



CHILTERN RESEARCH · THE DEBT MONITOR · Q4 2026

The Refinancing Wall Isn't Where You Think It Is

Where UK maturity risk actually concentrates, by lender, sector and structure, and how borrowers can test their executable lender panel before terms are set.

KEY FIGURE

02

£33bn

UK commercial real estate loans estimated to mature in 2026. The volume is not the risk; the concentration is.

KEY FINDINGS

- 01** Debt funds' share of UK new lending rose from 15% in 2020 to 31% in 2025, but that capital is not interchangeable.
- 02** Bank senior margins run 50–70 bps below non-banks, while non-bank leverage can be up to 5–7.5 points higher.
- 03** An incumbent lender's own exposure limits can shrink a good asset's hold before the asset itself weakens.

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THE DEBT MONITOR · NO. 2 · MARKET VIEW · Q4 2026

The Refinancing Wall Isn't Where You Think It Is

Most coverage of the UK's maturity wall focuses on volume. The more useful question is concentration: which lenders carry the exposure, what else is maturing on their books, and whether their appetite for the sector and structure still holds. The market has capital, but that capital is not interchangeable.

The headline number hides an allocation problem

Roughly £33 billion of UK commercial real estate loans are estimated to mature in 2026. The number matters, but it does not identify the facilities most likely to encounter difficulty. A maturity becomes a refinancing problem only when the asset, required loan amount, lender's current capacity and available timetable no longer fit together.

The apparent contradiction in the 2026 market is that supply is improving while execution remains selective. CBRE's survey of 134 Europe-based lenders found that 72% expected to increase origination and 89% would underwrite senior loans. Refinancing was still the principal source of demand. DWS nevertheless expects weaker office and retail assets, value-add strategies and development books to face greater pressure while high-quality refinancings remain orderly.

£33bn UK CRE loans estimated to mature in 2026	72% of surveyed lenders expect origination to rise	89% of surveyed lenders will underwrite senior loans
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Sources: Bayes Business School 2025 year-end UK lending release and CBRE European Lender Intentions Survey 2026. Survey findings are Europe-wide and indicate direction, not an executable quote for a particular UK asset.

Available capital is not interchangeable

The lender universe has broadened. Bayes reports that debt funds increased their share of UK new lending from 15% in 2020 to 31% in 2025; together with insurers, alternative lenders now hold about 45% of outstanding loans. That expansion adds capacity, but it does not make every source of capital suitable for every refinance.

Banks generally offer cheaper senior debt but work within regulatory capital, concentration and relationship constraints. Insurers favour particular durations and cash-flow profiles. Debt funds can provide more leverage and structural flexibility, but at a higher return threshold. A borrower therefore competes within a relevant lender panel, not the total volume of capital reported by the market.

HOW A PUBLISHED MATURITY BECOMES A BORROWER'S EXECUTION RISK

01 MATURITY VOLUME Debt coming due	02 SECTOR FILTER Current credit appetite	03 CAPACITY FILTER Lender and sponsor limits	04 EXECUTABLE PANEL Structure, timing and terms
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The final panel is facility-specific. Sector, sponsor, leverage, ownership, business plan and timing can each remove lenders that appear active at a headline level.



Where concentration bites

Sector rotation changes the panel

A lender that financed an asset in 2021 or 2022 may now apply a different sector view. CBRE ranks Living and Industrial as the two preferred sectors for 2026 lending, with prime Office moving from sixth to third as sentiment recovered. DWS draws a sharper line inside each label: prime, well-leased and energy-efficient offices remain financeable, while secondary or capital-intensive assets face more restrictive terms and longer execution timetables.

This is why sector labels alone are insufficient. A multi-let urban logistics asset and a trade-exposed big-box facility can sit in the same published category but attract different panels. The same applies to central and peripheral offices, convenience retail and shopping centres, or stabilised and transitional living assets.

The incumbent may be full before the asset is weak

A borrower with several facilities from one lender is exposed to that lender's aggregate position, not only the merits of the next maturity. The relevant limits may relate to a sponsor group, sector, geography, product or risk-weighted capital. They are internal and can change. A good asset can therefore receive a smaller hold, a request for syndication or an extension proposal shaped by the lender's balance sheet rather than the asset's standalone credit quality.

Clustered maturities amplify the issue. If the same lender must refinance several assets in one window, the borrower may need equity and approval capacity across the portfolio at the same time. Testing each facility in isolation can miss that dependency.

