

# PUGET SOUND BUSINESS JOURNAL

## John Teutsch

TEUTSCH PARTNERS | MANAGING MEMBER  
AND FOUNDING PARTNER



COMMERCIAL REAL ESTATE  
2019 LEADERSHIP AWARDS



**BY CORAL GARNICK |**  
cgarnick@bizjournal.com, 206-  
876-5439, @CoralPSBJ

*John Teutsch founded Teutsch Partners in 1987. The privately owned commercial real estate development and investment company is responsible for a number of projects, including Chandler's Cove on Lake Union, the Benaroya Research Center building on First Hill and the redevelopment of Shilshole Place and Shilshole Landing. Teutsch is a staunch believer in giving back to the community, and has dedicated time to the Legal Foundation of Washington, Boy Scouts, Seattle Arts and Lectures, the ArtsFund, Plymouth Housing, Seattle Academy of Arts and Sciences, Seattle Children's Home (now NAVOS), commercial real estate industry trade group NAIOP and the University Co-op School. A member of the board of KNKX 88.5, Teutsch helped the station land a new office for its South Puget Sound studio when the radio station became independently licensed in 2016. He also will be integral to lease negotiations for the downtown Seattle office.*

**What was your inspiration for founding Teutsch Partners?** I had a desire to control my destiny by forming a firm to develop interesting projects while providing real estate services to clients. Prior to that I had been the commercial leasing director for Cornerstone Development Company and then a principal in a commercial brokerage firm. Some of my early projects included historic renovations, Wallingford Center and Queen Anne High School. Over the years we have developed a wide range of product types including multifamily, office, industrial, senior housing and marinas.

**What development and investment trends do you see on the horizon?** In 2016 I sat on a panel with two other developers where we were asked where we were in the cycle. Each said we were in the late innings and things were about to cool off. We were obviously very wrong. Far and away the biggest driver of demand for both commercial and residential, especially multifamily, is the continued growth of tech sector, which shows no sign of letting up. Demand for more office space and housing continues to drive up land prices along with construction costs, which translates into higher rents and higher prices in every product type.

**What makes a good developer?** A willingness to take calculated risks based on an understanding of where the market's going and then delivering aesthetically pleasing, cost-effective buildings that meet the market. Financing requires access to the capital markets at a national and international level. Just as important, a developer must forge strong, positive working relationships in the

communities where they are building.

**How does community responsibility fit into that?** It's integral to success. As much as this area has grown since I moved here in 1981, it's still a small town as far as the importance of maintaining a reputation.

**How do you pick what in the community to dedicate your time to?** Based on areas where I have an interest in the mission and where I can provide some expertise as well as financial support.

**How did you get involved in KNKX?** I had been a KNKX (formerly KPLU) listener and contributor for many years. I became much more involved when, in December of 2016, Pacific Lutheran University unexpectedly announced that it was selling the station to KUOW. Instead of being sold, the station bought its independence from Pacific Lutheran University by raising \$8 million in less than six months. I then joined its board.

**What was the real estate situation?** KNKX has broadcast for 50 years from the PLU campus south of Tacoma and from downtown Seattle since 1985. It had to move off the PLU campus by this summer and its lease in Seattle expires next summer where it needs more space. They have unique requirements, like an antenna, sound studios, public visibility and access for the public and access to public transportation. The site selected in the Arts District of downtown Tacoma checks every box.

**How did you get involved with the ArtsFund and how has your expertise helped the organization?** I've been a contributor to ArtsFund for years and a longtime friend of (former) CEO Mari Horita. She approached me over five years ago to assist in assessing their options for their building. It's one block west of KeyArena and it underutilizes the potential of the site. It was obvious that the value was in the land, not the building.

**How did you proceed?** Dan Ivanoff (founder and managing investment partner at Schnitzer West) joined me as a co-adviser to Mari and the board. We assembled a best-in-class team of historic landmark consultants, land use and real estate transaction attorneys, engineers, environmental consultants, architects and multifamily brokers and with a little cajoling obtained terms appropriate for a nonprofit. A top-tier local multifamily developer, Bellevue-based Continental Properties, will be building a project that matches the site on great terms for ArtsFund's endowment.

*This interview has been edited for length and clarity.*