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Record setter: Condos hot at Four Seasons

Puget Sound Business Journal (Seattle) - by [Jeanne Lang Jones](#) Staff Writer

Downtown Seattle's splashy Four Seasons project, a \$120 million mix of hotel and condominium facilities, is driving high-rise condo prices to levels never before seen in the Pacific Northwest.

The 21-story building won't be finished until early 2008, but that hasn't stopped buyers from purchasing 20 of the 29 condo units available since April at record-setting prices averaging \$2,100 a square foot, according to John Oppenheimer, chief executive of Seattle-based **Columbia Hospitality Inc.** and managing partner of **Seattle Hotel Group LLC**, the backer of the Four Seasons project.

With available units ranging in size from about 1,300 square feet to about 3,200 square feet, prospective buyers could be shelling out \$2.7 million to \$6.7 million apiece for the luxury residences.

Prices at the Four Seasons far exceed those in the rest of the already-hot Puget Sound area condo market. By comparison, condos in the nearby Hotel 1000/Madison Tower are selling for an average of \$825 per square foot, according to the FatReport, a weekly survey of the local condominium market by Brett Frosaker, principal of Seattle-based **Frosaker Real Estate Co.** The median price for a unit at Madison Tower is \$1.05 million.

Prices at the Four Seasons are comparable to some of the nation's highest priced high-rise homes. The Four Seasons condo prices may rival those of San Francisco's new St. Regis Hotel and Residences, for instance, where the least expensive unit is priced at about \$1,200 per square foot. The Seattle Four Seasons prices would be competitive with many luxury condos in New York City, though select penthouse units there can go for more than \$5,000 a square foot, according to Greg Heym, New York-based director of research and chief economist at Brown Harris Stevens, publisher of a quarterly residential market report.

What's driving the Four Seasons prices so high? In part, it's the cachet of the Four Seasons itself, a hotel brand known for its cushy service and luxury quarters. But the vigorous sales activity also reflects a frothy condo market that's surging, even at its upper reaches, alongside a robust single-family-home market in a strong and rising local economy.

There's also a growing acceptance of condo living nationwide. According to a recent member survey by the American Institute of Architects, twice as many participants reported an increase in condo-related projects compared to move-up or custom/luxury homes.

While he won't identify individual buyers, Four Seasons project spokesman Oppenheimer did say all of the buyers so far are from the United States and most are local Puget Sound area residents.

"These are people who have big, gorgeous estates who are changing that to reside in an estate in the Four Seasons," he said.

Seattle's Four Seasons project has generated considerable interest ever since it was first announced just over a year ago. With no formal advertising campaign or comprehensive sales packets, the building's residences have been marketed through word of mouth and one-on-one conversations between buyers and project backers. Actual sales began in late April. The first sales agreement was scratched out on a piece of note paper, Oppenheimer said.

Toronto-based **Four Seasons Hotels & Resorts** has more than 60 luxury hotels worldwide and a long history in Seattle, though the chain was displaced when rival Canadian hotelier **Fairmont Hotels & Resorts** took over management at the Olympic hotel.

Four Seasons is partnering on the Seattle project with Oppenheimer's Seattle Hotel Group LLC -- which includes, among others, former mayor Paul Schell, venture capitalist Tom Alberg and cellular-phone entrepreneur Bruce McCaw. It's located on First Avenue, one block south of Pike Place Market and across the street from the new high-rise tower the Seattle Art Museum and Washington Mutual Inc. are building.

The high-rise homes will feature top-end appliances, luxurious finishes and stunning views of Elliott Bay and the Olympic Mountains. Just as appealing to buyers may be the range of services afforded to those living above a four-star hotel: room service, for instance, a spa, and an "infinity" pool configured so that it appears to fall off into the bay far beyond.

Dean Jones, principal of Seattle-based Real Project Marketing, suggests the Four Seasons could open the door for other ultra-high-end projects in this market.

"We've got an extraordinarily affluent demographic in the Pacific Northwest and an emerging downtown residential presence," Jones said.

"But you really need to have a perfect balance in a recipe that offers location, amenities and views and, if there is a brand, that brand needs to have high brand confidence to attract a premium price," he said.

Real estate consultants suggest it would be hard to overstate the value of the Four Seasons brand in the condo pricing differentials downtown. At the second most expensive high-rise in the city, Madison Tower, there's a hotel run by a well-regarded local company that also manages The Sorrento and other high-end boutique hotels.

But, said Leslie Williams, president of Seattle-based **Williams Marketing Inc.**, the Four Seasons name "is known worldwide, and they have sold to people that appreciate the name and the service that it stands for."

After these two luxury boutique hotel/condominium projects, unit prices drop off sharply, according to the FatReport, with average price per unit at:

- The Water's Edge, 905 Lake St. in Kirkland, \$757 a square foot;
- Millennium Tower, at 715 2nd Avenue in downtown Seattle, \$597 a square foot;
- Harvard Estate, Harvard and Roy on Capitol Hill in Seattle, \$596 a square foot;
- and
- One Lincoln Tower, across from Bellevue Square in downtown Bellevue, \$594 a square foot.

