Global Market Insights

November 2026

US Midterm Elections: Implications for Fiscal Policy and Treasury Yields

The US midterm elections altered the balance of power in Congress, creating a more uncertain legislative environment for the remainder of the Trump administration.

Following President Trump's 2024 election, Republican control of both the executive and legislative branches enabled the administration to advance priorities related to trade, taxes, fiscal policy, and defense.

With a divided government now in place, future policy initiatives may face greater scrutiny and negotiation, potentially limiting the scope of significant legislative changes.

For the US bond market, these additional checks and balances could reduce the likelihood of major policy shifts and contribute to a more stable policy backdrop.

However, ongoing uncertainty surrounding tariffs, federal spending, and the fiscal outlook may continue to place upward pressure on Treasury yields and borrowing costs.

In the run up to the elections, bond yields initially spiked in early October but have since settled back below 5% for the US 10-year. The spike in bond yields was not limited to the US, many developed markets also saw their longer-term yields increase putting further pressure on real estate valuations as we move towards year end.

Real Estate Outlook: Economic and Capital Market Fundamentals Remain Key

For the real estate market, national election outcomes have historically been less important to long-term property performance than broader economic and capital market conditions.

While national election results can influence investor sentiment and capital flows in the near term, shifts in local political leadership often have more direct implications for real estate through changes in development, taxation, infrastructure, land-use, and housing policy.

Ultimately, the trajectory of interest rates, economic growth, and capital market liquidity is likely to have a greater influence on property valuations, leasing activity, and transaction volumes than the electoral outcome itself.

US Policy Uncertainty: Broader Implications for Global Real Estate Investment

Uncertainty surrounding US fiscal policy, government borrowing and treasury yields may have implications for global real estate investment through financing conditions and investor sentiment, particularly for USD influenced regions such as Asia Pacific.

However, an environment where major policy decisions are delayed or postponed in the US may make for a more predictable investment environment in other parts of the world.

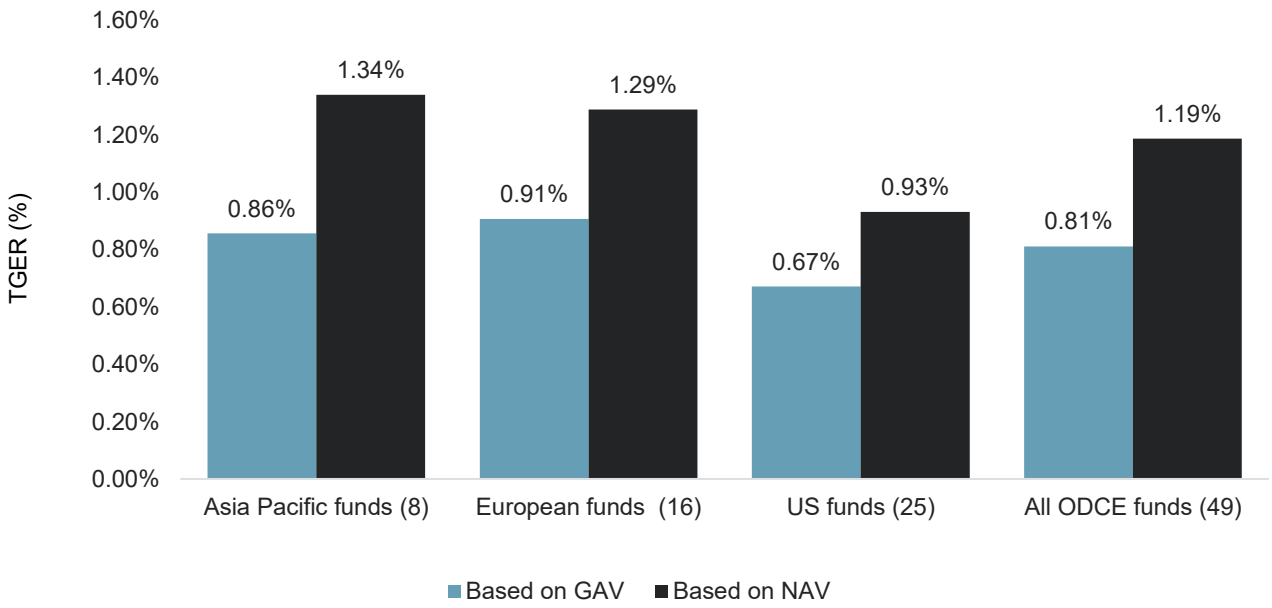
The 2026 Global ODCE Management Fees Study provides a related perspective on fund capital structures: the Average Total Global Expense Ratio (TGER) based on net asset value (NAV) declined by 2 basis points to 1.19% in 2025, partly reflecting lower gearing levels. For the first time in the three-year history of the annual global comparison of the TGER, all 49 Global ODCE Index funds have participated.

While this movement does not directly measure changes in borrowing costs, it highlights how leverage can influence reported fund expense ratios. As financing conditions evolve amid ongoing fiscal and monetary uncertainty, differences in fund gearing and cost structures may become increasingly relevant to investors assessing risk-adjusted returns across global real estate markets.

US ODCE funds report lower TGERs than the ODCE funds in the other two regions. Because all US ODCE funds have a single country focus, this region has the lowest average equal-weighted TGER of 0.67% based on GAV and 0.93% based on NAV.

Funds that invest across multiple countries generally incur higher costs than those investing in single countries, which explains why the US ODCE funds tend to have lower TGERs compared to their European or Asia Pacific counterparts. In addition, the average size of the US ODCE funds at the end of 2025 (USD 11.1 billion) is much larger than the average ODCE fund size in Europe (USD 3.1 billion) and in Asia Pacific (USD 2.6 billion), showing that size does matter in terms of costs.

Figure 1: Average Total Global Expense Ratio (TGER) of ODCE Funds by Region (equal-weighted)



Source: ANREV/INREV/NCREIF Global ODCE Management Survey 2026