2026

Multifamily Powerhouse Poll

OUTLOOK

MARCH 2026

BERKADIA®



Berkadia's 2026 Multifamily Powerhouse Poll Outlook is here! In its ninth annual edition, we continued to ask our Investment Sales Advisors and Mortgage Bankers to to gather their unique perspectives on the current state of the commercial real estate (CRE) market. Their knowledge and insights are invaluable as we guide investors through today's market.

We surveyed 79 investment sales advisors and 131 mortgage bankers—208 respondents in total—to share their expectations for the most active lending and capital sources, investment and disposition activity, and the outlook for interest rates and the broader economy. We also built on other areas of focus—key asset classes, renter demographics, technology and innovation, and dynamic debt and equity solutions—and the impact on CRE transaction activity.

In tandem, we surveyed more than 250 senior-level Berkadia clients in our Investor Sentiment Survey, highlighting the key themes they expect will shape multifamily investment in 2026. Our experienced Investment Sales Advisors and Mortgage Bankers remain steadfast in helping investors navigate these challenging market conditions and uncover opportunities in the year ahead.

Investor sentiment for the multifamily sector is largely positive heading into 2026, with most respondents expecting the investment climate to improve over the next 24 months. While fundamentals remain challenging—investors report some challenges making deals work and cite elevated interest rates, softening fundamentals, and increasing operating costs as top concerns—moderate portfolio expansion is anticipated in 2026 as confidence returns. Most investors forecast the 10-Year Treasury yield to remain below 4.0% and expect two Fed rate cuts in 2026, which should gradually ease financing pressures.

Vacancy rates are expected to stabilize, and rental growth is viewed positively by a majority of respondents. Investors believe the Southeast, Midwest, and Northeast will lead the nation for multifamily opportunities in 2026. Distress may rise, especially for deals with higher leverage, and those originated in recent years at peak valuations. Despite near-term challenges, the long-term fundamentals of rental housing remain strong.

As the capital markets normalize and absorption continues to improve, the multifamily sector is set to deliver attractive, risk-adjusted returns for investors.

In 2025, Berkadia secured $35 billion in total loan production across over 1,610 loans, advised on $16 billion in investment sales volume across over 610 transactions, and maintained a $436 billion servicing portfolio with 21,084 actively serviced loans.

Overall, Berkadia remains bullish on the multifamily market and is focused on the following key findings heading into 2026:

- **Core-Plus properties will generate the best risk-adjusted returns in 2026, followed by Value-Add**
- **Class A and Class B rental housing, along with affordable housing and single-family rental and build-to-rent, are expected to attract the most investor interest**
- **Private investors are anticipated to lead acquisition and disposition activities**
- **Freddie Mac and Fannie Mae (the multifamily GSEs) are expected to be the most active lending sources**
- **2 (50 bps) Fed rate cuts in 2026**

Ernie Katai
Executive Vice President-Head of Production
Berkadia

About the Multifamily Powerhouse Poll Outlook

The 2026 Multifamily Powerhouse Poll Outlook data was collected in an online survey, facilitated by Berkadia in December of 2025, to assess anticipated CRE activity and opportunities for the year ahead. The sample was based among Berkadia's 70+ offices throughout the United States, comprising of 79 Investment Sales Advisors and 131 Mortgage Bankers, totaling 208 respondents.

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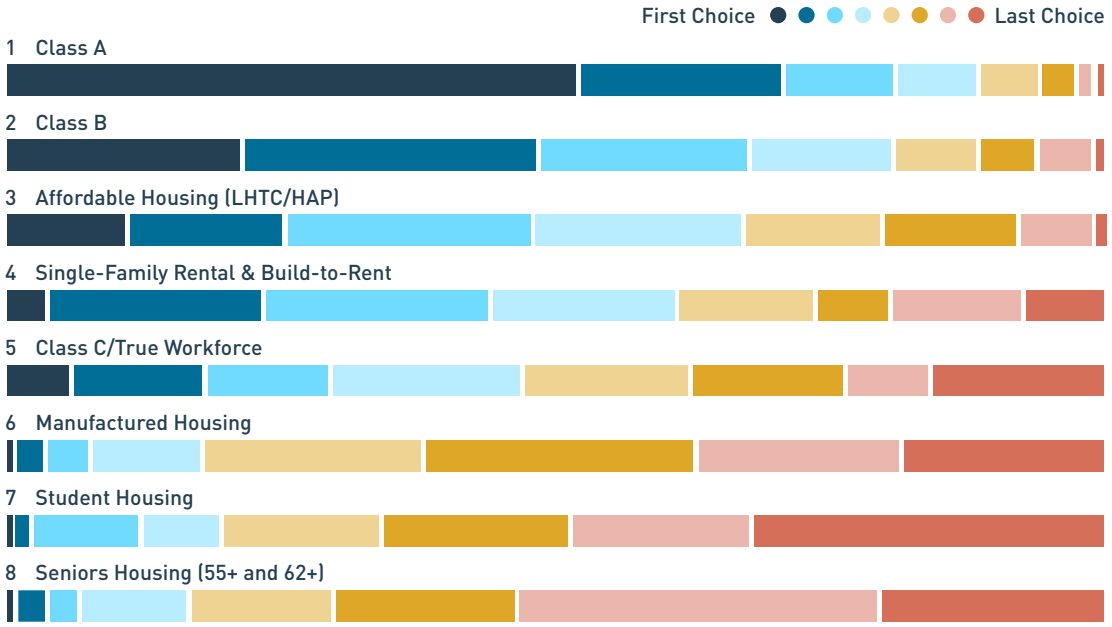
Where Capital Will Flow in the Living Sectors

In 2026, investor demand in the living sectors is expected to concentrate on higher-quality multifamily and mission-driven products. After a period of elevated apartment supply, new deliveries are projected to decrease in 2026, and most investors anticipate that absorption will outpace supply—leading to lower vacancy rates and increased transaction activity. In today's economic and capital markets landscape, it's critical that investors understand and can proactively navigate market trends.

Anticipated Investor Interest

Class A and Class B rental housing, along with affordable housing properties, were ranked among the top three most anticipated to attract investor interest.

