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Development partners reunite for next cycle

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Local residential developer Claudio Guincher has launched two new development companies with two very familiar partners.

The first is Bellevue-based **Continental Properties**, which will build high-end apartments and entry-level to moderately-priced condominium complexes in the Puget Sound area.

The second is Vancouver, British Columbia-based **Pacific Capital Real Estate Corp.**, which plans to develop retail centers and residential projects in Western Canada.

Both new business ventures reunite Guincher with Mark Shuparski, a former president and CEO of Vancouver-based **Bentall Corp.**, and former Bentall chief financial officer Jon Rees. Former Bentall chairman Robert Bentall will provide financial backing for their projects. Additional equity investment will also be recruited from other private as well as institutional investors.

Guincher is president of Continental Properties and a principal in Pacific Capital. Shuparski and Rees are both principals in both firms. Continental's staff of seven includes a number of employees who have been with Guincher for years in his other companies.

Guincher got his start in real estate development in 1990, when he joined his father, Luis Guincher, in his residential development firm Continental Pacific Inc. Guincher first met his current partners when Vancouver-based Bentall Corp. invested in Continental Pacific's 250-unit Montibello Apartments in Kirkland. Eight years later, with the Seattle-area economy booming, the firm merged with the publicly traded Canadian development company to become Continental-Bentall.

In March 2001, Bentall was acquired by a subsidiary of a large Canadian pension fund. Guincher, Shuparski and Rees have been talking about striking out on their own since early 2003. Their decision to form their own development entity was spurred by the Quebec pension fund's decision to wind down its investment in the Seattle area.

"One of the key things Mark and Jon bring to the table is their relationship with institutional investors such as Deutsche Bank," said Guincher. "They have a great reputation throughout Canada in the real estate financing field."

The game plan for the new Bellevue firm is to develop two to three condominium or apartment complexes at a time in urban neighborhoods in the Puget Sound area. The company will focus on condominium projects in the near term, waiting for the apartment market to recover before tackling any rental developments. Meanwhile, the Vancouver development company already has three projects planned in British Columbia and one in Alberta, Guincher said.

KeyBank regional manager Tracy Edgers, who has backed every one of Guincher's developments since 1998, expects Continental Properties will be more nimble than Continental-Bentall.

"They seem to have a little more control of their destiny now without the reliance on Bentall Corp. weighing in heavily on some of their development decisions," Edgers said.

Continental Properties has acquired a Continental-Bentall development site in Seattle on the southwest corner of Ninth Avenue and Virginia Street. **Deutsche Asset Management** affiliate **DB Real Estate Opportunities Group** has taken an equity stake in the project. The 33-story, 241,000-square-foot Manhattan West Condominiums development will include 250 units priced between \$200,000 and \$500,000. The condo tower will sit atop 10 floors of above-grade parking, which will help reduce street noise and improve views for condo owners. The \$100 million project will break ground this spring for completion in 2007.

In addition, Continental Properties plans to develop a six-story condo complex on a 70,000-square-foot parcel on Leary Way, a half-block south of Market Street in Ballard. The site is near a proposed monorail stop. That \$80 million project will be built in two phases. The first phase will begin construction next spring for completion in the fall of 2006. The second phase will begin in the summer of 2006. The 275 units will be priced between \$150,000 and \$400,000.

A third project, Kirkland Central Condominiums, is under construction at the intersection of State Street and Kirkland Avenue. Set for completion in the spring of 2006, the \$40 million project will include 110 units priced between \$150,000 and \$400,000.

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