



Current Developments for the Real Estate Industry

Spring 2026



Table of contents

I. In the market and recent real estate trends	4
II. Accounting and financial reporting hot topics	10
III. Regulatory considerations	14
IV. Update on tax matters	19
V. Governance discussion	22
VI. Technology trends and update	27
VII. Upcoming PwC Webcasts	31
PwC real estate contacts	32
Editorial board	32

I. In the market and recent real estate trends



I. In the market and recent real estate trends

PwC in the market

At NAREIT's REITwise conference, PwC's Dana Van Wie shared insights on AI in financial reporting, highlighting how emerging technologies are reshaping processes, controls, and decision-making across the real estate industry. Click [here](#) to see what US REIT Leader Brian Ness shared about the conference.



PwC's Tim Bodner explores the future of housing policy, emphasizing the need to better align capital, supply, and community priorities to address ongoing housing challenges. He highlights how collaboration between public and private stakeholders, along with thoughtful policy design, will be critical to unlocking investment, increasing housing availability, and supporting long-term affordability across markets.



Learn more by visiting the article [here](#).

Andrew Alperstein joined Robert Sciaudone at PwC's annual Boston Real Estate Executives breakfast roundtable to share perspectives on the evolving real estate landscape, highlighting how market shifts, capital allocation trends, and operational considerations are shaping investment decisions across the sector. Their insights reflect PwC's broader focus on helping real estate leaders navigate complexity and position for long-term value creation in a dynamic environment. Click [here](#) to see what Andrew had to say.



PwC's Allison Rosier joined PwC's Will Morris to **share perspectives** on how evolving tax policy is influencing capital strategies across the real estate sector. As regulatory and legislative changes continue to shape investment decisions, tax considerations are playing an increasingly central role in optimizing long-term returns.



Deals in the age of AI: Assessing whether AI accelerates or erodes value in a target

PwC's Deals in the Age of AI highlights a fundamental shift in how dealmakers evaluate targets, emphasizing that every business is now subject to two opposing forces: AI-driven acceleration, which enhances growth and margins, and erosion, which compresses pricing and weakens competitive advantages. The report argues that traditional valuation approaches are increasingly insufficient, as companies with similar financial profiles may diverge significantly depending on their ability to leverage AI through proprietary data, embedded customer workflows, and leadership-driven adoption strategies.

AI-enabled acceleration is driven not only by cost efficiencies but more importantly by revenue expansion creating a compounding “flywheel” effect that supports multiple expansion. Conversely, erosion arises as AI lowers barriers to entry, commoditizes products, and shifts value to customers, challenging traditional moats like scale and labor intensity.

To navigate this dynamic, the publication introduces a framework centered on four key determinants—proprietary advantages, pricing power, competitive positioning, and execution capability—to assess whether a target is positioned for upside or disruption. Ultimately, the report underscores that valuation in the AI era requires scenario-based modeling and a sharper focus on leadership's ability to operationalize AI, with success increasingly dependent on distinguishing durable advantages from capabilities that competitors can quickly replicate.



Learn more by visiting the publication [here](#).

What AI Transformation Should Look Like For Businesses In 2026

Matt Wood, PwC's Global and U.S. Commercial Technology and Innovation Officer, outlines a vision for AI transformation in 2026 as a broad, enterprise-wide shift that will reshape how organizations operate rather than simply augment existing workflows. He emphasizes that AI's impact will be horizontal across all functions, making transformation more complex and requiring leaders to rethink operating models, not just deploy new tools.

The article highlights that many organizations are still in an experimental phase, but true transformation requires moving beyond decentralized, “citizen-led” efforts toward structured, enterprise-scale implementation. In 2026, leading companies are expected to focus on fewer, higher-impact initiatives, building repeatable processes, governance frameworks, and measurable outcomes rather than pursuing numerous low-value pilots.

Wood also underscores a shift from hype to rigor, where success will depend on benchmarking performance, integrating AI into core operations, and embedding responsible AI practices directly into workflows. Ultimately, organizations that treat AI as an operating discipline—combining strategic focus, scalable infrastructure, and built-in governance—will be best positioned to accelerate adoption and create sustainable competitive advantage.



Learn more by visiting the publication [here](#).

Financial reporting implications of geopolitical conflict

PwC's Financial Reporting Implications of Geopolitical Conflict highlights how escalating global conflicts—particularly in the Middle East—are introducing significant uncertainty into the economic and operating environment, with both direct and indirect consequences for companies' financial reporting. The publication outlines how disruptions such as supply chain constraints, commodity price volatility, and market instability can materially impact operations, liquidity, and valuation assumptions across industries.

The report emphasizes that companies must reassess key accounting areas in light of these conditions, including asset impairments, revenue recognition, credit losses, inventory valuation, and fair value measurements. It also notes that heightened uncertainty does not delay recognition of impacts already incurred, meaning companies may need to record write-downs, allowances, and other adjustments as conditions evolve.

Beyond measurement, the publication underscores the importance of enhanced disclosures and cross-functional coordination among finance, legal, and operations teams to address rapidly changing risks. Ultimately, it calls for a comprehensive and judgment-driven approach to financial reporting, with transparent communication around both current impacts and forward-looking uncertainties as geopolitical volatility continues to shape the global business landscape.



Learn more by visiting the in depth [here](#).

