

“Capital availability has improved from the tightest conditions of 2023–2024 as the Fed has begun easing policy, but capital remains highly selective—favoring stabilized assets with durable cash flow and experienced sponsors. While underwriting standards have steadied, lenders and investors continue to price risk conservatively, reflecting measured optimism rather than a full reopening of the capital markets.”

Despite gradually improving fundamentals, transaction activity remains constrained. Long-term interest rates continue to hover in the low-4% range, keeping borrowing costs elevated and bid-ask spreads persistent. Moderating inflation and expectations for additional rate cuts are supportive, yet uncertainty around fiscal policy, government deficits, and global geopolitical tensions keeps many investors in a cautious, wait-and-see posture.

Lenders, particularly banks, remain selective when onboarding new CRE relationships, though private debt funds and alternative lenders are actively competing for high-quality opportunities. Refinancing volume remains elevated, with significant loan maturities extending into 2026, sustaining origination pipelines but pressuring highly leveraged assets and sectors with weaker rent growth or elevated vacancies, most notably office.

RARE CRE is a boutique, capital markets advisory firm focused on providing tailored capital solutions and investment sales services to commercial real estate entrepreneurs.

Our Capital Solutions team is dedicated to delivering white glove, customized debt & equity solutions for owners and developers of multifamily and commercial real estate.

- ✓ Bridge Loans
- ✓ Construction Loans
- ✓ Mezzanine Loans
- ✓ Preferred Equity
- ✓ Fixed-Rate Perm Loans
- ✓ Agency (Fannie/Freddie/HUD)
- ✓ NPL Loans
- ✓ Equity Recapitalizations
- ✓ LP & Co-GP Equity
- ✓ Entity-Level Credit Facilities

WHO IS MOST COMMONLY LENDING, AND ON WHAT PROPERTY TYPES?

	MULTIFAMILY*	INDUSTRIAL	OFFICE	RETAIL	SELF-STORAGE	HOSPITALITY
Construction	<ul style="list-style-type: none"> ▪ Banks (selective) ▪ Debt Fund ▪ HUD (workforce) ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Banks (selective) ▪ Debt Fund ▪ LifeCo (selective) 	Selectively available for pre-leased / build-to-suit / strong sponsors	Selectively available for pre-leased / grocery / build-to-suit / strong sponsors	<ul style="list-style-type: none"> ▪ Banks (selective) ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund ▪ SBA/USDA
Construction Completion	<ul style="list-style-type: none"> ▪ Debt Fund ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Debt Fund ▪ LifeCo (w/ preleasing) 	n/a	n/a	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund
Long-Term / Fixed-Rate Perm Loans	<ul style="list-style-type: none"> ▪ Agency ▪ LifeCo ▪ CMBS ▪ Banks/CredUnion 	<ul style="list-style-type: none"> ▪ CMBS ▪ LifeCo ▪ Banks/CredUnion 	<ul style="list-style-type: none"> ▪ Banks/CredUnion ▪ CMBS ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Banks/CredUnion ▪ CMBS ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Banks/CredUnion ▪ CMBS ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Banks/ CredUnion ▪ CMBS ▪ LifeCo
Mezz/Pref	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund
Bridge	<ul style="list-style-type: none"> ▪ Debt Fund ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Debt Fund ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund 	<ul style="list-style-type: none"> ▪ Debt Fund ▪ LifeCo 	<ul style="list-style-type: none"> ▪ Debt Fund
JV Equity	<ul style="list-style-type: none"> ▪ PE ▪ Family Office ▪ Crowdfunding ▪ LifeCo 	<ul style="list-style-type: none"> ▪ PE ▪ Family Office ▪ Crowdfunding ▪ LifeCo 	<ul style="list-style-type: none"> ▪ PE (selective) 	<ul style="list-style-type: none"> ▪ PE (selective) ▪ Family Office (selective) 	<ul style="list-style-type: none"> ▪ PE ▪ Family Office ▪ Crowdfunding 	<ul style="list-style-type: none"> ▪ PE ▪ Family Office (selective)

* For-sale multi-unit housing (e.g. condo/townhome) construction financing is available from some banks, and several private debt funds in certain markets, particularly with some level of pre-sales.

TAKING THE **TEMPERATURE** OF REAL ESTATE CAPITAL MARKETS

CMBS	Life Companies	Construction Loans
		
<ul style="list-style-type: none"> Capital Availability: Moderate to high. Appetite: Strong for stabilized assets with predictable cash flow and moderate leverage. Office remains highly selective, with better execution for newer or well-leased properties. Changes: Spreads have tightened modestly from 2024 levels, though volatility in the bond market continues to impact pricing for lower-rated tranches. 	<ul style="list-style-type: none"> Capital Availability: High but disciplined. Appetite: Focused on core, lower-leverage multifamily, industrial, grocery-anchored retail, and select hospitality in primary markets. Preference for experienced sponsors and strong balance sheets. Changes: Competition has increased for high-quality deals, driving modest spread compression, while secondary markets remain underwritten conservatively. 	<ul style="list-style-type: none"> Capital Availability: Limited to moderate. Appetite: Banks remain the primary source but require lower leverage, meaningful equity, and in many cases pre-leasing or strong guarantors. Multifamily and industrial remain favored sectors. Changes: Terms remain tighter than pre-2023 levels, though select lenders are cautiously re-entering the market as cost pressures stabilize.
Banks & Credit Unions (Acquisition/Refi Loans)	Private Debt Funds (Bridge/Transitional Loans)	Agencies (Fannie/Freddie/HUD)
		
