

JUDEH ASSOCIATES

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

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TAX APPEALS -- BE INFORMED & EARN CEs – The Sterling Education Services is hosting their 2nd annual Property Tax Appeal class on December 1 at the Embassy Suites Hotel in Southfield. Register on line www.sterlingeducation.com.

PROPERTY TAX REFORM IN LANSING – Both the Michigan Senate (Senate Bill 349) and the House (House Bill 4446) have introduced legislation to provide much needed property tax relief to Michigan homebuyers. These bills would allow buyers to take advantage of the Principal Residence Exemption even if they purchase a home after the May 1st filing deadline.

NEW RESIDENTIAL APPRAISAL GUIDELINES TAKE EFFECT – As of September 1, all residential appraisal report for lending purposes must comply with the new guidelines, Uniform Appraisal Dataset (UAD). These new guidelines are intended to allow all appraisers to utilize similar language when preparing residential appraisal reports to lessen confusion by the users of these reports.

CONGRATULATIONS TO TWO AMERICAN BANKS – Bloomberg has ranked Fifth Third Bank as the 7th world's strongest bank and JPMorgan Chase as 14th. Singapore's OCBC ranked #1, Svenska Handelsbanken (Sweden) #2 and National Bank of Canada as #3.

THE PEOPLE CAN GO TO COURT – The Michigan Supreme Court has struck down part of a state law that prevents people from going to court to appeal decisions from the State Tax Commission (STC). The Supreme Court was unanimous in saying the final sentence in the law violates the Michigan Constitution. The STC oversees property tax laws and advises assessors. It also hears disputes over how to classify property, such as commercial, industrial or residential.

HISTORY TRIVIA – On March 15, 1867, the University of Michigan became the first university in the nation to be funded by direct property tax.

JUDGE ABUSES DISCRETION IN FORECLOSURE – The District Court of Appeal of Florida (Republic Federal Bank NA v Doyle, 9/30/09), ruled that a trial judge who granted a continuance in a residential foreclosure case solely to help the defendants keep their home abused the court's discretion. By her own report, the trial court judge had no legal basis for granting the continuance.

NO VARIANCE IF HARDSHIP IS TYPICAL – In the case of Curran v Zoning Board of Appeals of City of Milford, the Appellate Court of Connecticut ruled that landowners were not entitled to a zoning variance based on a hardship typical of property in the district. The court emphasized that a zoning variance should be granted only when restrictions impose an exceptional hardship, which by definition is not shared generally with the district.

HOTELS MATURING DEBT – At a recent conference in Texas, Bob Massey, VP of hospitality assets for TriMont Real Estate Advisors, said pay downs of existing debt is the first thing borrowers should expect. "The first question I ask is, 'Do you have any money?'" Massey said. "No? 'Do you want to give me the keys today?'" He said it's inevitable that some owners will have to dip into their pockets to avoid losing assets. "You're going to see deleveraging...it's got to happen," Massey said. "You just can't kick this down the street." Another panelists stated that it's a "far cry from where the franchising world was a few years ago." Source: www.hotelnewsnow.com.

Office Market

Total Office Market Statistics

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	754	17,059,853	2,418,281	2,428,582	14.2%	221,144	0	0	\$20.44
Detroit/The Pointes	820	42,106,396	7,905,723	7,962,664	18.9%	301,558	0	80,439	\$19.08
Downriver	303	2,584,283	560,457	571,557	22.1%	34,348	0	0	\$16.17
Livingston/W Oakland	685	8,079,602	986,934	1,004,989	12.4%	136,771	14,929	0	\$19.47
Macomb	1,356	14,097,127	2,156,791	2,177,689	15.4%	45,060	0	0	\$16.45
North Oakland	709	17,958,220	3,494,834	3,618,335	20.1%	295,196	36,897	0	\$18.08
Royal Oak	603	5,062,640	614,272	624,672	12.3%	21,679	0	0	\$16.39
Southfield	568	24,176,345	4,917,847	5,110,356	21.1%	139,375	6,427	0	\$17.68
Troy	320	17,830,048	5,832,927	5,943,401	33.3%	239,313	0	0	\$18.14
Washtenaw	890	14,955,537	1,665,026	1,666,095	11.1%	(298,346)	10,344	0	\$17.63
West Wayne	1,171	23,953,079	3,730,485	3,916,756	16.4%	(212,986)	0	0	\$17.03
Totals	8,179	187,863,130	34,283,577	35,025,096	18.6%	923,112	68,597	80,439	\$18.15

