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In this report

While political debate has focused on energy, trade and geopolitics, U.S. real estate may quietly emerge as a key beneficiary under Trump as President. Sitting at the intersection of economic growth, household wealth and financial stability, property is too important and too politically sensitive to ignore.

With affordability strained and housing markets effectively “stuck”, the case for a more real estate-friendly policy stance is becoming increasingly clear.

REAL ESTATE AND THE TRUMP PLAYBOOK

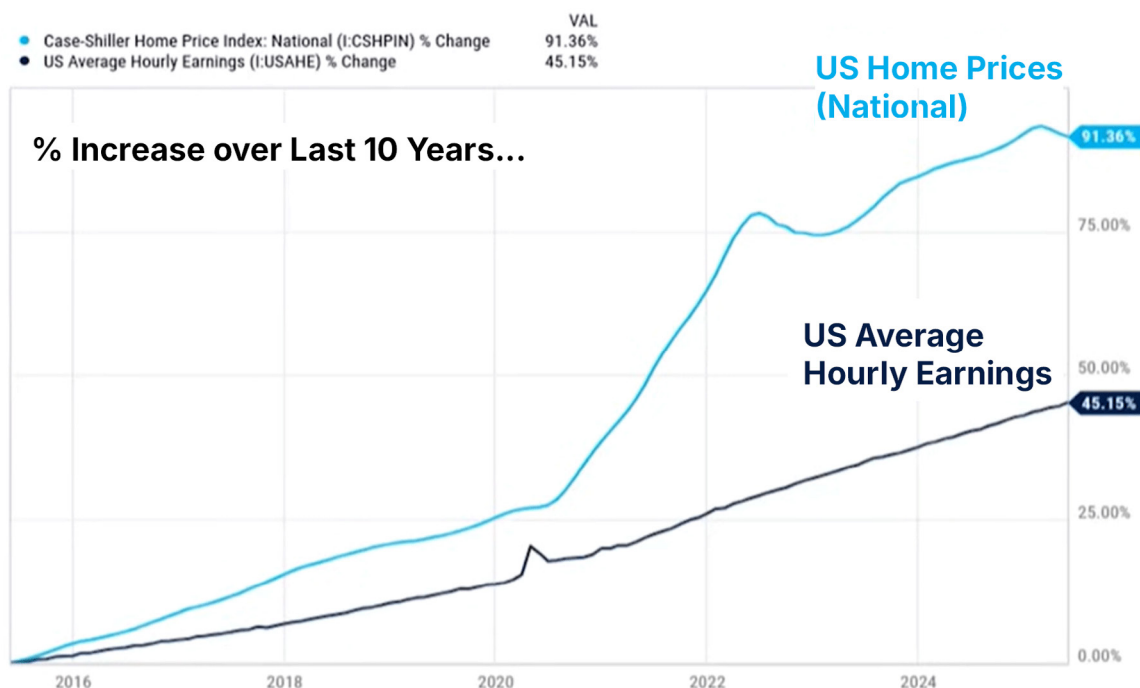
Why property could be the next political trade

While much of the political debate around the Trump return focused on energy, trade, and geopolitics, one sector that may quietly emerge as a key beneficiary is U.S. real estate. Often overlooked in macro discussions, real estate sits at the intersection of economic growth, household wealth, and financial stability, making it a natural target for policy support in a politically sensitive environment. With housing affordability strained, the incentives for a more real estate-friendly policy stance are becoming increasingly clear.

Why is housing stuck?

