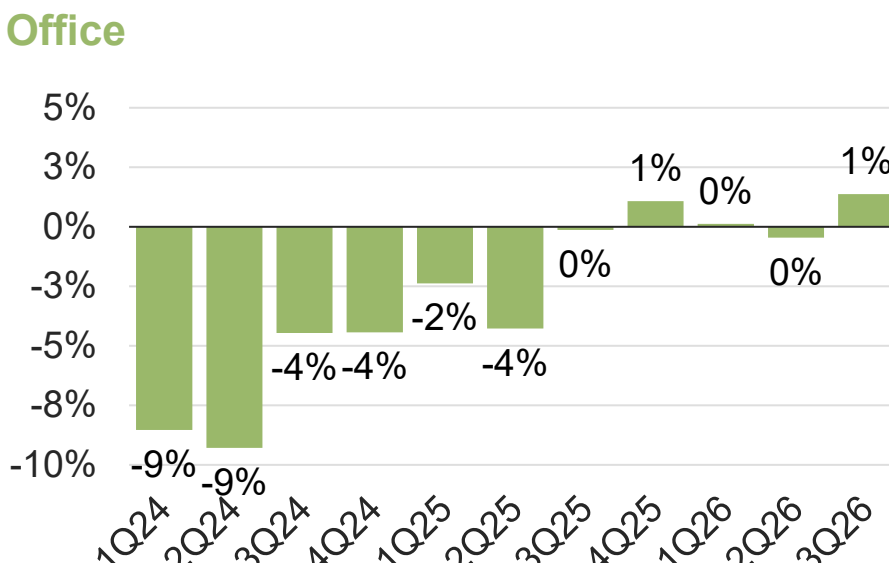
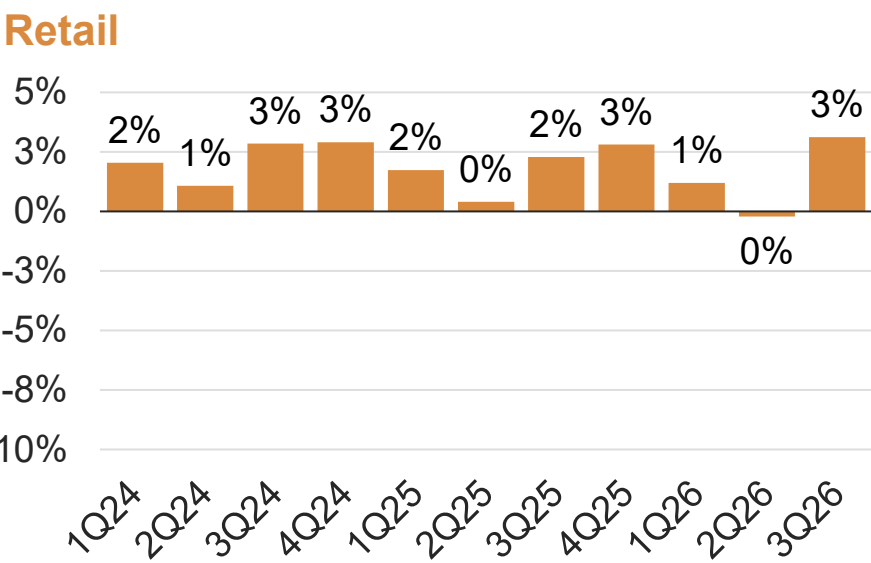
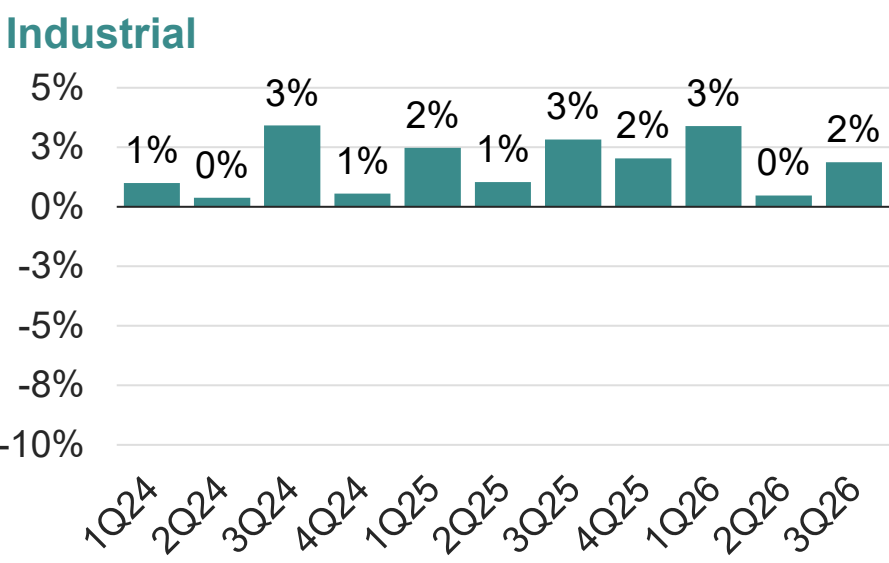
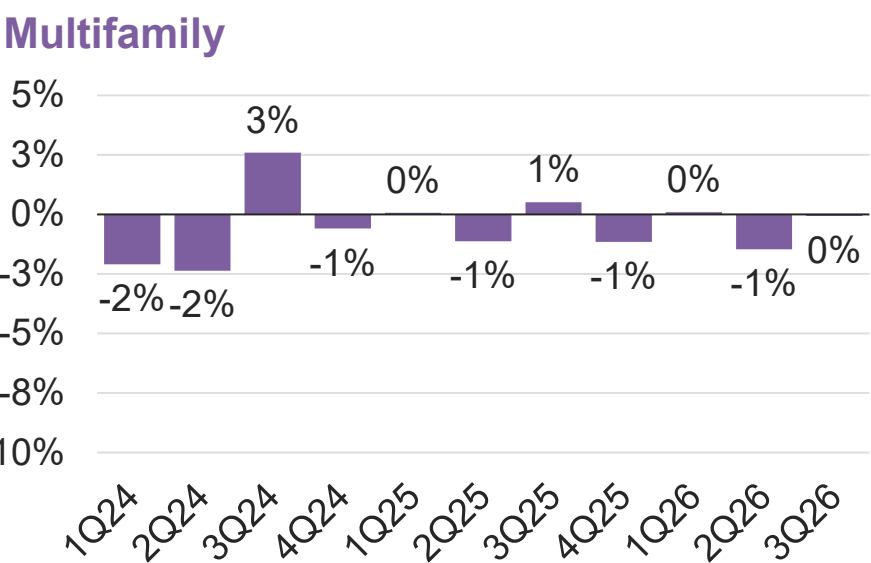
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Investors indicate that Multifamily values will remain flat over the next 6 months, while other CRE sectors' values will increase.

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

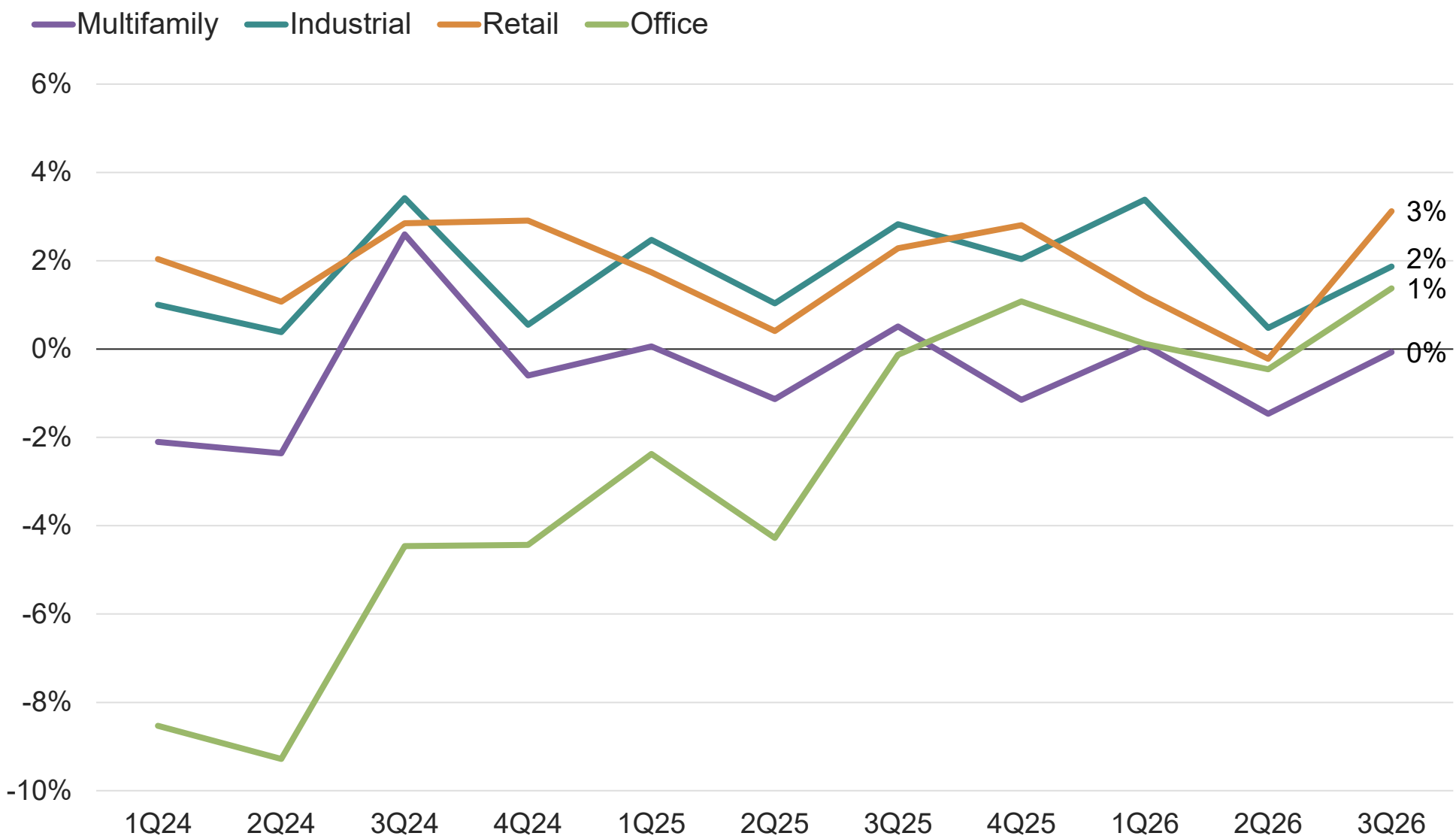


CRE investors in all sectors raised their near-term asset value growth expectations relative to last quarter.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

