

JUDEH & ASSOCIATES

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

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



WHAT HAPPENED IN 3Q12?

PROPERTY TAX APPEAL – Sterling Education Services is hosting an all-day class in Southfield on 12/19 complete with con-ed credits. www.sterlingeducation.com.

OFFICE MARKET – Recovery weakens.

RETAIL MARKET – Consumer spending remains weak and inconsistent.

MULTI-FAMILY MARKET – Demand dips.

NEW BANK STANDARDS TAKE EFFECT – As a result of the \$25 billion settlement between the state attorneys general and the nation's five largest banks, new standards took effect on 10/2. They include elimination of "robo-signing," can't foreclose on a borrower while simultaneously negotiating a loan modification, and provide homeowners with a single point of contact.

DODD-FRANK CHALLENGED – The attorney generals of Michigan, Oklahoma and S. Carolina filed an amended complaint to a suit initiated by the State National Bank of Big Spring in Texas which argues that the creation of and powers given to the Consumer Financial Protection Bureau, an agency established under Dodd-Frank, are unconstitutional.

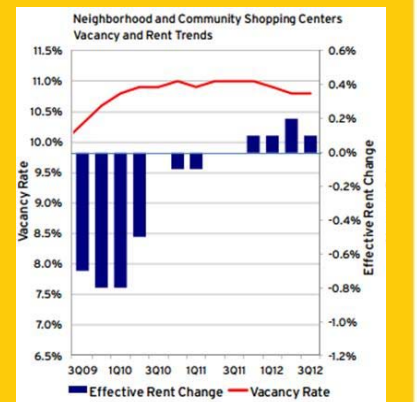
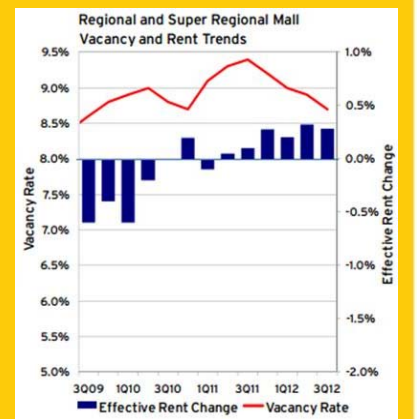
MORE BUYING – According to a survey conducted by ORC International as reported in Bloomberg BusinessWeek, nearly 2/3 of US residential real estate investors report that they expect to purchase at least as many homes in the next 12 months as they did in the past year.

SOUTHEAST MICHIGAN HOUSING MARKET – Signs of improvements are encouraging. Table highlights movement from 9/11 to 9/12.

Median sale price on foreclosure sales	12.70%
Median sale price on non-foreclosure sales	11.60%
Number of on market listings	-15.60%
Number of foreclosure sales	-10.20%
Number of non-foreclosure sales	4.90%
Number of total sales	-0.60%

Source: Realcomp

SOCIAL MEDIA – Follow Judeh & Associates



Tax Appeal Consulting

Real Estate Valuation

Market Analyses

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Office Market

Total Office Market Statistics

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	770	17,185,210	2,454,595	2,467,270	14.4%	163,670	74,332	0	\$19.69
Detroit/The Pointes	886	43,984,814	8,445,910	8,511,057	19.3%	460,270	55,209	25,230	\$18.85
Downriver	336	2,881,690	591,373	602,473	20.9%	(12,066)	0	0	\$14.87
Livingston/W Oakland	689	7,942,941	1,015,724	1,022,691	12.9%	7,827	0	0	\$19.92
Macomb	1,392	14,232,677	2,010,844	2,037,334	14.3%	158,526	0	20,000	\$16.03
North Oakland	736	18,463,827	3,424,873	3,552,023	19.2%	260,854	0	0	\$16.89
Royal Oak	631	5,136,952	655,044	665,444	13.0%	(3,349)	9,000	0	\$16.14
Southfield	589	23,766,581	5,027,825	5,223,666	22.0%	(106,019)	0	0	\$17.41
Troy	320	17,940,124	5,646,308	5,668,986	31.6%	267,838	0	0	\$18.17
Washtenaw	889	15,022,323	1,439,445	1,445,685	9.6%	109,286	0	0	\$17.40
West Wayne	1,369	23,635,841	3,915,444	4,100,835	17.4%	(806)	0	58,821	\$16.68
Totals	8,607	190,192,980	34,627,385	35,297,464	18.6%	1,306,031	138,541	104,051	\$17.79

