



# MARKET REPORT

APRIL

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## MARKET OVERVIEW

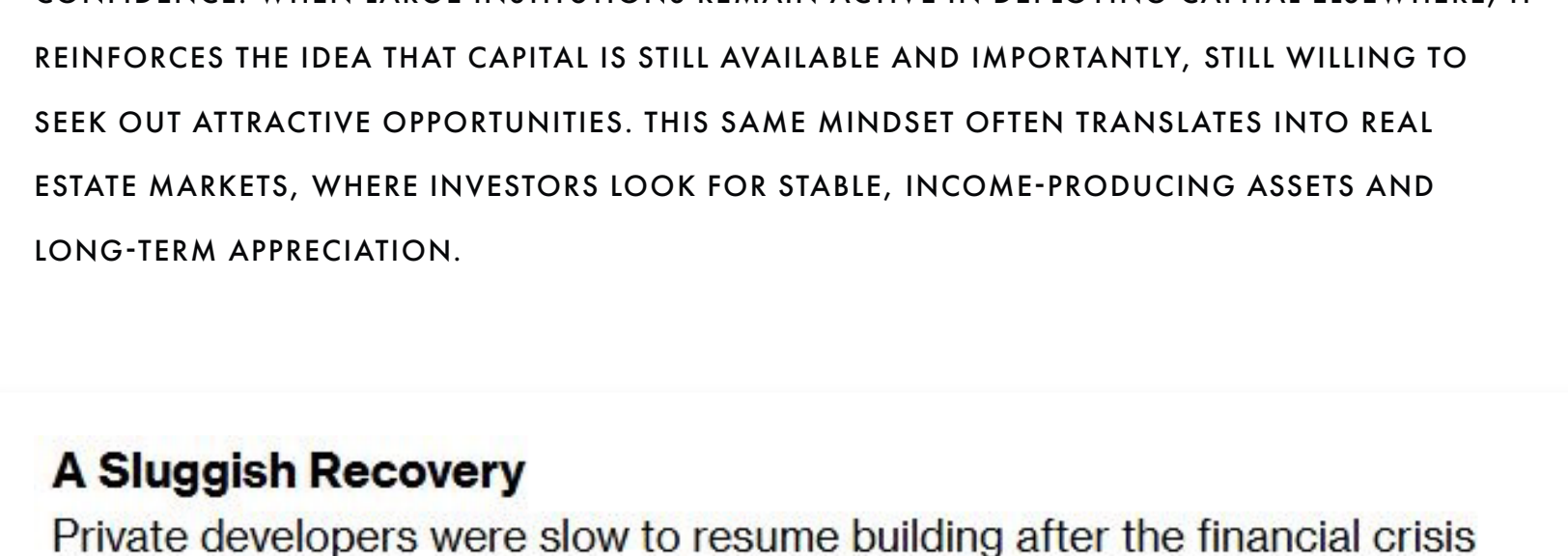
### WHY SURGING M&A ACTIVITY IS A BULLISH SIGNAL FOR HOUSING

IN TODAY'S ENVIRONMENT OF GEOPOLITICAL UNCERTAINTY, IT WOULD BE REASONABLE TO EXPECT BUSINESSES AND INVESTORS TO TAKE A MORE CAUTIOUS, WAIT-AND-SEE APPROACH. HOWEVER, GLOBAL MERGERS AND ACQUISITIONS (M&A) ACTIVITY CONTINUES TO MOVE FORWARD AT A STEADY PACE, HAVING ITS LARGEST Q1 IN OVER FIVE YEARS. WHILE HEADLINES OFTEN FOCUS ON VOLATILITY AND RISK, THE PERSISTENCE OF DEALMAKING ACROSS SECTORS TELLS A DIFFERENT STORY. IT IS ONE OF UNDERLYING CONFIDENCE IN LONG-TERM ECONOMIC STABILITY.

AT ITS CORE, M&A ACTIVITY IS ONE OF THE clearest signals of institutional conviction. Companies do not deploy large amounts of capital into acquisitions unless they have confidence in future growth, earnings potential, and the broader economic landscape. Even amid shifting global dynamics, corporate leaders and private equity firms are continuing to pursue strategic deals, indicating that they see opportunity rather than disruption as the dominant theme ahead.

