

Ladder Inks Loan on NY Retail Space

A joint venture between **Related Cos.** and **Ohio State Teachers** has tapped **Ladder Capital** for a \$75 million low-leverage loan on the retail portion of a building in Manhattan.

The 10-year mortgage is backed by the leasehold interest in 240,000 square feet at One Union Square South. New York-based Ladder may securitize the fixed-rate loan, depending on how the CMBS market fares in the coming months.

The mortgage has a loan-to-value ratio of roughly 25%, pegging the value of the retail space at roughly \$300 million, or some \$1,250/sf. The borrower used the financing, which closed in recent weeks, to pay down other debt.

Related developed the property in 1998, and its partnership with Ohio Teachers owns the entire building. A five-story, glass-and-metal base houses the retail space. It is topped by a 22-story luxury-apartment tower with 240 units. It fills the city block bounded by Broadway, East 14th Street, Fourth Avenue and East 13th Street. The property also has an address of 842 Broadway.

Until 2009, the building was home to a Virgin Megastore. The retail space is now fully leased to Best Buy, Duane Reade, Nordstrom Rack, Citibank and the Regal Union Square Stadium 14 movie theater. The building's exterior features one of the largest public artworks in New York City: a red-brick-and-bronze wall that emits periodic bursts of steam, alongside a 15-digit clock. ❖

