



1st Quarter 2008

E-Newsletter

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Additional Topics covered in this issue:

- ◆ Office Market Statistics
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THE LOW DOWN ...

LOAN OFFICER LICENSING – Governor Granholm, on April 3, has signed into law legislation a package which includes the requirement of loan officers registering with Office of Financial and Insurance Services (OFIS). The legislation will require that all loan officers undergo criminal background checks, take required courses, and pass a proficiency examination as a prerequisite for registration. Annual continuing education will also be required for renewal of the registration. In addition, a national database will be utilized to track registration status and compliance across the country.

THE “POP-UP” TAX – The Senate passed legislation on March 27 that provides property tax relief by offering a window for homebuyers to avoid the pop-up tax now and for the duration of their homeownership. It is believed that a pop-up tax moratorium will boost the Michigan’s housing market while spurring the economy. Otherwise known as the Michigan Transfer Tax Act, this effort has caused Attorney General Cox to issue an opinion on the obscure exemption contained in this bill. Exemption “t” is clarified to include that a seller may seek such exemption if the following criteria are met:

1. The property must have been occupied as a principle residence, classified homestead;
2. The property’s SEV for the calendar year in which the transfer is made must be less than or equal to the property’s SEV for the calendar year in which the transferor acquired the property; and
3. The property cannot be transferred for consideration exceeding its true cash value for the year of the transfer.

MILITARY FORECLOSURE FORBEARANCE BILL was unanimously passed by the Senate on March 11 providing foreclosure forbearance to active duty military personnel. The bill is similar to the federal Soldiers and Sailors Credit Relief Act of 1940 with no difference. The Senate bill extends the forbearance period up to six months after the termination of active duty while the feds extend such a period to three months.

FORECLOSURE PREVENTION ACT OF 2008 will not be signed by the President, as is being promised by the White House. The bill would change bankruptcy laws by giving judges the latitude to reduce interest rates and the amount that is owed on the mortgages of at-risk homeowners. In addition, the bill would allot \$4 billion to communities for the purchase and rehabilitation of foreclosed homes. The bill would also provide for new and improved disclosures of subprime loans to properly educate and set realistic borrower expectations.

OFFICE MARKET

Total Office Market Statistics

First Quarter 2008

Market	Existing Inventory		Vacancy	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA					
Bloomfield	608	15,935,893	13.4%	(110,178)	0	71,485	\$23.05
Detroit/The Pointes	581	38,034,769	17.3%	131,114	0	0	\$19.49
Downriver	205	2,288,059	17.9%	(9,358)	0	0	\$19.16
Livingston/W Oakland	460	6,569,236	20.5%	146,374	0	38,000	\$21.62
Macomb	909	12,972,213	15.3%	91,523	61,210	0	\$19.45
North Oakland	507	17,383,918	13.6%	(25,159)	0	11,700	\$20.72
Royal Oak	353	4,085,009	14.3%	15,038	0	0	\$18.10
Southfield	441	23,939,868	20.2%	(120,933)	0	0	\$19.24
Troy	395	17,376,589	27.9%	(137,854)	38,000	0	\$20.58
Washtenaw	501	11,519,705	14.3%	87,525	244,760	29,191	\$21.97
West Wayne	890	21,307,425	14.5%	(155,135)	0	10,612	\$18.64
Totals	5,750	171,412,684	17.4%	-87,043	343,970	160,988	\$20.15

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2008

Market	Existing Inventory				Average Bldg Size	
	# Blds	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Bloomfield	3	71,485	9,713	13.6%	26,210	23,828
Livingston/W Oakland	5	38,000	30,000	78.9%	14,281	7,600
Washtenaw	2	29,191	7,000	24.0%	22,993	14,595
North Oakland	1	11,700	0	0.0%	34,288	11,700
West Wayne	2	10,612	0	0.0%	23,941	5,306
Macomb	0	0	0	0.0%	14,271	0
Detroit/The Pointes	0	0	0	0.0%	65,464	0
Royal Oak	0	0	0	0.0%	11,572	0
Southfield	0	0	0	0.0%	54,285	0
Troy	0	0	0	0.0%	58,904	0
All Other	0	0	0	0.0%	11,161	0
Totals	13	160,988	46,713	29.0%	29,811	12,384