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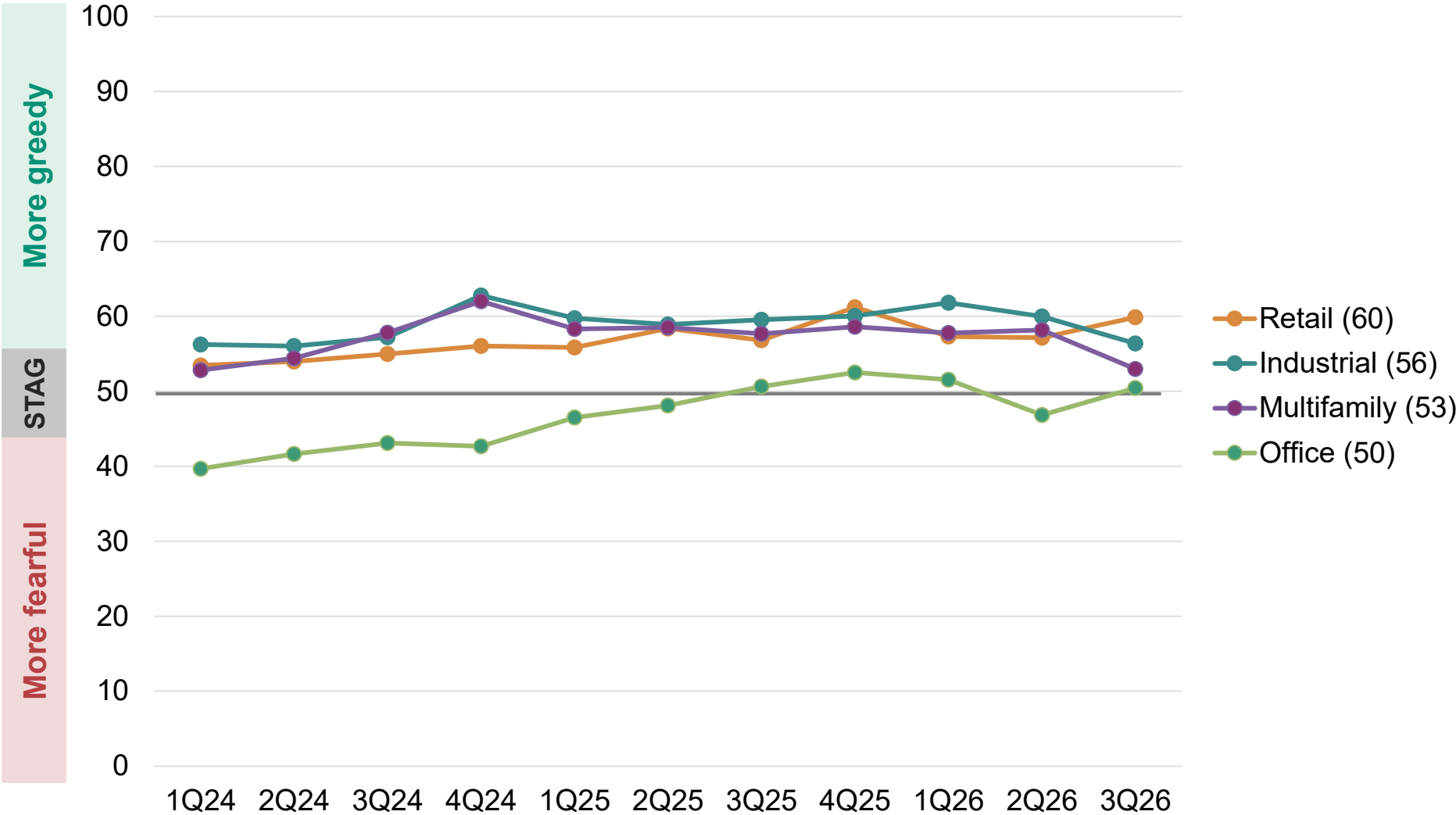
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Burns + CRE Daily Fear and Greed Index

3Q26



The **Retail** Fear and Greed Index (FGI) rose to 60 in 3Q26, higher than other CRE sectors.

The **Multifamily** FGI ticked down QOQ to the lowest level in our survey history (tied with 1Q24).

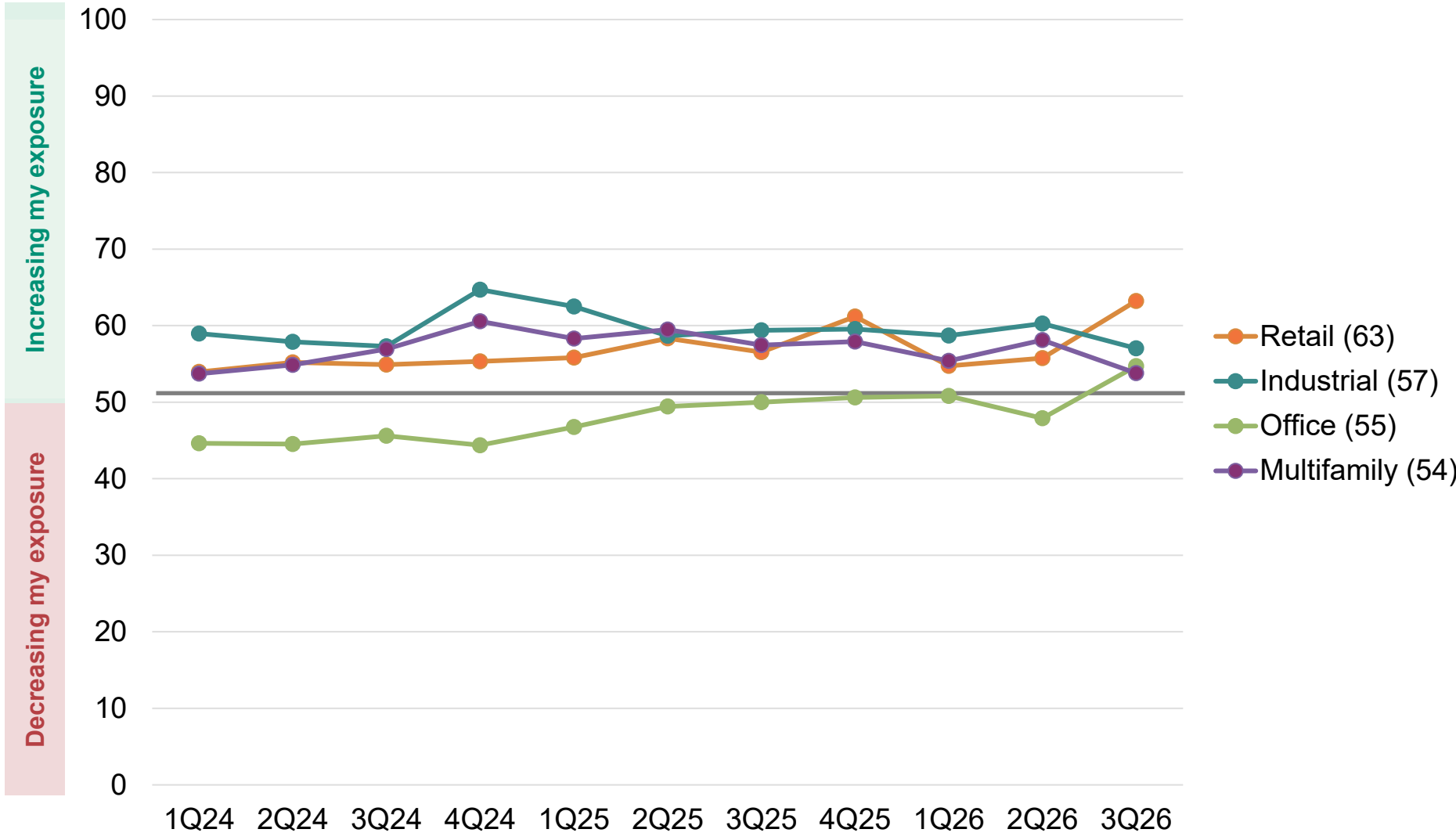
Note: Ratings above 55 indicate more “greed” among commercial real estate investors (expanding CRE market), while ratings below 45 indicate more “fear” among CRE investors (contracting CRE market). A rating between 55 and 45 indicates a stagnant market (denoted by STAG in the graph’s y-axis labels).

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)



Current CRE Investment Strategy Index (3Q26)

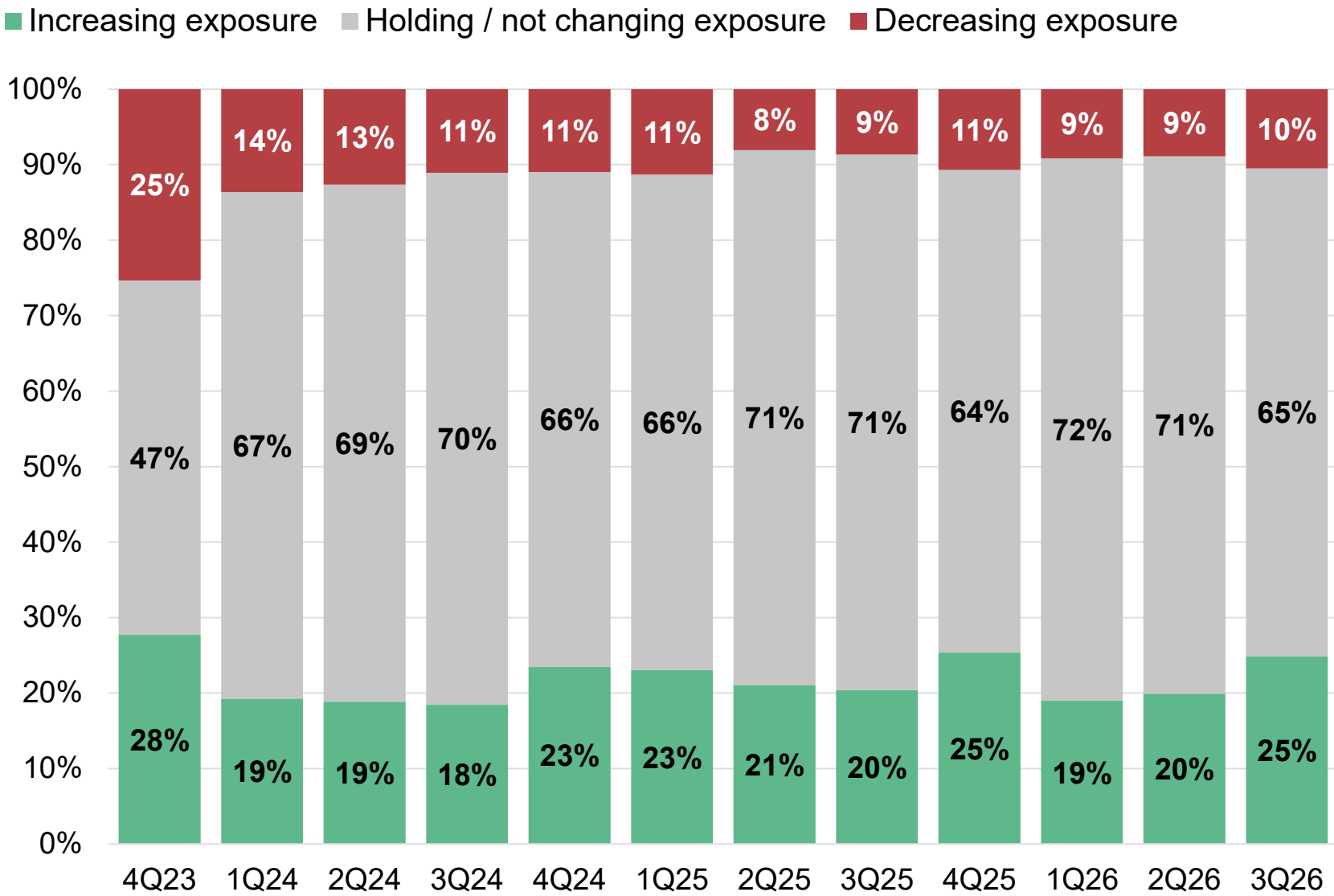
Measures the share of commercial real estate investors increasing, decreasing, or holding their investment exposure to commercial real estate sectors during the most recent quarter



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

25% of CRE investors report increasing their investments in 3Q26.

