



First Quarter 2026

The Real Estate Roundtable Sentiment Index

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The Real Estate Roundtable is pleased to announce the results from the Q1 2026 Real Estate Roundtable Sentiment Survey. The quarterly survey is the commercial real estate industry's comprehensive measure of senior executives' confidence and expectations about the commercial real estate market environment. Conducted by Ferguson Partners on behalf of The Roundtable, it measures the views of CEOs, presidents, and other top commercial real estate industry executives regarding current conditions and the future outlook on three topics:

1. Overall real estate conditions
 2. Real estate asset values
 3. Access to capital markets
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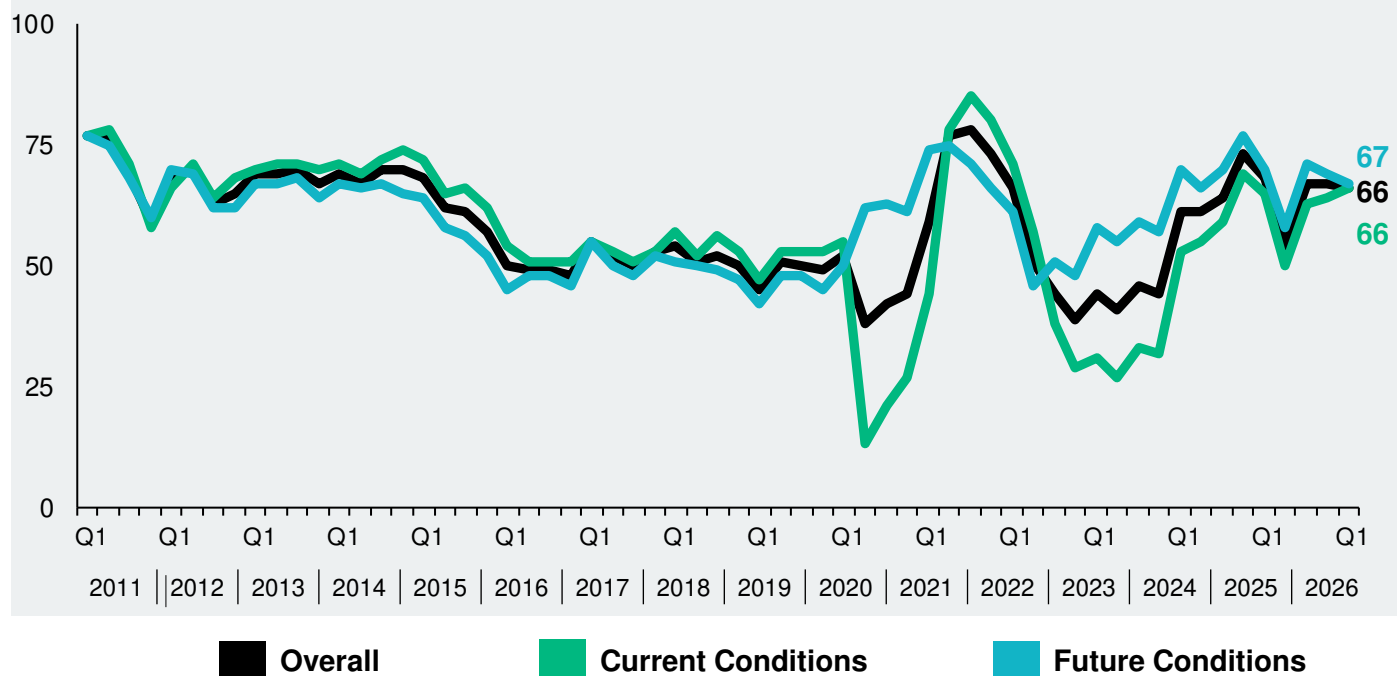
Topline Findings