Accounting implications of tariffs

PwC's Accounting Implications of Tariffs examines how evolving trade policies, including new and increased tariffs and potential reciprocal measures, are creating operational complexity and financial reporting challenges across industries. The publication emphasizes that tariffs can significantly impact operating results and liquidity, requiring companies to proactively assess risks through close coordination between finance, legal, and operations teams.

From an accounting perspective, tariffs primarily affect cost structures and valuation assumptions, as they are generally capitalized into inventory and fixed assets, increasing carrying values and potentially triggering lower-of-cost-or-market adjustments or impairment considerations. The report also highlights broader downstream effects, including pressure on margins, changes to contract pricing and revenue recognition, and the need to reassess expected cash flows in impairment analyses.

Additionally, the publication underscores the importance of monitoring regulatory developments—such as legal challenges and court rulings—which may affect the recognition of tariff liabilities or potential refunds. Ultimately, it calls for a comprehensive, judgment-driven approach to accounting and disclosure, as ongoing policy uncertainty continues to shape financial reporting, valuation, and strategic decision-making.



Learn more by visiting the in depth [here](#).

Deals outlook 2026: Preparing finance teams for what's ahead

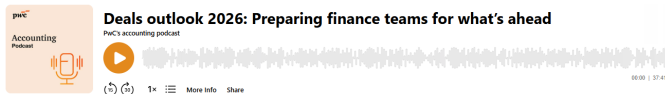
As signs of market stabilization emerge, companies are reassessing their deal strategies for 2026. In this episode, we explore IPO and M&A trends, the influence of AI and macroeconomic shifts, and the steps finance teams can take now to be ready for what's next. In this episode, we discuss:

Where the deals market stands today

Deals outlook for 2026

Expected IPOs and financing trends for 2026

What finance leaders and teams can do now to prepare



Your Q1 audit committee guide

The PwC Q1 audit committee guide is a forward-looking guide designed to help audit committees prioritize their agendas amid increasing complexity in financial reporting, regulation, technology, and risk oversight. It outlines key focus areas for audit committees, explains why each topic matters, and provides practical oversight questions to support effective governance, efficient use of meeting time, and high-quality financial reporting. The key topics discussed are:



Oversight of financial reporting in an AI-enabled finance function



Monitoring the effects of continued tariff uncertainty



Audit committee efficiency and effectiveness



Connecting with the external auditor post-audit



Understanding the SEC's potential shift to semi-annual reporting



Learn more by visiting this [Publication](#).

Global M&A trends in real estate and real assets

Heading into 2026, Real estate M&A is being reshaped by capital rotation, technological change, and long-term structural demand rather than low interest rates or financial engineering. Investors are reallocating away from traditional office and retail assets toward infrastructure-adjacent and operationally intensive sectors such as data centers, digital and energy infrastructure, logistics, and residential formats including multifamily, student housing, and senior living.

At the same time, AI-enabled platforms are emerging as a key differentiator in dealmaking, with technology integration across sourcing, underwriting, and asset management supporting scalability, earnings visibility, and premium valuations, while laggards face valuation discounts and heightened diligence. M&A activity is expected to recover unevenly, concentrating in sectors with durable demand and transparent cash flows, supported by increased cross-border investment and growing pools of long-duration institutional capital, including private credit. The publication discusses the next phase of real estate M&A and that it will be driven by platform scale, operational capability, and alignment with long-term resilience themes rather than cyclical market conditions.



Learn more by visiting the Publication [here](#).

Why data centers are emerging as real estates and resilience trade

René Paulussen discusses how data centers are emerging as one of the most resilient segments within European real estate. The resilience of data centers is underpinned by sustained economy-wide digitalization. Continued growth in cloud computing, increasing data usage, and ongoing enterprise transformation support structural demand, while artificial intelligence is placing additional strain on capacity. Unlike more discretionary real estate segments, data centers serve as essential infrastructure, enabling core business operations across industries. This foundational role reinforces their relative strength amid uneven growth in other sectors. As a result, investors are directing capital towards assets with infrastructure-like characteristics, where demand is underpinned by structural trends rather than cyclical recovery.



Learn more by visiting the Blog Post [here](#).



II. Accounting and financial reporting hot topics



II. Accounting and financial reporting hot topics

Tariff uncertainty: Business and financial reporting impacts

The US tariff landscape shifted again following the Supreme Court's decision invalidating tariffs imposed under the International Emergency Economic Powers Act (IEEPA). In this episode, we discuss what the ruling means for importers, including potential refunds, accounting and financial reporting considerations, compliance challenges, and the continued use of other tariff authorities. In this episode, we discuss:

The current tariff landscape and the Supreme Court's IEEPA ruling

Practical steps companies can take now

Accounting for potential tariff refunds

Operational, administrative, and compliance challenges

Downstream accounting impacts for customers and suppliers

New Section 122 tariffs and other tariff authorities still in effect

Tariff mitigation strategies, including drawback and supply chain planning

AICPA releases draft of updated “cheap stock” guide

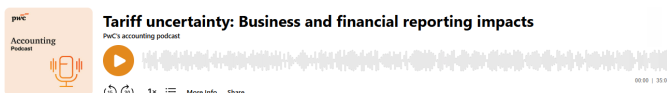
This in brief highlights proposed changes to non-authoritative guidance for valuing privately held company equity issued as compensation, reflecting the increasing complexity and volume of share-based payments and secondary market transactions. The updated draft aims to better align valuation practices with current accounting standards, including ASC 820 and ASC 718, while incorporating evolving market practices.

