



Metro Loft, David Werner close record loan for office-to-resi conversion

Madison Realty Capital provides \$720M for project at former Pfizer HQ



Metro Loft Management's Nathan Bermam at 235 East 42nd Street (Getty, Gensler)

Metro Loft and David Werner sealed the deal on a record loan for their high-profile conversion of the former Pfizer headquarters building in Midtown East. Madison Realty Capital provided the developers with a \$720 million loan for the redevelopment at 235 East 42nd Street, IPA Capital Markets announced late Monday. The construction financing likely represented record financing, both in terms of the type of project in New York and for the lender itself. “By structuring flexible financing for the largest office-to-residential conversion in New York City’s history, we are enabling a new benchmark for luxury rental housing in Midtown Manhattan,” Josh Zegen, co-founder of Madison Realty Capital, said in a statement. An IPA Capital Markets team led by Max Herzog, Marko Kazanjian and Andrew Cohen arranged the financing. The developers were nearing obtaining a loan in excess of \$700 million a few weeks ago, The Promote reported at the time. The 1,600-unit office-to-residential redevelopment is the largest in United States history. The developers will benefit from the 467m tax abatement program, requiring a quarter of units at a conversion be restricted by income. The development will also include 100,000 square feet of amenities and 30,000 square feet of ground-floor retail space. Construction is underway, expected to wrap in the last quarter of 2027. Earlier this year, the Northwind Group provided the developers with a \$135 million loan, secured by the fee interest in the building. Northwind previously provided \$75 million at 219 East 42nd Street, another part of the redevelopment. Werner owns the leasehold of the larger of the two buildings, the 33-story 235 East 42nd Street, after purchasing it for \$407 million. He bought the smaller 10-story 219 East 42nd Street in partnership with life sciences developer Alexandria Real Estate Equities for \$142 million before buying out the real estate investment trust. Last month, Ran Eliasaf’s Northwind provided \$90 million to David Werner and Nathan Berman’s Metro Loft for a separate conversion of 675 Third Avenue in Midtown Manhattan. The financing covered the acquisition and predevelopment of the soon-to-be residential property.