

JUDEH ASSOCIATES

Vacancy, absorption, asking rates and more for local submarkets (pages 2-4):

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



THERE IS STILL TIME TO THINK ABOUT TAX APPEALS!

TAX APPEALS 2011 -- The 2011 multiplier as published by the State Tax Commission is 1.017. Certain property types have lost up to 50-60% of their values. Non-residential properties can be appealed directly to the Michigan Tax Tribunal no later than May 31.

HOUSING MARKET STILL STRUGGLING -- According to a Credit Suisse report published February 8, 2011, buyer traffic remained short of expectations, prices fell, incentives are flat, and length of time needed to sell a home increased. Overall, comments from real estate agents include - "The economy is poor, the job market outlook is bleak, and people do not want to tie themselves up in a mortgage." and "Tight credit requirements are squeezing out the few buyers that are left."

FORECLOSURE FILINGS BELOW 300K FOR THIRD MONTH -- According to RealtyTrac, foreclosure filings were reported on 261,333 U.S. properties in January, a 1% increase from the previous month but a 17% decline from January 2010. It marks the third consecutive month that filings have come in below 300,000, following 20 straight months where the total exceeded that threshold..

FANNIE TO PAY PART OF CLOSING COSTS ON REO PROPERTY -- Fannie Mae announced that borrowers purchasing a Fannie Mae-owned property through HomePath, the GSE's REO disposition operation, will receive up to 3.5% in closing cost assistance. The company has implemented this temporary buyer assistance program fairly regularly since the beginning of last year -- a strategy aimed at helping the GSE unload a bloated supply of repossessed homes. Fannie Mae acquired 262,078 single-family REO properties through foreclosure in 2010, compared with 145,617 in 2009.

FAIR HOUSING INVESTIGATION UNCOVERS CORRUPT LOAN MOD PRACTICES -- Four fair housing organizations have released their findings of a year-long undercover investigation of 80 loan modification companies, which reveal a host of corrupt practices scammers employ to target homeowners in distress. According to the report, 55% of loan modification companies required an upfront fee to start work or a low initial fee to conduct minimal work, such as reviewing loan documents. Twenty-four percent advised or encouraged homeowners to stop making mortgage payments or stop contacting their lenders.

FANNIE AND FREDDIE REFORMED -- The Capital Markets and Government Sponsored Enterprises Subcommittee of the US House recently approved eight bills that provide for immediate reforms to protect taxpayers by fundamentally reforming Fannie Mae and Freddie Mac. The bills include reforms that suspend lavish compensation for executives at Fannie Mae and Freddie Mac, eliminate the affordable housing goals, increase the guarantee fees, and prohibit new activities. The approval of the eight bills marks the first time since the two government sponsored enterprises were bailed out that Congress has taken action to reform Fannie Mae and Freddie Mac.

FANNIE AND FREDDIE REFORMED -- Senator Stabenow (D-MI) along with three of her colleagues sent a bi-partisan letter to key regulators stressing the need to limit regulatory burdens that could have the unintended effect of driving up costs for end-users, increasing costs for consumers and diverting capital from opportunities to promote economic growth and job creation.. *"..we write to reiterate the critical importance of establishing a regulatory regime that will not create economic disincentives for end-users to access the derivatives markets."*

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Office MARKET

Total Office Market Statistics

1st Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	Deliveries	Under Cost SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	759	17,249,076	2,573,321	2,726,594	15.8%	(78,285)	0	0	\$21.12
Detroit/The Pointes	785	41,758,297	7,206,988	7,249,297	17.4%	115,159	0	0	\$19.31
Dow nriver	285	2,526,867	608,217	621,792	24.6%	(17,187)	0	0	\$16.78
Livingston/W Oakland	588	7,943,728	1,101,085	1,115,788	14.0%	(2,078)	0	14,929	\$20.14
Macomb	1,312	13,660,951	2,101,546	2,124,815	15.6%	(20,474)	0	0	\$16.97
North Oakland	698	17,589,819	3,766,835	3,852,433	21.9%	50,263	26,865	2,850	\$17.22
Royal Oak	556	4,895,683	592,536	607,611	12.4%	26,930	0	0	\$16.37
Southfield	563	24,276,748	5,183,648	5,482,839	22.6%	(130,599)	0	5,992	\$17.79
Troy	310	17,610,068	5,847,118	6,019,075	34.2%	(8,740)	0	0	\$18.47
Washtenaw	876	14,689,473	1,322,812	1,365,393	9.3%	(18,875)	0	10,370	\$19.94
West Wayne	1,137	22,418,079	3,099,547	3,279,377	14.6%	(42,020)	0	0	\$17.44
Totals	7,869	184,618,789	33,403,653	34,445,014	18.7%	(125,906)	26,865	34,141	\$18.53

