

Capital Trends

US Big Picture | Lender edition

1.3% YOY price change
\$30.3b Transaction volume
 -13% YOY volume change

The headline figures for February paint a picture of a contraction in liquidity, but the headlines overstate the situation. Deal structure clouds the picture thanks in part to large one-off deals that closed in February of last year. Individual asset sales are still growing and prices are generally improving.

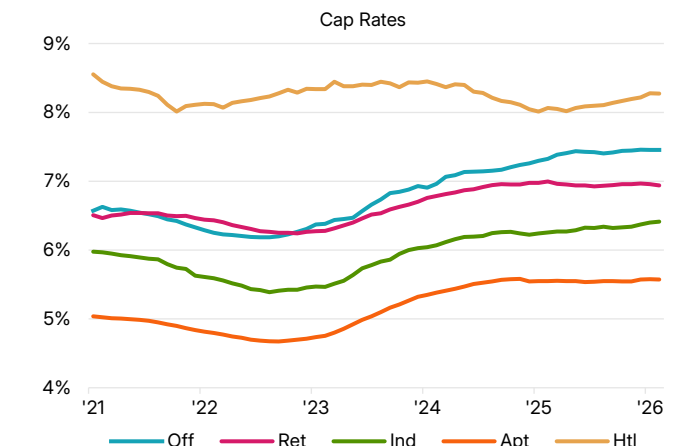
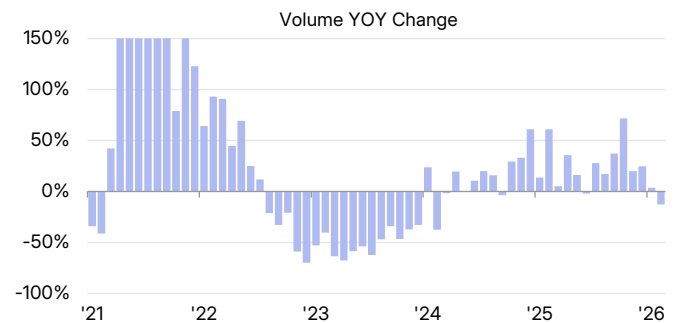
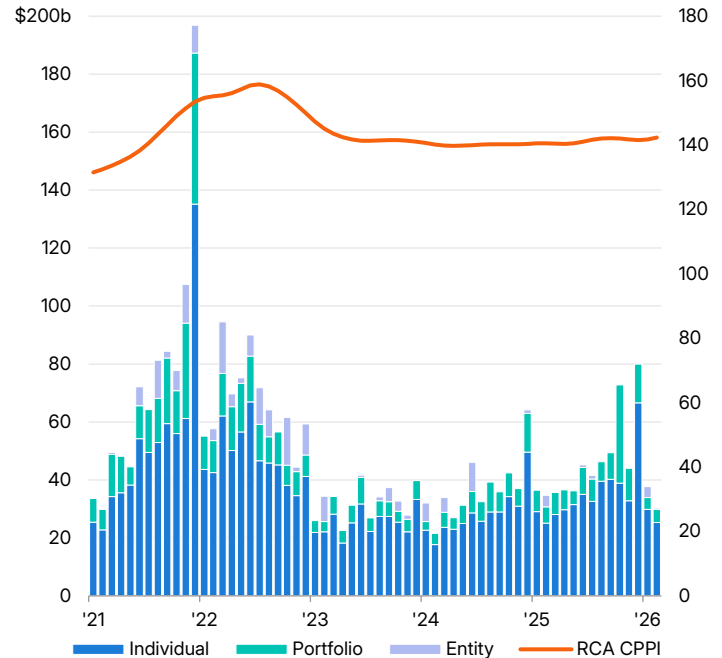
Entity-level sales did not play much of a role in the market in February. The hotel sector was boosted by a take-private transaction involving the purchase of nearly 3,000 full-service hotel units. No other sector received such a boost, however. And in February of 2025 such deals for the market overall were just under \$4b thanks to a take-private deal in the retail sector. That level last year was simply too high of a hurdle for this year, and entity-level sales were down 87%.

Portfolio sales were also down from last year, showing a 21% decline on sales of \$4.4b. The retail and hotel sectors posted the weakest trends in portfolio sales, down 94% and 90%, respectively, from 2025.

