

## New player in downtown offers a different view — literally

by Stephanie Riefe

The panoramas are stunning. The 26th floor of the Bank of America building features a bird's-eye view of Hartford like few others.

And soon, those views can be yours.

Michael Grunberg, principal of Manhattan-based Grunberg Realty, bought the building at 777 Main Street in June, and has plans to convert floors 17 through 26 into condominiums.

High-end condominiums.

The condos will hover, on average, at about 2,000 square feet, with some larger and smaller than that. There will be duplexes, some with elevators, in addition to single-story units. He plans to offer about 50 condominiums to start, with an eye toward reclaiming additional floors in the building and converting them to condos as Bank of America consolidates its offices.

The 360,000-square-foot building, built in 1964, has retail on the ground floor, such as a tobacco shop, hairdresser, and an optometrist. Mr. Grunberg plans on retaining and hopefully expanding the retail component.

Grunberg Realty owns two other properties, both commercial, in Hartford. The company entered the market about three years ago with the purchase of The Medical Arts Building at 21 Woodland Street. And then about 18 months ago he bought 280 Trumbull Street. The company also owns property at 628 Hebron Avenue in Glastonbury.

In all, the company has invested in excess of \$100 million in Hartford and the surrounding areas. And he plans to spend millions more in the refurbishing of 777 Main Street. He did not want to be specific as to when these condos will be available, but as the owner of the building outright — there is no mortgage — he can afford to take his time.

Grunberg Realty was started by his parents, Fanny and Zvi, more than 40 years ago, and is involved with residential and commercial real estate. Connecticut LIFE sat down with Mr. Grunberg on the 26th floor to talk about his plans for the Main Street building, his first residential project in Hartford.

**Why Hartford? What data did you look at that made you confident in this market?**

It's been a logical progression of getting to know the market. There isn't a lot of empirical data. I'm going by more anecdotal and seat of the pants. I don't have partners. I don't have investors. I'm not a REIT (real estate investment trust) or a fund, and as of yet I don't take government money. People in my position can make those decisions.

**Are you worried at all?**

I don't think I can be too wrong, because there's all these others before me.

**How will you differentiate yourself from the other projects also under way or in development?**

I can say categorically that mine will differ from all others in a positive way because I have these views; I have these ceilings, and I have these windows. I would have to really make a humongous blunder to fail in terms of the units themselves.

**You are moving into Hartford 21 (a new 262-rental apartment building). What do you expect to gain from the experience?**

I've become acclimated (to Hartford) by actually immersing myself in the market and now I'm actually going to live in the market. Because I intend to do residential, it

would behoove me to see the market from the inside out. I'm going to see what this town needs. I will see and experience any deficits and make sure that I don't replicate them.

**Who do you see living in your building?**

All of the people that are renting at Hartford 21 and potentially any other development in Hartford. There's only one opportunity to purchase and that is the Metropolitan. Bushnell Towers is already spoken for.

**You have several properties in New York and had an office in Greenwich, which is now moving with you to Hartford. What attracted you to Hartford and the Bank of America building?**

I had no opportunity to really drive through (Hartford) other than to drive by and I can tell you Hartford has an impressive skyline and I'm ecstatic to own bits and pieces of that skyline. There's nothing more distinctive than the Travelers Tower and as you see it from this building up close it's even more impressive. It's like you're looking at something out of a Batman movie like Gotham. And at night, when you see the lights coming off of it — all they're missing is the silhouette of Batman coming out and you think "This is Gotham."

**So renters mainly?**

Present day renters who would want to take advantage of their dollars and not throw money out the window for rent and would rather pay down a mortgage. If the (interest) rates should climb I'll even be the bank. I'll open up a bank and I'll finance people as well.

**That's not a very common practice.**

It's not a terribly common practice because a lot of people don't have the wherewithal to do that. We're fortunate enough that I think I'll be able to do that or at the very least have a bank to do that with my guarantee. It all depends on, at the time, what the rates are and whether that's necessary or not.

**Who else do you see in the building?**

Empty nesters. I'm looking for the people from Avon and Glastonbury and Farmington. I'm looking for people to sell their 2,000- to 3,000-square-foot house and get out of mowing their lawn and pruning their roses and move here and get the benefits of luxury living in an urban environment.

**What types of services will your building offer?**

We'll have valet parking, doorman service and security. I will have a health spa of some sort. I'm not sure whether it will be a club environment or not. I'm looking into having a pool and providing food services and possibly working in conjunction with others to do that.