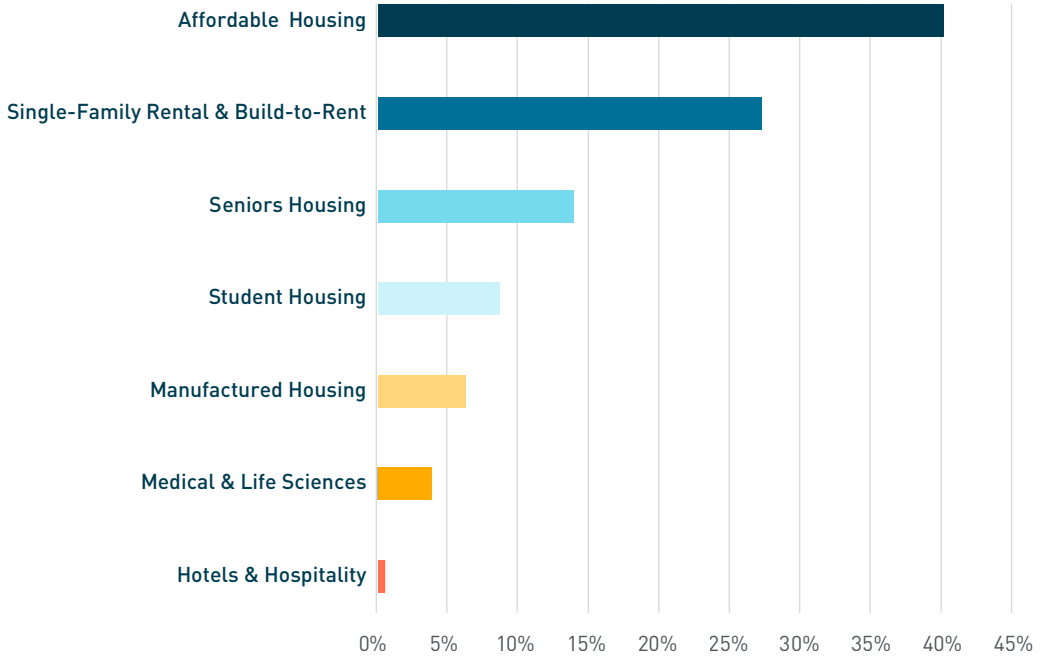
Rank the following types of rental housing by anticipated investor interest in 2026.



Breaking Down Specialty Sectors: Investor Demand

Berkadians believe that outside of multifamily, the single-family rental (SFR), build-to-rent (BTR) and affordable housing asset classes are the most appealing sector for investors.

Outside of multifamily, which living sector will be most attractive to investors in 2026?

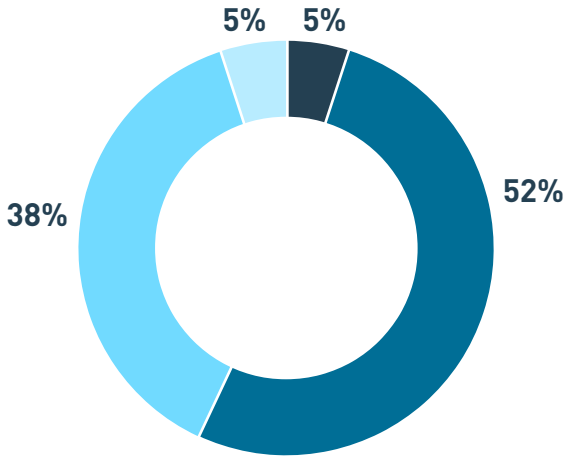


Property Performance

Most respondents expect to increase or maintain their exposure to Class A multifamily relative to Class B and C in 2026. This makes sense to us because the Class A renter is less cost-burdened with an average rent to income ratio of less than 30%.

Based on your outlook for 2026, how likely are your clients to increase, maintain, or reduce their exposure to Class A multifamily compared ed to Class B and C?

- Significantly Increase
- Increase
- Maintain
- Reduce
- Significantly Reduce

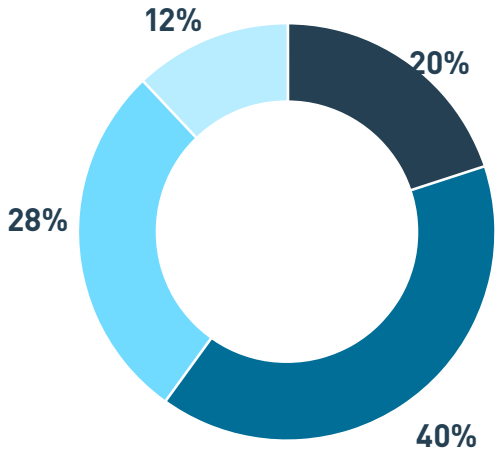


Investment Profiles

Berkdians believe that Core-Plus properties will generate the best risk-adjusted returns in 2026, followed by Value-Add.

Which investment profile do you anticipate will generate the best risk-adjusted returns in the multifamily sector in 2026?

- Core
- Core-Plus
- Value-Add
- Development/Opportunistic



There is a consistent consensus among all respondents that owners will increase or maintain their Class A multifamily exposure relative to Class B and C in 2026.

Berkadians favor Core-Plus properties as offering the best risk-adjusted returns in 2026 over Value-Add, whereas investors are evenly split between Core-Plus and Value-Add as the preferred strategies for achieving the most attractive risk-adjusted returns.

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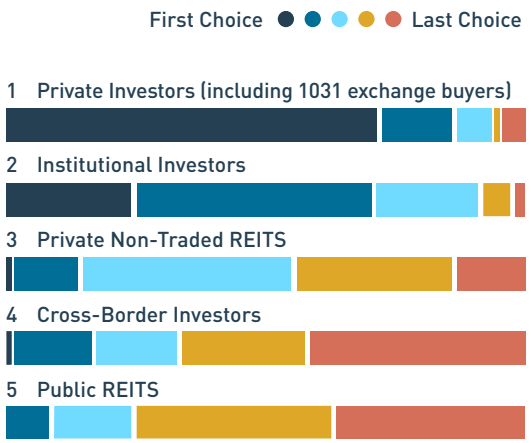
Capital Markets Debt Landscape

In 2026, the capital markets debt landscape remains shaped by elevated interest rates, persistent operating cost pressures, and generally cautious lender sentiment. However, there is growing optimism about improved financing conditions as most investors anticipate a gradual easing in credit markets, driven by expectations of multiple Fed rate cuts and a stabilizing economic outlook. The multifamily GSEs are expected to remain the most active lending source, while banks, private debt funds, and alternative lenders are also projected to expand their offerings to meet diverse borrower needs. Lenders continue to employ strategies such as rate buydowns, fixed-rate loan options, and flexible prepayment structures to navigate ongoing sensitivity to rate movements. As a result, borrowers in 2026 will have a wider range of financing solutions, allowing them to better align capital stacks with their investment objectives. In this evolving landscape, Berkadia Mortgage Bankers are more critical than ever in guiding investors to structure optimal debt solutions and helping them act with confidence as market opportunities and challenges persist.

Capital Sources: Acquisition Activity

Private investors (including 1031 exchange buyers) are expected to drive the most acquisition activity in the investment sales market, with institutional investors anticipated to follow.

