

Lawmakers suggest condo laws would slow conversions

By JACKIE KLEIN

A proposed three-year state moratorium on converting rental units to condominiums would hurt the state's already sluggish building industry, says State Rep. Joseph Forbes.

During a legislative breakfast in Southfield Monday, the Oak Park Democrat and House Majority Floor Leader criticized a bill introduced by Rep. John Bennett, D-Redford Township. Bennett's bill, if enacted, would delay state approval of condo conversions for three years.

The legislation, if passed, is expected to have a sizable impact in Southfield.

Tony Angelo has lowest project bid

Tony Angelo Cement Construction Co. of Southfield was the lowest bidder at \$5,411,521 for the widening of Orchard Lake Road through West Bloomfield and Farmington Hills.

The firm topped seven other bidders to reconstruct and pave three miles of Orchard Lake Road from 12 Mile to Maple roads. The project involves widening from two to five lanes and construction of temporary roadways that later will be converted to bike paths.

The low bidder must now be approved by the State Transportation Commission and the state administrative board before a contract is awarded.

The roadway is scheduled to open December 1980 with completion in September 1981.

Seventy-seven percent of the project will be federally funded with 23 percent funding by the county.

The city currently has about 26,500 rental units. Builders aren't starting new apartment buildings because of high interest rates and rents which can't keep up with inflationary costs, Forbes said. But there's money to be made by those who convert existing apartments to condos.

"Elderly apartment tenants are all for a three-year moratorium on conversions," Forbes said. "But opponents of the holdup measure say the trend to conversions reflects the public's preference for owner-occupancy. They also claim a freeze on conversions could put an excessive demand on existing condos and on their prices."

Forbes and State Sen. Doug Ross, D-Oak Park, have introduced four bills they say will protect tenants while not ignoring the problems of developers.

THE MAJOR bill provides senior citizens 62 or older with a lifetime lease to live in converted buildings and continue to pay reasonable rents. Other measures would make state loans available for low to middle-income families who want to buy a condo as well as to developers if all the bills are enacted during conversions.

"The conversion phenomenon is a response to economic forces to provide housing for ownership," Ross said Monday. "The group having the most difficulty adjusting to the new set of rules in the marketplace is older people who sold their homes and rented apartments."

"They don't want to buy condo units, and they don't want to move. They need protection without disrupting the conversion marketplace. Nobody should have to pay a disproportionate share of the costs."

If the bill is passed, Ross said, tenants 62 or older must already be living in a converted apartment building in order to take advantage of the lifetime lease. New tenants wouldn't be eligible for the life lease which would be phased out, he said.

Michigan State Housing Development Authority (MSHA) would make

low interest loans to converters to compensate for units rented instead of sold. Developers would repay the loan when tenants leave and units are available for purchase.

UNDER THE measure, MSHA would subsidize mortgage loans for persons of all ages with incomes up to \$21,000 who want to buy condominium units, Ross said. Many developers support the proposed legislation because it's balanced, Ross maintained.

Developers say the switch from apartments to condos is logical because of rising construction costs and tax benefits. Many original owners sell their apartment buildings to converters so the sellers can get a break on their capital gains tax, according to a number of handouts.

THE TURNABOUT in the condo market from a low point in 1975 has been stronger than any other sector of the housing market, according to an October 1979 report by Advance Mortgage Corp. The report said the time may be ripe for developers to consider selling their apartments as condominiums.

Frequent movers, however, are poor prospective buyers, the report says, and tenants younger than 30 or older than 60 usually don't buy condos. Older persons often have trouble getting mortgage loans, according to the report, and even if they can arrange financing, many don't believe they'll live long enough to enjoy the advantages of home ownership.

A disadvantage of converting an ex-

isting apartment building to a condominium is the obvious age of apartment halls, lobbies, kitchens and bathrooms, the report says. Improvements are marketing musts, it states.

"The problem is buildings won't last if they're sold as they are," said Robert Meisner, a Southfield attorney. "I'm concerned about the abuse in condo conversions if buildings deteriorate. Legislation should insure protection for buyers including mandatory inspection of units."

ECONOMIC CONDITIONS will dissuade certain developers from converting now which should help the tenants' cause, he said.

"You can't sell a condo unless you get a permit from the state to take reservations from potential owners," said

Bruce Kahn, a Southfield attorney. Kahn added that the condominium administration in Lansing can refuse to issue a permit if the developer lacks the money to see it through.

"It takes about six months to submit applications and get approval. Zoning laws can't discriminate against condos but some city officials can hassle developers."

The Apartment Association of Michigan lists reasons for not prohibiting condominium conversions. Among them are that conversions open up an entire new housing opportunity at market values lower than those of single-family homes. The association also claims that most condo buyers wouldn't normally rent so the demand for rental housing is reduced in equal number.

