Aug 07, 2026

Categories:

Publications
The Carveout

Authors:

E. Alan Morgan
Joshua (Josh) D. Brock
Keegan Hypes Williams

CREF Roundup | Week 32, 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.

After Cautious Week, CMBS Dealflow Booms

Commercial Mortgage Alert reported that the commercial mortgage-backed securities (CMBS) market rebounded last week, with more than $4.2 billion in new securitizations priced or marketed and another $2.5 billion expected, spanning multifamily, self-storage, hotels, retail, and childcare assets. Despite geopolitical tensions and interest rate uncertainty, investor demand remained strong, keeping bond spreads near multi-year lows and enabling issuers to price deals aggressively, particularly in the CRE CLO market. Multifamily assets continued to dominate issuance, reflecting investors' preference for property sectors with stronger fundamentals. **Key takeaway**: Robust investor demand and tight credit spreads are fueling a revival in CMBS and CRE CLO issuance, particularly for multifamily-backed transactions, although market participants remain cautious that economic or geopolitical shocks could quickly reverse current pricing strength.

Fed Keeps Interest Rates Unchanged as Dissent Mounts

Forbes reported that the Federal Reserve voted 9-3 to keep its benchmark interest rate unchanged at 3.50%–3.75%, marking another pause while revealing an unusually high level of disagreement among policymakers. Three Fed officials dissented in favor of raising rates, arguing that inflation remains a concern, while the majority preferred to wait for more economic data before tightening policy further. The split decision, coupled with ongoing political pressure and uncertainty about inflation, increased market

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

expectations that the Fed could raise rates at a future meeting if price pressures persist. **Key takeaway**: Although the Fed left rates unchanged, the growing dissent within the committee signals a more hawkish outlook and suggests that additional rate hikes remain a real possibility if inflation does not continue to moderate.

AI and Tech Defining Real Estate Valuations, Knight Frank Reports

Real Assets Adviser published an article on Knight Frank's 2026 Quantifying Technology in Real Estate report, which argues that AI is fundamentally reshaping real estate, making digital infrastructure, power availability, and connectivity as important as traditional factors like location. The report forecasts global data center capacity to nearly double by 2028, requiring up to $1.6 trillion in investment, while AI-driven demand is creating a significant premium for sites with reliable, high-capacity power access. It also highlights that AI-ready buildings with strong digital infrastructure are becoming essential for attracting occupiers, with emerging technologies such as distributed and orbital data centers poised to further transform the industry. **Key takeaway**: AI is redefining real estate value—power, digital infrastructure, and technological resilience are becoming critical competitive advantages, making AI-ready assets and data center infrastructure some of the industry's most attractive long-term investment opportunities.

CBRE: Key Lending Measure Declines

Commercial Mortgage Alert highlighted CBRE's second-quarter report, which shows that commercial real estate lending remained healthy, with loan closings up 11% year over year and investment sales reaching $124.5 billion, the strongest second-quarter volume since 2022. Although CBRE's Lending Momentum Index declined from the first quarter, the slowdown reflected tighter underwriting—lower loan-to-value ratios and narrower spreads—rather than weaker lending activity. Borrowers increasingly favored floating-rate loans over fixed-rate financing due to the steep yield curve, while banks and life insurers gained market share

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

as alternative lenders became somewhat less aggressive. **Key takeaway**: The CRE lending market remains well-capitalized and active, but lenders are becoming more disciplined, and borrowers are adapting to higher interest rates by shifting toward floating-rate financing.

Episode 411. Play the Ball? Bonds Threw a Curve: New York CRE Shakeups & What Super Regional Bank Earnings Mean for CRE

This episode of TreppWire Podcast examines how the CRE lending landscape is being reshaped by recent bond market volatility, leadership and policy changes affecting New York commercial real estate, and second-quarter super-regional bank earnings. The hosts discuss why lenders remain selective despite improving fundamentals in some property sectors, while highlighting ongoing pressure in office assets and the continued strength of multifamily and industrial real estate. They also review recent market transactions and explain what current banking trends suggest about the availability and pricing of CRE credit. **Key takeaway**: Commercial real estate is stabilizing unevenly: banks remain willing to lend for high-quality deals—especially in multifamily and industrial—but office properties and weaker assets continue to face refinancing and pricing challenges, making disciplined underwriting and asset selection more important than broad market optimism.

NPL Markdowns Dampen Debt Returns

Commercial Mortgage Alert noted that returns on high-yield commercial real estate debt eased slightly to 2.35% in the first quarter, as higher interest income was partially offset by valuation markdowns on certain loans. Despite the quarterly dip, the rolling 12-month return increased to 9.62%, supported by stronger loan income and improving credit quality, including lower default and nonperforming loan (NPL) rates. High-yield CRE debt continued to outperform senior mortgages, investment-grade CMBS, and high-yield corporate bonds during the quarter. **Key takeaway**: Although investor write-downs weighed on first-quarter performance, high-

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

yield CRE debt remains resilient, with improving credit fundamentals and strong income generation driving attractive long-term returns relative to other fixed-income asset classes.

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.

Visit Blog

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.

2026 FBT Gibbons LLP. All rights reserved. ADVERTISING MATERIAL.

FBT Gibbons