

## L&L, PGIM seeking \$200M for Chelsea office buildings

*The three interconnected properties total about 200K sf*

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*From left: 511-541 West 25th Street, Marc Halle and David Levinson*

L&L Holding Company and PGIM Real Estate are looking to sell three interconnected Chelsea office buildings, sources told The Real Deal.

The firms have owned the buildings at 511-541 West 25th Street, between 10th and 11th avenues, for almost three years. They bought them from the Related Companies for \$160 million in 2014.

Sources said L&L and PGIM, the asset management arm of Prudential Financial, are seeking about \$200 million, or \$1,000 per square foot, for the buildings, though there is no official asking price.

The Class A properties, which rise four and nine stories, collectively hold about 200,000 square feet and are home to several showrooms. They are best known for their retail tenant, Tesla Motors, which has occupied the base since 2011 for its showroom. However, Tesla is soon moving to Romanoff Equities and Property Group Partners' office building under construction at 860 Washington Street in the Meatpacking District.

Office tenants at 511-541 West 25th Street include Target and Bismarck Phillips Communications and Media.

The buildings' value soared under Related's ownership. The firm bought them for \$93 million from Pembroke Capital Management in 2012 and then sold them two years for \$160 million, thanks in part to the expansion of the High Line nearby.

L&L and PGIM hired a Savills Studley team led by Woody Heller and Michael Rotchford to sell the properties. The listing marks the brokerage's first big assignment since a string of capital markets broker poaches earlier this year. Studley hired CBRE sales brokers Paul Leibowitz and David Krantz — as well as Rotchford, a former Cushman & Wakefield executive — in February.

L&L, PGIM and Studley declined to comment.

Elsewhere in the neighborhood, an affiliate of the Swiss pension fund AFIAA bought a 12-story office building at 125 West 25th Street last year from a Normandy Real Estate Partners-led group for \$150 million, or nearly \$1,100 per square foot. L&L recently hired acquisitions executive Adam Metzger from Normandy.

L&L, led by David Levinson and Robert Lapidus, is focused on developing the 47-story building 425 Park Avenue, the first new office tower on Park Avenue in 50 years.

PGIM bought a 40 percent stake in SL Green's 11 Madison Avenue for \$480 million, not counting the debt, last year.