### Global Dealmaking Rises Year-on-Year

Transaction values continue to trend higher despite volatile markets

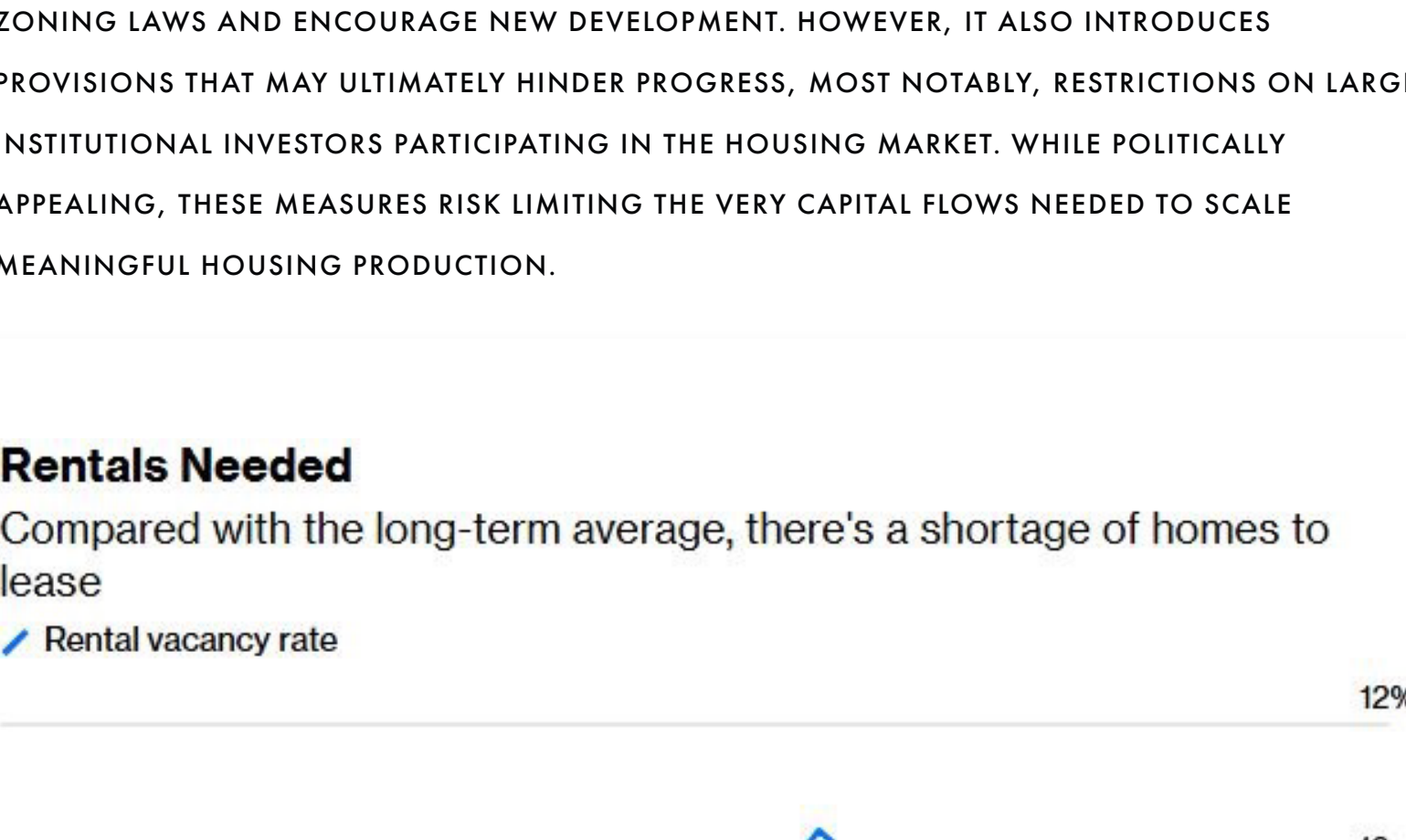


[SOURCE: BLOOMBERG]

FOR THOSE OF US IN REAL ESTATE, THIS TREND IS PARTICULARLY MEANINGFUL. REAL ESTATE, LIKE M&A, IS A CAPITAL-INTENSIVE INVESTMENT CLASS THAT RELIES HEAVILY ON FORWARD-LOOKING CONFIDENCE. WHEN LARGE INSTITUTIONS REMAIN ACTIVE IN DEPLOYING CAPITAL ELSEWHERE, IT REINFORCES THE IDEA THAT CAPITAL IS STILL AVAILABLE AND IMPORTANTLY, STILL WILLING TO SEEK OUT ATTRACTIVE OPPORTUNITIES. THIS SAME MINDSET OFTEN TRANSLATES INTO REAL ESTATE MARKETS, WHERE INVESTORS LOOK FOR STABLE, INCOME-PRODUCING ASSETS AND LONG-TERM APPRECIATION.

