

RESIDENTIAL NEW YORK

Nathan Berman plots largest office-to-resi conversion with former Pfizer HQ

MetroLoft teaming up with David Werner on 1,500 rentals



Nathan Berman is already working on the city's largest office-to-residential conversion, and now he's planning on topping it. Berman's Metro Loft Management has struck a deal to convert the former Pfizer headquarters in Midtown to roughly 1,500 rental apartments, sources told *The Real Deal*. That would surpass the 1,300 units Berman is working to convert at 25 Water Street in the Financial District. Berman is in contract to buy a little less than 50 percent stake in the buildings at 219-235 East 42nd Street from investor David Werner, who purchased interests in the properties five years ago when the pharmaceutical giant was relocating its offices to Tishman Speyer's Spiral office tower. Berman declined to comment and a representative for Werner did not immediately respond to a request for comment.

Werner owns the leasehold on the larger of the two buildings, the 33-story 235 East 42nd Street, having bought it for \$407 million in 2018. He is in talks to buy the fee position on the ground underneath the building from the owner, the family of late real estate investor Bernard Kayden, according to people familiar with the matter. Werner also owns its smaller neighbor, the 10-story 219 East 42nd Street, in a partnership with the life sciences developer Alexandria Real Estate Equities. The partners purchased the building in 2018 for \$142 million and had planned to renovate it for life-sciences tenants, but Werner late last year signed a deal to buy the property from the REIT.

Samuel Lefkovitz at SBL Investors represented Werner in the deal with Berman. The development would be the largest office-to-resi conversion in a growing pipeline of projects. Berman's Metro Loft is working to convert the 1.1 million-square foot 25 Water Street in the Financial District with Jeff Gural's GFP Real Estate and Rockwood Capital. Gural's GFP also went into contract this week to buy 222 Broadway, also in the Financial District, which can be converted into 600 to 800 units.