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As The Population Changes, So Does Its Buying Habits

By David S. Greene



The oldest Baby Boomer will turn 60 this year. There are 78.2 million more right behind him representing \$2.1 trillion in annual buying power. While constituting only 26 percent of the population, Baby Boomers control a disproportionate amount of consumer spending, roughly 87 percent. Generation X, with 41 million people, and Generation Y, with 72 million, combine to represent approximately \$249 billion in current annual spending. As the U.S. population ages and changes, so does its shopping preferences and habits and the retail environment.

We have seen, over the last decade, a shift from enclosed malls to Power Centers, Open Air and Lifestyle Centers. Initially, this was so that tenants could substantially reduce their occupancy costs by relocating outside of the mall to a nearby location. One would see groupings of these tenants into what is known as Power Centers. We also saw the emergence of the Lifestyle Center and Open Air Center driven by the desire of local communities to reestablish a downtown environment which, in many communities, has been lost.

One additional reason, and perhaps the most important, for the success of Open Air and Lifestyle Centers is because Baby Boomers want more in their retail venues. They look for luxury stores, fine dining, entertainment and stores more in tune to older, more affluent people, where one sells lifestyle along with the cup of coffee. Open Air and Lifestyle Centers meet those needs and serve as gathering places where one can linger and meet friends.

While Baby Boomers will continue to dominate the retail scene for another decade, the next great consumer market is continuing to mature. So over the next 10 to 20 years, there will be a cultural shift. The younger generation will do substantially more research online before making that purchase at a brick-and-mortar store. They expect to be treated with respect and have higher expectations for a well-trained staff.

One theme will remain – the shopping environment, whether an enclosed mall, Open Air Center or Lifestyle Center, needs to provide an attractive environment, a good place to spend time browsing and socializing, the ability to accomplish a lot in one trip and interesting new items on sale.

Update

This column will help keep our readers up to date on the status of real estate projects and transactions with which First Commercial Realty & Development, Co. is involved.

- First Commercial's **Joel Karboske** has completed a land sale of 1.5 acres in Houghton Lake, Mich. for the construction of a new Walgreen's drugstore.
- **Eric Koche** has finalized a lease of 4,550 s.f. on behalf of Rent-A-Center at 2211 Elizabeth Lake Rd., in Waterford, Mich.
- Standard Fitness Center has leased 10,800 s.f. at the Carman Plaza in Flint, Mich. **Rodney Orth** negotiated the transaction. Additionally, Orth finalized a lease with Citi Financial for 2,433 s.f. at the Owosso Center, in Owosso, Mich.
- **David Greene** was the broker behind several recently sealed deals. Together with **Chris Lynn**, he secured a lease of 14,000 s.f. for Harbor Freight at the Eastgate Shopping Center, in Lima, Oh. Also at Eastgate, Greene finalized a lease for 4,000 s.f. with Holiday Supplies. Additionally, Greene, working with **G.S. Khalsa**, completed a lease of 2,505 s.f. at Shelby Corners in Shelby Township, Mich. for Plato's Closet. The duo also finalized a deal with Green Dollar Store which has leased 3,500 s.f. at the Shops at Northeast Village in Detroit, Mich.
- At Woodhaven Commons, in Woodhaven, Mich., **Deb Munro** negotiated leases for two new tenants. Sally Beauty has leased 2,000 s. f. while Famous Footwear has taken 7,000 s.f. at the community shopping center. Munro also completed two leases at the Regional Shopping Center in Mt. Clemens, Mich. Jeepers has leased 23,070 s.f. there, while Wonder Bread/Hostess Bakeries has taken 3,600 s.f. at the center.
- Sanders Ice Cream has leased a 1,022 s.f. site in the First Birmingham shopping center, located in Birmingham, Mich. **Eric Koche** negotiated the lease.
- **David Greene** was responsible for completing two leases with America's Best Contacts. The retailer has leased 3,020 s.f. at Highland Park Place in Highland Park, Mich., and has also committed to 3,850 s.f. at the Royal Town Center in Royal Oak Township, Mich.

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Rite Aid Celebrates Grand Opening of New Store Developed by First Commercial

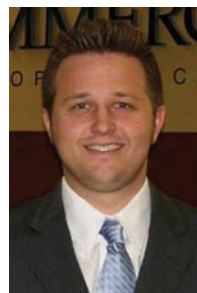


January saw the grand opening of a new Rite Aid Drugstore in Sterling Heights, Mich. First Commercial built the new, 11,000 sq.-ft. store which was constructed in an out-lot location at the Dodge Park Plaza Shopping Center managed and leased by First Commercial. The event included a ribbon cutting, giveaways and other festivities to mark the opening of the store which was completed in December 2006.

