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CREFC June Conference 2026: Day 3 Recap

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KBRA Credit Profile (KCP) attended the third and final day of the CRE Finance Council's (CREFC) June Conference, which brought together more than 1,150 attendees and highlighted continued industry engagement amid a shifting commercial real estate (CRE) finance landscape. During the three-day event, discussions centered on capital formation, private credit's expanding role, resilient but uneven commercial mortgage-backed securities (CMBS) issuance, servicing and workout strategies, regulatory developments, and the growing importance of artificial intelligence (AI) and digital infrastructure. While panelists acknowledged persistent challenges from interest rate uncertainty, refinancing pressure, office sector stress, and rising operating costs, the overall tone was cautiously constructive, with speakers highlighting strong liquidity, improving transaction activity, disciplined underwriting, and continued investor demand across select sectors and structures.

Disrupting the Debt Market: Private Credit's Expanding Role in CRE

The first panel of the day focused on the continued expansion of private credit in CRE since the global financial crisis (GFC), when banks initially pulled back from CRE lending and alternative lenders stepped in to fill the resulting capital gap. Panelists emphasized that private credit lenders are not necessarily seeking to displace traditional lenders or CMBS, but rather provide flexible, customized capital solutions to meet unique borrower needs. Certainty of execution and the ability to close within shorter time frames were cited as key advantages for borrowers, who also value maintaining a direct relationship with lenders throughout the loan life cycle.

The discussion also addressed the evolution of capital sources supporting private credit. Its funding base has expanded beyond traditional institutional investors, with insurance companies emerging as one of the most significant sources of capital for the sector over the past five to seven years. Insurance companies have become particularly important following the regional banking crisis in 2023, helping to fill the loss of lending capacity as many banks reduced CRE lending and balance sheet exposure. Participants expect insurance capital to remain a significant source of liquidity going forward. CRE collateralized loan obligations (CLO) were highlighted as an important channel for borrowers, with activity rebounding significantly in 2025 and early 2026.

Participants noted that conduit issuance has remained more constrained as borrowers increasingly favor shorter-duration and floating rate financing, while life companies, insurance capital, and other private credit vehicles continue to expand their presence across the market.



Data centers were a major area of focus, with the sector attracting capital across CMBS, private credit, and other financing channels. By late 2025, transaction sizes had scaled rapidly, with larger deals eclipsing those issued earlier in the year. Participants emphasized that the asset class requires specialized underwriting and a thorough understanding of both the underlying real estate and tenant credit profile. Projects backed by investment-grade tenants and long-term lease structures were viewed favorably, while greater scrutiny was placed on transactions without these attributes where underwriting must account for residual value and exit financing considerations. Panelists cautioned that significant capital flows into the sector could lead to weaker underwriting standards, emphasizing that lenders must remain disciplined as competition intensifies.

The session concluded with a discussion of workout strategies. The panel noted that private credit lenders often have greater flexibility than traditional banks, including the ability to acquire loans below par, pursue restructurings, or ultimately take ownership of collateral when necessary. In contrast, banks were generally characterized as more likely to reduce exposure through loan sales rather than actively repositioning assets. Successful resolutions begin with disciplined underwriting. Lenders should only deploy capital to assets, sponsors, and markets they are prepared to own and manage during periods of stress.

AI-First Transformation: Navigating the Future of Business in the Age of Intelligent Technology

This session centered on AI, with speakers emphasizing that the industry is being shaped by the accelerating pace of technological change. Panelists noted that AI costs are falling rapidly—by anywhere from ninefold to several hundredfold, depending on the use case—while model performance continues to improve at an increasing rate. While AI capabilities previously doubled roughly every six to seven months, they are now improving at a pace closer to every three to four months, underscoring the speed of the technology's evolution. Panelists suggested that this acceleration highlights the need to evaluate AI based on its ability to improve productivity and decision-making, rather than focusing on benchmark tests. The discussion noted how organizations are beginning to deploy AI across people, processes, and products, with use cases ranging from workflow automation and communication support to more advanced applications such as multi-agent “AI boardrooms,” which simulate debate among specialized virtual advisors to help users evaluate strategic decisions.

The panel discussed the transition from experimentation to implementation, stressing that successful AI adoption requires identifying practical, high-impact use cases that generate measurable efficiency gains rather than pursuing “innovation theater.” Participants highlighted the value of using one AI model to review, challenge, or validate the output of another, creating an additional layer of quality control that can improve consistency, identify errors, and strengthen decision-making. As model speed and capability improve, speakers noted that AI is increasingly being incorporated into real-time business processes, enabling organizations to accomplish work that previously required significantly more time and resources.

Looking ahead, panelists outlined several developments expected to shape the next phase of AI adoption. These include the shift from knowledge-based assistants to agentic systems focused on task completion, a transition from prompt engineering to broader context engineering, the ability for AI systems to manage multiple simultaneous workstreams, and the evolution from reactive tools to proactive systems. Speakers described this progression as part of a broader move toward an “autonomous enterprise” model, in which AI operates continuously alongside human users. Participants characterized AI not as a tool, but as an accelerant, arguing that organizations that embrace curiosity, adaptability, and systems thinking will be best positioned to capitalize on its potential.

While the discussion was largely optimistic, panelists cautioned that increasingly powerful models can introduce security risks. They emphasized the need to balance efficiency gains with appropriate governance, oversight, and data protection protocols. Prompt-based restrictions were not viewed as sufficient safeguards, particularly when handling sensitive information, stressing the importance of zero data retention policies and other formal controls. Organizations were encouraged to begin with lower-risk use cases before expanding AI adoption into more critical business functions.



Modernizing Securitization: Key Developments to Watch

The last panel of the conference focused on the evolution of securitization structures, with single-asset single borrower (SASB) transactions and CRE CLOs dominating the market, both on pace for record issuance years. As noted throughout the conference, conduit activity remains constrained by borrowers' current preferences for shorter-duration and floating rate financing. CRE CLOs have been further supported by greater investor acceptance, bolstered by the product's performance through recent periods of stress, the alignment of manager and investor interests, and structural flexibility not found in typical real estate mortgage investment conduit (REMIC) structures. Panelists noted that investor confidence has been reinforced by issuers' willingness to repurchase or otherwise support weaker assets, even when par buyouts are not contractually required.

The discussion then shifted to innovation within the securitization space, with participants pointing to recently executed transactions that have provided liquidity to historically overlooked property types. Private nonrated securitizations and CRE synthetic risk transfers (SRT) were identified as areas positioned for continued growth, although participants acknowledged that SRT structures are not suitable for every property type.

To round out the discussion, panelists questioned whether the CMBS market can respond quickly enough to capture growth in the data center sector as more activity shifts toward asset-backed securities (ABS) and other financing channels. Participants pointed to the need for more flexible credit rating methodologies that more accurately reflect the asset class, particularly given the importance of unique characteristics such as power availability. One panelist proposed the use of whole-loan ratings rather than tranche-based ratings, questioning whether traditional securitization structures add meaningful value given the more binary risk profile associated with data centers.

Related Publications

- [CREFC June Conference 2026: Day 1 Recap](#)
- [CREFC June Conference 2026: Day 2 Recap](#)

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