

# Office centers begin leasing tug of war

By DAN MCCURRY

In the late 1950's, the high rise office was like some movie monster, encapsulated by an ice age in a state of suspended animation. The building boom of the 1960's had ended so abruptly the bare bones of several high-rise projects in downtown Detroit lurked on the edges of the skyline, the carcasses of some developer's dream.

In 1962, the overhead economy started a thaw, and the first crack movements began north of Eighth Mile Rd., on property adjacent to the Northland Shopping Center.

"Money was easy to get, the economy was booming," Jerome Reiss, of Burland, Reiss, Murphy and Mosher, said.

Reiss' firm specializes in office leasing, and has compiled one of the most comprehensive files on activity in the field.

In 14 years, the statistics of growth are impressive. Southfield alone has approximately 13 million square feet of office space. In Troy, an antici-

ed 3.3 million is expected to be available in September, according to Reiss.

By comparison, the Building Owners and Managers Assn. (BOMA), which represents the prime space downtown, accounts for approximately 16 million square feet.

Dearborn is still mainly potential, with a lot of vacant land and few new buildings.

Under construction downtown is the Renaissance Center, which will put more space than the entire city of Troy on the market in its first phase of development.

In what has been called the "Los Angeles of Detroit," town centers located at the intersection of sprawling expressways have been the pattern of 10 years of development.

While the pattern has been apparent for years, the effect of competing town centers is only beginning to be realized by investors, developers and the residents living in the shadow of the high-rises.

**"It's the nature of the system to have smaller segments of the marketplace competing among themselves."**

**--Dwight Havens, president**

**Greater Detroit Chamber of Commerce**

Donald Gross, head of the Southfield planning department, works with a master plan which calls for 11 per cent of the land area of that city to be zoned for offices, including 515 acres of high rises.

THE CIVIC motivation for attracting this type of development is mainly tax revenue. "Office space provides revenue in excess of the services they demand," Gross said.

Troy's reputation as an office center relies more on the spectacular nature of the buildings under construction than on square feet.

Laurence Keisling, planning direc-

tor for Troy, outlined a different mix of zoning than Southfield. Light industry accounts for 10 per cent of the tax base, with a total of about 900 acres on the master plan slated for office zoning.

Detroit's Mayor Coleman Young recently let loose a blast at suburban office developer's "ripping off" tenants of downtown office space.

"I'm surprised that wasn't picked up before. Young has been saying that for a long time," Dwight Havens, president of the Greater Detroit Chamber of Commerce said.

"Our point of view isn't quite the same."

"Office space is promoted on the basis of location, price and availability... smaller segments of the marketplace are bound to compete with each other."

All indications at the present time are that offices are being leased mainly by competition for existing tenants in the Detroit area, with a small percentage of new businesses added from out of the area.

"I LAUGHED when he said rip-off; that's what I do, I rip off tenants," one leasing agent said. "It's not the time to wait for business to walk in the door, we are constantly in touch with the people responsible for a firm's needs. If we can show him a way it would benefit him to move, we do it."

A listing of move-ins in the Southfield area was predominantly business moving out of Detroit, followed by a

handful of new businesses and some branch offices coming in from out-of-state.

Yet Detroit maintains a low vacancy rate, particularly in the prime-grade space. Average vacancy downtown was approximately 15 per cent, according to recent surveys.

Southfield was running about 35 per cent vacancy in "investor property" and Troy approximately 45 per cent.

More significant than the town-to-town competition is the big-vs.-small office infighting.

An effort to contact Chrysler Realty, currently one of the biggest new landlords in Troy was met with the comment:

"We are keeping very, very tight-lipped about this, everything we are doing. We are under instructions not to let anyone know about our activities."

"Particularly the City of Detroit."

## New mall opens with 1890's decor

By ALICE COLLINS

Troy-based Kimberly Scott Corp., developer of the Meadow Brook Village Mall in Rochester, and the more than 50 tenants who will take up business residence there, are about to find out if unusual decor planned entertainment and shops and services geared primarily to an affluent community will ring cash registers.

The new 165,000 square foot mall with a turn-of-the-century motif will open April 15 on the northeast corner of Walton Boulevard and Adams Road with 17 of its shops and services ready to go. Others will open soon after.

"We decided to go ahead with the opening now using the promotional theme, 'come, watch our village grow,'" said Diane Girard, director of public relations and shopping center promotions for Kimberly Scott.

The mall is 77 per cent leased.

Although not new in the shopping center industry, small theme malls are attracting attention as they open across the country with their expensive decors and the absence of the major anchor that larger centers are physically and financially built around—the full line or discount department store or major supermarket.

MEADOWBROOK VILLAGE Mall's phase one development at \$12 million is the most expensive per square foot mall constructed in Michigan, according to its developers.

It's estimated \$75 per-square-foot is just about twice the cost of some of the new multi-level regional malls of about one million square feet. These malls are reporting costs that range from \$35 to \$40 per square foot.