Current Commercial Real Estate Investment Strategy



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

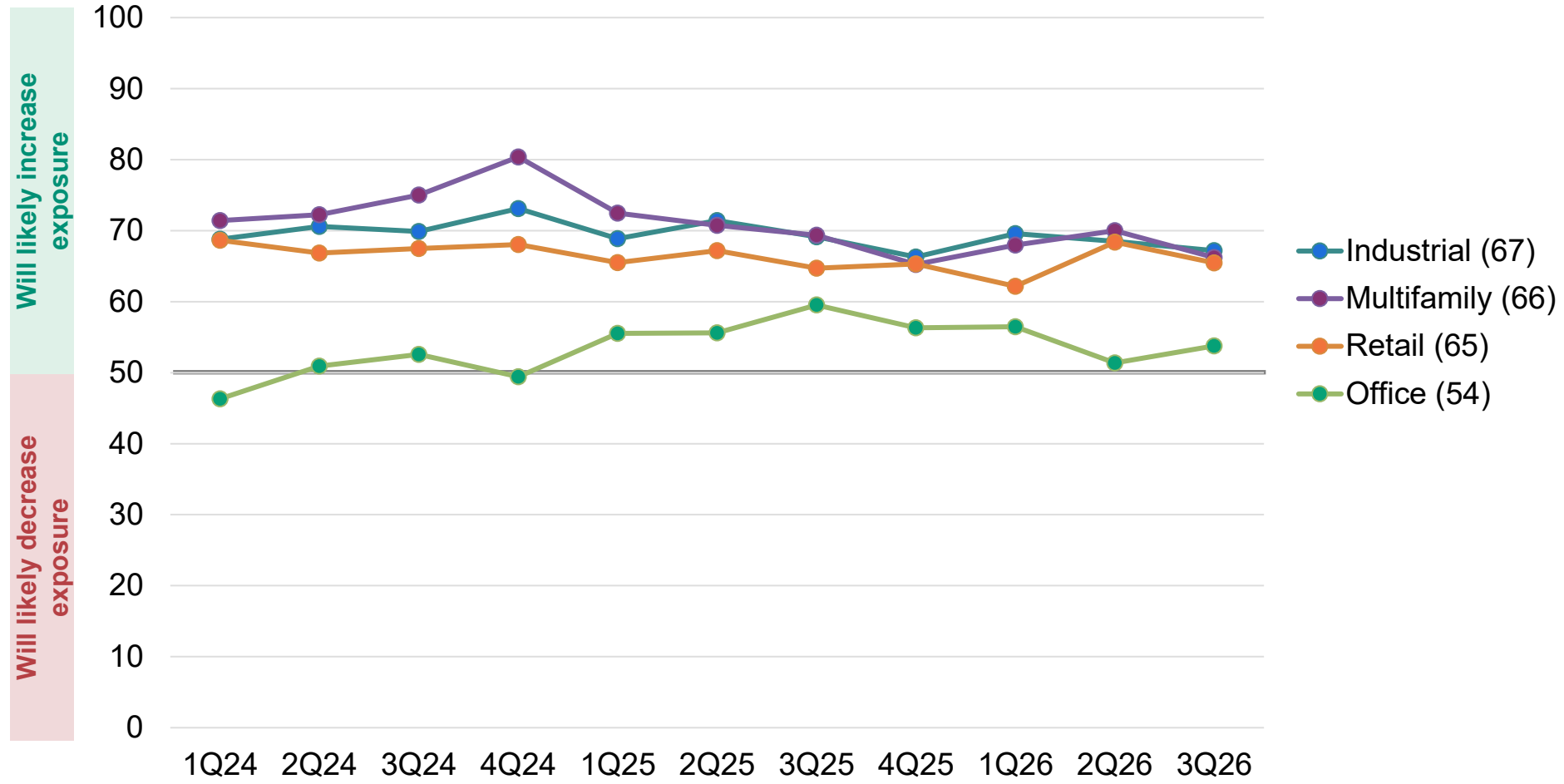
“ Risky market due to both political and economic challenges ahead.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)



Expected CRE Investment Strategy Index: Next 6 Months (3Q26)

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



More investors expect to increase than decrease their CRE exposure over the next 6 months.

Office sector optimism rose QOQ but remains low relative to other sectors.

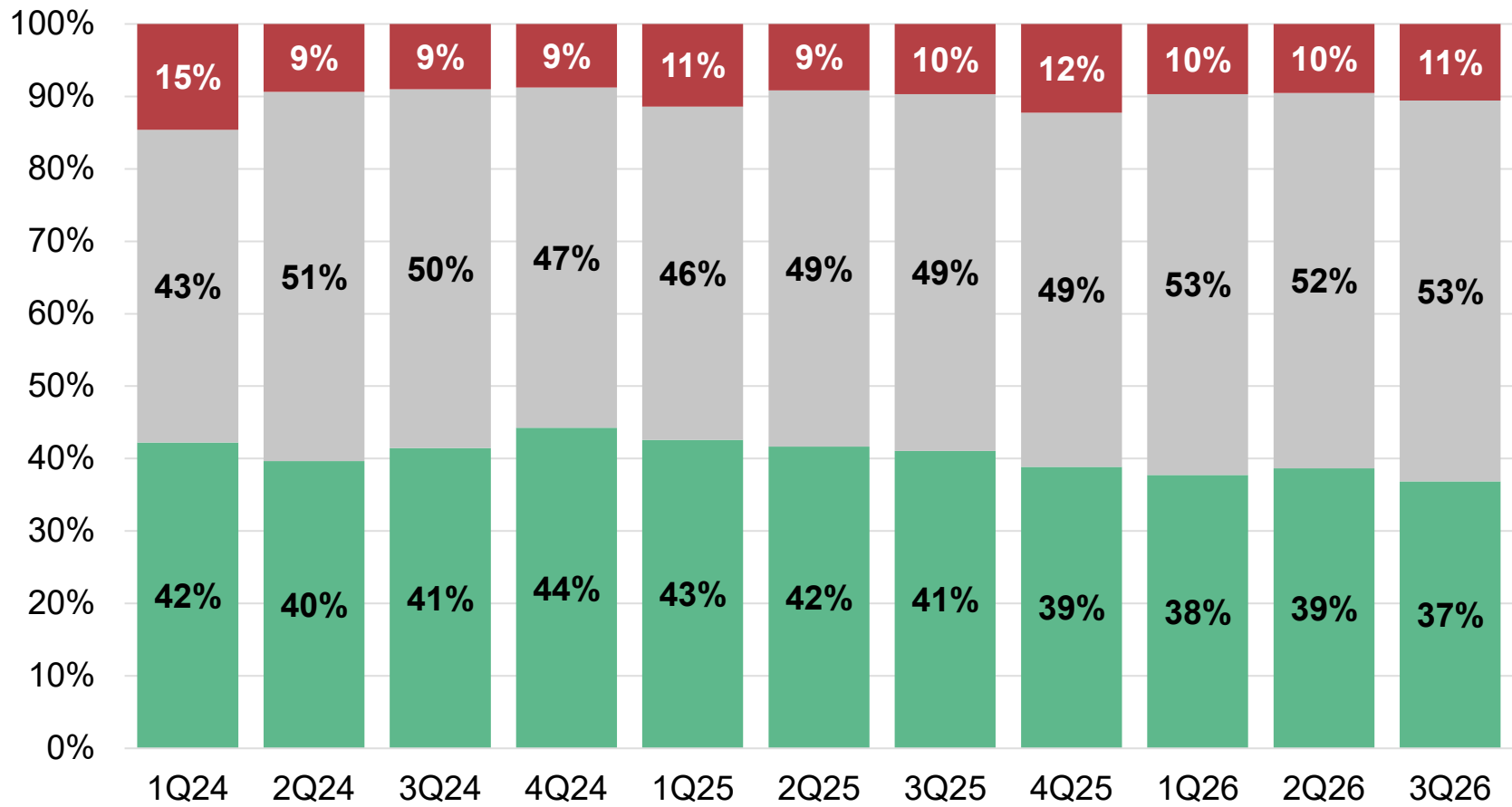
Note: Ratings above 50 indicate that more investors expect to increase than decrease their investment exposure over the next 6 months, while ratings below 50 indicate that more investors expect to decrease rather than increase their investment exposure over the next 6 months.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

53% of investors expect to leave their CRE exposure unchanged 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



37% of investors plan to increase CRE exposure over the next 6 months, the lowest share in our survey's history.

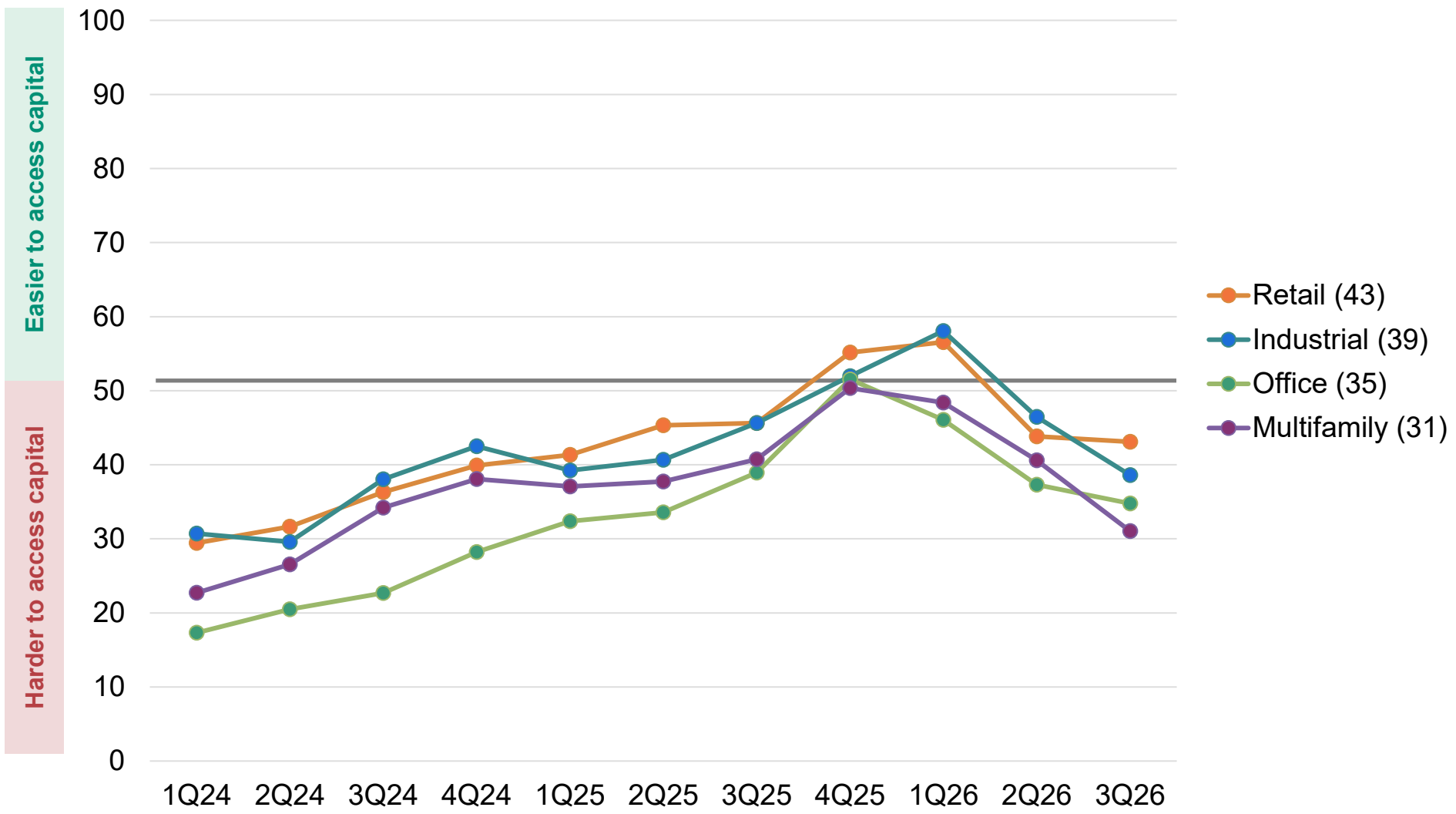
“Fiscal policy uncertainty is highly detrimental to investor confidence. Fiscal policy must stabilize.”

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)



Access to CRE Capital Index (3Q26)

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.



Access to credit is getting harder.
Investors in all sectors report that access to credit became more difficult in 3Q26 vs. 2Q26.

