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**PEMBROOK TO SELL REDEVELOPED 3-BUILDING ART/OFFICE COMPLEX IN  
HEART OF CHELSEA FOR \$93 MILLION**

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**Creates Value through Hands-On Asset Management,  
Transforms Properties at 511 West 25<sup>th</sup> To Achieve Notable Sale Price**

New York, NY – Pembrook Capital Management LLC (Pembrook), a commercial real estate investment manager that provides financing for commercial real estate, announced the contracted sale of 511 West 25<sup>th</sup> Street for \$93 million to a private equity fund in a transaction that showcases the company's experience in hands-on real estate asset management. The announcement was made by Stuart J. Boesky, Pembrook's president and chief executive officer.

In the last four years, Pembrook has originated or participated in 34 investments totaling approximately \$413 million nationwide and continues to actively invest in new senior mortgage and mezzanine positions.

Pembrook's involvement in the property began in January of 2008, when the firm originated and acquired a Mezzanine position secured by the 195,000-sq.ft. mixed-use art gallery/office property consisting of three contiguous buildings located on 25<sup>th</sup> Street between 10<sup>th</sup> and 11<sup>th</sup> Avenues. Borrower Cardinal Properties planned to renovate and convert the buildings into office, retail and art gallery condominiums, but market turmoil negatively impacted the sale of condos. Pembrook assumed control of the day-to-day operations at the property in 2009 and took ownership control in May 2010.

Under Pembrook's control, the capital improvements were completed and 42 new leases were signed, representing 125,000 square feet and leased to approximately 90% versus previous occupancy of about 45%. In addition, Pembrook directed the rebranding of the property to highlight its quality, creative use and proximity to the High Line Park. As a result, Pembrook was able to significantly upgrade the tenant profile in the building and raise rents now averaging close to \$50 per sq. ft. from those previously averaging around \$35 per sq.ft., while attracting high-quality credit tenants such as Tesla, IMG, CD Networks and Workspaces.

The contract was signed on December 16 and the sale is expected to close in the first quarter of 2012.

“We are delighted with the market’s response to this building, and the validation of our strategy for the creation of value in this property, and our ability to execute that strategy,” Mr. Boesky said. “The fact that Pembroke Capital is made up of experienced hands-on real estate executives is what has allowed us to succeed in a market that is rife with challenges.” At Pembroke, Mr. Boesky leads a team of 11 professionals in managing the firm’s investments.

Mr. Boesky, who has 32 years of experience as a real estate investor and owner, served as CEO of Centerline Capital, known at the time as CharterMac. During his eight-year tenure as CEO, CharterMac accumulated over \$19 billion in assets under management and generated a compound annual total pre-tax return to shareholders of approximately 16.9%.

“2011 was the year in which we proved our ability to both recognize value in the current market and execute on strategies developed to manage through one of the most difficult periods in commercial real estate,” Mr. Boesky said. “At a time when many real estate investment managers have been unable to add value to stressed positions, we’ve been actively managing our investments through to success. Exercising a disciplined investment strategy and maintaining a hands-on approach has proven effective in combating very challenging market conditions.”

Darcy Stacom of CBRE represented Pembroke in the sale of 511 West 25<sup>th</sup> Street.

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#### **Pembroke Capital Management, LLC**

Founded in 2006 by Stuart J. Boesky, president and chief executive officer of The Pembroke Group, Pembroke Capital Management invests in and originates commercial real estate debt to finance all parts of a capital structure from first mortgages, mezzanine, bridge loans and commercial mortgage-backed securities, as well as preferred equity and loans for real estate operating companies.

Pembroke Capital Management invests in most commercial real estate property types, including multifamily, office, retail and industrial, in addition to affordable and workforce housing, medical office, military housing, housing finance bonds and multi-family housing bonds. The firm is committed to being socially responsible while making astute investments, and has provided capital to underserved property sectors and geographic locations. Since its founding, the company has sourced and reviewed over \$9 billion of commercial real estate investment opportunities, resulting in the acquisition of 34 investments with an aggregate purchase price of approximately \$413 million. Pembroke Capital Management has offices in New York and Boston.