FEDERAL RESERVE BANK OF KANSAS CITY
Denver / Oklahoma City / Omaha

News Release

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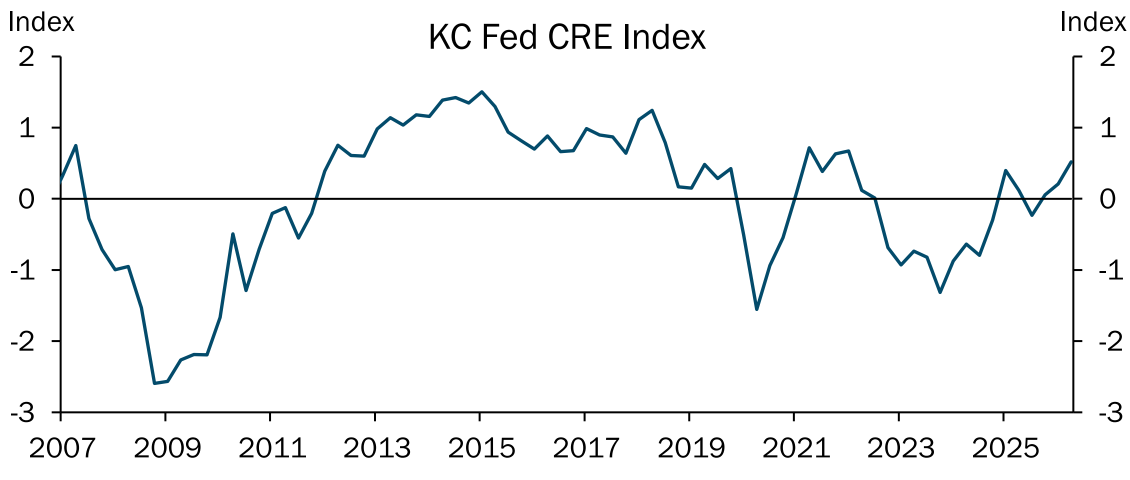
Commercial Real Estate Activity Rose Across Several Market Metrics
Federal Reserve Bank of Kansas City Releases Quarterly Commercial Real Estate Index

KANSAS CITY, Mo. – The Federal Reserve Bank of Kansas City released its KC Fed Commercial Real Estate (CRE) Index today. The value of the index showed a moderate increase from 0.21 to 0.52 during the second quarter of 2026.

"Most indicators in the KC Fed region's commercial real estate markets pointed to growth for the sector over the past quarter," according to Nicholas Sly, vice president at the Federal Reserve Bank of Kansas City. "Capital to support property sales and other transaction activity continued to flow, and several locations in the KC Fed region saw a pick-up in construction and development activity."

Chart 1: The KC Fed CRE Index continued its upward trend over the past several months



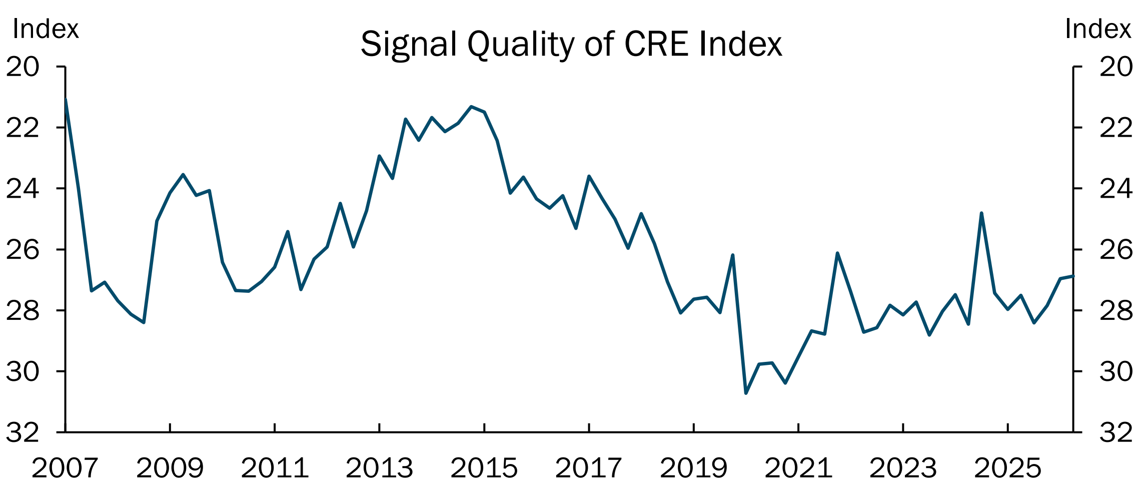
Note: An index value of zero corresponds to overall conditions being at their historical average and differences from zero are measured in terms of standard deviations from the historical norm.

Table 1: Individual drivers of overall change in the KC Fed CRE Index

CRE Market Metric	Contribution to change in index
CRE Construction underway	0.082
CRE Completions	0.070
Construction materials sales	0.061
Demand for CRE loans	0.039
CRE Property sales	0.034
CRE Rents	0.021
CRE Transaction prices	0.020
CRE Absorption	0.014
Construction materials prices	0.008
Construction materials inventories	-0.007
Credit standards for CRE loans	-0.008
CRE Vacancy rates	-0.009
CRE Developers' access to credit	-0.015
Total	**0.311**

Notes: Contributions may not add to the total change in the index due to rounding. The contribution of each metric is calculated as the change in the standardized value of the variable from the previous quarter multiplied by the coefficient of the variable in the index.

Chart 2: Alignment in market participants' views about CRE conditions continued to rise



Note: Values correspond to measures of Shannon entropy, with higher numerical values indicating more mixed responses and lower signal quality of the KC Fed CRE Index. Index shown inverted.