- **The Q1 2026 Real Estate Roundtable Sentiment Index registered an overall score of 66, a decrease of 1 point from the previous quarter.** The Current Index registered 66, a 2-point increase over Q4 2025. The Future Index posted a score of 67 points, a decrease of 2 points from the previous quarter, reflecting a prevailing sentiment that the market is in the early stages of a tentative, uneven recovery. Political, tariff, and interest rate uncertainty is contributing to wide spreads between buyers and sellers. Amid the uncertainty around pricing clarity and geopolitical stability, participants are cautiously optimistic for an improved 2026.
- Although perspectives vary by asset class, overall market sentiment trends positive. **Less than 10% of respondents believe that general market conditions are worse than this time last year, and 63% of respondents believe that general market conditions are better than this time last year.** Furthermore, 64% of participants expect general market conditions to show improvement one year from now. Leaders reported strength in data centers and industrial, while returns in the multifamily and office sectors remain heavily location-dependent.
- **Forty-three percent (43%) of respondents believe asset values are roughly unchanged** compared to a year ago. Nearly half of participants are seeing green shoots, as 48% believe asset prices have increased while only 9% believe they have declined. Looking ahead, the outlook is optimistic: 67% expect asset prices to rise over the next year, 30% believe asset values will remain stable, and only 3% anticipate a slight decline.
- Perceptions on the availability of equity capital are muted relative to last quarter, although about **four in ten respondents (42%) still believe equity availability is better compared to a year ago.** On the other hand, sentiment around debt capital has risen significantly, as 78% said the availability of debt capital has improved from last year. Looking forward, 65% of respondents believe that equity capital availability will be better in one year and 49% believe debt capital availability will be better.

¹ The Real Estate Roundtable Sentiment Index is measured on a scale of 1–100. It is the average of The Real Estate Roundtable Future Index and The Real Estate Roundtable Current Index. To register an Index of 100, all respondents would have to answer that they believe conditions are “much better” today than one year ago and will be “much better” one year from now.

The Real Estate Roundtable Sentiment Index

Exhibit 1 – Sentiment Index (Aggregate)



- In the Q1 RER Sentiment Survey, participants rated the overall market conditions as a score of 66, current conditions as 66, and future conditions as 67
- Compared to one year ago, sentiments of current conditions are up by 1 point, perceptions of future conditions are down by 3 points, and overall conditions are down by 2 points
- In comparison to last quarter, sentiments on current conditions are up by 2 points, perceptions of future conditions are down by 2 points, and overall conditions are down by 1 point

The Real Estate Roundtable Sentiment Index is measured on a scale of 1–100. It is the average of The Real Estate Roundtable Future Index and The Real Estate Roundtable Current Index. To register an Index of 100, all respondents would have to answer that they believe conditions are “much better” today than one year ago and will be “much better” one year from now.

General Conditions

The Q1 2026 Real Estate Roundtable Sentiment Index registered an overall score of 66, a decrease of 1 point from the previous quarter. The Current Index registered 66, a 2-point increase over Q4 2025. The Future Index posted a score of 67 points, a decrease of 2 points from the previous quarter, reflecting a prevailing sentiment that the market is in the early stages of a tentative, uneven recovery. Political, tariff, and interest rate uncertainty is contributing to wide spreads between buyers and sellers. Amid the uncertainty around pricing clarity and geopolitical stability, participants are cautiously optimistic for an improved 2026.

“In general, across all asset classes, the real estate market is fairly healthy, and we anticipate a healthy next couple of years.”

“The politics of the United States and the world are our biggest concerns. There's a lot of uncertainty there, which makes people hesitant and affects performance.”

“The real estate market is largely still locked up. People need certainty; when certainty returns, transaction volume will skyrocket.”

“There is a lot of liquidity that is priced at a higher level than people have experienced, and volatility may be our new normal.”

“As we enter 2026 it's going to be another year of uncertainty, and pretty much flat performance – robust growth can't be present every year.”

“The market is stagnant but promising; there's a lot of pent-up demand and capital that needs to be deployed. Banks that were previously on the sidelines are looking to replenish balance sheets.”

“The real estate sector is in the early stages of a new cycle: Debt and equity are open, people have accepted the higher-for-longer interest rate environment, and now the focus is on relative value and income across all asset classes.”

General Conditions (continued)

Although perspectives vary by asset class, overall market sentiment trends positive. Less than 10% of respondents believe that general market conditions are worse than this time last year, and 63% of respondents believe that general market conditions are better than this time last year. Furthermore, 64% of participants expect general market conditions to show improvement one year from now. Leaders reported strength in data centers and industrial, while returns in the multifamily and office sectors remain heavily location-dependent.

“Industrial and high-quality multifamily are clearing at pretty aggressive levels relative to the cost of capital, particularly where rent growth is apparent.”

“Digital infrastructure and data centers are attracting a ton of capital and remain a central investment theme; they're often treated as infrastructure rather than traditional commercial real estate.”

“I believe 2026 is the year of the office, and once tariff activity stabilizes, retail will also start to perform well.”

“Self-storage remains attractive due to supply constraints, and we anticipate continuing to invest heavily in this asset class.”

“Multifamily is overall somewhat dour; we're starting to see negative rent growth in Sun Belt markets due to oversupply.”

“We're still waiting on a full comeback in lodging; we've seen advance bookings on short-term rentals increase, and the asset class overall seems to be stable or even up.”

