



Commercial Real Estate Activity Increased to Above Its Historical Average

by: Nicholas Sly and Juan David Munoz Henao

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The KC Fed CRE Index - 2025 Second Quarter Release

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The Federal Reserve Bank of Kansas City released its KC Fed CRE Index today. The value of the index increased from -0.76 to 0.40 during the first quarter of 2025, bringing the current level of regional CRE activity slightly above its historical norm. The increase in CRE activity was driven primarily by rising construction activities, such as project completions, a buildup in materials inventories and the amount of construction underway.

“Construction activity in the commercial real estate sector continued to rise through the start of the year,” according to Nicholas Sly, vice president at the Federal Reserve Bank of Kansas City. “With more commercial property coming available, either from leases expiring or new units being delivered, rents stalled and even declined across several CRE segments within the KC Fed region.”

[Current Release](#)

[Current Data](#)

[About the KC Fed CRE Index](#)

Authors



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As Branch Executive, Nicholas Sly serves as the KC Fed's regional economist and its representative in Colorado, Wyoming, and northern New Mexico, leading the local research and public engagement teams. He works closely with the [Denver Branch's board of directors](#), as well as local functional leadership, to foster branch culture and effectiveness. As Vice President, he provides strategic support for community development teams across all offices of the Tenth Federal Reserve District. He is also responsible for briefing the President of the Federal Reserve Bank of Kansas City on economic conditions in the region. The combined portfolio of regional economic research and community development ensures those briefings include the perspectives of the region's unique economic footprint and the perspectives of low- and moderate-income households. Before joining the Bank in 2015, Mr. Sly was associate professor of economics at the University of Oregon. He graduated from the University of Northern Iowa with a degree in mathematics and economics and earned his Ph.D. in economics from Michigan State University. Mr. Sly is also a graduate of the Stonier Graduate School of Banking.



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Juan David Munoz Henao is a Regional Affairs Associate at the Denver Branch of the Federal Reserve Bank of Kansas City. In his role, he provides research support for a number of regional research outputs including the [Rocky Mountain Economist](#), the [Tenth District Beige Book](#), and the [Kansas City Fed Commercial Real Estate Index](#). Before joining the Bank, Mr. Munoz Henao was an economist at the U.S. Bureau of Labor Statistics. He holds a bachelor's degree in economics from Florida State University with a minor in statistics and Portuguese language.