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Vacancy, absorption, asking rates and more on local sub-markets in:

- ◆ Office Market
- ◆ Industrial Market
- ◆ Retail Market
- ◆ Related Links

WHAT'S NEW?

Judeh Awarded MAI – Jumana Judeh, MAI, GAA can now better serve your appraisal, valuation and testimony needs.

Tax Appeal Opportunity – The Inflation Rate Multiplier is scheduled to increase by 4.4% for 2009 which basically means your tax bill will increase while property values are decreasing. The National Association of Realtors® indicates that home prices have fallen by an average of 7% nationally. At the local level, there are some communities that have experienced drops that far exceed such a figure. All properties will be taxed based on their condition as of tax day December 31, 2008. So, if a property was only 50% vacant or under construction but not yet complete will affect the tax level. Gather your data, call a professional and don't wait for the Notice of Assessment which will arrive in March. You can start getting ready now.

Type of Appeal	Property Type	Local Board of Review	State Tribunal
Assessed or Taxable Value	Personal Residence	Must appeal in March*	July 31st if lose in March
Assessed or Taxable Value	Investment, Commercial, Industrial	March <u>or</u> May 31st to State Tribunal	May 31st
Poverty Exemption	Personal Residence	March <u>or</u> June 30th to State Tribunal	June 30th <u>or</u> within 30 days of denial

*Some cities open their appeal process in February

Historic Tax Credits – Governor Granholm recently signed Public Act 448 which allows an additional 10-15% historic tax credits on top of the combined 25% State and Federal tax credits for qualified projects for a total of up to 40%. Such credits can be sold for equity positioning.

Loan Officer Registration – Our Legislature is still moving forward to make a law that all loan officer register by April 1, 2009.

Tax Court Rejects Being Bound by USPAP – In an opinion released October 30, the US Tax Court rejected both the cost and income approaches in valuing a “façade donation” by an owner of a New Orleans hotel, instead relying on the comparable sales approach. In addition, the Judge ruled that the court was not bound to accept the Uniform Standard of Professional Appraisal Practice (USPAP) as the defining standard of reliability.

Inflation Rate Multiplier (IRM)	
YEAR	IRM
1995	1.026
1996	1.028
1997	1.028
1998	1.027
1999	1.016
2000	1.019
2001	1.032
2002	1.032
2003	1.015
2004	1.023
2005	1.023
2006	1.033
2007	1.037
2008	1.023
2009	1.044

Office Market

Total Office Market Statistics

Year-End 2008

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA					
Bloomfield	623	16,098,806	13.4%	(79,505)	37,185	0	\$22.73
Detroit/The Pointes	615	39,503,549	16.7%	117,609	0	55,966	\$18.38
Downriver	222	2,368,927	17.3%	287	0	0	\$18.87
Livingston/W Oakland	487	7,404,686	17.5%	438,933	238,386	35,850	\$21.64
Macomb	1,076	13,721,966	14.7%	95,128	141,310	86,079	\$18.94
North Oakland	624	17,747,015	13.2%	27,779	4,700	180,032	\$20.34
Royal Oak	371	4,152,009	14.1%	54,526	22,300	10,000	\$18.08
Southfield	454	24,232,697	20.3%	(205,343)	0	0	\$19.11
Troy	302	17,575,897	29.7%	(554,315)	38,000	0	\$19.54
Washtenaw	692	13,023,535	12.6%	81,878	78,991	80,660	\$21.23
West Wayne	965	22,560,486	13.3%	(33,062)	10,400	4,200	\$18.30
Totals	6,431	178,389,573	17.2%	-56,085	571,272	452,787	\$19.59

Construction Activity Markets Ranked by Under Construction RBA

Year-End 2008

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
North Oakland	3	180,032	41,406	23.0%	28,441	60,011
Macomb	3	86,079	29,443	34.2%	12,753	28,693
Washtenaw	4	80,660	0	0.0%	18,820	20,165
Detroit/The Pointes	1	55,966	55,966	100.0%	64,233	55,966
Livingston/W Oakland	6	35,850	7,850	21.9%	15,205	5,975
Royal Oak	1	10,000	5,800	58.0%	11,191	10,000
West Wayne	1	4,200	4,200	100.0%	23,379	4,200
Downriver	0	0	0	0.0%	10,671	0
Southfield	0	0	0	0.0%	53,376	0
Bloomfield	0	0	0	0.0%	25,841	0
All Other	0	0	0	0.0%	58,198	0
Totals	19	452,787	144,665	31.9%	27,739	23,831

