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CREF Roundup | Week 40, 2025

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](#).

Private Credit Growth Adds Liquidity but Heightens Risk in CRE Market

CRE Finance Council published this [article](#) discussing how private credit is rapidly expanding its role in commercial real estate financing and stepping in as traditional lenders retreat due to high interest rates and declining property values. This shift is expected to move up to \$1 trillion in CRE debt to private credit over the next 3–5 years. While this growth adds liquidity and financing flexibility, it also introduces new risks, including increased leverage, reduced transparency, and potential systemic vulnerabilities in a downturn.

Key takeaway: The rise of private credit in CRE finance is reshaping the market by offering alternative funding sources, but it demands careful oversight due to its potential to amplify financial risk.

What This Week Means for CRE: Government Shutdown, AI's Impact on Employees, CMBS Delinquency Rate, Bank Data Insights & More

This week, the [TreppWire podcast](#) analyzes the U.S. government shutdown and its potential economic impact on commercial real estate. The podcast also continues its ongoing conversation about AI and breaks down the latest CMBS Delinquency Report, which saw the September 2025 overall rate decrease for the first time since February.

Right Here, Right Now: Reinventing the American Mall

CBRE's [weekly podcast](#) discusses how malls are being transformed into high-performing, mixed-use assets. To diversify income and increase relevance, malls are transitioning into multi-use destinations, integrating entertainment, hospitality and residential. **Key Takeaways include:** Financing is increasingly accessible for retail assets, with recent deals showing lender confidence and competitive debt structures, and success often depends on hyper-local strategies, with redevelopment tailored to demographics, infrastructure and competitive dynamics.

Bankruptcy Preference Risks to Secured Lenders Using Blocked Accounts: Why You Shouldn't Sleep Comfortably at Night

The Secured Lender published [this article](#) which cautions that outgoing lenders involved in payoff transactions face significant bankruptcy preference risks, particularly when payments are made to blocked accounts within 90 days of an account debtor's bankruptcy. If deemed an initial transferee, the lender may be forced to return funds and lose secured status, potentially converting a secured claim into an unsecured one. **Key takeaway:** Lenders should proactively mitigate preference exposure through contractual protections in payoff letters, such as survival provisions, lien reinstatement clauses, and indemnification from replacement lenders.

Behind the Debt Yield Metric in Commercial Real Estate

And finally, if you're looking for more podcasting content, Trepp released [this podcast](#) with John Barkidjija of Byline Bank (aka Dr. Debt Yield), which breaks down why the debt yield metric remains a cornerstone in CRE for evaluating deals. The podcast further discusses key macroeconomic forces driving market uncertainty, from interest rate volatility and tariff impacts to the growing influence of AI. It also explores delinquency resolutions, recent shifts in bank regulatory reporting, and outlooks on potential interest rate cuts.

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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