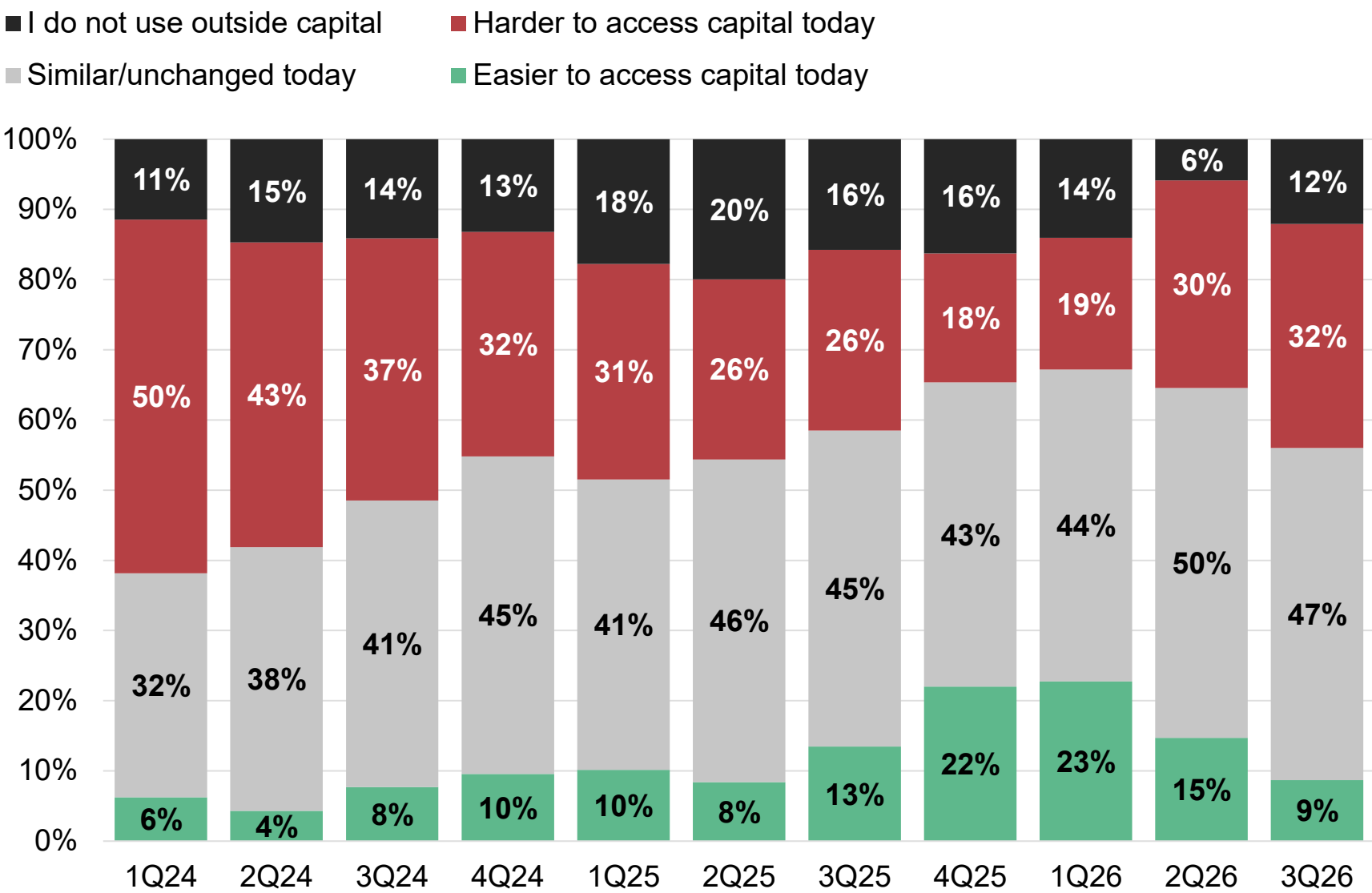
The cost of long-term CRE debt is tied to the 10-year Treasury yield, which rose in 3Q26 due to heightened inflationary pressures. This is increasing the cost of borrowing for CRE investors.

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: Aug-26, Pub: Sep-26)

Access to capital became more difficult in 3Q26 vs. the prior quarter.

Access to Capital for Commercial Real Estate vs. Prior Quarter



32% of CRE investors in our survey report capital becoming more difficult to access in 3Q26 vs. 2Q26.

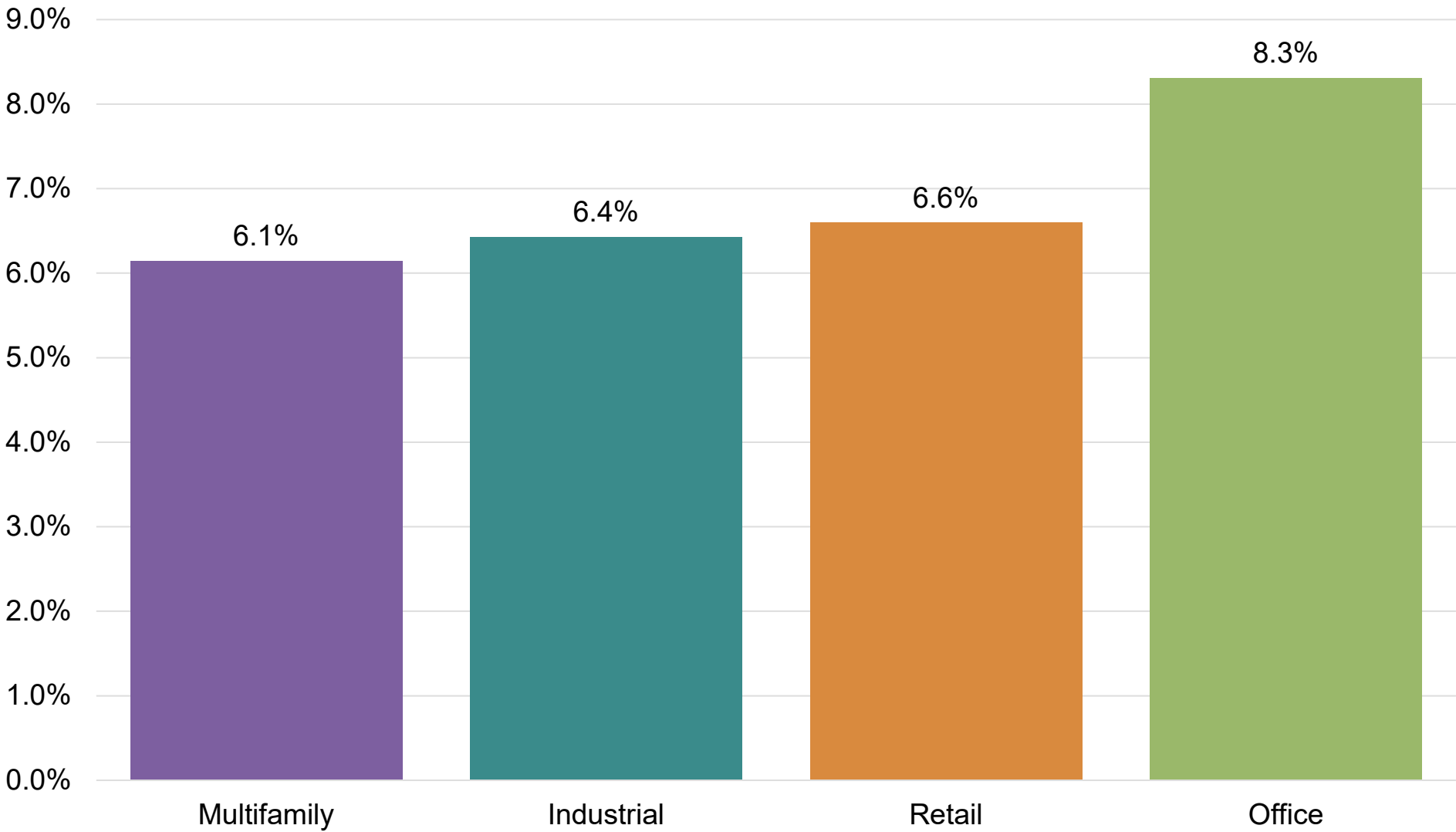
“Debt availability is strong, but institutional equity capital is effectively on the sidelines. Interest rate volatility and local market-specific regulations put a continued pause on capital investment.”

A spike in inflation expectations due to conflict with Iran is driving up borrowing costs.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Current cap rates are lowest in the Multifamily sector at 6.1% and highest in Office at 8.3%.

CRE investors | What are typical cap rates in the sectors you operate in today?



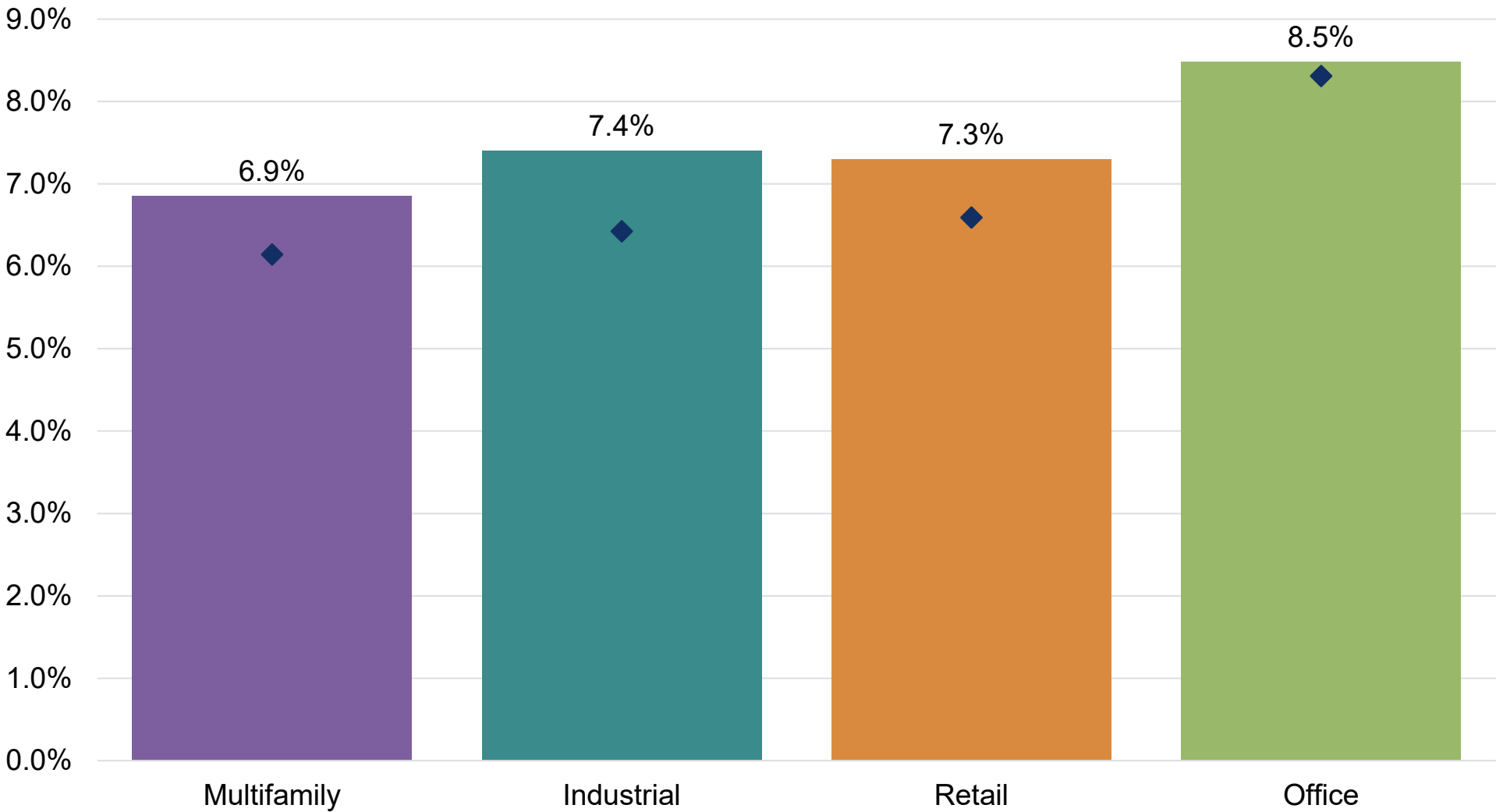
Structural demand declines in **Office** (remote/hybrid work) keep cap rates elevated relative to other CRE sectors.