Lender type determines the available solution

CBRE's survey shows material differences beneath the market average. Banks were focused mainly on senior and development lending. Non-bank lenders showed broader appetite for whole loans and junior capital. Bank median senior margins were 50 to 70 basis points lower by sector, while non-bank median LTVs were up to 5 to 7.5 percentage points higher in selected sectors. Price, quantum and flexibility do not necessarily come from the same lender.

THE SAME ASSET CAN FIT DIFFERENT CREDIT BOXES

Dimension	Banks	Non-bank lenders
Product breadth	Primarily senior and development lending	Senior, whole-loan, development and junior capital
Prime senior pricing	Median margins 50-70 bps lower, depending on sector	Higher return thresholds and often more structural flexibility
Leverage	Lower-cost capital, usually with a tighter senior attachment point	Median LTV up to 5-7.5 percentage points higher in selected sectors
Typical use	Prime assets, lower leverage and conventional execution	Higher leverage, transitional plans or requirements outside a bank's current limits

CBRE European Lender Intentions Survey 2026. Europe-wide medians; actual UK terms vary by asset, sponsor and structure.

Structural drift narrows the executable panel

Ownership, leverage and income can move outside current criteria. Offshore control chains, beneficial ownership evidence, overseas-entity status, sustainability standards and capex needs can narrow the panel and lengthen the timetable even when the asset remains financeable.

An early market test protects negotiating leverage

The borrower does not need to launch a full refinancing process simply to test concentration. A disciplined review can compare the incumbent's likely position with a current lender map, using the same asset information and debt requirement for each route. The purpose is to establish whether the facility has a broad market, a specialist market or only one credible route before formal terms are on the table.

The test should separate three questions. First, what debt quantum does current income and value support? Second, which lenders can hold that exposure within their present sector and sponsor limits? Third, what must be resolved in the ownership structure or business plan before those lenders can approve it? A weak answer to any one of them changes the timetable.



A FACILITY-LEVEL CONCENTRATION CHECK

Question	Evidence to test	Decision it informs
Does the incumbent still want the exposure?	Current sector view, hold appetite, group exposure and 2026-27 maturities	Retain the lender, reduce its hold or run alternatives
Is the required debt quantum financeable?	Current value, net income, ICR, debt yield, capex and downside case	Refinance, inject equity, extend or dispose
How broad is the executable panel?	Ticket size, leverage, sector, ownership, covenant and sustainability requirements	Use mainstream or specialist capital and set the timetable
Is the ownership structure ready?	Control chain, KYC, source of funds, authority, guarantees and overseas-entity status	Resolve diligence before lender credit work begins
Are maturities clustered?	All facilities, equity calls, sales, capex and hedging dates across the portfolio	Sequence transactions and preserve contingency capacity

What prepared borrowers can negotiate

A current lender map gives the borrower an independent basis for judging the incumbent's proposal. The best route may still be an extension or refinance with the existing lender. The advantage is knowing whether its price, hold amount, covenants and timetable reflect the asset or the lender's own exposure constraints.

- Compare debt quantum and downside headroom before headline margin. A cheaper facility creates little value if it forces an avoidable equity contribution or inflexible cash trap.
- Keep at least one executable alternative through credit and diligence. A term sheet does not remove concentration risk if the route cannot complete.
- Sequence portfolio maturities, equity calls and asset sales together. The facility with the nearest maturity is not always the first one that should be addressed.

The Chiltern view

Chiltern provides independent UK real estate debt advice to international owners and acquirers, and to the investment and asset managers acting for them. A Position Review maps each facility against current lender appetite, leverage, ownership structure and maturity timing. It identifies where the lender panel is broad, where specialist capital may be needed and where sequencing can reduce execution risk.

An Initial Finance View can start with five facts: the asset, value, net income, debt requirement and timing. Within 48 hours, Chiltern provides a concise written view of likely appetite, indicative structure and the issues that could change the assessment. Chiltern acts for the borrower and approaches no lender without written approval.

NEXT STEP

Discuss a refinancing

Five facts. A written Initial Finance View within 48 hours. No fee, no obligation.

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Sources and basis

Bayes Business School, UK Commercial Real Estate Lending Report 2025 year-end release, 11 May 2026; CBRE, European Lender Intentions Survey 2026, 16 June 2026, 134 Europe-based respondents; DWS, Europe Real Estate Debt Strategic Outlook, May 2026; DWS, 2026 The Real Estate Debt Super-Cycle. Market-wide survey evidence is combined with Chiltern's practitioner interpretation of facility-level lender concentration.

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