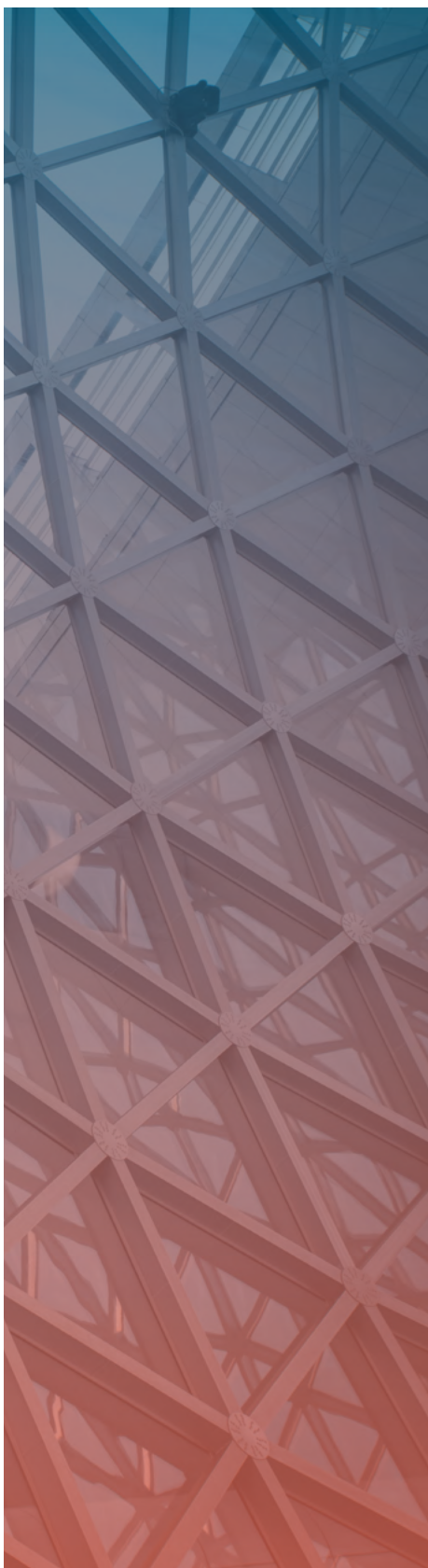


HUNTON

Real Estate Capital Markets Report

Summer 2026

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We are excited to share some highlights of our real estate capital markets team from the spring and early summer of 2026. During this period, there was a noticeable shift in sentiment regarding the ability to access the capital markets. Familiar fears of inflation, geopolitical strife, and potential increases in interest rates impacted the ability of some REITs to tap the traditional capital markets. That said, we also observed strong activity in M&A and strategic deals, as well as private capital and securitizations. Again, REITs and other real estate companies proved to be resilient and resourceful, in light of choppy conditions. As discussed below, we were busy on a number of fronts.

We are representing ACRES Commercial Realty Corp. in a transaction that is an excellent example of the firm's ability to advise on complex deals by leveraging our multidisciplinary REIT platform. See **Deal Spotlight** on [page 3](#) for more information. We are engaged on a number of other significant REIT M&A and strategic transactions that we expect to announce in the coming months, including deals that touch both the equity and mortgage REIT space. We are also excited for the potential of real estate companies focused on the cannabis industry to have a more defined path to listing on national securities exchanges in light of recent regulatory changes. Finally, our private real estate funds and real estate securitization practices continue to be very busy.

While not directly in the real estate space, we were thrilled to announce that members of our team advised on the recent SpaceX IPO, in particular as related to Texas law and corporate governance matters. This deal highlights our ability to advise Texas companies—including REITs—and to apply our corporate governance experience across industries. Corporate governance in the REIT space has come more into focus in recent years, as activist activity has increased.

