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BIRMINGHAM PLACE TO BECOME CONDOS

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Birmingham Place, a 10-story mixed-use property on Woodward Avenue in downtown Birmingham, sold for about \$50 million.

Broker Robert Stone said plans call for converting 159 apartments into condominiums. Birmingham Place also includes 100,000 square feet of office and retail space plus 500 parking spaces.

Pomeroy Investment Corp. of Bloomfield Hills purchased the property from Paul H. Johnson Inc. of Birmingham, which developed Birmingham Place about 20 years ago. The sale was Stone of Income Property Organization, a Bloomfield Hills-based investment brokerage firm.

The market for such mixed-used properties appears to be quickening after a slow period, Stone said. One factor is the prospect that interest rates will rise again in coming months. With the cost of borrowing money likely to go up, property owners know they might have to cut their asking prices to keep their projects affordable. Some people are selling now when the sale prices are somewhat firm.

"We're seeing a lot of that in our office," Stone said. "We just closed four other deals this week. That's a lot in one week."

If the sale does mark an upswing in the market, that would be good news for property owners who have seen the slow economy of recent years depress demand for commercial space.

Joel Feldman, a broker with First Realty Co. in West Bloomfield, writes in his most recent survey of the local office market that 2003 saw occupancy rates in local office buildings continue to decline and more properties slip into financial difficulty.

Until employers start hiring significant new number of workers, Feldman writes, "the general, speculative, multi-tenant office market of greater metropolitan Detroit will fall still further into what is becoming more and more a dangerous and ominous abyss."

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