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FOR IMMEDIATE RELEASE

**The Dermot Company, Inc. and Grosvenor Investment Management US, Inc.
Close on Construction Financing for 29 Flatbush, a Luxury Rental
Development in Fort Greene, Brooklyn**

327 Apartments, 7,600 SF of Retail, Amenity Spaces, 200-Car Parking

*Tax-Exempt Financing Issued by New York State Housing Finance Agency, Credit Enhanced
by Bank of America and Capital One*

New York, NY (December 29, 2010) – The Dermot Company, Inc. and Grosvenor Investment Management US, Inc. have closed on \$90,000,000 of tax-exempt financing issued by the New York State Housing Finance Agency (HFA) and credit enhanced by Bank of America and Capital One. The funds will be used to construct 29 Flatbush, a 42-story high-rise building with 327-rental apartments in the BAM Cultural District, at the corner of Fulton Street and Rockwell Place in Brooklyn.

“With our year-end deadline approaching, we started construction on 29 Flatbush last week, before our closing earlier today,” said Stephen N. Benjamin, Principal at Dermot. “While the project was delayed due to the financial crisis in 2008, 29 Flatbush was well positioned to capitalize on an opportunity to execute quickly, and that opportunity arose this fall when all parties involved green-lighted us for closing by year end. We had to race to the goal line, but our team and partners got it done.”

In addition to the 327 rental apartments, the 457-foot tall building will contain amenities on the fourth and 42nd floors, 7,600 square feet of retail space on Flatbush Avenue and Fulton Street and a 200-car parking garage. The project has set aside 20% of the units as affordable housing. Dubbed 29 Flatbush by the previous owners even though the majority of the site is located on Fulton St and Rockwell Place, 29 Flatbush is adjacent to several subway lines, including the 2,3, 4 and 5 lines at the Nevins Street subway stop.

The New York City Department of Housing Preservation and Development sold a piece of City-owned property to Dermot at the closing to finalize the land assemblage. Bovis Lend Lease is



acting as construction manager and Ismael Leyva Architects designed the project. In addition, the project utilizes inclusionary housing certificates that Dermot purchased from a local community group who built an affordable housing project located at 15 Quincy Street, Brooklyn.

The construction financing was provided by Bank of America and Capital One. After closing the Lower East Side Girls Club Project this past summer, Dermot and Bank of America commenced discussions on terms for 29 Flatbush. Dermot's partner on the deal, Grosvenor Investment Management, was committed to making this deal a reality and provided over \$70,000,000 of equity for the project.

"The funding of the development phase of 29 Flatbush underscores Grosvenor's ongoing commitment to invest in high quality housing in New York City. We worked very closely with a variety of city and state agencies to accomplish the transaction and really appreciated the support our team received from them," noted Robert Kilroy, Grosvenor's Managing Director.

"The stars aligned in late 2010 when all of the financing pieces for the development came together," said Drew Spitler, Director of Development at Dermot. "A tough, but rebounding credit market, available tax-exempt bond volume cap, a construction market with excess capacity, and a rental housing market, that despite the economic crisis, remains significantly under supplied and poised for growth over the next few years made 29 Flatbush a great project for us at this time. Grosvenor is a partner who recognized this opportunity and decided they were committed to getting this project closed as soon as possible."

About The Dermot Company, Inc.:

The Dermot Company, Inc., based in New York City, was formed in 1991 as a real estate investment and management company focused on multi-family sector opportunities. The company has evolved into a fully integrated real estate company employing over 200 real estate professionals in investment, finance, management and development. Dermot currently manages nearly \$1.5 billion in assets and owns or holds investments in more than 5,000 multifamily units.

About Grosvenor Investment Management (GIM)

Grosvenor Investment Management US, Inc. serves as Grosvenor's real estate investment management operation in North America. GIM is part of Grosvenor Fund Management, which was established in 2005 as a vehicle for third-party participation in Grosvenor-managed investments. As of year-end 2009, Grosvenor Fund Management had total funds under management of approximately USD\$5.8 billion internationally.

Grosvenor is a privately owned property group with offices in 17 of the world's most dynamic cities. It has five regional investment & development businesses in Britain & Ireland, the Americas, Continental Europe, Australia and Asia Pacific. Its international fund management business operates across these markets. As at 31 December 2009, these six businesses had total assets under management of US\$16.4bn. Unusually for a private company, Grosvenor publishes a full Annual Report & Accounts, available at www.grosvenor.com.

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