

DOWNTOWN

Residential Real Estate

Devin and Julie Hawthorne can barely contain their excitement as they explore a condominium for sale at The Victorians, a group of Capitol Avenue brownstones on the National Register of Historic Places. They take savored steps on the hardwood floor, peer into closets, visualize their plants on the wide window ledge and try to decide whether their bed will make it up the winding stairs to the loft. "I love old brick buildings with a history," says Julie. The Hawthornes, who both work downtown and enjoy going to The Bushnell, Hartford Stage and Theater Works, are relocating from Farmington and are part of what many developers in Hartford hope will be a growing trend in the city's residential real estate market.

A slew of private developers in partnership with the city of Hartford, the state of Connecticut, Capital City Economic Development Commission, the U.S. Department of Housing and Urban Development, the Hartford Economic Development Commission and the Connecticut Housing Finance Authority are counting on young couples like the Hawthornes to relocate in droves and revitalize a city that faced an exodus of 11 percent of its population in the 1990s according to the 2000 Census. Many still perceive Hartford as a city with a comatose nightlife not conducive to a residential lifestyle.

Perhaps things are about to change. Approximately 1,000 new residential units and plenty of retail space and restaurants to accompany them are poised to bring new life to Downtown Hartford.

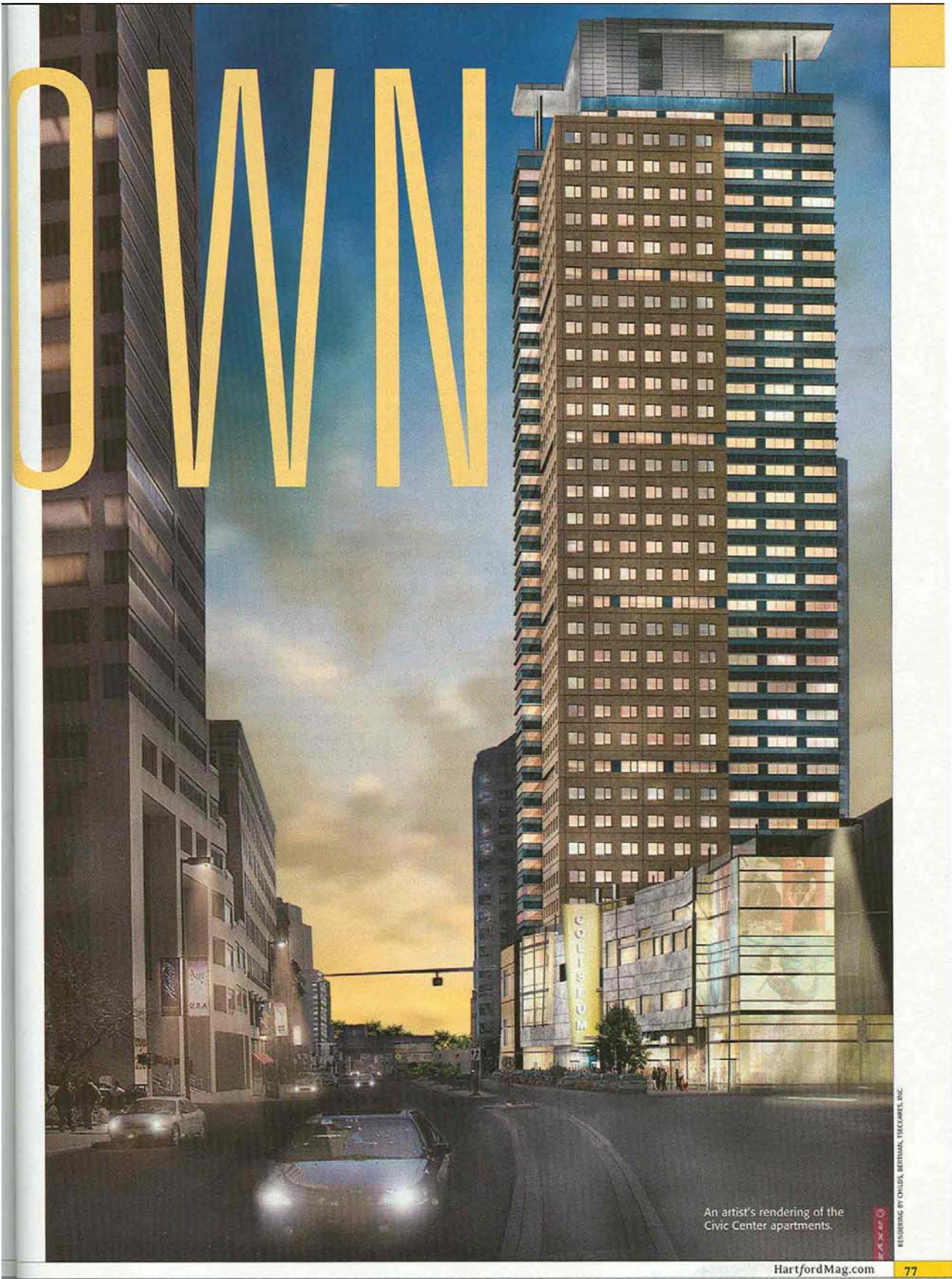
"Finally, there'll be life after five!" exclaims Peter Standish, a senior vice president at the