Hunton frequently publishes on topics of importance to public companies, not limited to REITs. Under **Our Thought Leadership** starting on [page 5](#), we share two such pieces. Both relate to the SEC's proposed rules that would permit domestic public companies to elect semi-annual reporting in lieu of the current quarterly regime. While the proposal could reduce compliance costs and offer greater flexibility for some issuers, companies considering a move away from quarterly reporting will need to assess a range of practical issues. We encourage you to review both articles for further details and reach out to us with questions.

Finally, as our readers know, the true MVP of our REIT practice is the REIT tax team. To that end, we are pleased to highlight a member of that team, Joshua Milgrom, who advises on a wide variety of REIT tax and related matters. Learn more in our **Team Member Spotlight** on [page 4](#). Joshua is a key member of a very deep bench of REIT tax attorneys, and we are thrilled to recognize his efforts.

We were happy to see so many of our clients, colleagues, and friends at REITweek in New York City in early June. We appreciate the opportunity to partner with you and look forward to working with you for the remainder of 2026.

DEAL SPOTLIGHT

Hunton Represents ACRES Commercial Realty Corp. in Internalization Transaction and Related Acquisition

Hunton represented ACRES Commercial Realty Corp. (NYSE: ACR) in its proposed acquisition of ACRES Capital Corp. (ACC) in an all-stock transaction (the Merger).

In connection with the Merger, ACR will acquire ACRES Capital, LLC—its external manager and an indirect wholly owned subsidiary of ACC—and transition from an externally-managed REIT to an internally-managed REIT. ACR is a REIT primarily focused on originating, holding, and managing commercial real estate mortgage loans and may hold equity investments in commercial real estate properties through direct ownership and joint ventures.

The REIT capital markets team advising on the matter was led by **Rob Smith** and **Tianlu Zhang** and also included **Kate Saltz, Claire Andress,** and **Mayme Donohue**. The REIT tax team advising on the matter was led by **Kendal Sibley** and **Allison Stelter**. **Rob Cipolla** and **Tyler Richardson** advised on for employee benefits.

Hunton has extensive experience advising on significant REIT internalization and REIT M&A deals, including in the mortgage REIT space. In 2025, S&P Capital IQ noted that Hunton is the most active law firm advising on mortgage REIT M&A over the past three years.



TEAM MEMBER SPOTLIGHT
Joshua Milgrom

Joshua advises clients on a wide variety of federal income tax issues related to real estate investment, including issues pertaining to REITs, real estate private equity funds, joint ventures, capital market transactions, mergers and acquisitions, leveraged finance, FIRPTA, UPREIT transactions and tax protection agreements. Joshua also advises private equity funds and investors in fund formation and investment structuring, including the use of REITs and other blockers.

Joshua received his LLM from New York University School of Law; his JD from the University of Michigan Law School; his MA from the University of Michigan, Rackham Graduate School; and his BS from Cornell University, College of Agriculture and Life Sciences.



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Joshua is very knowledgeable and practical in his approach to how he solves complex structuring and REIT-related tax issues for our clients.

Our Thought Leadership: In Case You Missed It

Opt Out of Quarterly Reporting? Read Your Debt Documents First

by [Mayme Donohue](#), [Kimberly MacLeod](#), [Emma Gram](#), [Patrick Macher](#), and [Emily Sanford](#)

Originally published May 12, 2026

The SEC's proposed Form 10-S Election would allow domestic public companies to publish interim financial results semi-annually instead of quarterly. This proposal would not, however, override separately negotiated reporting obligations in credit agreements and bond indentures. For many companies with leveraged capital structures, existing debt documents will continue to require quarterly financial reporting to their creditors and bondholders regardless.

Bank Credit Facilities

Financial reporting covenants are a core feature of bank credit agreements because lenders rely on timely financial information to monitor credit quality, test covenant compliance, and respond to deterioration before it becomes acute. Most public companies' credit agreements require annual and quarterly financial statements, accompanied by an officer's compliance certificate.

