

Pembroke backs Hudson Yards hotel

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New York based commercial real estate investment manager has provided a \$26m bridge loan to McSam Hotel Group to support the Hyatt hotel development.

Pembroke Capital Management closed on a \$25.8 million mezzanine loan to the McSam Hotel Group. The loan bears a 12-month maturity, has a first mortgage conversion feature and will be used to facilitate a partner buyout and predevelopment.

The funds are secured by a block development site within the Hudson Yards Redevelopment Area with frontage on 38th and 39th streets East of Ninth Avenue in Manhattan. Demolition of existing structures at the site is already underway and McSam plans to begin construction of a 506-room Hyatt Place Hotel there in 2017.

"In the current financing environment, it can be challenging for borrowers to secure funding for non-cash flowing assets like development sites, regardless of their location and value, so it's gratifying to be able to execute this deal," said Pembroke chief executive Stuart Boesky in a statement.

Pembroke invests in and originates US real estate debt through first mortgages, mezzanine and bridge loans, note financings and preferred financings. Pembroke invests in most commercial real estate property categories and recently raised \$100 million on its third commercial real estate debt fund. Since its founding in 2006, the New York based company has originated or participated in 85 investments totaling over \$950 million.