The publication emphasizes enhanced guidance around valuing equity in complex capital structures and allocating value between preferred and common stock, with a greater focus on ensuring assumptions align with market participant perspectives. It also introduces expanded considerations for incorporating primary and secondary market transactions into fair value assessments, underscoring the importance of calibrating valuations to observable data points.

Overall, the updates reinforce the need for more rigorous, evidence-based valuation approaches, particularly as private company equity markets evolve. While the guidance is not authoritative, it is expected to influence practice and may lead some companies to reassess valuation methodologies for stock-based compensation as the draft progresses toward finalization.



Learn more by visiting the in brief [here](#).



Hedge accounting: How new guidance will impact your risk strategy

PwC's Diana Stolzfus, Chip Currie, and Nick Milone discuss new hedge accounting guidance, what's ahead on the FASB's agenda, and what it means for companies. We explore the FASB's latest hedge accounting guidance and what the changes mean for a company's risk management strategies. We also preview what's ahead for hedging on the FASB's standard setting agenda. In this episode, we discuss:

Overview of recent hedge accounting updates

New choose-your-rate debt hedge accounting model

Updates affecting purchases and sales of nonfinancial assets

What's ahead on the FASB's hedge accounting agenda

Adoption considerations and transition opportunities

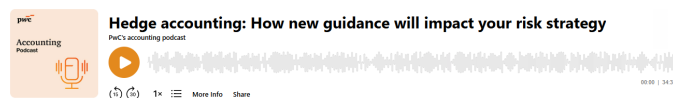
derivative scope exceptions and clarify accounting for share-based non-cash consideration in revenue contracts. ASU 2025-07, Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract, is new FASB guidance that adds a derivative scope exception and clarifies the boundary between revenue and financial instruments guidance for share-based non-cash consideration from customers. In this episode, we discuss:

New derivative scope exception for contracts tied to operations

Applying revenue versus financial instruments guidance

Examples illustrating application of the share-based consideration guidance

Effective date, transition, and adoption considerations



Derivative vs. revenue: Key impacts of new FASB guidance

PwC's Diana Stolzfus, Bret Dooley, and Angela Ferguson discuss new FASB guidance on

Domestic SPAC mergers—accounting and financial reporting

PwC’s Domestic SPAC mergers—accounting and financial reporting provides an overview of the lifecycle and key accounting considerations associated with SPAC transactions, which offer an alternative pathway for private companies to access public markets without a traditional IPO. The publication notes that while SPAC activity has slowed since its peak, evolving SEC rules—particularly those issued in 2024—are aligning SPAC reporting requirements more closely with traditional IPO standards.

The report outlines the complexity of SPAC mergers across their lifecycle—from formation and IPO to target identification and de-SPAC transactions—highlighting significant financial

reporting challenges, including determining the accounting acquirer, preparing SEC-compliant financial statements, and meeting accelerated filing requirements such as the “Super 8-K.” These transactions often require companies to rapidly transition to public company reporting standards, including enhanced disclosures, pro forma financial information, and compliance with public company accounting rules.

Additionally, the publication emphasizes key technical areas such as the treatment of earnouts, warrants, and reverse recapitalizations, as well as ongoing considerations post-merger, including internal controls, filer status, and continued SEC reporting obligations. Overall, it underscores that SPAC transactions require careful planning, significant judgment, and robust financial reporting processes to navigate the regulatory and accounting complexities involved.



Learn more by visiting the in depth [here](#).



III. Regulatory considerations



III. Regulatory considerations

SB 253 and SB 261: California climate reporting explained

This in depth on PwC's California climate reporting SB 253 and SB 261 outlines how new California legislation is significantly expanding climate-related disclosure requirements for both public and private companies operating in the state. The laws require thousands of entities to report greenhouse gas emissions and climate-related financial risks, marking a major shift in the U.S. regulatory landscape for sustainability reporting.

The publication highlights that SB 253 mandates comprehensive emissions reporting—including scope 1, 2, and 3 emissions—aligned with the GHG Protocol, while SB 261 requires disclosure of climate-related financial risks consistent with frameworks such as TCFD or equivalent standards. These requirements introduce new data collection, governance, and reporting challenges, particularly given evolving regulatory guidance and ongoing legal uncertainty affecting implementation timelines.

Additionally, the report emphasizes the complexity of determining scope and applicability, including revenue thresholds and definitions of “doing business” in California, as well as the need for companies to prepare for enforcement, enhanced disclosures, and future regulatory developments. Overall, it underscores that organizations should begin readiness efforts now, as climate reporting becomes an increasingly critical component of financial and operational transparency.



Learn more by visiting the in depth [here](#).

California SB 253–CARB rulemaking for 2027 and beyond

PwC's In brief on California SB 253 highlights the California Air Resources Board's (CARB) ongoing rulemaking process for greenhouse gas emissions reporting requirements beginning in 2027 and beyond. The initiative is expected to introduce more detailed guidance on how companies measure, calculate, and report scope 1, 2, and 3 emissions, building on initial 2026 reporting requirements.

The publication outlines CARB's preliminary proposals, which include defining organizational boundaries, standardizing emissions calculation methodologies, and determining approaches for scope 3 reporting—potentially through phased implementation or sector-based requirements due to its complexity. It also notes plans to develop a standardized reporting template and incorporate assurance requirements, with multiple accepted assurance frameworks to support compliance.

