



SitusAMC Releases ValTrends Quarterly Report, “Tectonic Shifts,” as CRE Market Remains Attractive Despite Ongoing Interest Rate Challenges

New York, NY – August 27, 2025 – [SitusAMC](#) announced 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. This quarter’s report, titled *Tectonic Shifts*, finds signs that the CRE currents are beginning to shift in spite of a stubbornly high interest rate environment and rapidly changing economic policies, with cap rate expansion leveling off, transaction volume showing nascent signs of activity, and originations heating up.

The report, authored by Peter Muoio, PhD, Head of SitusAMC Insights, and Jen Rasmussen, PhD, Vice President, SitusAMC 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.

Download the report here: <https://www.situsamc.com/valtrends2q25>

Key takeaways include:

- **Hesitancy to Transact, But Cap Rates Stable:**
 - Last quarter, CRE investors started hitting pause as economic and policy uncertainty soared. SitusAMC sees this trend intensifying as investors become more likely to recommend holding CRE and less likely to recommend buying or selling.
 - SitusAMC proprietary investment criteria data generally show stability of cap rates across 10 of the 16 property types they cover. A slight cap rate compression was seen for data centers, industrial R&D, regional malls and student housing.

- **Favorable Capital Market Sentiment for CRE, Greater Capital Availability:**
 - *Capital Market Trends:* SitusAMC finds that investors continue to show heightened interest in CRE due to its safe haven qualities. Understandably, investors have become keener on stocks as equities have soared over the past quarter, but the preference for bonds and cash has waned.
 - *Availability and Discipline of Capital:* The CRE capital markets remain competitive, even with persistently high interest rates. Investors are reporting increasing capital availability and looser underwriting standards amid limited deal volume. The increase in capital availability was more pronounced for equity capital, while the decline in underwriting discipline was more prominent for debt capital. Investors are sitting on cash but have few places to put it.
 - *Lending Market Led by Alts:* Alternative lenders are the biggest players in the market and are becoming increasingly active as banks and life companies pull back amid regulatory constraints.

“The CRE market is moving slowly, but there are also signs of momentum building under the surface,” Rasmussen said. “Our analysis shows that dry powder is greatly elevated relative to deal activity. Investors are sitting on cash, waiting for opportunities to place it.”

The full ValTrends 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 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.

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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

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