

THE RECAP

APRIL 2026

The RECAP is SitusAMC's monthly Real Estate Commentary, Analytics and Perspectives on the commercial real estate market.

Our team of experts aggregates the latest trends and perspectives across commercial real estate finance to help you stay up to date on market developments and make more informed decisions. Here are the key developments in April 2026.

WHAT YOU NEED TO KNOW

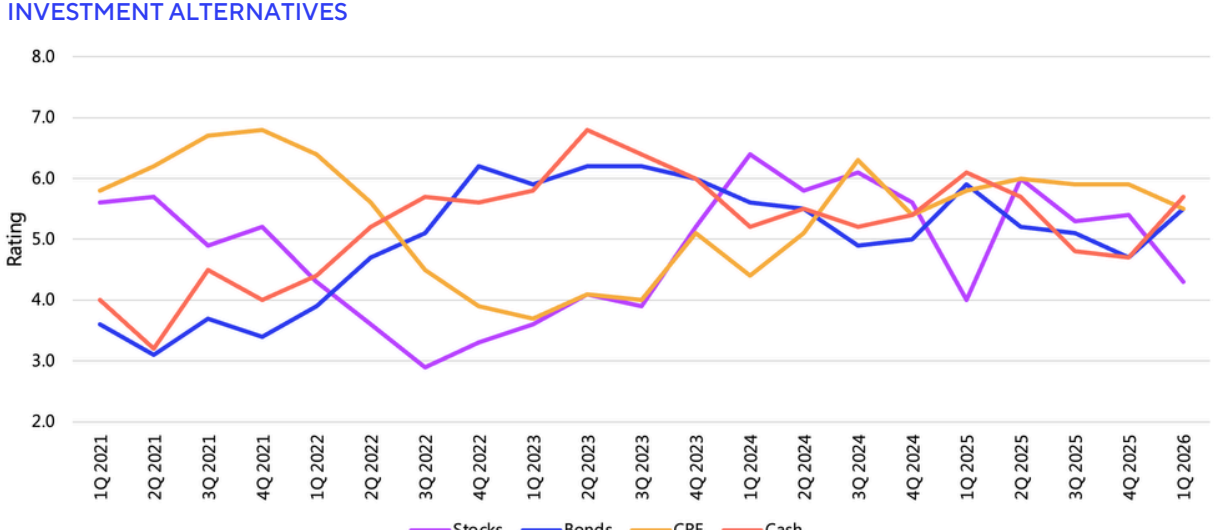
Amid escalating geopolitical tensions and market volatility, investors are favoring cash and prefer to hold rather than buy or sell commercial real estate (CRE). Transaction volume fell almost 20% to \$30 billion in February. The 10-year Treasury rate is hovering around 4.3% amid an array of political and inflationary pressures. Investors say capital is becoming more disciplined and availability is decreasing. The office sector may be making a comeback.

ABOUT SITUSAMC INSIGHTS

SitusAMC is the leading provider of data, research and analytical tools supporting the lifecycle of real estate finance. Leveraging proprietary and third-party data, our tools and research support smarter investment and portfolio decisions with expert-driven insights. [LEARN MORE](#) →

INVESTORS FAVOR CASH AMID VOLATILITY

INVESTMENT ALTERNATIVES



Cash was king in the first quarter as investors reacted to escalating geopolitical tensions and their effect on interest rates. Preference for cash jumped and was the highest among all asset classes, according to SitusAMC's proprietary investor survey. Preference for bonds also increased over the quarter. After three quarters in the top spot, preference for CRE declined, tied with bonds for the number two ranking. Investors note that CRE's recovery has been slow and returns relatively weak. The potential for higher interest rates to persist is likely a factor in this as well. Preference for stocks fell in the first quarter amid volatility.

"Investors note that CRE's recovery has been slow and returns relatively weak."