Data centers played an interesting role in portfolio sales for the month, though not in sales of data centers themselves as there were no such transactions for the month. Rather, notable portfolio deals in both the office and industrial sectors were tied to redevelopment plays taking functional assets and redeveloping them as data centers.

Commercial property prices climbed in February, with the RCA CPPI US National All-Property Index up 1.3% from last year. The apartment sector eked out a 0.1% gain, the first annual price growth for this sector since 2022, and office price momentum improved. The RCA CPPI for retail and hotel fell from a year earlier, however.

Monthly Transaction Volume and Pricing



Transaction Volume and Pricing Summary

	February 2026		Past 12 Months		RCA CPPI	
	Vol (\$b)	YOY	Vol (\$b)	YOY	Cap Rate	YOY
Office - CBD	1.1	1%	27.1	17%	7.3%	-0.2%
Office - Suburban	3.4	11%	57.9	28%	7.5%	3.1%
Industrial	7.5	15%	117.6	14%	6.4%	4.2%
Data Center	0.0	-100%	28.6	239%	6.8%	
Retail	3.0	-61%	68.8	22%	6.9%	-1.9%
Apartment	8.1	-24%	165.5	5%	5.6%	0.1%
Hotel	2.4	51%	29.2	13%	8.3%	-1.8%
Snr Hsg & Care	2.3	77%	24.0	51%	7.1%	
Dev Site	2.5	10%	37.4	53%		
Total	30.3	-13%	556.0	21%		1.3%*

*All-Property Index comprises office, industrial, retail and apartment.

RCA CPPI Dec 2006 = 100. Volume change truncated at 150%. Trailing 12-mth cap rates.

The Schedule of Maturing Loans

As of the end of 2025, nearly \$600b worth of loans tied to commercial properties were set to mature in 2026. Additionally, we have identified loans totaling more than \$550b that were set to mature in 2025, but to our knowledge were not refinanced, nor was the property sold to settle the loan.

Given that property owners are not inclined to take a loss on the sale of an asset, nor refinance in a high interest rate environment, we have deemed these loans “likely extensions” — indicating we believe that these loans have been granted some short-term extension to their maturity date. Taken together, we estimate that as much as around \$1,150b of mortgages tied to assets in our database could come due in 2026.

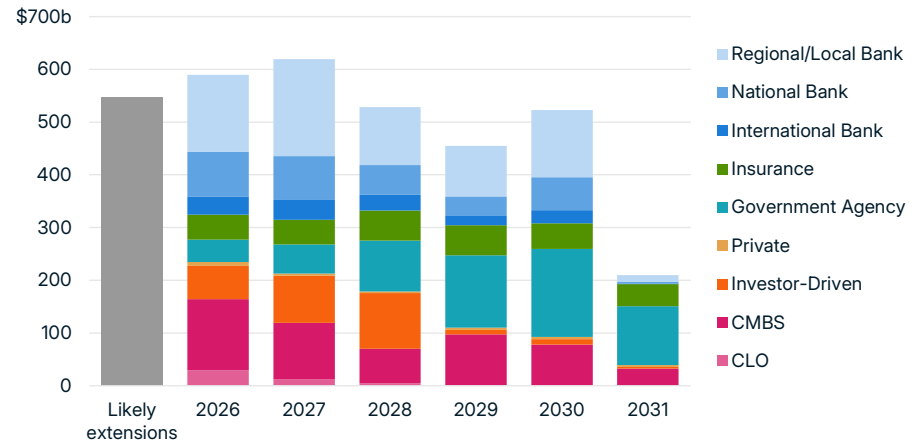
The lender type with the largest exposure to loans coming due this year is regional/local banks, with CMBS lenders close behind. These two lender types alone account for nearly half of all loans coming due in 2026. Regional/local banks continue to have the largest share of maturing loans into 2027 and 2028, but investor-driven lenders will overtake CMBS lenders for maturing loans in 2028, with 20% of all maturing loans that year.

When broken down by asset class, apartment lead all sectors among loans coming due in 2026, making up 36% of the total, while office is second, representing nearly 20%. Still, offices account for nearly 25% of loans that were likely extended in 2025, a notably outsized proportion given their overall share of scheduled maturities. This concentration of extensions likely signals that office assets remain under considerably more strain than other property types.