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

1st Quarter 2011

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Livingston/W Oakland	2	14,929	11,487	76.9%	13,510	7,464
Washtenaw	1	10,370	10,370	100.0%	16,769	10,370
Southfield	1	5,992	0	0.0%	43,120	5,992
North Oakland	1	2,850	0	0.0%	25,200	2,850
West Wayne	0	0	0	0.0%	19,717	0
Bloomfield	0	0	0	0.0%	22,726	0
Detroit/The Pointes	0	0	0	0.0%	53,195	0
Royal Oak	0	0	0	0.0%	8,805	0
Troy	0	0	0	0.0%	56,807	0
Macomb	0	0	0	0.0%	10,412	0
All Other	0	0	0	0.0%	8,866	0
Totals	5	34,141	21,857	64.0%	23,462	6,828

Source: Costar

Historical Office Market Statistics

1st Quarter 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2011 1q	7,869	184,618,789	33,403,653	34,445,014	18.7%	-125,906	1	26,865	5	34,141	\$18.53
2010 4q	7,868	184,591,924	33,318,885	34,292,243	18.6%	985,596	3	213,943	5	59,847	\$18.97
2010 3q	7,866	184,384,981	34,100,337	35,070,896	19.0%	99,956	2	47,477	7	270,940	\$18.79
2010 2q	7,866	184,370,442	34,099,179	35,156,313	19.1%	(241,650)	3	55,500	8	304,647	\$18.88
2010 1q	7,863	184,314,942	33,664,748	34,859,163	18.9%	(668,858)	0	0	7	258,155	\$18.87
2009 4q	7,864	184,384,569	32,946,710	34,259,932	18.6%	(1,398,751)	6	128,719	7	258,155	\$18.98
2009 3q	7,858	184,255,850	31,565,534	32,732,462	17.8%	(408,779)	6	52,077	13	386,874	\$19.22
2009 2q	7,853	184,206,473	31,227,148	32,274,309	17.5%	(724,059)	4	33,581	15	241,008	\$19.34
2009 1q	7,850	184,173,628	30,387,068	31,517,405	17.1%	(254,021)	11	175,991	16	212,369	\$19.49
2008	7,839	183,997,637	29,880,677	31,087,393	16.9%	(966,236)	27	604,030	25	363,360	\$19.59
2007	7,816	183,401,987	28,469,530	29,525,507	16.1%	1,761,994	70	1,847,315	23	584,722	\$20.07
2006	7,752	181,569,385	28,522,201	29,454,899	16.2%	732,870	84	2,372,276	59	1,795,137	\$20.13
2005	7,669	179,200,284	26,979,671	27,818,668	15.5%	692,163	100	1,973,067	78	2,697,185	\$20.30
2004	7,571	177,286,408	25,392,039	26,596,955	15.0%	1,351,507	94	2,771,280	88	1,952,597	\$20.39
2003	7,478	175,273,833	24,089,263	25,935,887	14.8%	1,212,580	81	3,156,722	88	2,903,664	\$20.08
2002	7,399	172,134,231	21,732,709	24,008,865	13.9%	(2,121,797)	106	2,406,317	77	3,654,544	\$21.10