Note that cap rates can range considerably by property type within a sector (Class A/B/C, Core/Core+/value-add).

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Current cap rates are too low for investors to deploy capital aggressively, though the office sector is close.

CRE investors | At what cap rate would you aggressively deploy capital in the sectors you operate in today? ♦ Current cap rate



At current interest rates, investors would need cap rates to increase ~64 bps on average to aggressively deploy capital in their sector. Office is the exception, at only ~20 bps.

A ~64 bps increase would require a ~11%–12% decline in asset values, which CRE investors are not expecting (see **page 12**).

As one investor notes:

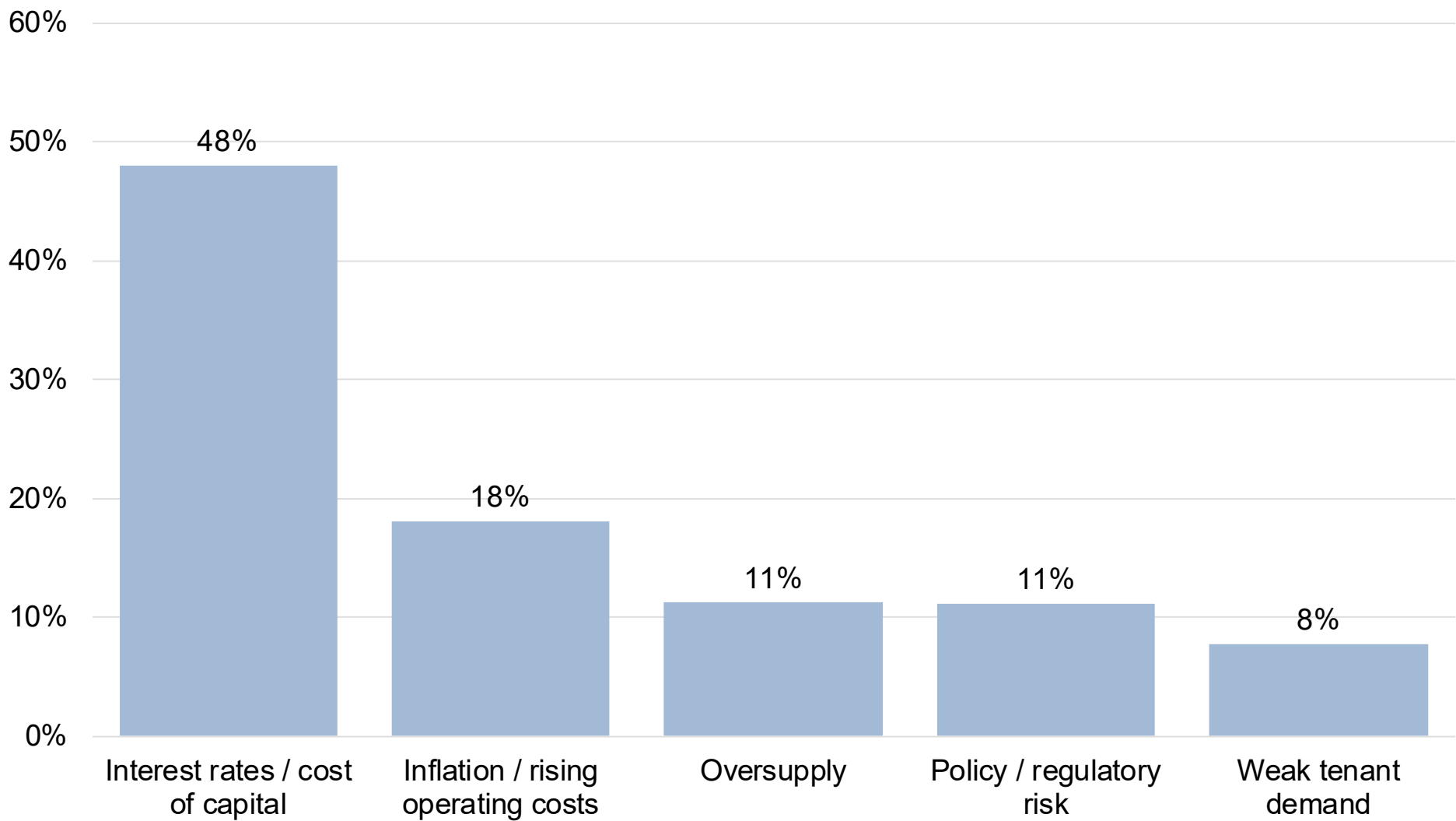
“Asking cap rates are lower than current Agency debt rates, and any negative spread on a deal just won't work.”

Expect CRE activity to remain muted in the near term, barring significant rate relief, strong NOI growth, or asset value declines.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

CRE investors believe interest rates / cost of capital will be the biggest obstacle over the next 6 months.

CRE investors | What do you believe will be the biggest obstacle to your sector over the next 6 months (rest of 2026)?



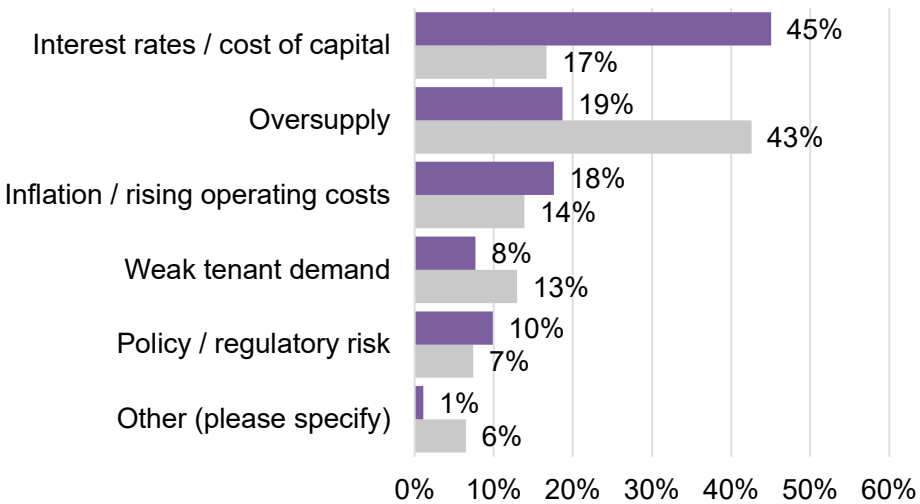
Just 11% of CRE investors expect policy risk to be the biggest obstacle over the next 6 months.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

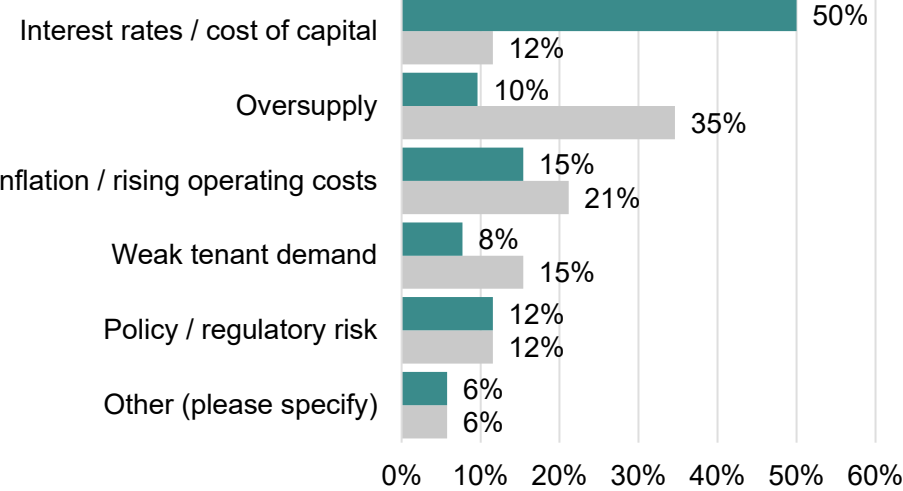
Interest rates / cost of capital is the primary concern for the rest of 2026 across all sectors.

CRE investors | What do you believe will be the biggest obstacle to your sector over the next 6 months?

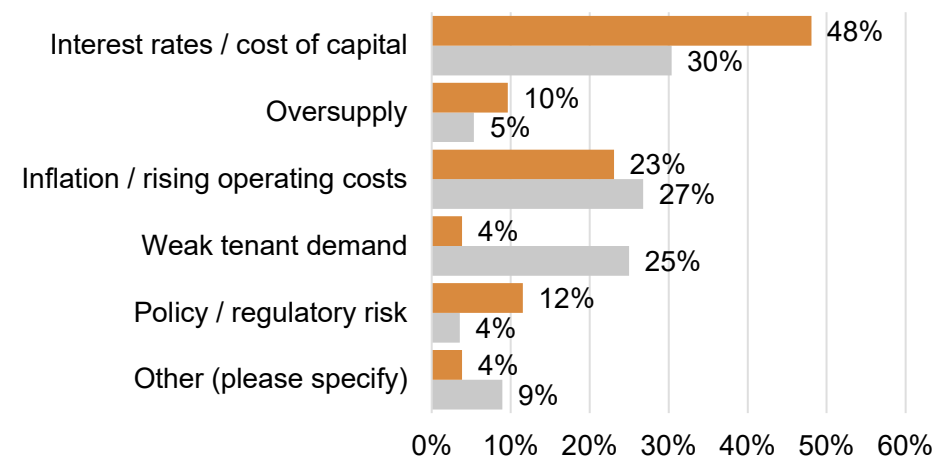
Multifamily



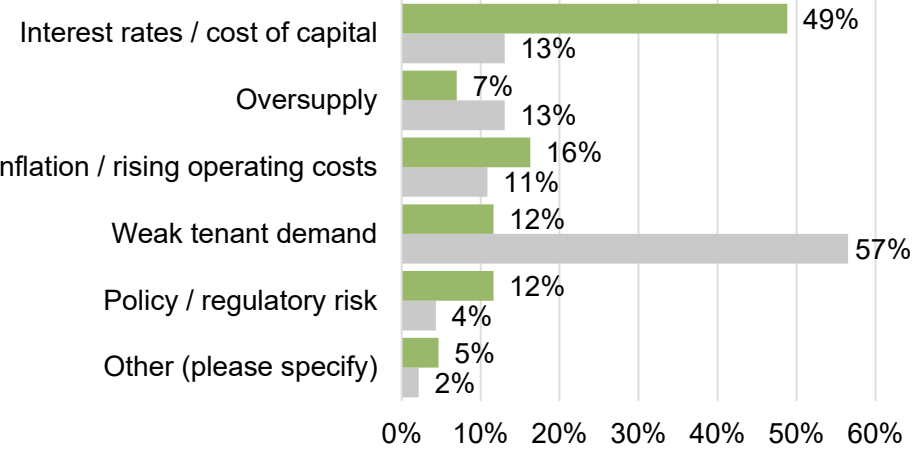
Industrial



Retail



Office



Interest rates are now the top obstacle in all four sectors, rising sharply from 1Q26.

