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CREF Roundup | Week 14, 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](#).

Worry Over War, Rates Widen Conduit Spreads

Commercial Mortgage Alert reported that CMBS conduit spreads widened last week to their highest levels in months as investors reacted to rising Treasury yields and geopolitical uncertainty tied to the Iran conflict, signaling increased caution in the broader market. While conduit deals priced wider, single-borrower transactions and CRE CLOs showed more stability, with some bonds pricing in line with or tighter than initial guidance, reflecting continued demand for higher-quality or more structured deals. Overall issuance remained active at over \$5 billion, but market participants expect volatility and spread widening to persist if macro risks continue. **Key Takeaway:** Market volatility and rising rates are pushing CMBS spreads wider, but investor demand remains selective—favoring stronger, well-structured deals despite broader uncertainty.

Real Estate Could Be the Big Winner in the Private Credit Exodus

[CNBC](#) published an article on the return of investors to commercial real estate—particularly non-traded REITs—after pulling back in recent years, with early signs of a rebound in fundraising and inflows following a sharp decline from 2022 to 2025. This shift is partly driven by a rotation out of private credit, as market volatility and geopolitical uncertainty make real estate's income potential and diversification benefits more attractive, especially in sectors like data centers, industrial, and multifamily. However, the recovery remains gradual and uncertain, with interest rates and inflation still acting as key constraints on how quickly capital flows back into the

sector. **Key Takeaway:** Capital is starting to rotate back into real estate from private credit, but the pace of recovery will depend heavily on interest rates and broader economic stability.

Debt Fund Universe Continues Torrid Growth

Commercial Mortgage Alert reported that high-yield real estate debt funds reached record levels in 2025, with 100 vehicles targeting \$113 billion and already raising over \$75 billion, driven by strong institutional demand and increased property sales activity. However, capital remains highly concentrated, with the top 10 managers controlling more than half of all funds, making it difficult for new entrants to compete and likely leading to industry consolidation. Despite slight moderation from peak levels, debt strategies are expected to remain a stable “new normal,” with future success increasingly dependent on proven performance across market cycles. **Key Takeaway:** The high-yield debt fund market is booming, but dominance by a few major players and performance pressure will determine which firms survive long term.

AI, the Fed, and Economic Disruption — Oh My

Real Assets Adviser published an article arguing that the Federal Reserve relies too heavily on backward-looking data and risks missing a transformative economic shift driven by artificial intelligence, much like policymakers might have overlooked the impact of the automobile revolution in the early 20th century. Using the transition from a horse-based economy to mass production as a parallel, it suggests AI could rapidly reshape industries, boost productivity, and potentially solve major challenges like slow growth and high national debt. While acknowledging risks and the need for regulation, the author emphasizes that embracing AI-driven innovation could unlock a new era of economic expansion. **Key Takeaway:** AI has the potential to trigger a massive economic transformation, and policymakers must shift from reactive to forward-looking thinking to fully harness its benefits.

CMBS Delinquency Rate Jumps in March 2026

[Trepp](#) released its monthly delinquency report, which shows the CMBS delinquency rate rising sharply by 41 basis points to 7.55%, reversing the prior month's decline and signaling renewed stress in commercial real estate. The increase was driven largely by a surge in newly delinquent loans—especially in the lodging sector, which saw the biggest jump—along with continued issues from non-performing matured balloon loans. While most property types experienced increases, the data reflects a broader sideways-to-deteriorating trend, with maturity-related distress remaining a key driver of delinquency. **Key Takeaway:** The spike in delinquency—led by lodging and maturity defaults—suggests that refinancing risk and loan maturities are becoming the dominant pressure point in CMBS performance, rather than purely operational weakness.

Escalate to De-Escalate: Bank Capital & Lending Shifts, CRE Fundraising, Construction Cost Pressures & More

In this episode of the [TreppWire](#) Podcast (Episode 386), the hosts discuss how banks are adjusting capital and lending strategies—often tightening in the short term to stabilize balance sheets—while private capital and debt funds step in to fill financing gaps. They also highlight improving but still uneven CRE fundraising trends, alongside persistent construction cost pressures that continue to challenge new development feasibility. Broader market dynamics, including interest rate uncertainty and shifting investor preferences, are shaping a cautious but gradually stabilizing outlook for commercial real estate. **Key takeaway:** The CRE market is balancing volatility and opportunity: policy changes and capital inflows could unlock growth, but interest rate swings and cost pressures remain major constraints.

CMBS Defeasance Muted Again in 2025

Commercial Mortgage Alert reported that CMBS loan defeasance rose modestly to \$11.4 billion in 2025, up 13% from 2024, but remained far below peak levels seen during the pandemic-era boom due to persistently high interest rates. Elevated borrowing costs

have led many property owners to delay refinancing, with most defeased loans occurring close to maturity rather than earlier in the loan lifecycle. While multifamily properties continued to dominate defeasance activity, overall volumes remain constrained by rate volatility, slower property sales, and reduced refinancing incentives.

Key Takeaway: High interest rates are suppressing defeasance activity, forcing borrowers to delay refinancing and limiting turnover in the CMBS market despite increased issuance.

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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