

THE RECAP

JULY 2025

The RECAP is SitusAMC's monthly Real Estate Commentary, Analytics

and Perspectives on the commercial real estate market.

Our team of experts aggregates the latest trends and perspectives across commercial real estate finance to help you stay up to date on market developments and make more informed decisions. Here are the key developments in July 2025.

WHAT YOU NEED TO KNOW

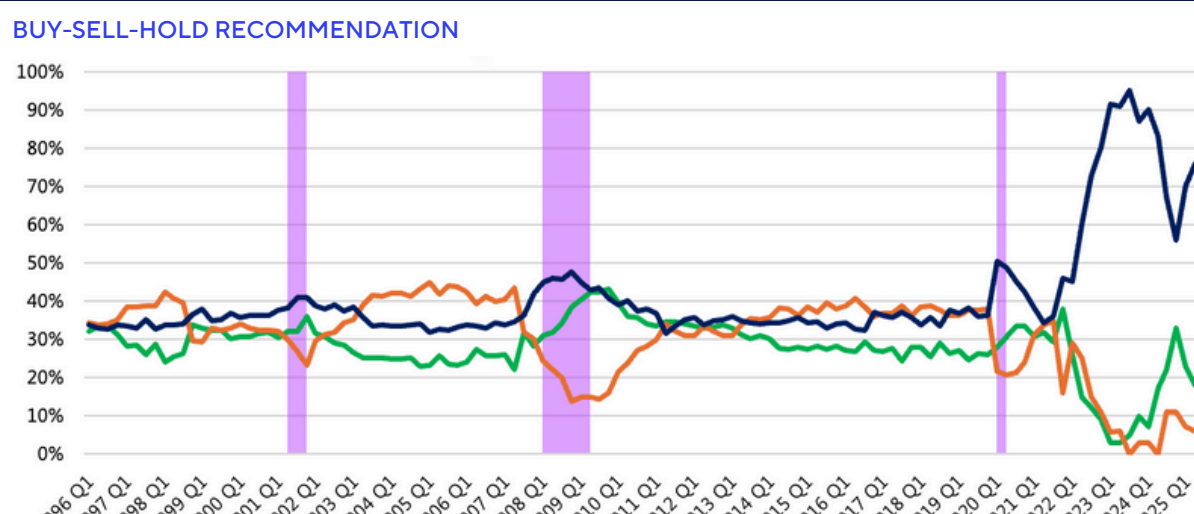
More investors preferred to hold CRE rather than buy and sell in the second quarter. A whirlwind of events triggered Treasury rate volatility over the past month. Capital is more available and underwriting standards are loosening. Foreign investor appetite for U.S. CRE is shifting amid policy changes.

ABOUT SITUSAMC INSIGHTS

SitusAMC is the leading provider of data, research and analytical tools supporting the lifecycle of real estate finance. Leveraging proprietary and third-party data, our tools and research support smarter investment and portfolio decisions with expert-driven insights. [LEARN MORE](#) →

INVESTORS STAY ON SIDELINES AMID UNCERTAINTY

BUY-SELL-HOLD RECOMMENDATION



More investors preferred to hold rather than buy or sell in the second quarter, according to SitusAMC's proprietary RERC survey data released July 11. The results indicate investors are hitting the pause button as economic and policy uncertainty soar. The percentage of investors favoring a "hold" position rose to 76% in the second quarter from 70%; "buy" fell to 18% from 23%; and "sell" fell one percentage point, to 6%.

"Tariff announcements have renewed Inflation fears."



