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[http://www.costar.com/News/Article/PREI-LL-Holding-Close-on-\\$160M-Acquisition-of-NYC-High-Line-Office/161308](http://www.costar.com/News/Article/PREI-LL-Holding-Close-on-$160M-Acquisition-of-NYC-High-Line-Office/161308)

## **PREI, L&L Holding Close on \$160M Acquisition of NYC High Line Office**

The Related Cos Sell 195,000 SF in Three Interconnected Bldgs

By Justin Sumner



A joint venture of L&L Holding Company LLC and Prudential Real Estate Investors (PREI) on behalf of German institutional investors has acquired the office building at 511-541 W. 25th St. in New York City from The Related Companies for \$160 million, or about \$821 per square foot.

Adjacent to the High Line - an elevated freight rail transformed into a public park - the three interconnected office buildings total 195,000 square feet in Manhattan's Chelsea art gallery district, between 10th and 11th Avenues just two blocks from the Hudson River. The buildings were constructed between 1910 and 1917 and feature 300 feet of frontage on one of the city's most prominent gallery blocks.

Related acquired the historical asset in February 2012 for \$93 million, or \$477 per square foot, according to CoStar data. See CoStar COMPS #2265960.

The site is now 95 percent leased to multiple tenants, including several art galleries, Victoria Beckham's fashion label, and Target, which signed a 23,000-square-foot lease on the second floor last summer.

"This acquisition is consistent with our investors' strategy to own urban infill office properties in major cities," said David Pahl, a managing director with PREI, a real estate investment management and advisory business arm of Prudential Financial, Inc. (NYSE: [PRU](#)). "The unique location of these offices in one of New York's most prominent art gallery districts, combined with the favorable market conditions, and the value L&L brings, made this an extremely attractive transaction for our investors."

Please see CoStar COMPS #3043688 for additional information on this transaction.