

Residential Real Estate: Wealthiest ZIP Codes

Issaquah Highlands and Klahanie Conceal their Wealth

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Seventeen miles east of Seattle, the Issaquah areas ZIP code 98029 has surged into the top 10 wealthiest ZIP codes in the Puget Sound area, with an average household net worth of more than \$1.4 million.

But as with other local pockets of affluence, you have to look hard to actually see the big money.

It's very interesting when you fly in a helicopter, said Judd Kirk, CEO of Port Blakely Communities, the developer of the Issaquah Highlands. You see secluded money homes you can't see from any street, and there are some extremely large homes up there.

While Kirk's Issaquah Highlands development has its share of the ZIP codes wealth, it prides itself on offering a mix of housing including \$300,000 condos and \$400,000 row houses that attracts a range of income levels. Still, well-heeled Highlands buyers can choose view homes starting at \$1.5 million.

"I have seen a Maserati up here," said Highlands business owner and resident Matt Snook, "but that's about it for obvious money."

Snook owns World Pies, an upscale pizza restaurant, and the attached Nine Bar Espresso coffee shop.

Other than the occasional mom pushing a baby in a Bugaboo Cameleon stroller (\$899 before accessories) you see a lot of jeans and fleece in both Klahanie and the Issaquah Highlands, and very little evidence of "status."

Residents say they do enjoy their celebrity sightings of former Mariners star Jay Buhner running around in his Hummer and current Mariner pitcher J.J. Putz, who maintains a home in the ZIP code during the season but calls Arizona his full-time residence.

But it's not all about celebs or fancy cars.

"Average people could be driving up in their Prais to the \$2.7 million house on the hill," said Rebecca Kuno, a Keller Williams real estate agent who also lives in the Highlands and maintains one of several community blogs at RedBrickBlog.com.

She describes her neighbors as ranging from upper-level Microsoft, T-Mobile and Starbucks executives, to Boeing test pilots, to lawyers and accountants, and she said, "The mom's I know, they're all deal-finders."

The postal zip code 98029 was created on July 1, 1995, because of explosive population growth on the south Sammamish Plateau. It has jumped from No. 15 last year to No. 8 in average household net worth among the Puget Sound area's 223 Zip cods, according to California-based research firm ESRI.

Issaquah's other Zip code, 98027, sits just outside of the top 10, at a not-too-shabby No. 11 on the net worth list.

Zip code 98029 is generally south of Southeast Eighth Street, east of Lake Sammamish, north of Interstate 90, and west of about 275th Avenue Southeast, and encompasses the Issaquah Highlands and Klahanie.

Long before high-end workers lived in Klahanie, the Issaquah Highlands and in-between the land was being worked.

"The Issaquah Highlands community is built on the old Grand Ridge Mine, which was owned by the Central Coal Company," said Erica Maniez, director of the Issaquah History Museums, who noted that the

Highlands Central Park was named to mark that fact.

The Klahanie community was mostly a collection of dairy and poultry farms, with some logging businesses, according to Maniez.

Ava Frisinger, a 41-year resident and the mayor of Issaquah, remembers dairy cattle along the town's Gilman Boulevard, where you'll find a Safeway and a Target today.

She says she's not surprised that part of her city is now in the top 10 wealthiest ZIP codes, but increased net worth among residents presents both opportunities and challenges.

"There's a wonderful new group of people interested in the art and music our city has to offer," she said. "But sometimes the expectations of new residents can exceed what is here - people are concerned with snow removal in the winter, and things like that, and these are things we work on."

The areas Klahanie neighborhood is more like an island. It doesn't belong to any city, but both Sammamish and Issaquah have been interesting in annexing it. Klahanie's residents currently pay the county for essential services such as police and fire protection.

"Growth in the area has been phenomenal," said Mary Ann Currie, a Windermere Real Estate agent who specializes

in the plateau. "People are shopping for good schools and new construction, and this is where they can find both."

Klahanie, the older of the two main planned communities in the 98029 ZIP code, was started in 1985 and finished 10 years ago. It includes 3,100 living units, a shopping plaza, parks, tennis courts and two heated pools.

Issaquah Highlands is still being built, and has nearly 3,000 living units completed, with plans for another thousand. The community has its own direct access to Interstate 90, "which helps with the com-

98029

Neighborhoods:
 Issaquah Highlands, Klahanie

Puget Sound area wealth rank:
 8th out of 223 ZIP codes

Last years rank: 15th

Average household net worth:
 \$1,450,369

Average household size: 2.63

Source: ESRI Business Information Solutions



Dr. Jay Kaufman owns Occhio Optometry in Sammamish (ZIP code 98074, sixth wealthiest in the region) and opened a second location in the Issaquah Highlands in 2006.

"We're doing almost as well in the Highlands in two years as we have in Sammamish in six years," he said.

Kaufman grew up in Beverly Hills, California, (yes, that 90210 ZIP code) and he knows what it means to show off wealth and status.

"But you just don't see it here," he said. "People are down to earth. It's more of a family-oriented emphasis - people work hard to support their families."

Snook, the pizza restaurant and coffee shop owner in the Highlands with a background in banking, says his businesses are also doing quite well.

"People don't mind spending \$4.10 for a cup of specialty coffee, and they're still going out to eat," he said. Snook's businesses are 4 months old and he said revenues have increased monthly; the businesses could break even by the end of the summer.

As for real estate, Keller Williams agent Kuno said home prices may be softening, but not yet like other areas in the Puget Sound region.

Current luxury listings include brand new five-bedroom, five-bath, 7,400 square-foot home on two and a half acres in the Grand Ridge neighborhood for \$3.4 million, and a brand new five-bedroom, five-bath, 6,000 square-foot home with a theater and wine room in the Issaquah Highlands for \$2.6 million.

Residents of 98029 say that while you don't see tremendous evidence of material wealth - aside from a big home - you do know it's there when you stop to think about how much the kids' Mandarin language lessons cost, or that month long family vacation in Europe.

Coming soon to 98029: businesses that follow the money, especially health care.

Swedish Medical Center, which currently operates a satellite emergency room in Issaquah, has acquired nearly 18 acres of the Issaquah Highlands on which it plans to build a full-service, 175-bed hospital and health complex.

Also in the Highlands, despite the pause in signing national tenants for the High Streets retail complex, Port Blakely's Kirk says the project is moving forward with some local favorites.

"We're still moving ahead," he said.

The vision includes a hotel, health club, movie theater, and a mix of restaurants and major chains and local shops and services.

Issaquah Mayor Frisinger said she'd like to see an expansion of parks and recreation in her city, as well as more businesses, so that residents can spend their money locally.



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In the Highlands, the High Streets retail village is open, but a planned major destination shopping center has been delayed six to twelve months because of the current national retail slump and credit crunch.

Still, an announcement on the Highlands' major grocer and drug chain is expected any time, according to Port Blakely's Kirk.

So far, many small businesses in the ZIP code are bucking the trend of a slowing economy.