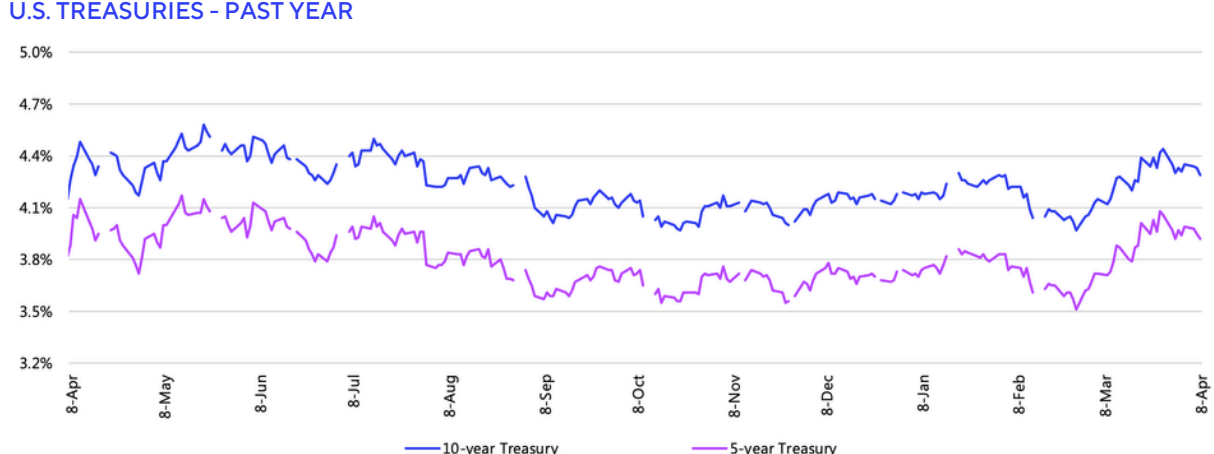


PETER MUIOI, PHD
Head of SitusAMC Insights



TREASURY RATES REMAIN VOLATILE

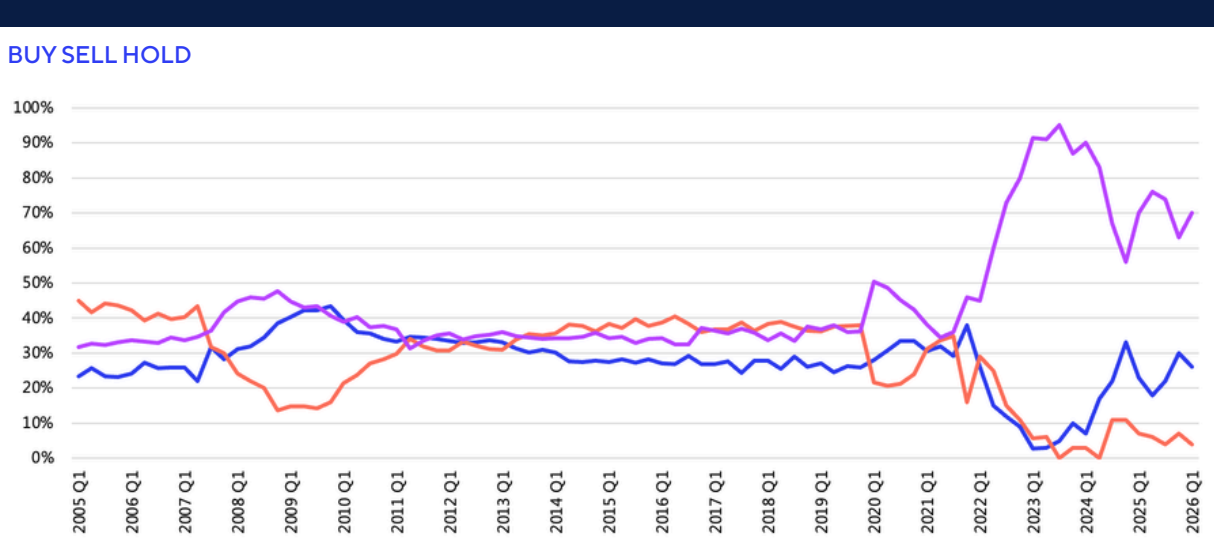
U.S. TREASURIES - PAST YEAR



The 10-year Treasury rate is hovering around 4.3%, roughly where it was last summer. Rates have fluctuated as investors digested an array of recent news, including the Federal Reserve's decision to hold rates steady; a hotter-than-expected Producer Price Index report; an elevated inflation reading in Personal Consumption Expenditures; a stronger-than-anticipated March employment report; and concerns over rising oil and gasoline prices, and broader inflationary pressures, tied to the U.S.-Israel war on Iran. On April 10, the Consumer Price Index report showed the largest monthly increase since 2022, driven largely by a sharp rise in energy-related costs. How long the ceasefire announced on April 8 holds, and how quickly oil markets stabilize, will be key drivers of rate movement in the coming weeks.

MORE INVESTORS PREFER TO HOLD

BUY SELL HOLD

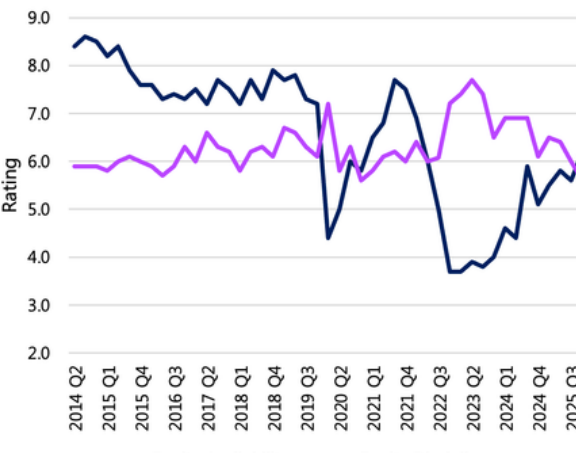


Amid recent economic and geopolitical developments, investor preference to hold CRE increased from 70% from 63% in the first quarter. The preference for buying dipped to 26% from 30%, and the preference to sell decreased to 4% from 7%. Despite the quarterly decline, the buy rating remains near its 10-year average.

