

## Residential

# Home sales projected to cool slightly

*Builders expect healthy demand; condominiums indicate growing trend*

By Emily Brandler  
OF THE JOURNAL OF BUSINESS

The residential construction market, which has been bubbling away on high heat for the past few years, is expected to cool to a simmer this year, though contractors say they still will be serving up plenty of new housing options to hungry home buyers.

If residential projects slated for 2006 were listed on a menu, the daily special would be condominiums. Numerous condo projects are under way or planned here, while single-family and multifamily developments also are contributing to robust overall construction activity.

"I'm seeing a strong industry," says Joel White, executive officer at the Spokane Home Builders Association. "You will see some slowing, though, from the record pace we had in 2005 and 2004."

Rising home prices and mortgage rate hikes are looming and they will soften demand a bit, while the cost of building materials continues to climb, which will contribute to a slight drop in construction activity, he says.

A slowdown in the housing market might be a welcome break for contractors here who are still catching their breath from the fast-paced activity of the past couple of years, says Corey Condron, vice president of Condron Construction Inc., of Spokane.

"We were spinning a little out of control," Condron says.

Condron Construction built 215 homes last year, nearly 70 more homes than in 2004, he says. The company's heavy workload reflected the housing boom in the Spokane area.

In 2005, the city of Spokane, Spokane County, and the city of Spokane Valley issued a total of 2,517 permits for sin-



— PHOTO BY LINN PARISH

In one of several conversion projects here, Rockwood Conversion Inc., of Spokane, is converting the 34-unit The Rockwood apartment building into condominiums.

gle-family homes worth a total of \$386.7 million, compared with permits for 1,807 homes worth \$286 million in 2004.

Condron Construction plans to build about 170 homes this year, both in anticipation of slightly decreased demand and in an effort to reduce the company's workload to a more manageable size, Condron says.

"A good-paced market in 2006 will be strong enough to give me all the business I want to have," Condron says.

Work is under way or planned in subdivisions throughout the Spokane area.

Among the projects slated this year in Spokane Valley is a 240-lot upscale subdivision, called ElkRidge Heights. ElkRidge Development Group, of Spokane, plans to buy 98 acres of land just west of state Route 27 near its junction with 40th Avenue for that development. Construction work is expected to start there this spring.

Also in the Spokane Valley area, both the 100-lot Remington Hill 3 subdivision and the 200-lot Timberlane Terrace development are under way. Rem-Rock Corp., of Spokane, is developing those subdivisions on two big parcels located east of Sullivan Road and north of 32nd Avenue, just south of the Spokane Valley city limits. Work on the first phase of Timberlane Terrace is expected to start in May, and work on the first phase of Remington Hill just wrapped up, says James R. Fox, president of Rem-Rock.

Condron Construction Inc. is under way on several subdivisions, including the 500-lot Highland Estates in Spokane Valley, north of the Trent Avenue and Barker Road intersection, Condron says. The company is well under way on the 150-lot Wandermere Heights subdivision off Mill Road near U.S. 395, and

See Residential page 10