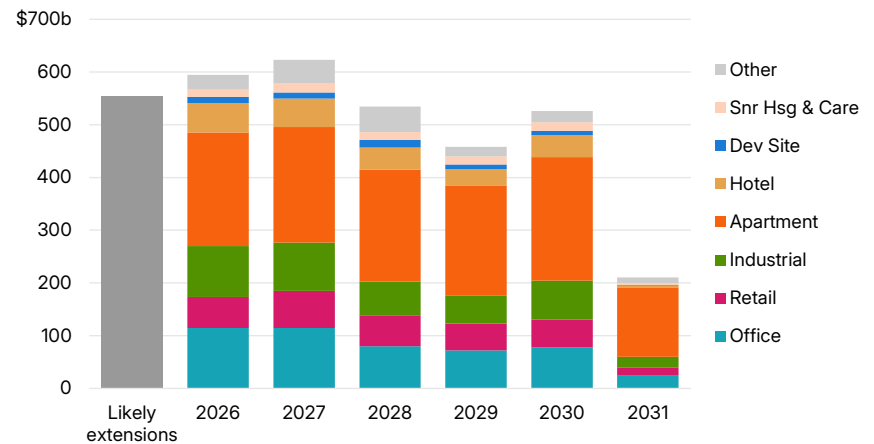
Loans originated in 2021 account for half of all mortgages coming due in 2026, making them the dominant vintage by a wide margin. With these loans having been underwritten at peak valuations and a time of historically low rates, borrowers may look to negotiate a potential extension period with lenders. Commercial property prices have fallen 7.2% from the end of 2021, according to the RCA CPPI US National All-Property Index, which may make lenders hesitant to extend loan terms, possibly opening the door for opportunistic investors.

Volume of Maturing Commercial Property Loans

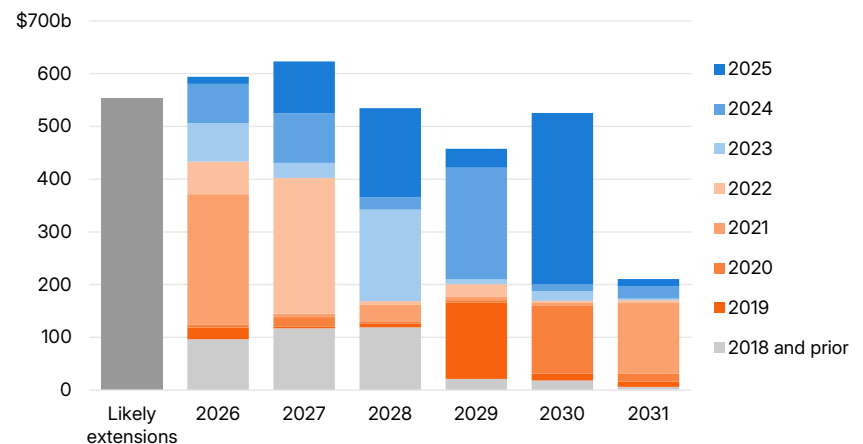
By Lender Type



By Property Type



By Year of Origination



Aggregate statistics include asset types not included in our standard volume statistics, such as self storage, manufactured housing and parking facilities. Loan maturities data is available to Mortgage Debt Intelligence subscribers.

Debt Funds and the Return of Banks

Debt funds are the most aggressive players in the commercial real estate lending space. With less regulatory oversight than established players, these market participants have been able to grow their book of business in part by offering loans with easier terms. Their growth was aided by the financial challenges that accompanied the spike in interest rates in 2022 but the competitive landscape for these players is changing.

First mortgages originated by investor-driven lenders (the broad grouping that includes debt funds) have had higher average LTVs than other major lenders since 2022. Higher LTVs are but one way that investor-driven lenders offer easier terms on loans, but LTVs are a quantifiable measure of restrictive lending. Loans from these participants since 2022 had an average size of \$18.6m, with LTVs averaging 68.8%. (CLO lenders were at the same average LTV with a slightly higher average loan size; however, CLOs have been a small portion of the first mortgage market, at typically only 1% or 2% of all loan originations in a year.)