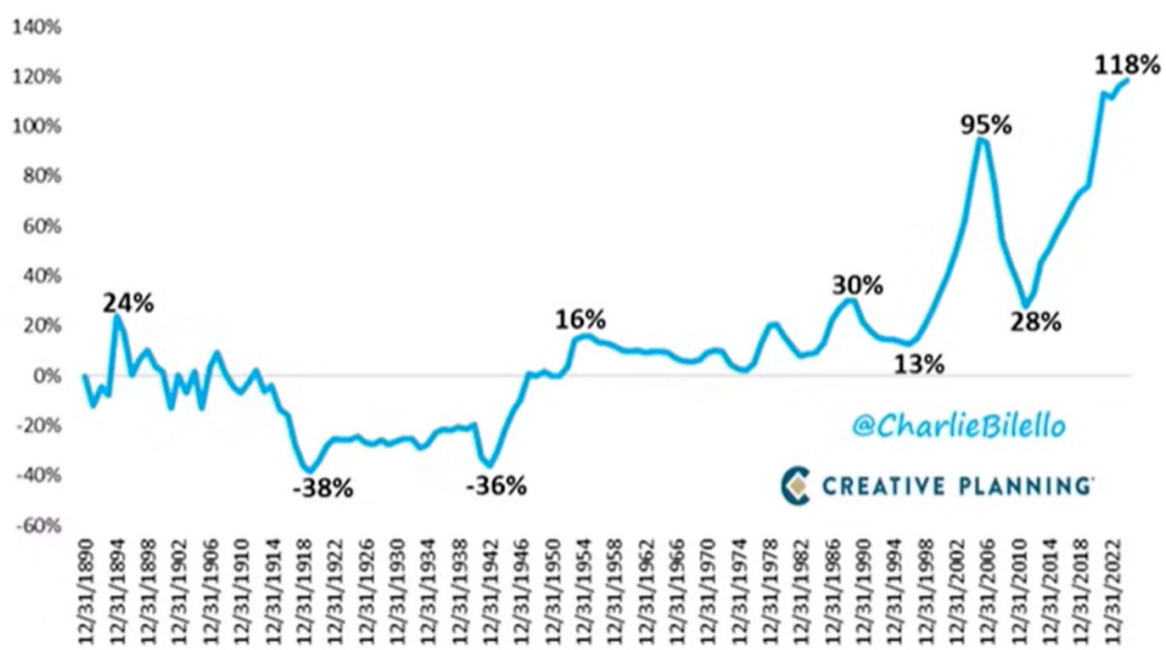
A helpful way to frame the housing market is that U.S. housing is not simply weak or strong. It is “stuck.” On the demand side, affordability has deteriorated sharply because mortgage rates rose much faster than incomes. Monthly payments became the binding constraint, not home prices alone. That’s why home sales and transaction activity can be depressed even when prices remain resilient. On the supply side, inventories have stayed tight. Existing homeowners are effectively locked in: many refinanced at very low rates in prior years, and moving today would mean giving up that cheap mortgage and taking on a much higher payment. This “lock-in effect” reduces supply and prevents a traditional housing reset.

Chart 1



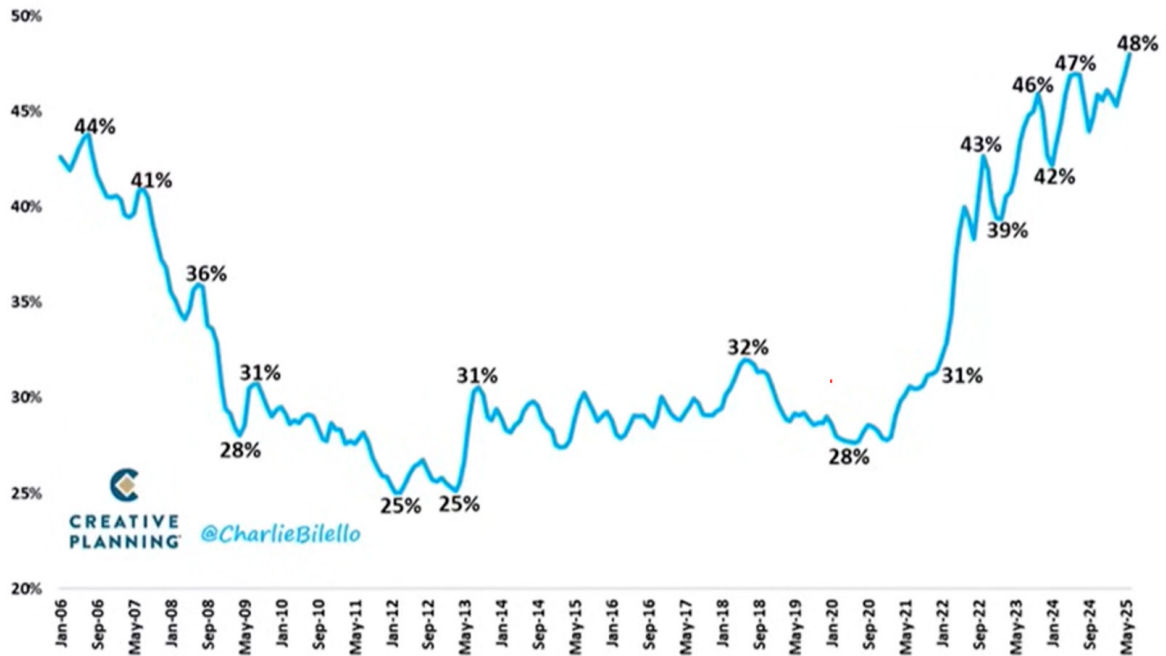
Source: Charlie Bilello on X, 6 January 2026.