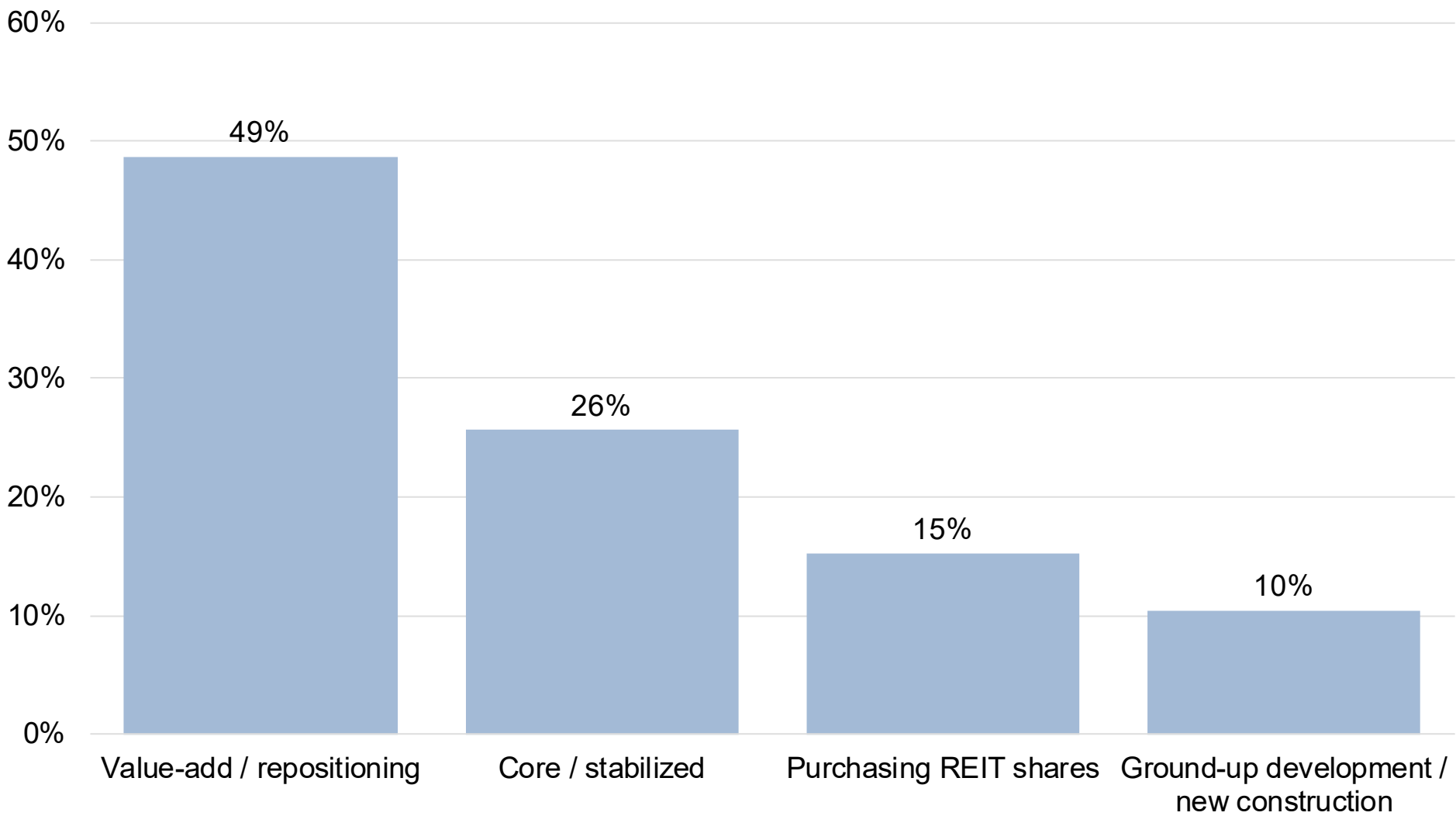
This displaced sector-specific concerns: oversupply for **Multifamily** and **Industrial**, and weak tenant demand for **Office**. **Retail** investors already ranked rates first in 1Q26.

Inflation / operating costs is the second greatest concern across most sectors.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Investors believe value-add/repositioning will offer the best risk-adjusted return over the next 12 months.

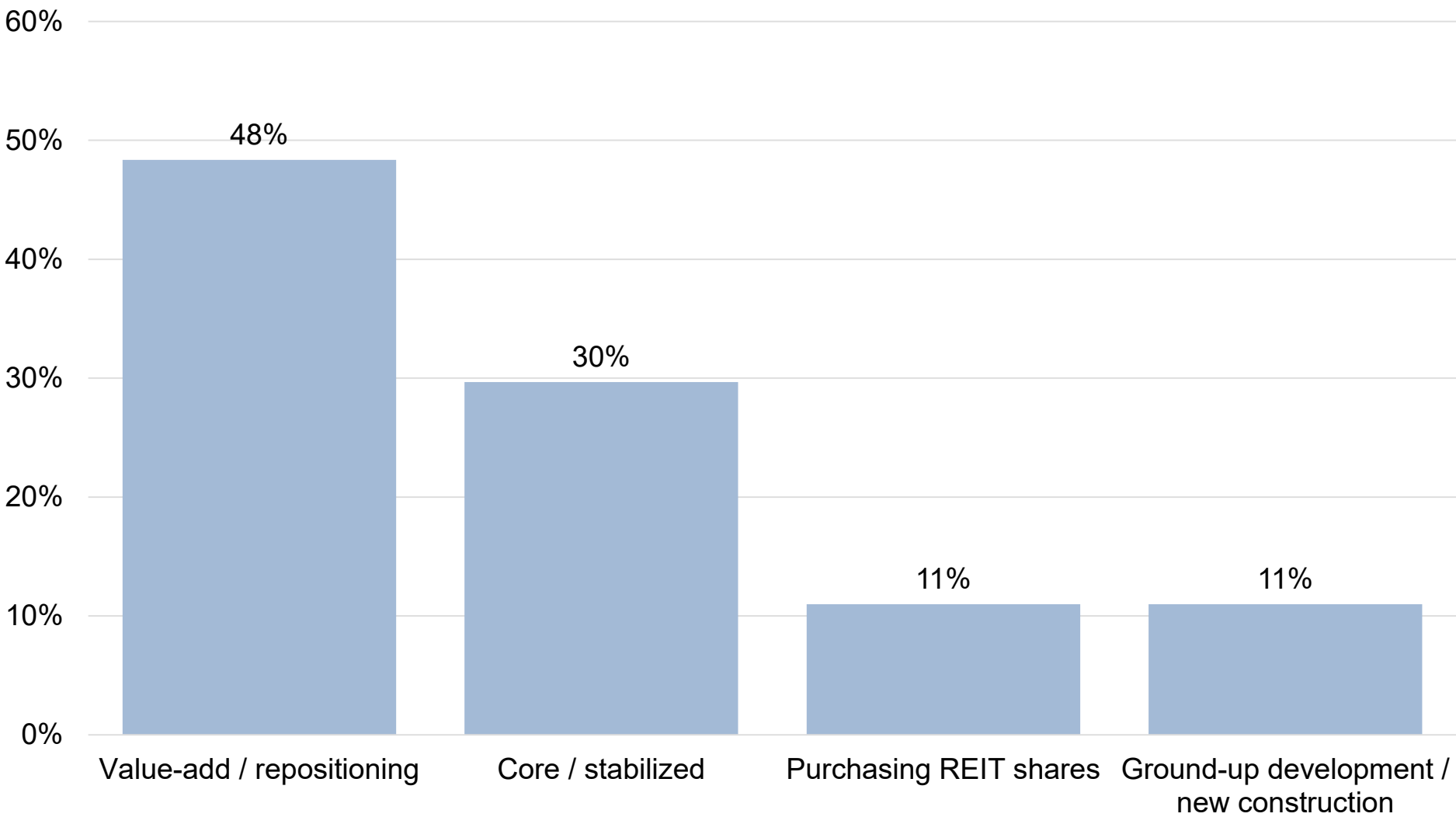
CRE investors | Which investment strategy will have the best risk-adjusted return over the next 12 months?



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Only 11% of multifamily investors believe that new construction will offer the best risk-adjusted return over the next 12 months.

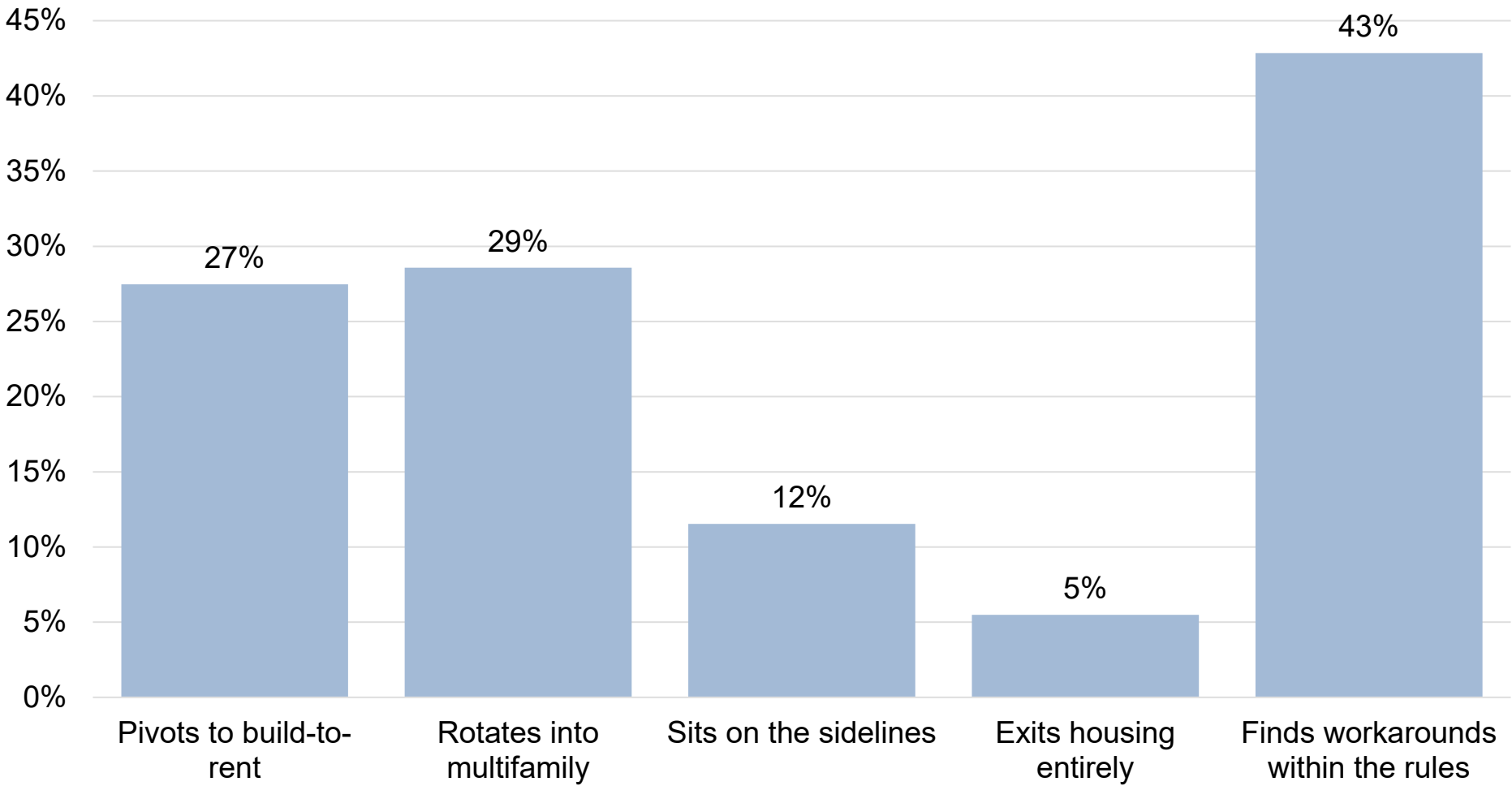
Multifamily investors | Which investment strategy will have the best risk-adjusted return over the next 12 months?



