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Inside Commercial Observer's 2025 Fall Finance Forum

Some of the biggest names in lending and investment shared the mic all morning.

BY [BRIAN PASCUS](#) AND [ANDREW COEN](#) NOVEMBER 17, 2025 2:17 PM

Some of the biggest names in commercial real estate finance discussed the state of capital markets during Commercial Observer's National Finance Forum, as the conversation touched on an improved lending market, especially for securitized products, where opportunities are found in a highly competitive credit space, and how lenders can best protect themselves.

The symposium, held Nov. 13 at The Metropolitan Club at 1 East 60th Street in Midtown Manhattan, opened with a keynote general discussion between **Chad Tredway**, managing director, global head of real estate at [J.P. Morgan Asset Management](#), and **Bonnie Neuman**, partner and global head of real estate group at law

firm **Sidley Austin**, one moderated by CO Executive Editor **Cathy Cunningham**.

Tredway began by noting that since CRE capital markets hit bottom at the end of 2024, J.P. Morgan has seen each aspect of its entire \$80 billion CRE portfolio appreciate every quarter since then and that investors are taking notice.

“Real estate still has room to recover, but we’re finding people shift out of cash, shift out of equities, and shift out of fixed-income and they’re coming back into real estate, and we firmly believe 2026 should be a great vintage,” said Tredway. “The headline is real estate is coming back.”

Neuman noted that while the year started off with lingering valuation issues due to high interest rates, the valuation disconnect has evaporated, interest rates have dropped, and the office market has seen sales finally gain some momentum, due to commercial mortgage-backed securities (CMBS) financing aiding the repricing of risk as conditions have shifted.

“In the securitized space, where I spent most of my time, it’s been a roaring year, with a huge amount of originations,” she said, noting the CMBS market will have at least \$150 billion in originations in 2025. “It’s been a busy year in the syndicated and balance sheet securitized loan markets.”

Neuman emphasized the transaction market for debt has become “highly competitive,” due to the re-emergence of commercial banks, as well as the growth of debt funds, private credit, bank-backed leverage, and bridge leverage gaps being closed by preferred equity, which she called “a bit of trend recently in some transactions.”

Tredway closed his remarks by stating how J.P. Morgan is moving as quickly as it can to capture value in the market by buying assets below replacement cost, where cash yields should improve as interest rates come down in the months ahead.

“For those that have equity, the time is now,” he said. “We strongly believe that we’re going into a massive tailwind here, and if rates continue to go down it gets even better.”

The next panel, moderated by **Jay Neveloff**, chair of U.S. real estate at [HSF Kramer](#), examined the state of the market in 2025 and what we should expect in 2026 and beyond with a diverse collection of lenders, brokers and investors.

Kyle Jeffers, chief investment officer at [Acore Capital](#), said his firm is “aggressively going back” into the market, with most lenders lending at a basis that’s been significantly reset below replacement cost, and that his firm recently financed an office deal that was 30 percent the previous owner’s basis.

“You can’t predict the bottom, but it certainly feels like we bounced off the bottom and are on our way up,” said Jeffers. “So this is the time to be leaning into the market.”

Nick Scribani, vice chairman at **Newmark**, noted that investment sale activity is up 20 percent compared to 2024, when the market had been muted due to the high cost of debt and most balance sheet lenders chose to remain on the sidelines. But the last 12 months has been “a proliferation of repressed energy,” Scribani said, concerning the deployment of capital, especially into the CMBS market.

“There’s so much ability to access capital, particularly in the debt marketplace, where you can actually borrow with positive leverage,” he said. “People are coming off the sidelines as quickly as they can, because you’re going to miss the train if you’re still sidelined.”

Karen Ramos, managing director and head of distribution and asset rotation Americas at **Crédit Agricole CIB**, agreed that commercial banks have returned from the sidelines, but the real liquidity story is debt funds and private credit increasing their activity to finance huge deals, mainly for data centers, with back leverage.

“We’re seeing the debt funds and private credit come in such a huge way in terms of big commitments as much as \$2 billion,” she said. “And that’s bringing a lot of the liquidity from a new source, in addition to the typical banks.”

Aaron Kraus, managing director and head of market development and strategy at **Nuveen Green Capital**, spoke of what it's like to finance C-PACE projects, which typically fill gaps in ground-up construction capital stacks, and how the underwriting among debt funds is often too high for those deals, but with spreads tightening in recent months, the entire financing space has become more competitive.