Outstanding Employees Honored by First Commercial

First Commercial's outstanding brokers were recognized with the third annual Broker Awards in January. The top Superstar award for the most improved performance in transactions completed went to Eric Koche. Joel Karboske earned the Rising Star award for the second time. This award is presented to the broker who shows great promise in future transactions. The Top Gun award went to Deb Munro for achieving the largest gross sales in new deals completed. Finally, Bryan Terrace earned the first Top Cat award for highest commissions paid.

"We're very proud of these four staff members and the commitment and tenacity they have demonstrated in their work," said David Greene, vice president of brokerage. "The current economic climate in Michigan requires extra effort on the part of all to succeed, and these four, in particular, have proved that they are committed to doing what it takes to achieve success."



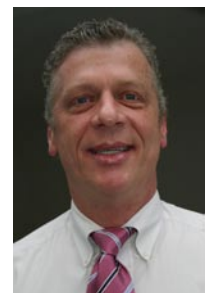
Eric Koche



Joel Karboske



Deb Munro



Bryan Terrace

Progress Continues on Two FC Retail Properties

Construction of Phase One of the Woodhaven Commons shopping plaza, which First Commercial is developing on behalf of First Woodhaven LLC and A.F.J. Woodhaven LLC, has now been completed. First Commercial was retained to revitalize, re-tenant and expand the center, which was only partially developed when acquired.

Located at the southeast corner of Allen and West Road in Woodhaven, Mich., Woodhaven Commons is anchored by Target and Kroger stores. With the completion of the 38,000-sq.-ft. Phase One, a new 24,000 sq.-ft. HomeGoods store was added to the retail mix last June. Other newly added tenants include Once Upon a Child, a children's resale shop; Sun One tanning; Headway hair salon and Verizon Wireless. Roughly 4,900 s.f. remains available for lease.

Construction of Phase Two, which will get underway mid year, will add 13,000 s.f. of retail

space. Famous Footwear and Sally Beauty have committed to leasing space there.

A second new First Commercial project also continues to move forward. The development plan for Cooperwood Center, a \$13 million community shopping center in Lyon Township, Mich., has been approved. First Commercial plans to develop, on behalf of the owners, a 100,000-sq.-ft. shopping center with a grocery store anchor and several smaller tenants ranging from 750 to 30,000 s.f.

In addition to the in-line space, the project will also include three out-lot sites suitable for a bank or restaurant. Rite Aid has signed a lease for 14,500 s.f. at the site, with construction of the new Rite Aid store to get underway in June. For leasing information about Cooperwood Center, contact David S. Greene at (248) 352-5000.



A new 24,000-square-foot HomeGoods store opened for business at the Woodhaven Commons Shopping plaza in June. It joins Target and Kroger as anchor tenants at the neighborhood shopping complex located in Woodhaven, Mich.

Update *continued*

- At Royal Town Center in Royal Oak Twp., Mich., **Richard Weil** secured a lease with Consolident for 2,210 s.f. Weil also finalized a lease with Country Skillet for 4,800 s.f. at the Whispering Woods shopping center.
- Concerta Health Systems has committed to 7,500 s.f. at the Hoover-12 Shopping Center in Warren, Mich. **Rodney Orth** brokered the transaction.
- Two transactions were finalized by **Bryan Terrace**. The Salvation Army has leased 20,084 s.f. at the Westland Shopping Center in Lansing, Mich. Additionally, he also completed a lease for 2,250 s.f. at 307 S. State St. in Ann Arbor, Mich., with the Earl of Sandwich restaurant.
- **Holly Lynn** has leased 3,500 s.f. to Once Upon a Child at Woodhaven Commons, in Woodhaven, Mich.
- At Maple Park Place, in Commerce, Mich., **Sam Jahshan** has completed a lease for 1,400 s.f. with The Pizza Place.
- **Warren Terrace** completed a long-term lease with Best Buy for 30,000 s.f. at Perrysburg Market Place in Perrysburg, OH
- **William Watch** finalized a lease with Discount Nutrition for 3,200 s.f. in the Dodge Park Shopping Center, in Sterling Heights, Mich.

