

Surging market

1994 was a banner year for commercial buildings

BY DOUG FUNK

Office and industrial markets here boomed during 1994.

Net office absorption increased by nearly three quarters of a million square feet, according to an annual survey of the Society of Industrial and Office Realtors.

The regional vacancy rate, including the city of Detroit, decreased by almost four percentage points to 15.2 percent, SIOR reported.

Joel I. Feldman, who independently tracks the local office scene, used words like "incredible" and "recovery reaching unprecedented heights" to describe the current situation.

"I have never seen such a resiliency in the marketplace," said Feldman, senior vice president of First Commercial Realty & Development in Southfield.

"The pendulum has swung in the direction of the owner," said Paul S. Hoge, vice president of the state SIOR association and an

associate broker with Signature Associates in Southfield.

"They don't seem to give concessions like free rent, moving allowances. It's been in progress over the last year. It happened earlier in the industrial market," Hoge said.

A surging office/industrial market has an impact beyond just landlords and tenants.

"It's another indication the economy here is on an upturn," Feldman said. "It creates a peace of mind. There's more personal security."

"The ripple effect is beneficial. People are more careful, at ease, willing to take more risk — invest in the stock market, buy that television, look at a car," Feldman said.

"There's a very strong demand for employees with growth of a market," Hoge said. "It flows through to the tax base."

Feldman cited several factors for the major office turnaround here:

■ As of Jan. 1, office occupancy rates in Observer & Eccentric communities surveyed by Feldman ranged from 95 percent in Livonia to 82 percent in Southfield.

■ The election of Mayor Dennis Archer, Detroit's winning federal empowerment zone designation and the promotional work of Detroit Renaissance have caused business to take a new look at the city.

■ A relatively strong economy, especially connected with the automotive industry, has resulted in corporate expansion and the need for more space.

■ Ten major office buildings changed hands, sending out a signal that lenders and investors are committed to the future of this market.

■ While inventory and occupancy figures weren't available for industrial markets, observers re-

ported a rise in demand for all kinds of product, SIOR reported.

"When the economy does well and the auto industry is on fire, this town does well," Hoge said. More and more auto suppliers want a local presence as the industry goes global.

"In industrial, there's been a strong surge in demand, principally related to the automotive upturn," said John S. Boyd, executive vice president for Signature.

"What had been an overcapacity years ago has decreased significantly."

Activity is especially strong in Plymouth and Canton on the west side, Boyd added.

"The challenge that faces our local office community in 1995 is

threefold," Feldman reported.

"One, to what extent can we salvage the downtown Detroit office market? Despite gains, an ever-growing number of buildings struggle.

"Second, can we be fortunate enough to even come close to duplicating the success achieved in 1994?

"Finally, can we exercise the restraint and discipline to delay for just another six to 12 months bringing on-line the next generation of major, general, speculative, multi-tenanted office buildings?"

"We still have enough troubled buildings and problems to resolve that a year's hiatus will greatly aid," Feldman said.

As of Jan. 1, office occupancy rates in Observer & Eccentric communities surveyed by Feldman ranged from 95 percent in Livonia to 82 percent in Southfield.

Farmington Hills and Birmingham were 92 percent, West Bloomfield 91 percent, Bingham Farms and Bloomfield Hills 90 percent and Troy 85 percent. Quoted average rental rates ranged from \$20.93 annually per square foot in Birmingham to \$14.97 in Farmington Hills.

Bloomfield Hills was \$20.35, Bingham Farms \$17.95, Livonia \$17.50, Troy \$17.40, West Bloomfield \$17.19 and Southfield \$15.09.

BUSINESS MARKETPLACE

Marketplace features a glimpse of suburban business news and notes, including corporate name changes, new products, office openings, new affiliations, new positions, mergers, acquisitions and new ways of doing business. Write: Marketplace, Building & Business, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia, 48150. Our fax number is (313) 591-7279.

Neumann/Smith also won for the Brooks residence in Orchard Lake.

Young & Young Architects of Bloomfield Hills was cited for Bloomfield Auto Wash, Bloomfield Hills.

Only Michigan projects completed since May 1, 1991, were judged on the basis of design excellence and appropriate and innovative use of masonry.

■ PET PRACTICE
Southfield-based Professional Veterinary Hospitals has changed its name to the Pet Practice.

