

# Spirited sales

## Brothers tap million-dollar church market



When Mike Messier seeks out new homes for his real estate clients, his findings are usually inspirational.

But since he must satisfy the tastes of some very large "families," that is not always an easy task.

Messier's mission is to match the buyers and sellers of church properties in the southeast Michigan area, a specialty he thinks is unique to himself and his brother, Kevin, who recently joined as his partner.

The brothers took over from their father, Richard, an agent at Real Estate One's Commercial Division in Southfield, who developed the "church beat" through word-of-mouth references after he sold his first church in 1971.

"He decided to move to Florida, so he brought me in as a partner, and I slowly took over as he phased out," says Messier. "Last year, Kevin joined me when (business) started to get real heavy."

Mike Messier had been in real estate six years before he began concentrating on churches in 1984. With probably 6,000 churches in southeastern Michigan and virtually no competition, the brothers have a wide field to serve. The growth of churches - especially among Pentecostal religions - has given the church market the same kind of increase as the housing market. The brothers average about three to four listings a month. Last year's \$8.7 million in sales came mostly from the successful transaction of about 45 to 50 churches.

Buying or selling is much the same as buying or selling a house, says Messier. The complications begin when he starts to sell a building to not one buyer, but a few hundred, instead.

Showing a church is usually a three-stage process. The initial contact might be a pastor or the head of a church's building committee. One of the brothers will show the property, pointing out the sanctuary's seating capacity, classrooms, office space, fellowship hall and other key features, depending on the needs of a particular denomination. If a building lacks a particular feature, it often can be added.

"But," he says, "it's easier to add a baptismal pool than to build a choir stand."

If the building seems appropriate, the next step is to show the property to the board of directors, who may have diverse ideas of what the church really needs. The last step is showing the property to the congregation.

"The pastor and the board will usually look at the features," he says, "but the church members look at it more emotionally."

To get the feel of the building, congregations often hold a short service or sing to test the acoustics.

The main reason churches are moving is because they outgrow their present building and need room for their congregations to expand.

"A buyer for a building like the Church of the Nazarene in Plymouth that seats 450 to 500 people probably won't

have much above 300 actual buyers (church members)," he says. "When you pay this kind of price, invest in a building this large, you want to make sure it is going to service you for the next several years. The way churches are growing - many, many times doubling within a two or three-year period - you have to ask how long you are going to be able use this sanctuary area."

The biggest concern for church congregations is price, says Messier, an issue he likes to address after a church board has decided if a building might suit their needs.

"Churches generally don't have that kind of money, strictly because of what a church is. It's function is to help its membership, support missionaries, run busing programs..."

Most lending institutions will not deal with church sales, since there is not one person to assume responsibility for the loan. The typical church sale is done by land contract, with a large down payment, and churches are often sold for cash. If a church that is selling one building has a commitment on another, it often will negotiate a price to get the cash sale it needs. Messier says that he will sit down and work with a church's budget to determine what

building it can afford. Sometimes, a church's state or national governing body will make a loan.

While the cost of buying a church can run from a few thousand dollars for a storefront location to more than \$2 million for a modern recently built suburban church, it is still much cheaper than building, says Messier. A building that would sell in the \$700,000 range would probably cost about \$1.2 million to replace.

The Messiers keep a directory of southeastern Michigan properties, which goes back several years, that help them determine the fair market price of a property. Those comparisons often are referred to by Member of the Appraisal Institute or Society of Real Estate Appraisers specialists, whose assessments of church properties are considered critical and the most accurate for high-priced properties.

The 450-seat, 21,000-square-foot Church of the Nazarene is considered a large property in today's market, says Messier. Most of the demand today is for churches that seat about 300.

Today's hottest church market is in Detroit, says Messier, because of a boom in Pentecostal religions in the city.