Source: CoStar

Industrial Market

Total Industrial Market Statistics

1st Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Airport/I-275 Ind	3,045	114,239,995	15,887,688	16,467,935	14.4%	818,512	0	0	\$ 4.44
Detroit Area Ind	1,578	87,921,366	18,568,673	19,209,673	21.8%	570,424	0	0	\$ 2.96
Dow nriver Ind	663	41,689,262	4,537,468	4,636,519	11.1%	121,249	0	0	\$ 4.10
East Area Ind	4,096	118,073,346	10,636,275	10,870,779	9.2%	428,163	0	285,000	\$ 4.23
I-96 Corridor Ind	1,932	56,810,548	5,853,643	6,029,930	10.6%	578,585	53,000	0	\$ 5.80
Oakland County NW Ind	1,360	57,314,648	5,479,054	5,660,283	9.9%	(165,168)	0	0	\$ 4.94
Royal Oak/Southfield Ind	1,178	19,921,570	2,020,010	2,050,210	10.3%	9,817	0	0	\$ 5.46
Troy Area Ind	1,456	32,061,366	3,906,023	3,957,328	12.3%	286,519	0	0	\$ 4.77
Washtenaw Ind	889	37,126,082	8,009,970	8,062,535	21.7%	140,269	0	0	\$ 5.76
Totals	16,197	565,158,183	74,898,804	76,945,192	13.6%	2,788,370	53,000	285,000	\$ 4.45

Source: Costar

Construction Activity Markets Ranked by Under Construction RBA

1st Quarter 2011

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
East Area Ind	1	285,000	250,800	88.0%	28,827	285,000
Dow nriver Ind	0	0	0	0.0%	62,880	0
I-96 Corridor Ind	0	0	0	0.0%	29,405	0
Oakland County NW Ind	0	0	0	0.0%	42,143	0
Royal Oak/Southfield Ind	0	0	0	0.0%	16,911	0
Troy Area Ind	0	0	0	0.0%	22,020	0
Airport/I-275 Ind	0	0	0	0.0%	37,517	0
Washtenaw Ind	0	0	0	0.0%	41,762	0
Detroit Area Ind	0	0	0	0.0%	55,717	0
Totals	1	285,000	250,800	88.0%	34,893	151,000

Source: Costar

Historical Industrial Market Statistics

1st Quarter 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %		# Bids	Total RBA	# Bids	Total RBA	
2011 1q	16,197	565,158,183	74,898,804	76,945,192	13.6%	2,788,370	1	53,000	1	285,000	\$4.45
2010 4q	16,201	565,273,447	77,709,265	79,848,826	14.1%	(2,249,062)	2	285,000	2	338,000	\$4.54
2010 3q	16,200	565,135,327	74,186,830	77,461,644	13.7%	(303,866)	0	0	4	623,000	\$4.60
2010 2q	16,200	565,135,327	73,941,351	77,157,778	13.7%	469,013	1	21,000	3	338,000	\$4.64
2010 1q	16,199	565,114,327	74,081,027	77,605,791	13.7%	(982,352)	3	59,523	2	74,000	\$4.72
2009 4q	16,197	565,075,044	73,399,454	76,584,156	13.6%	(2,450,273)	1	45,000	5	133,523	\$4.79
2009 3q	16,197	565,039,581	71,025,858	74,098,420	13.1%	(1,427,854)	2	39,390	6	178,523	\$4.81
2009 2q	16,195	565,000,191	69,708,678	72,631,176	12.9%	(3,312,262)	2	67,555	5	176,913	\$4.94
2009 1q	16,194	564,961,261	66,666,726	69,278,894	12.3%	(3,109,304)	4	298,019	7	244,468	\$5.04
2008	16,192	564,693,069	63,251,901	65,902,488	11.7%	1,700,899	20	1,833,712	11	542,487	\$5.07
2007	16,173	563,164,982	63,796,364	66,075,300	11.7%	1,767,571	58	1,874,526	15	1,453,707	\$5.25
2006	16,116	561,295,512	65,475,660	65,973,401	11.8%	(3,060,638)	63	2,439,518	47	1,209,436	\$5.46
2005	16,056	559,186,510	59,950,858	60,803,761	10.9%	7,207,264	84	4,636,773	52	2,078,211	\$5.48
2004	15,974	554,621,823	61,837,762	63,446,338	11.4%	4,070,964	79	2,847,330	79	4,392,246	\$5.69
2003	15,898	551,805,052	62,904,460	64,700,531	11.7%	(1,770,333)	101	4,048,360	53	1,961,371	\$5.64
2002	15,799	547,769,944	56,607,492	58,895,090	10.8%	(869,285)	124	4,718,979	90	3,570,157	\$5.12

