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By Carolyn Germain
special writer

With its low profile you may not have heard of it, but the Dietz Organization is well known by investors in million-dollar income property.

"What we do is sell any existing property that is improved, meaning it has a building on it that is more than \$1 million and that is being held for income purposes as an investment," said Paul Dietz, founder and sole owner of the Dietz Organization.

Founded in late 1979 as a three-person company, Dietz had sales in 1980 through 1982 of \$15 million to \$30 million. Sales in 1983-84 jumped to \$70 million and were up to \$125 million in 1985.

"Sales for 1986 were \$200 million and we expect to reach the quarter-billion-dollar level by 1988," Dietz said.

The firm has grown to more than 30 employees and occupies 3,500 square feet of office space at 50 W. Big Beaver, Birmingham. Plans are under way to expand its office quarters to 5,000 square feet in April.

Dietz said the company's sales include apartment and office buildings, shopping centers and industrial buildings that are investor-owned.

"We are selling people's large income properties," he said. "We have a low profile because unlike a home, people don't put a for sale sign on their properties and frequently don't advertise."

DURING THE FOURTH quarter in 1986, the firm served as broker for the sale of 22 properties worth about \$80 million.

The sales included the Holiday Inn in Hazel Park for \$6.5 million, the 30100 Northwestern Highway Building in Farmington Hills for \$4.5 million, Southfield Industrial Park in Southfield, Ind., for \$2.5 million, Towers Medical Building in Grand Rapids for \$8.2 million and Huron View Commercial Park in Ann Arbor for \$2 million.

Other sales in the final quarter included Oakwood Villa Apartments in Royal Oak for \$3 million, Cavalier Manor Apartments in East Detroit for \$2.4 million, the Hyform Building in Livonia for \$2.5 million and Connecticut Corners Office Building in Northville for \$2.2 million.

Dietz said many of the properties sold during the final quarter were the result of sellers and buyers wanting certain tax benefits before the new tax law came into effect.

"Sellers were seeking capital gains benefits while buyers wanted to take advantage of existing depreciation schedules," Dietz said.

DIETZ SAYS he thinks commercial real estate will continue to sell at a brisk pace because of low interest rates and a surplus of available capital for investors to place in commercial property.

"Also, owners who have held their properties for many years are starting to recognize that the market is at a peak and that 1987 will be an opportune time to sell," he said.

The Dietz Organization is expanding its business beyond Michigan to include St. Louis, Indianapolis, Cincinnati and other major markets in the region, Dietz said.

Dietz said last year when Prudential Insurance Co. was looking for a broker to sell a \$7 million project in Grand Rapids it interviewed other commercial brokerage firms along with Dietz and found there was no company that came within "one-third of what we are doing in the commercial brokerage area."

Dietz also did a survey on his own, calling other brokerage firms and asking how large the sales force that dealt strictly with income property brokerage was. The most any other company has was four compared to his sales staff of 17, he said.

BUT DIETZ NOTED that the other firms were also involved in other activities like land sales and leasing retail space.

"There are no other firms that are exclusively doing income property brokering," he said. "We have a profile that is fairly unusual."

Each sales person in the company has a specialty such as shopping centers or apartment buildings and sales within a certain geographic territory. Each sales person is also part of a team, for instance a shopping center team, and information is shared with other members of the team.

"The sales staff ranges in age from 26 to 32 years and they are dealing with sophisticated properties worth \$2 million or \$3 million and fees in excess of \$80,000 to \$30,000," he said. "They become extremely knowledgeable extremely fast."

The firm is heavily computerized with a 7,000-property data base. Pictures are available of each property along with its vital statistics. About 5,000 to 6,000 mailers are put out each month listing available properties.

Dietz said Michigan and the Midwest are probably the best markets in the nation for investment properties.

"This area of the country underwent a severe recession several years ago, and thus had been more conservative than other regions in investing in new commercial properties," he said.

"The result is that there is less overbuilding here than in the East and Southwest, and that properties are maintaining a high value."

Other properties handled by Dietz in 1986 included Hampton Court Apartments in Westland for \$5.8 million, Roanby Apartments in Sterling Heights for \$4.5 million, Insubrook Apartments in Northville for \$7.8 million, Civic Center Plaza in Livonia for 2.5 million, Square Lake Hills Apartments in Bloomfield Hills for \$4.5 million, Village Professional Building in Bloomfield Hills for \$5.2 million and Lincoln Park Industrial Building in Lincoln Park for \$5.7 million.

Out-of-state sales included Hickory Creek Apartments in Columbus, Ohio for \$8 million and Sierra Vista Apartments and Whispering Lakes Apartments in St. Louis, Mo., for \$29.2 million.

Dietz graduated from University of Detroit Law School in 1987 and had a two-year fellowship specializing in urban law at the University of Pennsylvania law school.

