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Guincher finds new faith in Seattle market

Premium content from Puget Sound Business Journal by Jeanne Lang Jones, Staff Writer

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After three years of work in western Canada, developer [Claudio Guincher](#) has returned to the Seattle area with new optimism, believing the residential real estate market has turned upward.

With land values now down 50 percent from their peak, he's shopping for parcels to buy. Guincher previously spent 17 years developing apartments and condominiums in the Puget Sound area with his father, Luis Guincher, and then on his own.

But the music stopped for him in 2007.

"Land prices quadrupled on us. They went from \$25,000 to \$30,000 a door to over \$100,000 a door (apartment unit) between 2006 to 2007, when the feeding frenzy occurred," Guincher said.

He stopped buying land and turned off the spigot on new projects in the Puget Sound area.

At the time, Guincher had two companies, Bellevue-based Continental Properties, which focused on high-end apartments and moderately priced condominium complexes in the Puget Sound area, and Pacific Capital Real Estate Corp., of British Columbia. Both ventures teamed Guincher with former CEO of Vancouver-based Bentall Corp. [Mark Shuparski](#), former Bentall chairman [Robert Bentall](#) and former Bentall Chief Financial Officer [Jon Rees](#).

Guincher had 817 condominium units in the works in the Puget Sound area. He was able to finish all but 109 units that year. Sales were brisk and buyers were closing on their units. And 50 of his remaining units in his Canal Station North project, in Seattle's Ballard area, had pre-sold.

But by the time the remaining units were completed, Guincher was facing quite a different housing

market. Within a month, he chopped prices on unsold units by as much as 20 percent.

With all of his projects buttoned up in the Puget Sound area, Guincher turned his attention to building projects in western Canada.

But in the summer of 2010, Guincher stepped back into the Puget Sound area market with a new residential project. He purchased a 5-acre site on Lake Boren in Newcastle, a small suburban city tucked between Bellevue and Renton.

Continental Properties will complete the first 14 units of his 56 townhomes in March for sale at prices between \$300,000 and \$400,000.

With the housing market still soft, the decision to develop dozens of new residential townhomes to sell on property that previously was a mobile home park might seem surprising.

The lure: 80 feet of waterfront and a dock.

"I am venturing into 'for sale' product again, which is unusual, but the fact is, these townhomes are listed at a very attractive price point," Guincher said. "It's a great location in Newcastle with waterfront."

"It's just so unique," Guincher said. The property includes a dock for kayaking on the lake and a barbecue area with picnic tables.

In December, Guincher started construction of the 58-unit Cameo Apartments at 15th Avenue and Pine Street on Capitol Hill. He has another apartment project in the works on Capitol Hill, as well as an 80-unit project on lower Queen Anne.

He's expecting rents to increase over the next five years. And despite the many apartment projects that have been proposed, he believes the market won't get overbuilt.

"I do not think all the projects that are being talked about will get out of the ground," Guincher said, especially with lenders wanting developers to kick in 35 percent of their own equity.

"It takes a lot of cash," he said.

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