

Building Scene

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Slowdown? Builders don't see it

By Doug Funk
staff writer

Residential construction continues on a fairly steady pace here, builders say, despite talk about Michigan being near or in economic recession and the military build-up in the Middle East.

Many builders contacted reported that building activity is as good or better than they had projected at the beginning of the year.

Declines were described as slight.

"It is a little moderate, but it's always moderate at this time of year," said James S. Bonadeo, president of the Builders Association of Southeastern Michigan and president of a Plymouth building company.

"We (Bonadeo Builders) are way ahead of last year, about 20 percent," he said. "I expect we'll do \$10-11 million in business."

Byrne Benson, president of a Waterford building company, spoke of similar success.

"Our business is up 25-30 percent from last year and last year was a good year for us," Benson said. "This year we project out to 125-130 houses."

"WE DON'T" build much over \$100,000," he said. "We have financing tools available, FHA and VA. If people are credit worthy, we can usually get them in a house."

"We got worried six weeks ago when things dropped up in the Middle East," he added. "We're building up in North Oakland, Orionville. That's a big drive but people are coming out every weekend."

Builders expressed few concerns about interest rates, which they say have been steady this year.

Bernard Gileberman, president of Crosswinds Communities of West Bloomfield, said his sales have been better than expected this year.

"The affordable market is alive and well," he said. "We haven't really been affected much by the economy."

Gileberman said he expects to sell out all 136 con-



SHARON LAMIEUX/staff photographer

No dramatic downturn in residential housing starts has occurred in metro Detroit this year. While builders reported varying degrees of starts, preliminary figures compiled through June by the Southeast Michigan Council of

dominium sites in Farmington Hills, priced \$114,990-\$126,990, by next spring. He's sold 50 condos in Westland priced \$75,000-\$100,000 before even opening a model.

Donald Pratt, president of Wake-Pratt of Troy, also reported a solid 1990.

"WE'RE HAVING a good year even though the market is a little soft now," he said. "I'm projecting a good year next year, too."

Pratt builds custom designed houses priced at \$150,000 and up, plus starter condominiums in Pontiac for \$50,000-\$60,000.

Governments indicated almost as many starts this year as last in Oakland and Wayne counties. Here, work crews labor at the Copper Creek condominium community in Farmington Hills.

"The higher end stuff is usually not quite as dependent on the ups and downs of the economy," he said.

Young couples and singles are keeping traffic brisk at the condominiums. This year, Pratt expects to build 50-60 condos as he annually does and seven to eight custom homes when he normally does 10-15.

A downturn in the auto industry will have some affect, but not nearly as much as in previous years, Pratt speculated.

"We're dependent on it, but not as dependent as we used to be."

Joseph Slavik, an owner of the Slavik Cos. of Farmington Hills, wasn't as upbeat as his counterparts.

"UP UNTIL a month ago, it was about what we had projected," he said. "We knew there was going to be a slowdown, but didn't know when it was going to happen."

"In the lower end (\$50,000-\$150,000), 30-40 days ago, things slowed up considerably. I think I'm going to build a few less than I had anticipated."

Buying cools for a variety of reasons, Slavik said.

"Why they don't buy? There's a million reasons. When consumers decide things don't look too good either nationally or locally, a couple meets at breakfast and says, 'Let's wait.'"

"If they feel real estate values will fall, they won't buy. If interest rates are falling, they won't buy."

"The higher end is a different animal," Slavik added. "Normally you have people with a lot of money in the bank and security. This (housing) is a luxury."

Scott Jacobson, president of a Birmingham building company, attributes a 5 percent decline in his housing starts this year to consumer uncertainty about the direction of the economy and a slowdown in the resale market.

UNCERTAINTY causes people to sit on the fence, delay decisions, even though they may not be directly affected by unfolding events, he said.

Jacobson prices in the middle range, \$180,000-\$250,000, especially attractive for second-time buyers who upgrade.

"There's some difficulty in the sale of used houses. They're just not moving as quickly as in years past," he said.

Mark Guidobono, president of Cambridge Homes of Northville, said he believes the cyclical real estate market probably is due for a downward swing.

"Anybody could have made money in the building business the last five years," he said. "Guys who know what they're doing and have a professional way of doing business will survive. Those who don't, will be weeded out in the next recession, which could be starting now."

The Builders Association of Southeastern Michigan projected last January that housing starts could increase by some 5 percent this year.

Preliminary statistics compiled by the Southeast Michigan Council of Governments indicate that permits were issued for 3,644 housing units in Oakland County through June of this year compared to 3,698 for the first six months of 1989.