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2012

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
West Wayne	3	58,821	45,761	77.8%	17,265	19,607
Livingston/W Oakland	0	0	0	0.0%	11,528	0
Bloomfield	0	0	0	0.0%	22,318	0
North Oakland	0	0	0	0.0%	25,087	0
Washtenaw	0	0	0	0.0%	16,898	0
Southfield	0	0	0	0.0%	40,351	0
Macomb	1	20,000	0	0.0%	10,225	20,000
Detroit/The Pointes	1	25,230	25,230	100.0%	49,644	25,230
Troy	0	0	0	0.0%	56,056	0
Royal Oak	0	0	0	0.0%	8,141	0
All Other	0	0	0	0.0%	8,576	0
Totals	5	104,051	70,991	68.2%	22,097	20,810

Source: Costar

Total Office Market Statistics

Third Quarter 2012

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	
2012 3q	8,607	190,192,980	34,627,385	35,297,464	18.6%	752,660	1	74,332	5	104,051	\$17.79
2012 2q	8,606	190,118,648	35,456,817	35,975,792	18.9%	509,906	2	64,209	5	158,383	\$17.99
2012 1q	8,606	190,095,743	35,792,048	36,462,793	19.2%	43,465	0	0	7	222,592	\$18.07
2011 4q	8,608	190,117,002	35,802,592	36,527,517	19.2%	346,376	1	6,427	5	173,051	\$18.31
2011 3q	8,608	190,136,175	36,167,255	36,893,066	19.4%	81,005	2	135,032	4	161,198	\$18.22
2011 2q	8,606	190,001,143	36,086,556	36,839,039	19.4%	680,450	3	16,003	6	296,230	\$18.25
2011 1q	8,604	190,026,140	36,572,457	37,544,486	19.8%	(105,492)	2	40,635	8	237,901	\$18.50
2010	8,604	189,990,411	36,494,584	37,403,265	19.7%	(910,541)	10	343,402	8	222,168	\$18.88
2009	8,602	189,973,968	35,175,781	36,476,281	19.2%	(3,444,729)	21	342,023	9	285,072	\$18.91
2008	8,586	189,713,547	31,579,289	32,771,131	17.3%	(879,088)	27	569,287	19	315,450	\$19.55
2007	8,563	189,151,735	30,282,860	31,330,231	16.6%	1,494,426	71	1,794,704	24	559,114	\$20.00
2006	8,500	187,378,030	30,134,586	31,050,952	16.6%	591,403	89	2,430,620	59	1,671,253	\$20.12
2005	8,412	184,950,585	28,396,499	29,214,910	15.8%	(32,347)	99	1,964,535	83	2,761,928	\$20.38
2004	8,314	183,036,050	26,147,035	27,268,028	14.9%	2,074,033	105	3,515,971	88	1,959,566	\$20.41
2003	8,211	180,282,651	24,806,675	26,588,662	14.7%	1,318,297	89	3,239,275	98	3,643,710	\$20.10
2002	8,124	177,060,496	22,414,148	24,684,804	13.9%	(1,999,861)	106	2,461,228	89	4,314,878	\$21.22

Source: CoStar Property®

Industrial Market

Total Industrial Market Statistics

Third Quarter 2012

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	3,097	121,603,641	12,544,947	12,595,772	10.4%	1,825,179	0	289,428	\$4.21
Detroit Area Ind	1,771	84,018,100	17,962,373	18,624,054	22.2%	(459,836)	0	0	\$3.13
Downriver Ind	660	37,444,598	4,638,558	4,638,558	12.4%	142,706	0	0	\$3.65
East Area Ind	4,070	116,826,185	6,188,331	6,311,905	5.4%	1,449,811	12,482	302,000	\$4.08
I-96 Corridor Ind	2,097	59,523,527	4,485,799	4,536,499	7.6%	757,748	68,475	56,327	\$5.79
Oakland County NW Ind	1,366	54,196,967	5,723,783	5,757,524	10.6%	1,226,744	55,000	32,000	\$5.08
Royal Oak/Southfield Ind	1,214	19,831,524	2,011,217	2,014,077	10.2%	200,394	0	0	\$4.70
Troy Area Ind	1,465	31,299,481	2,718,260	2,738,131	8.7%	463,934	6,736	0	\$4.84
Washtenaw Ind	888	37,460,344	8,247,990	8,252,790	22.0%	36,258	0	0	\$5.82
Totals	16,628	562,204,367	64,521,258	65,469,310	11.6%	5,642,938	142,693	679,755	\$4.33