Massachusetts-based Northland Investment Corp., which is constructing \$155 million Town Square by demolishing the Civic Center Mall at the corner of Trumbull and Asylum streets. In its place, a massive 36-story residential tower made up of 262 luxury apartments, retail space and an 800-car parking garage is set to kick off this spring.

"The whole concept is to take this bunker-like Civic Center Mall and turn it into a beacon for downtown," says Standish. The 262 luxury apartments will be between 750 and 2,000 square feet and rent for about \$1,400 to \$2,200 per unit/month. They're targeted at professionals with dual incomes and empty nesters who enjoy urban living. "It's going to be a wonderful opportunity for people in suburban markets, many of whom come downtown to work," says Standish. "Now we're creating a new alternative for them."

Alan Plattus, professor of architecture at Yale University, agrees. Young professionals, empty nesters, telecommuters seeking loft-style live/work units and even retired people, he says, will be a part of this trend in lifestyle choices. "They choose to cut traveling time during com-

By sujata srinivasan



An artist's rendering of the Civic Center apartments.

...mutes, prefer not to deal with a big house and yard, and like the idea of an apartment in a convenient city center where they can walk to restaurants, theatres and other amenities. This phenomenon is happening all over the country, especially in medium-sized cities."

South of Town Square, David Nyberg's 55 On The Park is brimming with young professionals and empty nesters. Disuse and dust have made way for elegance and élan as the former SNET building on Trumbull Street has been transformed into 132 upscale apartments that offer spectacular views of Bushnell Park and Downtown Hartford (and rent for between \$815 and \$3,750, per unit/month). "There is a lot of hope that within the next few years we will continue to see a resurrection of the city," says Dr. Witold Waberski, director of anesthesiology at Hartford Hospital and a tenant. As empty nesters, Waberski and his wife, also a doctor at Hartford Hospital, enjoy the proximity to their workplace and the conveniences of apartment living.

Across the street, Martin J. Kenny, developer of Trumbull on the Park LLC, is set to complete construction of the \$38.5 million Trumbull Center by year's end. The project will include a 600-car parking garage scheduled to open in July, 8,000 square feet of retail space, and Geno Auriemma's new 5,000-square-foot Italian restaurant. Of the 100 units, 88 will be in the newly constructed nine-story brick building overlooking Bushnell Park, units here will be leased starting at \$950 and topping \$1,400 per unit/month.

An additional 12 units are being developed from two existing buildings: 25-27 Lewis Street and 31-33 Lewis Street, which are on the National Register of Historic Places, but currently in an extremely damaged condition. Repairing both buildings will cost around \$350,000 to \$400,000 per apartment, says Kenny. Given their historic significance, he resisted demolishing the structures entirely, although it would have been a more cost-effective option.

Like his fellow developers, Kenny is targeting young professionals, middle-aged divorcees and empty nesters. "Currently there are about

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RENDERING COURTESY OF AMERITA ITALIA ARCHITECTS



With spectacular views of Bushnell Park and Downtown Hartford, the former SNET building on Trumbull Street has been transformed into 132 upscale apartments.

130,000 people that work in the Hartford Central Business District (CBD)," he says. "Presently, within the same area, there are about 250 to 300 market-rate apartments available. If you look at this ratio compared to other cities, it's probably one of the lowest ratios of apartments to workforce in the country." Kenny believes the situation will improve once the approximately 1,000 new apartments are added to the market.

Further, Kenny has purchased the building, 111 Pearl Street, and plans to construct 60 loft-style apartments with retail on the first two floors. "My commitment to Hartford is more than money," he says. "I've seen the potential of this city. But without people living here, it won't work."

