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Connecticut Developers Bank on Young Singles

By LISA PREVOST July 24, 2011

DEVELOPERS are zeroing in on downtown revitalization efforts in Hartford and Bridgeport, where new rentals have proved popular with young singles. In both cities, the market is hot for studios and one-bedrooms — partly, developers say, because this generation of 20-somethings does not like to share.

“Our notion when we started was a lot of people would want to share apartments and share costs,” said Philip Kuchma, the developer of an 84-unit apartment building in downtown Bridgeport. Since the building opened last year, however, the two-bedrooms have been slower to lease, while names are accruing on a waiting list for one-bedrooms.

Mr. Kuchma ascribes the pattern to the fact that graduates today are likely to have spent time living with their parents after college, so that when they’re finally ready to move out, “they’ve decided they want a place of their own,” he said.

The preference is stronger in Connecticut than in larger urban markets, said Mike Martin, a senior vice president of Winn Residential, a Boston-based property management firm that oversees several rental buildings in downtown Hartford.

“In Boston and New York City,” Mr. Martin said, “people are used to living with roommates. But Hartford is a market where people want their own space.”

Hartford and Bridgeport have spent the last decade trying to revitalize their stagnant downtowns by creating enticing living spaces. Mr. Kuchma’s building, which anchors a commercial development known as Bijou Square, was the first new residential construction in downtown Bridgeport in two decades. Rents for its 22 one-bedroom apartments start at \$950, which makes living alone more affordable than in cities closer to New York, like Stamford, Mr. Kuchma said. More than a dozen of his tenants commute by train to Manhattan.

The bulk of Bridgeport’s new apartments were created through a partnership of Urban Green Builders of New York City and Ginsburg Development Companies of Valhalla, N.Y. The developers converted three historic downtown properties — the Arcade, the Citytrust bank building and 144 Golden Hill — into roughly 175 apartments with ground-floor retail. Another office building conversion, 333 State, is scheduled to open this fall with 64 more rentals.

The number of people living in downtown Bridgeport, a small area of about 8 by 12 blocks, has doubled over the last five years, and is expected to reach 1,500 by the end of the year, according to Donald Eversley, the director of the city’s Office of Planning and Economic Development.

Developers are well aware of the unmet demand for smaller rentals. Plans are under way for the conversion of the upper floors of buildings on the south side of McLevy Green, at the corner of State and Main Streets. And a couple of acres of city-owned property will be available soon for more mixed-use projects. “The reason we’re putting it on the market is because developers have been bugging us about it,” Mr. Eversley said. “The market demand has been proven.”

One sure sign of confidence in the downtown’s appeal to young people: plans for a new brew pub. Christian Burns, owner of the Cask Republic, a restaurant in New Haven, has secured a lease to open a pub and restaurant on the ground floor of the Citytrust building. It is to be modeled after a German beer hall, with long communal tables, a wide selection of beers on draft, and homemade sausage.

“There just seemed to be an opportunity in Bridgeport, getting in on the ground and watching it build up,” said Mr. Burns, who also owns restaurants in Greenwich and Norwalk. “There is a definite attractiveness to being involved with that.” A long-awaited food market is also on the way. Clyde Ripka, the owner of the Bull’s Head Markets in Norwalk and Stamford, has a lease to open a similar market in the Arcade.

Downtown Hartford landed a grocery store in March, on the ground floor of the high-rise apartment building Hartford 21. Run by Ryan and Kelleanne Jones, the owners of the Mill at 2T restaurant in Simsbury, the market caters to busy professionals with a variety of prepared foods, as well as a full selection of groceries. “Between 5 and 7 p.m.,” Mr. Jones said, “most of the people coming in are looking for meal replacements — something they can pick up, take home and heat up.” The “huge” favorite, at \$5 to \$8 a serving, is the noodle bar.

Brian Lemire, a senior property manager for Winn Residential, handles leasing at several downtown properties, including the Lofts at Main and Temple, with 78 apartments priced at the higher end of the market, and the Hollander Foundation Center, most of whose 70 apartments are priced below market rate for renters whose incomes qualify. Studios and one-bedrooms have always been the most desirable at both ends of the market, he said, adding that most buildings had waiting lists.

In hopes of tapping into that demand, two New York City developers, Wonder Works Construction and Girona Ventures, recently bought Hartford’s long-vacant Clarion Hotel for conversion to rentals. The reconfigured building will cater to young people with 193 small apartments and amenities like a media room and a health club, said Jeff Ravetz, Girona’s president.

“Clearly there’s an inordinate demand for one-bedrooms and studios,” said Martin Kenny, the developer of Trumbull on the Park, a 100-unit apartment building in downtown Hartford, “and it’s really that demographic of 25 to 34. I have four kids in that demographic, and they just don’t like to live with other people.”

Most of the downtown residential development in Hartford over the past decade catered to professionals looking for high-quality apartments in prime locations, Mr. Kenny said. He is now looking into developing lower-priced options for what he sees as an overlooked market segment: workers who don’t earn as much — a credit bureau employee, perhaps, or a waiter at a high-end restaurant.

“If you’re able to deliver product that’s smaller, say 450 square feet for \$900 a month,” he said, “that’s where they want to be.”