Credit agreements generally use one of three approaches for quarterly reporting:

1. Requiring quarterly financials by a stated deadline, sometimes using SEC filing timing only as an outside date. This formulation is used in the LSTA Model Credit Agreements.
2. Tying delivery directly to the filing of a Form 10-Q. Companies with these SEC-filing-linked covenants should not assume that a semi-annual SEC election automatically eliminates quarterly delivery obligations.
3. Imposing standalone quarterly delivery obligations that are completely independent of SEC filings.

Even where a borrower may have a plausible argument that financial statement delivery should shift to a semi-annual cadence upon making the election, compliance certificate obligations may still create a separate quarterly burden.

As a practical matter, borrowers seeking to align debt-document reporting with a reduced SEC reporting cadence will likely need lender consent. Although reporting covenants can typically be amended with majority or supermajority lender consent, administrative agents and lenders may resist any changes that reduce financial visibility, particularly in stressed or syndicated credits.

Corporate Bond Indentures

The analysis for bonds differs from bank debt because indenture language tends to be more varied and amending bondholder obligations is often more difficult in practice. Even where an amendment to the terms of outstanding notes is theoretically possible, consent solicitations in the bond market are often costly and difficult because holders may be hard to identify and may participate opportunistically or not at all.

In some indentures, the issuer need only comply with whatever SEC reporting obligations apply, so a valid semi-annual election may satisfy the covenant. In others, the issuer must still deliver quarterly reports or Form 10-Q-equivalent information, in which case the SEC election offers no relief. Fortunately, SEC-filing-linked covenants are the more common formulation in modern indentures.

Investment-grade indentures tend to be more flexible, particularly where the covenant simply requires compliance with SEC reporting obligations, while high-yield indentures may warrant closer scrutiny. Some high-yield indentures, for example, include an “equivalent information” carve-out generally designed for issuers that are no longer required to report with the SEC, not for issuers making a voluntary election to report less frequently. Whether that applies in the context of a voluntary election to report semi-annually is an open question that will turn on the language of a specific indenture.

Cross-Default Risk

Companies should also consider the interaction between any reporting covenant issue and cross-default or cross-acceleration provisions elsewhere in their capital structure. A reporting default under a credit agreement could trigger defaults under bond indentures or other debt instruments, creating a cascading problem across multiple financings. This risk is especially acute for leveraged companies with both bank debt and high-yield bonds.

Key Takeaways

The SEC’s proposal is likely to provide meaningful relief only for a relatively narrow group of companies. Potential beneficiaries may include minimally leveraged companies with light reporting obligations, some investment-grade issuers with SEC-filing-linked covenants, companies with accommodating bilateral lenders, and issuers for whom Form 10-Q preparation is the main compliance burden. By contrast, many public companies are unlikely to benefit in practice, especially leveraged issuers with standalone quarterly covenants, ABL borrowers subject to more frequent reporting, and companies already facing covenant pressure.

Recommended Actions

- Review debt documents to determine whether reporting covenants are tied to SEC filings and identify amendment vote thresholds.
- Assess cross-default and cross-acceleration provisions across the company’s capital structure.
- Engage early with the administrative agent for any bank facility before opting out of quarterly reporting.
- Consult bond counsel to gauge how the trustee and holders may react.
- Consider whether less frequent disclosures could affect rating agency surveillance or market perception.

SEC Proposes Semi-Annual Reporting for Public Companies

by [Mayme Donohue](#), [Scott Kimpel](#), and [Fatima Anjum](#)

Originally published May 6, 2026

On May 5, 2026, the SEC proposed long-anticipated rules permitting domestic public companies to publish interim financial results on a semi-annual basis (instead of quarterly) on new Form 10-S. The proposal is the first of several that are expected to be of interest to public companies in the coming weeks and is part of a broader SEC initiative to make the public company model more attractive to businesses.

What the Proposal Does

Under current Securities Exchange Act Rules 13a-13 and 15d-13, public reporting companies are required to file three quarterly reports on Form 10-Q each fiscal year, with the fourth quarter captured in the annual report on Form 10-K. The SEC's proposal would change that sequence and would consist of four principal components.

