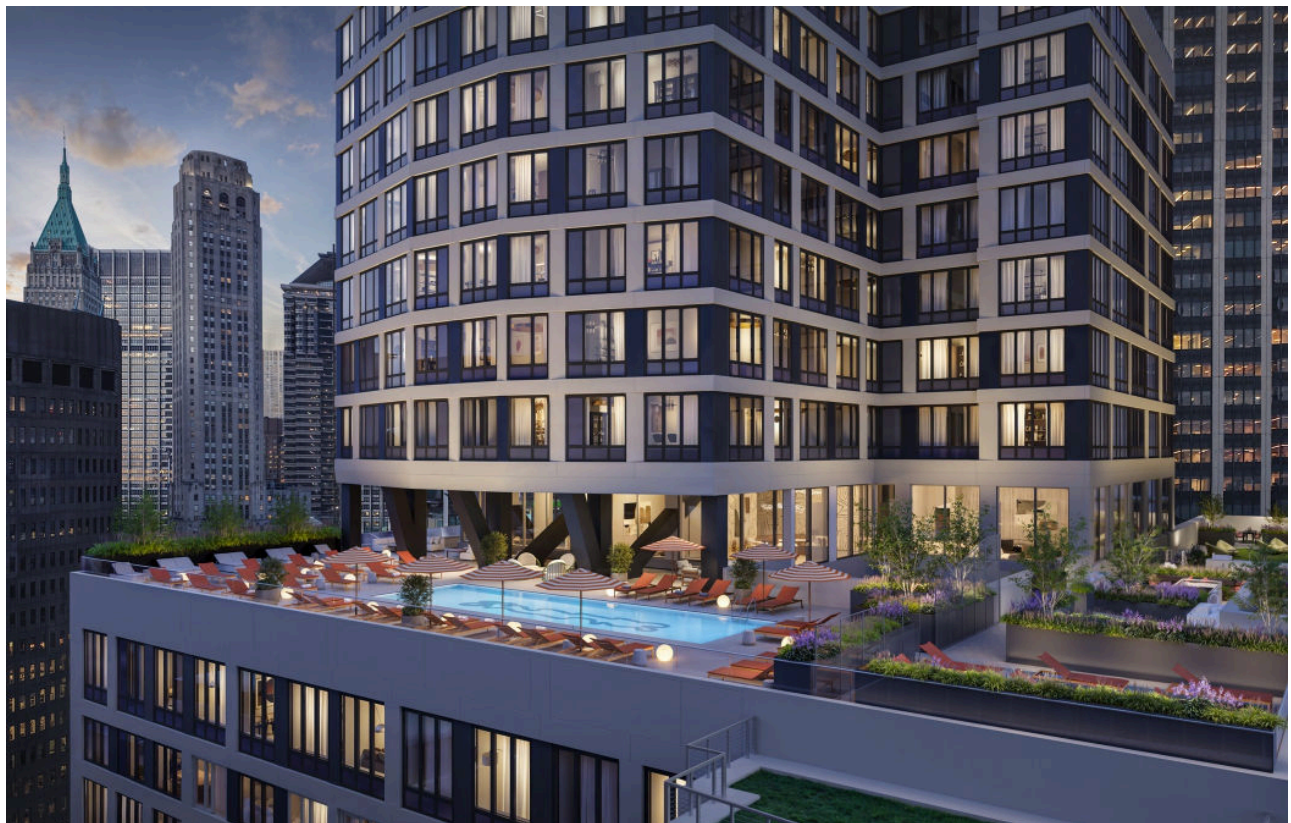




## DESIGN & CONSTRUCTION

# Manhattan office tower that seemed unlikely conversion candidate launches leasing as luxury apartments

GFP, Metro Loft, Rockwood convert former 25 Water St. building in Financial District



Outdoor swimming pools and courtyard decks are featured in the SoMa office-to-residential conversion. (Streetsense)

By [Andy Peters](#)

CoStar News

February 10, 2025 | 1:51 P.M.



Like many outdated office buildings, 25 Water St. in Manhattan's Financial District wasn't suitable for conversion to residential. The developers and architects converted it anyway.