Overall, the report underscores that regulatory expectations for climate disclosures will continue to evolve, with increased rigor, standardization, and assurance over time. Companies are encouraged to monitor developments and participate in the rulemaking process as California refines one of the most comprehensive climate reporting regimes in the U.S.



Learn more by visiting the in brief [here](#).

Sustainability now: What's next for California climate reporting?

California's climate disclosure laws are entering a critical phase as key compliance deadlines approach. SB 253 (the Climate Corporate Data Accountability Act) requires companies to report greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol, while SB 261 (Greenhouse gases: climate-related financial risk) mandates disclosure of climate-related financial risks aligned with the Task Force on Climate-related Financial Disclosures (TCFD) or an equivalent framework. Although SB 261 is currently on hold due to litigation, companies should continue preparing. In this episode, we break down the latest developments from the California Air and Resources Board (CARB), what companies need to report in 2026, and how to prepare amid ongoing regulatory and legal uncertainty. In this episode, we discuss:

Deadline for SB 253 (GHG) reporting

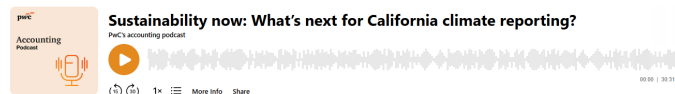
Reporting requirements for SB 253

Deadline for SB 261 (climate risk) reporting

Reporting requirements for SB 261

What to expect from CARB in 2026

Applicability considerations and key exemptions



GHG Protocol publishes Land Sector and Removals Standard

PwC's In brief on the GHG Protocol's new Land Sector and Removals Standard highlights a significant expansion in greenhouse gas accounting

guidance, particularly for companies with land-based activities or those reporting carbon removals. The standard, effective January 1, 2027, introduces the first comprehensive framework for measuring and reporting emissions and removals associated with agriculture, land use, and carbon capture technologies.

The publication emphasizes that the standard supplements existing GHG Protocol frameworks and introduces new accounting requirements, categories, and methodologies to better capture emissions and removals across value chains. It is built around key concepts such as defining inventory and spatial boundaries and improving traceability of emissions data, enabling companies to more accurately quantify and track land-related climate impacts.

Overall, the report underscores the growing complexity and importance of climate accounting, particularly as companies expand reporting to include carbon removals and land-use impacts. While adoption may initially vary across reporting frameworks, organizations are encouraged to begin evaluating the new guidance as part of broader efforts to enhance climate transparency and align with evolving global standards.



Learn more by visiting the in brief [here](#).

Sustainability now: Balancing GHG scope 2 ambition and practicality

The GHG Protocol's proposed updates to its guidance on scope 2 emissions introduce significant changes, including hourly matching, revised market-based accounting rules, and more granular emissions data requirements. In this episode, we break down the key proposals, PwC's perspective on feasibility and interoperability, and

what companies should be considering as the guidance evolves. In this episode, we discuss:

Overview of the Scope 2 consultation and the themes of proposed updates and views

Data availability challenges: hourly utility data gaps and lack of granular emission factors

Geographic market restrictions and renewable procurement impacts

International Organization for Standardization relationship, timeline shifts, and what companies can do now



Learn more by visiting the video podcast [here](#).

Sustainability now: GHG Protocol update—Scope 3 and more

PwC’s Heather Horn and Colin Powell explore the latest on potential GHG Protocol revisions, including revisiting proposed changes to the Scope 3 Standard and how key decisions are taking shape in the process. We discuss updates to organizational boundaries, materiality thresholds, and new scope 3 categories plus the potential implications of the newly released land sector and removals standard. In this episode, we discuss:

Key updates on the Corporate Standard and Scope 3 Standard revision process

The introduction of Category 16 (Other value chain emissions) and related challenges

Minimum boundaries and expanding expectations for value chain emissions

Scope 3 data quality, disaggregation, and disclosure proposals

Scope 3 category 15 (Investments) and alignment with PCAF methodologies

Clarifying scope 3 category 10 (Processing of sold products) and category 11 (Use of sold products)

Actions and Markets Technical Working Group progress and “book and claim” concepts

Newly-issued Land Sector and Removals Standard and implementation considerations

Timeline and practical guidance for companies preparing for change



Learn more by visiting the video podcast [here](#).

‘Omnibus’ directive finalized

This In brief on the EU’s finalized “Omnibus” directive highlights a significant effort to simplify and reduce the burden of sustainability reporting requirements across Europe. The directive, formally adopted in February 2026, introduces changes to key frameworks such as the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive, reflecting a broader shift toward streamlining regulatory expectations.

The publication emphasizes a narrowing of scope for in-scope entities and a reduction in reporting complexity through simplified European

Sustainability Reporting Standards, elimination of certain sector-specific requirements, and adjustments to assurance expectations. These changes are designed to reduce administrative burden while maintaining core disclosure objectives, particularly by prioritizing more decision-useful and consistent data.

Overall, the directive signals a recalibration of the EU's sustainability reporting regime, balancing transparency with practicality. Companies are encouraged to monitor implementation timelines and evolving standards, as the changes will take effect beginning in 2027 and will continue to evolve through future regulatory updates.



Learn more by visiting the in brief [here](#).

