

Related Cos. Receives \$1.4B Investment

By J.w. Elphinstone
AP Business Writer

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NEW YORK (AP) - Related Cos., developer of the Time Warner Center in New York, received equity and debt investments of nearly \$1.4 billion from the investment arm of the Abu Dhabi government and others, the privately held real estate company said Monday.

The additional capital gives the company quick cash to fund future development amid disrupted credit markets.

Goldman and MSD Capital LP bought 7.5 percent equity stakes in Related, while three international companies, including an affiliate of Abu Dhabi's Mubadala Development Co. and the Olayan Group, made debt investments. MSD Capital manages money for Michael Dell, founder of the computer company, Dell Inc.

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 lucrative New York City residential and commercial projects in the future, the company said.

"It's a combination of having cash on hand and having this investor group react quickly to new opportunities," said Related President Jeff T. Blau. "We're now positioned to have more liquidity when the marketplace has less, setting ourselves up for the future."

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 percent 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. Tishman Speyer, Extell Development Co., Brookfield Properties Developer LLC and The Durst Organization with Vornado Realty Trust also are bidding for the project.

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