### A Sluggish Recovery

Private developers were slow to resume building after the financial crisis

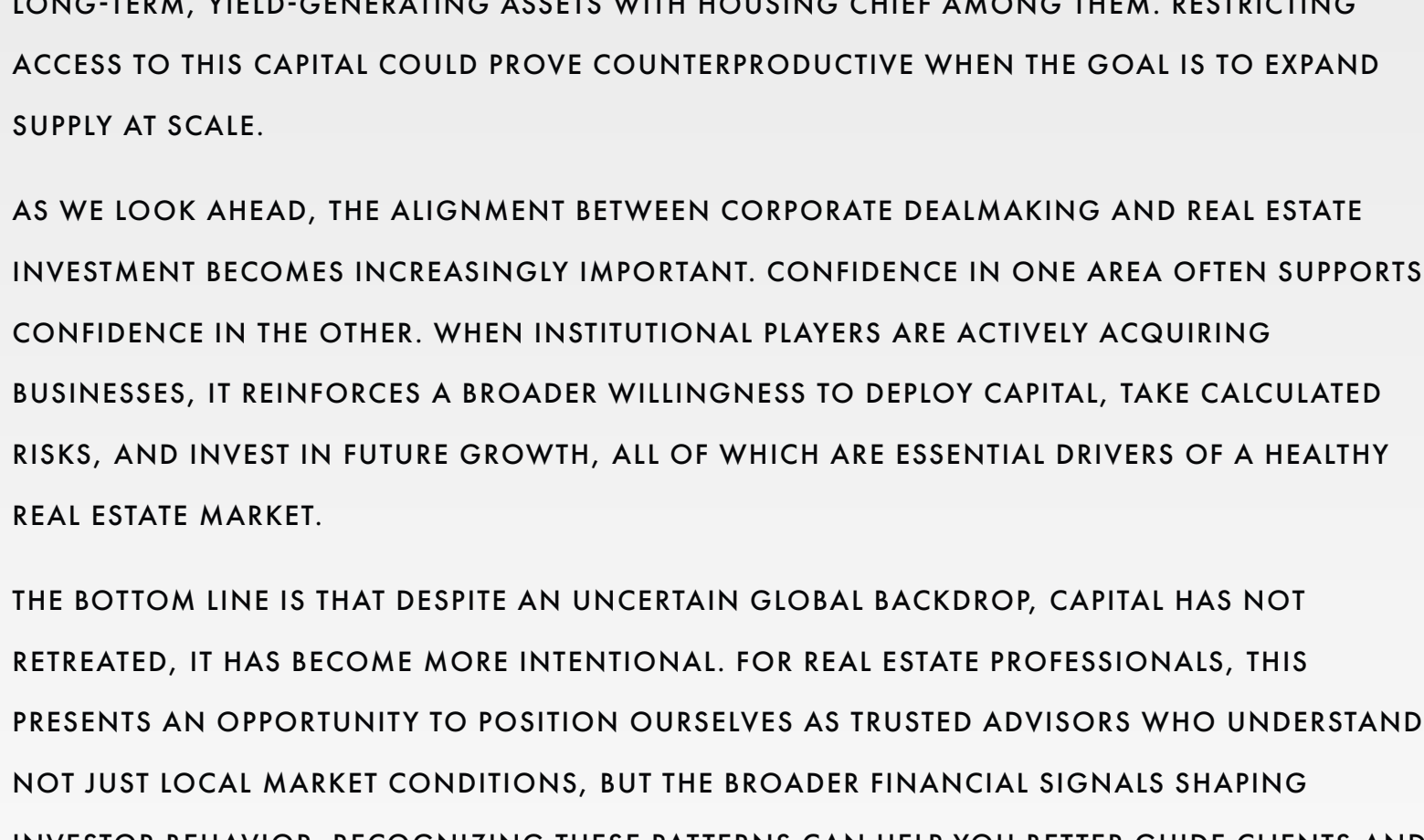


[SOURCE: BLOOMBERG, ST. LOUIS FEDERAL RESERVE]

