Jun 26, 2026

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Publications
The Carveout

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CREF Roundup | Week 26, 2026

The CREF Roundup is a periodic digest of noteworthy developments, insights, and commentary in the world of commercial real estate finance (CREF). Curated for industry professionals, this ongoing series seeks to highlight key trends and news shaping the market. For more CREF intel and analysis, visit our blog, The Carveout.

May LightBox Commercial Real Estate Activity Index

In the May 2026 LightBox CRE Activity Index, LightBox signaled a moderation in commercial real estate activity after a strong start to the year, as higher borrowing costs and broader macroeconomic concerns led investors and lenders to adopt a more cautious approach. While property listings remained strong and environmental due diligence activity held steady, appraisal volume declined sharply, indicating slower deal velocity and more selective lending practices. Despite the slowdown, the market continues to show underlying resilience, with active transaction pipelines and continued buyer interest across property types. **Key takeaway**: CRE fundamentals remain intact, but rising economic uncertainty is causing lenders and investors to slow down underwriting and deployment decisions, resulting in a more disciplined transaction market.

Deal Backlog Clears, Pipeline Grows

Looking forward, Commercial Mortgage Alert found that CMBS issuance remained active with roughly $2 billion of conduit deals pricing this week, and while market participants described the activity as uneventful and somewhat slower, the pipeline remains robust with numerous conduit, single-borrower, and CRE CLO transactions expected in the coming weeks. Issuers are working through a backlog created by rate volatility tied to geopolitical events, with banks eager to securitize loans before quarter-end, while multifamily, retail, and office properties continue to dominate

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collateral pools. In the CRE CLO market, strong investor demand drove tighter spreads on recent multifamily deals, signaling improving capital markets conditions and the potential for further spread tightening. **Key takeaway**: Despite a temporary slowdown in market momentum, the CMBS and CRE CLO markets remain healthy, supported by a deep issuance pipeline, strong investor demand, and improving spread performance—particularly for multifamily-backed transactions.

The Fed Is Fed Up With Inflation

According to BofA, the Federal Reserve will introduce a series of rate hikes this year, reversing earlier cuts. Fortune reported the Federal Reserve's tolerance for above-target inflation is ending, as Bank of America now expects three quarter-point rate hikes this year after new Fed Chairman Kevin Warsh shifted the Fed's messaging toward a more hawkish stance. This outlook is driven by a stronger labor market, elevated oil prices tied to geopolitical shocks, and worsening core inflation, which is expected to remain well above target even into next year. Despite some uncertainty and scenarios where the Fed could delay tightening, policymakers have not pushed back on the possibility of hikes and have suggested current monetary policy may not be sufficiently restrictive. However, some analysts argue rate hikes are unlikely, citing potential declines in oil prices, weakening wage growth, and improving productivity that could ease inflation pressures. **Key takeaway:** While consensus is shifting toward a more hawkish Fed due to persistent inflation, there remains meaningful disagreement on whether actual rate hikes will materialize given potentially easing underlying economic pressures.

CMBS New Issuance Trends, 1970s Multifamily CRE CLOs, and Self-Storage Deep Dive

Trepp experts are hosting a webinar on Tuesday, June 30 at 2:00 p.m. (ET) covering the latest news and data in the commercial real estate finance world, including a look at recent CMBS issuance trends through the lens of loan purpose, with a focus on how

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refinance and acquisition activity are shifting in today's environment; a closer look at older-vintage multifamily properties financed through CRE CLOs (how value-add business plans have performed and what recent valuation trends say about the risk profile of these loans); and an overview of the self-storage sector covering recent performance, demand, valuation, and credit risk in the space. You can register here.

Avoiding Debtor Name Mistakes on UCC Statements

JD Supra posted a primer on UCC Financing Statements, providing useful information and reminders on how these detail-oriented processes contain many potential pitfalls. It also flags specific problems, as well as practical tips to reduce errors. Whether a seasoned professional or just out of school, this one might be a good refresher for you.

The Carveout

A legal blog geared toward sophisticated capital market participants, The Carveout provides insight into current trends and developments in commercial real estate finance (CREF)—with a particular focus on non-recourse carveouts and CREF loan platforms including CMBS, debt funds, private capital, REITs, life insurance companies, and other complex sources of capital.

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