



The Greenlake condos range from \$150,000 to \$750,000. Since opening in June, all but one of the 100 units have sold.

Michael Seidl Photography

Condos are few, but they are selling well

■ Developer Charlie Conner said liability insurance costs make him very selective about where he builds condos.

By BECKY CAMPBELL

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New condominiums in projects such as The Greenlake are selling rapidly, though skyrocketing insurance premiums cause some Seattle developers to avoid building them.

"It's such an interesting market with condos right now because it seems that developers are really shy of building them, but the ones that they are building are selling out," said Barbara Breckenfeld, spokeswoman for Kenn Rupard, architect of The Greenlake.

Joe Blattner of Tarragon Development echoed the observation. He said rising costs are squeezing smaller companies out of the condo market.

"It's crazy what has happened to liability insurance costs," he said. "We're actually shying away from that part of the business."

But rising premiums haven't hurt The Greenlake. All but one of its 100 units has sold.

Conner Homes, builder of The Greenlake, purchased a \$400,000 liability policy for the project about two years ago, according to President Charlie Conner.

"Two or three years previous, our entire policy had been maybe \$50,000, for our entire company," Conner said. "That one project is eight times more than what it had taken to (insure) the whole company just a few years earlier."

Conner said his firm is evaluating future condo projects very carefully, only taking on those in unique locations and in markets with high demand.

"On premium projects, it's easier to recapture

the cost of insurance," he said.

The Greenlake condos range in price from \$150,000 to \$750,000. The two, six-story buildings, which opened in June, are the first major residential development in the Green Lake commercial district in more than a decade.

Even Jim Mueller, director of development in the real estate division of Paul Allen's Vulcan Inc., gets sticker shock from insurance costs. Vulcan's proposal for another highly anticipated project, the 2200 Westlake mixed-use project in South Lake Union, includes 300 condos, a luxury hotel and retail space, including a downtown grocery store.

Vulcan began working with Milliken Developments to tackle the insurance problem in mid-2002. In a December meeting of the National Association of Industrial and Office Properties, Mueller talked about the impact of rising costs.

He said some insurers refused even to write a policy. "Wait a minute. Paul Allen can't get liability insurance?" Mueller asked the insurers. "They said, 'That's right, we won't write it.'"

He said the quote Vulcan received for liability insurance amounted to an extra \$10,000 tacked on to the cost of each condo unit.

"This is what the legislature needs to hear," Mueller told NAIOP members. "The voter does not want to be stuck with an extra \$10,000 to pay for a residence just because we can't get our act together in terms of our statutory structure."

DJC Real Estate Editor Marc Stiles contributed to this report.

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