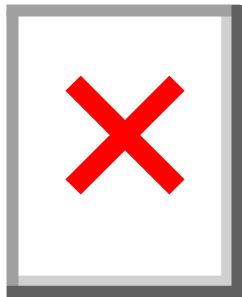


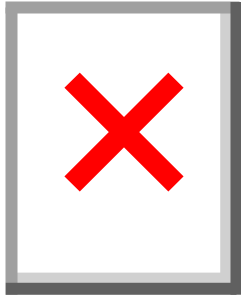
From: Bisnow First Draft <news@publications.bisnow.com>

Sent: Mar 28, 2025 15:37:46.000000000 UTC

Subject: SoftBank's New \$1T U.S. CRE Investment

To: Lori Massa <lmassa@cityofmelrose.org>



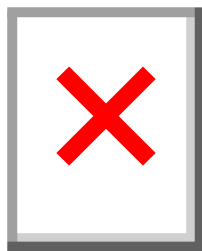


Pressure is building on affordable housing.

Developers are hearing from all sides that there aren't enough housing units, especially to serve lower-income Americans.

But the Trump administration's push to reduce spending is harming their ability to do it.

President Donald Trump promised to kill regulations that make it difficult to build, something the industry has long asked for. But his actions so far have been more focused on stripping away sources of funding, including eliminating the Community Development Financial Institutions Fund, leaving builders concerned about how they will finance projects.



“We use a mix of everything,” Desmonde Monroe, CEO of affordable developer The Monroe Group, told *Bisnow*. “If you take one away, it does hurt, because then we have to find that capital somewhere to close the gap.”

Here’s what developers said about trying to get projects off the ground in this environment: [Developers' Panic Deepening As Trump Guts Affordable Housing Programs](#).

— **Mark F. Bonner, Kayla Carmicheal, Jay Rickey and Catie Dixon**

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CRE News Quiz

Arctos Partners, a PE firm with a stake in various sports teams, is gearing up to launch a real estate division. Which of Arctos' sports teams is working with Hallmark to produce a holiday romantic comedy?

(Answer at the bottom.)

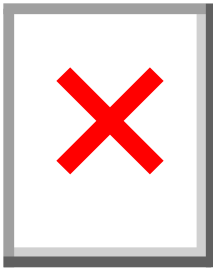
On Our Radar

- **PCE increased more than expected, further weakening the case for interest rate cuts.** The core personal consumption expenditures price index rose 0.4% MOM in February and 2.8% YOY, the Bureau of Economic Analysis said this morning. That's over expectations and the largest gain in more than a year. Consumer spending fell, led by a 15% plummet in spending on food services and accommodations. That drop aligns with word from retailers like Lululemon and Walmart that they've lowered their outlooks this month as shoppers pull back. Spending on housing and utilities rose 6.6%. Income measures rose above predictions, but households are increasingly stocking it away as the personal saving rate hit 4.6%, its highest since June, as Americans get more nervous about the direction the economy is heading. Speaking of ...
- **Consumer sentiment is plunging precipitously.** The University of Michigan's survey of consumers released this morning shows sentiment dropped 11.9% MOM and 28.2% YOY as it clocked its third straight month of decline. Two-thirds of respondents said they expect unemployment to rise this year, the highest reading since 2009. The university said there was a "clear consensus across all demographic and political affiliations" that personal finances, business conditions, unemployment and inflation are all moving the wrong direction. The index's inflation expectations hit its highest reading since late 2022, clocking three straight months of unusually large increases. A pullback in sentiment and spending threatens to unravel what has been a bright spot in CRE.
- **CoreWeave's disappointing IPO is throwing cold water on the AI sector today — and its data center leases are a big part of the problem.** The company, which rents out semiconductor chips to AI firms, hoped to raise \$4B, bringing it to a \$35B valuation. Instead, it sold 23% fewer shares than expected and at a lower price point, bringing in \$1.5B and valuing it at \$23B even after shareholder Nvidia stepped in to bolster the IPO. CoreWeave's revenue leapt 737% last year to \$1.9B, but it still isn't profitable. Analysts called out its \$8B debt load, taken largely as it tripled its capex to \$8.5B last year to build out 22 new data centers. And it doesn't even own those

facilities. Its dependence on leased data centers was flagged as a key risk factor in its IPO prospectus.

