

NEWS

Developer Russ Haims buys 27 Becker College properties in Worcester for \$10M

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WORCESTER — City developer Russ Haims has bought 27 properties from Becker College in a deal he said would return some buildings to single-family homes, provide “affordable market-rate apartments” and student housing, and “reposition” one of the city’s most unique — and changing — neighborhoods.

“It’s still such an attractive neighborhood, it doesn’t have to be rebuilt — it has to be repositioned,” Haims said. “While buildings are the most important blocks that are here already, there are other important blocks such as unique architecture, owner occupancy and home ownership ... the negative parts that some people see in the neighborhood — for example, vacancies — will be removed and (the neighborhood) will be reborn.”

Haims, owner of Hampton Properties, LLC in Worcester, closed Friday on a \$10 million deal to buy 24 buildings and three parking lots owned by defunct Becker College.

According to a list provided by Haims, the properties include: 39 Cedar St., 41 Cedar St., 45 Cedar St., 60 Cedar St., 30 Fruit St., 36 Fruit St., 6 Oak St., 12 Roxbury St., 16 Roxbury St., 30 Roxbury St., 36 Roxbury St., 40 Roxbury St., 41 Sever St., 47 Sever St., 48 Sever St., 44 West St., 53 West St., 54 West St., 62 West

St., 56 William St., 60 William St., 61 William St., 62/64 William St., 66 William St., 80 William St., 81 William St., and 84 William St.

With the city seeking to buy several other Becker properties, the deal involves the remainder of the college's property in the city.

Leicester is also asking voters to spend about \$20 million to buy Becker properties in that town to create a high school campus.

The Haims deal resolves a gnawing question about the future of the Elm Park neighborhood, as the closure of the college and its \$20 million-plus portfolio of real estate in the city caused some anxiety among residents and city officials as well as among business owners along Highland Street.

It also initially concerned Haims, whose company already owns 13 properties in the Elm Park area including two dorms previously owned by Becker that have been converted into apartments.

“I was afraid the school would sell off different parcels to people who didn't have the same allegiance to the community, who didn't recognize the historic attributes these properties have, and I've seen people cut corners,” Haims said. “I've seen how a few poorly managed properties can affect a neighborhood.”

Plan to 'protect the neighborhood'

So, Haims said — in consultation with area residents and Country Bank — he developed a plan to “protect the neighborhood.”

The plan consists of three major parts, all of which include renovating each building.

Haims said he plans to renovate and then resell six to eight properties as single-family homes. Those properties are primarily on William and Cedar streets, he said.

“I believe that adding to the number of the owner-occupied homes is key to the long-term viability of the neighborhood,” Haims said. “Owner-occupiers are one of the most important stabilizing factors of any neighborhood.”

The plan also includes renovating several dormitories “that need more than just lipstick” as updated student housing.

Haims said that of his existing properties in the neighborhood, at least 90% are used by Worcester Polytechnic Institute students, and he hopes the school will “put banners up where Becker had its banners.”

Finally, the plan includes renovating buildings to convert into “affordable, market-rate housing” — something that sounds like an oxymoron but which Haims said he has demonstrated he can provide. For example, he cited 113-115 Elm St., a building he recently updated as 16 two-bedroom units. The units rent for \$1,450 a month and are around 1,100 square feet with granite countertops and stainless steel appliances.

“In new apartments downtown you would pay \$2,000-plus for that,” Haims said. “Not everybody can afford that but I consider mine to be of that quality.”

Extensive and expensive renovations

Haims said he could not say how much the renovations would cost, as each property presents its unique challenges.

But he said that the extensive — and expensive — renovation costs explained the price of the sale.

“Some may say, ‘Oh my God, he stole it,’” Haims acknowledged after citing the \$10 million purchase price. “But they don’t understand what is required...the purchase price is just a starting point.”

For example, Haims cited two recently completed projects.

Haims bought the 20-person dorm at 54 Cedar St. for \$230,000 in August, according to city property records. Haims said a renovation adding the “latest and best amenities” to convert the building into five apartments cost \$600,000.

Meanwhile, converting a 30-person dorm into nine modern apartments at 66 Cedar St. added \$950,000 to the \$350,000 purchase price, Haims said.

'Wrapped up and redone in a year'

Another surprising element of the plan is the timeline: Haims wants it “wrapped up and redone in a year.”

To accomplish this, Haims said he will collaborate with other developers, transferring some of the more difficult properties into development partnerships in which he will retain an interest, so that he can control the vision and the movement, and his partners’ “deeper bench” of project managers architects, and tradespeople who share his goal of improving the quality of life in the neighborhood, and can complete the projects in the aggressive timeframe.

“I could not possibly do this by myself,” Haims said. “I have the vision and goals but need a bigger team than what I presently have. ... I want to do it with credible people who would do quality work.”

Moreover, Haims said it was “too big a swath of properties to leave vacant” for long.

Creating quality properties

In keeping with his neighborhood-building theme, Haims said that his vision and set of goals also extend beyond the renovation of buildings.

Haims said he has been drawn to the neighborhood by its quietness, its trees, its accessibility to Elm Park and its status as a destination for many Worcesterites.

“You come here at 7 a.m. any day of the week and there are people out walking, pointing out beautiful homes,” Haims said. “If you can create quality properties here, I know people want to be here.”

He plans to enhance that: working with the city to redo sidewalks; adding electric vehicle charging stations; landscaping properties; positioning waste baggies at strategic corners for the neighborhood’s canines; and — perhaps, most ambitiously — increasing parking availability.

“That’s a huge sore spot for many in the city,” Haims said of parking.

All of which will contribute to what he said was his vision of the neighborhood in five years: a place with block parties, owner-occupied housing, WPI students, dog walkers, butterfly gardens, benches and more

“Once you start doing that, you have a neighborhood, not just pockets of a neighborhood,” Haims said. “This neighborhood is too important to me and to others.”