Corresponding figures for Wayne County are 1,518 for the first half of 1990, 1,569 for 1989.

"The best month for the builder is January in terms of sales," Bonadeo said. "Second is February and March is third. The holidays are over, people don't have much to do. The weather is not great. So they look at model homes and end up buying."

Architects say law on their side in design squabble

By Gerald Frawley
staff writer

Residential, commercial, office and industrial buildings are being designed illegally because state law is either misunderstood or ignored.

Architects say the law is the law and is should be followed; builders say the law is antiquated and should be changed.

"This is not just a Homearama issue," said Ben Tiseo, the chairman of the Detroit chapter of the American Institute of Architects (AIA) professional practices committee.

"This has to do with the profession and practice of architecture."

THE RECENT flap in local newspapers regarding the use of designers providing architectural services at the upcoming show of homes in Genoa Township is just an example of a larger problem, Tiseo said.

"It's bad press in a way because it sounds like a turf war. People may not agree with the law, but that's not the problem — if you don't like the law, change it, but don't ignore it."

The problem is simply stated — people unlicensed to offer architectural services are offering them, and in some cases, licensed architects, careless building officials and builders are helping them.

"If the architects are policing themselves, the problem will go away," Tiseo said. "That's one area we've really been negligent in —

getting the message out."

BY REFUSING to review projects at the end of a design — in a practice known as "selling the seal" — architects could eliminate most of the problems.

If building officials refuse to issue a permit for plans without a licensed architect's signature, the problem would also be resolved.

In all the hoopla raised over the architects' interpretation of the law, no has focused on the need for the law, said Irvin Yackness, executive director of the Builders Association of Southeastern Michigan.

"I haven't heard of any houses with structural problems," he said. "Whenever complaints are lodged by homeowners, he said, they are about aesthetic concerns."

YACKNESS STRESSED the law requiring architect supervision was passed in the 1930s and does not reflect the present-day design environment.

"Maybe it's time we look at it again."

Building codes and individual building departments are more sophisticated than when the law was enacted.

"The public doesn't have to be apprehensive that they are moving into unsafe houses."

A home has to pass through 18 to 20 inspections by building departments and other experts before an occupancy permit is granted.

"Every stage of construction is covered."

"The best proof of what I'm saying is that we haven't had any problems."

TISEO DISAGREES.

"If there is a (design) problem, or an injury, or a death — everyone will point to the architect because he is the professional."

BUILDING OFFICIALS shouldn't issue building permits unless an architect has supervised or done the design; architects should not review designs they didn't do or supervise; designers shouldn't design buildings larger than 3,500 square feet; engineers shouldn't act in the place of architects by approving designs; and builders should be aware of the law and follow it, Tiseo said.

Tiseo said he and other architects decided last November that the

problem had gone on long enough, and they formed the professional practices committee to monitor and evaluate the situation.

What they found was widespread abuses of the law, Tiseo said.

"Most people are aware of the licensing act but they don't want to abide by it."

IN THE PAST year, the AIA has made 58 complaints — 30 of which were leveled last week and only three were leveled at Homearama homes — of improper practices by architects, engineers, builders and designers for violations of state law.

THE LAW requiring that architects design or supervise the design of a project was written for the express reason of protecting the public health, safety and welfare.

To get a license, architects must take five years of schooling, three

years of apprenticeship and a standardized national test.

A designer, on the other hand, may not have studied architecture at all, Dumke said.

JACK SHARPE, the licensing administrator with the state board of architects, said there are probably many abuses of the state law, but it's almost impossible to figure out to what degree.

Most violations are reported by building officials, disgruntled clients or other architects, he said.

IT'S DIFFICULT to gauge how often these violations occur, said William Wagner, the supervisor of the state licensing and regulation enforcement division.

"The state traditionally doesn't investigate cases on its own — we're a consumer protection agency that responds to complaints," he said.

Wagner supervises 23 investiga-

tors — each has a case load in excess of 100 cases.

Wagner doesn't know how many are architecture-related complaints because his department is also responsible for 28 other occupations and professions, he said.

BUILDERS USE designers instead of architects for two reasons — cost and control, Tiseo said.

"Designers are less expensive than architects," he said. "(Also) If an architect is doing his job, (the builder) has less control."

Builders use staff designers for two reasons, Yackness said.

One, the builder can establish a relationship with a staff designer better than he can with an independent architect, and two, builders often work in specific customer niches, and an in-house designer who is familiar with that niche can better serve the builder.

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