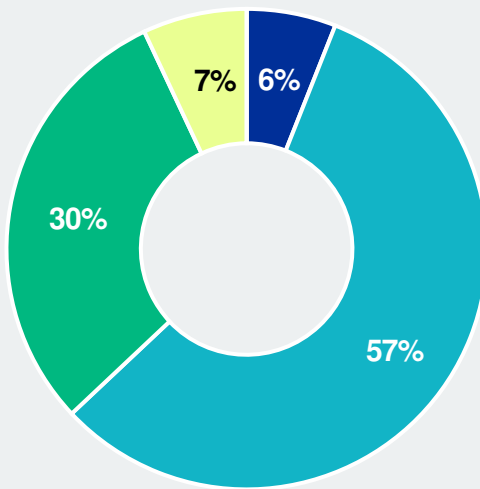
“AI company growth has driven office returns in the Bay Area, but that may be temporary – a lot of those startups have yet to turn a profit.”

General Market Conditions

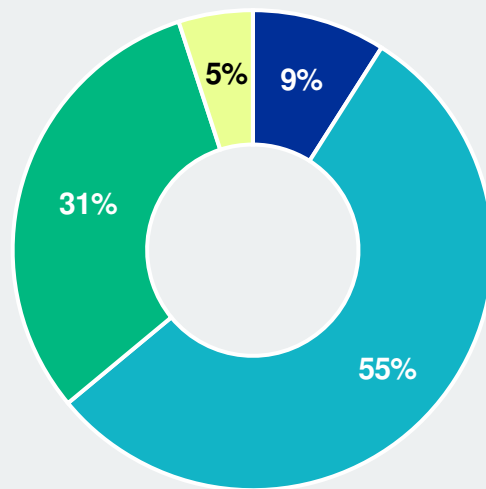
% of respondents

Exhibit 2 – Perceptions on General Market Conditions

Today vs.
One Year Ago



One Year From
Now vs. Today



■ Much
better

■ Somewhat
better

■ About the
same

■ Somewhat
worse

■ Much
worse

- Regarding sentiment on current market conditions, 7% believe it is a less favorable environment compared to one year ago, 63% feel it has improved, and 30% believe conditions remain the same
- Current perceptions fall slightly short of the expectations outlined twelve months ago, when 70% of participants anticipated an improvement in general market conditions, whereas only 63% of Q1 2026 participants believe conditions have in fact improved
- Looking towards the future, 64% of participants believe that a year from now will present more favorable market conditions

Asset Values

Forty-three percent (43%) of respondents believe asset values are roughly unchanged compared to a year ago. Nearly half of participants are seeing green shoots, as 48% believe asset prices have increased while only 9% believe they have declined. Looking ahead, the outlook is optimistic: 67% expect asset prices to rise over the next year, 30% believe asset values will remain stable, and only 3% anticipate a slight decline.



Valuations continue to reset unevenly, where some assets are down 30-70%, while others have stabilized; for office, cap rates appear to be finding a floor around the mid-6% range.”



On a broad basis, pricing remains roughly 20% off peak levels, but we expect more consistent positive value movement to emerge in 2026, depending on asset quality.”



Industrial and high-quality multifamily continue to trade at aggressive valuations relative to today’s cost of capital, particularly in markets where rent growth is visible.”



Interest rates and cap rates have moved lower, which has pushed values up – especially for data centers, where investor demand remains exceptionally strong.”



Residential cap rates have been relatively sticky, suggesting pricing still needs to adjust. It’s less a question of if than when.”