- **The dearth of home sales is pulling self-storage down with it.** Web rates and in-store rental rates fell 12% and 14%, respectively, over the past year, DXD Capital reported yesterday. Occupancy levels held steady YOY, which DXD said is evidence that REITs have sacrificed rents to keep occupancy high. The firm said it expects self-storage demand will be limited in the short to medium term until home sales increase. Self-storage soared through the early days of the pandemic but hit the skids in 2023 as a fall-off in demand met with a wave of supply.

On The Charts: Heading Back To Town

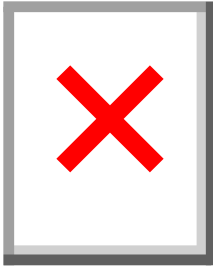


Cities are back in favor for apartment renters. In the early days of the pandemic, occupancy at downtown multifamily properties plummeted to 500 bps lower than in the burbs as people fled for more open spaces and fresher air, [Cushman & Wakefield reported](#). Not only has that gap closed, but CBD assets are now more occupied than their suburban counterparts. The youths are leading the rebound.

This Morning's News

INDUSTRIAL — Softbank Eyes \$1T Investment For American AI Robot Industrial Parks (Nikkei): Softbank plans to develop AI robot-equipped industrial parks in the United States. It said it will partner with manufacturers looking to open unmanned factories. [Read more here](#).

ECONOMY — The Fed Expects Tariff Inflation To Be Transitory. Will That Spare Real Estate? (Bisnow): The Fed anticipates inflation will ease by early 2026, but the commercial real estate sector is bracing for immediate impacts. Developers are particularly vulnerable as increased costs for raw materials may lead to project delays or cancellations. [Read more here](#).



Wikimedia Commons/Ank Kumar

BANKS — UBS Mulls Moving HQ Out Of Switzerland (Bloomberg): UBS is considering relocating its headquarters out of Switzerland. New York is perhaps the most plausible alternative, but London or an EU financial center also have experience regulating banks. [Read more here.](#)

LIFE SCIENCES — AI Is Upending The Buildings Life Sciences Tenants Want (Bisnow): Lab spaces are going digital, meaning fewer labs and more offices are needed, reversing the ratio in place. [Read more here.](#)

PORTS — CK Hutchison Won't Sign Ports Deal With BlackRock (Bloomberg): CK Hutchison will not sign a deal next week to sell its Panama Canal ports operations to BlackRock as expected, but the deal hasn't been called off. [Read more here.](#)

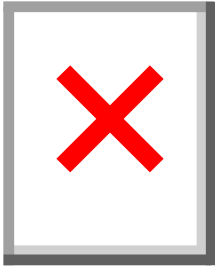
BROKERAGE — Cushman & Wakefield To Redomicile (Seeking

Alpha): Cushman & Wakefield is planning to redomicile from England and Wales to Bermuda. [Read more here.](#)

FILM — Sundance Picks Its New Home (NYT): After years of deliberations, the Sundance Institute has chosen Boulder for its film festival beginning January 2027. [Read more here.](#)

INDUSTRIAL — Demand For Spy-Proof Real Estate Booms (NYT): Defense and aerospace companies leased 11.3M SF last year after leasing just over 7M SF in 2022. Office leases coming from the defense and aerospace sectors were triple what the legal industry leased last year. [Read more here.](#)

IOS — Clarion Enters IOS Sector (Clarion): Clarion is providing a first mortgage loan to a JV of Outour Storage Investments and affiliates of Cerberus Capital for a portfolio of eight IOS properties spanning 2.3M SF across seven MSAs. [Read more here.](#)



Bisnow/Ciara Long

MULTIFAMILY — Income Surges For Rent-Stabilized Apartment Owners

(Bisnow): Net operating income of NYC’s rent-stabilized buildings grew 8% between 2022 and 2023. Manhattan building owners saw the biggest jump, 19% when adjusted for inflation. Across the boroughs, NOI was up 4%, the first reported increase in four years. [Read more here.](#)