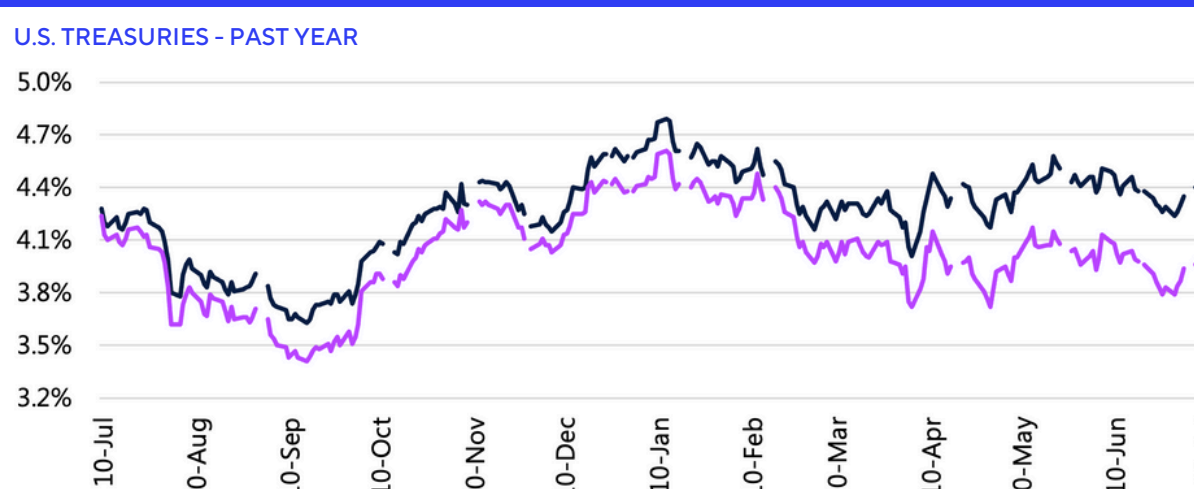
PETER MUIOI, PHD
Head of SitusAMC Insights

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10-YEAR TREASURY
JULY 10TH

RATES REMAIN VOLATILE AMID ECONOMIC DATA, POLITICAL NEWS

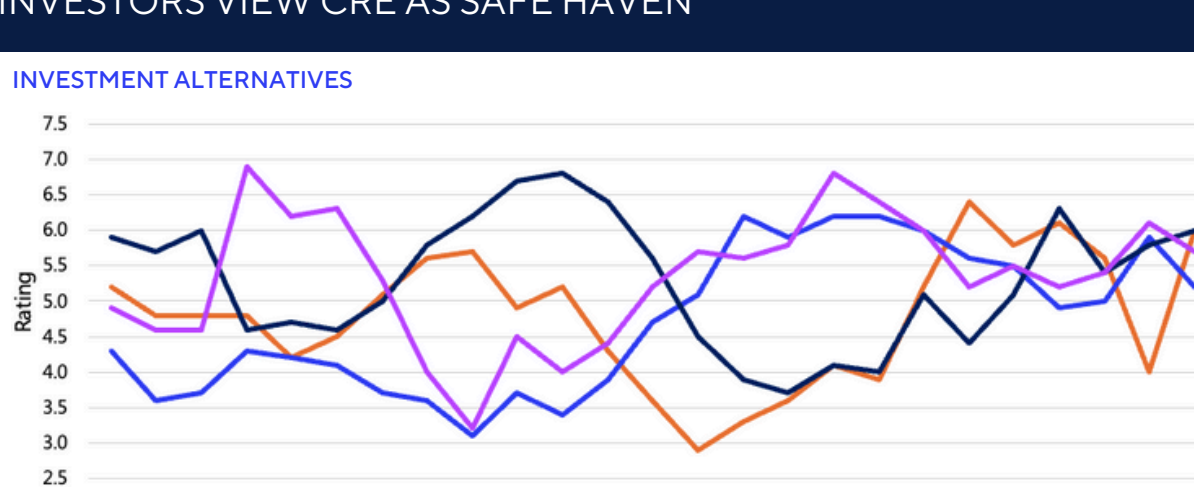
U.S. TREASURIES - PAST YEAR



The 10-year Treasury remains at 4.4%, the same rate as our previous meeting, though it declined about 20 bps during the last two weeks of June due to weaker economic data (downward revision to GDP, decline in retail sales and consumer income), dovish Fed signals, and ongoing policy uncertainty. The Treasury yield increase at the beginning of July was spurred on by the June job report, which showed a stronger than anticipated labor market; however, recent tariff announcements have renewed fears of stronger inflation.

