

JUDEH & ASSOCIATES

Vacancy, absorption, asking rates and more for local submarkets (pages 2-4):
Office Market -- Industrial Market -- Retail Market -- Related Links

4Q14 – WHAT’S BEEN HAPPENING!

ICSC HOLDS CON-ED – ICSC will be offering their annual program to earn 6 hours of Michigan Continuing Education with relevant and informative Roundtables, Concurrent Sessions, a lunch keynote speaker and a Michigan economic forecast led by top industry professionals. This is in cooperation with the Michigan State Bar Real Property Law Sections Special Committee on Commercial Leasing. This event is set for February 12th at the Suburban Collection Showplace.

JUDEH RECEIVES DESIGNATION – Jumana Judeh received her MRICS designation with the Royal Institute of Chartered Surveyors (RICS) which represents 118,000 professionals around the world. Such a membership allows Jumana to network with value experts in other countries and those seeking to invest and do business in the United States.

TAX APPEAL TIME – It’s that time of year again when you want to talk to your clients about examining their proposed new assessments. Remember the City of Detroit has a two-tier process which starts February 2 to the 16th. A major increase in assessments is expected in most Michigan communities.

RETAIL INVESTMENT SALES BOOMING – Retail property sales transactions volume in 2014 reached \$68 billion as compared to 2013 at \$64 billion and \$45 billion in 2011 according to Kevin Imboden, Director of Research, Real Capital Analytics. An increase that he predicts will steadily continue. Much of the increase is credited to overseas investors who are looking beyond the strip center for some kind of a niche play.

TOP 10 STORIES IN CRE FOR 2014 – According to NREI:

1. Special multifamily report shows the sector will shine well into the future.
2. Exclusive report shows robust investor demand for seniors housing.
3. Wealthy families see attractive opportunities in commercial real estate.
4. Sam Zell sticks up for the 1 percent.
5. Is a store closing Tsunami ahead?
6. Whole Foods’ new model for retail development has backing of lenders.
7. Blackstone faces speed bump on invitation homes RMBS.
8. Apartment developers overbuild a few markets.
9. Sears continues sinking.
10. Demand for apartments proves stronger than thought, driven by millennials.

REALTOR CON-ED TRACKING SHIFTS FROM STATE – The Michigan Department of Licensing and Regulatory Affairs (LARA) has awarded a grant of \$199,237 to the Michigan Realtors for the development and implementation of a web-based portal that will track continuing education credit hours for Michigan real estate licensees. This new system will be based on self-reporting.

LEGISLATIVE DAY IN LANSING – Michigan Relators will be hosting a Legislative Day and Centennial Celebration on Wednesday, March 4th in Lansing. Day begins with morning legislative panel of the House of Representatives, followed by a luncheon celebrating the organizations 100 year Anniversary, with an afternoon panel of Michigan Senators.

SOCIAL MEDIA – Follow Judeh & Associates



Tax Appeal
Consulting

Property
Valuation

Litigation &
Expert Witness

Portfolio
Valuation

Feasibility &
Market Studies

Financial Reporting
Valuation

Forensic & Compliance
Reviews

**Jumana Judeh,
MAI, CCIM, MRICS**
Certified General
Appraiser

22952 Outer Drive
Dearborn, MI 48124

Office 313-277-1986
Fax 313-277-8634

www.JudehOnLine.com
JumanaJ@JudehOnLine.com

Office Market

Total Office Market Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	777	17,331,389	2,502,935	2,505,175	14.5%	128,558	0	85,000	\$19.87
Detroit/The Pointes	949	45,645,875	7,136,314	7,152,890	15.7%	352,348	0	180,000	\$18.86
Downriver	369	3,056,186	641,302	641,302	21.0%	22,152	0	0	\$14.64
Livingston/W Oakland	697	8,056,153	954,761	970,930	12.1%	89,335	65,516	100,000	\$20.20
Macomb	1,540	15,137,542	1,962,017	1,978,308	13.1%	(87,771)	4,000	3,428	\$15.75
North Oakland	766	19,687,534	3,123,867	3,171,237	16.1%	(17,225)	10,032	0	\$17.47
Royal Oak	622	5,164,246	492,511	492,511	9.5%	37,008	0	0	\$17.33
Southfield	582	23,608,119	5,475,291	5,479,864	23.2%	463,103	0	0	\$16.83
Troy	327	18,160,329	4,606,325	4,649,094	25.6%	321,327	0	0	\$18.62
Washtenaw	870	14,975,091	1,012,249	1,031,214	6.9%	196,800	0	0	\$19.56
West Wayne	1,660	25,452,287	3,404,674	3,497,760	13.7%	182,760	20,000	17,420	\$16.52
Totals	9,159	196,274,751	31,312,246	31,570,285	16.1%	1,688,395	99,548	385,848	\$17.80