TARIFFS — Industrial Tenants Delay Real Estate Decisions (CoStar): Trade policies and consumer uncertainty has industrial tenants pausing real estate expansion. [Read more here.](#)

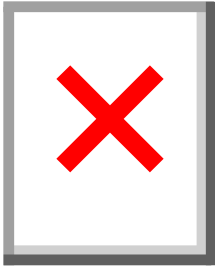
RETAIL — Dutch Bros.’s Aggressive Expansion Plans (Seeking Alpha): Dutch Bros Coffee opened its 1,000th shop last month and is focused on reaching 2,029 shops in 2029. [Read more here.](#)

CAPITAL MARKETS — CRE Sales Up 4% YOY (JPMorgan): Commercial real estate sales volume has increased 4% YOY, according to JPMorgan. Total YOY CRE sales volume was \$26B in February. [Read more here.](#)

RETAIL — GameStop To Close ‘Significant Number’ Of Stores (Retail Dive): GameStop plans to close an undisclosed number of stores as part of a strategic shift to invest more heavily in bitcoin. The retailer has around 2,300 stores in the U.S. It closed 600 last year. [Read more here.](#)

CONSTRUCTION — 19 Trump-Branded Projects To Be Developed In Foreign Countries (Citizens For Ethics): The 19 developments being planned, constructed, sold and delivered to buyers will nearly triple the number of Trump properties operating abroad. Some have been in the works for years. [Read more here.](#)

MULTIFAMILY — Newer Assets Boosting Sales (GlobeSt): Multifamily transactions in the U.S. are up 11% YOY but remain about 50% below peak levels. The increase was almost entirely driven by activity in Class-A space. [Read more here.](#)



Unsplash/CHUTTERSNAPE

HOUSING — Affordability And The Decline Of Supply (Brookings): Housing prices adjusted for inflation and quality are more than 15% above the peak reached during the housing bubble that preceded the 2007-2009 financial crisis. Sun Belt markets saw modest inflation-adjusted price increases until about 2000, but then they too accelerated. [Read more here.](#)

OFFICE — Hines-Backed Startup Offers Space To More Than Office Workers (CoStar): Fabrik's business model includes events in addition to short-term leases at move-in ready sites. Its chief executive is Jaclyn Pascocello, former operating chief of Spacious, the coworking provider acquired by WeWork and shut down in 2019. [Read more here.](#)

COWORKING — Supply Grew 25% YOY (Commercial Search): There were 7,814 coworking spaces nationwide in February, a 25% YOY increase. The total

coworking industry reached over 140M SF. [Read more here.](#)

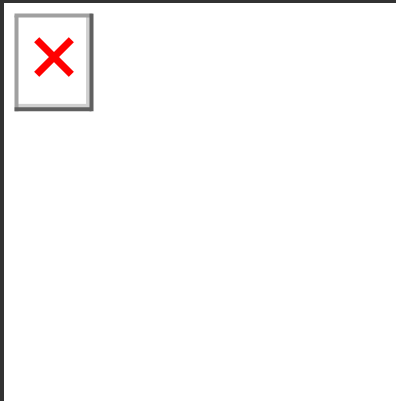
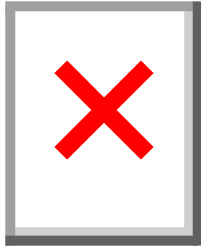
So You've Come For An Answer

The Buffalo Bills.

The team is collaborating with [Hallmark](#) for *Holiday Touchdown: A Bills Love Story*. (Not to be confused with *Holiday Touchdown: A Chiefs Love Story*.) That's not all for the team — they're also building a new stadium intended to open for the 2026 season.

Arctos [hired away a bunch of Crow Holdings execs](#) to launch its commercial real estate arm and invest in rental housing and data centers.

The First Draft is produced by Director of Newsletters Jay Rickey, Managing Editor Catie Dixon, Editor-in-Chief Mark F. Bonner and Deputy Newsletter Editor Kayla Carmicheal, with an assist from AI. We'd love your feedback! Email us at firstdraft@bisnow.com.



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