Downtown businesses are sensing a potential boom in their customer base. Several players have opened shop, though not all are looking for huge spaces. "From a commercial perspective, we've seen a lot of interested businesses

looking for small, boutique-kind of properties; some are converted old brownstone or brick buildings in Hartford CBD," says Bobsie Ness, a senior vice president at the real estate firm of CB Richard Ellis. "We have sold some at relatively high prices, comparatively speaking, to other downtown properties."

This residential boom is generating lively interest. Even before construction had begun, the University of Hartford had committed to more than 80 percent of the 42 four-bedroom townhouses (approximately 1,450 square

MAYOR EDDIE PEREZ

HM sat down with Mayor Eddie Perez to discuss key issues that will affect Hartford's rejuvenation and his vision for the city.

Hartford Magazine: How will the dynamics of Hartford change with the construction of these approximately 1,000 residential units?

Mayor Eddie Perez: I hope that by the end of my administration there will be close to 3,000 new housing units—a mix of home ownership and rentals. Putting feet on the street is key. If you have enough volume of people on the streets and sidewalk, you start getting businesses to stay open longer and you get new businesses to fill in some of the empty shops downtown. Life gets extended, and that life is partly people living downtown and using the amenities here.

What do you expect in the coming years?

The next thing you'll see is a high competition for office space. About 20 percent of our office space is vacant. I think that within a year, you'll see that drop in half. As soon as the feet are on the street, you'll see restaurants and cultural organizations providing more programming and diversity because there will be more customers.

The good sign is that the economy is sending a good signal by saying we are getting private investments in the next cycle of deals. In the next two to three years, you will see less and less public subsidies and more and more private deals.

Could you comment on the investment you've made in schools, and your efforts to make Hartford a safer place for residents?

We're going to put \$800 million into our schools—all of that is construction. By the end of this administration, we'll probably get to a billion dollars in school construction.

I think we have a safe city and a safer downtown. Right now the concentration is on business safety because that's where the bulk of the work is. But we will definitely shift to more residentially based strategies and continue to be vigilant in protecting residents. When we have another 2,000 to 3,000 residents down here, they're going to need more police services. I think we would have to shift our police crime-fighting strategies [to be] more proactive around residential living and making sure that people feel safe getting into their houses, and getting from one end of downtown to another. **M**

feet each) to be built by 18 Temple Street LLC behind the Sage-Allen building and on top of the 318-car parking garage. The units are targeted for students and corporate interns.

Built in 1898, the classic renaissance revival-style Sage-Allen building (on the National Register of Historic Places and abandoned since 1991) will undergo a metamorphosis into 78 market-rate apartments with 12,000 square feet of retail on the ground floor facing Main Street. The \$43 million project is scheduled for completion in 18 to 20 months. Also, Temple Street is set to be re-opened to create a link between Main and Market streets.

"I remember as a kid, this was the heart of Downtown Hartford," says Marc Levine, principal, 18 Temple Street LLC. "When this project is done, an entire side of Main Street will be brought back to life. In every city that's experienced revitalization, the linchpin is getting a residential base."

Plans are also afoot at the corner of Park Street and Bartholomew Avenue to convert the former site of Hartford Rubber Works into 87 one-bedroom units, and 29 studio apartments. The developer, 2074-1429 Park Street LLC, is planning retail and office spaces on the first two floors.

Evicting drug dealers, opening boarded-up buildings for occupation and creating a safe environment often helps to transform an inner-city's face. Rego Corp. has been doing just that—scouting for abandoned buildings, buying them from individual owners or the city, then renovating and leasing them. Rego owns 420 apartments that generate an annual rental income of \$3 million, and the company has a profit margin between 8 to 15 percent, says Jose Reategui, president of Rego.

When Rego bought 50 Allen Place in 1996, it was a haven for drug dealers. The company evicted them, restored the damaged building and rented it. However, its neighbor, 45 Allen Place, was an eyesore, so they bought it and leased it as well. "Now it's one of the best buildings we have," says Reategui.

The apartments are priced between \$400 and \$800 per month, which makes it more affordable for those that find the new developments in the city beyond their reach. Property

values in inner cities are appreciating steadily. Reategui says 50 Allen Place has appreciated 100 percent, and 411 Franklin Ave., which he bought two years ago, has appreciated approximately 40 percent.

Last year, Rego purchased and renovated a building on Buckingham Street that was boarded up for more than 40 years. It is now almost fully occupied. Celia Alamo and her 10-year-old son, Emmanuel, from Puerto Rico have been residents at Buckingham since December 2003. "It's quiet here and I have a beautiful view of Downtown Hartford from my bedroom," says Alamo. "I love to sit by the window and see the lights in the evening."