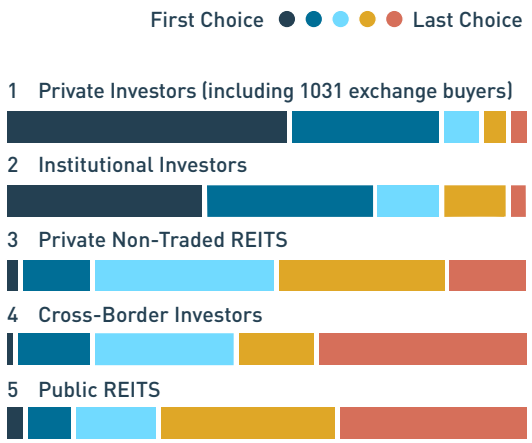
From which capital source do you expect to see the most acquisition activity in 2026?



Capital Sources: Disposition Activity

Similar to acquisition activity, private investors will lead disposition activity in 2026, followed by institutional investors.

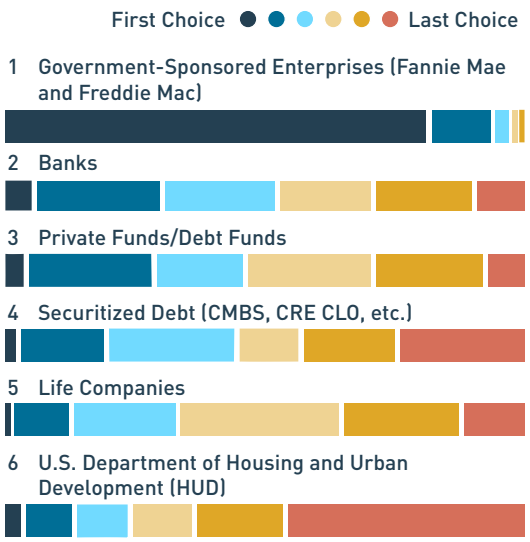
From which capital source do you expect to see the most disposition activity in 2026?



Lending Sources

Freddie Mac and Fannie Mae (the multifamily GSEs) are expected to be most active in 2026. Following that, private funds/debt funds and banks are expected to be active as well.

Which lending sources do you expect to be most active in 2026?



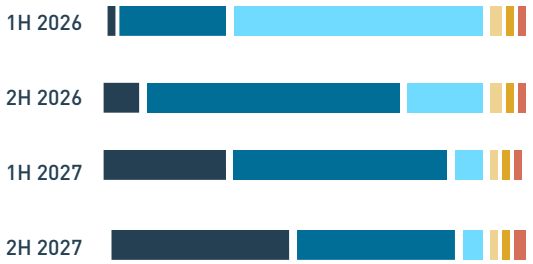
Fannie Mae and Freddie Mac (the multifamily GSEs) were viewed in 2025 as the most active lending sources and are widely expected to retain that position in 2026. Their multifamily loan purchase caps have increased to $88 billion each, up 20% from 2025, for a combined total of $176 billion, up from $146 billion in 2025. Fannie Mae and Freddie Mac continue to play a crucial role in providing liquidity to the housing market, and this expanded capacity is complemented by increased lending activity from many banks. However, banks are approaching new originations more selectively—tightening credit standards, focusing on stronger sponsors and assets, and prioritizing deals that align with their balance-sheet and regulatory constraints.

Investment Climate

Over the next 24 months, the majority of respondents expect the multifamily sector to remain as it is today, with others anticipating it will get better by 2H 2026. Berkadia expects a two-chapter year, with investment activity picking up in the second half, driven by improving fundamentals.

What is your outlook for the overall investment climate in the multifamily sector over the next 24 months?

- Significantly better than today
- Somewhat better than today
- About the same as today
- Somewhat worse than today
- Significantly worse than today
- Not Sure

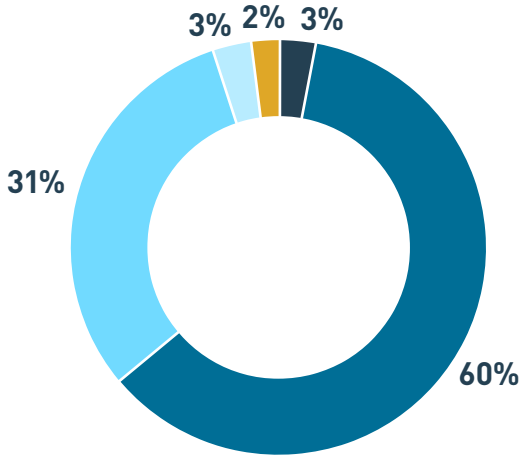


Rental Growth

Berkadian respondents and the investment community anticipate moderate rent growth in the multifamily sector in 2026, a view that is consistent with Berkadia's House View. As the current wave of new supply is absorbed and the pipeline normalizes, investors expect fundamentals to stabilize, supporting steady – though not outsized – rental growth.

What are your expectations for rental growth in the multifamily sector in 2026?

- Significant Increase (greater than a 3% increase)
- Moderate Increase (1% - 3% increase)
- Effectively No Change (-1% - 1%)
- Moderate Decrease (1% - 3% decrease)
- Significant Decrease (greater than a 3% decrease)

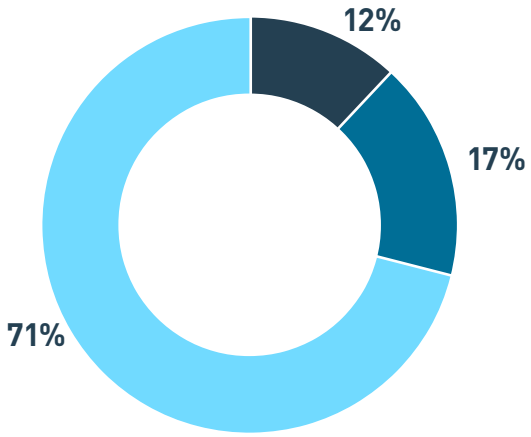


Cap Rates by End of 2026

By the end of 2026, Berkadians expect cap rates to remain about the same as today.

Do you expect cap rates to be higher, lower or the same at the end of 2026 than where we see cap rates today?

- Higher
- Lower
- About the same (within 50 bps)



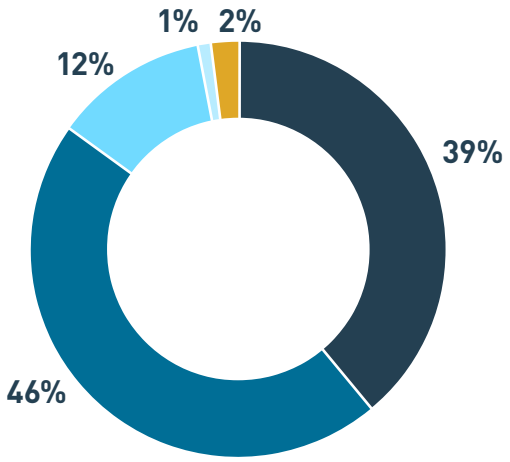
Berkadia's outlook is aligned with the investor community's view that the multifamily investment climate is likely to hold steady over the next 24 months, with some improvement on the transaction side in the second half of 2026.