Sustainability now: EU reporting—What's settled, what's evolving

On February 24, the Council of the European Union officially adopted the 'Omnibus' directive. Key aspects of the 'Omnibus' directive include changes to the scope of entities subject to the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive as well as guidance on simplified European Sustainability Reporting Standards, sector guidance, assurance standards, and value chain reporting.

This approval and other recent milestones in the EU legislative process and standard setting efforts are shaping the next phase of sustainability reporting. In this episode, we provide an update on the Omnibus package and discuss the latest developments in the proposed revisions to the ESRS. We explore what is expected to be finalized soon, where there is still opportunity for change, and the key implications for companies preparing

for upcoming reporting requirements. In this episode, we discuss:

Updated scope and timing requirements for EU and non-EU entities

Streamlined general disclosure requirements and cross-cutting changes

Changes to double materiality and flexibility in the assessment process

Clarifications on mitigation, remediation, and assessing impacts

Reporting boundary updates, including the impact of leased assets and GHG emissions

New reliefs: reasonable and supportable information, acquisitions and disposals, and metric flexibility

What's next in the European Commission process and how companies can prepare now



IV. Update on tax matters



IV. Update on tax matters

2026 Tax Policy Outlook

Following enactment of the One Big Beautiful Bill Act (OBBBA) in July 2025, the focus of US tax policy has shifted from legislative activity to implementation amid continued tariff uncertainty, fiscal pressures, and heightened political divisions ahead of the 2026 midterm elections. While questions remain as to whether Congress can advance additional tax legislation—either on a bipartisan basis or through Republican-led reconciliation—any such efforts are expected to be limited in scope.

Because many significant OBBBA provisions became effective during the 2025 tax year, their impact will be reflected prominently in the 2026 filing season. In response, the Treasury Department and the IRS have prioritized guidance related to both domestic and international tax provisions, while indicating that further regulatory guidance on previously enacted provisions remains forthcoming.

For the real estate industry, 2026 is expected to be a year of execution rather than reform. The OBBBA permanently extends or modifies several provisions central to real estate economics including depreciation, interest limitation rules, and REIT-specific tax provisions, placing greater emphasis on tax accounting, planning, and compliance. Public and private real estate companies are expected to focus on modeling these changes, managing their financial reporting impacts, and addressing related disclosure considerations.

At the same time, tariff policy—both proposed and implemented—has become a persistent component of the US policy landscape, introducing heightened volatility for multinational real estate investors with

cross-border operations or supply-chain exposure. Global tax dynamics continue to add complexity, as implementation of Pillar Two–related measures and evolving international enforcement initiatives increase compliance burdens for globally active real estate platforms.

Finally, state and local tax considerations remain a significant area of uncertainty. As states evaluate whether and how to conform to federal changes under the OBBBA, divergent approaches, including decoupling from federal depreciation or interest provisions, are expected to have an impact on multistate real estate owners and REITs, requiring monitoring, modeling, and planning.



Learn more by visiting this [Publication](#).

AI Predictions for Tax: 4 action-ready insights to guide tax leaders

As AI advances, it's getting clearer how businesses can benefit from a targeted tax AI strategy. AI is positioning tax at the center of the finance data ecosystem, enabling faster, more direct access to actionable insights. Automation and AI-driven controls can improve accuracy, risk detection, and day-to-day tax operations. This publication discusses the following key points:

Tax at the center: Your new role in the finance data ecosystem

New value for the business: Scenario-based forecasting and planning

AI raises the floor for tax, tax professionals lift the ceiling

A new tax operating model emerges: New skills, roles, and cross-functional capabilities



Learn more by visiting this [Insight](#)

New CAMT notice delivers broader relief

This episode discusses new IRS interim guidance on the Corporate Alternative Minimum Tax (CAMT) and explains how the notice provides broader-than-expected relief for affected taxpayers. The new guidance expands on prior CAMT notices by introducing additional adjustments, clarifying treatment for specific items, and establishing layered applicability and reliance rules that allow companies to reassess their CAMT exposure.

George Manuosos, Partner in PwC Federal Tax Services Practice, Nita Asher, Principal in PwC International Tax Services Practice, and Colin Campbell, Principal in PwC Tax Mergers and Acquisitions discuss the impacts of the notice and how companies should revisit their CAMT calculations.



Learn more by visiting this [Policy on Demand](#).

US Supreme Court Decision on IEEPA tariffs reshapes trade authority and introduces potential refund opportunity

The US Supreme Court on February 20 held that the International Emergency Economic Powers Act does not authorize the President to impose tariffs absent clear congressional authorization. The Court concluded that although IEEPA permits the President to regulate importation during a declared national emergency, that language does not clearly authorize the imposition of tariffs.

The Court emphasized that the Constitution assigns to Congress the authority to “lay and collect

Taxes, Duties Imposts and Excises” and applied separation-of-powers principles in determining that tariff authority of significant economic and political magnitude requires explicit statutory delegation.



Learn more by visiting this [Insight](#)

Navigating Tariff uncertainty after IEEPA ruling

Beth Bell, Principal in PwC Tax Policy Services Practice, and Scott McCandless, PwC Tax Policy Services Practice Leader, discuss the implications of the US Supreme Court’s 6–3 decision invalidating certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA) and what the ruling means for businesses as they assess next steps. Companies are evaluating potential tariff refunds, related accounting and financial reporting impacts, and the possibility that the administration may pursue alternative legal authorities to reimpose tariffs.

