

TIAA Buys Office Loan From Ladder

Ladder Capital sold a \$230 million office mortgage to **TIAA-CREF** this week.

The 10-year loan — the largest ever originated by Ladder — is backed by the 1.1 million-square-foot tower at 1133 Avenue of the Americas in Midtown Manhattan.

Ladder wrote the low-leverage mortgage in July. At the time, the New York finance shop was expected to either securitize or syndicate it. But life companies such as TIAA are eager to snap up loans on trophy assets in core markets, providing a sale opportunity for Ladder, which was formed in 2008.

The coupon on the loan is unclear, but TIAA paid a \$20 million premium over the face value, according to market players. The loan-to-value ratio is about 38%. That puts the value of the office building at \$605 million.

The 45-story tower, owned by New York developer **Douglas Durst**, is between West 43rd and West 44th Streets on the west side of Sixth Avenue, near Bryant Park.

When the loan was originated, the word was his **Durst Organization** planned to plow some of the proceeds into One World Trade Center, the 1,776-foot-tall tower under development in Lower Manhattan. Last year, Durst bought a \$100 million equity stake in that project, which is being built in partnership with the **Port Authority of New York and New Jersey**. Durst also used a portion of the new loan to retire a mortgage on 1133 Avenue of the Americas with a balance of \$60 million to \$70 million. ❖