Source: CoStar Property®

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2011

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Detroit/The Pointes	2	80,439	80,439	100.0%	51,439	40,219
North Oakland	0	0	0	0.0%	0	0
West Wayne	0	0	0	0.0%	19,573	0
Macomb	0	0	0	0.0%	10,523	0
Royal Oak	0	0	0	0.0%	8,322	0
Bloomfield	0	0	0	0.0%	22,700	0
Livingston/W Oakland	0	0	0	0.0%	11,818	0
Southfield	0	0	0	0.0%	42,892	0
Troy	0	0	0	0.0%	56,773	0
Washtenaw	0	0	0	0.0%	16,685	0
All Other	0	0	0	0.0%	8,572	0
Totals	2	80,439	80,439	89.9%	23,033	14,040

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2011

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	
2011 3q	8,179	187,863,130	34,283,577	35,025,096	18.6%	199,424	0	0	2	80,439	\$18.15
2011 2q	8,179	187,863,130	34,468,484	35,224,520	18.8%	777,435	4	27,962	2	80,439	\$18.19
2011 1q	8,175	187,835,168	34,998,411	35,973,993	19.2%	(53,747)	2	40,635	6	108,401	\$18.45
2010 4q	8,174	187,797,297	34,974,796	35,882,375	19.1%	890,990	3	213,943	7	147,877	\$18.88
2010 3q	8,173	187,783,669	35,854,957	36,759,737	19.6%	25,274	2	47,477	8	281,381	\$18.70
2010 2q	8,173	187,769,130	35,779,117	36,770,472	19.6%	(324,738)	3	55,500	8	305,056	\$18.79
2010 1q	8,170	187,713,630	35,212,415	36,390,234	19.4%	(806,775)	1	10,000	7	258,590	\$18.78
2009	8,171	187,783,099	34,352,428	35,652,928	19.0%	(3,143,869)	26	372,168	8	268,590	\$18.89
2008	8,147	187,414,367	30,948,485	32,140,327	17.1%	(827,646)	29	586,897	24	345,595	\$19.54
2007	8,121	186,833,438	29,684,381	30,731,752	16.4%	2,179,030	71	1,954,659	25	568,024	\$19.98
2006	8,058	184,899,778	30,053,480	30,977,122	16.8%	607,616	86	2,373,893	59	1,831,208	\$20.03
2005	7,973	182,529,060	28,376,687	29,214,020	16.0%	(48,837)	100	1,978,610	79	2,707,670	\$20.27
2004	7,875	180,609,641	26,042,512	27,245,764	15.1%	1,436,207	98	2,907,257	89	1,972,694	\$20.38
2003	7,779	178,464,956	24,684,662	26,537,286	14.9%	1,391,045	81	3,159,363	92	3,038,524	\$20.09
2002	7,700	175,322,713	22,509,932	24,786,088	14.1%	(2,042,826)	105	2,499,218	79	3,680,685	\$21.08
2001	7,596	172,826,195	17,965,604	20,246,744	11.7%	(1,988,602)	127	4,282,218	107	3,963,695	\$20.65

Source: CoStar Property®

Industrial Market

Total Industrial Market Statistics

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/I-275 Ind	3,050	115,846,758	14,622,301	14,839,437	12.8%	1,844,039	0	0	\$4.25
Detroit Area Ind	1,637	90,121,983	18,450,223	19,091,223	21.2%	740,074	0	0	\$2.95
Downriver Ind	668	41,511,728	3,950,507	3,956,507	9.5%	651,167	0	0	\$4.00
East Area Ind	4,101	119,685,626	9,852,169	10,096,173	8.4%	794,194	0	285,000	\$4.10
I-96 Corridor Ind	2,095	60,211,585	5,374,143	5,448,128	9.0%	1,052,941	45,000	0	\$5.68
Oakland County NW Ind	1,373	59,778,932	6,299,431	6,450,424	10.8%	669,610	0	55,000	\$5.05
Royal Oak/Southfield Ind	1,199	19,791,509	2,028,959	2,028,959	10.3%	88,221	0	0	\$5.25
Troy Area Ind	1,452	31,671,707	3,579,459	3,627,234	11.5%	547,814	0	0	\$4.84
Washtenaw Ind	887	37,201,601	7,720,668	7,766,233	20.9%	442,966	0	0	\$5.75
Totals	16,462	575,821,429	71,877,860	73,304,318	12.7%	6,831,026	45,000	340,000	\$4.35