Source: CoStar Property®

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2012

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
East Area Ind	2	302,000	267,800	88.7%	28,704	151,000
Oakland County NW Ind	1	32,000	0	0.0%	39,676	32,000
Downriver Ind	0	0	0	0.0%	56,734	0
I-96 Corridor Ind	1	56,327	33,796	60.0%	28,385	56,327
Royal Oak/Southfield Ind	0	0	0	0.0%	16,336	0
Troy Area Ind	0	0	0	0.0%	21,365	0
Airport/I-275 Ind	1	289,428	289,528	100.0%	39,265	289,428
Washtenaw Ind	0	0	0	0.0%	42,185	0
Detroit Area Ind	0	0	0	0.0%	47,441	0
Totals	5	679,755	591,124	87.0%	33,811	135,951

Source: Costar

Total Industrial Market Statistics

Third Quarter 2012

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	
2012 3q	16,628	562,204,367	64,521,258	65,469,310	11.6%	2,262,340	1	12,482	5	679,755	\$4.33
2012 2q	16,627	562,191,885	66,722,761	67,719,168	12.0%	2,831,254	2	61,736	4	603,910	\$4.34
2012 1q	16,629	562,531,324	69,826,649	70,889,861	12.6%	549,344	1	68,475	6	665,646	\$4.31
2011 4q	16,630	562,612,119	70,359,411	71,520,000	12.7%	2,334,660	0	0	5	432,211	\$4.33
2011 3q	16,639	566,225,425	76,175,008	77,467,966	13.7%	(1,964,148)	0	0	2	340,000	\$4.34
2011 2q	16,643	566,391,968	74,207,271	75,670,361	13.4%	2,567,601	0	0	1	285,000	\$4.38
2011 1q	16,647	566,668,008	76,845,179	78,514,002	13.9%	2,300,755	2	196,336	1	285,000	\$4.40
2010	16,650	566,664,963	79,039,216	80,811,712	14.3%	(6,987,434)	5	373,704	3	481,336	\$4.51
2009	16,654	567,040,005	71,164,416	74,199,320	13.1%	(11,072,893)	9	373,974	4	133,704	\$4.76
2008	16,652	566,872,133	60,387,439	62,958,555	11.1%	1,487,611	26	2,208,743	11	476,678	\$5.04
2007	16,628	564,989,015	60,368,427	62,563,048	11.1%	3,096,166	45	2,379,037	20	1,697,340	\$5.20
2006	16,590	562,952,634	63,128,457	63,622,833	11.3%	(3,420,680)	62	2,764,762	36	1,501,006	\$5.45
2005	16,535	560,972,516	57,369,427	58,222,035	10.4%	6,072,055	89	4,903,329	51	2,391,764	\$5.51
2004	16,450	556,452,666	58,165,959	59,774,240	10.7%	4,128,938	81	2,867,719	85	4,683,401	\$5.70
2003	16,373	553,700,506	59,371,095	61,151,018	11.0%	(2,262,689)	108	4,161,151	57	2,007,609	\$5.64
2002	16,268	549,557,983	52,516,941	54,745,806	10.0%	(1,277,353)	124	4,717,211	96	3,543,098	\$5.10

