

# THE MORTGAGE OBSERVER

## Pembroke Originates \$22M Bridge Loan for Savanna's DoBro Buy

By [Guelda Voien](#) 3/14 1:30pm

New York-based debt and equity provider **Pembroke Capital Management** closed a \$21.8 million bridge loan to New York-based real estate investor **Savanna**, *Mortgage Observer* has learned. Savanna will acquire a development site at **141 Willoughby Street** in Downtown Brooklyn with the funds, said Pembroke founder **Stuart Boesky**.

The three-year loan has a floating rate; Pembroke declined to provide the exact rate. City records show Savanna paid \$28 million to acquire the property, at Gold Street, from prior owner the Institute of Design and Construction.



Stuart Boesky

Savanna plans to break ground on the project before the loan matures, Mr. Boesky said. Savanna executives were not immediately available for comment.

While it is not clear what type of project Savanna will erect – or if they have even settled on plans for the site – Mr. Boesky said student housing might be appropriate, with Long Island University, Brooklyn Law School and Empire State College all nearby. The plot is zoned for up to 240,000 square feet of residential development if Savanna secures certain variances from the city, according to previous reports.

The project will sit across the street from the massive mixed-use project known as **City Point**, which broke ground in 2010. The project will include 700 apartments and half a million square feet of retail, although construction has been beset by protests over construction workers' wages, as reported.

It is also just steps from the Barclays Center, the arena that has transformed Brownstone Brooklyn since its completion in 2012. Retail and residential rents have risen appreciably in the area since its arrival.

"Downtown Brooklyn has become one of New York's most exciting neighborhoods," Mr. Boesky said.

He also said that he sees the deal as a sign of things to come, with acquisition and construction loan volume on the rise—finally. "I think everyone is pretty convinced that we've reached the low in the interest rate environment," he said, noting that refinancing will soon be a smaller percentage of many lenders' business as a result. "As a balance sheet lender, we think that the volume of good business we will be able to find is going to be increasing."