Underwriting Exit Cap Rates

Investors are primarily underwriting exit cap rates 25-50 basis points higher than their going-in cap rates, while a significant number are keeping them the same.

How are investors underwriting exit cap rates in your region?

- Same as going in
- 25 bps-50 bps higher than their going in cap rates
- 50 bps-75 bps higher than their going in cap rates
- 100 bps or higher than their going in cap rates
- Other

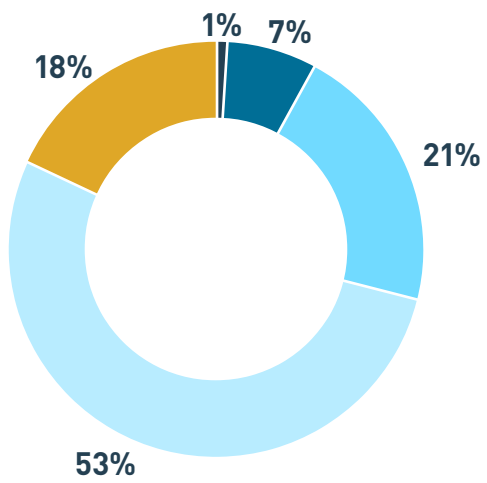


Underwriting

Over half of the respondents are finding it somewhat difficult to make the numbers work when underwriting new multifamily investment opportunities today.

When underwriting a new multifamily opportunity, what are you most often finding?

- It's very easy to make the numbers work
- It's fairly easy to make the numbers work
- It's neither easy nor difficult to make the numbers work
- It's somewhat difficult to make the numbers work
- It's very difficult to make the numbers work

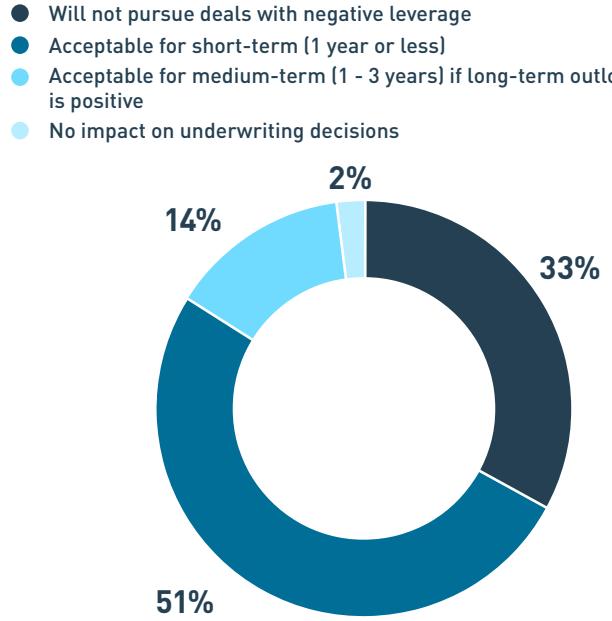


Respondents again this year indicate that investors are generally underwriting exit cap rates 25–50 basis points above their going-in cap rates. This suggests that, even as conditions evolve, investors remain focused on building in a buffer for future cap rate expansion and pricing risk at exit.

Underwriting: Negative Leverage

Berkadians believe their clients' tolerance for negative leverage when underwriting new multifamily acquisitions is acceptable for a short period of time (one year or less). However, according to our investor sentiment survey, a majority of respondents are unwilling to pursue deals with negative leverage, especially in markets with little to no rent growth, since rent growth is viewed to be essential to "growing out" of negative leverage.

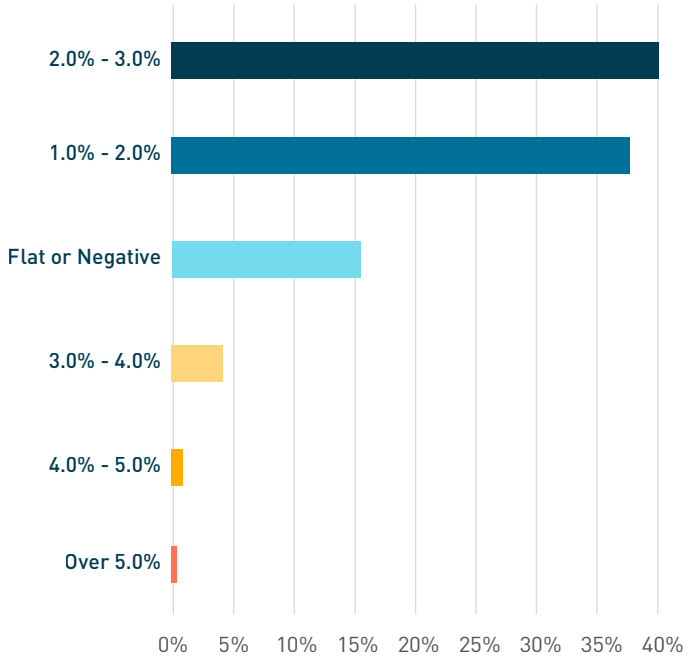
How would you summarize your clients' tolerance for negative leverage when underwriting new multifamily acquisitions in 2026?



Underwriting Rent Growth

Berkadians are seeing rent growth generally underwritten at 2.0-3.0%, with fewer expecting 1.0-2.0%.

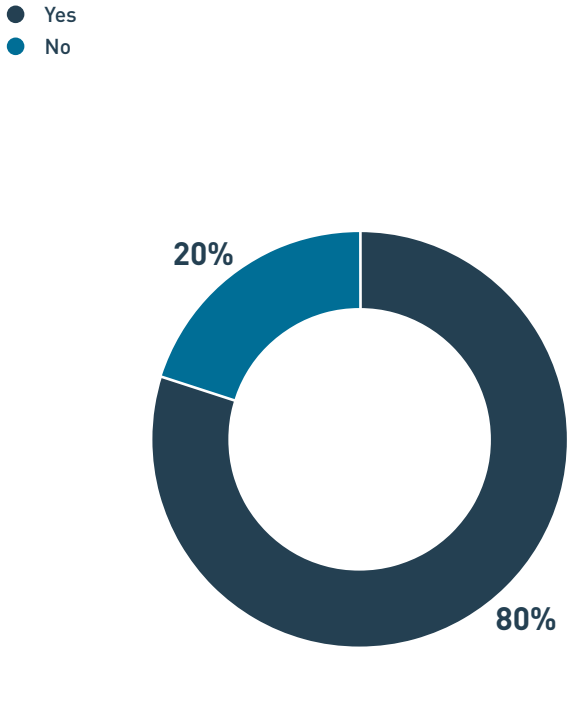
How are investors underwriting rent growth?



Distressed Opportunities

80% of Berkadians expect to see an increase in distressed opportunities in 2026. Berkadia witnessed an uptick in BOV activity from Special Servicers in 2025.