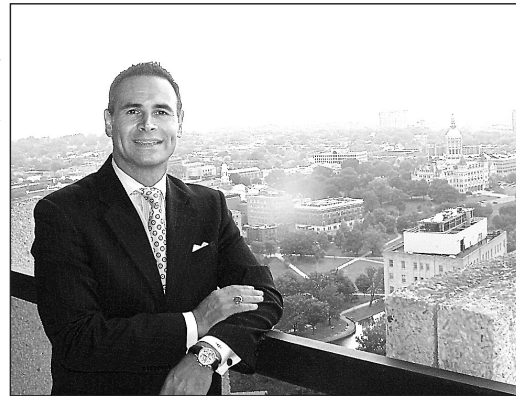
**Tell me more about the layouts of the units.**

The average will be 2,000 square feet, some smaller and some that will be combinable and they will be pre-designed for combinability. If someone wanted they could move from a 5,000-square-foot house to a 3,000- to 4,000-square-foot home in the sky without too much trouble. I envision up to 10 penthouse units with incredible views.

**How much will you ask for these units?**

They're not going to be the cheapest places in Hartford, but they are certainly going to be a bargain compared to Boston or New York. Everything is really based on my costs. Because I'm able to buy for cash — there's no mortgage — my costs are considerably lower than other developers. That can translate into a lower cost (for the buyer) or a better quality product. I prefer a better quality product.

Michael Grunberg is doing more than promoting downtown Hartford. He's moved there.



**Buying in cash is also not that common.**

I also am mildly leveraged in all my other buildings. I don't like to straddle myself with debt. Especially in light of what's going to be happening soon. There's probably going to be a bloodletting because a lot of people are over leveraged. I think it will be less onerous (than the late 1980s) but I think some will get hurt.

**What do you think is the biggest stumbling block to getting suburban empty nesters to move here? The fear of crime?**

I don't see crime here. The mayor's office, the police, whatever it is they're doing, they're doing it well and they're doing it right. I think it's nonexistent. I feel perfectly comfortable and safe walking here. There are many people that live here in the central business district that will attest to that and I've met with many of them.

**What is another misconception about the city?**

Another misconception is that there's no nightlife. I think there's tremendous nightlife here and it's only getting better by the day and services are becoming more prevalent as renters come in.

**There is the problem of parking. Evening isn't so bad, but during the day it's a little different.**

Parking is easy so long as you use the parking lots that are open in the evening. During the day it's something that the city has to work on. Parking is the Achilles' heel of Hartford right now and they need to work toward allowing parking to move forward both in the public and the private sector.

**So, you are confident in the city and its future?**

It's becoming a renaissance now. What's going to happen is it's going to be a more high-end renaissance. We will have high-end and low-end housing, because others will spring up in between these bigger developments, smaller mom-and-pop developments will take place in time.

**There have been many plans over the years, but this time the idea that residential is a needed ingredient for anything to work long-term seems to have taken hold. What do you think is a key ingredient to sustained recovery?**

We shouldn't lose sight that although residential is key, what we need is homeownership. We need taxpayers to be down here and we need to increase the tax base within the city. We have to lower the taxes for them and that's something that the city needs to address. You can't have people like me attempting to build condominiums and then tax these people through the nose. They just won't buy. If you want people to walk their dog at 11 o'clock at night you've got to allow them to buy the place. (Pets will be allowed in his building.)

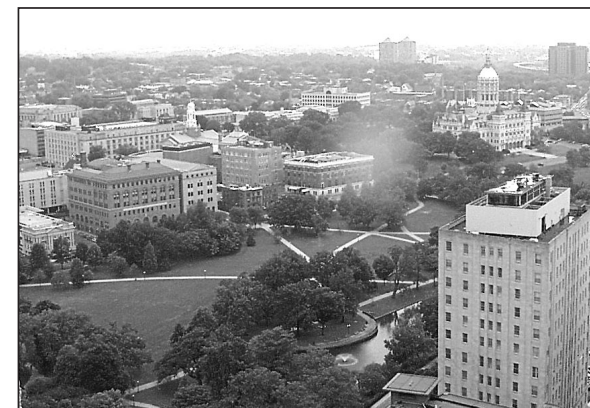
**There are several rental projects in the works and a few coming online. Are you competitive with the others in the market?**

The people that came into this market when there was nothing here, each and every one of them in their own way has contributed in bucketfuls to this town and everyone, including myself, owes them a great debt of gratitude.

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As seen in:

Connecticut LIFE SEP 06



People living in Michael Grunberg's building at 777 Main Street will have spectacular views of the city.