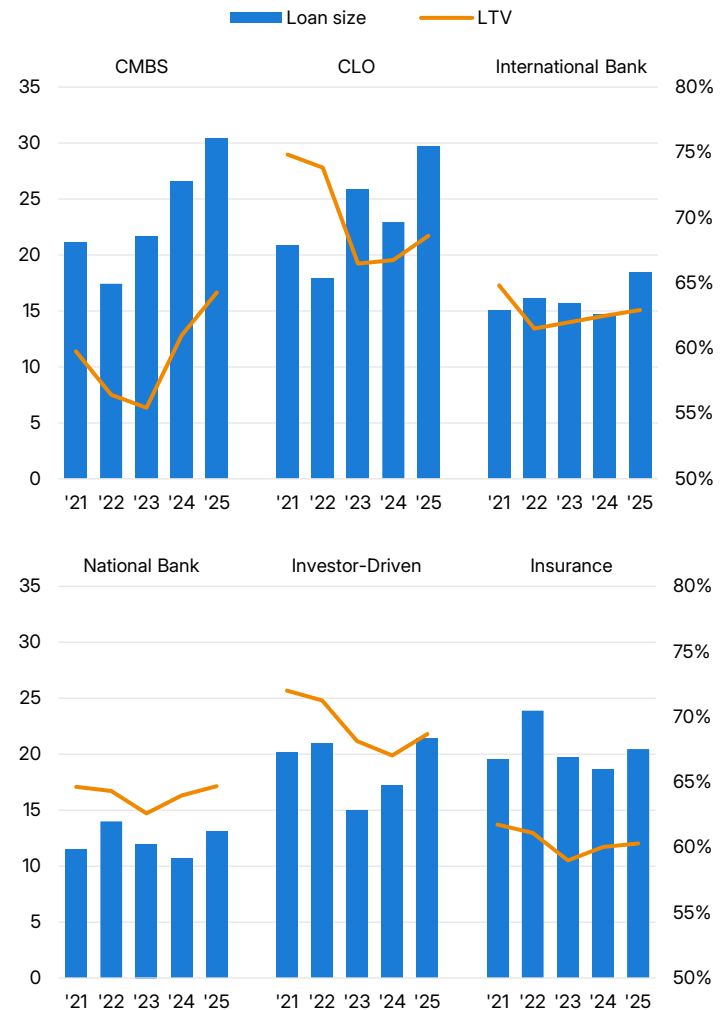
Other lenders active in this market for loans in the \$10m to \$25m range include the CMBS originators, national and international banks, and insurance companies. These lenders all have regulatory and market pressures, making it difficult to loosen lending standards to win business. CMBS originators face the pressures of the transparency provided by the public markets, with disclosure requirements around the characteristics of every loan in a security offering. The bank and life company lenders face scrutiny from regulators who will dive into the characteristics of every loan to prevent broader risks to the financial markets and insurance policy holders.

As interest rates began to spike in 2022, the share of the first mortgage market captured by national and international banks fell. A 21% share of the market in the third quarter of 2022 fell to only 8% by the third quarter of 2024. As these large bank lenders pulled back, investor-driven lenders picked up some of the slack. By the fourth quarter of 2025, investor-driven lenders had captured 16% of the market after a low of 9% seen at the end of 2022.

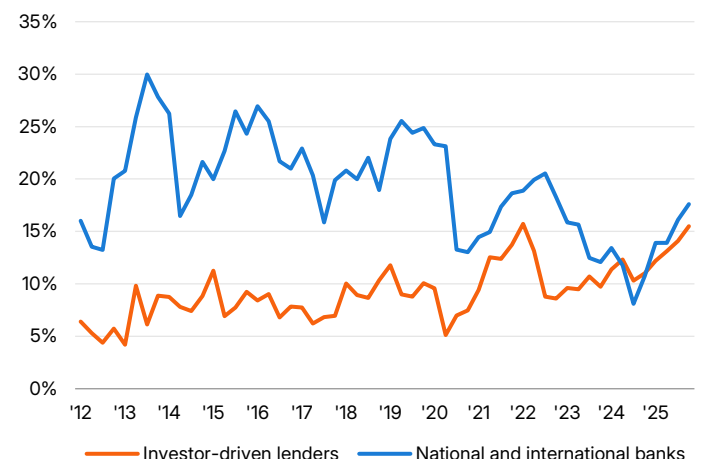
At the worst period for the banks in 2024, the investor-driven lenders were simply doing more business than these large banks. For three quarters of that year, the banks were doing so little lending that the investor-driven lenders overtook their position for the first time since we started tracking this information in 2012. This period was the worst for banks as charge-offs for bad CRE loans were at their worst.

(Article continues on page 4.)

Average Loan Size and LTV by Lender Group



Share of Originations



Debt Funds and the Return of Banks

Charge-offs for CRE loans are a sign of problems for lenders as they reflect losses suffered as their borrowers struggle with market conditions. This measure reflects the value of loans removed from bank books as a rate against loss reserves. Charge-offs fell to zero in the second quarter of 2022 even as interest rates were starting to climb sharply.