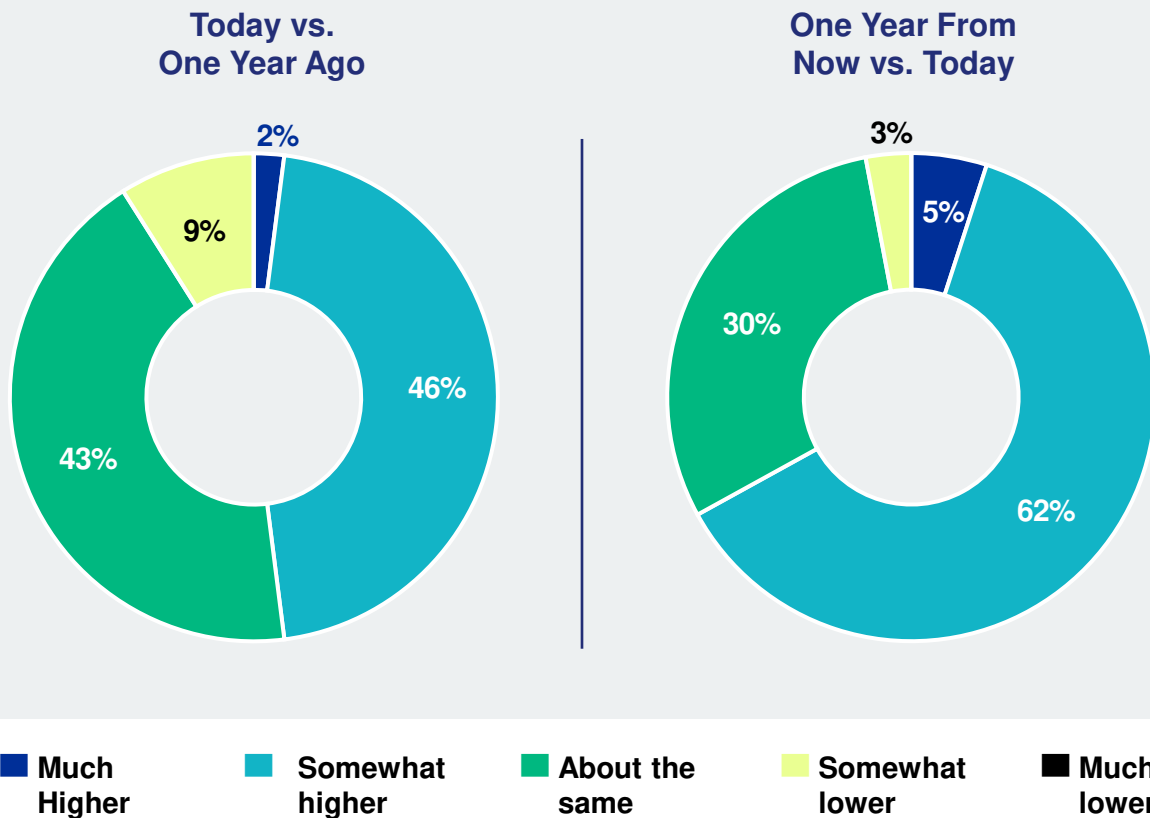


Activity remains constrained as buyers and sellers work through price discovery; there’s still a meaningful gap in expectations across many sectors.”

Real Estate Asset Values

% of respondents

Exhibit 3 – Perceptions on Asset Values



- Regarding sentiment on the state of current asset values, 9% believe they are lower than one year ago, 48% feel they are higher, and 43% believe asset values have remained the same when comparing to a year ago
- Looking at last year's Q1 Sentiment survey, 56% of participants expected asset values would be higher now, reflecting a drop in asset value expectations
- Looking towards the future, 67% of participants believe that a year from now will present more favorable asset values, 30% believe they will remain the same, and only 3% believe we will see lower asset values

Capital Markets

Perceptions on the availability of equity capital are muted relative to last quarter, although about four in ten respondents (42%) still believe equity availability is better compared to a year ago. On the other hand, sentiment around debt capital has risen significantly, as 78% said the availability of debt capital has improved from last year. Looking forward, 65% of respondents believe that equity capital availability will be better in one year and 49% believe debt capital availability will be better.

“Capital markets (both debt and equity) are open again. Liquidity is improving, and investor conviction is steadily rebuilding.”

“Credit markets are as strong as they’ve been in a decade; spreads have tightened materially, and securitization activity is robust.”

“Permanent lenders are clearly back – some loans are pricing at Treasuries plus sub-100 basis points, with spreads tightening roughly 50 bps over the past six months.”

“Debt is broadly available across banks and securitized markets, but equity fundraising remains concentrated among the largest managers; GP-led secondaries and recaps have become an important liquidity outlet.”

