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## Hotel-condo concept finally catching on in Seattle

By Elizabeth Rhodes  
Seattle Times staff reporter

Granite countertops, spa-style bathrooms, fireplaces and loft bedrooms are (yawn) nothing new to Seattle's luxury condominium buyers.

But room service from a five-star restaurant? And valet parking? And a supermarket with astonishing cheese and wine selections in the building?

The prospect of all that wrapped into one condominium development was enough to brighten an otherwise dark and miserable December evening for Michael Rivera-Dirks. That day, last Dec. 6 to be exact, was when Vulcan Real Estate erected a tent in a parking lot and invited a few folks to drop by and view plans for its latest project.

Simply called 2200, it's an ambitious combination condominium, hotel (and more) development — one of five of its kind going up in the Seattle area and changing the concept of luxury condo living.

Rivera-Dirks, a 30-year-old Belltown art-gallery owner, stopped by the 2200 presentation, as did several hundred others who had little more to look at than a construction site and a few drawings. He hadn't meant to reserve a unit right there on the spot, and the Vulcan people weren't expecting many reservations.

But that's not how things went.

"You saw people madly filling out reservation forms," said Vulcan Real Estate marketing manager Alison Jeffries. "I've never seen anything like it." Rivera-Dirks signed up to buy \$525,000 worth of condominium, sight unseen.

"It was buzzing, it was crazy — just crazy," Rivera-Dirks recalled. "It was, 'Oh, my God, this is going to be cool.' "

With features including a dry cleaner, a bank, a multistory luxury Pan Pacific Hotel and a high-end Whole Foods supermarket all tucked into the 2-1/2-acre condo project, Rivera-Dirks is betting on it.

"That equals living well and living efficiently, and

### Hotel-condo projects

**Here's a rundown** of the five hotel and condominium projects taking shape in Seattle and Bellevue:

#### 2200

**Where:** South of Lake Union at the corner of Westlake Avenue and Denny Way

**Units:** 261 (spread among three towers)

**Height:** The tallest tower will be 18 stories

**Prices:** Starting around \$250,000 for a studio and \$2 million-plus for a penthouse (More than 60 percent are sold or reserved)

**The lowdown:** A joint venture of Vulcan Real Estate and Milliken Development Group. The 160-room Pan Pacific Seattle Hotel,

that just clicked for a lot of people," he said. "Having Whole Foods there means I'll have the biggest refrigerator available. I'm so looking forward to it."

In New York, Boston and Chicago, living above a fancy hotel is old hat. But until recently, developers didn't think Seattle was ready for that concept. Now they do.

"Seattle is at a tipping point," architect Blaine Weber said. "As cities mature, pedestrian amenities mature. The lifestyle becomes more engaging and inviting as you can walk to restaurants, etc. And as more projects come in, the city becomes safer because it becomes a 24/7 lifestyle."

Besides 2200, four other such projects are under construction or firmly on the drawing board.

In downtown Seattle, there are a Four Seasons Hotel and condominium and two other projects that will team boutique hotels with residences above. The first is scheduled to open mid-2006.

In downtown Bellevue, the 148 luxury residences in One Lincoln Tower, the high-rise with condos atop a Westin Hotel, are almost sold out.

Various types of retail development are also part of these projects.

Much of the impetus for this hotel-condo trend is stirred by the state's Growth Management Act, which requires cities to accommodate growth. Seattle's leaders want to add 35,000 luxury to low-income housing units downtown, increasing its population from 16,000 in 2000 to 65,000 within a few years.

Vancouver, B.C., which many consider a model for successful downtown living, has 70,000 people living in its core.

As Seattle Mayor Greg Nichols said, building a true downtown neighborhood will absorb some of the area's growth "and help protect our great single-family neighborhoods."

Whole Foods Market and Bank of America anchor the project, to be completed in August, 2006.

**More information:** [www.LIVE2200.com](http://www.LIVE2200.com)

#### **Hotel 1000 and Madison Tower**

**Where:** At the corner of First Avenue and Madison Street

**Units:** 47

**Height:** 24 stories

**Prices:** 877-square-foot, one-bedroom unit with a den begins at \$545,000. Two-bedroom units top out at \$2,255,000.

**The lowdown:** It will be anchored by a 120-room luxury boutique hotel managed by the same firm that runs Seattle's Sorrento Hotel and other luxury lodgings. Atop the hotel will be the Madison Tower. It features such amenities as a rooftop dog park and a wine cellar for owners' use.

**More information:** [www.williamsmarketing.com](http://www.williamsmarketing.com)

#### **Four Seasons Hotel Seattle & Residence**

**Where:** To be built a block south of Pike Place Market at First Avenue and Union Street

**Units:** 30 to 35

**Height:** 21 stories

**Prices:** Have not been determined

**The lowdown:** This luxury development will have a terraced, U-shaped design guaranteeing Elliott Bay views to the 150 hotel rooms and condominiums. The Seattle Hotel Group, which includes former Seattle Mayor Paul Schell, put the deal together. Several of its members have expressed interest in buying a condo there, so only about a dozen will be available when marketing officially begins in late spring. Construction has not started but is scheduled to be completed in late 2007.