Chart 2 US Real Home Price Appreciation
(Adjusted for inflation, Annual Data, 1891-2024)



Source: Charlie Bilello on X, 6 January 2026.

Chart 3 US Median Housing Payment as % of Median income
(Note: Payment includes P&I, Taxes, Insurance, PMI) Data Source: Atlanta Fed (as of June 2025)



Source: Charlie Bilello on X, 6 January 2026.

REAL ESTATE IN THE U.S. ECONOMY

Too big to ignore

Real estate plays an outsized role in the American economy. Directly and indirectly, real estate activities account for roughly 15% of U.S. GDP. Housing alone represents the single largest component of household wealth, while commercial real estate underpins large parts of the banking and credit system.

Such scale matters politically. A prolonged downturn in real estate would not remain confined to asset prices as it would spill into employment, consumer confidence, bank balance sheets, and local government finances. This explains why U.S. administrations historically have been reluctant to allow real estate stress to evolve into a systemic issue.

Today's setup is particularly delicate. As higher interest rates have pushed mortgage affordability to multi-decade lows, transaction volumes have collapsed. For commercial real estate the problem is even worse: in addition to high interest rates, low demand due to office vacancies due to remote working have reset valuations sharply. This adjustment might be economically rational, but is politically uncomfortable.

Why Trump would care about real estate

Donald Trump's relationship with real estate is personal, symbolic, and strategic.

First, Trump background is deeply rooted in real estate: his father built and owned large amounts of housing in New York. Even today, the Trump Organization is fundamentally a real-estate company.

Second, real estate aligns with Trump's core political narrative: tangible assets, domestic investment, construction jobs, and visible economic activity. Supporting it fits naturally into a "pro-growth, pro-America" message, especially compared to more abstract policy areas.

Third, real estate weakness disproportionately affects politically sensitive constituencies like urban centres, regional banks, and middle-class households. Stabilizing property markets helps protect employment, local tax bases, and financial institutions without requiring explicit bailouts.

What form could “help” actually take?

Any support is unlikely to be framed as a direct bailout. Instead, it would likely come through indirect but powerful channels:

- **Pressure for easier financial conditions**, as recently seen with the whole Jerome Powell saga. Even modest declines in long-term yields have a material impact on real estate valuations.
- **Regulatory flexibility for banks**, easing capital treatment, or encouraging “extend and pretend” strategies should increase mortgage volumes, particularly for commercial real estate.
- **Tax incentives**, including accelerated depreciation, favorable treatment of capital gains, or incentives for redevelopment.
- Reduced regulatory friction, which can lower development costs and shorten project timelines.

In recent weeks some proposals have been circulated, as preventing institutional investors from buying single family homes, and increasing the purchase of Mortgage Backed Securities by government-sponsored enterprise.

Who would benefit in equity markets?

Clearly, a more supportive real estate backdrop would have equity implications, but a pro-real estate policy tilt would not lift every stock equally.

- **Regional Banks** remain one of the clearest beneficiaries of a stabilizing real estate narrative. Commercial real estate loans are a major overhang, and the market continues to worry about refinancing risk and collateral values, particularly in office. Banks can rally not because fundamentals suddenly improve, but because the probability of a disorderly outcome declines.
- **Homebuilders** are often treated as a pure beneficiary of any housing-friendly narrative, but the reality is more complicated: even if policy support improves confidence, affordability remains tight unless mortgage rates decline meaningfully. In this scenario, builders may need to support demand through lower prices. That means the sector can end up trading higher volumes for lower margins. This implies that risks for homebuilders are still in place.
- **Housing Related Consumption**: if housing activity stabilizes and prices remain firm, consumer confidence and household spending tend to follow. That can benefit a broad range of consumer and housing-adjacent names: home improvement retailers, building products, and renovation-linked demand.

CONCLUSION

From structural headwind to political optionality

In today's environment, where real estate stress coincides with election dynamics and a fragile banking system, the probability of supportive measures may be higher than markets currently reflect.

A Trump-friendly tilt toward real estate could support sentiment, ease refinancing pressure, and reduce tail risks, but the winners would be unevenly distributed. Banks and interest-rate-sensitive REITs may offer the cleanest exposure, while homebuilders could benefit from improved activity but still face margin pressure in an affordability-constrained world.

In other words: this is not a simple "Trump = housing boom" story. It is a "Trump = policy backstop and risk premium compression" story. Will that be enough?

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