Source: CoStar Property®

Retail Market

General Retail Market Statistics

Third Quarter 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	660	4,919,859	272,221	387,104	7.9%	9,035	0	0	\$11.47
Detroit/The Pointes	3,840	24,048,191	2,050,026	2,074,805	8.6%	129,324	2,250	25,000	\$8.94
Downriver	934	6,879,405	491,510	496,354	7.2%	26,097	8,000	25,890	\$10.30
Livingston/W Oakland	1,393	9,349,983	302,803	302,803	3.2%	71,047	12,976	0	\$12.62
Macomb	2,740	19,560,669	1,377,872	1,424,082	7.3%	44,627	13,712	5,000	\$10.04
North Oakland	1,319	9,810,286	1,045,810	1,055,497	10.8%	(49,708)	3,648	5,300	\$11.20
Royal Oak	1,536	7,417,328	535,831	535,831	7.2%	27,405	0	0	\$5.21
Southfield	299	2,819,305	119,971	119,971	4.3%	77,802	12,500	0	\$11.82
Troy	214	1,893,431	153,404	153,404	8.1%	9,892	9,846	18,700	\$12.65
Washtenaw	1,693	11,196,381	526,447	533,089	4.8%	106,316	15,450	25,332	\$18.98
West Wayne	2,978	20,726,669	1,859,521	1,946,336	9.4%	123,621	24,207	48,701	\$9.14
Totals	17,606	118,621,507	8,735,416	9,029,276	7.6%	575,458	238,589	153,923	\$10.99

Source: CoStar Property®

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2012

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
West Wayne	3	48,701	32,201	66.1%	12,266	16,234
Livingston/W Oakland	1	148,864	148,864	100.0%	12,753	148,864
Washtenaw	2	25,332	25,332	100.0%	9,760	12,666
North Oakland	1	5,300	2,014	38.0%	14,323	5,300
Downriver	4	34,090	17,177	50.4%	11,810	8,522
Bloomfield	0	0	0	0.0%	12,879	0
Macomb	1	5,000	5,000	100.0%	12,961	5,000
Southfield	0	0	0	0.0%	19,347	0
Troy	1	18,700	16,643	89.0%	25,447	18,700
Detroit/The Pointes	1	25,000	14,000	56.0%	7,496	25,000
All Other	0	0	0	0.0%	6,809	0
Totals	14	310,987	261,231	84.0%	11,322	22,213

Source: Costar

General Retail Market Statistics

Third Quarter 2012

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	# Bids	Total GLA	# Bids	Total GLA	Rates
2012 3q	17,606	118,621,507	8,735,416	9,029,276	7.6%	152,578	6	32,220	12	153,923	\$10.99
2012 2q	17,600	118,589,287	8,853,574	9,149,634	7.7%	(42,374)	6	178,662	14	146,536	\$11.00
2012 1q	17,598	118,447,849	8,667,732	8,965,822	7.6%	465,254	5	27,707	15	260,235	\$11.00
2011 4q	17,596	118,473,940	9,146,220	9,457,167	8.0%	214,501	1	6,000	14	244,669	\$10.97
2011 3q	17,597	118,483,652	9,353,243	9,681,380	8.2%	39,932	5	242,189	4	20,852	\$11.10
2011 2q	17,597	118,271,817	9,168,861	9,509,477	8.0%	75,844	3	83,980	6	249,009	\$11.19
2011 1q	17,597	118,382,199	9,400,133	9,695,703	8.2%	157,062	2	21,750	8	326,169	\$11.06
2010 4q	17,601	118,380,631	9,317,069	9,851,197	8.3%	719,289	5	183,049	6	287,730	\$11.30
2010 3q	17,599	118,228,077	9,933,477	10,417,932	8.8%	328,110	1	3,200	9	286,569	\$11.55
2010 2q	17,601	118,250,253	10,210,532	10,768,218	9.1%	461,730	5	61,800	5	184,500	\$11.66
2010 1q	17,599	118,208,531	10,577,908	11,188,226	9.5%	(275,940)	3	11,956	8	238,650	\$11.84
2009 4q	17,596	118,196,575	10,282,408	10,900,330	9.2%	(195,792)	6	43,837	7	67,566	\$11.73
2009 3q	17,592	118,307,894	10,172,294	10,815,857	9.1%	(409,740)	3	28,987	10	100,793	\$12.12
2009 2q	17,592	118,329,219	9,775,655	10,427,442	8.8%	(426,666)	3	25,430	9	74,824	\$12.29
2009 1q	17,594	118,495,226	9,503,127	10,166,783	8.6%	479,418	13	408,120	8	65,022	\$12.57
2008	17,581	118,087,106	9,580,043	10,238,081	8.7%	1,104,815	61	988,379	18	454,845	\$13.04

Source: CoStar Property®