"We feel our new name displays a sense of warmth and compassion, combined with professional care and expertise," said Peter Cohen, national president and chief operating officer.

The Pet Practice has outlets in Farmington Hills, Southfield, Canton and Garden City.

■ SUNDBERG-FERRAR
Sundberg Ferrar, a product design and development firm in Southfield, has produced a winning design for public access electric vehicle charging stations to be installed throughout California.

"The project provided a fantastic opportunity to provide a customer-driven design that reinforces all of the inherent advantages of recharging electric vehicles over today's process of refueling gas or diesel-powered vehicles," said Curtis J. Bailey, Sundberg-Ferrar president.

California has mandated that by 1998, two percent of all vehicles sold in the state must have zero emissions.

■ MERCY HEALTH PLANS
Mercy Alternative in Farmington Hills has adopted the name Mercy Health Plans.

The company coordinates the activities of two large multi-state managed-care programs and also offers a variety of managed-care programs and products.

■ AGENCIES ASSOCIATE
Midwest Insurance Agency of Southfield and Kennedy Ins. Group Insurance Agency of Farmington Hills have joined the Michigan Association of Insurance Agents, a statewide trade association that represents 10,000 independent agents and industry employees.

■ ACQUEST HIRES BANNISTER
Acquest Realty Advisors, a Bloomfield Hills real estate investment advisor, has hired Bannister and Co. of Birmingham as its first counselor to provide public relations and advertising support.

■ MASONRY AWARDS

The Masonry Institute of Michigan has awarded Excellence in Masonry Design honors for three projects designed by two member firms of AIA-Michigan. Kenneth Neumann/Joel Smith and Associates, Southfield, with Henningson, Durham & Richardson of Dallas and the Design Forum, Grand Rapids, won for the Kent County Correctional Facility, Grand Rapids.

Ronald D. Frankland, vice president of investments with the West Bloomfield branch of Prudential Securities, and Joseph J. Ciaramitaro, associate vice president-investments, received Prudential Community Champions awards.

Frankland received an award of \$500 for the Cystic Fibrosis Foundation. Ciaramitaro received \$500 on behalf of St. Vincent and Sarah Fisher Center.

Julie Nagle was hired as sales director with Franklin Fitness & Racquet Club in Southfield. Nagle had worked for The Houstonian Health Club in Houston, Texas.

Thomas Cronin was named to the Michigan Mortgage Bankers Association board of directors as secretary-treasurer and a member of the board. Cronin is chairman of the board of MCA Mortgage Corp, which is based in Southfield.

William (Bill) Nixon joined Allison, Hull & Mainat Inc. in Farmington Hills as a public relations account executive. Nixon had been with Vickers Inc.

John V. Tocco became associated with Schler, Deneweth & Parfitt in Troy.

The Greater Detroit Public Relations Counselors elected the following officers: vice president: Doris Schwedel, who is president of Doris Schwedel & Associates in Franklin; secretary: Helen Balmer of Helen Balmer & Associates in Bloomfield Hills; treasurer: Tom McPhail, who is president of Tom McPhail Associates Inc. in Livonia; director: Earl Lapp of Lapp Associates Inc. in Bloomfield Hills; and director: Elle Tholen of Elle Tholen Public Relations in Birmingham.

Presbyterian Villages of Michigan elected the following officers: chairwoman: Joan Hanpeter of Franklin; vice chairman: John Kere of Troy; president: Roger L. Myers of Canton; secretary: the Rev. Charles Sommers of Birmingham; and treasurer: Fred Davis.

Laurent Gormougin and Elena Sipos joined Concord International Inc. in Birmingham.

Gormougin was named project manager, and Sipos was named marketing assistant.

Bill Owens was promoted to director, accounts receivable, with Kelly Services Inc. in Troy. Owens joined Kelly in 1989 as an auditor in the internal audit department.

Terry Bunkley was appointed manager of the new Southfield DSW Shoe Warehouse store. Ned Lucas was appointed assistant manager. Karen Webster was named a management trainee.

Brian Doerr of Rochester was hired as account executive on the Van den Bergh Foods account of Stone & Simons Advertising in Southfield. Amy Bradley of Troy was promoted from art director to account executive. Carol Lawrence of Troy joined the agency as senior media planner.

