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BUILDER BANKER BREAKFAST

# Amid worry about economy, hope exists

Developer, banker emphasize prudent planning as their industries prepare for challenges that lie ahead

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The banking industry is against the ropes, and the development community is on thin ice, but representatives from both sectors want to make it clear that hope isn't lost.

The topic of Thursday's Builder Banker Breakfast was the future of the two interconnected industries.

Autumn Rudisel, the senior vice president and commercial real estate manager for Lewis and Clark Bank, and Chris Humphries, vice president of Birtcher Development, spoke at the quarterly event.

For Rudisel, whose bank is only two years old, it's a transitional time for banks and for developers who need loans.

"It's hard to imagine for some that the free market doesn't always correct itself," Rudisel said. "Greed gets in the way sometimes."

She said developers need to understand that the rules have changed, and they've become tighter.

"Banks are going to ask you a lot of questions now," she said, speaking to developers.

And some banks are loaning only to their core customers, a practice that ensures knowing beforehand the answers to their questions.

Some banks are just trying to increase their deposits.

Of course, that strategy doesn't always work. In fact, that was what Washington Mutual tried to do before it failed.

For Humphries, the greatest development story, from a marketing perspective, is the "green story."

From a practical standpoint it also makes sense: Either developers enter the low-carbon economy, he said, or we'll start living in an "ice-free world."

"I don't know what that looks like," he added, "but I don't want to find out."

From the banking end, however, Rudisel said projects that market themselves as "green" or "sustainable" do not typically fare better with lenders based on that marketing.

But Humphries said that in the near future, green projects will simply be the norm, mandated by law.

Thus, it's important for developers to beat the learning curve early on, so they're more competitive in the ensuing decades.

Currently, there are projects that continue to work within the green model, including building retrofits to make them more efficient.

"We need to be efficient for efficiency's sake," Humphries said. "The way to win this market is to get lean."



Dan Carter/DJC

Autumn Rudisel, top right, senior vice president of Lewis & Clark Bank, and Chris Humphries, above left, vice president of Birtcher Development, talked about the future of their connected industries at the Builder Banker Breakfast at the Governor Hotel on Thursday. Attendees at the quarterly event that brings together developers, bankers and contractors, included, top left, Donn Wiley with Bay Bank and Jo Ann Wright with the Oregon Bankers Association and, above right, Wally Harding with Norris Beggs & Simpson and Joe Hughes with Joseph Hughes Construction.