"Spreads have come in so tightly in the last six months," Kraus emphasized. "On the terms we're seeing, from both debt funds and banks, it's a much tighter rate environment, and everyone is competing."

Neveloff then asked the lenders how they remain competitive and find an advantage in a market awash in borrower friendly capital and filled with hundreds of new sources for CRE loans that are changing the game on debt service coverage ratios and loan-to-value ratios.

Yorick Starr, managing director at **Invesco**, pointed to prioritizing quality sponsorship when underwriting and assessing deals.

"We're first and foremost all about the sponsor," he said. "We've seen it time and time again, if you lend to the right people, structure aside, you typically get paid back or they have enough money that they'll figure it out."

He also said that as a firm that primarily invests equity into deals, Invesco underwrites the quality of the real estate aggressively.

“Is it real estate that we want to own? Is it a market that we currently own in? Do we understand the asset class?” he said. “Am I lending to the right person on the right asset in the right market?”

Jeffers pointed to leaning in to relationships formed in the fires of COVID-19, the regional banking crisis of 2023, and the recent interest rate upheaval.

“You compete on relationships,” he said. “What we’ve learned in the last couple of years is knowing your lender, knowing what your relationship is, and knowing how you work together in hard times makes a difference.”

The third panel examined market volatility and was hosted by **Michael Vines**, partner at [Fried Frank](#). Ironically, the discussion first examined how strong the market is right now and how little volatility there is relative to previous years in this decade.

John Lippmann, head of U.S. real estate capital markets at [Barings](#), pointed out the strength of the CMBS market, where issuance stands at \$106 billion, up 15 percent year-to-date, largely fueled by a surge of single-asset, single-borrower (SASB) financing up nearly 30 percent.

He noted that commercial bank balance sheets right now hold more than \$250 billion in capital available to loan as back leverage or note-on-note financings for debt funds.

“That number may grow as we see continued regulatory benefits for banks to be the Senior lender of choice but maybe not the direct lender of choice to commercial real estate,” Lippmann said.

The topic then turned to distress. **Natalia Sosnina**, head of acquisitions at [Terra Strategies](#), said that it’s become harder for her firm to find deals during a time of distress due to the competition for opportunistic debt buys — with office buildings being the only asset class providing discounts.

“Most of the time, even if the borrower is in distress and the situation of the building is bad, lenders are not really in distress — they all want close to par,” she said. “For us, it’s very difficult to assume that kind of risk to buy a distressed note and then pay a lender close to par.”

Andrew Huggett, managing director of loan syndications at [First Citizens Bank](#), said that the volatility amid a new, highly competitive lending landscape has made it necessary for banks to make large whole loan amounts and leave them on their books or use syndication agreements with other lenders to win large CRE deals.

“You won’t win a deal unless you’re willing to either fully take it down, book and hold [the loan], or raise your hand and be willing to selectively syndicate,” he said.

Shawn Katz, president of [Silverstein Capital Partners](#), said that with so much liquidity in the market, especially in private credit, his

firm is finding opportunities lending into broken capital stacks that need just a bit of equity to close a persistent gap, rather than riskier whole loans into big construction projects.

“Our underwriting doesn’t change, it stays consistent, and when you look at risk-adjusted returns, where we lend, we’re seeing the most opportunity in the gap equity space,” he said. “And where we’re delivering whole loans in ground-up construction, or value-add, those risk-adjusted returns aren’t there.”

When asked how lenders and investors are viewing risk in today’s market, **David Friedman**, chief credit officer and head of non-agency production and syndications at [Arbor Realty Trust](#), said that it all comes down to who one is lending to or investing with, especially construction loans, bridge and mezzanine financings, or preferred equity.

“We’re looking under the hood, not just at the asset, but who is the borrower, who is the sponsor, what is their equity contribution,” he said. “We lend on real estate, but we lend to people — you can see structure erode away or be totally structured up with the wrong sponsor.”

The ensuing panel “The Role & Impact of Non-Bank Lenders in the Market Today” discussed the increased role of private credit over the past decade and a half as banks and insurance companies look to reduce their exposure to CRE risk.

Michael Lavipour, senior managing director, head of lending at [Affinius Capital](#), said private lenders have filled a void for providing necessary recap funding for 2021 vintage development loans issued when interest rates were at near zero borrowing levels. Lavipour also noted that non-bank lenders are also increasingly lending on behalf of insurance companies.

