



Arbor Realty Trust Monetizes Remaining Equity Interest in Prime

August 27, 2009

UNIONDALE, N.Y., Aug. 27 /PRNewswire-FirstCall/ -- Arbor Realty Trust, Inc. (NYSE: ABR), today announced that the Company transferred its remaining 7.5% interest in Prime Outlets, at a value of approximately \$9 million, in exchange for preferred and common operating partnership units of Lightstone Value Plus REIT L.P.

The Company owned its 7.5% interest through a 50% non-controlling interest in an unconsolidated joint venture, which had a 15% interest in Prime Outlets. In connection with this transaction, through the unconsolidated joint venture, Arbor borrowed approximately \$8 million from Lightstone Value Plus Real Estate Investment Trust, Inc, which is secured by the preferred and common operating partnership units and has an eight year term. After five years, the preferred units may be redeemed by Lightstone Value Plus REIT L.P. for cash and the loan would become due upon such redemption. The preferred operating partnership units yield 4.63% and the loan bears interest at a rate of 4%. The Company also received a broker fee of approximately \$2 million related to this transaction.

The Company will use a majority of the net proceeds from this transaction to pay down a portion of its outstanding indebtedness with Wachovia Bank.

The Company received approximately \$10 million in cash and expects to record in its third quarter 2009 financial statements, a net investment of approximately \$1 million in this unconsolidated joint venture and income of approximately \$11 million related to this transaction.

About Arbor Realty Trust, Inc.

Arbor Realty Trust, Inc. is a real estate investment trust which invests in a diversified portfolio of multi-family and commercial real estate related bridge and mezzanine loans, preferred equity investments, mortgage related securities and other real estate related assets. Arbor commenced operations in July 2003 and conducts substantially all of its operations through its operating partnership, Arbor Realty Limited Partnership and its subsidiaries. Arbor is externally managed and advised by Arbor Commercial Mortgage, LLC, a national commercial real estate finance company operating through 11 sales and origination support offices in the US that specializes in debt and equity financing for multi-family and commercial real estate.

Safe Harbor Statement

Certain items in this press release may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Arbor can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Arbor's expectations include, but are not limited to, continued ability to source new investments, changes in interest rates and/or credit spreads, changes in the real estate and capital markets, and other risks detailed in the prospectus supplement with respect to this offering and in Arbor's Annual Report on Form 10-K for the year ended December 31, 2008 and its other reports filed with the SEC. Such forward-looking statements speak only as of the date of this press release. Arbor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Arbor's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

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