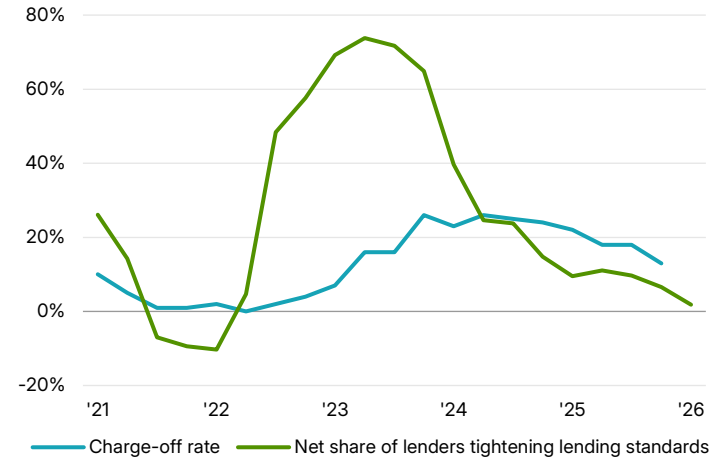
As commercial property prices fell though, borrowers were left with less skin in the game and problems rose. A Federal Reserve survey of senior bank lending officers showed that, as interest rates spiked into 2022, more lenders were tightening standards than loosening on a net basis. The more restrictive cycle peaked in 2023 with 74% more respondents reporting tightening than loosening.

But with the pace of charge-offs falling since 2024, banks have more capacity to lend. Commercial property prices are not falling at the same pace seen in the aftermath of the interest rate spikes, with some sectors now showing steady gains.

Indeed, lending standards began to move toward loosening even as the pace of charge-offs climbed. It was clear that distress and price declines were not as severe as in the aftermath of the Global Financial Crisis and some lenders began to ease standards. By early 2025, as charge-offs were slowly ebbing, senior loan officers tightening standards exceeded those loosening by only 10%. This figure fell to just 2% in the first quarter of 2026.

In the sharp elbows on panels at CRE lending conferences, traditional lenders have been known to call these emergent lenders in the debt fund world "debt tourists". The notion is that there is temporary dislocation in the credit markets and these players are stepping in to fill the gap. As the dislocation fades, the traditional lenders expect these emergent players to return to a focus on the equity portion of the capital stack.

Bank Lending Standards for CRE vs Charge-offs for Bank CRE Loans



Source: Federal Reserve Senior Loan Officer Opinion Survey on Bank Lending Practices, Federal Reserve Charge-Off Rate on Commercial Real Estate Loans

A number of the managers establishing these debt funds have set up asset management infrastructure to handle their debt portfolios, however. Some of these managers see the value in diversifying their businesses to capture opportunities up and down the capital stack. This investment across multiple points of the capital stack is a behavior that has served life insurance companies well in the past and these private sources of capital are following that business model.

Still, with banks facing less pressure from bad loans than feared and lending standards moving toward loosening, the competitive landscape for debt funds is changing. In the market for large loans where the debt funds compete with the national and international banks, a move to loosening by the bank lenders could remove some of the upside for these funds.

Listen to Jim Costello as he discusses the state of the investment market in our quarterly webinar on Thursday, April 26.

Register here: [Real Estate in Focus: US](#)

Lender Composition 2025

Commercial property lending rebounded in 2025, with loan volumes rising across all lender types. The overall lending market became more aggressive, with market-average LTVs climbing 190 bps relative to 2024, reflecting renewed lender confidence and a more risk-tolerant position among both bank and non-bank sources of capital.

National banks posted the standout gain of 2025, expanding their market share by 5 percentage points to 12%. These lenders increased volume by 130% YOY, recovering ground lost when rising interest rates in 2023 prompted balance sheet caution across banks. The increase in loan activity occurred while LTVs moved only modestly to 64.7%, suggesting the recovery was driven by healthier underlying credit conditions rather than a significant loosening of underwriting standards.

Investor-driven lenders increased their share to 14% in 2025, up from 11% the year prior. These lenders posted the highest LTVs in the market at 68.7%, up 170 bps from 2024, and grew average loan sizes to \$21.4m from \$17.2m, highlighting their capacity to provide more aggressive financing.