1. Semi-Annual Reporting Option

The proposed amendments would permit all domestic SEC-reporting companies to elect semi-annual reporting in lieu of quarterly reporting. Companies that do not make the election would continue to file Form 10-Q on the existing quarterly schedule. The election would be made annually by checking a box on the cover page of Form 10-K, or on applicable Securities Act registration statements (Forms S-1, S-3, S-4, or S-11) or Exchange Act registration statement on Form 10. Once an election is made, a reporting company cannot change it during the remaining fiscal year. The SEC believes this proposed approach would avoid potential investor confusion that could result if reporting companies were permitted to switch interim reporting frequency in the middle of a fiscal year.

2. New Form 10-S

Semi-annual filers would report their interim results on new Form 10-S, which would require the same narrative disclosures and financial information as the current Form 10-Q, but would cover a six-month fiscal period. Form 10-S would be due 40 days (for accelerated and large accelerated filers) or 45 days (for non-accelerated filers) after the end of the first semi-annual period, which are the same deadlines that currently apply to Form 10-Q.



3. Amendments to Regulation S-X

The proposal would revise Regulation S-X to accommodate semi-annual filers. In particular, the proposed rules include amendments to financial statement “age of financial statements” rules to ensure semi-annual filers’ financial statements are not treated as stale under rules calibrated to a quarterly framework.

4. Technical Amendments to Transition Report Rules and Other Forms

The proposal would amend Exchange Act Rules 13a-10 and 15d-10 (governing transition reports upon a change in fiscal year), as well as make conforming technical amendments to numerous existing rules and forms that reference quarterly reporting, to reflect the new optional semi-annual framework.

Stock Exchange Requirements Implicated

Notably, the proposed rules do not address stock exchange listing requirements. Nasdaq Rule 5250(d)(3) currently requires distribution of quarterly financial information to shareholders, for example. We anticipate that affected exchanges will consider conforming changes to their listing standards in the near term to provide listed companies with the flexibility to follow SEC rules.

Timing and Next Steps

Public comments are due 60 days after publication of the proposal in the Federal Register, and we expect a robust comment period. Following the close of the comment period, the SEC will review comments and determine whether to issue a final rule. We anticipate that the process will move efficiently toward finalizing this proposed rule given the strong interest and focus on this matter.

Key Considerations

The SEC's proposing release posits that a shift to semi-annual reporting could benefit public companies and reduce compliance costs in time and money, provide less distraction from running the day-to-day business, reallocate attention from interim reporting to company strategy, provide additional time for new product development, and allow companies to engage in transactions that might not be possible when management is focused on preparing interim reports. Assuming the SEC in the future adopts the proposed rules, companies considering a move to semi-annual reporting from the current quarterly cadence should consider the following issues:

- **Market Practices** Market practices may differ across industries and public companies of different sizes. Companies considering a move to semi-annual reporting should assess what peer companies and companies of similar size in other industries elect to follow.
- **Contractual Obligations** Debt covenants and other contractual arrangements may still require quarterly reporting notwithstanding a change in SEC rules. A covenant that explicitly requires quarterly reporting will require amendment or waiver before a company moves to a less frequent reporting cycle. A covenant that only requires a company to make timely filings with the SEC would seem to permit greater flexibility to change to a semi-annual cycle.
- **Investor Expectations** Institutional investors have expressed a range of views on portfolio companies moving to semi-annual reporting. Some are against a change under any circumstances, but others have signaled greater flexibility, particularly for mature public companies whose financial results do not fluctuate materially from quarter to quarter. Companies considering a change to semi-annual reporting should take into account investor sentiment and potential market reaction.
- **Insider Trading Compliance** Companies that elect semi-annual reporting should consider how their insider trading compliance programs (including trading windows and blackout periods) and earnings release practices will need to be adapted.
- **Expectations of Other Exchanges** Companies with dual-listings in the US and outside the US will need to consider applicable stock exchange listing requirements and local law to determine whether a movement to semi-annual reporting is permissible in all affected jurisdictions.
- **Underwritten Securities Offerings** We expect market practice around securities offerings to evolve for companies electing to report semi-annually. Even if SEC rules would permit an offering on financial statements that are six months old, underwriters may be less comfortable going to market with interim financial statements older than 135 days. Other prudential factors may also encourage companies on a six-month reporting schedule to disclose material interim developments. Quarterly ATM programs, for example, may pose unique challenges. Accordingly, companies reporting under a semi-annual cycle may still be motivated to publicize quarterly results or flash numbers, at least when contemplating an offering of securities. Again, practices across industries and companies of different sizes may diverge.

