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Marc Stiles, Real Estate Reporter

Seattle companies launch plan to develop 1,000 apartments that people can actually afford

Longtime Seattle company Laird Norton Properties is teaming up with another local company, Spectrum Development Solutions, to build 1,000 units of rental housing for teachers, nurses and other similarly paid professionals can afford.

The joint venture is planning to build the mixed-use apartment projects, as well as student housing, in fast-growing urban areas throughout the Pacific Northwest. The portfolio will total approximately \$500 million of combined investment, with Laird Norton leveraging up to \$150 million of its own money to borrow additional funds.



WEINSTEIN A+U RENDERING

Laird Norton Properties is teaming up with another Seattle company, Spectrum Development Solutions, to develop 1,000 units of apartments that people who make \$40,000 to \$80,000 can afford. The plan is develop the projects in the Puget Sound region's urban, high-growth areas, starting with Canton Lofts, which is shown in this rendering, in Pioneer Square.

First up is an 80-unit project in Seattle's Pioneer Square called Canton Lofts at Third Avenue South and South Washington Street. The development is a partnership with arts patrons John

and Shari Behnke, who contributed the land and will remain long-term co-owners with Laird Norton and Spectrum.

The move comes when most in-city multifamily development has been high-end apartments for tech employees, such as computer programmers who make an average of \$119,620 a year in Seattle, according to Puget Sound Business Journal research. Nurses, by contrast, make an average of \$82,700.

There are a lot more nursing jobs (32,620) in the greater Seattle area than computer programming positions (9,280), according to U.S. Bureau of Labor Statistics data. Laird Norton and Spectrum will build housing for renters earning between 60 percent and 120 percent of the area median income. That equals \$40,000 to \$80,000 a year.

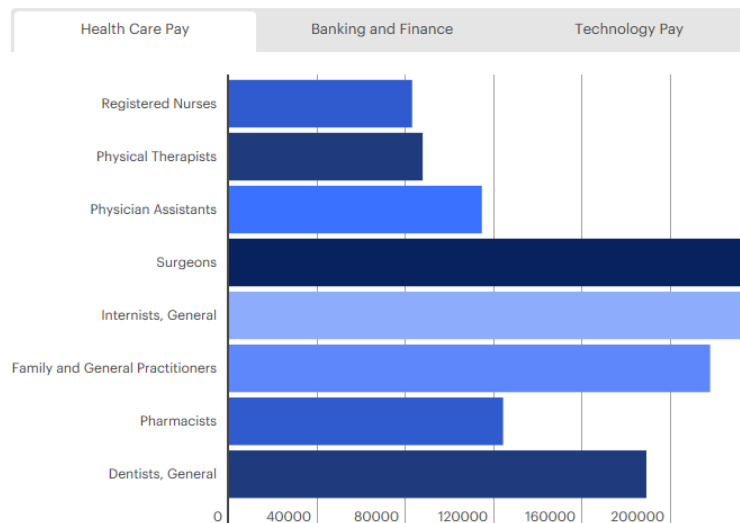
The demand for workforce housing is so much higher that the risk, and therefore the reward, for developers is low compared to luxury apartments. If they time it right, developers of the latter can build a tower, lease it up and sell for a very healthy return.

“Laird Norton Properties is a family-owned diversified holding company based on the belief that patience isn’t just a virtue, it’s an advantage,” Jeff Vincent, Laird Norton CEO and president said in a news release. “Like Spectrum, we believe that investing in what they refer to as the ‘missing middle’ is good for our city and for Laird Norton Properties.”

Laird Norton is relying on the workforce housing development expertise of Spectrum, which recently delivered three such projects in the 12th Avenue corridor on First Hill.

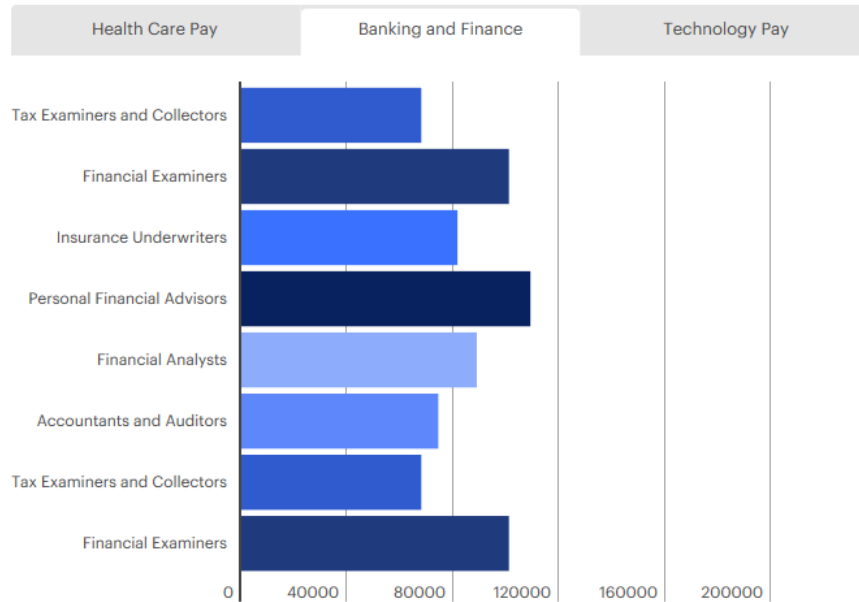
PAY LEVELS IN KEY SECTORS

Here are snapshots of select jobs within five sectors of the local economy. Each occupation is followed by the average annual pay in the Seattle area and the number of local jobs as of 2016, according to the U.S. Bureau of Labor Statistics.



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