Representatives of
**First Commercial
Realty & Development
Company Inc.**

will be at the upcoming
**International Council
of Shopping Centers**

**Las Vegas
Convention Center
May 20 - 23, 2007**

**Please visit our exhibit at
Booth C-184 G St.**

Thompson Rejoins First Commercial as VP Construction as FC Brokerage Team Grows



Keith Thompson

Keith Thompson has rejoined First Commercial as vice president of construction. The company also continues the expansion of its brokerage team with the addition of two new staff members.

Charles Thompson is an associate broker and Holly Lynn is a new sales associate.

Keith Thompson has worked in the construction and real estate development industry since 1989. Most recently he was owner of Matrix Commercial Carpentry in Wixom. As vice president of construction, Thompson will oversee construction of all the firm's commercial projects throughout the Midwest.

Thompson attended Michigan State University where he earned a bachelor's degree in building and construction management.

Charles Thompson joins First Commercial with more than 20 years experience as a commercial real estate professional and brings to the firm strong expertise in the areas of site selection, land assemblage, disposition and acquisition. Before joining First Commercial, Thompson was a real estate broker and proprietor of Commercial Property Specialists, a Michigan-based company founded by him in 1997.

Thompson earned a bachelor's degree in business from the Detroit Institute of Technology. He serves on the Economic Development Committee of the NAACP (De-

troit Chapter) and is a new member of the International Council of Shopping Centers.

Lynn comes to First Commercial from Keller Williams in Plymouth, Mich., where she was a residential realtor. Prior to that, she was a financial analyst for several Southeast Michigan-based companies. She holds a degree in finance and business management from the University of Michigan Dearborn.



Charles Thompson



Holly Lynn

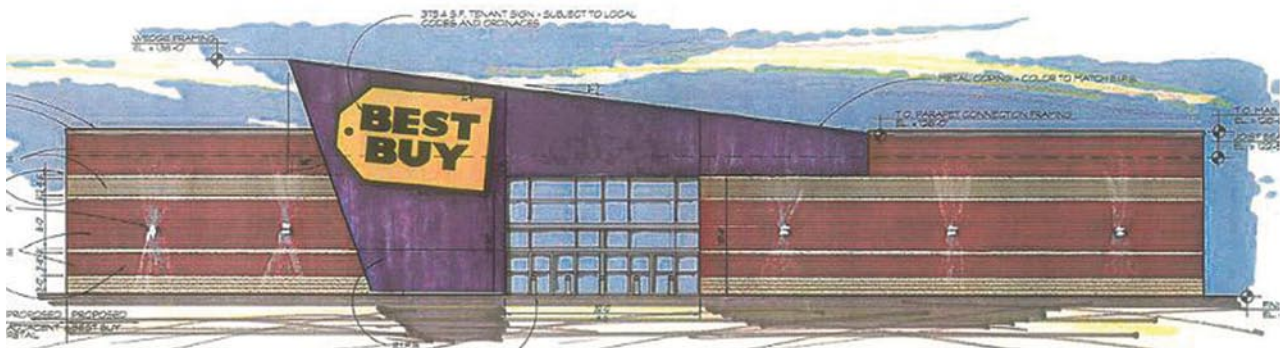
\$25M Perrysburg Project Moves Forward

Construction on Phase II of Perrysburg Market Center, a \$25 million retail project in Perrysburg, Ohio, is now underway. Crews began work on the project, located on Route 20 just east of I-75, in March. First Commercial is overseeing development of the project which, when completed, will comprise 150,000 square feet, including an in-line shopping center and a smaller, 9,800 square-foot nearby ancillary building. First Commercial will also handle sales, leasing and property management for the project.

Best Buy and Office Max are two of the first companies to commit to space in Perrysburg Market Center. Bostleman Corp. is serving as general contractor for the construction of Best Buy, and Wah Yee Associates, of Farmington, Mich., is the architect.

"We are planning to add a big box strip and a small ancillary building on Thompson and Market Center Drive," said Warren Terrace, executive vice president for First Commercial. "We have signed leases with Best Buy and Office Max, and there are several other tenants with whom we are currently negotiating." Terrace said First Commercial expects the new 30,000-sq.-ft. Best Buy and the 14,000-sq.-ft. Office Max to be joined by several other businesses that have expressed interest in the property, including a 10,000 sq. ft. cosmetics company.

Phase One of Perrysburg Market Center, which First Commercial completed in 2004, consists of roughly six tenants, including a nail salon, a Chinese restaurant, a cellular phone store, and a fast food restaurant. Phase II is expected to be completed by 2008 with stores opening shortly thereafter.



Phase II of Perrysburg Market Center should be completed next year.