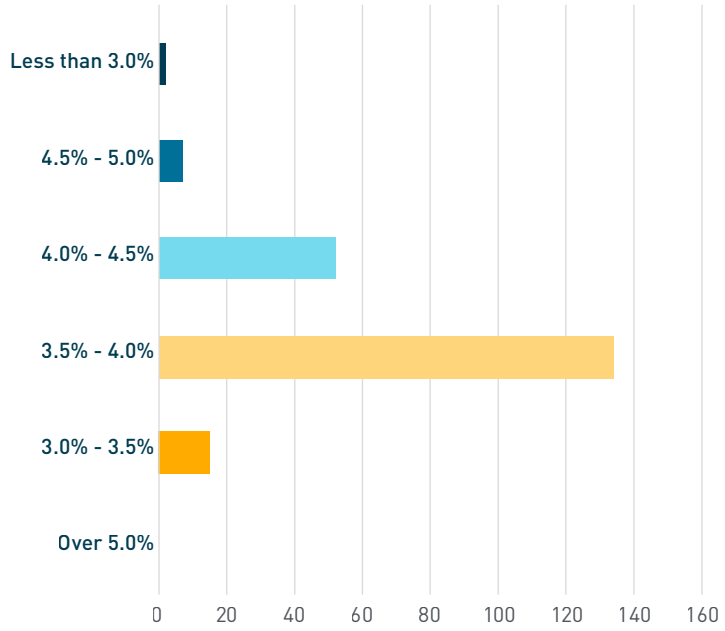
Do you expect to see an increase in distressed opportunities in 2026?



10-Year Treasury Yield

Investors overwhelmingly expect the 10-Year Treasury to retreat into a tighter, more favorable range by year-end 2026. Most respondents place the yield between 3.5% and 4.0%, signaling a clear belief that rate volatility has peaked and that the capital markets are stabilizing.

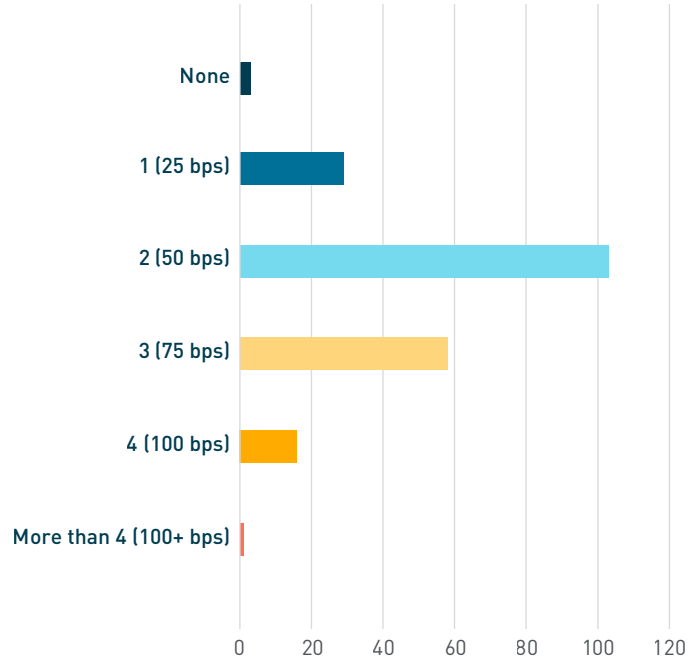
Where do you expect the 10-Year Treasury yield to be at year-end 2026?



Rate Cut

Berkadians and investors are leaning into a more accommodative monetary policy narrative for 2026. With 175 basis points of rate cuts off the peak, the rate-relief cycle is well underway as most investors anticipate two additional cute in 2026, totaling another 50 bps of easing.

How many Fed rate cuts do you expect in 2026?



According to Berkadia's 2026 House View at the time the survey was taken, the base case for the Macro State of the Union calls for the 10-Year U.S. Treasury to move out of its recent range and trade between 3.75% and 4.25% in 2026. This view reflects an expectation of a somewhat higher-for-longer rate environment.

By comparison, our mortgage bankers, investment sales advisors, and investors are modestly more optimistic on rates. Across these three groups, the consensus is that the 10-Year U.S. Treasury will end 2026 in a slightly lower band of 3.5% to 4.0%, with an outlook that includes two 25 bps cuts (50 bps total).

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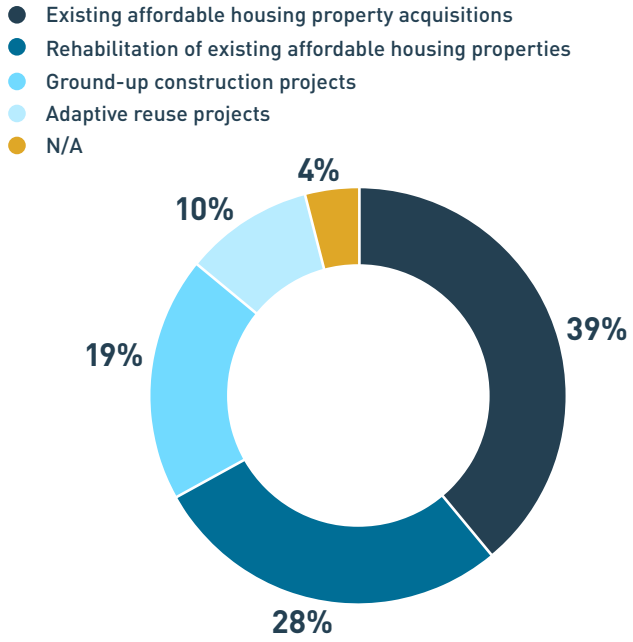
Trends Shaping CRE: In Demand Asset Classes & Renter Demographics

In previous Berkaida Multifamily Powerhouse Poll Surveys, we've asked our Investment Sales Advisors and Mortgage Bankers to share insights into the trends shaping the CRE landscape. This year, we asked about the opportunities within affordable housing and the locations that are giving rise to renter and investor demand, and more.

Affordable Housing: Investor Interest

Over the next one to two years, investors expect to find existing affordable housing property acquisitions and rehabilitations of existing affordable housing properties to be the most attractive opportunities, followed by ground-up construction projects.