#### **Eighth Avenue and Olive Way**

**Units:** 170

**Height:** 35 stories

**Prices:** n/a

**The lowdown:** The first 16 floors are slated to be a hotel, as yet unnamed, with the remainder housing condominiums. Still in the planning and permitting phase, the project is proposed to have a

To promote that, the city is considering allowing taller downtown buildings. Now capped at 360 feet, residential towers could rise to 600 feet.

The concept of marrying a hotel to condominiums is catching on with developers because it pencils out well, said Thomas Callahan, a hotel analyst for PFK Consulting in San Francisco.

"If there's a strong residential market, the residential sells very well, and that enhances the hotel because generally hotels aren't feasible on their own," Callahan said. "You can get a lot of upfront money for the project."

Hotel/condo developers, in turn, are appealing to buyers like Sue Pruner with luxury and convenience.

If Rivera-Dirks represents one major segment of buyers — young professionals — Pruner and her husband, Richard, represent another: youthful retirees who are downsizing.

The Pruners are moving from a 5,400-square-foot Lake Washington waterfront home to a penthouse at 2200.

Like other buyers, the couple travel a lot and enjoy upscale hotels. They chose 2200 because it has "a really nice package of amenities," Sue Pruner said.

"They'll have concierge and a limo that will take you to restaurants and concerts," she said. "There's the option of room service [from the Pan Pacific's five-star restaurant], maid service and dry cleaning.

"Of course you'll pay for it, but it's nice to know it's there."

Being teamed with a hotel also means no shortage of parking or places to sleep. Owners "can assume their guests will stay in the hotel rather than on the hideabed," said Matthew Gardner, a principal in the Seattle land-use economics firm Gardner Johnson.

Still, developers are sensitive to condo buyers' need for privacy beyond pampering. That's why several are providing separate entrances and amenities, such as elevators and spas, exclusively for owners' use.

Interior designer Susan Marinello says the one thing they have in common is luxury: Really good marble is

10,000-square-foot spa and a 5,000-square-foot outdoor terrace. Construction could start late this year. It is expected to be completed in early 2008.

**More information:** [www.williamsmarketing.com](http://www.williamsmarketing.com)

#### The Westin Bellevue and One Lincoln Tower

**Where:** Bellevue Way Northeast across from Bellevue Square

**Units:** 148

**Height:** 41 stories

**Prices:** Two-bedroom units for \$540,000 and up. Four units remain, the least expensive priced at \$1.3 million.

**The lowdown:** This project features a 337-room hotel topped by luxury condominiums. Construction started in 2001, stopped, then started under new ownership.

**More information:** [www.onelincolntower.com](http://www.onelincolntower.com)

**1** 2200 at Westlake Avenue and Denny Way.

**2** Yet-to-be-named hotel and condominium tower at Eighth Avenue and Olive Way.

**3** Four Seasons Hotel Seattle & Residence at First Avenue and Union Street.

**4** Hotel 1000 and Madison Tower at First Avenue and Madison Street.

**5** Westin Hotel Bellevue and One Lincoln Tower at Bellevue Way Northeast and Northeast Sixth Street.



in; mediocre marble or — heaven forbid, laminate — is out. Her Seattle firm is doing the residential interiors for the Four Seasons and Lincoln Tower projects.

"My No. 1 drive is to create an interior that evokes a sense of calm and elegance because when you're living in a high-rise, it's often bustling and chaotic outside," Marinello said. "It will be very high end, high quality, the best of everything."

Luxury spa bathrooms and professional-grade kitchens that will "accommodate a high level of entertaining" are getting the most attention, Marinello said.

Kate Joncas, president of the Downtown Seattle Association, is confident these projects will be successful.

"We're a little bit under-hoteled for conventions," Joncas said.

And the downtown area could use high-end housing to balance its current housing units, more than half geared to moderate and low-income residents.

Gardner also thinks pent-up condo demand may play a part in filling the new projects.

Because of the dot.com bomb, condominium-defect litigation and other factors, only one downtown condo high-rise has opened in the last decade: the 22-story Cristalla near Pike Place Market. More than a quarter of its 197 units were snapped up the first weekend it went on the market.

Today, four remain, and the building hasn't opened.

"It sold out faster than we anticipated," said Leslie Williams, president of Cristalla's sales partner, Williams Marketing. "Seattle is ready for more. It has a very strong economy right now, and there are enough people sick of commuting who want a downtown lifestyle. Also, our views give buyers the kind of eye candy they don't get in other cities."

Because these condominiums sit atop multistory hotels, killer water and mountain views are almost guaranteed. But such living doesn't come cheap.

"There can be a premium on the sales price if you have the right name hotel," Callahan said.

Having a world-class luxury hotel in the mix could boost accompanying condo prices by as much as 20 percent over comparable condos that aren't attached to hotels, Callahan said. Lesser hotel names would mean lower premiums for their housing units.

But that's still beneficial, because condo buyers will get the use of hotel amenities, like a restaurant and swimming pool, without having to pay for them directly, Williams said. And if the building has problems, the hotel's 24-hour maintenance staff can take care of them immediately.

Jim Bowles, senior managing director of the Seattle office of CB Richard Ellis, a real-estate consulting and marketing firm, says it's too soon to say whether these projects will be good investments for buyers. But he suspects they will.

"If it's a nice hotel with a good operator, the value will probably at least stay equivalent or exceed what competitive properties are like just because of its uniqueness," Bowles said.

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