The IEEPA ruling introduces potential relief but continued uncertainty, requiring specifically real estate companies and REITs with construction exposure to reassess project costs, refund opportunities, and financial reporting implications as tariff policy remains in flux. Although the IEEPA-based tariffs were struck down, the ruling does not eliminate the administration’s ability to impose tariffs under other legal authorities. Because of this, companies should not assume a permanent end to tariffs and instead should plan for continued policy volatility.



Learn more by visiting this [Policy on Demand](#)

Tariffs, Tensions and Tightropes: A global risk tour

Doug McHoney, PwC's International Tax Services Global Leader, is joined by Anja Manuel, co-founder and principal at Rice, Hadley, Gates and Manuel LLC to discuss the geopolitical forces reshaping cross-border business, including the Iran conflict and its implications for oil, shipping, Gulf investment and AI infrastructure; China's internal trajectory, tariffs, critical minerals, Taiwan, and supply-chain strategy; the growth outlook for Southeast Asia and India; Europe's competitiveness challenges and the war in Ukraine; Venezuela's political and investment risks; the effect of possible US midterm shifts on foreign policy; and whether international institutions, alliances, and the broader global economy still offer reasons for optimism despite a highly unstable backdrop.



Pillar Two SESHion 'Simplified' safe harbour

Doug McHoney, PwC's International Tax Services Global Leader, is joined by Steve Kohart, PwC International Tax Partner, to discuss the OECD's Pillar Two "simplified" effective tax rate (ETR) safe harbour, introduced as part of the January 2026 side-by-side agreement, and explain how it is intended to reduce global minimum tax compliance burdens for multinational enterprises (MNEs). They emphasize that Pillar Two continues to apply to US-parented multinationals, primarily through qualified domestic minimum top-up taxes (QDMTTs), even with the new safe harbour framework in place.

The podcast also highlights areas of continued complexity under the simplified safe harbour, such as joint ventures, minority-owned entities, and structures that require separate ETR computations. M&A and reorganization transactions remain subject to Pillar Two's Chapter 6 rules, meaning acquisitions and restructurings can still have meaningful Pillar Two consequences even when the safe harbour is available. While the safe harbour represents progress toward simplification, Pillar Two compliance will remain a material operational and accounting exercise for affected multinational groups, requiring early planning and cross-functional coordination.



Integrated Tax Strategy across the data center ecosystem: Where tax meets AI-driven infrastructure growth

Explosive AI growth is transforming data centers into mission-critical infrastructure, making tax strategy an early and essential input to investment and operating decisions rather than a downstream compliance exercise. Integrated, lifecycle-based tax planning can help mitigate risk, align investor interests, and uncover opportunities to embed sustainability priorities or accelerate return on investment. By transcending traditional tax roles, organizations can elevate tax to a strategic enabler—driving not only enhanced financial outcomes but also supporting broader environmental and digital ambitions.



Learn more by visiting this [Insight](#).

V. Governance discussion



V. Governance discussion

Stronger governance, better outcomes; Practical guidance for boards

The Committee of Sponsoring Organizations of the Treadway Commission (COSO), in collaboration with PwC, developed **Corporate Governance: Guiding Principles for Board Oversight**. The publication sets out 12 guiding principles that provide a practical framework for board oversight across key dimensions of governance, including governance structure, board composition and accountability, culture, strategy and performance oversight, stakeholder engagement, executive leadership and succession, and risk oversight.

The publication articulates a clear, board-level set of governance principles that underscore the importance of effective board oversight, tone at the top, and well-defined accountability structures in establishing a strong control environment. It emphasizes that sound governance depends on clearly articulated roles and responsibilities, ethical leadership, and processes that foster integrity, transparency, and informed decision-making.

The publication also highlights that governance and internal control must be dynamic and responsive to change. As organizations face evolving risks—ranging from regulatory complexity to technological disruption—governance frameworks should enable proactive risk identification, monitoring, and adaptation rather than rely on static or purely compliance-driven controls.

The guiding principles are intended to be read and applied together, not used as a checklist. Boards are encouraged to exercise judgment in determining how and to what extent the principles apply based on the entity's specific circumstances. Taken as a whole, the principles provide a structured lens for boards to evaluate whether

governance practices remain coherent, balanced, and aligned with the organization's purpose, mission, values, and long-term strategy. Rather than prescribing specific actions, the framework is designed to support thoughtful board dialogue on how oversight responsibilities interconnect and are executed in practice.



Learn more by visiting this [Publication](#).

Sustainability now: Preparing for the energy grid of tomorrow

Energy demand is rising at a pace few anticipated, driven by AI, data centers, electrification, and industrial growth. In this episode, host Heather Horn speaks with Gayle Miller, Head of Strategic Investor Engagement for Brookfield's Global Client Group and Senior Advisor to its Renewable Power & Transition business, about what an "all-of-the-above" energy strategy looks like in practice—and how investors are evaluating risk, value, and sustainability reporting in this new era of energy security. In this episode, we discuss:

The forces influencing energy demand to accelerate

What an "all-of-the-above" energy strategy means in practice

How utilities, hyperscalers, and investors are working together to secure power

Grid constraints, demand smoothing, and AI-enabled optimization

A shift toward redefining board expertise

Directors generally see board assessments as only performative

Directors wanting refreshment reaches new high, but FS boards may have an advantage

As shareholder activism rises, boards need to stay prepared

The evolving energy mix: renewables, storage, gas and nuclear

Cap-and-trade, renewable standards, and emissions policy tools



Learn more by visiting the video podcast [here](#).