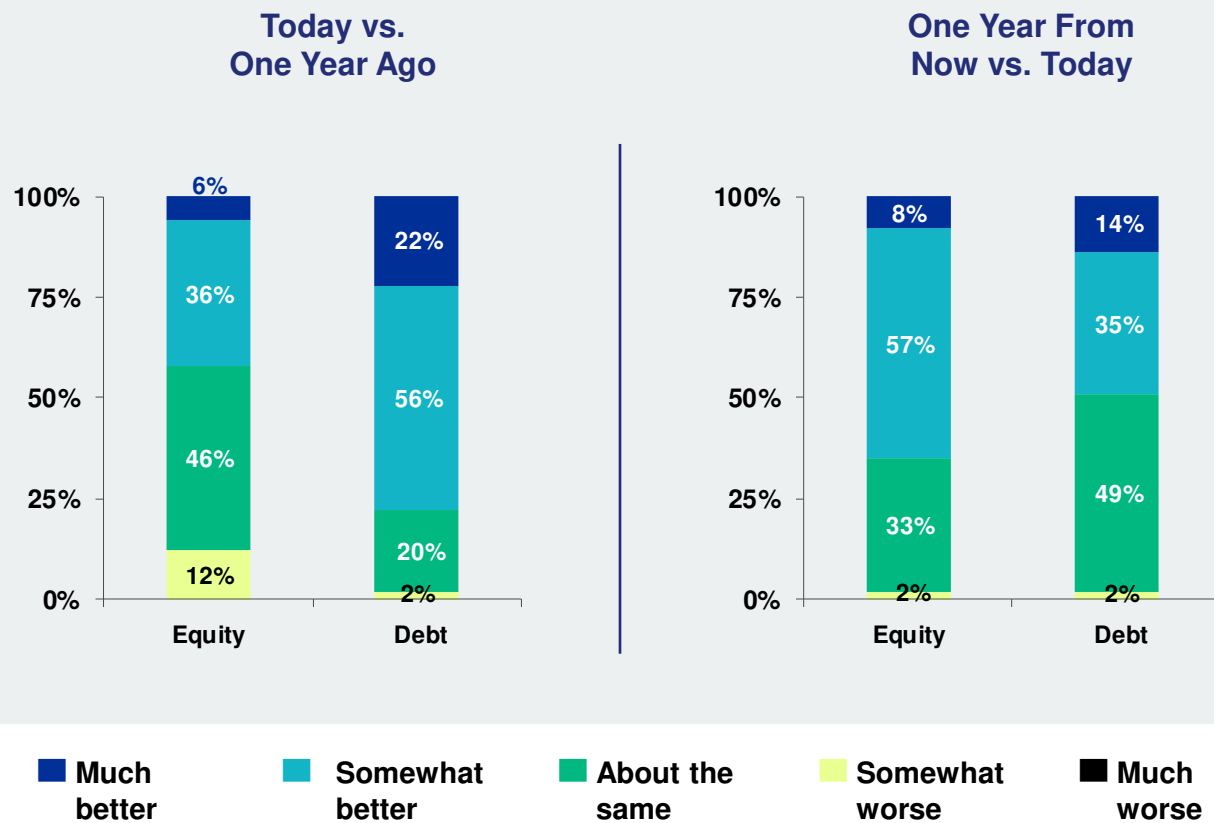
“There’s no shortage of equity capital overall, but deployment depends on conviction. Many deals still struggle to meet LP return thresholds.”

“Debt capital feels abundant in the current environment, but access can shift quickly; borrowers should be proactive in cultivating multiple lender relationships.”

Availability of Capital

% of respondents

Exhibit 4 – Perceptions on the Availability of Debt and Equity Capital



- Regarding sentiment on the availability of equity capital, 12% believe it is worse compared to one year ago, 42% feel it has improved, and 46% believe the availability of equity remains the same
- In terms of the availability of debt capital, only 2% of participants believe it is worse compared to one year ago, 78% feel it has improved, and 20% believe the availability of credit remains the same
- Looking towards the future, 65% and 49% of participants believe that equity and debt availability, respectively, will be better one year from now, while 2% of participants believe that both capital availability will be worse one year from now.

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(Please note that this is only a partial list. Not all survey participants elected to be listed.)

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About Ferguson Partners Consulting

We are problem solvers for the real assets industries helping our clients with the strategy, structure, and performance of their businesses, often at times of transition and transformation. Our service offerings include:

- Strategy & Market Positioning – Optimizing business strategy to compete in the market.
- Organizational Design – Getting the right structure, roles, and people in place to execute the business plan.
- Governance & Succession Planning – Planning around current and future leadership, ownership, governance, and decision making.
- Operational Efficiency – Ensuring the performance of the business is optimized through rigorous assessments and benchmarking of staffing and financial results.

About The Real Estate Roundtable

The Real Estate Roundtable brings together leaders of the nation's top publicly-held and privately-owned real estate ownership, development, lending and management firms with leaders of major [national real estate trade organizations](#) to jointly address key national policy issues relating to real estate and its important role in the global economy.

The collective value of assets held by Roundtable members exceeds \$4 trillion. The Roundtable's membership represents more than 3 million people working in real estate; 12 billion square feet of office, retail and industrial space; over 4 million apartments; and more than 5 million hotel rooms. It also includes the owners, managers, developers and financiers of senior, student, and manufactured housing—as well as medical offices, life science campuses, data centers, cell towers, and self-storage properties.

The Roundtable's policy news and more are [available on The Roundtable website](#).



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