

## Laird Norton and Spectrum Announce \$500MM Initiative to Build Urban, Workforce Housing

June 13, 2017



### Introduce Canton Lofts as First Project

Seattle, WA. – June 12, 2017 – Laird Norton Properties, a real estate investment company, and Spectrum Development Solutions (Spectrum), a real estate advisory and development firm, today announced a strategic joint venture partnership aimed at building workforce and student housing in high-growth, urban areas throughout the Pacific Northwest.

The two Seattle-based firms plan to develop mixed-use, multi-family rental housing for renters earning between 60% – 120% of Area Median Income (approximately \$40,000 – \$80,000). These are teachers, health care workers, lab technicians, police officers, public employees, and many other private and public-sector professionals who keep our region running.

The Joint Venture portfolio will be approximately \$500 million of combined investment totaling approximately 1,000 units of rental housing targeting the 60% -120% of AMI. Laird Norton Properties and Spectrum will retain a long-term interest in the properties. As part of the initiative, Laird Norton will leverage up to \$150 million of its own money to borrow additional funds. The partners also plan to save on land costs by giving property owners a partial stake in their projects, if desired.

“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,” said Jeff Vincent, Laird Norton’s Chief Executive Officer and President. “We are long-term investors who have prioritized lasting partnerships over quick profits for more than 150 years. As our region continues to grow, we recognize the importance of having a range of housing in high-growth, urban areas for people of all income levels. 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.”

Spectrum said the joint venture represents a strong alignment of expertise, investment philosophy and values. “Spectrum’s multi-generational leadership is focused on high-quality development projects, long-term stewardship and value creation, all of which is complemented by Laird Norton’s strong track record of successful co-investments,” said Hal Ferris, Founding Principal at Spectrum.

Spectrum recently delivered three successful workforce housing apartment projects in the 12th Ave/First Hill corridor and provided development management services to the Moriguchi family for the successful renovation and adaptive reuse of the landmark Publix Hotel in the International District. “Our recent projects were designed to fill a gap in housing by providing high-quality apartment homes for workforce professionals who want to live close to downtown but can’t afford luxury rents and don’t qualify for subsidized housing,” said Jake McKinstry, Principal at Spectrum. “It’s what we call the missing-middle in urban rental housing.”

With this announcement, both firms also confirmed that they have started their first workforce housing project, Canton Lofts. Located at the corner of Third Avenue South and South Washington Street in Pioneer Square, Canton Lofts pays homage to the original Canton Building, which stood on the site from 1894 through the mid-1900’s before being demolished. It was the city’s first brick structure built after the Great Seattle Fire.

Canton Lofts will include a total of 80 innovative workforce housing units, all which will be at rents affordable to people earning 100% of AMI and below. The building will also include approximately 3,000 sq. ft. of ground level retail space that will be leased to Path with Art, a local non-profit that transforms the lives of people in recovery by harnessing the power of creative engagement through art as a bridge to community and stability.

The development is a partnership with John and Shari Behnke, who contributed the land and will remain long-term co-owners of the project along with Laird Norton Properties and Spectrum.

“Shari Behnke approached us about the site after reading about Spectrum’s commitment to building workforce housing,” said Gabe Grant, Principal at Spectrum.

“The Behnke’s had looked at several different development scenarios over the years but ultimately decided that a partnership with Spectrum to develop workforce housing and retain space for Path with Art, had the long-term civic value that they were looking for. We are delighted to be partnering with them and Laird Norton Properties.”

“This project represents a full circle for Laird Norton Properties,” added Vincent. “It’s in Pioneer Square which represents our roots in the Pacific Northwest, near our corporate headquarters of almost 60 years, and includes a well-respected philanthropic Seattle family that shares our civic focus. Together we are building middle-class housing that our downtown neighborhoods desperately need and we are retaining a non-profit that serves those looking for a pathway to stability. This is what we call doing well by doing good.”