MOVERS & SHAKERS

This column highlights promotions, transfers, hirings, awards won and other key personnel moves within the suburban real estate community. Send a brief biographical summary — including the towns of residence and employment and a black-and-white photo, if desired — to: Movers & Shakers, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. Our fax number is (313) 591-7279.

Cluckey is president


Dana M. Cluckey

Dana M. Cluckey has been promoted to president and chief operating officer for Republic Bancorp. He previously served as executive vice president.

Cluckey has a bachelor's degree in business administration from the University of Michigan and is a certified public accountant.

Republic Bancorp is primarily involved with mortgage lending activity.

Bisogni earns LTG


Louise Bisogni

Louise Bisogni of Clarkston Real Estate Services has attained the professional designation of Leadership Training Graduate.

Bisogni, who received the designation from the Women's Council of Realtors, met specific experience requirements and completed courses including excellence in communications and leadership through high performance.

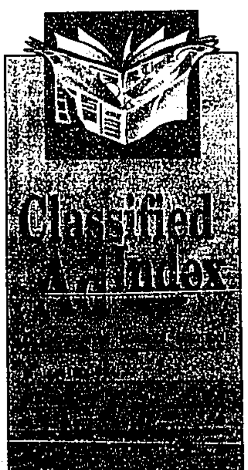
Women elect officers

The Detroit chapter of Commercial Real Estate Women (CREW) announces its 1996 executive board of directors.

The lineup includes **Cathy LaMont**, First American Title Insurance, Troy, president; **Beth Lilley**, NBD Bank, Troy, vice president; **Linda Hubbard**, Plante & Moran, Bloomfield Hills, treasurer; **Susan Moro**, Electronic Data Systems, Troy, secretary.

Also, **Cheryl Williams**, the Taubman Co., Bloomfield Hills, public relations; **Teresa Welsh**, McKinley Associates, Ann Arbor, programs; **Jeannine Gleeson**, Jeannine Gleeson-Smith, P.C., Birmingham, membership; **Margo Rosenthal**, First American Title Insurance, Troy, sponsorship; and **Phyllis Riina**, the Farbman Group, Southfield, nominations.

CREW Detroit was formed in 1985 to facilitate communication and interaction between commercial real estate professionals on local, regional and national levels.



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REAL ESTATE

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House erectors: *Residential builders here expect another productive year during 1996.*

1996 looks like another good year

Residential construction activity in our little corner of the world dipped slightly last year, but not as much as the national average. Area builders expect the good times to continue.

BY DOUG FUNKE
STAFF WRITER

A good economic climate including low mortgage rates, low inflation and low unemployment leads residential builders here to project another solid year of construction activity in 1996.

Permits were issued last year for nearly 15,150 single-family units in a seven-county area including Wayne and Oakland, said Irvin H. Yackness, executive vice president of the Building Industry Association of Southeastern Michigan.

"We expect permits to maintain the same level. We expect to see in excess of 15,000 in 1996," he said.

Even though activity was down nearly 4 percent, 1995 was still the second-best year here since the 1970s.

Several builders who recently attended their association's annual forecast meeting anticipate that the momentum will continue.

"We expect our production to be up 10-15 percent," said Scott Jacobson, president of a Bingham Farms development/construction company. "We expect to do between 230 and 240 houses."

Jacobson, who described 1995 as a good year, has about a dozen active projects including Adams Ridge and Hunt Club in Auburn Hills and Windridge in Northville.

He said his product ranges in price from $135,000 to $300,000.

"Interest rates are down, consumer confidence is up," Jacobson said.

Prices are edging up, too, he added.

"We're seeing vendor increases. Mechanical is up, drywall is up a little bit. Lumber is stable now. We're looking at the potential of concrete going up this spring," he said.

While Jacobson said it was difficult to estimate a specific price increase, Janet Compo, president of a Farmington Hills company specializing in custom-built, luxury houses, projected an increase on the order of 10 percent.

"Price increases — we're already getting them," she said. "Drywall has creeped up. Refrigeration, washers and dryers are up."

This year has started off with a bang, said Paul Robertson Jr., a Bloomfield Hills builder.

"I stopped in at Pinewood in Canton last weekend (Jan. 6-7) and planned to stay about 20 minutes and ended up staying about four hours because so many people were there," he said.

