



## Swig Refinances Manhattan Tower With Barclays, UBS Loan

By David M. Levitt - Jun 15, 2012

New York real estate investor Kent Swig obtained \$161.5 million of loans to refinance debt on 110 William St., a lower [Manhattan](#) office tower.

Swig, president of Swig Equities LLC, obtained a \$141.5 million mortgage from [UBS AG \(UBSN\)](#) and [Barclays Plc \(BARC\)](#) that will be packaged into bonds, he said in a statement. He received the loan with partner Silverpeak Real Estate Partners, which manages assets for a member of Dubai Investment Group. Pearlmark Real Estate Partners LLC provided a \$20 million mezzanine loan as part of the transaction.

“The refinancing of 110 William St. provides long-term stability to our property,” Swig said in the statement.

The debt replaces a loan originated by Lehman Brothers Holdings Inc., Alan Segan, a Swig Equities spokesman, said in an e-mail. Lehman provided a \$156 million mortgage on the 900,000- square-foot (84,000-square-meter) tower in June 2007, as commercial real estate prices were peaking, according to data compiled by Bloomberg.

The loan, which was packaged inside LBCMT 2007-C3, a commercial mortgage backed security, was scheduled to mature this month. Lehman filed for [bankruptcy protection](#) in September 2008, helping trigger a global credit freeze and recession.

Swig and Dubai Investment unit Longwing Real Estate Ventures acquired the property in 2004 for \$164.5 million, according to Real Capital Analytics Inc., a New York-based research firm which tracks commercial real estate sales. The building was appraised at \$264.3 million in 2007.

### City Tenants

The tower was 90 percent [occupied](#) as of March 31, according to data compiled by Bloomberg. Tenants include the New York City Economic Development Corp. and the New York City Housing Development Corp.

Swig lost properties after real estate values plunged. In 2009, [Fortress Investment Group LLC \(FIG\)](#) won the bidding on Swig’s \$640 million Sheffield57 condominium conversion project, on West 57th Street in midtown Manhattan, after he defaulted on its financing. In March, Lehman asked the judge in charge of its bankruptcy to allow it to complete Swig’s stalled projects at 25 Broad St. and 45 Broad St. in lower Manhattan.

The structure of the new financing for 110 William St. suggests that lenders are reluctant to provide as much debt as they had before the crisis, said [Ben Thypin](#), director of market analysis at Real Capital. The loan from UBS and Barclays doesn’t cover Swig’s original financing, he said. The mezzanine loan probably helps the owners fill the gap between the amount UBS and Barclays put up and the original financing, Thypin said.

UBS and Barclays “wanted to be balancing the conservatism with putting up as much money as possible,” he said. “Their prospective bondholders don’t want to see as high leverage loans as they’ve historically been making.”

In New York, UBS also has financed a dormitory for the New School in lower Manhattan, the land beneath the tower at 919 Third Ave. and Hampshire Hotels & Resorts’ Dream Downtown hotel on West 16th Street.

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