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BUILDING SCENE

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Top builders exchange ideas

Gilbert "Buzz" Silverman, co-chairman of Holtzman & Silverman Cos. of Farmington Hills, gave as well as received during the 10th annual Builders 100 Conference in Phoenix.

Builder Magazine, published by the National Association of Home Builders, sponsored the three-day gathering for the largest volume residential builders around the country.

Gilbert Silverman

Silverman, attending his seventh conference, spoke about a unique financing arrangement involving building trades pension funds for his Village Green of Troy East apartment development.

"They found it interesting," he said. "The general consensus of the group is that privately owned companies have an edge. They're more reactive. They can make decisions quicker."

Holtzman & Silverman, a private company founded in 1919, placed 66th in Builder Magazine's ranking with 712 housing starts last year.

Silverman sees great value in attending the conference.

"You meet formally and informally . . . to discuss concepts, issues, solutions, directions, product line," he said. "Everything from finance to executive compensation structure, from architecture to best-selling floor plans."

What specifically made an impression?

"A company's reputation has become more and more important to the buying public in terms of service, quality, length of time in business, track record," Silverman said. "Consumers coming into the '90s are much more product conscious and product knowledgeable.

"Another thing we found interesting is that more and more builders are doing something we learned about last year," he added. "They're spending more time designing exactly what buyers request rather than what the builder thinks is best.

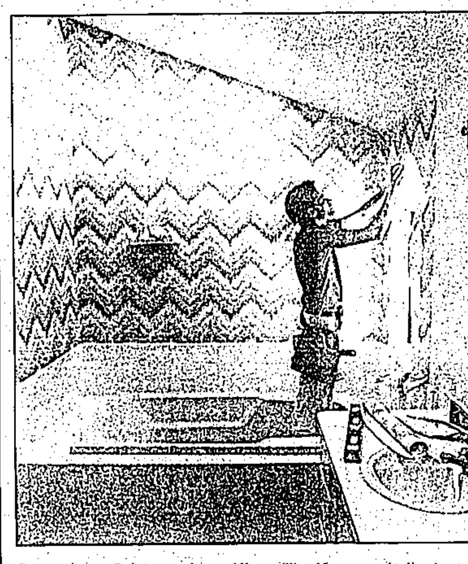
"We do consumer preferencing. We put together a group who have bought or consider buying. What they say they want, we give them, generally," Silverman.

Two other area builders qualified for the Builder 100 Conference but didn't attend.

Pulte Home Corp., based in Bloomfield Hills, ranked second nationally with 6,686 units finished last year and Edward Rose Building Enterprises of Southfield ranked 48th with 845 units, according to Builder Magazine.

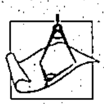
STAFF PHOTOS BY JIM JAGDFELD

Finishing touches: *Landscapers plant a flowering dogwood beside the Riverpark model by BBC Group of Farmington Hills in prepartion for the opening of Homearama.*



Paper chase: Sal Argentino spiffs up The Hampton built by Beneicke & Krue of Bloomfield Hills.

Suburban builders rediscover Detroit



'Unmet market demand' has piqued the interest of area builders whose homes will be open for viewing during June's Homearama in Detroit. Visitors will stroll through the first major subdivision built in the city in nearly 30 years.

Builders with ties to Observer & Eccentric communities continue to put finishing touches on more than half of the 25 houses under construction for the Detroit Homearama scheduled June 4-21 in Victoria Park Subdivision.

The second of three Homearamas, sponsored this year by the Builders Association of Southeastern Michigan is the first nationally in an urban rather than suburban setting, promoters say.

BBC Group of Farmington Hills, Beneicke & Krue of Bloomfield Hills, Crosswinds Communities of West Bloomfield, Singh & Shapiro of Southfield and Biltmore Properties of Troy are building two models each for the showcase of idea homes. Janet Compo of Farmington Hills is constructing three.

"The city is my hometown," Compo said. "I am very much concerned about what happens. If we don't revitalize all American cities, we're killing ourselves."

Compo's three Homearama models, which include lot, landscaping and other extras, are priced at $96,500 to $110,000. All three already have been sold. Compo said she expects to build upwards of 20 houses in Victoria Park and 10 in the nearby Berry Subdivision starting at about $200,000.

She and her husband, James, normally build custom houses priced at several hundred thousand dollars.

"We've always built in all price ranges and have done a tremendous amount of remodeling," Compo said. "We can't put all things in (Homearama models), but we try to maintain our quality control."

Stephen Taglione, president of BBC Group, pointed out that the Homearama site is the first large subdivision to arise in the city in three decades.

See **HOMEARAMA, 2G**

Fewer concessions in office leasing

The office market in the northern and western suburbs showed signs of improvement during the first three months of this year, according to separate reports prepared by Cushman & Wakefield and Grubb & Ellis.

Generally speaking, office owners could be cheered that no new major projects are under way and fewer concessions are being offered to prospective tenants in existing buildings.

Grubb & Ellis and Cushman & Wakefield found a silver lining in every O&E submarket. Both firms, property managers/brokers/consultants, are based in Southfield.

- Effective rental rates in Southfield averaged 10 percent below asking rates for the first quarter of this year compared to 12 percent for the January-March period of 1991. — Grubb & Ellis.
- Troy topped all suburban markets in terms of leasing activity during the quarter with 264,000 square feet. — Cushman & Wakefield.
- Vacancy rates in Birmingham declined to 18.1 percent from 19.2 during the first quarter of 1991. — Cushman & Wakefield.
- Tenants are renewing in existing buildings and available space in the Birmingham/Bloomfield market is generally scattered except for the newly opened J. West Hunter Building. — Grubb & Ellis.
- Leasing activity tripled and weighted average asking rent in Farmington Hills, the second lowest in the metro area, remained stable at $16.50 per square foot. — Cushman & Wakefield.
- Overall absorption in Livonia, Farmington Hills and Novi during just the first quarter was 80 percent of total absorption for those three communities during all of 1991. — Grubb & Ellis.

"We're still in a digestion process taking in overbuilding of the late '80s," said Keith D. Sant, director and branch manager for Cushman & Wakefield of Michigan.

"We're getting through it and starting to see signs of firming in the market in terms of rents and vacancies," he added.

"I think . . . the fact that there's virtually no new construction being added, we're in a transition period going from a market with an awful lot of concessions to fewer concessions," said Dennis R. Burnside, senior vice president for Grubb & Ellis.

"Tenants will not see concessions of the late 1980s," he added.

"Deals so aggressive that landlords can't cover debt service could be a bad deal long term for tenants," Sant said. "They may not be able to satisfy building services."

See **OFFICE RENTALS, 3G**