Source: CoStar Property®

Construction Activity Markets Ranked by Under Construction RBA

Third 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%	28,962	285,000
Downriver Ind	0	0	0	0.0%	62,734	0
I-96 Corridor Ind	0	0	0	0.0%	28,839	0
Oakland County NW Ind	1	55,000	55,000	100.0%	43,539	55,000
Royal Oak/Southfield Ind	0	0	0	0.0%	16,913	0
Troy Area Ind	0	0	0	0.0%	21,862	0
Airport/I-275 Ind	0	0	0	0.0%	37,464	0
Washtenaw Ind	0	0	0	0.0%	41,757	0
Detroit Area Ind	0	0	0	0.0%	55,228	0
Totals	2	340,000	305,800	88.0%	34,771	151,000

Source: CoStar Property®

Total Industrial Market Statistics

Third Quarter 2011

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	
2011 3q	16,462	575,821,429	71,877,860	73,304,318	12.7%	2,140,669	0	2	340,000	\$4.35	
2011 2q	16,465	575,980,952	74,007,920	75,604,510	13.1%	2,410,576	0	1	285,000	\$4.39	
2011 1q	16,468	576,142,932	76,374,743	78,177,066	13.6%	2,279,781	1	1	285,000	\$4.40	
2010 4q	16,472	576,266,196	78,677,615	80,580,111	14.0%	(2,948,110)	2	2	330,000	\$4.51	
2010 3q	16,471	576,120,076	74,450,337	77,485,881	13.4%	(80,995)	0	4	623,000	\$4.57	
2010 2q	16,471	576,120,076	74,292,474	77,404,886	13.4%	(403,743)	1	3	338,000	\$4.60	
2010 1q	16,470	576,099,076	73,593,208	76,980,143	13.4%	(953,471)	2	2	74,000	\$4.68	
2009	16,471	576,143,172	73,023,895	76,070,768	13.2%	(9,917,762)	9	4	134,000	\$4.77	
2008	16,467	575,774,018	63,210,965	65,783,852	11.4%	1,624,808	22	11	552,964	\$5.03	
2007	16,446	574,213,439	63,653,460	65,848,081	11.5%	2,033,608	43	18	1,486,627	\$5.21	
2006	16,405	572,540,741	65,714,615	66,208,991	11.6%	(3,094,991)	63	36	1,132,666	\$5.46	
2005	16,345	570,429,087	60,149,443	61,002,346	10.7%	7,081,560	87	51	2,045,382	\$5.48	
2004	16,260	565,889,080	61,935,323	63,543,899	11.2%	4,127,545	79	82	4,367,566	\$5.69	
2003	16,184	563,087,587	63,064,527	64,869,951	11.5%	(1,809,003)	105	54	1,948,331	\$5.64	
2002	16,081	558,878,771	56,565,343	58,852,132	10.5%	(939,189)	125	93	3,681,224	\$5.10	
2001	15,960	554,204,729	50,000,938	53,238,901	9.6%	(5,114,086)	201	123	4,790,847	\$5.50	