CMBS lenders saw their share compress to 18% from 23% in 2024. Their dominance of the large-loan segment persisted and the average loan size grew to \$30.3m, the highest of any lender group and well above their five-year average of \$20.1m. Average LTVs rose to 64.6% in 2025, higher than their five-year average of 60.9%, reflecting a more competitive lending environment.

Government agencies remained the dominant lender segment at 23% of originations, in line with their 2015-2019 average though down 2 percentage points from 2024. These lenders often retreat from lending when other sources of capital are available to fill the gap, particularly in the multifamily sector, which explains the modest decline from 2024.

Regional/local banks maintained a 19% share of originations overall and dominated the sub-\$10m segment with a 57% share. Insurance companies held a 10% share of the overall market, averaging a 60.3% LTV, the lowest of any lender group.

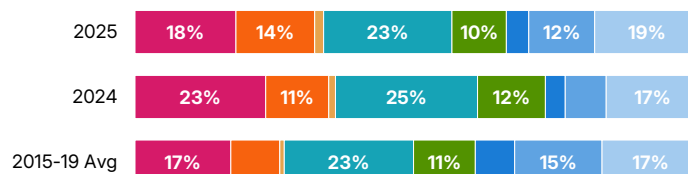
Conventional Financing Overview

	Loan Average (\$m)		LTV Average	
	2025	2024	2025	2024
Gov't Agency	22.1	19.2	63.2%	61.6%
CMBS	30.3	26.2	64.6%	61.6%
Int'l Bank	18.4	14.7	62.9%	62.5%
Nat'l Bank	13.1	10.7	64.7%	64.0%
Reg'l/Local Bank	6.3	6.0	67.6%	66.8%
Investor-Driven	21.4	17.2	68.7%	67.0%
Insurance	20.4	18.7	60.3%	60.0%
Grand Total	13.9	13.3	65.2%	63.3%

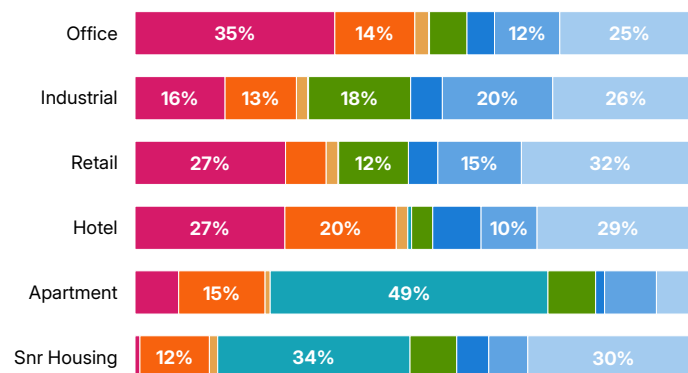
Lender Composition



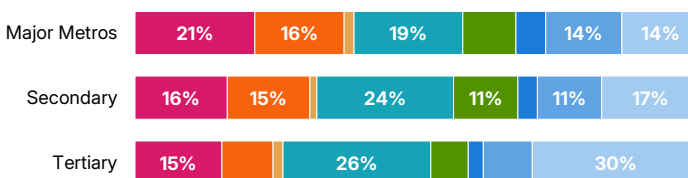
By Year



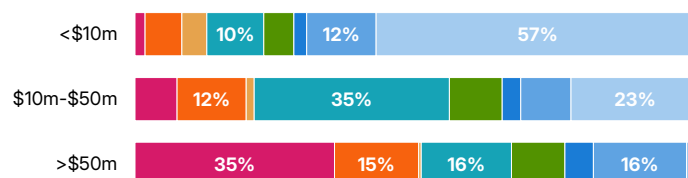
Property Types



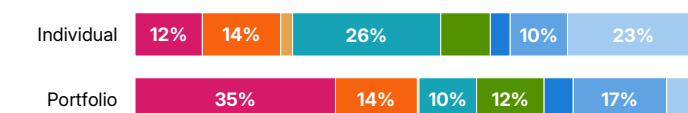
Market Tier



Loan Size



Deal Type



CLO lending included in CMBS segment.

Go to this report's [Excel supplement](#) for data and charts.

Construction Financing 2025

The composition of lenders in construction financing continued to shift in 2025, with investor-driven lenders extending their dominance. National banks seemed to stage a recovery but were bolstered by one large loan.

