



Market Scan

Abu Dhabi, Goldman Buy Into Related

Carl Gutierrez, 12.17.07, 11:58 PM ET

Abu Dhabi strikes again.

On Monday, Related Cos., the developer behind the Time Warner Center in New York, said it had received a capital infusion of nearly \$1.4 billion from companies including the investment arm of the Abu Dhabi government and Goldman Sachs.

At a time when the credit markets are still on the couch, the deal gives the private developer a fattened purse to fund future development.

Goldman and MSD Capital bought 7.5% equity stakes in Related, while an affiliate of Abu Dhabi's Mubadala Development the Olayan Group and an unnamed company made debt investments of an unspecified amount. The companies will invest with Related in future projects, the developer said.

MSD Capital manages money for [Michael Dell](#), founder of the computer company Dell.

The investments do not translate into any control over the company and there will be no management changes, Related said.

While Related's current projects are fully financed, the capital will help fund New York City residential and commercial projects in the future, the company said.

This summer, a spike in defaults and foreclosures on residential mortgages scared investors from many types of lending, including commercial real estate financing. Last month, Moody's Investor Services said its commercial real estate price index fell 2.1% in September, likely resulting from the credit squeeze.

Related is competing to develop a 26-acre site atop rail yards on the edge of the Hudson River in New York, with media and entertainment company News Corp. as the anchor tenant in its proposal. Other companies bidding to develop the site include Tishman Speyer, Extell Development, Brookfield Properties and The Durst Organization in concert with Vornado Realty Trust.

Other current projects include a \$3 billion Los Angeles development and the \$3 billion Snowmass Village Resort in Colorado. Related completed the Time Warner Center in 2004.

The Associated Press contributed to this article