Harry Freeman, executive director of the Hartford Economic Development Commission, enthuses over the magnitude of private investments being pumped into the city. "If you look around, you will see about \$400 million in private financing and \$500 million of state investment," he says.

While all this should bring the masses of people Hartford so desperately needs, are people willing to invest long-term and buy a home in Hartford?

Susie Hatch of Coldwell Banker is among those who believe that more people will start buying homes in Hartford. "The downtown market is turning around and is very, very strong," she says. "People who are buying now are making good investments." Hatch sold 10 condominiums in the Charter Oak neighborhood during the last 18 months for between \$90,000 and \$160,000. "Any one of those buyers could put their condominium back on the market for 20 percent appreciation, probably more," she says.

One of Hatch's clients more than doubled his money when she sold his unit in The Linden a year and a half ago. He then purchased a unit at Bushnell On The Park and again sold it for a 20 percent appreciation in just a year.

The Victorians on Capitol Avenue, which were owned by an individual who leased them out for the last ten 10 years, came on the market this February. Of the eight units for sale, Hatch says three have sold for between \$120,000 and \$135,000.

Helene Brown from Bushnell On The Park enjoys being part of a close-knit community of residents from the nearby Bushnell Tower (1 Gold St.), The Linden (1 Linden Place), and buildings on Buckingham and Charter Oak. She's looking forward to welcoming new residents and hopes more amenities will follow. "The more people that move downtown, the better services for those of us who live here, such as a mini-supermarket or a florist within walking distance," she says.

However, families with school-age children, a critical demographic that cannot be ignored for long, are not among those expected to create this critical mass. The Hawthornes, who plan



Residents at The Linden are looking forward to welcoming newcomers to Downtown—and hoping that new amenities will soon follow.

to relocate to The Victorians from Farmington, say they will move out once they have children ready to go to school.

“A lot of suburbanites with children would love to move to the city but are fearful that schools are not up to snuff,” says Brown.

David Chabot, who has seen fellow residents at The Linden leave when their children reached

school-going age, says, “Attracting a larger segment of the population is a function of a number of different things, including public safety and public education. We need to show things are improving, and they are. The mayor is investing millions of dollars in school renovation.”

Developers are also building pockets of owner-occupied properties in Hartford. New York-based Ginsburg Development Co.’s \$23-million redevelopment of Goodwin Estate in Hartford’s West End, is well underway. GDC purchased the 17-acre estate from the city, once owned by financier Walter Goodwin. The estate, listed on The National Register of Historic Places, consists of the original 1909 mansion whose interior was almost completely destroyed by fire in 1997. The mansion is being renovated into seven luxury apartments. Its west wing will include a community center with a library, foyer, kitchen and fitness center. Also, 56 townhouses will be built on the landscaped grounds in a style reflecting the mansion’s architecture.

John Reveruzzi of Milano Corporation is set to convert the Capewell Horse Nail Corp. factory near Adriaen’s Landing into 92 condominium units priced between \$100,000 and \$175,000, while Phil Schonberger of Albermarle Equities is building luxury townhouses as large as 1,800 square feet at the corner of Buckingham and



The Goodwin Estate consists of the original 1909 mansion whose interior was almost completely destroyed by fire in 1997 (see below). It is being renovated into seven, luxury apartments, and 56 townhouses will also be built on the landscaped grounds in a style reflecting the mansion’s architecture.



Hudson streets, and plans to pre-sell the first few at \$300,000 and up.

Dr. James Roulan, a resident at the Bushnell Tower for 22 years, says people have wanted to purchase large units at the Bushnell, but they are no longer available. “People are looking for space such as what Schonberger is building,” says Roulan. “Empty nesters in big homes in the suburbs wanting to come into the city don’t want to be cramped into little spaces.”

Schonberger is keeping his fingers crossed. “My research is going to be in finding out if people will buy the condos,” he says. “If they don’t, we won’t build them. If they do, we’ll

build some more. It’s pretty scientific.”

Old-timers like 76-year-old Thomas Ranney, who relocated to West Hartford from Hartford years ago, has seen several ventures to jumpstart the city flounder. He now views the efforts to woo residents into Hartford with cautious optimism. “I wish it’ll work, but I’m worried whether it will or won’t. Greater Hartford needs it to work because Hartford is the capital of the state and is originally the reason all suburban towns are here. Some cities have been able to bring themselves back to life; maybe Hartford can, too.”