Governance as a competitive edge in financial services

In 2025, financial services companies faced persistent headwinds, including economic uncertainty, a shifting regulatory landscape, and rapid technological change. Across the industry, the rise of generative AI (GenAI) is both an opportunity and a challenge, offering efficiency gains but raising oversight and fiduciary risks. As top managers look to transform everything from customer service to business models, board leadership and oversight must be more forward-looking than ever.

Based on responses from 118 directors serving on boards of US financial services public companies, the survey shows that FS boards are increasingly using governance as a competitive advantage, rather than treating it as a compliance exercise. In an uncertain, fast-moving environment, governance is becoming a strategic edge, and boards that stay

agile and accountable will be best positioned for success.

These key insights from FS board members in PwC's 2025 Annual Corporate Directors Survey are discussed within the publication:



Learn more by visiting this [Publication](#).

How the best boards approach CEO succession planning

Planning for the company's next CEO has long been a central board responsibility, yet leadership transitions can still catch directors unprepared. Succession discussions are often uncomfortable, leading them to be delayed or pushed down the agenda.

In today's environment, that approach is no longer sustainable. Boards need an active, continuous succession process that normalizes these conversations and builds readiness well in advance of any transition. This requires a longer-term perspective—acknowledging the multi-year effort needed to develop future leaders, maintaining flexibility across generations of talent, and cultivating a deeper bench aligned to the evolving capabilities the next CEO will need. This Publication lays out nine leading practices to help boards execute CEO transitions effectively:

Clearly define ownership and accountability for the succession process

Maintain documented planned and unplanned emergency succession plans

Align on a dynamic successor profile

Start succession planning from day one

Have a strong internal candidate pipeline

Understand the external candidate pipeline

Use a rigorous, data-driven approach to evaluate candidates

Communicate the succession approach to stakeholders

Put a structured CEO onboarding plan in place



Learn more by visiting this [Publication](#).

The director's guide to shareholder activism

Shareholder activism remains elevated and continues to evolve, making it a persistent governance and leadership issue for boards. Activist campaigns increasingly result in tangible outcomes, including board changes, strategic shifts, M&A activity, and CEO turnover, particularly when investors perceive weaknesses in strategy execution or board oversight.

While activism has traditionally centered on valuation arguments, campaigns now escalate more quickly when there are concerns about credibility, governance quality, or performance

against stated strategy. As deal markets improve, activists are again emphasizing M&A-driven theses, such as divestitures, spin-offs, and sale transactions.

The universal proxy rules have lowered the barriers to winning partial board representation, contributing to more negotiated outcomes and targeted pressure tactics, including withhold-vote campaigns and opposition to individual directors rather than full proxy contests. This has increased scrutiny on board composition and director performance.

The activist landscape is broadening, with newer and smaller funds increasingly targeting small- and mid-cap companies. At the same time, boards face a more fragmented shareholder environment due to changes in voting behavior, ownership disclosure, and proxy advisory influence, making investor sentiment more complex to interpret.

The board plays a critical role in anticipating activism, engaging with shareholders proactively, and responding effectively to activist demands. Familiarity with activism trends enables boards to address underlying issues early—many of which may warrant integration into company strategy—and to use shareholder engagement as a governance tool rather than only a defensive response.



Learn more by visiting this [Insight](#).



VI. Technology trends and update



VI. Technology trends and update

Doc Extraction helps PwC teams reason across complex spreadsheets

PwC's document extraction AI (Doc Extraction) is an internal capability designed to enable AI-driven reasoning across large, complex, multi-sheet spreadsheets. As spreadsheets grow in size and complexity—with interlinked formulas, charts, and embedded artifacts—they become difficult to interpret consistently and at scale, limiting the usefulness of traditional AI tools. Doc Extraction addresses this challenge by allowing AI systems to navigate, interpret, and reason across entire workbooks, rather than treating spreadsheets as flat tables. The capability supports tasks such as surfacing relevant data and explaining results in context, while maintaining traceability to underlying data.

The tool is built to reflect how practitioners actually work—reviewing information across sheets, integrating charts and supporting materials, and grounding conclusions in verified data. It is designed to integrate into existing workflows, with users providing spreadsheets and areas of focus while the system supports structured, explainable reasoning. Doc extraction aims to improve consistency, reduce manual interpretation effort, and enable enterprise-grade, governed AI analysis.



Learn more by visiting this [Insight](#).

No more pyramids: Rethinking your workforce for the agentic AI era

Agentic AI fundamentally changes how work is organized, requiring companies to rethink traditional pyramid-shaped workforce models built on narrow specialization and layered hierarchies. As AI agents take on multistep, high-skill tasks, human roles shift from task execution toward outcome ownership, judgment, and orchestration of AI agents. This enables experienced specialists to operate as broader, AI-enabled generalists who can span multiple processes and deliver greater business impact.

This transformation is not primarily about headcount reduction, but about deliberate redesign of roles, teams, and talent pipelines. Organizations that default to cost-cutting risk weakening critical capabilities. Instead, leaders should rebalance capacity, redesign roles around outcomes, and intentionally align human effort with the work where judgment and accountability matter most.

