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## Downtown Worcester office-to-condo project receives \$8.1M from MassHousing



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Two Chestnut Place is over 100 years old and sits in the shadow of the much larger One Chestnut Place, formerly the headquarters of Fallon Health.

By Eric Casey

**A**n effort to convert a former office building at Two Chestnut Place in Worcester into 22 owner-occupied condominiums for first-time homeowners has received \$8.1 million from quasi-public agency MassHousing.

The project has received funding from the Commonwealth Builder fund, a program administered by MassHousing in an effort to address the racial homeownership gap in Massachusetts by creating new homeownership and wealth-building opportunities in underserved communities, according to a press release issued by MassHousing on Tuesday.

“MassHousing is pleased to be part of this opportunity to develop 22 brand new homes in the heart of Worcester that will be affordable to first-time homebuyers,” MassHousing CEO Chrystal Kornegay said in the press release. “These new homeowners will be able to put down roots in homes they can afford in Worcester’s downtown with all the services and amenities available there.”

Synergy, the Boston-based developer which first pitched the office-to-residential conversion, announced earlier in January it was partnering with Boston-based nonprofit The Planning Office for Urban Affairs on the project.

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“We’re grateful for another opportunity to utilize MassHousing’s Commonwealth Builder program to provide first-time homebuyers in our community with an opportunity to build equity, and for an opportunity to develop housing that lessens the wealth inequality gap,” Bill Grogan, president of the Planning Office for Urban Affairs, said in the press release. “This project will be transformative for Worcester and serves as a model for the Commonwealth.”

Two Chestnut Place shares a parcel with One Chestnut Place, the 11-story former headquarters of Worcester-based Fallon Health, which is also slated to be converted to be residential units.

Synergy announced its plans to convert both buildings to residences in July. The project has received \$4.2 million in construction financing from The Life Initiative, a Boston-based investment fund, and \$2 million in affordable housing trust funding from the City of Worcester, according to the press release.

Office-to-residential conversions have their challenges, but present an opportunity to tackle the region’s housing crisis while finding a new use for the large amount of unused office space in Central Massachusetts.

*Eric Casey is the managing editor at Worcester Business Journal, who primarily covers the manufacturing and real estate industries.*

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