He was with The Hartman Group Realtors, one of Michigan's largest commercial Realtors from 1969 to 1975 where he was a minority stockholder and vice president in charge of investment properties.

He was a principal and stockholder from 1976 to 1979 in Atlantic Associates, which both brokered and syndicated income properties.

Commercial investments

Dietz Organization is a one-of-a-kind business whose low profile doesn't preclude its success in commercial real estate. Founded in late 1979 as a three-person company, Dietz had sales in 1986 of \$200 million, and the company expects to reach the quarter-billion-dollar level by 1988.



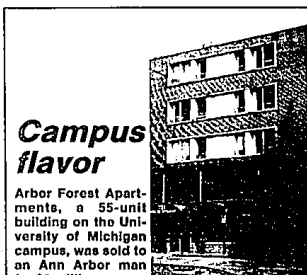
Bit of history

Jack Belkin of Southfield purchased this 1923 office building in Ypsilanti.



Life's a holiday

A Florida real estate fund purchased the Hazel Park Holiday Inn for \$6.4 million. Seller of the property was M.F.P. Investments of Birmingham.



Campus flavor

Arbor Forest Apartments, a 55-unit building on the University of Michigan campus, was sold to an Ann Arbor man for \$2 million.



Cool million

The Georgetown Office Building on Packard near Eisenhower Highway was sold for \$1 million to Diro Enterprises of Birmingham. Dietz Organization served as broker for all buildings shown.



The U.S. now claims the title of the No. 1 debtor nation, having passed Mexico, Brazil and Poland. And we're adding \$1 billion in debt every 2 1/2 days. Sen. Don Riegle painted a bleak economic picture if the downward spiral continues, listing two possible outcomes. One is "enormous inflation," with interest rates reaching 20 percent. The other is a lower standard of living for all.

Staff photo by Steve Fecht

Riegle zeroes in on budget deficit

By Marie Chestney
staff writer

"No one knows what this means," Sen. Donald W. Riegle Jr. said Monday as he neared the end of his brief breakfast talk to members of the Livonia Chamber of Commerce. "Economics text books have not been written to deal with this. But it's a dangerous condition that the country has to struggle with."

Before breakfast, Riegle passed out graphs that dramatized the "dangerous" problem. One chart showed this country's \$40 billion trade deficit in 1982 escalating to \$170 billion by the end of 1986.

Another graph showed a financially healthy nation start its plunge into debt in 1984. That country, the U.S., ended up \$250 billion in debt by the end of 1986.

"These are rapid and dramatic changes," Riegle said. "We're adding international debt at an extraordinary rate of speed. We're now the No. 1 debtor nation. We've passed Mexico, Brazil, Poland, as debtor nations. And we're adding \$1 billion in debt every 2 1/2 days. By 1989, we'll owe the rest of the world \$1 trillion."

RIEGLE PAINTED a bleak economic picture if the downward spiral continues and gave two possible outcomes. One is "enormous inflation," with interest rates reaching 20 percent. The other is a lower standard of living for all. That includes both lower wages for the worker and lower profits for the business person.

"This is not acceptable," Riegle said. "People will not accept this."

The only way out, he said, is for all workers — from the student to the company president — to perform at the levels "way beyond what they are used to doing."

"We have to work harder, smarter, using team work. Labor and management have to work together. We have to create a work ethic. We have to do this or these lines (on the graphs) won't turn around."

CITING THE Japanese high school dropout rate — 2 percent — Riegle urged parents to turn off the TV set and put books in their children's hands.

"The high school dropout rate in the U.S. is 29 percent," he said. "In Detroit, it's 50 percent."

At the government level, Riegle said the U.S. should put aside its "marshmallow" trade policy and use "more aggressive trade tactics."

To dramatize his point, he told the story of a U.S. businessman who wanted to open a Chrysler dealership in Tokyo.

pan's answer to the businessman, Riegle said.

On the brighter side, Riegle told of the \$312 million soon to come to Michigan because of the recent passage of the federal highway bill.

"That was high drama," Riegle said. "I saw things I never saw before, like the freshman senator who voted three different ways, yes, no and maybe. But we need a top-notch highway system to remain competitive. We can't excel if people are sitting in traffic jams."

ONE OF THE BIGGEST influences on legislation in Washington these days, Riegle said, is the "state of the presidency." Little is being done on such important items as product liability because President Ronald Reagan is not exerting "strong leadership," he said.

Because of the Iran-contra controversy and Reagan's lame-duck presidency, Riegle said the administration has no "clear-cut set of operational goals."

"It takes the executive branch leading the charge," he said. "It breaks open debate. Presidents have a short list of objectives, but no one knows what's on Reagan's short list. In the absence of (a presidential) initiative, it's tough for Congress to be the engine to drive the government."

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