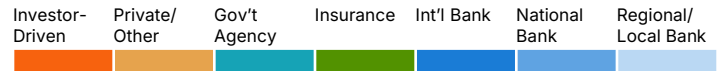
Investor-driven lenders made 34% of all construction loans in 2025, up from 30% in 2024 and just 20% in 2023, cementing their position as the market's largest lender type for the second consecutive year. Their share was even higher in the 6 Major Metros, at 50%, and with larger loans, originating 44% of loans greater than \$50m. By property type, they were the dominant financing source for offices, with a 63% share. This lender group, which includes debt funds, has taken a majority share as traditional lenders have largely stepped back amid uncertainty about the future of the office sector.

National banks had the largest gain in share in 2025, rebounding to 23% — more than double their 2024 share. This increase was driven largely by an outsized loan in the first period, namely JP Morgan's funding of a \$7.1b construction loan for a data center in Abilene, Texas. National banks' 50% share in the first quarter did not hold though, with their share falling to the low-to-mid teens for the remainder of the year.

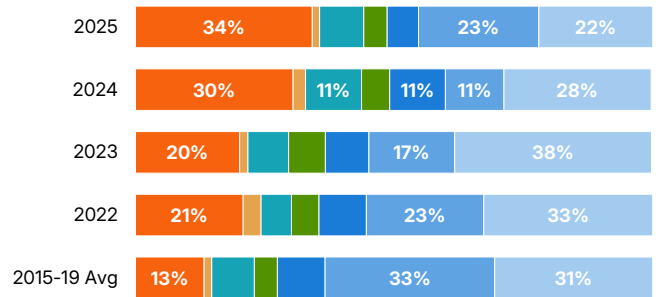
Regional and local banks continued their retreat, falling to 22% from 28% in 2024 and 38% in 2023, now well below their historical levels. International banks gave back most of their 2024 surge, declining from 11% to 6%.

Looking to construction starts, development of industrial properties has slowed continuously since the end of 2022. The 337m square feet of new industrial starts in 2025 was down 16% from the previous year. Retail construction starts, on the other hand, grew 8% last year.

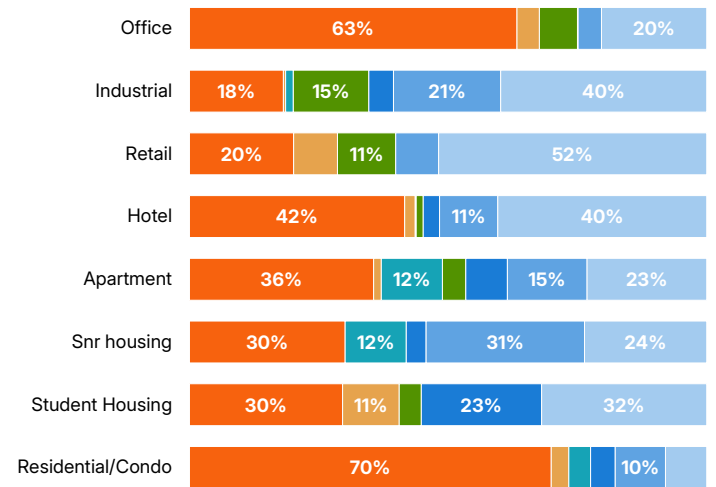
Construction Lender Composition



By Year



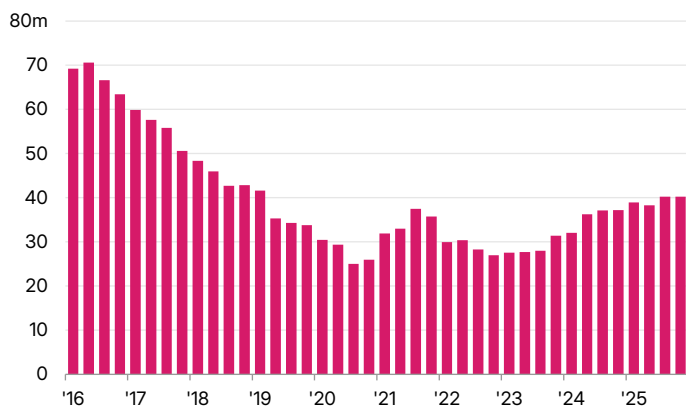
Property Types



*Res/Condo not captured in traditional financing aggregates or sales transaction volume.

