



Marcus & Millichap's IPA Capital Markets arranges \$75 million financing for office-to-residential conversion project

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Manhattan, NY IPA Capital Markets, a division of Marcus & Millichap (NYSE:MMI), specializing in capital markets services for major private and institutional clients, has secured \$75 million in acquisition financing for the former Pfizer headquarters in New York City. Located at 219 E 42nd St., the property will be combined with the adjacent building at 235 E 42nd St. and converted into a free-market, Class-A, luxury multifamily apartment building.

“When these two buildings are combined, it will add more than 800 units to the project totaling to over 1,400 units, making it the largest office-to-residential conversion in New York City’s history,” said Max Herzog, IPA Capital Markets.

The New York-based IPA Capital Markets team of Herzog, Marko Kazanjian, Andrew Cohen and Max Hulsh secured the financing with Northwind Group on behalf of David Werner Real Estate Investments and Metro Loft Management.

Herzog said, “The shortage of free-market multifamily units in Manhattan, coupled with David Werner’s acquisition of the property at a favorable basis and Metro Loft’s expertise in office-to-residential conversions helped our team generate significant interest from lenders in providing the acquisition bridge loan. This led to IPA Capital Markets managing a smooth and efficient financing process, ultimately securing strong terms for DWREI and Metro Loft.”

Located in Midtown East, the property will be converted from a 10-story, 291,000 gross s/f office building into a 29-story, approximately 540,000 s/f, luxury multifamily rental property with 660 units ranging from studios to three-bedroom loft-style layouts.

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