THE UNITED STATES IS FACING A HOUSING DEFICIT OF AT LEAST 3.7 MILLION HOMES. THE SOLUTION, AT ITS CORE, IS STRAIGHTFORWARD, JUST BUILD MORE. THE ROAD TO HOUSING ACT WAS DESIGNED TO INCENTIVIZE MUNICIPALITIES TO MODERNIZE PROVISIONS THAT MAY ULTIMATELY HINDER PROGRESS, MOST NOTABLY, RESTRICTIONS ON LARGE INSTITUTIONAL INVESTORS PARTICIPATING IN THE HOUSING MARKET. WHILE POLITICALLY APPEALING, THESE MEASURES RISK LIMITING THE VERY CAPITAL FLOWS NEEDED TO SCALE MEANINGFUL HOUSING PRODUCTION.

### Rentals Needed

Compared with the long-term average, there's a shortage of homes to lease



[SOURCE: BLOOMBERG]

AT A TIME WHEN GLOBAL M&A ACTIVITY IS ACCELERATING, UNLOCKING LIQUIDITY AND DRIVING CAPITAL REDEPLOYMENT ACROSS SECTORS, THERE IS A CLEAR OPPORTUNITY TO CHANNEL THAT MOMENTUM INTO REAL ESTATE DEVELOPMENT. INCREASED DEAL ACTIVITY OFTEN CREATES BOTH THE FINANCIAL CAPACITY AND STRATEGIC URGENCY FOR INSTITUTIONAL PLAYERS TO SEEK LONG-TERM, YIELD-GENERATING ASSETS WITH HOUSING CHIEF AMONG THEM. RESTRICTING ACCESS TO THIS CAPITAL COULD PROVE COUNTERPRODUCTIVE WHEN THE GOAL IS TO EXPAND SUPPLY AT SCALE.

AS WE LOOK AHEAD, THE ALIGNMENT BETWEEN CORPORATE DEALMAKING AND REAL ESTATE INVESTMENT BECOMES INCREASINGLY IMPORTANT. CONFIDENCE IN ONE AREA OFTEN SUPPORTS CONFIDENCE IN THE OTHER. WHEN INSTITUTIONAL PLAYERS ARE ACTIVELY ACQUIRING BUSINESSES, IT REINFORCES A BROADER WILLINGNESS TO DEPLOY CAPITAL, TAKE CALCULATED RISKS, AND INVEST IN FUTURE GROWTH, ALL OF WHICH ARE ESSENTIAL DRIVERS OF A HEALTHY REAL ESTATE MARKET.