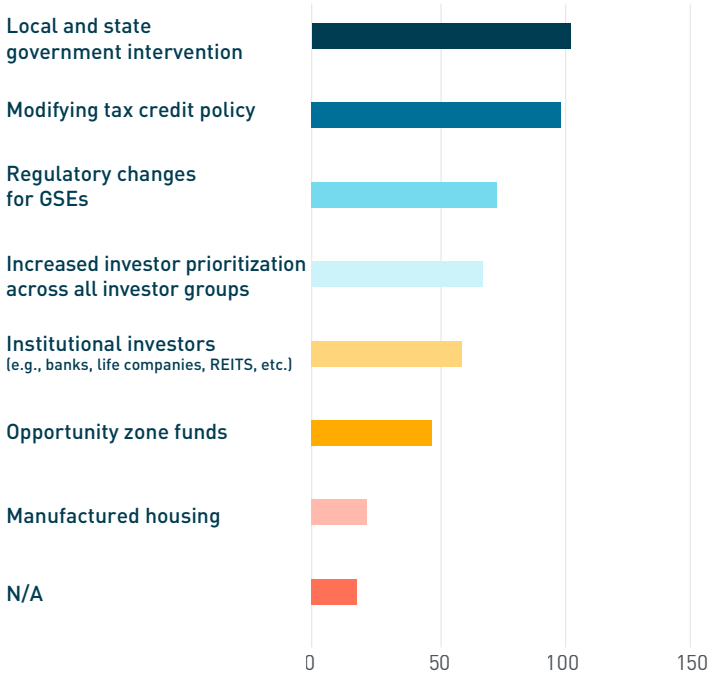
What types of affordable housing opportunities do you anticipate will be most attractive for investors over the next 1-2 years?



Solutions for the Affordable Housing Crisis

To address the Affordable Housing Crisis, Berkadians believe increased local and state government intervention and modifying tax credit policy will be the most effective solutions, while regulatory changes for GSEs, increased investor prioritization across all investor groups, and institutional investors are seen as moderately helpful.

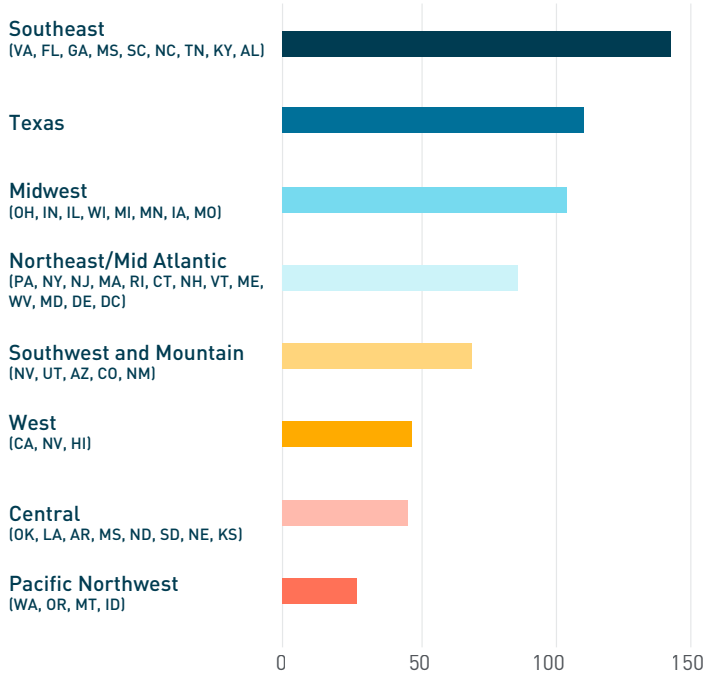
Which of the following potential solutions do you think will help improve the current Affordable Housing Crisis?



Renter Demographics

Berkadians and investors were closely aligned but not identical in their geographic outlook. Berkadians believe the Southeast, Texas, and the Midwest will be the top three regions for multifamily investment. By comparison, investors also favor the Southeast and Midwest but expect the Northeast to outpace Texas in terms of opportunity.

From your perspective, which three geographic regions do you believe will be the best for multifamily investment in 2026?



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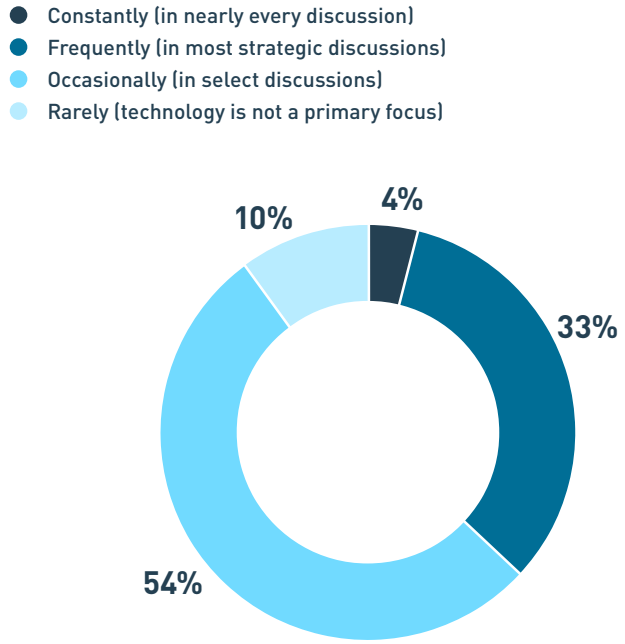
Innovations Are Set to Transform CRE

While CRE remains a high-touch and relationship-driven industry, emerging innovative technologies have begun to revolutionize the way in which transactions are accomplished. Though the industry as a whole is still in the beginning stages of a full-blown digital transformation, there are new technologies that are currently being used that have been proven to expedite the production process – creating efficiencies that benefit both producers and investors.

Technology's Role in Commercial Real Estate

Clients are increasingly discussing technology's role in commercial real estate, with most bringing it up occasionally in select discussions.

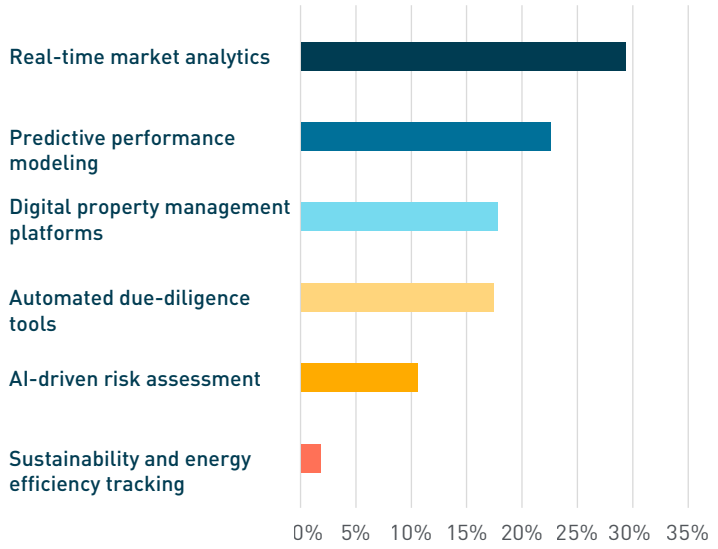
How frequently do your clients discuss technology's role in commercial real estate investment?



Clients Interest in Technological Capabilities

Real-time market analytics and predictive performance modeling are the most sought-after technological capabilities.