Source: Costar

Retail Market

Total Retail Market Statistics

1st Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	732	10,257,354	863,163	1,025,054	10.0%	(63,722)	0	7,920	\$13.84
Detroit/The Pointes	2,926	24,047,611	2,157,878	2,295,925	9.5%	173,114	0	0	\$11.36
Downriver	921	12,313,844	1,866,425	1,897,143	15.4%	(70,110)	0	0	\$10.43
Livingston/W Oakland	1,330	20,222,500	1,704,437	1,755,321	8.7%	7,796	0	25,724	\$14.73
Macomb	3,144	43,424,588	4,669,062	4,792,983	11.0%	72,487	0	0	\$11.53
North Oakland	1,481	22,399,743	2,236,140	2,477,157	11.1%	(17,909)	0	12,041	\$10.25
Royal Oak	1,394	10,765,519	904,162	958,865	8.9%	21,658	0	96,083	\$13.86
Southfield	262	6,714,029	606,699	606,699	9.0%	(8,662)	0	0	\$13.55
Troy	224	7,665,321	504,684	540,484	7.1%	8,846	0	0	\$13.64
Washtenaw	1,865	18,476,703	1,103,166	1,202,460	6.5%	118,825	19,050	0	\$15.51
West Wayne	2,403	38,296,067	4,164,707	4,461,159	11.6%	154,228	7,250	0	\$11.51
Totals	16,682	214,583,279	20,780,523	22,013,250	10.3%	396,551	26,300	141,768	\$12.04

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

1st Quarter 2011

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Royal Oak	1	96,083	96,083	100.0%	7,723	96,083
Livingston/W Oakland	1	25,724	0	0.0%	15,205	25,724
North Oakland	2	12,041	9,625	79.9%	15,125	6,020
Bloomfield	1	7,920	7,920	100.0%	14,013	7,920
Downriver	0	0	0	0.0%	13,370	0
Detroit/The Pointes	0	0	0	0.0%	8,219	0
Macomb	0	0	0	0.0%	13,812	0
Southfield	0	0	0	0.0%	25,626	0
Troy	0	0	0	0.0%	34,220	0
West Wayne	0	0	0	0.0%	15,937	0
All Other	0	0	0	0.0%	9,907	0
Totals	5	141,768	113,628	80.2%	12,863	28,354

Source: Costar

Historical Retail Market Statistics

1st Quarter 2011

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	
2011 1q	16,682	214,583,279	20,780,523	22,013,250	10.3%	396,551	2	26,300	5	141,768	\$12.04
2010 4q	16,683	214,573,177	21,124,983	22,399,699	10.4%	879,781	5	183,299	6	166,094	\$11.94
2010 3q	16,679	214,394,818	21,759,410	23,101,121	10.8%	599,079	5	227,926	11	349,393	\$12.24
2010 2q	16,676	214,170,872	21,814,615	23,476,254	11.0%	722,797	8	257,158	10	435,050	\$12.46
2010 1q	16,670	213,926,467	22,118,721	23,954,646	11.2%	(461,244)	2	19,900	16	681,228	\$12.59
2009 4q	1,668	213,906,567	21,590,686	23,473,502	11.0%	(230,045)	12	274,003	11	341,228	\$12.65
2009 3q	16,656	213,632,564	21,075,657	22,969,454	10.8%	214,776	8	773,400	18	583,516	\$12.59
2009 2q	16,650	212,905,751	20,572,582	22,457,417	10.5%	(285,395)	13	453,541	21	1,097,312	\$13.15
2009 1q	16,641	212,499,647	19,878,425	21,765,918	10.2%	54,218	23	662,453	25	1,279,454	\$13.73
2008 4q	16,618	211,837,194	19,464,386	21,157,683	10.0%	492,793	23	375,564	43	1,743,625	\$14.06
2008 3q	16,597	211,467,797	19,760,638	21,281,079	10.1%	349,112	14	315,721	53	1,548,571	\$14.09
2008 2q	16,585	211,159,298	20,009,999	21,321,692	10.0%	713,643	23	352,074	43	1,313,582	\$14.25
2008 1q	16,562	210,807,224	20,291,469	21,683,261	10.3%	517,403	52	925,035	46	1,103,543	\$14.08
2007 4q	16,510	209,882,187	19,939,168	21,275,629	10.1%	1,249,271	20	989,759	78	1,513,058	\$13.98
2007 3q	16,490	208,892,430	20,240,570	21,535,141	10.3%	369,718	30	1,065,518	81	2,157,137	\$14.04
2007 2q	16,462	207,839,012	20,095,335	20,851,441	10.0%	600,494	18	290,922	63	2,650,831	\$14.08

Source: CoStar

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