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

43% of investors expect institutional SFR operators to navigate the new acquisition rules and continue to attract capital.

Multifamily investors | Congress recently banned investors with over 350 single-family rental (SFR) properties from acquiring more. With institutions constrained on scattered-site SFR acquisitions, where do you expect that capital will go?



27%–29% of investors expect SFR institutions to pivot to BTR or multifamily.

Note: Participants could select more than one option.
Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

Commentary from CRE investors

Tariffs, policy, and cost headwinds

“**Multifamily:** Tariff and immigration policy have been very detrimental to the construction and development of housing, and ill-thought-out protectionism and war are only making the situation worse. Easing government permitting and zoning will not by itself increase housing supply if it remains unaffordable to build the units, even with increased density”

Retail: “There are many federal policies and actions that have been very bad for this sector: from tariffs, to fuel costs, to the K-shaped economy and the almighty consumer base being the weakest it's been in decades.”

Cross-sector: “Operating costs—including property taxes, insurance, fees, technology, and appraisals—are skyrocketing and making value-add projects (1+ year vacancy) not doable for a lot of smaller investors.”

Multifamily/Retail: "I feel as if the current market is heavily affected by the cost of construction and the lead times from the wars overseas. This is causing more pressure, especially at smaller boutique firms, to compete in the market."

Capital on the sidelines and a frozen transaction market

“**Multifamily/Office:** Debt availability is strong, but institutional equity capital is effectively on the sidelines. Interest rate volatility and local market-specific regulations put a continued pause on capital investment. Sellers continue to kick the can and wait for better days. The bid-ask spread between buyers and sellers remains wide.

Multifamily: "There is still a big gap in what owners think their properties are worth, especially if they bought in 2021–22. Asking cap rates are lower than current Agency debt rates (Fannie Mae/Freddie Mac), and any negative spread on a deal just won't work, but sellers don't seem to understand or believe that.”

Multifamily: "In my 14 years of being in CRE, this market has been the hardest to transact in. There are headwinds coming from multiple directions."

Multifamily: "Recovery cannot begin until lenders begin to acknowledge losses (equity is already long gone) and move the assets through the foreclosure/disposition process. Simply rolling loans will never clear the unsustainable debt needed to reset pricing that will allow the recovery phase of the cycle to begin.”

Multifamily: "Small private equity capital (mom-and-pop investors with \$25–75k investments) is still sidelined. There are too many losses and deals treading water over the last 4+ years. Not sure if or when this capital returns."

Development economics and supply

“**Multifamily:** The cost to develop new units is more than current sale prices. In addition, operating soft costs continue to escalate. You have to be vertically integrated on the development and construction side to ensure you make a profit. Cash flow is king.”

Multifamily: "Development may slow down due to uncertain rates and downward pressure from inventory coming online.”

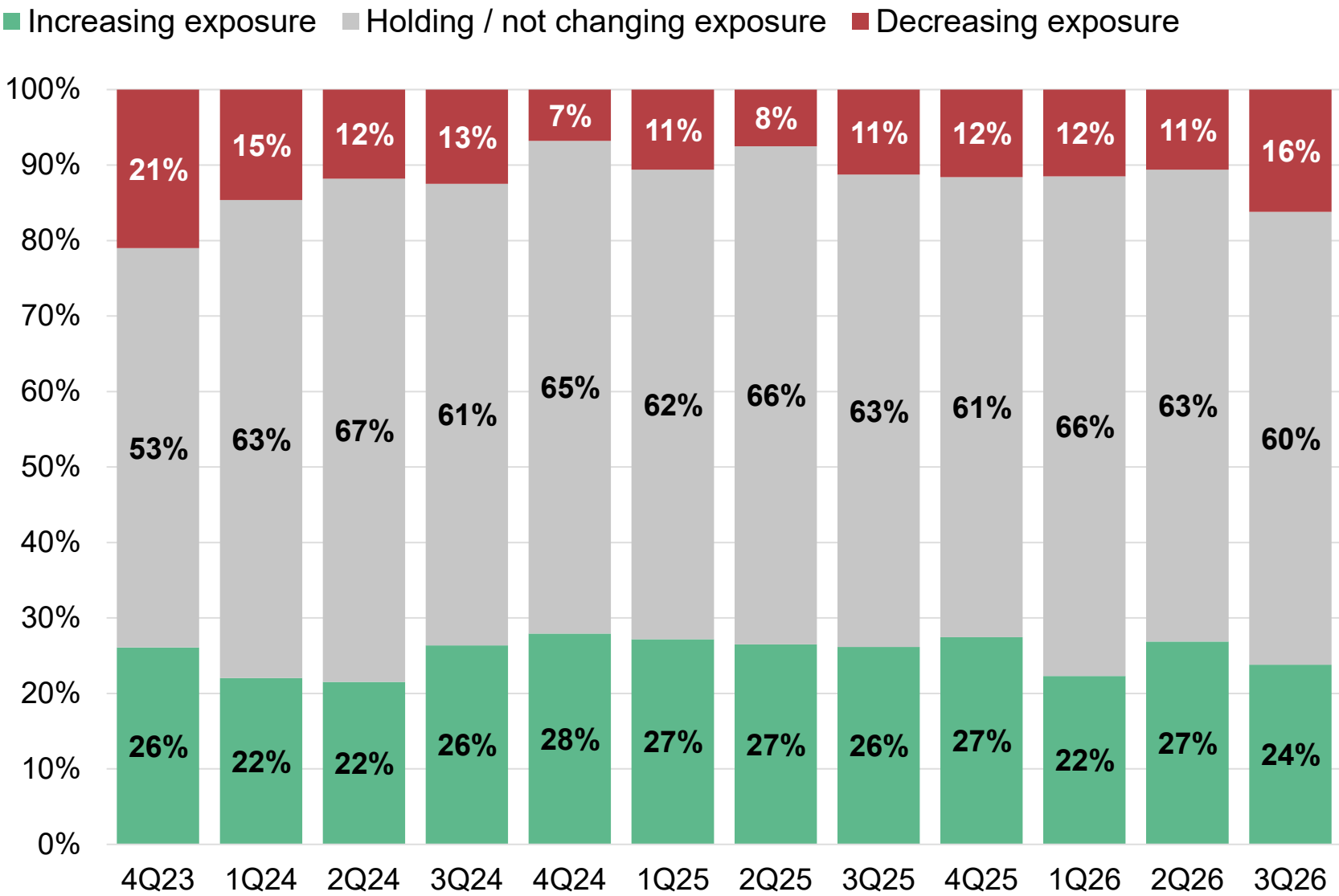
Multifamily: "Oversupply has driven down multifamily rents in my market (Tampa Bay). Land development demand is expected to pick up for us.”

Cross-sector: "In the Puget Sound...the regulatory environment is very unfriendly to development, and demand is clearly not as strong as policymakers believe, given the concessions on first lease renewals to retain tenants and the concessions on new lease-ups. Retail vacancy is up...Industrial is still fairly strong, but development may have overshot demand, since the conversations about leasing have become more tenant-friendly over the last 6–12 months."

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

60% of multifamily investors are on hold, roughly unchanged over the last 2 years.

Multifamily: Current Commercial Real Estate Investment Strategy



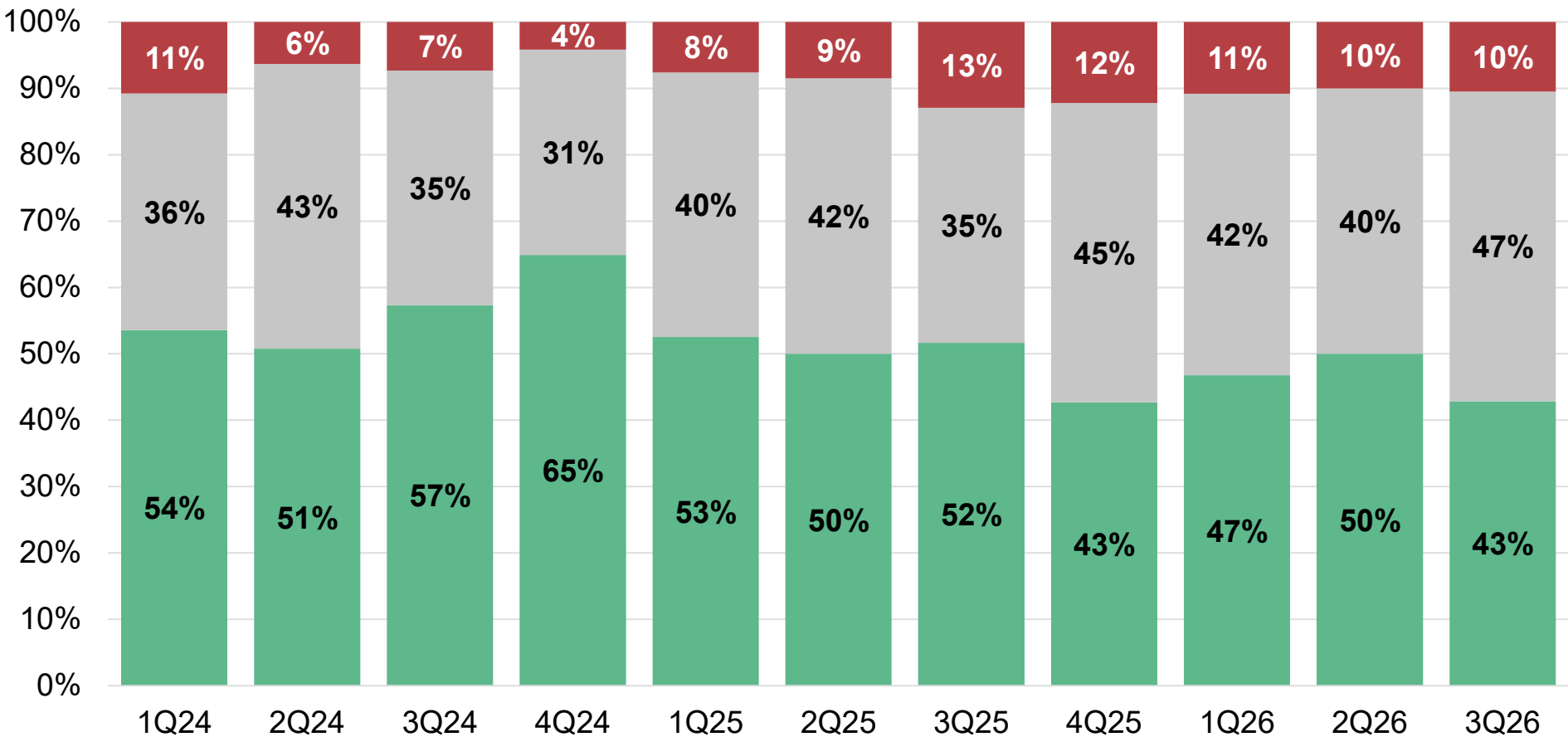
16% of multifamily investors decreased their investment exposure in 3Q26, up from 11% in 2Q26.

Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

43% of multifamily investors expect to increase their exposure over the next 6 months, down from 50% in 2Q26.