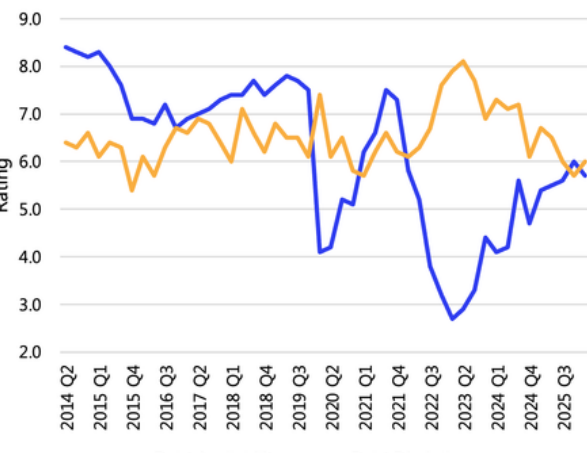
Transaction volume slumped in February, down almost 20% to \$30 billion, the lowest monthly volume since April 2024. Multifamily, fared relatively best in this brutal February report, down about 10% to a nearly two-year low. Industrial fell 21% and office by 40%, each to their lowest levels in about a year. At \$3 billion, retail had its slowest month since April 2023, with transaction volume falling by 40%. All segments are down from their eight-year averages; industrial was at 75% of its long-term average, while the other sectors were around half of their historical levels.

CAPITAL AVAILABILITY FALLS, TERMS MORE DISCIPLINED

EQUITY CAPITAL AVAILABILITY AND DISCIPLINE



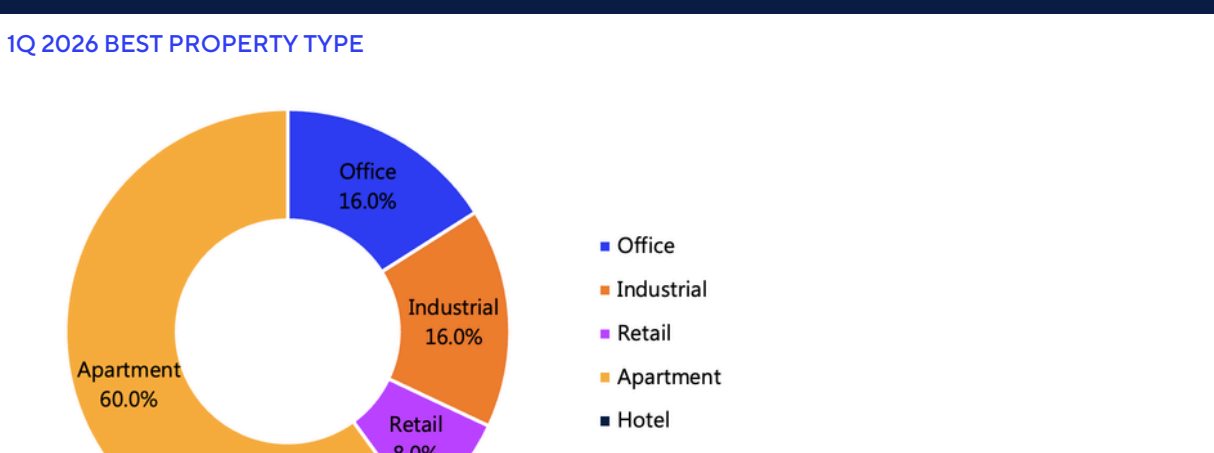
DEBT CAPITAL AVAILABILITY AND DISCIPLINE



Capital is becoming more disciplined and availability is decreasing, according to investors polled in SitusAMC Insights' exclusive survey. Equity discipline tightened in the first quarter, albeit from a record low. Debt discipline, which was at a 10-year low and the fourth quarter, also tightened. A record low debt capital availability dropped in the quarter and now sit below their long-term averages. Investors are being very selective in the current environment, with a focus on high-quality assets in top-performing markets. This is requiring more rigorous due diligence during transactions.

INVESTORS RELATIVELY OPTIMISTIC ON OFFICE

1Q 2026 BEST PROPERTY TYPE



Office may be making a comeback, according to SitusAMC Insights' 1Q 2026 proprietary survey. Investors gave office the second-highest preferability rating since the onset of the pandemic, though preference for the sector did decline to 16% from 22% in the previous quarter. Office tied with the industrial sector for second place. Apartment was the big winner, with 60% of investors preferring the sector, up from 44% in the prior quarter.

ABOUT SITUSAMC

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