Source: Costar

Historical Office Market Statistics

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Bids	Total RBA	# Bids	Total RBA	
2008 4q	6,431	178,389,573	28,848,691	30,144,402	16.9%	146,098	4	23,500	19	452,787	\$19.59
2008 3q	6,427	178,366,073	28,979,689	30,267,000	17.0%	66,039	2	19,200	19	433,437	\$19.82
2008 2q	6,428	178,353,253	29,189,181	30,320,219	17.0%	154,254	5	243,676	16	321,856	\$19.84
2008 1q	6,423	178,109,577	29,000,213	30,230,797	17.0%	(422,476)	8	284,896	18	494,376	\$20.10
2007 4q	6,415	177,824,681	28,322,986	29,523,425	16.6%	365,683	16	566,400	19	575,772	\$19.98
2007 3q	6,399	177,258,281	28,119,892	29,322,708	16.5%	480,452	11	132,177	29	1,094,972	\$19.99
2007 2q	6,394	177,140,817	28,384,187	29,685,696	16.8%	(1,640)	13	234,019	33	1,058,573	\$19.99
2007 1q	6,381	176,906,798	28,439,340	29,450,037	16.6%	(252,003)	20	519,128	38	968,589	\$20.27
2006 4q	6,361	176,387,670	27,798,243	28,678,906	16.3%	(113,551)	15	295,993	46	1,142,400	\$20.05
2006 3q	6,346	176,091,677	27,517,899	28,269,362	16.1%	267,665	14	675,186	50	1,141,128	\$20.30
2006 2q	6,332	175,416,491	27,068,843	27,861,841	15.9%	314,271	16	442,783	52	1,663,260	\$20.27
2006 1q	6,316	174,973,708	26,928,221	27,733,329	15.8%	412,514	28	958,329	50	1,706,350	\$20.28
2005	6,289	174,018,554	26,345,019	27,190,689	15.6%	1,668,599	84	2,659,538	65	2,425,990	\$20.24
2004	6,206	171,409,016	25,044,421	26,249,750	15.3%	1,744,337	77	2,800,370	76	2,604,329	\$20.24
2003	6,131	169,405,611	24,144,945	25,990,682	15.3%	871,007	64	3,173,776	71	3,809,858	\$19.89
2002	6,069	166,248,955	21,330,039	23,705,033	14.3%	(2,724,919)	79	2,140,638	59	3,636,651	\$20.98

Source: CoStar

INDUSTRIAL MARKET

Total Industrial Market Statistics

Year-End 2008

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF
	# Blds	Total RBA				
Airport/I-275 Ind	2,985	114,598,034	12.0%	701,662	307,884	130,000
Detroit Area Ind	1,290	77,243,579	19.7%	(144,380)	0	0
Downriver Ind	627	39,011,898	11.6%	459,739	0	0
East Area Ind	3,884	111,769,130	7.7%	1,466,788	33,195	123,020
I-96 Corridor Ind	1,893	56,803,703	11.4%	(244,446)	170,918	146,048
Oakland County NW Ind	1,273	48,378,932	10.9%	282,454	90,950	0
Royal Oak/Southfield Ind	1,157	20,230,066	9.4%	187,368	0	0
Troy Area Ind	1,469	32,718,781	10.7%	344,617	86,422	0
Washtenaw Ind	731	24,993,045	9.4%	29,806	105,109	0
Totals	15,309	525,747,168	11.7%	3,083,608	794,478	399,068

Source: Costar

Construction Activity Markets Ranked by Under Construction RBA

Year-End 2008

Market	Existing Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
I-96 Corridor Ind	5	146,048	19,773	13.5%	30,007	29,210
Airport/I-275 Ind	2	130,000	130,000	100.0%	38,391	65,000
East Area Ind	3	123,020	4,370	3.6%	28,777	41,007
Downriver Ind	0	0	0	0.0%	62,220	0
Royal Oak/Southfield Ind	0	0	0	0.0%	17,485	0
Troy Area Ind	0	0	0	0.0%	22,273	0
Oakland County NW Ind	0	0	0	0.0%	38,004	0
Washtenaw Ind	0	0	0	0.0%	34,190	0
Detroit Area Ind	0	0	0	0.0%	59,879	0
Totals	10	399,068	154,143	38.6%	34,342	39,907

Historical Industrial Market Statistics

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2008 4q	15,309	525,747,168	59,174,076	61,633,905	11.7%	52,275	2	133,878	10	399,068	\$5.05
2008 3q	15,307	525,613,290	58,989,013	61,552,302	11.7%	1,785,626	2	65,845	8	408,271	\$5.06
2008 2q	15,305	525,547,445	60,795,938	63,272,083	12.0%	(570,903)	2	75,010	5	219,496	\$5.05
2008 1q	15,303	525,472,435	60,242,109	62,626,170	11.9%	1,816,610	9	519,745	6	247,050	\$5.13
2007 4q	15,294	524,952,690	61,705,642	63,923,035	12.2%	540,844	8	446,453	13	660,158	\$5.21
2007 3q	15,286	524,506,237	62,880,915	64,017,426	12.2%	2,195,069	7	460,395	20	1,086,838	\$5.25
2007 2q	15,279	524,045,842	65,086,496	65,752,100	12.5%	536,937	15	501,298	23	1,428,367	\$5.23
2007 1q	15,264	523,544,544	65,149,090	64,787,739	12.6%	927,899	20	430,566	26	1,043,102	\$5.25
2006 4q	15,244	523,113,978	65,738,088	66,285,072	12.7%	(3,806,784)	11	1,041,184	40	1,183,474	\$5.34
2006 3q	15,233	522,072,794	60,869,717	61,437,104	11.8%	388,935	9	814,294	35	1,897,865	\$5.32
2006 2q	15,224	521,258,500	60,032,331	61,011,745	11.7%	592,943	17	396,701	24	2,069,635	\$5.28
2006 1q	15,208	520,945,209	60,022,048	61,291,397	11.8%	(196,191)	20	645,348	33	2,003,126	\$5.37
2005	15,188	520,299,961	59,596,953	60,449,858	11.6%	7,509,248	73	3,809,485	44	2,250,094	\$5.45
2004	15,117	516,562,462	62,588,023	64,221,707	12.4%	1,564,551	61	2,539,076	69	3,576,923	\$5.68
2003	15,060	514,074,365	61,407,771	63,298,161	12.3%	(1,760,366)	85	3,726,902	37	1,598,866	\$5.57
2002	14,977	510,382,824	54,812,486	57,846,254	11.3%	(3,012,670)	106	3,855,311	76	3,402,486	\$5.11

