

Price of Chelsea building soars 70% in 2 years

By Daniel Geiger - March 6, 2014

A partnership between L&L Holding Co. and the insurance and financial giant Prudential is buying an office building near the High Line for \$160 million.

The partners are purchasing the roughly 200,000-square-foot property 511-541 W. 25th St., which sits just west of the High Line between 10th and 11th avenues, from the Related Companies. The deal is another sign of interest among commercial landlords in the far West Side neighborhood as it increasingly establishes itself as a hip location for office tenants.

Darcy Stacom and Bill Shanahan, investment sales brokers at CBRE, handled the sale for Related.

The building fits the profile of several investments L&L Holding, run by founders David Levinson and Robert Lapidus, has made in recent years. The pair have purchased buildings like 200 Fifth Ave. and 114 Fifth Ave. in midtown south that, like 511-541 W. 25th St., are located in trendy areas of the city and appeal to tenants looking for unusual amenities such as outdoor space.

According to a source, L&L Holding, which will operate the property, is exploring plans to create a roof deck for tenants, and also to develop the building's retail space.

The sale is also a big win for Related, which purchased the property, a collection of three adjacent buildings that have been conjoined, for about \$93 million in early 2012 using a distressed real estate fund it raised with capital from institutional investors.

Related arranged several leases with big name tenants that boosted the building's rent roll and as well as its image. Late last year, a [fashion label founded by Victoria Beckham](#) took its New York headquarters at the property. And during the summer, Target, the country's second largest retailer, [took nearly 30,000 square feet at the building](#) for creative staff and also to open a ground-floor events and exhibition space. A leasing team led by CBRE brokers Paul Amrich and Matt Bergey, handled those deals for Related.