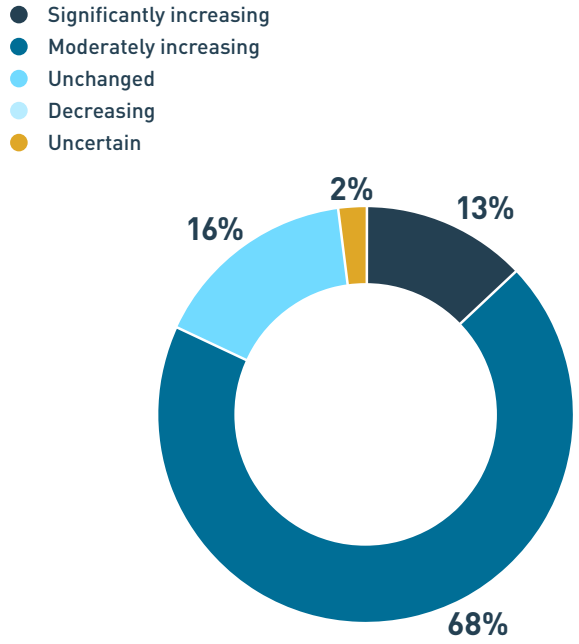
Which technological capabilities are your clients most interested in when evaluating potential investments?



Priorities Around Technological Innovation

Clients priorities around technological innovation have moderately increased over the past year and a half.

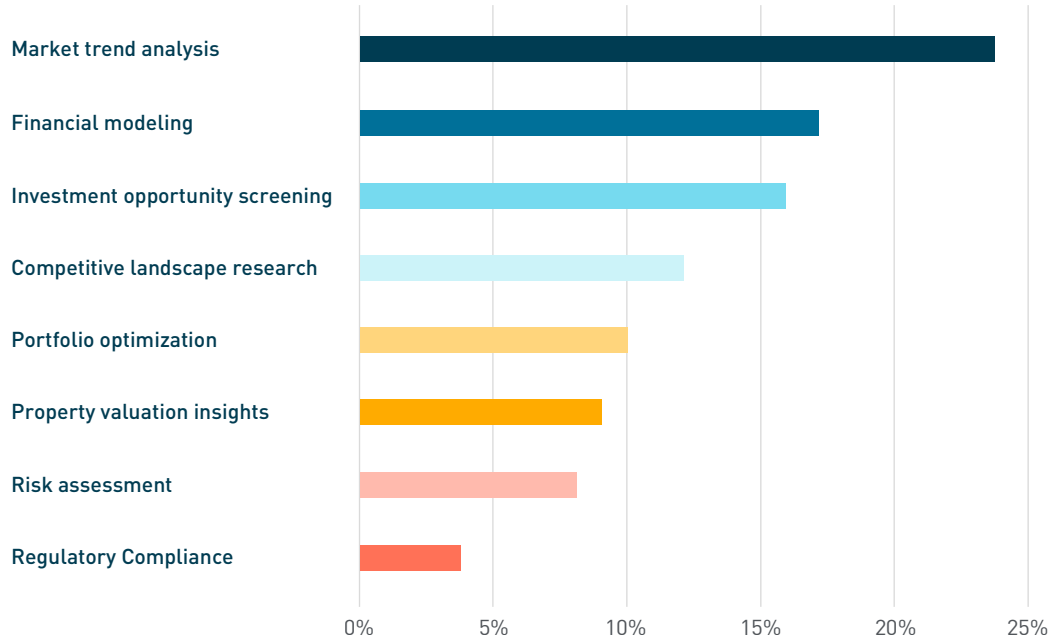
How have your clients' priorities around technological innovation evolved over the past 12-18 months?



Most Common Generative AI Use Cases

Generative AI is primarily being used for market trend analysis, financial modeling, and investment screening.

How are your clients using Generative AI in their real estate investment decision-making?



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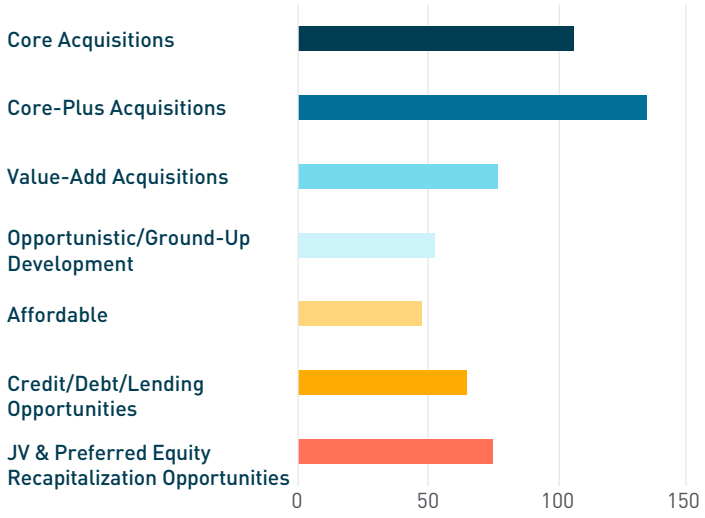
A Spotlight on Institutional and Cross-Border Capital Activity

Optimism continues to build among CRE professionals as institutional transaction activity is expected to strengthen in 2026. Survey respondents anticipate a notable increase in institutional investment sales volume over $50 million, reflecting renewed confidence in the multifamily sector's resilience and long-term demographic trends. This anticipated uptick underscores the market's ability to adapt and thrive, even amidst recent headwinds, and reinforces the long-term attractiveness of multifamily for institutional capital. It's been three years since Berkadia formed an alliance with global property consultancy Knight Frank, which offers our clients unmatched access to domestic and internationally based capital while maximizing their property values. Knight Frank and Berkadia, together, will continue partnering with investors to increase access to diverse financing sources, including institutional capital.

Institutional Interest: Investment Strategies

Berkadians believe institutional investors are expected to focus primarily on Core-Plus and Core acquisitions, with moderate interest in Value-Add, joint ventures, and preferred equity recapitalizations.

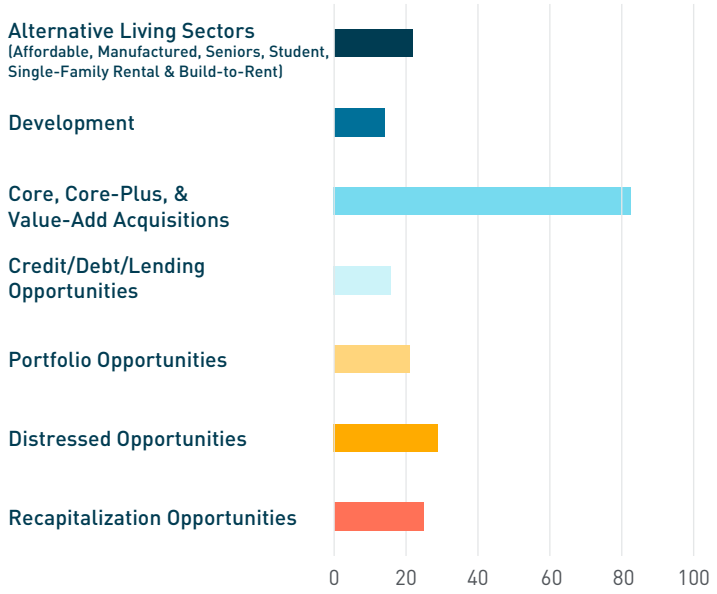
What type of investment strategies will institutional investors be most interested in, in 2026?