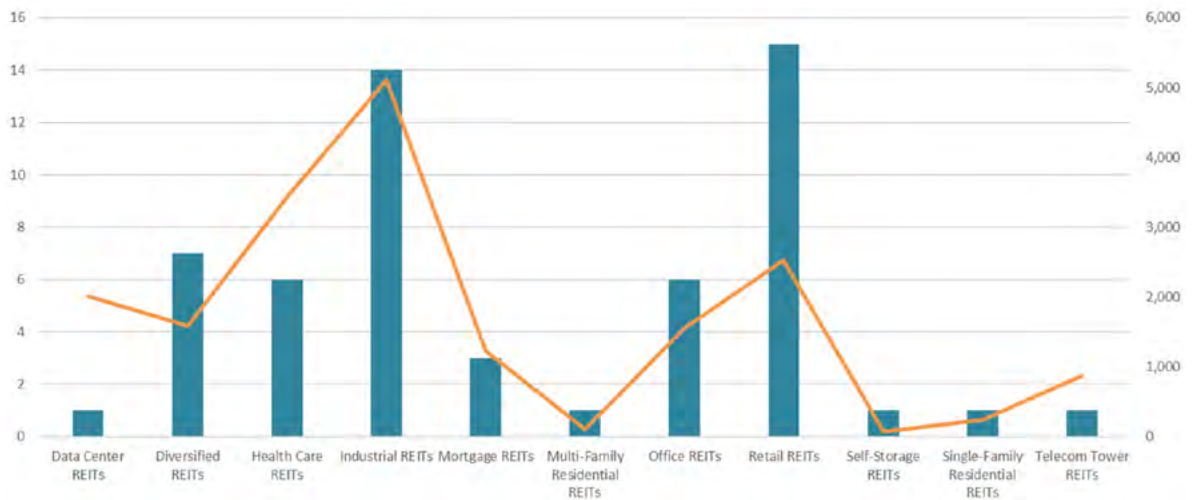


Market Data

Top Five REIT Sectors in Terms of Capital Markets Deal Volume (Q2 2026)



REIT Capital Market Transactions Q2 2026 Deal Counts and Deal Value by Sector



Source: S&P Capital IQ Pro

Contact Us

About Us

Hunton consistently ranks as one of the most experienced law firms with respect to real estate capital markets transactions, representing issuers, underwriters, sponsors, and lenders in connection with structuring and financing publicly and privately owned real estate companies, including in particular real estate investment trusts (REITs). The firm regularly receives top-tier national rankings for its work as both issuer's and underwriters' counsel in *Chambers USA*, *Legal 500*, *Bloomberg*, and *Refinitiv*.

Hunton has extensive experience in taking real estate companies public, both as REITs and as C corporations, and in subsequent financing transactions. We have handled approximately 155 IPOs and Rule 144A equity offerings and more than 1,200 capital markets transactions involving 230 REITs and other real estate companies. In the course of those and other engagements, we have worked closely with the leading investment banking firms, accounting firms, and other professionals active in the real estate finance industry. As a result, our real estate capital markets practice group is particularly well-qualified to assist companies accessing the public capital markets as well as private capital sources.

