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CREF Roundup | Week 10, 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](#).

CRE Lending Standards Ease in a Constructive Signal

[LightBox](#) reported that for the first time since 2022, banks have begun modestly easing underwriting standards for commercial real estate loans, according to the January 2026 Fed SLOOS survey (Senior Loan Officer Opinion Survey), signaling renewed lender confidence after years of tightening and balance sheet repair. Such easing can mark the early phase of a recovery cycle and could support increased loan originations and transaction activity as maturing debt is resolved.

Key takeaway: Improving credit conditions point to a potential rebound in CRE lending and investment activity in 2026.

CMBS Volume Dips After Busy Month

Commercial Mortgage Alert reported that CMBS issuance slowed sharply the week of February 27, 2026 to \$1.38 billion across two deals as investors paused after months of spread tightening and weighed economic uncertainty tied to AI, even as the 10-year Treasury hovered just above 4%. While recent conduit spreads widened modestly, longer-duration paper still saw strong demand, and new conduit and single-borrower deals—along with CRE CLO activity—remain in the pipeline.

Key takeaway: Despite a brief pause and slight spread widening, overall investor appetite for high-quality CMBS remains intact, suggesting the broader recovery narrative in commercial real estate finance is still on track.

CMBS Delinquency Rate Declines in February 2026

[Trepp](#) published their February 2026 CMBS Delinquency Report this week, which noted that the overall U.S. CMBS delinquency rate declined 33 basis points to 7.14%, driven primarily by extensions and modifications of several large, matured office and mall loans. The seriously delinquent rate fell to 6.89%, while office delinquency dropped sharply to 11.20%, though it remains the most distressed property type. Despite the monthly improvement, the overall delinquency rate is still 84 basis points higher year-over-year, reflecting ongoing maturity pressure in the market.

Key Takeaway: The decline in CMBS delinquencies was largely driven by loan extensions rather than fundamental credit improvement, meaning maturity risk—especially in the office sector—remains the central issue.

Power Availability Becoming Key Driver of Commercial Real Estate Value

[Real Assets Adviser](#) published an article on the rising electricity demand—driven by AI, data centers, electrification, and advanced manufacturing—colliding with grid constraints, which makes energy availability and resilience a critical factor in commercial real estate site selection, development feasibility, and asset value. Power bottlenecks, rising industrial electricity prices, and long grid connection timelines are creating measurable “power premiums,” while distributed energy, battery storage, and on-site generation are emerging as competitive advantages.

Key takeaway: Energy security is becoming as important as location in commercial real estate, with properties that secure reliable, flexible power positioned to outperform in a constrained and rapidly evolving energy landscape.

Lenders Finding Allure in Hotel Yields

Commercial Mortgage Alert reported that Lender appetite for hotel financing is rising in 2026, driven by improved travel fundamentals,

increased hotel sales activity, and tighter spreads in other asset classes pushing lenders toward higher-yield opportunities. Floating-rate structures have become more attractive as SOFR has declined and credit spreads tightened, while strong post-pandemic performance and growing refinancing needs—\$41 billion of maturities this year—are fueling competition, even for more complex deals.

Key takeaway: Strengthening fundamentals, lower benchmark rates, and looming maturities are drawing more capital into hotel lending, signaling renewed momentum and increasing competition in the sector.

Trump's Fannie, Freddie Plans Delayed

Commercial Mortgage Alert also reported that the Trump administration is expected to delay any IPO or move to end the conservatorships of Fannie Mae and Freddie Mac until after the midterm elections, amid housing affordability concerns and congressional skepticism. During a House Financial Services Committee hearing, Chair French Hill (R-Ark.) said the agencies are undercapitalized by up to \$200 billion and not ready for privatization, emphasizing the need for congressional oversight and Treasury involvement.

Key takeaway: Political, financial, and affordability hurdles have effectively sidelined near-term efforts to privatize Fannie and Freddie, pushing any major action until after the elections.

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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