CASH For JEWELRY

Cash paid for your diamonds, gold, or fine jewelry! All sales in strict confidence

BY APPOINTMENT ONLY
Fredrick Jewelers
869 West Long Lake Road
at Telegraph
646-0973

A is for Apple
It's the first thing you should know about personal computers.

The era of personal computers is here. Now there's Apple II. Apple will challenge your imagination today and for years to come. 1000's of uses from finances to education to fun and games. See us soon for a demonstration.

COMPUTER CONNECTION
39437 Grand River Farmington Hills • 477-4470
Daily 10-6 • Mon. & Fri. 10-8 • Closed Sun.

Don't just "SIGN" it!
"Deliver" your garage sale message to your community!

Classified Ads
GARAGE SALE

Sheet Music
Pop and Method Books from "Back to Rock"
HAMMILL MUSIC
Middlebush Rd. between S & E 6 Mile
427-0040

The Beatles are Back!

John!
Paul!
George!
Ringo!

THE TOWER
Every hour on The Tower

the Romance of Oriental Rugs

Weave a Spell of Warmth and Beauty

Make your mood soft and classic. Be bold or contemporary. With an Oriental rug you will enjoy the exceptional feeling of a truly special room.

Antique, semi-antique and new rugs are currently available in a fine selection of designs, patterns and sizes. Included are many new Peking rugs. Some soft and delicately tufted. Others bold and deeply sculptured. Choose brilliant colors. Striking geometric Bokharas and lively Indian rugs. Tender floral patterns and hand embroidered Sumaks. All wool. All handwoven for enduring beauty.

Investors Note: Many fine Tabriz, Kermans, Sarab and selected silks are available. Brokerage and consultation services.

tadross & zahout
Birmingham: 304 Hamilton Row • 644-8200
Purveyors of fine Oriental Rugs Since 1897

Capper & Capper CHICAGO • DETROIT

EXECUTIVE PINSTRIPE. From Graham & Gunn, Ltd. Leadership quality pinstripe, styled with all the fringe benefits: executive vest, presidential tailoring. Polyester/wool. In corporate gray or blue, \$310. WOODWARD AVENUE • SOMERSET MALL
764-3300 — 643-6700

Christian Dior turns on the light, in this European sport coat for HS&M. When Hart Schaffner & Marx asked Dior to design a lightweight sport coat, he came up with this: a trimly carved, very European model with contoured profile, moderate lapels, open patch pockets and a center vent. The sort of thing that slims you without looking stuffy. It's tailored in a definitely preferred stock: a blend of linen, polyester and silk, in a tweedy mix. It's \$210.



THE BOARDROOM
Somerset Mall Fairlane Center (inside Hughes & Hatcher)

Inkster paving plan on hold
(Continued from Page 1A)

ters, both "very strongly objecting to chloriding the road," Trustee Richard Politi said Monday.

"Chloride does not work," Janet Francis said. "Please explore all possibilities. Paving is the ultimate answer."

PRESTIGE GALLERIES, INC.
proudly present an
AUCTION
of Antiquities and Fine Art at our Galleries
APRIL 18, 19 & 20, 1980
21421 Hilltop • Southfield, Michigan

Three Sessions:
FRIDAY EVENING - APRIL 18th 7:30 p.m.
SATURDAY AFTERNOON - APRIL 19th 1:00 p.m.
SUNDAY AFTERNOON - APRIL 20th 1:00 p.m.

FEATURING
an excellent collection of Antiquities and Fine Art from several estates and private collections including items from:
The Karl Larsen Collection - Detroit, Michigan
The Collection of Mr. Mark Fischer (Mark Fischer Galleries), Detroit, Michigan
The Collection of Dr. Hareesh Shah - Elmhurst, New York

INCLUDING: Oil Paintings - George Inness, Jules Dupre, John Constable, works by Picasso, Maffei and more. Antique French, Italian Furniture, Sterling Silver, Antique Maltese and Serris, Port Silk, Tulle, Ivory and Jade. Important Jewelry Collection, Chinese Porcelains, Brasses, Art Glass - Tiffany, Deco, Steuben and much more.

EXHIBITION: One hour prior to each session, and Thursday, April 17th from 10 a.m. to 5 p.m.

TERMS: Cash, Check, American Express, VISA and Master Charge. Consigned antiques available: \$3. For information call: (313) 358-4580.

PRESTIGE GALLERIES, INC.
21421 Hilltop
Southfield, MI 48034

"Investment dressing..."
because your best investment is you.

All Executive Custom Shirtmakers, Inc. we use the finest fabrics and expert craftsmanship to design each shirt especially for you. Because after all, you're worth the investment.

Executive Custom Shirtmakers, Inc.
207 1/2 Woodward Ave., Birmingham, MI 48201 642 0440