Prices won't be patterned after construction costs, according to Kimberly Scott, vice president Thomas C. Strauss. "But we will be serving an affluent community that appreciates a better quality and grade of merchandise as opposed to the bland mass merchandisers common in the larger malls."

"We feel people in the Rochester area will support it. Of course time will tell."

"We're not going to be a Somerset Mall (with a reputation of exclusivity) or an Oakland Mall. We'll try to combine and blend the best features of both."

STRAUSS said the corporation picked Rochester because of the distance from existing enclosed malls and "simply because we felt the area needed better quality shopping in a modern shopping complex."

Kimberly Scott's investment in phase one is \$6 million. The second \$6 million is an investment of the shops and services that are finishing off their own areas, in keeping with the turn-of-the-century theme.

Meadowbrook's first phase is 17

acres with 53 tenants. Phase two will be 21 acres with 30 to 40 additional stores. Both phases will be enclosed, each providing parking for about 1,000 cars.

On the outside, Meadowbrook Village fits into the surrounding scenery with modern architecture and design.

On the inside, visitors will go back into a meandering 18th Century village with cobblestone pedestrian way, antique gas lighting, old-fashioned park benches and vintage cable cars.

It will also have a working cider mill, and a free children's theater aboard a replica of a Mississippi River showboat for puppet shows, magic shows and book readings.

THE ROCHESTER mall is Kimberly Scott's third shopping center venture since its incorporation in 1967. It's also the firm's first center in Michigan and its first theme mall.

Kimberly Scott reaches into other states, but its operations are locally based and the men behind the corporation are president Robert B. Aikens, Birmingham, and vice president Strauss of Bloomfield Hills. B. Allen Aikens of Birmingham is mall manager for the firm.

"The company is consistently confused with the Kimberly Clark Co. of the Scott Paper Co., said Miss Girard, "and there's no relationship to either one."

The corporation's first mall—in Pensacola, Fla.—is nearing its fourth birthday, and Kimberly Scott is constructing a regional center in Panama City, Fla.

Another current project is a \$40 million planned community going up in Wilmington, N. C. Sandy Rosen of Rosen Newmann Associates of Southfield is architect for the company's community and office buildings.

Arnold Agree of Detroit is its shopping center architect and Roger Soereman and Associates of Dearborn does interior designs for the malls.

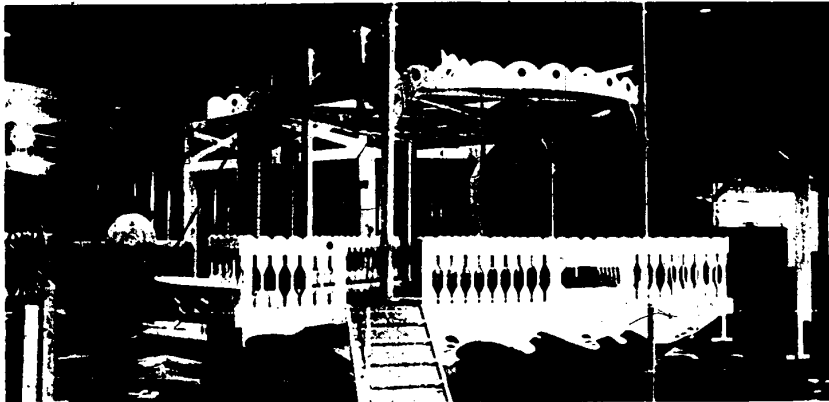
MISS GIRARD said there is no estimate yet on the number of people who will be employed at the mall, but it will work out to about 20 per store, she said.

An arcade with pinball machines will be a special feature of the mall, Miss Girard said. "We have the same thing in our Florida mall."

"It's highly patrolled and we've never had any difficulty with it," she said.

Among the shops and services that are to be open are Frank's Nursery; Osmun's Men's Wear; an R. B. Shop; Albert's Alcove; Sibley's Shoes; Kinney's Shoes; Here and Now Shop; Pots, Plants and Produce; Diane's Fudge; Fontano D'Oro's Italian restaurant.

Also, Oceana; Bresler's Ice Cream shop; Camelot Music, Dolly's Fabrique, and Aladdin's Castle, the arcade.



Meadowbrook Village Mall, Rochester's meandering 19th Century shopping complex is heading for an April 15th opening. A

replica of a Mississippi River showboat, above, will serve as a free children's theater in-the-round.



The chalk-striped natural shoulder suit: with dedication, by H. Freeman. The natural look is the only look H. Freeman is interested in, and he does it with mastery. The soft construction, the single-stitched edges, the softly rolled collar, the wellbred trousers — they're all H. Freeman hallmarks. And they're here this summer in light-but-shape-retaining blends of polyester/wool. In chalk stripes of Cambridge grey or teal blue, at \$200.

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