Institutional Interest: Property Type

Over the next one to two years, Core, Core-Plus, and Value-Add acquisitions are anticipated to be the most attractive opportunities, followed by distressed and recapitalization opportunities.

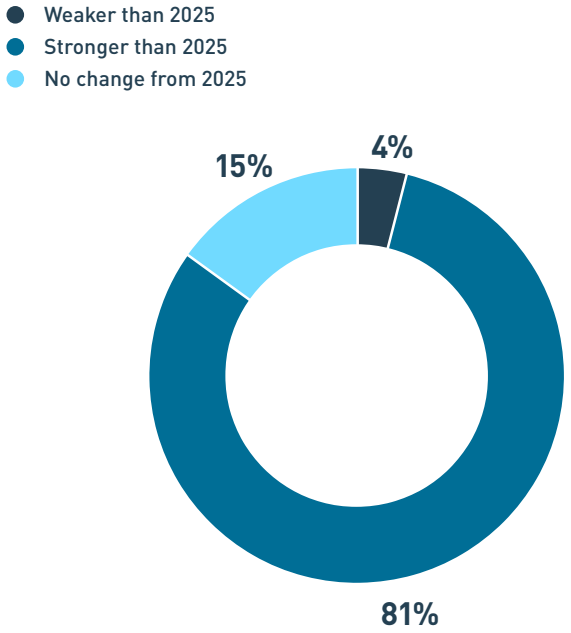
What type of opportunity will be most attractive to institutional clients in the next 1-2 years?



Institutional Transaction Volume

Institutional investment sales transaction volume over $50 million is widely predicted to be stronger than in 2025.

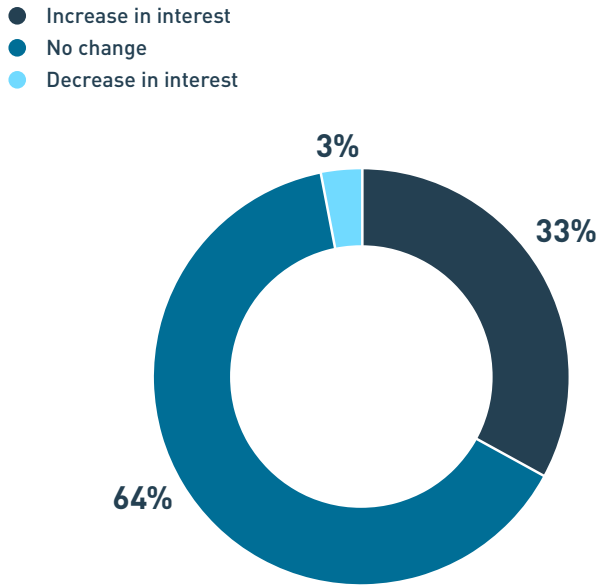
What is your prediction of institutional investment sales transaction volume over $50M in 2026?



Investor Interest: Overseas Capital

Berkadians believe investor interest in overseas capital for the living sectors is expected to remain steady, with 64% agreeing there will be no change and 33% believe there will be an increase in interest.

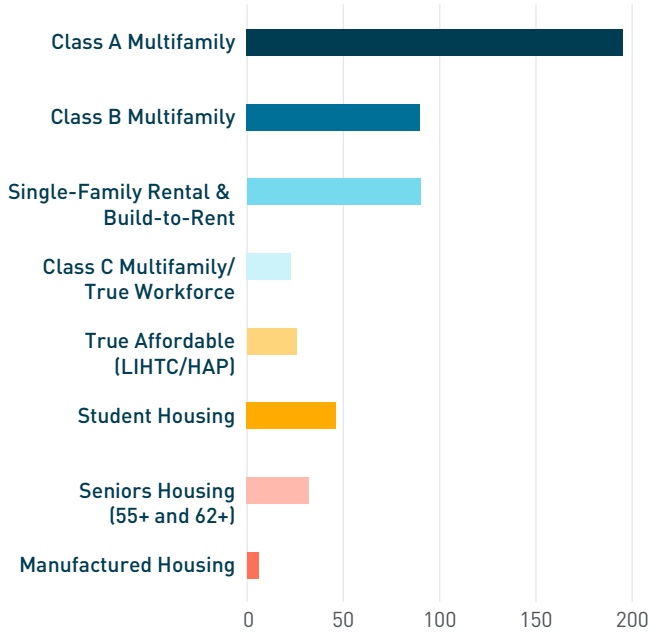
Will investor interest in overseas capital sources for the living sectors change in 2026, when compared to 2025?



International Investors: Living Sectors

Class A properties are predicted to attract the most attention from international investors, followed by Class B and Single-Family Rental.

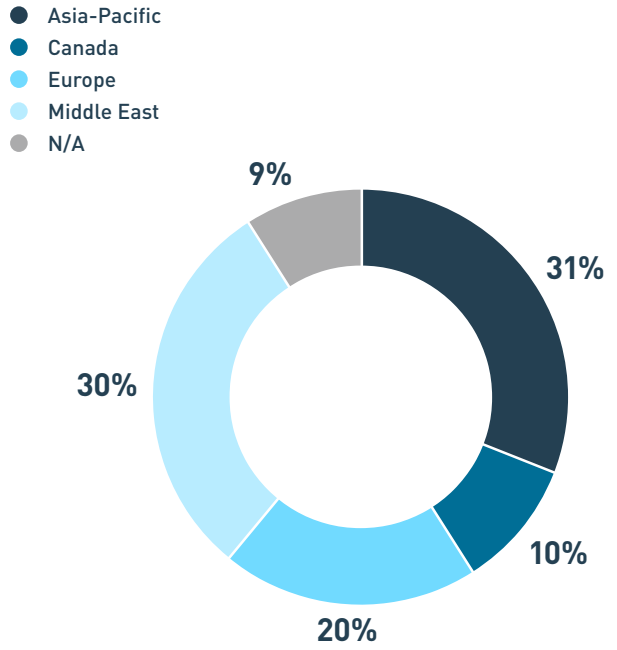
What living sectors are of most interest to international investors?



Regional Interest: Living Sector Investments

Regions like Asia-Pacific and the Middle East are expected to drive the most living sector investments into the U.S., followed by Europe and Canada.

What regions are expected to increase living sector investments into the U.S. next year?



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