



Stuy Town, Peter Cooper default

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by [Anna Sanders](#)

Last weekend, Tishman Speyer Properties and BlackRock Realty turned the Stuyvesant Town and Peter Cooper Village housing complexes over to creditors after defaulting on over \$3 billion worth of loans.

Now, ownership of more than 11,000 apartments — many of which are occupied by NYU students — remains up in the air as creditors and potential buyers scramble for control over the property.

But Lawrence Longua, a real estate professor in the School of Continuing and Professional Studies, said that residents shouldn't be too concerned.

"Whoever comes into manage this property, or whoever comes in, ultimately, to buy this property, cannot violate the terms of leases and cannot violate the law as it protects tenants," he said. "I don't see any negative impact on any tenants there, whether they are students or not."

For the last several weeks, the joint venture has been involved in heavy negotiations with lenders in an attempt to restructure the debt situation and salvage ownership. Both companies had hoped to keep the partnership intact, but were ultimately unsuccessful.

"It has become clear to us through this process that the only viable alternative to bankruptcy would be to transfer control and operation of the property, in an orderly manner, to the lenders and their representatives," Tishman Speyer wrote in a statement.

After purchasing the complexes for \$5.4 billion in 2006, the owners made expensive improvements to apartments with the hopes of renting them at higher rates, but were unable to do so. The latest appraisal valued the complexes at a mere \$1.9 billion.

"They paid too much and they had lenders who financed the price that they paid," Longua said. "It was just a lousy business deal."

The companies confirmed that they will continue to provide management assistance until a new owner is found.

"Tishman Speyer is currently managing the property and has offered to continue to do so during the transition," Tishman Speyer spokesman Bud Perrone said.

He also confirmed that tenants will still have access to maintenance and other amenities.