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

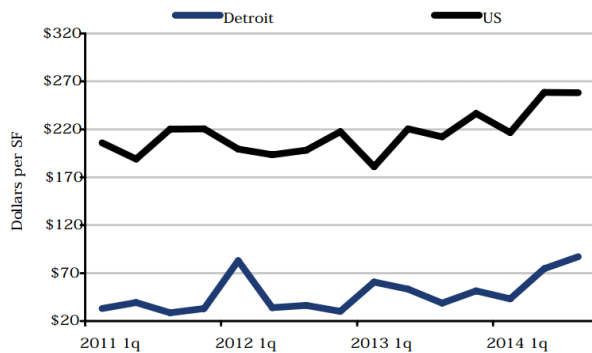
Year-end 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Detroit/The Pointes	2	180,000	168,500	93.6%	48,099	90,000
Livingston/W Oakland	1	100,000	100,000	100.0%	11,558	100,000
Bloomfield	1	85,000	65,450	77.0%	22,306	85,000
West Wayne	2	17,420	3,247	18.6%	15,333	8,710
Macomb	1	3,428	3,428	100.0%	9,830	3,428
Royal oak	0	0	0	0.0%	8,303	0
Southfield	0	0	0	0.0%	40,564	0
Troy	0	0	0	0.0%	55,536	0
Washtenaw	0	0	0	0.0%	17,213	0
North Oakland	0	0	0	0.0%	25,702	0
All Other	0	0	0	0.0%	8,282	0

Source: Costar

U.S. Price/SF Comparison

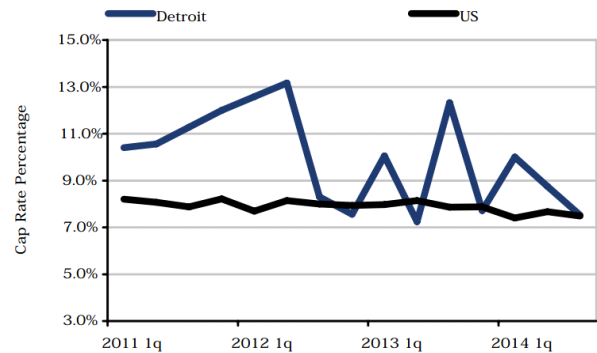
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Industrial Market

Total Industrial Market Statistics

Year-End 2014

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	3,120	123,420,416	8,750,317	8,847,452	7.2%	1,443,893	0	52,000	\$4.34
Detroit Area Ind	1,841	83,502,277	12,334,852	12,334,852	14.8%	661,020	0	366,000	\$3.56
Downriver Ind	671	37,409,324	4,100,398	4,100,398	11.0%	(309,852)	0	0	\$3.76
East Area Ind	4,083	116,161,327	3,615,708	3,639,708	3.1%	884,091	20,000	620,454	\$4.67
I-96 Corridor Ind	2,096	54,991,276	2,636,298	2,716,749	4.9%	1,148,895	80,956	110,386	\$6.52
Oakland County NW Ind	1,388	51,422,607	2,669,868	2,669,868	5.2%	1,197,117	631,551	125,000	\$5.57
Royal Oak/Southfield Ind	1,210	19,716,694	1,562,224	1,562,224	7.9%	133,233	0	0	\$6.22
Troy Area Ind	1,454	30,781,458	1,197,740	1,199,841	3.9%	514,662	0	5,000	\$5.78
Washtenaw Ind	865	31,825,447	2,385,665	2,385,665	7.5%	(127,303)	0	0	\$6.20
Totals	16,728	549,230,826	39,253,070	39,456,757	7.2%	5,545,756	732,507	1,278,840	\$4.79

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

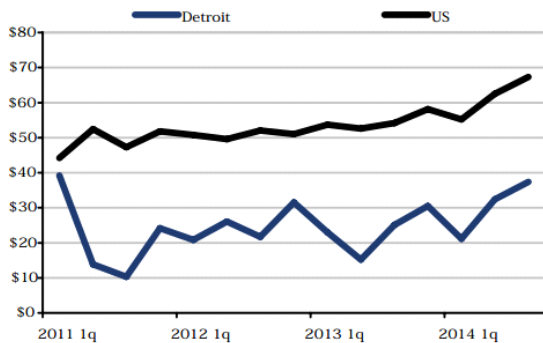
Year-end 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Prelease	All	U / C
East Area	7	620,454	568,249	91.6%	28,450	88,636
Detroit Area	2	366,000	66,000	18.0%	45,357	183,000
Oakland County NW	1	125,000	125,000	100.0%	37,048	125,000
I-96 Corridor	2	110,386	0	0.0%	26,236	55,193
Airport/I-275	1	52,000	0	0.0%	39,558	52,000
Troy	1	5,000	1,600	32.0%	21,170	5,000
Downriver	0	0	0	0.0%	55,752	0
Washtenaw	0	0	0	0.0%	36,792	0
Royal Oak/Southfield	0	0	0	0.0%	16,295	0
Totals	14	1,278,840	760,849	59.5%	32,833	91,346

