



## **Silverstein Properties and Metro Loft Mgmt. to convert 410,000 s/f office building to residential property in \$172.5m acquisition**

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Manhattan, NY Silverstein Properties and Metro Loft Management have commenced the acquisition of 55 Broad St., a 30-story office building in New York's Financial District, for \$172.5 million from the Rudin Family, who will retain an equity stake in the project. Funds managed by Ares Real Estate acquired a preferred equity interest in the project. The partnership is planning to convert the 410,000 s/f building into 571 market-rate apartments, making it one of the largest office to residential conversions in New York.

Construction is expected to begin this month and will be completed over a two-year period. The 571-unit residential property will include layouts ranging from studios to three-bedroom apartments. Designed with a high level of hospitality, quality spaces and finishes, amenities at 55 Broad will include a private club, wellness and fitness activities, an elegant co-working space, and multiple social spaces, in addition to a 45-foot-long rooftop pool, landscaped sundeck, and grill area.

The partnership is committed to maximizing sustainability on this project: Silverstein and Metro Loft will be converting the entire building to electric, using sustainable and recycled materials and environmental systems, and expect to achieve LEED certification. This type of adaptive reuse has many sustainable benefits over ground up construction as most of the carbon intensive building materials (concrete, metal, and steel) are being reused. Upon completion, 55 Broad is projected to have energy usage 22% lower than the existing office building.

Banco Inbursa from Mexico City, which has a long-standing relationship with Silverstein Properties,

provided the debt financing to the project. Gary Phillips from Eastdil served as the broker in the transaction, and also arranged financing with Christopher Peck from JLL.

Designed by Emery Roth & Sons, 55 Broad opened in 1967. It served as the headquarters for Goldman Sachs until 1983. Today the building is approximately 60% occupied. The architect for the conversion project is CetraRuddy Architecture.

“Amid a citywide housing shortage, our conversion of 55 Broad St. will create hundreds of new apartments in Lower Manhattan,” said Marty Burger, CEO of Silverstein Properties. “As our local and national policymakers look to conversions as a critical way to generate new housing, Downtown continues to be a model mixed-use neighborhood, offering lessons to cities across the country. We are excited to partner with Metro Loft on one of the city’s largest conversions.”

“Our team is very excited to work with Silverstein and CetraRuddy to breathe new life into 55 Broad Street and realize its transformation into a luxurious and dynamic residential community,” said Nathan Berman, Founding principal of Metro Loft.

“Silverstein and Metro Loft have both been part of Downtown’s incredible transformation and renewal over the past 20 years,” said David Marks, head of acquisitions for Silverstein Properties. “We are excited to continue our work enhancing the neighborhood with this sustainable adaptive re-use project. There is no better time to re-purpose older office products into modern residential uses.”

“Ares is excited to partner with Silverstein Properties and Metro Loft Management to convert 55 Broad St. into a highly amenitized residential community in the perennially undersupplied Manhattan market,” said Andrew Holm, partner and co-head of U.S. investments in Ares Real Estate. “This investment highlights our ability to invest in assets going through a change of use and our ability to deliver creative financing solutions.”

“As the original developer of 55 Broad St. and long-time investors in Lower Manhattan, we are thrilled to continue to play a part in this exciting new chapter for the building,” said Michael Rudin, executive vice president of Rudin. “In addition to creating 571 new apartments in New York City, this conversion represents yet another important milestone in Downtown’s ongoing transformation into a model 24/7 community.”

“We took advantage of 55 Broad’s unique form with setbacks which enabled us to design a variety of apartment sizes and types ranging from efficient units to loft-like layouts with generous terraces,” said John Cetra, FAIA, founding principal of CetraRuddy Architecture. “In converting the building from commercial to residential use, we recaptured floor area that was then used to add additional square footage at the top of the building, which added value to the investment.”

Silverstein and Metro Loft are vertically integrated real estate development and management firms who collectively are among the most active groups in Lower Manhattan. Silverstein is best known for the development of the World Trade Center. In 2021, Silverstein acquired 116 John Street, which

was converted to residential use in 2013 by Metro Loft.

Metro Loft has spent the past two decades redeveloping some of the most iconic buildings in downtown New York City. The firm has converted more than 3.5 million s/f of offices in Lower Manhattan into thousands of residential units.

Silverstein and Metro Loft's conversion will continue what has become a tradition of the successful repurposing of offices for new housing in Lower Manhattan. Mayor Adams has pointed to the area's success as a case study for Midtown. Following initial waves of projects in the 1990s and early 2000s, more than 19 million s/f of offices in Lower Manhattan have been converted into apartments since 1995, according to the Alliance for Downtown New York. At the same time, city census data shows the population residing in Manhattan has increased since 2010, recently increasing by more than 17,000 residents between 2021 and 2022.

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