

AN OPEN LETTER TO ALL GROSSE POINTE HOMEOWNERS

From Jim Saros

About Our Housing Values

It is my opinion that the 5 Grosse Pointe cities are one of the greatest residential communities “in the world” to raise a family! We have world-class schools, private, wonderful parks that rival most country clubs, youth activities; including sports, dance, the arts, and much, much more.

Grosse Pointe contains amenities such as; private golf clubs, yacht clubs, an equestrian club, the War Memorial, the Historical Society, new libraries to name a few. We have a great downtown shopping district in the village. We have “The Hill”, The Park, and Mack Avenue shopping, all without leaving our borders. Our city police and fire departments along with our city services are second to none in the country. We have great local restaurants, we have 3 great hospitals.

The “Grosse Pointes” are a group of small cities that are safe and give you a small town feel, yet we’re a 15-25 minute drive from downtown Detroit, one of the major cities in the world! Downtown Detroit is filled with professional sport stadiums, museums, two major universities, playhouses, concert venues, parks, festivals, and entertainment of every kind. It also houses the offices of some of the world’s largest corporations, law offices, business headquarters, hospitals, and every business imaginable. This proximity makes living in Grosse Pointe “ideal”.

In other parts of our country, the kind of residential environment that Grosse Pointe affords, while being so close to the state’s major city, would dictate a price on our housing that would be 2 or 3 times higher than ours. Look at residential communities just outside of Chicago, Boston, New York, Cleveland and many more cities and compare prices. Grosse Pointe is the best housing deal in the country!

In Grosse Pointe we have a fantastic housing stock ranging from modest bungalows to waterfront mansions; houses that were built in an era of high quality workmanship and materials with hardwood floors, wet plaster, copper plumbing, natural fireplaces, and custom features of every nature and kind.

These are very difficult economic times. We all know that. The housing industry has been hit very hard throughout the country and particularly in metropolitan Detroit. But let us remember that Grosse Pointe is a very “special” and unique place to live! It is a community that people have always aspired to live in.

I have been in the real estate business since 1974 and have been through 4 major real estate cycles. The worst, up until now, was the early 1980’s when interest rates on residential houses went as high as 17%. We are now in another one of those down cycles and I can assure you that at some point in time, whether it be 1 year, 2 years, or 5 years the economy will rebound and Grosse Pointe property values will skyrocket...just like they always

*Why is this custom built,
slate roofed mansion only
\$1,750,000?*



have! You’ll be asking yourself, “Why didn’t I buy more Grosse Pointe real estate?”

We in Grosse Pointe need to improve our “attitudes” on this great community! We need to talk it up! Stay positive, sing its virtues and praise our quality of life. Believe it or not “attitude” affects the economy in a major way. I believe every resident in Grosse Pointe, and particularly those of us in the real estate profession have a duty to protect our community and the way we live.

Unfortunately there are many people who are in very bad financial situations caused by job loss, estates due to death, divorce, and foreclosure issues. Let those unfortunate people slightly reduce the prices of their houses so that they can make the best of their financial situation. But...we should not be reducing the prices of our homes as a whole. The valuation of residential property is a very

simple process. Quite frankly, in a community such as Grosse Pointe that is filled with custom built, unique houses, I’ve never really totally agreed with this process. To oversimplify, value is arrived at by comparing the subject house to what other similar houses have sold for. Thus, every time a house is sold for less than what it is worth, the next house to go on the market will be negatively impacted by the low priced sale.

Let’s have the low “situation sale” be the exception in Grosse Pointe. Ask any professional real estate appraiser and they will tell you that they are not supposed to consider “distressed sales” in their evaluations. Thus, this would improve our values and perhaps let some young couple make a great housing investment in one of the greatest communities in the world; while at the same time keeping the values of our houses from falling.

In closing, many years ago I was at a backyard cocktail party on Windmill Pointe. I was in a small circle of people when the topic came up about what a great evening it was and how beautiful the lake was. One man in our group stated, “Well I live in Bloomfield and we have great lakes too!” Our host, a very elegant man, immediately pointed to a huge freighter that at that moment was passing by. He quipped to the man from Bloomfield, “You mean that little pond? In Grosse Pointe...we watch the ships of the world go by!” I’ve never forgotten that. It’s the kind of pride that every resident of Grosse Pointe should feel. Remember...Grosse Pointe is special...let’s keep it that way!

Sincerely,
Jim Saros
President and Principal Broker
JIM SAROS REAL ESTATE AGENCY

Jim
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