



News & Views

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COMPLIMENTS OF



Levi Smith, Principal

GVA Detroit
26100 American Drive
Suite 600
Southfield, MI 48034

248.331.0205
lsmith@gvadetroit.com

GVA Detroit is the local office of GVA Worldwide. We are an international organization of industry leaders serving key markets in 20 countries. The organization comprises more than 3500 real estate professionals in 90 markets worldwide. The result is a seamless operation with extraordinary talent and a full range of real estate advisory services.

Market Update

Office Rents Same as 10 Years Ago

Rents are lower today that they were 10 years ago. Because vacancy rates have been around twenty percent in most Detroit sub-markets, landlords are forced to lower rents to keep existing tenants and attract new tenants. This is Economics 101 - supply and demand.

A second factor is that many large local office buildings built within the last 10 years in Southfield and Troy have sold to new owners at fifty percent of original cost. As a result, landlords have been able to pass the savings on to tenants. In addition, their mortgage payments are lower due to low interest rates.

So, when newspaper headlines are bemoaning the fact that vacancies are high, this means that you have an opportunity to save big money on the rent line!



Want free rent? Ask and you shall receive.

Want a \$30/sf build out with a marble entrance? No problem. It's less expensive for the landlord than paying operating expenses and real estate taxes for vacant space.

For the best deals from the best landlords, contact Levi Smith at 248.331.0205, lsmith@gvadetroit.com.

	Office Vacancy Rate	Average Lease Rate	Industrial Vacancy Rate	Average Lease Rate
Detroit	17.7%	\$19.45	19.2%	\$3.04
Livonia/West Wayne	12.6%	\$19.16	13.2%	\$4.96
Southfield	18.4%	\$19.43	16.2%	\$8.51
Royal Oak Area	15.3%	\$18.24	8.8%	\$4.94
Troy Area	26.7%	\$20.54	11.8%	\$5.74
Farmington / Farmington Hills	13.4%	\$21.09	7.3%	\$8.71
I-75 Corridor / N Oakland Area	13.6%	\$19.78	11.5%	\$6.16

Client Spotlight

GVA Detroit Saves "Face"



GVA Detroit Menu of Services

- Brokerage
- Strategic Planning
- Budgets
- Site Selection/Location Consulting
- RFP Preparation
- Finance
- Project Management
- Workplace Strategies
- Alternative Officing
- Warehouse Logistics
- Lease Audit
- Lease Administration
- Tax Appeal
- Tax Engineering
- Move Management

Whether it's on TV or the radio, in the mail, over the phone, or standing at your door, it is hard to miss AT&T's push to sell its cable and high-speed internet product. Part of those sales efforts have been contracted to Face Advertising, a marketing firm in Chicago. Face Advertising is responsible for telemarketing and door-to-door sales related to this effort and as AT&T continued to expand their market area, Face Advertising was faced with a need for their own expansion.

GVA Detroit was hired to assist Face Advertising in locating an office in the Detroit area central to the expanded market they would be covering. In addition, Face also needed a building that provides a professional image, has easy highway access, is in an area attractive to younger employees but is reasonably priced. After reviewing the sales territory and Face's business objectives, GVA Detroit determined that the Big Beaver corridor in Troy would best fit their needs.

With Face's expansion completely tied to the contract with AT&T, several other factors came into play when locating and negotiating the space. GVA Detroit suggested adding early termination rights into the Lease Agreement should Face lose the contract with AT&T. In order to do so, it was necessary to help locate space that fit the client's needs with little build out. Otherwise, Face would be left with unamortized build out costs to pay back if they did have to terminate early.

GVA Detroit reviewed the rental rates, square footages available and building amenities to help narrow down the choices. We then reviewed the floor plans and toured the units to see which needed the least tenant improvements. Lastly, we made sure the landlord would be open to the early termination clause and some other requirements before getting too far into negotiations.

Face Advertising now occupies 2300 square feet in the AT&T building (coincidentally enough) thanks to a carefully planned and executed real estate strategy by GVA Detroit.

For more information on GVA Detroit's Strategic Planning services or any other one of GVA Detroit's services, visit www.gvadetroit.com or contact Levi Smith at 248-331-0205.