

# Steady Rates, Murky Outlook: CRE Reacts To Fed's Vote To Stay On Hold

April 29, 2026 | 8:28 p.m. ET | Matt Wasielewski, National 

Members of the **Federal Open Market Committee** on Wednesday opted to leave its benchmark interest rate unchanged for the third consecutive meeting.

The decision to maintain the status quo was widely expected, but the Fed is nonetheless mired in drama as a politically charged investigation swirls around central bank Chair **Jerome Powell** as his term at the top of the **Federal Reserve** comes to an end.



*Bisnow/created with Microsoft Copilot*

Fed policymakers spent much of 2025 losing a fight against inflation as President **Donald Trump**'s tariff regime increased costs in what Powell and other officials **hoped would be a transitory**, one-time price hike.

The balance of power to influence macroeconomics was tipped further against the Fed on Feb. 28 when the U.S. **launched a war with Iran** with a barrage of air assaults.

The central bank has long held its target rate for inflation at 2%, and Powell on Wednesday reiterated the Fed's commitment to getting there.

But the core personal consumption expenditure price index, the Fed's preferred inflation gauge, which strips out food and energy costs, **never dropped below 2.5%** in 2025 and has shot up in 2026. Core PCE came in **at 3% in February**, slightly down from the two-year-high 3.1% annualized rate of price growth in January.

As the central bank navigates choppy macroeconomic waters, it is also being buffeted by political pressure that Powell said at a press conference Wednesday was "battering the institution" and putting its credibility at risk.

U.S. Attorney for the District of Columbia Jeanine Pirro **opened a criminal investigation** in January into Powell that centered on a \$2.5B renovation of Fed headquarters and Powell's testimony to Congress about the project.

Pirro said this month that she was **ending the inquiry**, although she left open the possibility that it could be reopened. Powell has said he wouldn't leave the Fed Board until the investigation concluded.

Powell's time as chair expires next month, but his term on the FOMC runs through 2027. He said Wednesday that he planned to stay on the board until the investigation was "well and truly over with" and when he felt that the political pressure on the central bank had sufficiently waned.

**Kevin Warsh**, Trump's nominee to replace Powell, **cleared the Senate Banking Committee** on Wednesday, and the 55-year-old looks to be on track to become the youngest Fed chair in history next month.

It remains to be seen whether Powell's lingering presence on the FOMC will diminish Warsh's power as chair, another variable for a central bank and U.S. economy that already faced a murky outlook.

With a landscape that has left room for interpretation, *Bisnow* collected some of the interesting takes to hit our inbox Wednesday.

*Responses have been edited for length and clarity.*

**Ed Del Beccaro, TRI Commercial Real Estate Services/CORFAC International executive vice president:** National economic uncertainty will continue to cloud federal decision making regardless of Powell, leaving the Fed little room to maneuver with persistent inflation and stagnate job growth with commercial real estate remaining stuck in the 'Great Pause' just waiting.

The Iran conflict affects oil prices which have a significant impact on the national economy which will keep job growth stagnate and commercial real estate stuck in neutral. Look for more office building foreclosures. Exceptions will be in AI related industries and construction of power and data centers.

\*\*\*

**Nicole De Bare, Herbert Smith Freehills Kramer partner:** Deal activity has been quite strong in the past few months, and there's little to suggest today's announcement that rates are holding will do anything to disrupt the market's momentum.

Borrowing costs are still elevated and underwriting will stay disciplined, but there is more than enough debt capital actively looking for opportunities to keep transactions moving. A steady-rate environment gives buyers, developers and lenders a clearer sense of where things stand, and that predictability has real value in today's market.

\*\*\*

\*\*\*

**Cary Goldman, Timber Hill Group founder:** The pause reinforces that the Fed continues to prioritize inflation, but against a backdrop of evolving economic data and geopolitical dynamics. There is still meaningful uncertainty around where policy may move over the next 6 to 12 months. For our investors and joint venture partners, the practical implication is that a flat rate environment alone does not unlock the CRE capital markets. Financing costs remain elevated, and the lack of conviction in the forward rate outlook continues to influence cap rate expectations and transaction pacing.

\*\*\*

**Noel Liston, Core Industrial Realty managing broker:** Geopolitical events, namely the war in Iran, has made any downward revision to the preferred rate by the Federal Reserve near impossible as they now have to assess the impact of resulting inflationary pressures on basic raw materials such as oil, chemicals, petrochemicals and plastics.

\*\*\*

**Ryan Severino, BGO chief economist:** The Fed is facing a familiar challenge: distinguishing between noise and signal. The reality is, recent inflation data looks worse on the surface than it actually is. Right now, headline inflation is being pushed higher by an energy shock tied to geopolitical events, but core inflation — the true signal of underlying economic conditions — continues to normalize. That gives the Fed room to be patient, and we expect the Fed to largely look through this volatility in the near term. These kinds of shocks can delay rate cuts, not derail them.

Our base case remains one to two cuts this year, but the timeline is becoming more uneven and less predictable — increasingly dependent on how long energy prices stay elevated. For commercial real estate, that means lower financing costs may arrive later and less predictably than expected.

\*\*\*

\*\*\*

**Scott Hensley, Piedmont Properties/CORFAC International principal:** Warsh has a reputation as an inflation-focused policymaker, but the bigger question isn't his history — it's how he will operate in the current environment and the pressure from Trump to reduce rates. Stock market highs and rising energy costs will make a near-term rate cut a challenge for the Fed if it continues to let data determine policy.

\*\*\*

**Uma Moriarity, CenterSquare global head of sustainability:** Investors are getting comfortable about the process around setting monetary policies and the function of the FOMC in that process — versus the chair being able to make those decisions unilaterally in a way that's heavily influenced by politics. Of all the potential nominees that had been rumored, Warsh is expected to be the most independent from a political perspective.

The bigger change to consider is the leadership style and policy priorities — Warsh is likely to focus on making policy changes with a more proactive approach, versus data-dependent and reactive, and pulling back on “Fed speak” providing too much guidance to the market.

\*\*\*

**Marion Jones, Avison Young executive managing director of U.S. capital markets:** The Fed's decision to hold rates steady was expected by the vast majority of real estate investors, who continue to remain optimistic for a cut or two by year end. While this stage of the cycle can feel as though the recovery is moving in slo-mo, we are witnessing a trend of capital migrating into core and core-plus strategies. Should rate cuts materialize later this year, they would accelerate deal flow, particularly in multifamily, and help reignite transaction volume across sectors.

\*\*\*

\*\*\*

**Stephen Burch, Bonaventure chief financial officer:** This meeting will likely mean little to nothing for rates but will help set the tone on capital markets confidence. Markets are already underwriting a general easing cycle and the Fed's job right now is to manage expectations downward not drive risk-on behavior.

A continued normalizing rate cycle further focuses on income generation fundamentals and conservative leverage after a long period of financial engineering. That's painful for some assets, but healthy for the sector in the long term. Most importantly, many multifamily deals don't need cuts, they need time for NOI growth and time for supply to burn-off.

\*\*\*

**Tom Briney, Origin Credit Advisers chief investment officer:** The outcome of this week's FOMC meeting is very likely to be characterized as a continuation of the wash, rinse, repeat cycle from the meeting last month. None of the questions, concerns or economic data has experienced a meaningful shift, which means there is no reasonable foundation for a policy shift.

Until there is more clarity — a rare economic commodity recently — we will remain in wait and see mode; and that will come as no real surprise to anyone.

Contact Matt Wasielewski at [matthew.wasielewski@bisnow.com](mailto:matthew.wasielewski@bisnow.com)