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Jim Ketai: Point man for operations, management

By Daniel Duggan

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JOHN SOBCHAK

Jim Ketai looks over renovations under way at Chase Tower. When it comes to tenants, he promises "something that will really capture people's attention."

Sometimes, all you need to know about a person's character is what you learn in the first grade.

In the early 1960s, Dan Gilbert became friends in elementary school with a core group of people he eventually went on to hire either as executives, partners or consultants for legal and real estate work.

And when Gilbert was looking for someone to be the point man for the day-to-day operations of the real estate portfolio he has been assembling, it was a member of the childhood circle: Jim Ketai.

In April, Ketai and Gilbert formed **Bedrock Management Services LLC**, with the two being equal partners. They started with four employees and are now up to 29.

The company, run by Ketai, will oversee the management, operations and leasing for Gilbert's real estate holdings in Detroit, Cleveland and around the country.

"It's something we'd talked about over the years, the idea of us doing something together," Ketai said of Gilbert. "And he called me at one point and said 'I've got an idea of something we can do.'"

Other core friends who are part of the Gilbert infrastructure: David Carroll, who is now a go-to vice president at **Quicken Loans Inc.**, David Friedman, president and CEO of Farmington Hills-based **Friedman Integrated Real Estate Solutions**

(See companion profile story, *Page 1*); and Howard Luckoff, an attorney with Detroit-based

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Miller Schwartz and Cohn LLP, both of whom have worked closely with Gilbert on his real estate.

A shift in culture

Ketai, soon to turn 50, spent the past 21 years as an equal partner in the Farmington Hills-based Etkin Equities LLC real estate company.

It's a culture shift for Ketai from his days in a traditional real estate company -- where suits were the standard dress code -- as he conducts business wearing jeans and leather loafers.

On a typical Tuesday afternoon with Bedrock, Ketai and his team have a bustling office, with people moving from desk to desk, passing documents and folders for various deals. But they're not passing them among generic cubicles.

The Bedrock office space, within Quicken's 240,000-square-foot office space in the Compuware Building, is full of orange-painted walls, colorful desks and a conference room with chairs and no table.

"I know it might sound corny, but it's like I'm living a dream every day," he said. "We're making history here. We're right in the middle of bringing this city back, and it's so much fun. I can't tell you how exciting it all is."

Leading Etkin Equities' leasing and property management duties, Ketai oversaw a portfolio that has ranged from 7 million to 9.5 million square feet over the years.

He now takes over a national 3.5 million square-foot portfolio of real estate, including four office buildings in Detroit representing 1.7 million square feet as well as the 240,000 square feet of space in the Compuware Building and nearly 3,500 parking spaces.

Just as the Bedrock culture is different, Ketai's projects are now much different than his work was with Etkin.

In the internal build-out of the Chase Tower, Ketai is involved with taking the space once used for bankers and converting it to something closer to Quicken's culture.

The dark wood walls are being replaced with unfinished wood panels. The structural columns are painted neon orange and green. The maroon carpet has been replaced with black carpet laced with neon green streaks.

Yet Ketai said much of the excitement comes from the things he can't discuss yet.

There are proposals for potential leases sent out to companies right now that are not affiliated with Quicken Loans, Ketai said.

"That's something that will really capture people's attention," he said. "It's not just the companies that Dan owns -- it's other companies that want to be part of this. And it's really going to impress people."

The retail tenant courting under way exemplifies that mindset; Ketai said retail is as much of a priority as office space.

Gilbert's holdings include street-fronting retail space on the east side of Woodward Avenue in the First National Building, on the west side of Woodward in Chase Tower and along Grand Circus Park in the Madison Theatre Building.

"We're at a point of wanting to build a vibrancy downtown, and retail, restaurants are a focus," he said. "We want to see everyone succeeding. If Apple wants to do a store in Detroit, we'd love to have them in our space, but if they went to someone else's space, that's still going to benefit downtown and we'd be happy."



Global marketing?

The marketing for the retail and office space is just ramping up, with the first full-color brochures being produced.

Ketai said he'll be working closely with the **Detroit Economic Growth Corp.**, **Wayne County EDGE** and the **Michigan Economic Development Corp.** to use the vacant space as part of ongoing economic development efforts to recruit out-of-state companies to Detroit.

Technology, marketing and creative companies are among the targets for the buildings, Ketai said, with efforts focused all over the country. The nearly 40 companies Gilbert has an ownership interest in will all have a Detroit presence, but companies outside the group also will be targeted.

Companies are also coming from the suburbs.

Skidmore Studio advertising agency is moving from Royal Oak to the Madison Theatre Building. The Gilbert-owned **Title Source Inc.** is leaving its 60,000 square feet in Troy to take 100,000 square feet in the First National Building after the acquisition closes.

Maureen Krauss, director of economic development and community affairs for **Oakland County**, said a vibrant Detroit is important for the entire state, but moving companies from one city to another is not helpful.

"They have the best interests of the state in mind, and they know that they'll need to look beyond metro Detroit in order to be successful," she said.

"If they're able to find new investment, new energy, to bring to Detroit and their properties, it will no doubt help Oakland County and the entire state."

Company to look beyond Gilbert

Bedrock won't be limited to Gilbert's buildings, either.

Ketai said the firm will be seeking other leasing and management jobs in the region. Some properties, however, are off limits. When Ketai and Etkin cut ties, Ketai sold his share in the Etkin Equities parent company to owner Doug Etkin for an undisclosed price. However, the two continue to have a shared ownership of buildings across the region, such as the **PricewaterhouseCoopers LLC** building in Detroit.

Ketai hesitated to give a gross revenue estimate for Bedrock because it's hard to know how many buildings are going to be under management by year's end.

But Gilbert's holdings will likely keep Ketai pretty busy. As part of a larger real estate strategy, Gilbert is shifting from leasing his property to owning his property across the country. Ketai will oversee property being acquired in Cleveland and in many other markets where Quicken has a presence, such as Scottsdale, Ariz.

Friedman, whose firm also does leasing and management across the country, said it makes sense for Gilbert to have his own person and his own company dealing with the real estate.

"He's the perfect fit to handle the management of Gilbert's real estate," Friedman said of Ketai. "The amount of work required to oversee real estate, not just in Detroit but also in Cleveland and Cincinnati, is going to take someone doing this full time."

John Latessa, managing director of the Southfield office of **CB Richard Ellis**, expects to one day compete with Bedrock for property management work around the region. "Once they're vertically integrated, they find that they have an infrastructure. ... If it's underutilized, it can be filled with third-party work," Latessa said.

He said Ketai is a good fit for the job.

"Over the long term, he's been a well-respected professional in town," Latessa said. "Based on the work he's done in the past, his experience with Etkin, it doesn't surprise me that they'd choose him and that they'd take this approach."

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