The 32-story apartment tower, now known as [SoMa](#), began accepting lease applications last month ahead of the first units opening later this month. Developed by GFP Real Estate, Metro Loft Management and Rockwood Capital, the \$530 million project joins a raft of new luxury high-rises at the southern tip of Manhattan Island, one of the most-expensive multifamily markets in New York.

The project shows that, if the money is available and local regulations are amenable, nearly any office building can be converted to residential, architect [John Cetra](#) told CoStar News. Built in 1968, the floors at [25 Water St.](#) were too big and the exterior walls had too few windows. It took a creative approach to design and a development team willing to front the needed funds to make a conversion possible, he said.

“More often than not, the potential for residential conversions in older office buildings are really not cost-effective,” said Cetra, founding principal of his New York-based architecture and design firm CetraRuddy. “There is too much interior space to be used for much of anything.”

That problem was solved by adding two lightwells to the core of the tower, creating a flow of sunlight to internal courtyards, Cetra said.

The exterior also got a complete makeover. Most of the reddish-brown brick on the exterior has been removed or covered with glass. A 10-story structure was added to the top. Scores of new windows were installed that look out on the streets of New York.

SoMa is one of the largest office-to-residential conversion projects in the U.S., with the creation of about 1,300 new housing units.

CetraRuddy is also the design architect for another large office-to-





Ten stories were added to the top of SoMa tower, and the facade replaced and scores of windows installed. (Streetsense)

residential conversions, [55 Broad](#) for Silverstein Properties and Metro Loft.

The SoMa building originally housed a processing center for Manufacturers Hanover Trust and handled tasks like processing



printed checks. It later served as offices for the bank JPMorgan Chase and the New York Daily News tabloid newspaper. The design of the exterior was intended to resemble an IBM punch card.

“As a late 1960s office building designed to hold computers, there weren’t many windows,” Cetra said. “Computers don’t need daylight, but they forgot about the people working on those computers.”

### City wants housing

In the city of New York’s push to develop more housing, 25 Water St. emerged as a viable candidate for conversion, Brian Steinwurtzel, co-CEO and principal at GFP, told CoStar News. GFP, Metro Loft and Rockwood acquired the building in 2022 for \$251 million.

“We had to remove most of the façade and replace it with a brand-new glass wall,” Steinwurtzel said.



Exterior brick on the former 25 Water St. tower was replaced or covered with a new facade. (CoStar)

SoMa is one of the first buildings to utilize the city's new [Office Conversion Accelerator](#) program that intends to make the process of obtaining building permits and other approvals from city departments more efficient.

The multifamily market in the Financial District is tight, leading developers to seek conversions for older office buildings such SoMa that might not be considered in other parts of the U.S. The Financial District's 3.2% multifamily vacancy rate is lower than the [national rate](#) of 8.1%, according to CoStar data. About 2,500 units are [under construction](#) in the Financial District.

The Financial District also is expensive. The average asking rent for a market-rate apartment is \$5,518 per month, according to CoStar data. That's higher than the average monthly rent of \$3,237 for the entire New York City market. Rents at SoMa will range from \$3,000 per month for a studio and \$10,000 per month for a three-bedroom apartment.

About 25% of the units at SoMa are set to be priced at reduced rates through a state of New York program that provides tax incentives for affordable housing.

Residents at SoMa will have access to an extensive array of amenities, including a bowling alley, basketball court, 18,000-square-foot gym, pools, a spa with an infrared sauna, Himalayan salt room, personal concierge services and a golf simulator. Amenities cover a total of 100,000 square feet inside SoMa.

GFP developed a matrix with data on the amenity packages at other Manhattan residential towers, helping the team decide which amenities to include. "Even for me, I'm still amazed when I see the amenities," GFP's Steinwurtzel said.

## For the record

[Sarah Patton](#) and JR Sena at Compass Development Marketing Group are leading the leasing effort. [Nathan Berman](#), founding principal of Metro Loft, led the project on behalf of his company. Pavarini McGovern is general contractor.

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### Companies

[GFP Real Estate LLC](#)

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