

Pembroke Ramps Up Lending Goal

Pembroke Capital plans to originate up to \$500 million of first mortgages and subordinate debt this year.

The New York shop, which is headed by former **CharterMac** chief executive **Stuart Boesky**, is seeking to exploit the tight credit market by offering capital up and down the credit curve. It will provide low-leverage first mortgages on stabilized properties at a rate of about 6-7%; first mortgages on transitional properties at 10-12%; mezzanine debt on stabilized buildings at about 12-15%; and preferred equity at about 18%. It also is willing to finance property owners seeking to buy back their loans at a discount.

Boesky expects strong demand for mezzanine debt — or “gap” financing — from property owners unable to fully refinance existing debt with new first mortgages because of the decline in valuations.

The company is interested in teaming up with senior lenders to provide financing packages to borrowers. For example, Pembroke and **Deutsche Bank** joined forces last month on a \$53.5 million loan package for **Keystone Property** on the 554,000-square-foot Keystone Summit Corporate Park in the Pittsburgh suburb of Warrendale, Pa. Deutsche wrote a \$41.5 million senior loan, and Pembroke provided \$12 million of mezzanine debt (see article on Page 3).

Boesky left **CharterMac** in 2005 and formed Pembroke in late 2006 with backing from **Mariner Investment** of Harrison, N.Y. CharterMac, a finance company and servicer, changed its name to Centerline in 2007.

Several other former CharterMac executives now work at Pembroke, including **Mark Fluent**, who runs West Coast



originations and **John Garth**, who oversees originations on the East Coast. All are managing directors. ❖