## 1. Q1 2026 GDP (ADVANCE ESTIMATE)

- According to the advanced GDP estimate from the U.S. Bureau of Economic Analysis (BEA), real GDP grew at an annualized rate of 2.0% in Q1 2026, a sharp rebound from 0.5% in Q4 2025 but below the 2.3% consensus forecast.
- The acceleration reflected upturns in government spending, largely driven by a snapback in federal employee compensation following the Q4 2025 government shutdown, alongside stronger exports and faster investment growth.
- Business equipment outlays surged 10.4% in Q1, the fastest pace in nearly three years, driven by AI infrastructure and data center buildout. Consumer spending decelerated to an annualized 1.6%, though real final sales to private domestic purchasers rose 2.5%, up from 1.8% in Q4.
- Inflationary pressures accelerated sharply during the quarter. The PCE price index rose 4.5% annualized while core PCE rose 4.3%, up from 2.7% in Q4 2025 — a stagflationary composition that complicates the Fed's path forward.

## 2. CRE OUTLOOK DOWNGRADE

- According to Oxford Economics, as reported by GlobeSt and Connect CRE, the firm cut its global commercial real estate capital growth forecasts for 2026 following the outbreak of the US-Israel conflict with Iran, citing energy-driven inflation and softer economic growth as primary headwinds.
- Researchers note that despite the fragile ceasefire, energy market disruption and infrastructure damage will curtail rental growth while higher bond yields reduce CRE's relative attractiveness to investors. In the US, Logistics and Residential are among the property sectors most sensitive to the resulting household income squeeze, alongside Retail.
- Oxford Economics revised its global GDP growth forecast for 2026 down to 2.6%, from 3.0% prior to the conflict, with headline global inflation rising to 4.0%. In an adverse scenario involving a prolonged Strait of Hormuz closure, global growth falls to 2.5% and inflation rises to 5.4%.
- Businesses surveyed by Oxford Economics now estimate a roughly one-in-six chance of a global recession in 2026, with 63% identifying the Middle East conflict as the top near-term risk to the global economy

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over the next two years.

## 3. FOMC INTEREST RATE DECISION

- At their April 29th policy meeting, the FOMC voted to hold the federal funds rate target range at 3.50%–3.75% for the third consecutive meeting, in line with market expectations.
- The decision produced four dissents, the most since October 1992. Governor Miran voted to cut rates by 25 basis points, while Governors Hammack, Kashkari, and Logan supported holding rates but opposed inclusion of an easing bias in the statement language.
- The statement upgraded the characterization of inflation from "remains somewhat elevated" to "elevated," and explicitly cited developments in the Middle East as contributing to high levels of uncertainty about the economic outlook.
- The meeting marked what is likely Chair Powell's final FOMC meeting, with the Senate Banking Committee recently approving Kevin Warsh's nomination as incoming chair. Warsh is expected to preside at the June 16–17 meeting, at which updated projections and a rate decision will be released.

## 4. CPI INFLATION

- The Consumer Price Index (CPI) rose 0.6% month-over-month in April, following a 0.9% increase in March. On a year-over-year basis, headline CPI was up 3.8%, the highest annual reading since May 2023.
- Energy prices rose 3.8% in April, accounting for more than 40% of the monthly all-items increase. Year-over-year, energy is up 17.9% while gasoline is up 28.4%, reflecting sustained disruption to Middle East oil supply.
- Core CPI, which excludes food and energy, rose 0.4% month-over-month and 2.8% year-over-year — the highest monthly core reading since January 2025 — keeping underlying inflation well above the Fed's 2.0% target. The energy price impact on broader consumer prices remains limited.
- Food prices increased 0.5% for the month, including a 0.7% gain in food at home, the largest monthly increase since August 2022. The shelter index rose 0.6%, partially reflecting a data collection gap tied to the October 2025 government shutdown.

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- Real average hourly earnings fell 0.5% for the month and declined 0.3% year-over-year, as accelerating inflation eroded purchasing power faster than nominal wage gains.

## 5. PERSONAL INCOME AND OUTLAYS

- According to the BEA, US personal income rose $149.2 billion, or 0.6%, in March, the latest month of data availability. Disposable personal income increased 0.6% and personal consumption expenditures rose 0.9% for the month.
- Real personal consumption expenditures (PCE) grew 0.2% month-over-month. The increase in current-dollar PCE reflected a $132.6 billion gain in goods spending and a $62.9 billion gain in services spending.
- The personal saving rate held at 3.6% in March, unchanged from December 2025, suggesting households are not building meaningful financial buffers against continued price pressures.

