

# Norfolk Homes starting second office structure

BY GREG MIGLIORE

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The owners of Norfolk Homes are setting their sights on commercial development to diversify their business, beginning construction on their second Ann Arbor office building this fall.

The 9,191-square-foot structure is the second of four buildings Norfolk expects to build in its office park on Jackson Road west of Baker in Scio Township. In total, the development will be about 40,000 square feet and cost about \$6.4 million.

Norfolk owners Kevin Belew and Jim Franke decided to start work on the speculative structure because the site has been attracting significant interest – but the likely tenants are smaller firms that want to move in quickly, often in a 90- to 120-day window.

“We realized we had to get the building to shell,” Franke said.

With the structure expected to be enclosed in six weeks, Franke said leasing should accelerate. It’s listed with John Evans of Swisher Commercial.

The first building, a 10,471-square-foot structure, is Norfolk’s headquarters and home to software developer Greenview Data Inc. It was finished in 2006.

Belew and Franke said they’re taking a flexible approach to the development, and are willing to lease the space, sell the buildings or sell parts of them as condos. They expect the sites to attract interest from medical firms and other office users.

The owners also are willing to combine the final two buildings into a single structure to accommodate larger tenants, and said the pace of construction would be determined by market conditions.

By moving ahead with the park, Norfolk could be getting a head start on building in the fairly rural western part of Ann Arbor that appears ripe for development. McKinley Commercial, Signature Associates and Milliken Realty also list land for sale in the area.

The office structures are a new venture for Norfolk, which is looking for ways to supplement its home building business. Like many area firms, it’s been affected by the area’s housing woes, and expects closings to be down 20 percent this year compared with 2006, though recorded sales will likely be flat.

This year, Norfolk projects to close on 59 homes, down from its recent range of 60 to 70 per year.

“With the downturn, it certainly led us to diversify,” Belew said.

As the commercial business grows, Franke said, it could make up 25 percent of Norfolk’s revenue, which is expected to be about \$12 million this year. The firm has also done work on multi-tenant homes and apartments, which the owners said helped give them credibility in building other types of structures.

The firm has also done build-out work at commercial developments and expanded its home building services to include structural additions.

“We see the commercial stuff



Kevin Belew, left, and Jim Franke stand in front of the first building in their Jackson Road office park. | ROBERT RAMEY

as being a steadier line of work,” Franke said.

But Belew and Franke are quick to point out they expect the housing market to rebound, and don’t anticipate straying too far from Norfolk’s bread-and-butter residential business. They’ve sold about 1,500 housing units since 1992.

They’ve also brought some of their home building experience to commercial development. The first structure has a brick and limestone

exterior with white-trimmed windows, giving it a residential appearance. Brad Moore of J. Bradley Moore & Associates was the architect on it, and Franke also did significant design work.

“We’re used to dealing with homeowners, and they can be far more critical than business owners,” Belew said.

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