Lavipour said he expects that the growth of private lenders will likely slow down in the couple years similar to what happened with the CMBS market 10 years ago. He stressed, however, that the last 90 days has seen more competition which has pushed leverage levels up about 5 percent.

“When you find a deal that makes a good credit, you lean in on it. And when you find a deal that is being bid like crazy, and you are kind of wishy-washy on it, you take a step back, and if you can’t deploy you can’t deploy,” Lavipour said. “It’s not an easy market from that perspective, but there is still opportunity for sure with a large number of deals.”

The non-bank lenders panel — moderated by **Christine O’Connell**, partner at [King & Spalding](#) — also featured **Maxwell Wu**, co-founder and CEO of [Fulcrum Lending](#), and **Robert Rothschild**, managing director at [InterVest Capital Partners](#).

Rothschild said many private credit shops now also have an equity business which has proven to be advantageous in the marketplace

because of the increased institutional knowledge about individual assets that require equity positions.

“As we’ve grown and evolved into the space, the borrowers, the sponsors and developers have seen that the lenders are much more agile,” Rothschild said. “[Private credit lenders] understand the risks and they understand the real estate a lot more than maybe the bank lender might have five to 10 years ago, and that ultimately is the advantage for the underlying sponsor because they have a lender that really understands to underwrite different hypothetical situations.”

The following panel, “Recaps & Filling the Capital Stack,” addressed how private credit has played a pivotal role in helping more deals pencil in an elevated interest rate environment with more common and preferred equity products.

“The solutions that you see supporting the capital are pretty wide ranging and the depth of market is pretty strong because of the perceived relative value there,” said **Brad Bitting**, managing director at [Post Brothers](#), speaking on sponsors’ preference for private credit.

Ethan Elser, executive vice president of [PACE Equity](#), said commercial property accessed clean energy (C-PACE) loans can also be an effective tool to reduce the cost of capital in an expensive debt deal. He noted that C-PACE is also for recaps often used in mid-construction, or up to three years post construction, that can help sponsors achieve more favorable terms with the senior lender if they need more time to achieve their business plan.

Elser added that C-PACE continues to grow as a lending tool with originations on pace for \$3.5 billion to \$4 billion this year up from \$2.5 billion in 2024.

The panel — moderated by **Mark Fawer**, partner at **Greenspoon Marder** — also consisted of **Morris Betesh**, founder and managing partner at **Arrow Real Estate Advisors**, and **Daniella Marca**, executive director, real estate debt, at **BlackRock**.

Betesh said the CRE debt markets are “very healthy” now, with insurance companies aggressively bidding for deals and banks also back lending on all CRE asset classes. He said regional banks including **Flagstar Bank** (formerly New York Community Bank) have returned to the CRE debt market and cleaned out their portfolios after [getting saddled](#) with some troubled New York City loans when interest rates soared in 2022.

The day’s penultimate panel, “Old vs. New: Showcasing the Most Coveted Lending Opportunities,” stressed that the office market has made a comeback in certain markets.

Keith Kurland, senior managing director and co-head of New York City capital markets at [Walker & Dunlop](#), said the brokerage has arranged billions of loans for Manhattan office assets this year with banks showing particular interest in lending on the asset class from their balance sheets. Kurland said the bank appetite for New York City office hasn’t existed since pre-COVID.

Zachary Cohn, managing partner at [Brookfield](#), said with interest rates 150 basis points lower than a year ago, 2026 is shaping up to see a bounce back in the acquisitions market. He also stressed that the CRE industry is well positioned for a transition of CRE assets from banks to private credit since lenders are not overleveraged to levels they were during the Global Financial Crisis of 2008.

“The capital space is stable,” Cohn said. “It’s a long-term theme that will drive our markets in a really impactful way.”

The last panel — moderated by **Joseph Lanzkron**, partner at [Cleary Gottlieb Steen & Hamilton](#) — also featured **Dan Cooperman**, head of investments at [Mavik Capital Management](#); **Jacob Weinstein**, executive vice president, head of real estate and health care at [BHI](#); and **Annemarie DiCola**, CEO at [Trepp](#).

DiCola said CMBS volume is on pace for a banner 2026, likely to reach \$120 billion by year’s end, which would be the highest total since 2007. She noted that 75 percent of the CMBS volume has single-asset, single-borrower deals with most of the transactions for Class A office properties.

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