

REAL ESTATE NEWS

Bargain-hunters, 1st-time buyers enter market

By Janice Brunson
staff writer

Who's buying what today?

A mixed bag, with lots of first-time buyers and others looking for bargains, say area real estate agents describing shoppers in Oakland and Wayne county suburban communities.

"It's a real variety of buyers," said Doris Engler of Merrill Lynch Realty in West Bloomfield. "They range from one end of the spectrum

to the other. I have homes from \$79,000 to \$3 million."

"People seem to be looking for everything," concurred Shelly Williams of Red Carpet Kelm in West Bloomfield.

Sales among lower-priced homes are particularly active. "If something is priced right in the lower price range, it's gone," she said.

Sue Thompson of Real Estate One in Livonia said inquiries in her office also reflect "a wide range of interest. And there's lots available, a lot of new developments."

Among those expressing interest are many first-time buyers, young couples interested in homes priced from \$38,000 to \$70,000.

IT'S A SIMILAR story in Rochester, according to Liz Schindler of Prudential Great Lakes. Many of her clients are shopping for their first house.

The reason? "It's the best time in the last 15 years to buy. Low interest and low prices," Schindler said. Her clients, many of whom are currently renting, are interested in homes un-

der \$150,000.

Their biggest concern is price," she said.

In Canton, homes priced from \$100,000 to \$125,000 are of particular interest, especially if they have an attached garage, according to Ray Glandon of Century 21.

Other priorities — fireplaces, updated kitchens and master bedrooms. "There has to be at least a bath-and-a-half, and preferably a master bathroom or at least access to one."

AND A SEASONAL priority — swimming pools. "It's that time of year. The rest of the year, pools are a detriment," Glandon said.

Barbara Spencer of Weir Manuel Synder & Ranke in Birmingham said many shoppers are looking for bargains. "They're looking for a good buy. They're expecting a good buy."

Younger buyers because of excellent interest rates and older people looking to scale down on housing also are pouring into the market, she said.

A new phenomena has hit the market in Plymouth as a result of recent development in the area, according to Darlene Schmanski of Quality Real Estate, Better Homes & Gardens. For the first time, there is a large inventory of expensive homes priced from \$200,000 to \$300,000.

"We've never experienced this price range on the market before," Schmanski said, adding that sales of those units are sluggish. "Houses for \$150,000 are selling quickly," she said.

Directors have duty to pursue developer on defects

We are preparing a claim against the developer and have just gotten involved in getting an idea of what we need to document our claim. We really don't want to spend any money, as one of the directors is on a fixed income and does not want to raise the assessments at the association. How can we deal with this question? We believe our damages are in excess of \$300,000.

This is the age-old issue of a board of directors recognizing that it has construction defects and deficiencies for which it should pursue the developer but is not willing to pay the price by trying to cut corners or not do anything at all in dealing with the problems. Directors have a fiduciary duty to do whatever is necessary to pursue the developer, particularly when there are sufficient damages involved to justify the retention of competent consultants and attor-

neys. If you wish to attract the talent necessary to pursue these claims, you will have to be prepared to pay for it.

The members of the association are sometimes unwilling to do so, but they are not cloaked with the fiduciary responsibilities vested with the board that has to make the tough decisions regarding pursuing a claim against the developer and getting the personnel necessary to assist in that pursuit. It is important as this early stage to educate the directors for the need to adequately document the claims against the developer. If you don't have that attitude or willingness on the board to do so, your claim against the developer will suffer accordingly. In the final analysis, members will get what they deserve and what they paid for — little or nothing from the developer.

At our condominium project in

northern Michigan, we meet as a board of directors only three times a year. We have various delinquency problems but can't seem to find a management company or lawyer to assist us in the north area. Some of the co-owners live in the Detroit area and others live in parts of southern Ohio. What can you suggest we do?

Recreational condominiums have the normal problems of other residential condominiums, plus the additional problem of the difficulty in having meetings of the board of directors on a regular basis and sometimes obtaining people to help assist the association in an area where there are few lawyers familiar with condominium laws and operation.

I would first explore whether there are any management companies and attorneys who concentrate in condominium operation in your area. You may also consider hiring



condo queries

Robert M. Meisner

Can you tell me whether the developer can obtain any escrow monies from the title company when these deposits are made? I have seen situations where the developers seem to be having the escrow monies released from the title company and I am wondering how that can be done.

The condominium act indicates that when a deposit is made on a unit, the monies must be maintained in escrow for the completion of that unit or any other "must be built" items in the project unless alternative security is provided to the escrow agent at which time the monies can be released. But there are certain developers who apparently are abusing this prerogative, and escrow agents are releasing monies to the developer without the benefit of adequate security or other lines of credit.

This is a violation of the con-

dominium act and speaks badly of the developer who is apparently not willing to meet his obligations under the condominium documents. If that comes to your attention, I would immediately notify the developer and the escrow agent as to your concern. If the problem is not remedied immediately, I would consult with an attorney to assist you in insuring that your monies are properly protected.

Robert M. Meisner is a Birmingham attorney concentrating his practice in the areas of condominiums, real estate and corporate law. You are invited to submit topics you would like to see discussed in this column by writing Robert M. Meisner at 30200 Telegraph Road, Suite 467, Birmingham 48010. This column provides general information and should not be construed as legal opinion.

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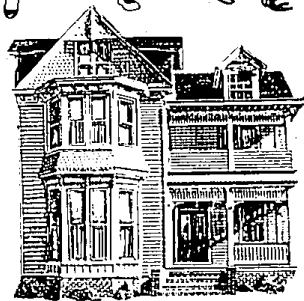
THERE'S NO BETTER TIME TO BUY

If you've been thinking about moving from your current residence to the house of your dreams or from an apartment to a starter home, this is the time to do it.

- The selection is excellent.
- Low interest rates are available.
- There are many financing options available.



Go ahead, make the move.
Now is the right time to buy a home.



NOW is the right time to Buy a Home!

Purchasing a home has always been a wise decision, but current market conditions are making it even more attractive to buy now.

EXCELLENT FINANCING IS AVAILABLE NOW

Interest rates are lower, and mortgage lenders are offering a wide variety of financing options. Low interest rates mean you can get more for your money.

- 30-year fixed mortgages are still available as well as many other financing alternatives.
- First time buyers are encouraged to purchase now through financing packages offering small down payments.

YOUR HOME IS YOUR BEST INVESTMENT

Purchasing a home is the best way to build a solid financial foundation. A home not only provides you with warmth and comfort, it also serves as a secure investment.

- Today, homes in the area continue to be a wise investment.
- Equity in your home can be used as collateral, thus providing you with additional financial security.
- Home ownership provides you with a sizable tax advantage because interest paid on mortgages is fully deductible. Property taxes can also be deducted.

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