A key insight is the strategic importance of early-career talent. AI agents allow junior employees to ramp faster and contribute meaningfully sooner, reinforcing the value of apprenticeship-style development models. Maintaining and developing this pipeline is critical to avoiding long-term capability gaps as roles evolve.



Learn more by visiting this [Insight](#).

Solving for X: How leaders move from emerging tech to strategic action

Tracking emerging technology is no longer about observing individual innovations in isolation, but about understanding how multiple technologies are maturing, converging, and reinforcing one another. Advances in areas such as AI, quantum computing, advanced robotics, and synthetic reality are increasingly embedding directly into core business systems, accelerating change and making linear forecasting less reliable.

This publication reframes innovation using a “horizons” model, distinguishing near-term, mid-term, and long-term technologies based on maturity and applicability. However, today’s pace of change is collapsing traditional timelines, with disruptive technologies moving faster toward real-world impact and creating a new, less visible space beyond traditional planning horizons. Leaders are encouraged to engage early with this uncertainty rather than wait for full clarity.

The central challenge for organizations is making sense of fragmented signals—technologies that may appear incremental on their own but become transformative when combined. Effective technology tracking now requires continuous sensing, interpretation, and experimentation, rather than one-time assessments or static roadmaps.

Overall, PwC positions emerging-technology tracking as a strategic leadership discipline, where the objective is not precise prediction but informed early action—helping organizations convert technological uncertainty into competitive advantage by engaging sooner, learning faster, and adapting as technologies converge and scale.



Learn more by visiting this [Tech Effect](#).

Smarter release management for a faster enterprise

As enterprises embed AI and generative models into core platforms, traditional software release management approaches are no longer sufficient. AI-enabled systems evolve continuously—through model updates, prompt changes, data shifts, and agent behavior—introducing new operational, control, and risk challenges that require more adaptive release management practices.

AI-driven release management must move beyond static versioning to support frequent change, automated validation, and continuous monitoring across enterprise platforms. Releases are no longer limited to application code, but must also manage changes to models, data pipelines, configurations, and workflows, each of which can materially affect outcomes.

A central theme is the importance of governance and observability. Enterprises need mechanisms to test, track, and explain AI behavior across releases, ensuring reliability, auditability, and control as AI capabilities scale across production systems. This includes aligning release management with broader AI risk management and compliance expectations.

AI-driven release management is an enterprise operating capability, not just a technical function—one that enables organizations to deploy AI innovations faster while maintaining trust, stability, and accountability across mission-critical platforms.



Learn more by visiting this [Insight](#).

CRE, the wisdom of crowds and contracts: Can prediction markets inform investment decisions?

Recent years have highlighted a fundamental challenge in commercial real estate (CRE) underwriting: macroeconomic assumptions often change more quickly than traditional models can adjust. Key drivers such as interest rates, inflation, employment growth, and capital market conditions directly shape projected cash flows and, by extension, influence underwriting decisions, acquisition pricing, and long-term valuations. Institutional investors and lenders typically reflect these variables through scenario-based discounted cash flow models, most commonly framing outcomes around base, upside, and downside cases.

However, the probability weightings applied to these scenarios are usually derived from analyst judgment, internal research, or static consensus forecasts rather than continuously updated market data. Chuck DiRossi discusses why prediction markets present a compelling alternative input, aggregating the views of diverse participants through financial contracts tied to real-world outcomes and translating those views into real-time probability estimates. Rather than replacing existing underwriting frameworks, these signals have the potential to complement traditional analysis by adding a dynamic, market-implied perspective to the assumptions that underpin CRE investment decisions.



Learn more by visiting this [Blog Post](#).



VII. Upcoming PwC Webcasts



VII. Upcoming PwC Webcasts

Save the dates for our upcoming and archived PwC Webcasts. These webcasts are a great way to stay up to date on the latest developments both domestically and abroad, as well as earn CPE. Scan the QR code below for further details.



Quarterly accounting webcast

Join PwC's upcoming quarterly accounting webcast to hear key accounting and reporting reminders as companies head into the 2nd half of 2026.

June 4	1pm ET
June 10	11am ET
June 23	3pm ET

Upcoming webcasts from our tax specialists

PwC's Real estate and infrastructure tax quarterly webcast: Key legislative, regulatory, and business updates

May 6th	12pm ET
----------------	---------

Quarterly sustainability webcast

Join our sustainability specialists for the next quarterly discussion of the ESG accounting and reporting landscape in the US and abroad. With more companies facing mandatory reporting requirements this year, we share insights on the topics covered by the reporting and leading practices for getting ready to comply.

May 7	1pm ET
--------------	--------

May 13	3pm ET
---------------	--------

View all of our CPE-eligible webcasts [at this page](#)



PwC real estate contacts

Brian Ness

US REIT Leader
(908) 507 0759
brian.ness@pwc.com

Jordan Adelson

US Real Estate Partner
(551) 265 4220
jordan.y.adelson@pwc.com

Brandon Bush

US Real Estate Tax Leader
(646) 832 8600
brandon.bush@pwc.com

Editorial board

Andrew Parrilli

Senior Manager
(315) 247 7724
andrew.j.parrilli@pwc.com

Jack Bernard

Senior Associate
(718) 663 9318
jack.bernard@pwc.com

Lindsay Rogich

Senior Associate
(646) 856 4272
lindsay.rogich@pwc.com



Thank you