

November 07, 2007

## Embassy pays \$50M for condo tower site

By [LYNN PORTER](#)

Journal Real Estate Editor



British Columbia-based Embassy Development Corp. spent \$49.9 million for a full-block site in the Denny Regrade where it wants to build two condo towers.

Embassy bought the 83,725-square-foot site between Battery and Bell streets and Fifth and Sixth avenues from Washington Securities Co., according to public records. The price equates to \$596 a square foot.

Clise Properties President Richard Stevenson said Washington Securities has some of the same shareholders as Clise does. The money will be used to do a 1031 Exchange into office properties in the Puget Sound region. The properties are valued at more than \$49.9 million, said Stevenson. He declined to say exactly where they're located because the deal hasn't closed.

Stevenson said Washington Securities agreed to sell the site to Embassy several years ago. He said the office properties offer greater revenue than the essentially undeveloped site did.

Additionally, Stevenson said Embassy develops quality high-rise condo projects.

“They will just do a great job,” he said.

Embassy plans two 41-story condo towers with a total of 643 units at the Denny Regrade site, said company President Ryan Bosa. It will begin construction on the first tower next spring, and the second a year later. Each will take about 29 months to build, he said.

Most of the condos will be two-bedroom or two-bedroom with dens. Prices in the first tower will start at \$750 a square foot, he said, and are intended to be affordable to downtown workers making a “decent wage.”

Embassy is the general contractor. Vancouver B.C.-based Perkins & Co. Architecture & Urban Design is the architect. The project is targeting LEED silver.

The site was home to Teatro ZinZanni, which has moved to Lower Queen Anne.

Despite the high price, the sale doesn't set a square foot record for downtown Seattle.

Others top it, said Matthew Gardner, principal with the land-use economics firm Gardner Johnson.

He said they include \$772 a square foot Opus Northwest paid the Samis Foundation for the 1521 Second Avenue condo project site, and \$763 a square foot Fana Capital Corp. and the Executive Group paid Benaroya Co. for a site at Eighth and Pine Street, where it plans to build the 39-story Ava condo/hotel project.

Other top sales include \$722 a square foot for the 1800 Terry site, Gardner said. Leisure Care and Seawest Investment Associates bought that property, where the old Regence Group headquarters is located. Leisure Care has said it is exploring options for the site.

Other big sales, according to the Commercial Brokers Association, include \$634 a square foot paid for 1529 and 1533 Ninth Avenue, where Security Properties plans a high-rise residential project and \$515 a square foot for the Children's Hospital assemblage in the Denny Triangle.

Land prices are dependant on location and what can be built, said Gardner, noting that zoning around Seattle varies dramatically. Prices downtown steadily increased starting in early 2005 in anticipation of a city upzoning of certain areas in April of 2006, he said.

“Is it going to continue? That's a very big question,” he said.

---

*Lynn Porter can be reached by [email](#) or by phone at (206) 622-8272.*