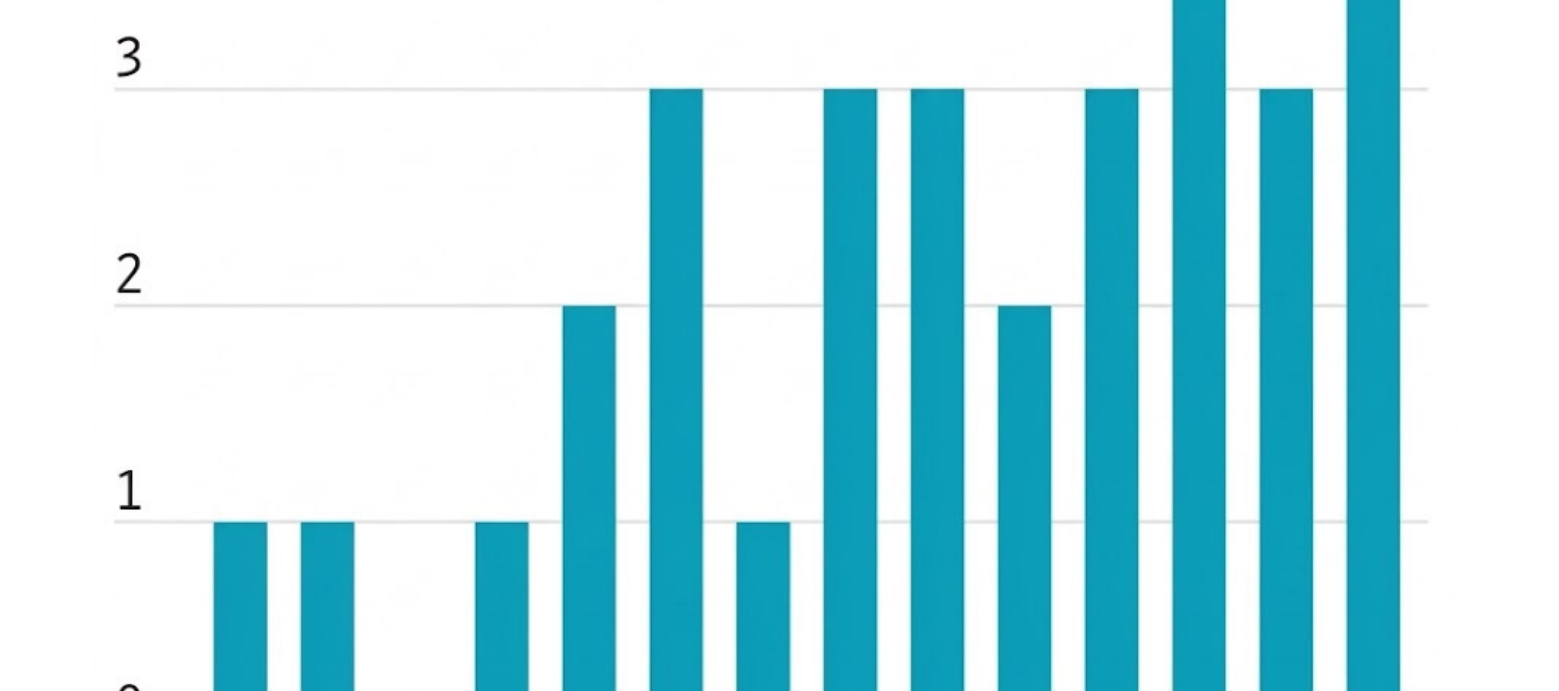
THE BOTTOM LINE IS THAT DESPITE AN UNCERTAIN GLOBAL BACKDROP, CAPITAL HAS NOT RETREATED, IT HAS BECOME MORE INTENTIONAL. FOR REAL ESTATE PROFESSIONALS, THIS PRESENTS AN OPPORTUNITY TO POSITION OURSELVES AS TRUSTED ADVISORS WHO UNDERSTAND NOT JUST LOCAL MARKET CONDITIONS, BUT THE BROADER FINANCIAL SIGNALS SHAPING INVESTOR BEHAVIOR. RECOGNIZING THESE PATTERNS CAN HELP YOU BETTER GUIDE CLIENTS AND IDENTIFY OPPORTUNITIES AS CONFIDENCE CONTINUES TO BUILD.

## MORTGAGE RATES

MORTGAGE RATES THIS WEEK TICKED UP AGAIN BUT IS NOT STOPPING ASPIRING BUYERS FROM GETTING INTO THE BUYING MARKET WITH THE SPRING HOMEBUYING SEASON OFFICIALLY IN FULL SWING. HOMEBUYERS SHOULD SHOP AROUND FOR THE BEST MORTGAGE RATE AS BANKS ARE COMPETING FOR BUSINESS AND CAN SAVE BUYERS THOUSANDS OF DOLLARS.

### Primary Mortgage Market Survey®

U.S. weekly averages as of 04/02/2026



[SOURCE: FREDDIEMAC]

## GLOBAL MARKET SNAPSHOTS AND HEADLINES

- FEDERAL RESERVE'S MIRAN SAYS TOO EARLY TO ALTER OUTLOOK FOR FOUR RATE CUTS IN 2026
- BOE'S BAILEY SAYS TRADERS AHEAD OF THEMSELVES ON RATE HIKE BETS
- ENGLISH HOMES MOST AFFORDABLE SINCE 2015
- HOME PRICES IN SEOUL'S POSH DISTRICTS FALL AFTER YEARLONG RALLY
- HONG KONG HIKES STAMP DUTY FOR LUXURY HOMES
- SYDNEY, MELBOURNE HOME PRICES DECLINE
- UAE DEVELOPERS RUSH TO REASSURE INVESTORS WARY OF WAR RISK
- JAPAN IS PLACING A MULTIBILLION-DOLLAR BET ON THE US HOUSING MARKET

### Number of U.S. home builders acquired by Japanese builders



## ECONOMIC OUTLOOK

AS WE MOVE FURTHER INTO 2026, THE U.S. ECONOMIC OUTLOOK REMAINS A FOCAL POINT FOR BUYERS, SELLERS, AND REAL ESTATE PROFESSIONALS ALIKE. WHILE THE HEADLINES CONTINUE TO HIGHLIGHT STUBBORN, "STICKY" INFLATION, FINANCIAL MARKETS ARE TELLING A MORE NUANCED STORY. WALL STREET IS STILL BROADLY ANTICIPATING TWO INTEREST RATE CUTS BEFORE THE END OF THE YEAR, REFLECTING A GROWING BELIEF THAT INFLATION WILL GRADUALLY EASE WITHOUT THE NEED FOR ADDITIONAL TIGHTENING FROM THE FEDERAL RESERVE.

