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Owner of former Fallon HQ to partner with Catholic nonprofit to convert Worcester office building into affordable condos



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Two Chestnut Place (left) is set to be converted into 22 affordable condominiums.



By Eric Casey



The owner of the prominent downtown Worcester office buildings at One and Two Chestnut Place has transferred ownership of the smaller building to a Boston-based

nonprofit, as part of a partnership to convert it to 22 affordable for-sale condominiums.

Boston-based real estate investment and management firm Synergy is partnering with nonprofit The Planning Office for Urban Affairs to co-develop the 50,000-square-foot former Worcester office building known as Two Chestnut Place.

Synergy first announced its intent to convert [One Chestnut Place and Two Chestnut Place into housing in February](#). One Chestnut Place was the [headquarters of Fallon Health before the Worcester insurer](#) announced it would move into the former Unum Building at 1 Mercantile St.; Synergy is planning on converting One Chestnut Place into 198 apartments, in a project expected to cost \$73 million.

For the Two Chestnut Place conversion into 22 affordable condominiums, Synergy and The Planning Office will work together, according to a press release issued by the company on Thursday. The redevelopment project is estimated to cost \$14 million.

Synergy will convey Two Chestnut Place to The Planning Office as part of the partnership. The company didn't disclose a sale price, although the property could be transferred for as little as \$1. As of Thursday morning, Synergy remains the owner of 22 Elm St., the property containing both One Chestnut Place and Two Chestnut Place, according to Worcester District Registry of Deeds records.



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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.

“Partnering with a group with the extensive experience and knowledge of The Planning Office for Urban Affairs only strengthens our commitment to bringing more housing to Worcester in the most effective way possible,” David Greaney, founder and CEO of Synergy, said in the press release. “With their track record of managing affordable housing needs, they strengthen the offering Synergy will be bringing to the city.”

While [converting former office space to residential units](#) comes with its challenges, changes in worker habits have diminished the need for office buildings, leading [some owners to consider alternative uses](#).

A social justice nonprofit operated by the Archdiocese of Boston, The Planning Office for Urban Affairs has developed more than 3,000 units of housing since its founding in 1969, including the Hadley Apartments and Mount Carmel Apartments in Worcester, according to its website.

“Synergy’s expertise in development, construction, leasing, and property management, makes them the perfect partner to bring this affordable housing plan to fruition,” William Grogan, president of The Planning Office for Urban Affairs, said in the release. “We look forward to making a lasting impact for the Worcester community with these condos.”

In addition to owning One Chestnut Place, Synergy owns the [Glass Tower at 446 Main St.](#), one of the city’s most prominent office towers.

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