

# JPMorgan's Former 'Punch Card' Building Unveils \$10,000 Rentals

Apartments in the 55-year-old building, originally built to house computers, are hitting the market.



A JPMorgan Chase & Co. former office building has been revamped and rebranded as a residential tower. *Photographer: José A. Alvarado Jr./Bloomberg*

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25 Water St., before and after renovation. *Source: AP Photo; Bloomberg*

The nation's biggest office-to-residential conversion is hitting the market with 1,300 apartments carved from a million-square-foot brick fortress originally built to house computers — and not much else. After a two-year transformation, the 55-year-old building in Manhattan's financial district — used for years to process checks, money transfers and other paperwork for Manufacturers Hanover Trust and then later, for back-office staff at its successor bank, JPMorgan Chase & Co. — is now unrecognizable. Broad swaths of intricate brickwork that separated the few windows marking the façade of 25 Water St. have been removed and replaced with, well, windows.



The kitchen and living area of an apartment in 25 Water St. Photographer: José A. Alvarado Jr/Bloomberg

The building's remaining reddish-brown bricks — carefully selected by the original designers to match historic buildings that once stood nearby — are now white. Two light wells have been carved from floor plates measuring more than 40,000 square feet (3,716 square-meters), and ten stories have been placed on top. Inside, 100,000 square feet of amenities including pickleball courts, a pool, a gym, and spa, have been dug out from a basement that once served as a cafeteria for bank employees. It's part of a decades-old evolution of the area, accelerated by the Covid-19 pandemic that decimated demand for old, outdated office space. Tower vacancies in the district are still among the highest in New York, but the condos and rentals that have filled some of their empty shells have fueled a population boom like none other in Manhattan. "Creating light and air where there isn't any, and creating the number of units that were created, it's just mind boggling," Nathan Berman, founder of Metro Loft, one of the project's developers, said in an interview. "Downstairs, they've created, basically, a private Chelsea Piers."

The brutalist structure, with narrow bands of inset windows placed at irregular intervals (a pattern thought to imitate an IBM punch card), was unfriendly by design. "Computers cannot look out of windows," *The Architectural Forum* wrote in a 1970 article about the building, which was also known as 4 New York Plaza. The machines' air conditioning demands made windows "distinct liabilities," the magazine wrote. The building changed hands through a series of bank mergers that eventually formed JPMorgan. The bank sold the building during the financial crisis but continued to lease it, using it for staff across legal teams and other lines of business in non-customer facing roles. They were eventually moved to offices in midtown or Brooklyn as part of JPMorgan's effort to have people closer together, according to a company spokesman. JPMorgan's lease was set to expire in 2025 and the building, which until the pandemic also housed the newsroom for *The Daily News*, was about 70% leased when it sold again in 2022 for \$251 million to Metro Loft, Rockwood Capital and GFP Real Estate.



A one bedroom apartment in 25 Water St. Photographer: José A. Alvarado Jr/Bloomberg



Renderings for 25 Water St.'s golf simulators and rooftop pool. *Source: Streetsense*

After the pandemic, occupancy was around 10% or less, according to GFP executive Brian Steinwurtzel. “The building had to either be torn down or retrofitted for a new life,” said Bradley Gerla, executive vice president at CBRE Group Inc., who was a broker for the building a few years before it was sold. “There was no reuse for that building.”

The developers, individually behind 25 other conversions in the city, obtained a \$536 million loan for the acquisition of the building, its existing debt and the cost of conversion. They struck a deal with JPMorgan to exit the lease. A tower of this size — with 1,320 units in dozens of layouts ranging from studios to three bedrooms, tenant parking, a rooftop and co-working spaces — wouldn't be economically feasible to rebuild from the ground up, particularly when considering the time and permitting required to do so, Steinwurtzel said. New construction of this kind runs about \$1,000 per square foot, according to architect John Cetra, who oversaw the project. That would amount to about \$1 billion for a building the size of 25 Water St. Rents will range from more than \$3,000-a-month for a studio to about \$10,000 for three-bedroom apartments, not including an undisclosed amenity fee. Monthly rent for the higher-floor apartments, which will be ready to rent in a few months, will near \$12,000. A quarter of the apartments are planned to be offered at reduced rates through an affordable housing program approved by the state last year in exchange for tax abatements, according to Steinwurtzel. Two blocks from Battery Park, four from major subway lines and around the corner from the FDR Drive, the building — rebranded as SoMA for South Manhattan — is set back on a wide avenue, giving three of its sides uninterrupted views.

Stairwells that once occupied precious corner real estate were moved into the center of the building. Cetra designed more than 70 different layouts to fit a variety of renter needs. They include custom Italian kitchens with paneled appliances, washer and dryer, solar shades and high-speed WiFi. “Everything has some value, but the highest value was to convert it to a residential building,” said CBRE's Gerla. “It was not going to survive the way it was.”



Vintage photo of a computer floor in the former 4 New York Plaza for *The Architectural Forum*. *Photographer: Ezra Stoller for The Architectural Forum*



Brian Steinwurtzel during a tour of 25 Water St. *Photographer: José A. Alvarado Jr/Bloomberg*