RETAIL MARKET

Total Retail Market Statistics

Year-End 2008

Market	Existing Inventory		Vac %	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA				
Bloomfield	441	8,756,108	9.3%	0	12,791	\$15.59
Detroit/The Pointes	1,350	16,643,328	16.9%	73,630	0	\$11.13
Downriver	631	10,771,888	13.3%	142,050	42,560	\$11.60
Livingston/W Oakland	1,001	18,336,586	6.9%	71,775	422,162	\$17.56
Macomb	1,957	39,424,838	12.5%	215,776	23,560	\$13.14
North Oakland	1,272	22,206,100	10.0%	291,644	205,895	\$14.05
Royal Oak	595	7,594,546	11.0%	24,889	30,150	\$15.83
Southfield	165	5,796,726	8.3%	13,423	14,000	\$16.00
Troy	153	6,741,264	5.1%	11,000	41,600	\$18.08
Washtenaw	1,027	14,385,537	7.3%	276,873	377,463	\$17.69
West Wayne	1,621	34,714,207	10.0%	435,639	38,816	\$13.16
Totals	10,213	185,371,128	10.6%	1,556,699	1,208,997	\$14.05

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

Year-End 2008

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
North Oakland	4	752,556	217,556	28.9%	17,423	188,139
Washtenaw	7	395,293	357,335	90.4%	14,236	56,470
West Wayne	4	218,133	129,377	59.3%	21,986	54,533
Livingston/ W Oakland	8	189,533	122,988	64.9%	18,749	23,692
Macomb	6	130,882	56,265	43.0%	22,652	21,814
Downriver	2	42,560	8,558	20.1%	17,205	21,280
Troy	1	41,600	41,600	100.0%	44,991	41,600
Royal Oak	2	19,319	13,936	72.1%	13,243	9,659
Southfield	1	14,000	7,280	52.0%	36,104	14,000
Bloomfield	1	12,791	9,721	76.0%	19,991	12,791
All Other	0	0	0	0.0%	12,815	0
Totals	36	1,816,667	964,616	45.8%	18,879	50,463

Source: Costar

Historical Retail Market Statistics

Year-End 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total GLA	Direct SF	Total SF	Vac %		# Bldgs	Total GLA	# Bldgs	Total GLA	
2008 4q	10,213	185,371,128	18,537,842	19,659,188	10.6%	784,957	18	597,413	33	1,208,997	\$14.05
2008 3q	10,195	184,773,715	18,753,918	19,546,732	10.7%	187,395	11	271,470	38	1,457,723	\$13.99
2008 2q	10,186	184,510,817	18,902,943	19,771,229	10.7%	418,185	20	232,017	41	1,360,515	\$14.15
2008 1q	10,166	184,278,800	18,925,461	19,957,397	10.8%	219,458	17	455,799	44	984,116	\$14.00
2007 4q	10,149	183,823,001	18,773,108	19,721,056	10.7%	1,438,397	21	1,539,524	37	829,752	\$13.94
2007 3q	10,128	182,283,477	18,709,805	19,619,929	10.8%	817,557	31	1,075,552	45	2,123,561	\$14.16
2007 2q	10,098	181,210,425	18,480,435	19,364,434	10.7%	480,887	15	249,098	59	2,984,289	\$14.20
2007 1q	10,083	180,961,327	18,640,243	19,596,223	10.8%	612,256	31	645,466	56	2,754,557	\$13.95
2006 4q	10,052	180,315,861	18,552,880	19,563,013	10.8%	(104,578)	16	298,648	59	3,027,508	\$13.79
2006 3q	10,038	180,028,469	18,259,476	19,171,043	10.6%	(636,132)	21	433,119	55	2,339,172	\$13.85
2006 2q	10,018	179,599,850	17,575,845	18,106,292	10.1%	693,907	20	248,976	47	1,880,621	\$14.05
2006 1q	10,004	180,077,599	18,754,480	19,277,948	10.7%	(616,956)	54	935,816	49	952,345	\$14.03

Source: CoStar

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