## 6. APRIL JOBS REPORT

- According to the U.S. Bureau of Labor Statistics, total nonfarm payrolls rose 115,000 in April, well above the consensus forecast of approximately 55,000–62,000. The unemployment rate held unchanged at 4.3%.
- Healthcare led job creation for the month (+37,000), followed by Transportation and Warehousing (+30,000) and Retail Trade (+22,000). Federal Government employment continued to decline, shedding 9,000 jobs in April.
- The information sector shed 13,000 jobs in April, continuing a longer-run decline of 342,000 positions since November 2022, amounting to approximately 11% of that sector's workforce.
- Workers employed part-time for economic reasons jumped 445,000 to 4.9 million in April. A single-month increase of this magnitude typically signals employers managing payroll costs by reducing hours rather than cutting headcount outright.

## 7. CRE LOAN SPREADS

- According to CRED iQ, commercial real estate loan spreads compressed between 12 and 18 basis points across the four major property sectors over the trailing 12 months through Q1 2026, improving refinancing

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conditions for borrowers.

- As of March 31st, 10-year CRE spreads over the US Treasury on 60–65% LTV permanent loans stood at 154 bps for Multifamily, 162 bps for Industrial, 176 bps for Retail, and 220 bps for Office.
- Multifamily led the compression, tightening 18 bps from 172 bps in late April 2025. Industrial tightened 12 bps, Retail 17 bps, and Office 17 bps from 237 bps — though the latter's spreads were particularly sticky through mid-2025, with the most meaningful compression arriving in Q1 2026.
- Despite the improvement, Office remains approximately 66 bps wider than Multifamily and 58 bps wider than Industrial, reflecting continued lender caution around Office credit performance and rollover risk heading into the 2026 maturity wall.

## 8. LOGISTICS MANAGERS' INDEX

- In April, the Logistics Managers' Index (LMI) rose to 69.9, up 4.2 index points from March's reading of 65.7 and its highest level since March 2022. The LMI is a key leading indicator for Industrial real estate demand.
- Transportation Prices surged to 95.0, up 5.6 points from March and the second-fastest growth rate for any single metric in the LMI's nearly 10-year history. Transportation Capacity fell to 28.4, down 10.9 points and the second-lowest reading ever recorded.
- The spread between Transportation Prices and Transportation Capacity reached 67 points in April, the widest gap in the history of the index, indicating the freight market has never simultaneously been tighter or more expensive.
- Warehousing Prices rose to 72.7 and Inventory Costs rose to 74.7. Aggregate costs reached 242.4, the fastest rate of cost growth since April 2022, reflecting broad-based supply chain pressure driven by energy costs and import disruptions.
- Inventory Levels expanded moderately, rising 1.5 points to 56.3, suggesting active demand-side logistics activity is present even as costs accelerate sharply. These conditions historically support better Industrial real estate absorption.

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## 9. CMBS DELINQUENCIES

- According to Trepp, the CMBS delinquency rate edged down one basis point in April to 7.54%, following a 41 bps increase in March. The delinquency rate is up 90 bps year-over-year.
- CMBS delinquency rates moved in opposite directions across property types in April, with two of the five major sectors increasing and three declining. The five largest newly delinquent loans accounted for just over $1.26 billion of the roughly $2.63 billion in newly delinquent loans.
- Multifamily posted the largest monthly increase, rising 56 bps to 7.71%, exceeding last month's high-water mark, driven primarily by two large loans in San Francisco and New York City going 30 days delinquent. The Multifamily rate is now up 114 bps year-over-year.
- Office declined two bps to 11.69%, remaining near its cycle high. Retail fell 31 bps to 6.31%, Lodging fell 79 bps to 6.52%, and Industrial moved modestly higher, up 31 bps to 0.96%. On a year-over-year basis, Office climbed 141 bps while Lodging fell 133 bps and Retail fell 81 bps.

## 10. SENIOR RENTERS FAVOR MULTIFAMILY

- According to a recent analysis by Chandan Economics, published in partnership with Arbor Realty Trust, senior renters (65+) accounted for 17.4% of renter households through 2024, with 54.4% living in Multifamily properties, split between small (28.1%) and large (26.3%) buildings.
- Senior renters are notably more concentrated in large Multifamily than the broader renter population. 26.3% of senior renters live in large Multifamily buildings, compared to just 17.0% of all renters. This likely reflects life-stage dynamics such as downsizing and a preference for amenity-rich, lower-maintenance environments.
- Las Vegas, NV, and North Port-Sarasota, FL, lead as established senior-renter destinations. Boise, ID, Greenville, SC, Knoxville, TN, and Charleston, SC, are emerging markets recording strong recent in-migration from senior renters.
- Many leading destinations share a common profile: smaller or secondary metros offering lower taxes, relative affordability, and accessible amenities — a combination increasingly relevant for Multifamily investors tracking demographic-driven demand.

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