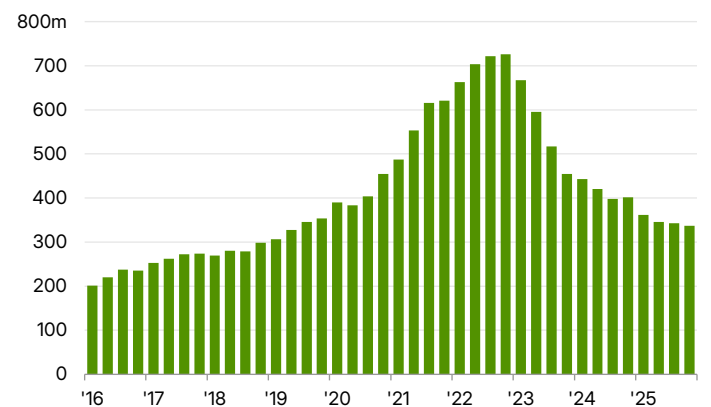
Construction Starts

Retail



Square feet, trailing 12-month data.

Industrial



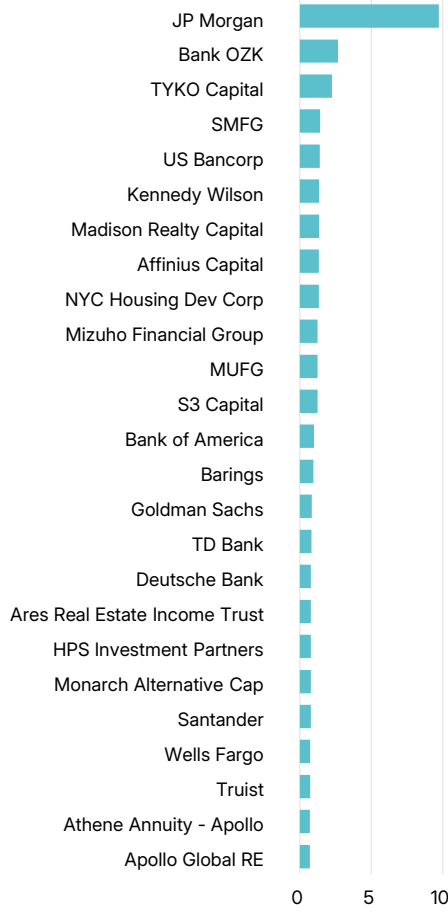
Square feet, trailing 12-month data.

Top Originators 2025

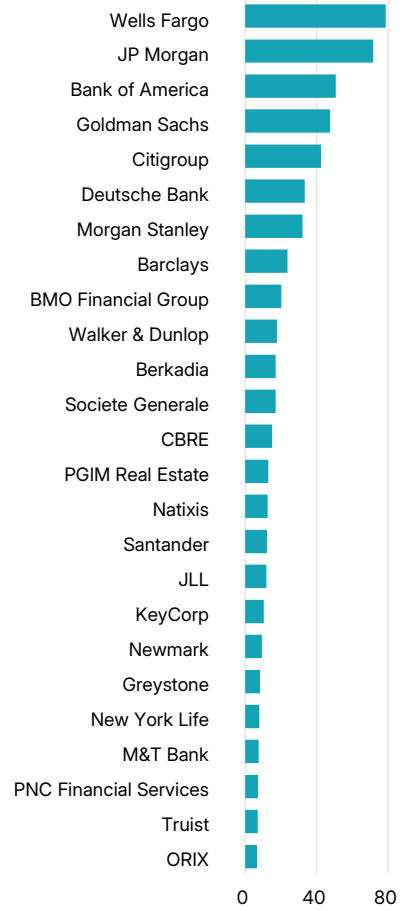
Conventional



Construction



All Financing



By volume of first mortgages (\$b)

Methodology: In instances where multiple parties have provided a mortgage for a single asset or portfolio, the full value of the loan is credited to each party.

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Jim Costello

Chief Economist, Real Estate Research

Bryan Reid

Executive Director

Wyatt Avery

Senior Associate

Alexis Maltin

Executive Director

Michael Savino

Vice President

Cole Barker

Associate

Methodology

Data based on properties and portfolios \$2.5m and greater unless otherwise stated. Data as of March 24, 2026, unless otherwise stated.

About Capital Trends

Capital Trends reports analyze and interpret investment trends in the global real estate market. US Capital Trends is a monthly edition comprising an overview of the U.S. market and separate reports on the five main property types.

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