

Expanding: Auto firms and real estate

By ELSPETH BEIER

There was a time when automotive executives were faced with the dilemma of selling their homes every time the transfer slip came. But the problem of selling one's home after the transfer had been completed was soon alleviated. The auto firms had a solution—take over the ownership of the houses.

Minor real estate interests in local residential communities was a consequence of this move. But this is not the complete picture of the real estate interests of the auto firms. Land commitments appear to be getting a bigger play in company annual reports.

GENERAL MOTORS has a separate real estate division to handle transfer problems and the sale of homes, while Ford, Chrysler and American Motors use independent outside firms in these instances. Ford and American Motors rely on TICOR Management Relocation Corp. of Southfield and its other branches to make transfers easier.

General Motors, through its Argonaut Realty Division, still takes over between 500 and 600 homes per year when the company transfers an employee and his family.

Argonaut director, Albert T. (Buzz) Hastings said, "At this moment we have about 190 to 200 homes, most of them within 300 miles of Detroit."

Aside from the actual homes of employees and dealerships, Ford, Chrysler and American Motors are developing increasingly strong interests in commercial properties, hotels, condominiums and shopping malls.

HASTINGS SAID G.M. looks at the trend differently.

"While the other three are investing many millions in land development, he explained, 'The main thrust of our activity is not real estate, for profit or speculation.'"

"Our subsidiary division just supports our main activity of building cars, refrigerators and so on," the G.M. executive explained. "There is nothing wrong with the land concept, but our decision at this time is to concentrate on the other prime activities."

Chrysler Corp. got into the land development business, by chance, according to a company spokesman.

"We began Chrysler Realty in 1967 to expand dealerships and outlets," the spokesman said. "Often we had to buy a larger portion of land or adjacent buildings than we needed."

"Then we had many architects and engineers on the staff, and we kept them on to develop the areas we weren't using, specifically."

The "chance beginning" has resulted in the 400-acre office and commercial development known as Northfield Hills in Troy, among dozens of others across the country.

WHILE THE original purchase was 1,800 acres, portions have been given to Michigan State University and sold to Levitt Corp. Even the parent company, Chrysler Realty, has been split in two.

One part is known as the "Diversified Business Group," headed by vice president L. M. Foley.

He handles the metropolitan Detroit area developments such as the Wabek condominium/home/golf course complex in Bloomfield Township and the new four-story office building in Troy, and the dozens of other facilities, such as senior citizen medical center and housing in Detroit.

The totally-owned assets in real estate run about \$523.4 million, including dealerships. But \$88.1 million falls into this new idea of land development, for profit. The locations range from Big Sky, Mont., to Atlanta, Ga.

Ford Motor Co., similarly took the real estate business into the fold, but did not begin until early 1970 with the hatching of Ford Land Development Corp.

Over the next four years, under the direction of subsidiary president Wayne Doran, a 22-story office building called Riverview Place in New York City has been built and a 14-story Ford Building for numerous unrelated tenants in Bethesda, Md., is nearing completion.

IN ADDITION the Fairlane Development on 2,360 acres of land in Dearborn and Allen Park is a whole new area of development for Ford Motor Co.

The multi-million dollar hotel, shopping, apartment, commercial and recreational units are designed to create fair returns on investment for the stock holders.

Ford christened another subsidiary, the Detroit Downtown Development Corp. to acquire and develop The Renaissance Center with the partnership of all the other auto manufacturers and many other Detroit corporations.

Aside from investing \$500,000 in the Renaissance development, American Motors is moving into its own independent land usage program.

Corporate director of financial services, John Tierney, said, "American Motors will not occupy any part of the Renaissance structures, but we invested in the future of Detroit to help dramatize the commitment and concern of the business world."

Tierney added, "The concept of owning more land began in 1968, and we have been doing more and more of it, especially with regard to dealerships... with leasing in mind."

THE TICOR Management Relocation group, headed locally by Richard Gingrich, serves the firms and people involved in moving.

Gingrich said, "Depending on the company policy of the automotive transferees, we have different techniques for handling real estate. We are not rated on making a profit in a house sale, but on the service to the client."