Deborah Lewakowski of Rochester joined the Troy office of BDO Seidman as senior consultant in its management consulting services group. A certified public accountant, Lewakowski has eight years of experience in accounting.

Karl Slegert joined MVP Communications Inc. in Troy as an account representative for the Business Development Team.

Jane Brennan of Birmingham joined the Detroit office of Rosell Worldwide Inc. in Troy as partner, multi-product. Most recently, Brennan was vice president, account supervisor of the La-Z-Boy Chair Co. business at Ross Roy Communications.

Robert L. Danek of Rochester Hills joined Woodbridge Inco Inc. in Troy as director of quality control. Danek had been with General Motors for nearly 30 years.

Allan D. Gilmoer was elected chairman of Henry Ford Village's board of directors. Gilmoer is vice chairman of Ford Motor Co.

Joseph Shulman of Southfield was appointed a vice chair of the marketing legal services committee in the general practice section of the American Bar Association.

Bill McDonald will provide creative consulting for R.E. Lavan Inc. in Southfield. McDonald has more than 25 years of experience.

Mary Hein and Keith Moore were promoted to senior accountants with Follmer, Rudzewicz and Co. in Southfield.

Judy Wojno of Birmingham joined Stone, August, Baker Communications Co. in Troy as print manager. Wojno had been worked for the defunct Lutz Associates in Farmington Hills. David E. Richey & Co. of Birmingham, now out of business, and MARS Advertising Co. in Southfield.

Vickie Webb was promoted from assistant account executive to account executive on the Van den Bergh Foods account with Stone & Simons Advertising in Southfield. Jeff Postema joined the agency as art director. Carol Lawrence joined the agency as senior media planner.

Lawrence A. Schlagheck joined Stone, August, Baker Communication Co. in Troy as an account executive. Before joining the company, Schlagheck was an account executive with the Lauter Markin Group Inc. in Naumee, Ohio.

Derek Freund was promoted to director of workers' compensation/personal injury protection with Preferred Provider Organization of Michigan in Southfield. Freund had been director of provider relations for worker's compensation.

James A. Koepke, a shareholder in the Troy CPA firm of Doeren Mayhew, was appointed to the technical issues committee, the advocacy arm of the private companies practice section of the American Institute of Certified Public Accountants.

Numan All was promoted to pharmacy supervisor for Arbor Drugs Inc. in Troy. All had been a chief pharmacist at the company's Westland store.

Kimberly Fort joined WWJ-Radio and WYST-FM in Southfield as an account executive.

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Angel Tedesco was promoted from junior media buyer to account executive with the Berlina Group Inc. in Bingham Farms.

MARS Advertising in Southfield hired seven people. They are Martha Grattan of Walled Lake, Melissa M. Bodnar of Birmingham, Jennifer L. Novak of West Bloomfield, John F. Moore, Laurie D. Eisenberg, Jennifer Shappee and Kimberley Wood.

Richard P. Van Deusen of Birmingham was named an associate with Gunnar Birkerts and Associates Inc. in Birmingham. Van Deusen joined Birkerts as a project architect/construction administrator in 1992.

Five people were promoted to senior-level staff members with BDO Seidman in Troy. They are: Sharon Adkins, Gary Clippard, George Hampton, Nadine Jones and Jamie McCormick.

The following people were elected officers of the Builders Association of Southeastern Michigan in Farmington Hills. President: Janet L. Compe, who is chief executive officer of James D. Compe Inc. in Farmington Hills; first vice president: G. Buzz Silverman, who is president of Silverman Cos. in Farmington Hills; treasurer: Robert Halperin, who is president of Robert Halperin, Builder in Farmington Hills; and secretary: Scott Jacobson, who is president of S.R. Jacobson Development Corp. in Birmingham.

President Bill Clinton named Jay Alix to the bipartisan National Bankruptcy Review Commission being established to oversee the recently enacted reform to the U.S. bankruptcy system. Alix is with Jay Alix & Associates in Southfield.

Milda Buscemi was appointed a senior account executive with Lapides Publicity Group Inc. in Bingham Farms. Buscemi had been an account executive.

Thomas H. Ritter, a vice president of Alexander Hamilton Life Insurance in Farmington Hills was appointed chairperson of the fourth annual Metro Detroit American Heart Walk, which will be Saturday, Oct. 7.