Robertson said he projects selling 135 houses this year compared to 89 in '95 primarily because he's opening two new subdivisions — the Links of Pheasant Run in Canton and the Glens in Troy.

Condominiums start at about $160,000 at the Links, houses at about $190,000 at the Glens, he said.

"I'm really bullish," Robertson said. "It's about time for the cycle to go the other way. Usually I can smell that. I can't smell it this time."

Rex Rosenhaus, vice president of Uniland in Farmington Hills, also cited the state's economy in predicting a good year.

"Interest rates are coming down, and they're still extremely attractive," he said.

"The economic base in Michigan is diversifying. Unemployment is low — I think it's one of the lowest in the country for big cities."

Standard Federal Bank offers rates of $6\frac{7}{8}$ and $6\frac{3}{8}$ on 30- and 15-year fixed-rate mortgages, respectively. The Michigan Employment Security Commission reports a seasonally adjusted unemployment rate of 5 percent.

Uniland offers condos for sale starting at about $100,000 at Deerhurst and houses at $130,000 in Cherry Oak, both in Westland.

Uniland sold 68 units last year, Rosenhaus said, and he expects to sell about the same this year.

"We're still gearing to an affordable product," he said. "Demand still seems to be there."

David Seiders, chief economist for the National Association of Home Builders, told BIA members that the rosy economic picture should continue.

"We're talking about a moderate-growth, high-employment economy," Seiders said. "Inflation is under control — below 3 percent for the third year in a row. There's no real structural imbalance we can find in the economy."

Seiders advised builders to keep their inventory under control and not overbuild.

He also warned that some potential buyers around the country reportedly are maxing out on credit limits, which could affect qualifying for a mortgage.

Seiders also suggested that builders monitor budget and tax talks in Washington, D.C. especially as to how any changes might affect home ownership.

"We are now heavily favored," he said.

Yackness also gave builders the good news that a more strict model energy code has been repealed by the state legislature.

"Our association believes homes built today are sufficiently insulated and energy efficient consistent with affordability," Yackness said.

"If a buyer wants more and they can afford to pay for extras, there's no doubt that no builder won't be glad to provide those extras."

Keep track of home improvement expenses to cut taxes

REAL ESTATE QUERIES


ROBERT M. MEISNER

Q. Last week, you answered a question regarding strategies of selling a house where you talked about deferring income and the $125,000 exclusion. Are there any other issues that you think should be considered from a tax standpoint?

A. Another way to reduce the tax bite in a sale of a house is to ensure that you have taken all of the qualified home improvement expenses that could reduce the sales price of your house. For example, in calculating you house's adjusted basis, be sure to add to the original purchase price the cost of all permanent home improvements, such as replacing the roof, installing hardwood floors, and landscaping your yard.

You can also include certain closing costs along with other expenses you paid in connection with buying your house.

Another way to lower any taxes that you might otherwise owe is to time the sale of your house to coincide with the year in which your income will be less and your tax rate lower.

Another matter that should be considered is that if you are able to defer income tax on the sale of your house by meeting the deferral requirements, you are limited to one deferral in a two-year period, unless the move is job related.

It is also important to understand that the tax you owe on your profit is merely deferred, not forgiven. You still owe the full amount, although as long as you continue to own your house and meet the deferral requirements, you do not have to pay the tax.

Q. We are a very large community association and are concerned about whether we are covered by the Americans with Disability Act and the Family and Medical Leave Act as they relate to one another. Can you help?

A. As of July 26, 1994, the coverage of the Americans with Disability Act (ADA) expanded to all private employers with 15 or more employees.

The Family and Medical Leave Act (FMLA), which took effect Aug. 5, 1993, applies to employers with 50 or more employees, provided the employee that works at a site that has at least 50 employees within 75 miles.

The interplay between these two federal statutes is very complicated and factually sensitive.

A number of fairly common personnel policies relating to attendance, absenteeism, reinstatement and discipline are being called into question and must be addressed by employers covered by these statutes.

You are best advised to consult with your attorney, who, hopefully, will have experience in this area.

Robert M. Meisner is a Birmingham area attorney concentrating his practice in the areas of condominiums, real estate, corporate law and litigation. You are invited to submit topics which you would like to see discussed in this column, including questions about condominiums, by writing Robert M. Meisner, 30200 Telegraph Road, Suite 467, Bingham Farms, Michigan 48025.

This column provides general information and should not be construed as legal opinion.