

## Real Estate

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### **Continental building \$80M Ballard condos**

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After six years of talk, condominiums are going to be built on a high-profile site in Ballard.

Bellevue-based Continental Properties Inc., announced it will begin building Canal Station this month. Named for its proximity to the Lake Washington Ship Canal, it's an \$80 million, two-phase project on part of the New Wilson Ford site. Broadreach Capital Partners LLC is an equity partner in the development.



Rendering courtesy Continental Properties  
**Canal Station will have 279 units and retail. Prices will range from \$160,000 to about \$400,000.**

Continental Properties, through an affiliate, bought the 70,000-square-foot property on the east side of Leary Avenue Northwest last week from JPI for \$10.65 million. The parcel is across the street from where GenCare, Teutsch Partners and R.M. Watson Co. are planning a \$30 million senior housing project.

Canal Station's first phase is a 6-story development with 169 condos and nearly 12,000 square feet of ground-floor retail. Condos will sell from about \$160,000 to just over \$400,000, with sales beginning this summer.

The first phase is scheduled to open in late 2006.

The second phase is scheduled to start in the second half of 2006. It will have 110 condos and about 2,500 square feet of retail.

Continental Properties President Claudio Guincher said Ballard is a prime market for contemporary, affordable condos because many young professionals and families want to be close to the city in a historic neighborhood.

Texas-based JPI, one of the country's largest developers of luxury apartments, opened its Seattle office in 1998 with high hopes. One of its grandest proposals was the 440-unit Jefferson at Ballard, a joint venture with Seattle's Fortune Group, on the car dealership site. That plan included developing 135 condos across the street. Simpson Housing later took over the condo portion.

But both Ballard projects stalled when the economy flagged. Now JPI has two apartment properties: Jefferson at Marymoor and Jefferson at Talus, according to Frank Bosl, vice president of the brokerage CB Richard Ellis. Bosl and colleague Jon Hallgrimson represented JPI in negotiations with Continental Properties.

Guincher knows the Ballard residential market. Canal Station is his company's third condo project in the neighborhood. The previous ones were the 162-unit Ballard Condominiums and the 172-unit Ballard Place Condominiums. Both are on Northwest 57th Street between 15th and 17th avenues northwest.

One reason JPI stumbled is that luxury apartment projects in Ballard were uncommon. Being a pioneer often is not a good thing just before a recession.

"There wasn't that secondary market," Bosl says. "Claudio knows the Ballard market and recognizes it as a condo market."

Canal Station is the second big construction project in Seattle for Continental Properties this year. Last month, it started construction of The Cosmopolitan, a \$100 million mixed-use project downtown. The 33-story tower will have 250 condos.

Mithun is Canal Station's architect, and an affiliate of Continental Properties is the general contractor.

Rennie Marketing Systems is marketing the project, and Chaun Mackey of Miller Condominium Marketing will be the listing agent.

In addition to being an equity partner in Canal Station, Broadreach Capital Partners is the mezzanine lender. Key Bank is providing construction financing.