Source: Costar

U.S. Price/SF Comparison

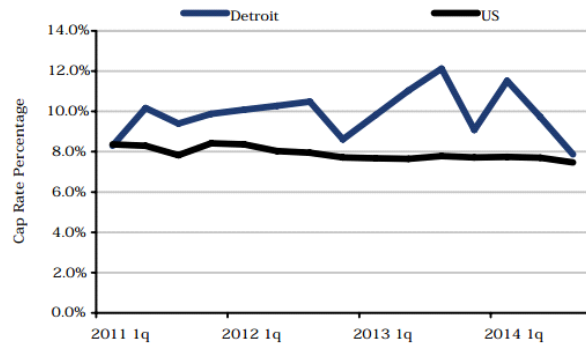
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Retail Market

Total Retail Market Statistics

Year-End 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total GLA	Direct SF	Total SF	Vac %				
Bloomfield	828	10,647,677	892,095	1,030,370	9.7%	171,058	76,987	14,820	\$15.42
Detroit/The Pointes	4,446	28,938,052	2,880,793	2,925,171	10.1%	146,577	4,000	210,000	\$10.03
Downriver	1,298	13,968,856	2,133,450	2,183,234	15.6%	(52,432)	0	7,500	\$10.44
Livingston/W Oakland	1,803	23,209,124	1,242,526	1,261,506	5.4%	203,995	2,032	0	\$14.51
Macomb	3,913	47,210,993	3,938,520	4,187,652	8.9%	648,165	168,271	35,981	\$11.34
North Oakland	1,815	23,180,060	2,548,296	2,668,154	11.5%	193,725	22,880	32,218	\$10.48
Royal Oak	1,723	11,853,678	860,596	886,954	7.5%	(106,169)	34,099	19,823	\$13.14
Southfield	392	7,257,586	871,172	873,572	12.0%	56,520	0	10,067	\$13.62
Troy	337	7,992,677	313,176	313,176	3.9%	(13,943)	8,186	0	\$16.82
Washtenaw	1,899	18,158,774	828,209	828,209	4.6%	185,183	19,815	251,726	\$15.24
West Wayne	4,550	47,936,322	3,887,140	4,019,516	8.4%	422,723	60,544	79,040	\$11.13
Totals	23,004	240,353,799	20,395,973	21,177,514	8.8%	1,855,402	396,814	661,175	\$11.92

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

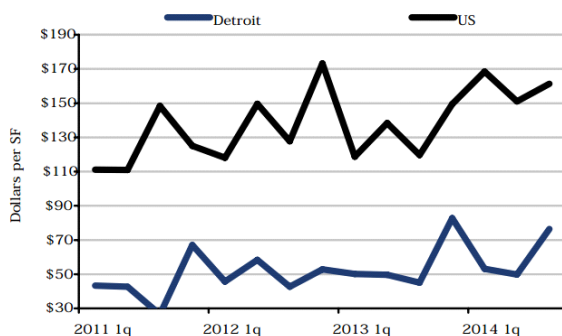
Year-end 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Washtenaw	3	251,726	251,726	100.0%	9,562	83,909
Detroit/The Pointes	2	210,000	210,000	100.0%	6,509	105,000
West Wayne	9	79,040	56,766	71.8%	10,535	8,782
Macomb	1	35,981	35,981	100.0%	12,065	35,981
North Oakland	4	32,218	13,177	40.9%	12,771	8,054
Royal Oak	3	19,823	19,823	100.0%	6,880	6,608
Bloomfield	1	14,820	14,820	100.0%	12,860	14,820
Southfield	2	10,067	10,067	100.0%	18,514	5,033
Downriver	1	7,500	5,250	70.0%	10,762	7,500
Troy	0	0	0	0.0%	23,717	0
All Other	0	0	0	0.0%	12,873	0
Totals	26	661,175	617,610	93.4%	10,448	25,430

Source: Costar

U.S. Price/SF Comparison

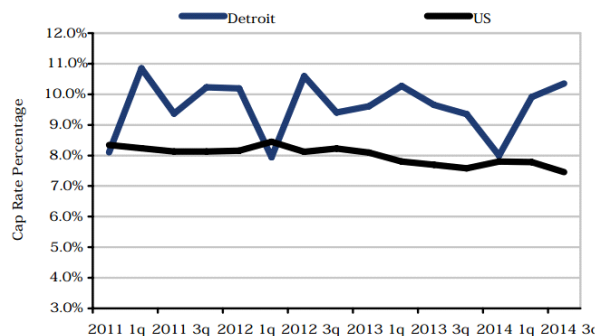
Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®