Multifamily: Expected Commercial Real Estate Investment Strategy (Next 6 Months)

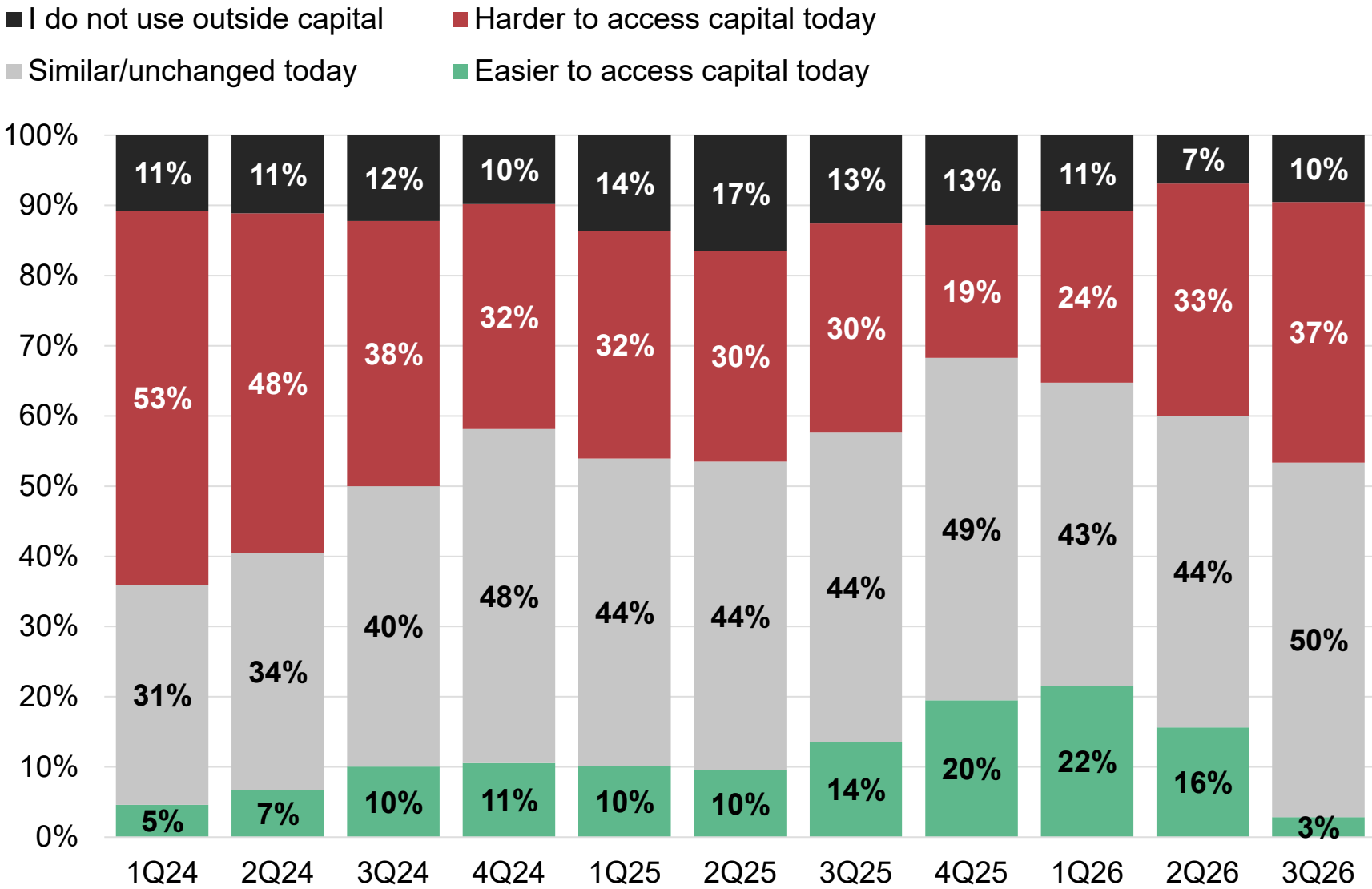
- I expect to decrease my investment exposure
- I expect to hold / not change my investment exposure
- I expect to increase my investment exposure



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

37% of multifamily investors believe access to capital worsened in 3Q26, up from 19% in 4Q25.

Multifamily: Access to Capital for Commercial Real Estate vs. Prior Quarter



Sources: John Burns Research and Consulting, LLC; CRE Daily (Data: Aug-26, Pub: Sep-26)

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	105	33%
Industrial	64	20%
Retail	68	22%
Office	53	17%
Other	24	8%
Total:	314	100%

In survey work, a diffusion index highlights how a market, field, or industry generally performs within a given time frame.

Our Fear and Greed diffusion index value (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)

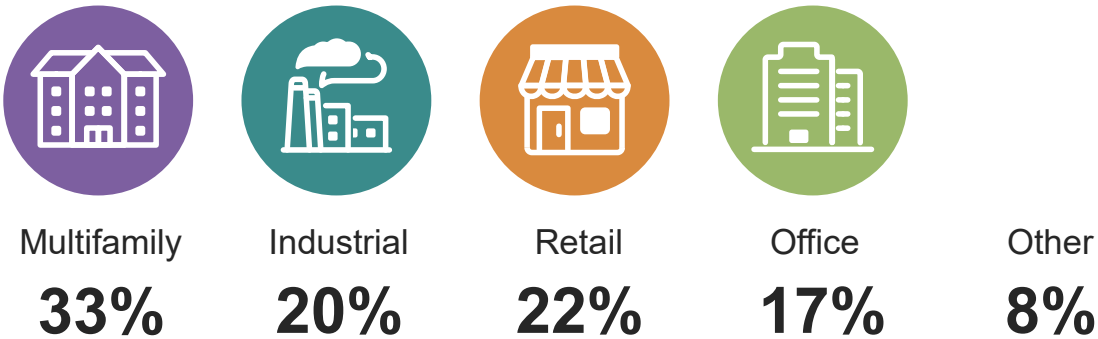
Access to capital for CRE

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: Aug-26, Pub: Sep-26)

Sample details

Responses by segment:

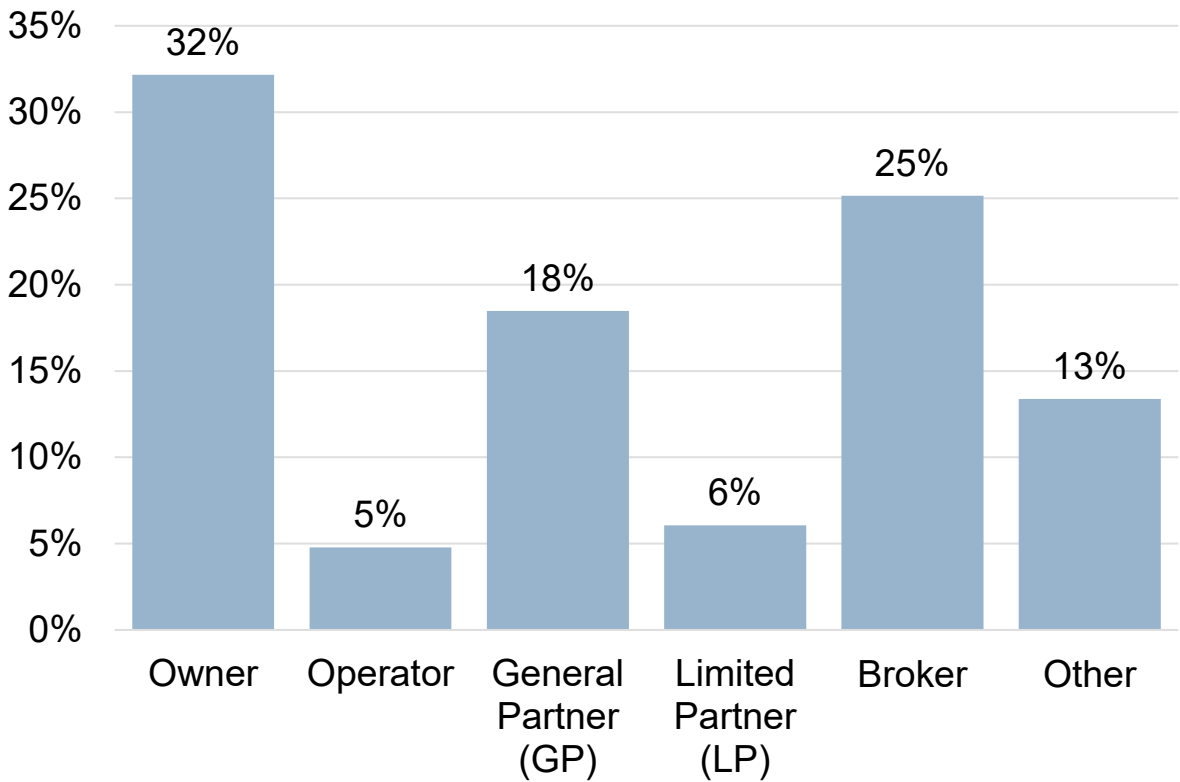


Responses by region:

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:** 35%
- **Midwest:** 31%
- **Northeast:** 25%
- **Northwest:** 13%
- **Southeast:** 40%
- **Southwest:** 33%
- **Texas:** 30%

Primary Role



Contact the John Burns team

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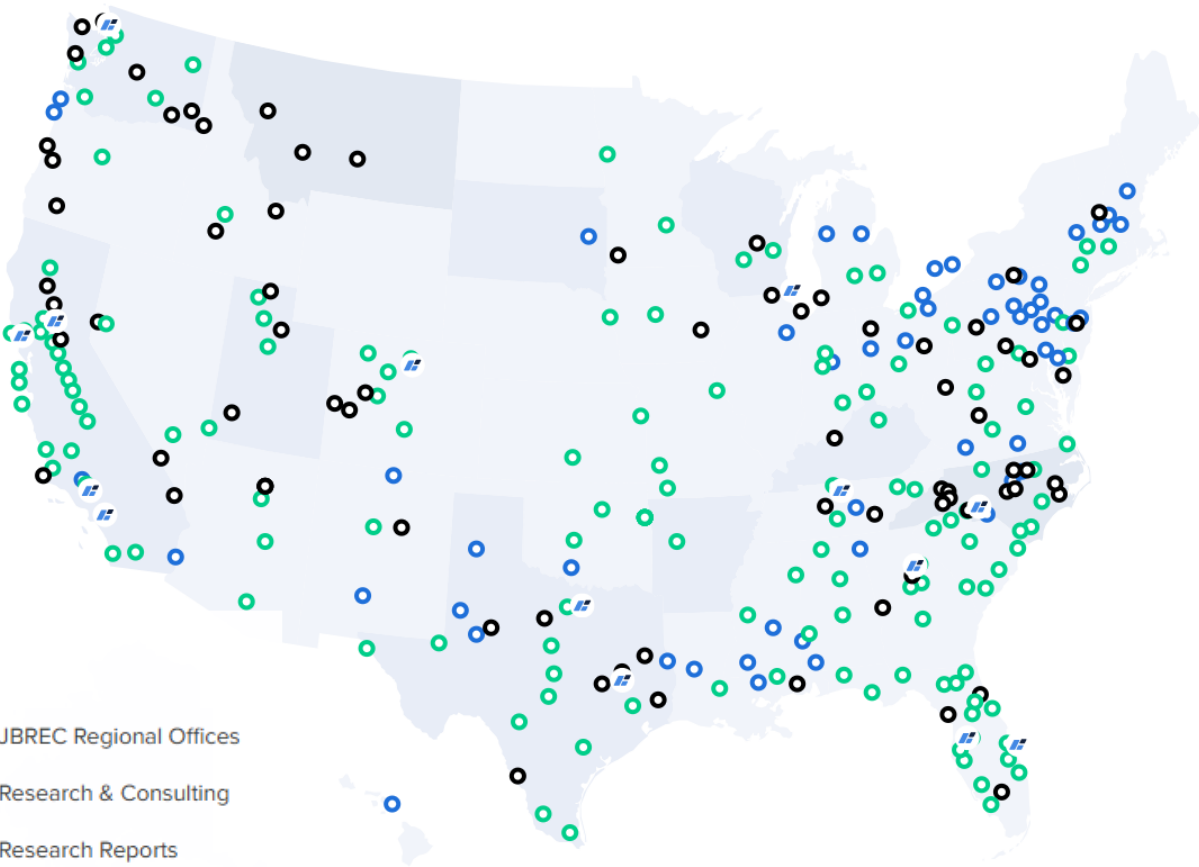
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