Even with the world-class Four Seasons brand behind it, the project is still a gutsy play. Many developers offer a range of smaller, less expensive units to increase their project's appeal to a wider range of buyers, Jones said. But the Four Seasons offerings are more cohesive, with no studios and some buyers snapping up several units to assemble larger quarters.

Puget Sound Business Journal

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Four Seasons nails big booking

Puget Sound Business Journal (Seattle) - by [Jeanne Lang Jones](#) Staff Writer

A group of high-profile local investors headed by John Oppenheimer of Seattle-based **Columbia Hospitality** is bringing luxury hotelier Four Seasons back to Seattle.

Oppenheimer, the managing partner of the **Seattle Hotel Group LLC**, told the Business Journal his group is indeed behind a proposed 21-story hotel/condominium tower project slated for the southwest corner of First Avenue and Union Street.

The development group also includes former mayor Paul Schell, venture capitalist Tom Alberg and cellular entrepreneur Bruce McCaw, along with other undisclosed local investors. The Four Seasons also will hold an equity stake in the \$100 million-plus project.

Group members earlier had tried to purchase the ground lease for the Olympic Hotel in an effort to retain the Four Seasons as the operator of that historic, five-star property, which is now run by Fairmont Hotels & Resorts Inc.

"The Fairmont is doing an excellent job with the Olympic Hotel, but we think our city has both the level of demand and sophistication to warrant the type of ultraluxury property the Four Seasons is known for," Oppenheimer said. "There are only 63 Four Seasons in the world, and we are very excited Seattle will again be one of them."

The Seattle Hotel Group spent nearly a year looking at 22 sites throughout the city before settling on a 22,000-square-foot parcel owned by Washington Mutual. Currently a parking garage, the lot is across the street from where the thrift is constructing its new headquarters in partnership with the Seattle Art Museum. The site, like several others they saw, was not actively offered for sale. Oppenheimer said the negotiations took six months. He declined to disclose the agreed purchase price but said the sale will close next year.

"This project is an excellent example of the local community coming together to strengthen the downtown area," said Washington Mutual chief executive Kerry Killinger. "We're delighted to welcome Four Seasons to the neighborhood."

The developers picked the WaMu site for its unobstructed waterfront views and its location between the financial district, Pioneer Square and Pike Place Market, Oppenheimer said. Additionally, the parcel's size was well-suited to the smaller, luxury boutique hotel his group planned.

Oppenheimer, Alberg and Schell have partnered before, notably on the Inn at Ludlow. Tony Puma, who's worked with Schell on prior projects, will manage the development. Puma was project manager for Safeco Field, Key Arena, Friday Harbor House and the Inn at Langley. Seattle's NBBJ is the architect and Lease Crutcher Lewis the contractor. San Francisco-based Brayton + Hughes will design the hotel interiors while Susan Marinello Interiors of Seattle will do the residential design.

The hotel/condominium project was initiated by the Four Seasons. Shortly after losing the Olympic to its rival, the hotelier asked its supporters if they would partner with it on a new development.

"Through the Olympic dialogue we became quite involved professionally and personally with many members of this development group," said Katie Taylor, Four Seasons president of worldwide business operation. "It seemed logical to us that that group, which had such a passion for Seattle and potentially for acquiring the Olympic, would be the first we would call on."

Not everyone was interested. Those who were mainly interested in making sure the historic hotel building was preserved declined to participate in the new venture, Alberg said.

As the leader of the remaining supporters, Oppenheimer then flew to Palm Springs to spend an afternoon getting to know Four Seasons founder Isadore Sharp at his home.

"His wife was painting their kitchen -- they are not hoity-toity folks," Oppenheimer said. "I was absolutely struck by how much he knew about Seattle."

After several meetings with Taylor, the group flew to San Francisco to tour the Four Seasons' hotel/condo development in that city. Such hybrid projects are increasingly popular because condominium presales offer developers a speedy way to pay off loans, while sharing ownership of the property offsets some of their ownership costs in the land. Meanwhile condo owners like the access to hotel amenities such as room service and housekeeping.

The proposed 310,000-square-foot Four Seasons Hotel Seattle will be 21 stories tall -- almost as tall as the nearby Harbor Steps. Preliminary plans call for 150 hotel rooms on the first eight or so floors with the remaining 110,000 square feet of space containing fewer than 50 condominiums.

Each hotel room will have its own fireplace and a plasma-screen TV. The hotel also will include a 5,000-square-foot ballroom, a restaurant and lounge and a two-level spa and fitness center. Additionally, the hotel will feature an infinity pool, designed with no apparent edge so that it will seem to blend into Elliott Bay. The hotel, which is too small to compete for convention business, is expected to attract medical and business executives for corporate retreats and board meetings, Oppenheimer said.

Bob Rennie of Vancouver, B.C.-based Rennie Marketing Systems, is marketing the condominium portion of the project. Already, said Rennie, 15 prospective buyers have contacted him.

The condominiums will average about 2,000 square feet in size, although some buyers may choose to assemble several units into a larger space. Units will feature high ceilings and use natural materials such as wood, slate and granite. They also will have large decks and terraces to take advantage of the views.

The building will be carved back from the street to protect views and to allow large, heavily landscaped terraces for each of the condominiums. Puma said, "It will be the antithesis of a cubical office building."