datebook

THE 1981 forecast for new home sales will be the topic of a noon Jan. 6 Builders Association of Southeastern Michigan news conference at Stouffer's Northland Inn, 21000 Northwestern Highway in Southfield. It will be conducted by the group's newly elected president, Dave Pink. For more details, call 569-0644.

INVESTING in the political and economic environment of the 1980s will be discussed by Professor Ross Wilhelm of the University of Michigan Graduate Business School on Jan. 7 at a 5 p.m. dinner meeting of the Financial Analysts Society of Detroit at the University Club, 1411 E. Jefferson. Cocktails are at 5 p.m. and dinner at 6:30 p.m. For more details, contact Ann Simmonds at 225-3046 no later than Jan. 5.

MICHAEL SUMICHRAST, chief economist for the National Association of Home Builders, will make his projections for 1981 and discuss what area builders can expect at the Builders Association of Southeastern Michigan's general membership meeting noon on Jan. 8 at the Northfield Hilton Inn in Troy. The meeting is open to the public. Tickets are $30 for non-members. For more information, call the association at 569-0644.

Whistling in the dark?

Realtors foresee some good ahead

Lower mortgage interest rates, higher prices, continued innovations for financing homes and a local real-estate market that parallels the overall economy are forecasted by the Western Wayne Oakland County Board of Realtors.

Robert Shimmin, the new WWOCBR president, made these projections at a recent news conference:

- A growing need for new and improved housing will continue to place more pressure on government to get rid of what he called costly and unneeded regulations affecting home building.
- Smaller, more energy-efficient detached homes, semifinished new homes and condominiums will be hot items in 1981.
- Home buyers and sellers also will find prices edging up, but not at the high rate of a few years ago.
- Mortgage interest rates will hover around 12 or 13 percent during the latter part of 1981, according to the local forecast.
- Continued innovations in financing homes will be offered. Some will require legislative action.
- The pace of the local real-estate market will parallel that of the overall economy, with activity expected to improve to at least the 1979 level, Shimmin said.

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>
> ***— Robert Shimmin***

"MANY PEOPLE are ready to move if they can sell their present home. Increases in prices are at the lowest annual rate in several years. Demand for new household formation is growing at an unprecedented rate. Rising values keep homes as the best hedge against inflation available to consumers," Shimmin said.

"Yet the market sits at a virtual standstill and has been in a depressed state for nearly two years."

Shimmin added that a solid upturn in local sales will not occur until improved auto sales spark the overall economy. He does not expect that to happen until auto-loan interest rates are lowered.

In 1980, for example, Shimmin said home listings in the board's 1,600-square-mile territory were up 10.6 percent from 1979. But sales declined 24.3 percent as total dollar volume was off 19.4 percent and the average sales price climbed 6.5 percent.

BUT THE SLUMP is not spread evenly around the metropolitan area. Detroit's drop was only 17 percent compared to some suburban communities where sales have plummeted 30 to 40 percent.

Shimmin said the traditional conventional or fixed-rate mortgage has lost popularity and will never regain its previous levels.

In its place, Shimmin said, renegotiated rate mortgages and shared appreciation mortgages will become the methods of the 1980s.

"Promises made by the new administration for controlled government spending, tax relief and investment incentives bode well for the future. But it will be some months before any such activity will make itself felt," Shimmin said.

"In the meantime, home prices will continue to rise and any significant reduction in mortgage rates will only speed the process. Higher costs for land, building materials and labor as well as growing demand will all be factors," he said.

He pointed to demographics indicating a need for two million new residential units each year, but said building below this level in 1979 through 1981 will leave a shortfall of about 1.5 million units.

market place

MORE HOME mortgages were closed in October than in September in Wayne, Oakland, Macomb and Washtenaw counties despite increasingly high interest rates. With the home market reeling under rates in the mid-teens, 6,559 purchasers committed for $247,283,662 in the four-county area. The totals compared to 5,977 mortgages involving $229,142,182 in September, according to figures compiled by the Lawyers Title Insurance Corp.

NEW HOME construction in Detroit is expected to rech 16,000 units in 1981, up 68.4 percent over 1980 when 9,500 units were built in the metropolitan area, according to Chicago Title Insurance Co., a insurer of property titles for lenders and home owners. Detroit will be the 20th most active new home construction market in the U.S. based on total new units built. Houston leads the projections with 49,500 new residential unit in 1981, up from 40,000 in 1980.

THE BEZNOS Co., a Southfield based real estate company managing properties in Michigan, Arizona and Tennessee, has appointed Grossman & Associates of Southfield as its advertising agency.

STANDARD FEDERAL Savings again lead all residential mortgage lenders in southeastern Michigan during October by recording $51,046,190 or 20.6 percent of the residential mortgage recordings in the four county area. Next in line are First Federal Savings — Detroit with $31,501,600; First Federal Savings — Oakland with $18,304,631; Michigan National Bank with $18,039,315; National Bank of Detroit with $8,732,821; and Manufacturer's National Bank with $5,850,665.

PERRY DRUG Stores Inc. expects to report record fourth quarter earnings for 1980. Net income, officers say, for the year was down six percent to $2.4 million or $1.51 per share from $2.5 million or $1.62 a share in 1979. Sales increased 25 percent to $136.4 million from $109.3 million. Fourth quarter net was $515,000 or 32 cents per share compared to $459,000 or 30 cents per share in the fourth quarter of 1979.

G&D Communications Corp. moved into a new facility at 350 Oliver Street in Troy. The move consolidates the marketing, advertising and merchandising firm's three offices into two.

THE J.B. CAIN CO. also moved into new and enlarged quarters at 392 Oliver Street in Troy. The moves allows the company to expand it plumbing, heating, air conditioning and energy management services.

CORE INDUSTRIES of Birmingham reported an eight percent increase in operating earnings for its first quarter ended Nov. 30. Earnings were $3,283,000 or 52 cents per share compared to record earnings of $3,043,000 or 48 cents last year. Company officials say the higher margins are due to an improved product mix. Overall, sales were down seven percent due to reduced sales in the mechanical contracting division and the farm equipment group.

SOHIGIAN & Partners Inc. Advertising of Southfield is the new agency for Sun Land Airlines, a new air service with national offices in Oregon.