

LOCAL

Ownership of former bank building at Chestnut Place transferred; condos planned

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WORCESTER — The real estate company looking to breathe new life into the former home of Worcester Federal Savings, also known as Two Chestnut Place, 22 Elm St., has transferred the ownership of the building to the Planning Office for Urban Affairs, an affiliate of the Archdiocese of Boston.



The transfer of ownership aims to develop the building into 22 affordable condominiums, Boston-based Synergy Investment said in a statement.

This falls in line with [Synergy's plans to turn the four-story building](#) into 22 affordable condominiums.

The renovations are part of a two-step plan that Synergy announced last year and also includes the revamping of the 11-story building commonly known as the Fallon Building or One Chestnut Place into 198 market-rate apartments.

On its website, the Planning Office states that it's "committed to building permanent affordable housing for seniors, families, special needs populations, the working poor and the homeless."

Two Chestnut Place is a four-story 50,900-square-foot building that dates to the 1920s and was once the home of Worcester Federal Savings.

In a letter of interest to city officials penned early last year, Synergy estimated that renovations would cost about \$14 million to flip the office building into six one-bedroom condo units, 13 two-bedroom units and three three-bedroom units.

The project is set to also make available for tenants and owners about 211 garage parking spaces that Synergy acquired in last year's purchase. Twelve of those are electric car spots.

As part of the project, Synergy has vowed to maintain the "architecturally appealing" colors, window styles and others in the letter of interest.

Synergy purchased Two Chestnut Place in a joint deal along with One Chestnut Place building for \$10.5 million in 2023.

Dating to 1990, One Chestnut Place was built at a cost of \$33 million to accommodate the Fallon Health headquarters.

Since the sale to Synergy, Fallon has moved to the other side of Main Street into the One Mercantile building, formerly known as the Unum Building.

The developer estimates the 11-story building conversion to cost about \$73.3 million to flip its 196,380-square-foot space into 74 studio units, 84 one-bedroom units and 40 two-bedroom units.

For the project, Synergy has said that they would pursue a tax increment exemption plan under the state's Housing Incentive Development Program that would include an average annual exemption of 44% over 15 years that would save the company an estimated \$3.96 million.

The incentive program is run by the state Department of Housing and Community Development and provides private developers with a modest incentive to catalyze market-rate housing production in cities historically designated as centers of poverty and racial inequities, also known as Gateway Cities.

Synergy also owns the [Glass Tower, the building at 446 Main St.](#), where the company has pumped \$2 million for renovations since buying it in 2019.