The Southfield-based TICOR regional manager added, "We handled about 300 homes last year in this general area and relieved those executives of that much of the transfer problem."



Auto firms are well into the real estate development market

The Observer & Eccentric BUSINESS

JULY 11, 1974

(BWT, S, P) (70-10)

Founder talks about success

Perry Drugs just keeps on growing

By HY SHENKMAN

Want a good formula for success? Jack Robinson, the founder and president of the 31-unit Perry Drug Stores chain has got it. "It's a little more goodwill, a little more enthusiasm, a little more work—that's what luck and success is," Robinson says.

Great things for him didn't just happen. He has the making of a highly prosperous man: creative, hard working and great in public relations.

Robinson, the son of poor immigrants from Russia, confided: "A

man has to have a dream and always do something for it to come true."

BUT A DREAM to Robinson spells more than just material gains.

"True," he admits, "initially you have in mind profit, but after that point, you go for satisfaction, the kind that provides some stimulation for your ego."

"I enjoy seeing my subordinates grow and blossom. I take pride when my people learn to do better and become more successful. I

want all my 700 employees to live comfortably."

Robinson lives with his wife Aviva, a talented artist and three daughters, Abby 11, Beth 15 and Shelby 18, in Southfield.

"I'm not one for nightclubs or shows," he says. "I like to spend my spare time with my family. We do things collectively. We all enjoy art and swimming. Skiing is a family sport with us and on vacations we go together. Now our children have influenced us to join them for camping."

ROBINSON GIVES away another secret for his success. "People is the name of the game," he said. "Smile and people will smile back to you. It's contagious. I have a good outlook on people and take pleasure in my work."

The drug store chain has had phenomenal success since opening its first store in 1957 on Perry and East Blvd. in Pontiac.

Robinson said he wanted to name the store after himself, but could not afford the price of a sign with so many letters. He settled for the name Perry on his sign instead.

Since then the firm has gone into at least seven counties, and recently opened another store on Big Beaver in Troy.

The company expects to have 37 stores open by the end of 1974.

According to the company's annual report for the year ending Oct. 31, profits for the year rose 28 percent to \$737,000, with sales rising 33 percent to \$25.8 million.

"I FEEL I have three families," Robinson says. "One at home, one at work and a family of stockholders."

His slightly smiling face straightens when he talks about his concern for others. "The world consists of haves and have-nots and it is the moral responsibility of those who have to care for those who don't," he said.

Among his philanthropic endeavors is the Allied Jewish Campaign, The Federation Apartments (for retirees) and he is on the board of directors of The Pontiac Symphony Orchestra.

Robinson claims that America is a golden country in spite of its shortcomings.

"Of course," he says "those people who think that the world owes them a living wouldn't do well anywhere."

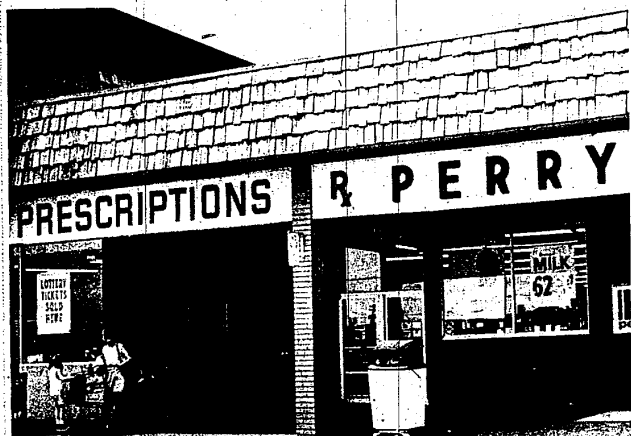
"But where else in the whole world can people get an education, if they want to?"

"Contrary to other people who say, that we have lost our humanistic approach to life, I happen to be a perpetual optimist."

"I believe that we are going to have a better world."



Perry Drug Store founder, Jack Robinson



One of the Perry Drug Stores, which recently opened in Troy