

After a busy year, Kevin Daniels expects rising costs to slow development in 2018



Developer Kevin Daniels speaks about construction progress on his project The Mark skyscraper in Seattle, Wash, on Oct. 6, 2016.
BUSINESS JOURNAL PHOTO | ANTHONY BOLANTE

Some 400 civic and business leaders gathered in one of downtown Seattle's oldest buildings last month to celebrate the rescue and restoration of the former church sanctuary.

They had come to fete Kevin Daniels, the head of Daniels Real Estate, who saved the building.

"In my wildest dream I didn't think it could happen," Daniels said at the opening of the Sanctuary at the Mark, the meeting-and-event space at the base of the new 44-story F5 Tower, which Daniels also developed.

The Sanctuary at The Mark in Seattle

Go behind the scenes with developer Kevin Daniels on this exclusive tour of the under-reconstruction The Sanctuary at The Mark in downtown Seattle, Sep. 29, 2017. [photos by Anthony Bolante | PSBJ]



The crowd gave Daniels a standing ovation.

“We in the historic preservation world worked long and hard for this. It was nip and tuck and Kevin came to the rescue,” said Mary Thompson, a partner at Artifacts Consulting Inc. and trustee emeritus of the National Trust.

F5 Tower" F5 Networks takes new Seattle high-rise in biggest lease of 2017

Kevin Daniels, the head of Daniel Real Estate, and Ben Coffman of JTM Construction took the PSBJ on an exclusive tour of the the F5 Tower in downtown Seattle last fall as the building zeroed in on its ultimate height of 660 feet.



But that was just one of the highlights from Daniels' year.

He also is wrapping up development of the 147-unit Gridiron condominiums by CenturyLink Field in Pioneer Square. More than 60 percent of the units have sold. Prices range from less than \$400,000 to \$1.2 million.

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Gridiron

Daniels Real Estate's Gridiron condo project is on the old Seattle Plumbing Supply building by CenturyLink Field.



He's also finishing up development of the 162-unit apartment building called the Mirador, which he's building on the edge of downtown Bellevue. It is a joint venture with Beijing-based Create World Group.

Daniels could be even busier in 2018, when he hopes to start construction of four developments: a 30-story condo project on First Hill; a large mixed-use apartment

project near Seattle's University Village mall; the Lodge at St. Edward in Kenmore; and a six-story mixed-use apartment building with studio and office space for Pratt Fine Arts Center in Seattle's Central District.

“(Starting) depends entirely on being able to make the projects pencil financially,” Daniels said. “With the rapid increase in construction costs in 2017, it raises some concern about whether these projects will be economically viable.”

Other than the possibility of a global crisis, Daniels identified rising construction costs as the greatest risk to Seattle's continued economic strength. He said this has forced many developers to put projects on hold.

Rising costs will cause the construction employment market to soften and slow down production of new housing, exacerbating the housing shortage even more, he said.

Daniels says he thinks the days of double-digit apartment rent hikes are over, especially in and around downtown Seattle, where developers have built thousands of new units in recent years.

Kevin Daniels

- Title: Daniels Real Estate president; Nitze-Stagen vice chairman
- Residence: Newcastle
- Education: Bachelor's in accounting from Gonzaga University
- Previous jobs: CPA for eight years after college; President of Nitze-Stagen
- Family: Daniels and his wife, Mary, have three adult sons — Kevin Robert, Chris and James — and a granddaughter, Charlotte (17 months).
- Hobbies: Tennis and travel
- Mentors: The late Frank Stagen; his late father, James Daniels; and former Gonzaga tennis coach Kent Brennan