<ul style="list-style-type: none"> Capital Availability: High but uneven. Appetite: Active in multifamily, industrial, and necessity-based retail with strong DSCR and moderate leverage. Office lending remains relationship-driven and highly selective. Changes: Credit standards have largely stabilized after prior tightening cycles, though regulators continue to monitor CRE exposure levels closely. 	<ul style="list-style-type: none"> Capital Availability: High and competitive. Appetite: Aggressively targeting bridge, value-add, recapitalization, and rescue financing opportunities. Strong demand for transitional multifamily, industrial, and select hospitality. Changes: Increased competition has led to some spread compression, though pricing remains meaningfully above bank execution given higher cost of capital. 	<ul style="list-style-type: none"> Capital Availability: High. Appetite: Continued strong support for stabilized multifamily, affordable housing, and green programs. Execution remains consistent for well-underwritten transactions. Changes: Volume is expected to remain elevated due to ongoing refinance demand, with underwriting discipline maintained around DSCR and rent growth assumptions.

RATE SHEET

Fannie Mae Conventional Rates (Multifamily)

TERM	LTV	DSCR	SPREAD	RATE
15-Year	65%	1.35x	105-135	5.51%-5.81%
10-Year	55%	1.55x	95-115	5.09%-5.29%
10-Year	65%	1.35x	105-135	5.19%-5.49%
10-Year	80%	1.25x	125-155	5.39%-5.69%
7-Year	55%	1.55x	105-125	4.96%-5.16%
7-Year	65%	1.35x	115-145	5.06%-5.36%
7-Year	80%	1.25x	140-170	5.31%-5.61%
5-Year	65%	1.25x	120-150	4.90%-5.20%
5-Year	75%	1.25x	155-185	5.25%-5.55%

Freddie Mac Conventional Rates (Multifamily)

TERM	LTV	DSCR	SPREAD	RATE
15-Year	80%	1.35x	135-155	5.81%-6.01%
10-Year	55%	1.55x	95-100	5.09%-5.14%
10-Year	65%	1.35x	105-120	5.19%-5.34%
10-Year	80%	1.25x	115-135	5.29%-5.49%
7-Year	55%	1.55x	100-110	4.91%-5.01%
7-Year	65%	1.35x	115-135	5.06%-5.26%
7-Year	80%	1.25x	135-155	5.26%-5.46%
5-Year	75%	1.25x	140-160	5.10%-5.30%

Life Companies (Commercial)

TERM	AMORT	LTV	SPREAD	RATE
5-Year	25-30	50%-65%	150-210	5.20%-5.80%
5-Year	25-30	65%-75%	160-220	5.30%-5.90%
10-Year	25-30	50%-65%	150-190	5.64%-6.04%
10-Year	25-30	65%-75%	160-220	5.74%-6.34%
15-Year	Fully Amort.	65%-75%	160-220	6.06%-6.66%

* Most LifeCo lenders have index floors.

Bridge Lenders / Private Debt Funds (All Property)

TYPE	TERM	AMORT	LTV	Light Value-Add		Deep Value-Add		Construction
				RATE		RATE		
Senior	1-3 Years	IO	65%-80%	6.41%-9.66%		7.41%-12.16%		8.16%-12.66%
Mezz/Pref	1-3 Years	IO	80%-90%	10.16%-13.66%		10.91%-14.41%		11.91%-15.16%

Rates are general in nature and are for informational use only. Rates are subject to change based upon evaluation of each transaction and preparation of detailed quotes and letters of interest. For specific quotes based on your property, contact a RARE CRE Capital Advisor.

Current Index Rates 2/11/26

5yr UST	3.70%
7yr UST	3.91%
10yr UST	4.14%
30d Term SOFR	3.66%
30d SOFR Avg.	3.65%
Fed Funds Rate	3.64%

Lookback at: 6/1/25

5yr UST	3.95%
7yr UST	4.16%
10yr UST	4.39%
30d Term SOFR	4.32%
30d SOFR Avg.	4.33%
Fed Funds Rate	4.33%

Life Companies (Multifamily)

TERM	AMORT	LTV	SPREAD	RATE
5-Year	25-30	50%-65%	145-205	5.15%-5.75%
5-Year	25-30	60%-75%	155-215	5.25%-5.85%
10-Year	25-30	50%-65%	130-175	5.44%-5.89%
10-Year	25-30	60%-75%	155-215	5.69%-6.29%
15-Year	Fully Amort.	60-75%	155-215	6.01%-6.61%

* Most LifeCo lenders have index floors.

FHA/HUD (Multifamily)

PROGRAM	TERM	AMORT	LTV	DSCR	RATE
223(f) Refinancing	35	35	85%	1.176X	5.20%
221(d)4 Constr/Perm	40	40	85%	1.176X	5.70%

* Before MIP of 0.25% to 0.60% (223) / Before MIP of 0.25% to 0.65% (221)

CMBS (All Property)

TERM	AMORT	LTV	SPREAD	RATE
5-Year	30	65%-75%	250-300	6.20%-6.70%
10-Year	30	65%-75%	225-275	6.39%-6.89%

Bank / Credit Union (All Property)

TYPE	AMORT	TERM	LTV	RATE
Balance Sheet	25	3-15 Yr	Up to 75%	5.79%-7.39%
SWAP/Perm	25	5/7/10 Yr	Up to 75%	5.59%-6.64%
Construction	IO	1-3 Yr	50%-75%*	6.00%-8.25%