



2024 Ones to Watch - Innovators in CRE: David Friedman, Arbor Realty Trust



David Friedman
Chief Credit Officer &
Head of Non-Agency
Product & Syndications
Arbor Realty Trust

David Friedman joined Arbor in February 2022, responsible for leading Arbor's loan syndicated lending platform, as well as developing strategic partnerships for loan origination to access new sources of capital. In May 2024, Friedman took on expanded roles of chief credit officer of all of Arbor's non-agency lending products and head

of non-agency production & syndications, which includes APC, Arbor Private Investment, Arbor Private Label and Mezzanine Debt Lending and Preferred Equity Investments.

Innovative Solution:

There are currently greater opportunities for private credit, and my experience during previous economic and lending cycles helps guide Arbor to those opportunities. During the March 2023 regional banking crisis, as traditional sources of commercial construction lending began to freeze, I saw an opportunity for Arbor to enter private construction lending. Our goal with APC was to provide debt capital that borrowers have difficulty getting from their banks and continue to strengthen agency relationships.

I always thought about APC as a very targeted

product for a unique set of borrowers. Arbor is always strategic and methodical about where we allocate our capital. APC is one more way Arbor diversifies its revenue streams.

Innovative Outlook:

We're still navigating through the back half of this cycle. We don't yet fully know who the winners and losers are. With APC, we let the market do the innovation for us, and we navigated and developed a product based on what we were observing.

I'm optimistic about suburban office building conversions into multifamily. Homeownership costs are likely to remain on an upward trajectory, and we are in the latter years of aging housing stock. Suburban office buildings are often near urban centers with many job opportunities, and I believe that renters still want the suburban lifestyle with the

benefits of urban-style amenities. There are new adapted uses for these buildings and a much bigger rental pool in the suburbs than many people think.

"In 2023, David spearheaded the creation of Arbor Private Construction (APC) to complement Arbor's Build-to-Rent construction lending program. APC offers multifamily investors short-term, floating-rate construction financing, with loans from \$25 million to \$150 million. With APC, bridge, and permanent/agency financing, Arbor provides owners efficiency and cost savings by partnering with one debt capital provider throughout the life of ownership's hold period. APC has a strong pipeline, and Arbor expects to meet our 2024 origination target." - Adam Bell, Managing Director, Chief Marketing Officer at Arbor Realty Trust.