

CREF Roundup | Week 46, 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.

Nov 13, 2026

Categories:

Publications
The Carveout

Authors:

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

CBRE: Q3 Lending Momentum Slows

Commercial Mortgage Alert reported that commercial real estate lending momentum weakened in the third quarter as rising Treasury yields and borrowing costs created greater uncertainty, although overall lending activity remained relatively stable year over year. Despite higher interest rates, lenders continued competing aggressively, with average commercial loan spreads tightening to 197 basis points and alternative lenders increasing their share of nonagency loan closings to 48%, while banks and CMBS lenders experienced declining market share. Commercial real estate investment activity nearly doubled year over year to $257.8 billion in the third quarter, largely driven by two major entity-level transactions, with multifamily leading investment volume at $112.3 billion, followed by industrial at $40.4 billion and data centers at $34.5 billion.

Key takeaway: Despite rising interest rates and declining lending momentum, capital remains available and competition among lenders remains strong, with alternative lenders gaining market share and improving investment activity signaling continued opportunities for borrowers and investors who can navigate higher borrowing costs and tighter underwriting standards.

Voters Say No to Data Centers, Yes to Infill, and Keep a Veto at the Edge

Trepp found that the November election results demonstrate growing resistance to certain types of commercial and residential development, particularly data centers, with 37 of 38 data center-

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

related ballot measures going against developers, while housing and multifamily development (specifically infill housing, which is new construction on vacant, underused, or previously developed parcels located within established urban neighborhoods) received more favorable support in select markets. California communities showed the strongest support for increased development, with 8 of 10 measures aimed at loosening development restrictions passing or leading, while communities outside California generally favored maintaining local control, rejecting previously approved projects, and imposing additional development restrictions. Voters were more supportive of funding affordable housing and homebuyer assistance (9 of 11 measures passed or were likely to pass) than regulatory changes intended to improve affordability, highlighting the continued challenges developers face in securing project approvals and managing entitlement risk.

Key takeaway: For commercial real estate developers and investors, local voter sentiment is becoming an increasingly significant factor in development feasibility, with infill housing opportunities gaining traction in established markets while data centers and projects in outlying communities face heightened opposition and entitlement risk.

DQs Rising at Agencies Amid Rental Worries

Commercial Mortgage Alert reported that delinquencies in Fannie Mae and Freddie Mac multifamily loan portfolios are rising sharply, with Freddie Mac K-Deal (CMBS) loans at least 60 days delinquent reaching a record $1.75 billion in August (up 66% year over year) and Fannie Mae serious delinquencies increasing 67% month over month to $1.03 billion in September. The growing distress is largely driven by higher interest rates, weaker or stagnant rental growth, declining property valuations, and the maturity of five-year loans originated during the 2021–2022 lending boom, making it increasingly difficult for borrowers to refinance existing debt or secure extensions from lenders. Industry professionals expect multifamily loan distress to accelerate in 2027 as a significant wave of maturities approaches, while declining property values, expensive rescue capital, and lenders' reduced willingness to restructure

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

troubled loans create additional pressure on property owners and investors.

Key takeaway: The multifamily sector is facing an emerging refinancing and credit distress cycle, with the 2021–2022 loan maturity wave expected to intensify in 2027 as higher borrowing costs, declining valuations, and tighter lending standards leave more borrowers unable to refinance or repay existing debt.

Global Real Estate Perspective, November 2026

According to JLL's November 2026 Global Real Estate Perspective, global commercial real estate fundamentals remain resilient despite slowing economic growth, rising inflation, geopolitical uncertainty, and higher borrowing costs, with occupier demand continuing to expand across most property sectors. Investment activity increased 19% year-over-year through the first nine months of 2026, while office leasing reached post-pandemic highs, industrial and logistics demand strengthened, and retail continued to benefit from strong demand for well-located properties; however, multifamily investment slowed as higher financing costs weighed on valuations. Looking ahead to 2027, JLL expects continued demand for high-quality office and industrial properties, modern logistics facilities, specialized housing, and strategically positioned hotels, while older or less competitive assets may experience higher vacancies, pricing pressure, and weaker investor interest.

Key takeaway: Global commercial real estate is entering a period of selective recovery, where strong-performing, high-quality assets in desirable locations and growth-oriented sectors are positioned to outperform, while higher interest rates, elevated operating costs, and economic uncertainty will continue to challenge investment returns.

Hotel Debt Emerges as Distress Driver

Commercial Mortgage Alert reported that more than $1 billion in hotel-backed commercial mortgage-backed security (CMBS) loans were transferred into special servicing in October, pushing the hotel delinquency-related special servicing rate up 122 basis points to

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

10.17%, as borrowers struggled to refinance maturing loans. The increase was primarily driven by large hotel loans approaching maturity, including a $745.7 million portfolio loan backed by 84 hotels and a $302.2 million loan secured by the Hyatt Regency Waikiki Beach Resort & Spa, with nearly 90% of October's approximately $3 billion in new special servicing transfers attributed to loan maturities. The trend could accelerate, as approximately $4.6 billion in securitized floating-rate, single-borrower loans are scheduled to mature by March, with roughly two-thirds backed by hotels, potentially creating additional refinancing challenges and distressed debt opportunities.

Key takeaway: The hotel sector is facing increasing CMBS refinancing pressure as large floating-rate loans reach maturity, creating elevated special servicing activity and potential distressed investment opportunities, even for properties whose underlying operations remain relatively healthy.

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