Source: CoStar Property®

Retail Market

General Retail Market Statistics

Third Quarter 2011

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total GLA	Direct SF	Total SF	Vac %				
Bloomfield	604	4,666,285	232,036	351,079	7.5%	(16,726)	0	0	\$13.00
Detroit/The Pointes	3,195	21,652,312	1,784,093	1,825,026	8.4%	167,112	0	56,000	\$9.62
Downriver	826	6,414,171	525,721	529,339	8.3%	49,826	40,675	0	\$9.82
Livingston/W Oakland	1,321	9,201,364	382,859	382,859	4.2%	108,777	0	6,820	\$12.08
Macomb	2,536	18,775,081	1,294,935	1,337,141	7.1%	198,373	0	9,300	\$10.45
North Oakland	1,211	9,121,467	721,523	733,610	8.0%	(50,685)	10,043	5,373	\$11.22
Royal Oak	1,399	6,965,115	567,734	605,007	8.7%	143,743	100,210	0	\$13.50
Southfield	199	2,328,060	135,728	135,728	5.8%	(18,078)	0	0	\$14.63
Troy	141	1,379,302	89,313	90,313	6.5%	3,378	0	0	\$10.20
Washtenaw	1,691	11,114,059	369,026	369,026	3.3%	52,685	19,050	0	\$17.72
West Wayne	2,115	18,197,049	1,989,446	2,164,105	11.9%	76,693	0	10,075	\$9.14
Totals	15,238	109,814,265	8,092,414	8,523,233	7.8%	715,098	169,978	87,568	\$10.99

Source: CoStar Property®

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2011

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Washtenaw	1	42,000	42,000	100.0%	9,661	42,000
Troy	1	18,700	15,521	83.0%	33,374	18,700
Livingston/W Oakland	1	6,820	6,820	100.0%	13,432	6,820
Macomb	2	9,300	7,272	78.2%	13,426	4,650
North Oakland	1	5,373	5,373	100.0%	14,875	5,373
Downriver	0	0	0	0.0%	12,593	0
Bloomfield	0	0	0	0.0%	13,627	0
Southfield	0	0	0	0.0%	25,279	0
Detroit/The Pointes	1	56,000	47,000	84.0%	8,264	56,000
Royal Oak	0	0	0	0.0%	7,566	0
West Wayne	1	10,075	0	0.0%	14,836	10,075
All Other	0	0	0	0.0%	15,362	0
Totals	8	148,268	123,986	96.0%	12,418	15,873

Source: CoStar Property®

General Retail Market Statistics

Third Quarter 2011

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bids	Total GLA	Direct SF	Total SF	Vac %		# Bids	Total GLA	# Bids	Total GLA	
2011 3q	15,238	109,814,265	8,092,414	8,523,233	7.8%	89,970	2	42,592	6	87,568	\$10.99
2011 2q	15,241	109,802,027	8,157,667	8,600,965	7.8%	246,456	3	108,336	5	62,585	\$11.09
2011 1q	15,241	109,888,053	8,535,195	8,933,447	8.1%	378,672	1	19,050	6	156,301	\$10.97
2010 4q	15,245	109,887,619	8,674,875	9,311,685	8.5%	734,781	5	179,899	4	127,386	\$11.12
2010 3q	15,242	109,735,570	9,286,815	9,894,417	9.0%	376,304	1	3,200	8	305,075	\$11.45
2010 2q	15,243	109,736,350	9,630,274	10,271,501	9.4%	479,271	4	57,800	5	181,200	\$11.68
2010 1q	15,242	109,698,628	10,042,788	10,713,050	9.8%	(221,988)	2	14,828	7	234,000	\$11.85
2009 4q	15,240	109,683,800	9,798,368	10,476,234	9.6%	(253,588)	6	66,827	5	66,428	\$11.71
2009 3q	15,234	109,616,973	9,452,312	10,155,819	9.3%	(262,615)	2	21,605	9	126,655	\$12.06
2009 2q	15,235	109,645,680	9,208,523	9,921,911	9.0%	(417,267)	3	35,880	8	90,432	\$12.20
2009 1q	15,236	109,657,237	8,811,409	9,516,201	8.7%	533,500	11	388,650	7	68,090	\$12.47
2008 4q	15,225	109,268,587	8,961,877	9,661,051	8.8%	584,743	12	241,975	16	445,825	\$12.89
2008 3q	15,215	109,032,779	9,385,860	10,009,986	9.2%	84,035	6	69,072	27	674,350	\$12.96
2008 2q	15,211	108,970,929	9,587,532	10,032,171	9.2%	430,758	13	167,346	21	609,805	\$13.24
2008 1q	15,198	108,803,583	9,962,728	10,295,583	9.5%	2,070	29	417,764	24	486,143	\$13.13
2007	15,171	108,404,749	9,580,656	9,898,819	9.1%	2,153,395	66	679,291	44	650,800	\$12.75

Source: CoStar Property®

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