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Capital Grand condos recast as \$10M apartment project

Premium content from The Business Review by Michael DeMasi, Reporter

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Norstar Development USA is resurrecting plans to build a large, multi-family development in downtown Albany, but this time it will be apartments instead of condominiums.

The Buffalo-based developer wants to build a four-story, 83,300-square-foot, 70-unit building at 733 Broadway near Quackenbush Square.

Construction would cost about \$10 million, said [Richard Higgins](#), company president.

"We're pursuing our financing now," Higgins said. "We're hopeful that falls into place in the next four months or so."

The site is the same place where Norstar planned four years ago to build a \$42 million, nine-story, 125-unit luxury condo development called Capital Grand.

About 50 units were pre-sold with prices as high as \$516,000. Despite strong demand, the condo project was halted after financing requirements tightened considerably during the recession.

Now, Higgins said the timing is right to pursue apartments there instead. A two-story, 47,200-square-foot building would be demolished to make way for the apartments.

"Interest rates are low and we see strong demand in some of the smaller projects downtown," he said. "The type of project we're building is very efficient. We've never questioned the demand that's down there."

Developers are having success converting upper floors into apartments downtown.

More than \$35 million has been invested in downtown residential projects over the past two years, according to the Downtown Albany Business Improvement District.

Those include 17 Chapel, the 24-unit luxury condominiums on Chapel Street, and The Monroe, a 43-unit apartment building that just opened around the corner.

Mayor [Jerry Jennings](#) has made residential development a priority to reverse the decades-long pattern of downtown streets emptying after state workers leave their offices at 5 p.m. and drive home to the suburbs.

"The more residential we can get online, the better off we'll be. The question is, how do you bring people down here so they feel comfortable?" Jennings said at a breakfast hosted this week by the **Albany-Colonie Regional Chamber of Commerce**.

"We have to bring residential down here—then you'll get your Stewart's and retailers and all else that goes into revitalizing an urban center," Jennings said. "We need mixed use. We need people living here."

The Norstar development would be the latest project to help accomplish that goal. The units would have rental rates of \$1.50 per square foot, Higgins said. A 1,000-square-foot unit would cost \$1,500 monthly.

There would be off-street parking for 70 vehicles.

The engineering firm Hershberg and Hershberg of Albany was scheduled to present the project to the Albany Planning Board this week.

Norstar also will seek a payment-in-lieu-of-taxes deal with the city and other assistance.

3tarchitects in Albany designed the building.

Reporter Adam Sichko contributed to this story.



DeMasi covers real estate, construction, retail and hospitality.