INVESTORS VIEW CRE AS SAFE HAVEN

INVESTMENT ALTERNATIVES



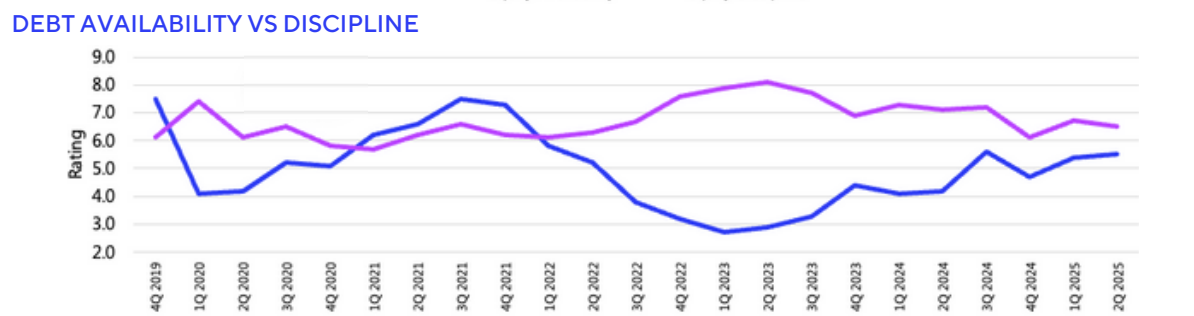
CRE and stocks tied for the top investment alternatives in the second quarter among investors in the RERC quarterly survey. Investors are gravitating to CRE because of its relative safety. But investor ratings for stocks jumped in the quarter as equities soared. Preferences for bonds and cash waned.

CAPITAL AVAILABILITY RISES, UNDERWRITING TERMS LOOSEN

EQUITY AVAILABILITY VS DISCIPLINE



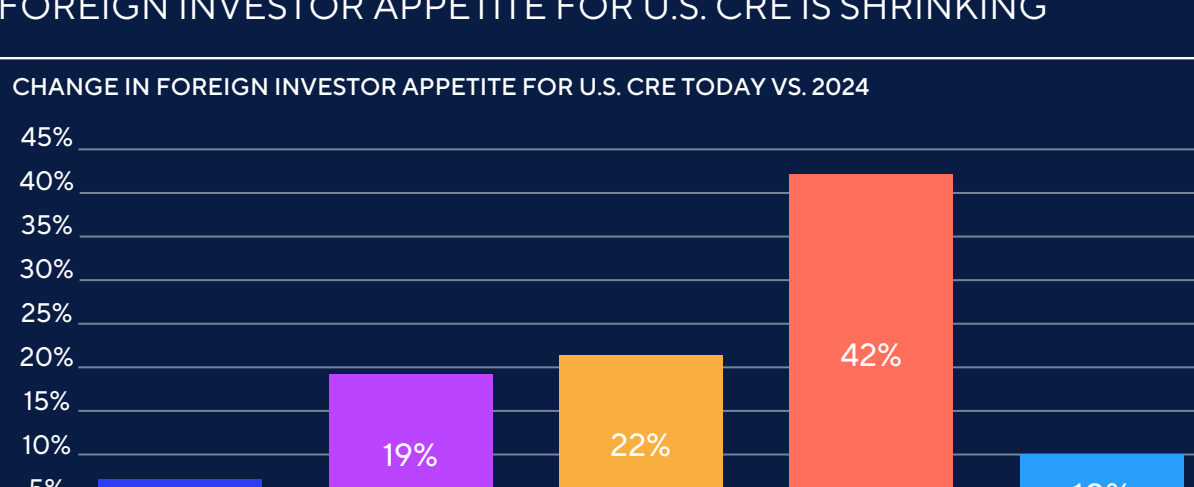
DEBT AVAILABILITY VS DISCIPLINE



Investors are reporting increasing capital availability and looser underwriting standards, though deal activity continues to drop. The rise in capital availability was more pronounced for equity, while the decline in underwriting discipline was more prominent for debt. The CRE market remains competitive, even with persistently high interest rates. Investors are sitting on cash, but have few places to put it.

FOREIGN INVESTOR APPETITE FOR U.S. CRE IS SHRINKING

CHANGE IN FOREIGN INVESTOR APPETITE FOR U.S. CRE TODAY VS. 2024



Foreign investor appetite for U.S. CRE is shifting amid recent policy changes. More than half of investors surveyed in May report that foreign investors are modestly (42%) or significantly (10%) shrinking their appetite for U.S. CRE investments compared to 2024. Just 7% said foreign investors were significantly expanding exposure. The trend could intensify liquidity pressures, especially in gateway markets that rely heavily on international investment. Additionally, ongoing legislation aimed at banning foreign investment in real estate might add to international investor skittishness, even if the bills primarily target land and agricultural products.

ABOUT SITUSAMC

SitusAMC is the leading independent provider of innovative, trusted solutions powering the lifecycle of commercial real estate finance. Our comprehensive services and technology supports banks, alternative lenders, CMBS issuers, and insurance companies to power more efficient, effective, and agile businesses.

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