



## SituaAMC Releases ValTrends Quarterly Report, “Fog on the Tracks,” as CRE Investors Pause Amid Uncertainty, Signal Optimism on Resilient Sectors

New York, NY – May 21, 2025 – [SituaAMC](#) is pleased to announce the release of its latest quarterly research report, ValTrends, offering data-driven insights into commercial real estate (CRE), valuation trends, space market fundamentals, and investor sentiment. The quarter’s report, titled *Fog on the Tracks*, explores how ongoing economic uncertainty, volatility in public markets, and a pullback in deal activity are shaping investor behavior. While CRE investors pause for the fog to clear, certain indicators point toward green shoots on the track, especially for quality multifamily property.



The report, authored by Peter Muoio, PhD, Head of SituaAMC Insights, and Jen Rasmussen, PhD, Vice President, SituaAMC Insights, combines proprietary market research with exclusive survey data from institutional investors to provide a comprehensive analysis of capital market conditions and current state of CRE valuations.

Key takeaways include:

- **Investor Sentiment & Market Outlook:** While investors consider CRE a safe haven, widespread economic uncertainty and erratic equity market performance have led them to adopt a cautious, wait-and-see approach. Even though deal activity continues to slow, making valuations more challenging, early signs of recovery are emerging. Select CRE sectors are showing improving returns and tapering supply, setting the stage for potential rebound in rent growth.
- **Capital Market Trends: Signs of Stability Emerge**
  - Investor sentiment toward CRE improved in Q1 as the asset class was increasingly viewed as a safe haven following early April policy announcements and equity market chaos.
  - Debt and equity capital became more disciplined amid heightened policy uncertainty and after a relaxing of standards in 2024.
  - CRE cap and discount rates did not move much; remained flat in Q1.
  - After signs of a market thaw in 2024, investor recommendations to hold assets jump amid the current state of political and economic uncertainty.
- **Sector Preferences:** As investors seek stability amid ongoing market ambiguity, preferences are shifting sharply. Apartments surged to the top of investor rankings with the strongest sentiment recorded in over a decade, buoyed by low new supply and consistent returns. Apartments have seen four consecutive quarters of positive returns. Retail followed behind, viewed as a steady performer insulated from economic uncertainty. Office remained at the bottom of investor rankings.

“The quarter’s findings illustrate a CRE market in flux,” said Muoio. “Investors are prioritizing resilience and stability as they navigate an uncertain market environment. Apartments stand out



as a favored asset class thanks to limited supply and sustained demand. Meanwhile, office continues to struggle, though early signs of stabilization are appearing in some sectors.”

The full report also includes in-depth assessment performance data for all sectors, including total return, occupancy change, and rent growth, as well as anonymized commentary from institutional investors and strategic insight to help market participants make informed decisions for their investments.

The release of this thought leadership report reinforces SitusAMC’s commitment to providing deep insights, analysis, and intelligence that power the full lifecycle of real estate finance. The report is invaluable to those seeking to stay informed and competitive in today’s fast-paced business environment.

The report can be downloaded here: [SitusAMC ValTrends 1Q25](#)

#### **About SitusAMC**

SitusAMC is a leading independent provider of strategic outsourcing, advisory, talent, and technology solutions to the commercial and residential real estate finance industries. The company helps clients identify and capture opportunities in their real estate businesses through industry-leading solutions that drive operational efficiency, increase business effectiveness, and improve market agility across the entire lifecycle of their global real estate activity. For more information visit [www.SitusAMC.com](http://www.SitusAMC.com)

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