THIS OUTLOOK MAY SEEM SURPRISING GIVEN THAT INFLATION HAS NOT FULLY RETREATED. HOWEVER, MARKETS ARE INHERENTLY FORWARD-LOOKING. INVESTORS ARE INCREASINGLY CONFIDENT THAT THE COMBINATION OF MODERATING ECONOMIC GROWTH, EASING SUPPLY CONSTRAINTS, AND THE CUMULATIVE IMPACT OF HIGHER BORROWING COSTS WILL CONTINUE TO BRING INFLATION DOWN OVER TIME. IN OTHER WORDS, WHILE INFLATION IS STILL PRESENT, THE TRAJECTORY MATTERS MORE THAN THE CURRENT LEVEL—AND THAT TRAJECTORY IS SLOWLY IMPROVING.

FEDERAL RESERVE CHAIR JEROME POWELL RECENTLY REINFORCED THIS SENTIMENT BY NOTING THAT INTEREST RATES ARE IN A "GOOD PLACE." THIS SIGNALS A SHIFT AWAY FROM REACTIVE POLICYMAKING AND TOWARD A MORE PATIENT, "WAIT-AND-SEE" APPROACH. THE FED APPEARS COMFORTABLE HOLDING RATES STEADY AS IT EVALUATES INCOMING DATA, RATHER THAN RESPONDING AGGRESSIVELY TO SHORT-TERM FLUCTUATIONS. FOR THE HOUSING MARKET, THIS STABILITY IS CRITICAL, AS IT REDUCES UNCERTAINTY AROUND FINANCING CONDITIONS AND HELPS BOTH BUYERS AND SELLERS PLAN MORE EFFECTIVELY.

EQUALLY IMPORTANT, POWELL PUSHED BACK ON THE IDEA THAT NEW EXTERNAL PRESSURES WOULD FORCE THE FED'S HAND. RISING OIL PRICES, FOR EXAMPLE, ARE NOT CURRENTLY VIEWED AS A SUFFICIENT REASON TO RAISE RATES, AS THEY TEND TO CREATE TEMPORARY INFLATION SPIKES RATHER THAN LONG-TERM TRENDS. SIMILARLY, CONCERNS ABOUT A POTENTIAL "CONTAGION" EVENT IN PRIVATE CREDIT MARKETS HAVE NOT RISEN TO A LEVEL THAT WOULD WARRANT TIGHTER POLICY. THE FED'S STANCE SUGGESTS CONFIDENCE THAT THESE RISKS REMAIN CONTAINED AND MANAGEABLE.

FOR REAL ESTATE PROFESSIONALS, THIS ENVIRONMENT PRESENTS A MEANINGFUL OPPORTUNITY. STABLE RATES, COMBINED WITH THE POSSIBILITY OF MODEST CUTS LATER THIS YEAR, COULD BEGIN TO UNLOCK PENT-UP DEMAND. MANY BUYERS WHO HAVE BEEN WAITING ON THE SIDELINES MAY RE-ENTER THE MARKET AS AFFORDABILITY IMPROVES, EVEN INCREMENTALLY. AT THE SAME TIME, SELLERS WHO DELAYED LISTING DUE TO UNCERTAINTY MAY FEEL MORE CONFIDENT MOVING FORWARD.

THE KEY TAKEAWAY IS THAT WE ARE OPERATING IN A MARKET DEFINED LESS BY EXTREMES AND MORE BY GRADUAL TRANSITION. WHILE INFLATION HAS NOT FULLY SUBSIDED, THE BROADER ECONOMIC DIRECTION POINTS TOWARD EASING RATHER THAN TIGHTENING. WITH WALL STREET EXPECTING RATE CUTS AND THE FEDERAL RESERVE SIGNALING PATIENCE, THE SECOND HALF OF THE YEAR HAS THE POTENTIAL TO BRING INCREASED ACTIVITY AND RENEWED MOMENTUM TO THE HOUSING MARKET.

PAUL CIBRANO