Source: Costar

Total Office Market Statistics

First Quarter 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 1q	5,750	171,412,684	28,550,056	29,810,466	17.4%	(87,043)	5	343,970	13	160,988	\$20.15
2007 4q	5,745	171,068,714	28,132,404	29,379,453	17.2%	249,067	14	535,339	17	484,958	\$20.09
2007 3q	5,731	170,533,375	27,840,974	29,093,181	17.1%	448,398	9	100,519	24	971,685	\$20.10
2007 2q	5,728	170,447,569	28,102,094	29,455,773	17.3%	(29,907)	12	210,132	26	913,904	\$20.10
2007 1q	5,716	170,237,437	28,148,067	29,215,734	17.2%	(63,207)	20	783,440	33	982,733	\$20.31
2006 4q	5,696	169,453,997	27,431,454	28,369,087	16.7%	(88,126)	15	286,723	42	1,446,491	\$20.08
2006 3q	5,681	169,167,274	27,194,356	27,994,238	16.5%	255,341	14	625,673	47	1,254,847	\$20.31
2006 2q	5,667	168,541,601	26,779,989	27,623,906	16.4%	222,016	14	408,022	50	1,748,403	\$20.29
2006 1q	5,653	168,133,579	26,607,792	27,437,900	16.3%	408,226	25	924,610	48	1,782,121	\$20.29
2005 4q	5,629	167,212,144	26,017,033	26,887,703	16.1%	(466,416)	12	195,981	59	2,470,504	\$20.26
2005 3q	5,617	167,016,163	25,365,887	26,262,294	15.7%	686,863	16	1,195,716	56	1,988,127	\$20.30
2005 2q	5,601	165,820,447	24,738,769	25,753,441	15.5%	884,813	22	301,749	56	2,376,399	\$20.33
2005 1q	5,580	165,568,698	25,389,152	26,386,505	15.9%	486,096	36	990,357	57	2,035,647	\$20.26
2004	5,544	164,578,341	24,674,293	25,882,244	15.7%	1,177,369	71	2,178,491	76	2,594,323	\$20.27
2003	5,475	163,196,815	23,825,236	25,678,087	15.7%	526,116	60	2,891,146	64	3,175,411	\$19.91
2002	5,417	160,322,789	20,971,115	23,330,177	14.6%	(2,617,515)	76	2,079,104	50	2,972,979	\$20.99

Source: CoStar

INDUSTRIAL MARKET

Total Industrial Market Statistics

First Quarter 2008

Market	Existing Inventory		Vacancy	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA					
Airport/I-275 Ind	2,927	115,365,373	13.1%	(135,608)	260,000	73,825	\$4.92
Detroit Area Ind	1,236	74,440,171	19.6%	131,676	0	0	\$3.06
Downriver Ind	629	39,079,108	13.1%	11,743	0	0	\$4.58
East Area Ind	3,733	112,050,380	8.7%	(5,017)	12,980	17,184	\$5.11
I-96 Corridor Ind	1,861	56,156,284	10.6%	129,922	75,452	67,783	\$7.14
Oakland County NW Ind	1,136	45,543,485	11.1%	34,478	45,320	45,630	\$6.00
Royal Oak/Southfield Ind	1,158	20,592,699	11.6%	(206,241)	0	0	\$6.39
Troy Area Ind	1,470	33,073,773	11.0%	170,988	0	0	\$5.61
Washtenaw Ind	640	23,084,989	9.8%	35,127	0	0	\$8.02
Totals	14,790	519,386,262	12.3%	167,068	393,752	204,422	\$5.14

Source: Costar

Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2008

Market	Existing Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Airport/I-275 Ind	1	73,825	0	0.0%	39,414	73,825
I-96 Corridor Ind	2	67,783	48,010	70.8%	30,175	33,891
Oakland County NW Ind	1	45,630	0	0.0%	40,091	45,630
East Area Ind	1	17,184	0	0.0%	30,016	17,184
Washtenaw Ind	0	0	0	0.0%	36,070	0
Detroit Area Ind	0	0	0	0.0%	60,227	0
Downriver Ind	0	0	0	0.0%	62,129	0
Royal Oak/Southfield Ind	0	0	0	0.0%	17,783	0
Troy Area Ind	0	0	0	0.0%	22,499	0
Totals	5	204,422	48,010	23.5%	35,117	40,884

Source: Costar

Total Industrial Market Statistics

First Quarter 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	
2008 1q	14,790	519,386,262	61,149,652	63,795,146	12.3%	167,068	6	393,752	\$5.14
2007 4q	14,784	518,992,510	61,089,636	63,568,462	12.2%	144,916	8	446,453	\$5.22
2007 3q	14,776	518,546,057	91,825,949	63,269,925	12.2%	2,076,589	10	483,395	\$5.26
2007 2q	14,766	518,062,662	64,036,783	64,863,119	12.5%	208,599	16	514,682	\$5.24
2007 1q	14,750	517,547,980	63,918,387	64,557,036	12.5%	891,778	20	425,107	\$5.26
2006 4q	14,730	517,122,873	64,476,723	65,023,707	12.6%	(3,382,450)	11	768,352	\$5.34
2006 3q	14,719	516,354,521	60,305,518	60,872,905	11.8%	469,800	11	1,700,814	\$5.33
2006 2q	14,708	514,653,707	58,661,685	59,641,891	11.6%	722,005	17	393,231	\$5.28
2006 1q	14,692	514,343,886	58,784,726	60,054,075	11.7%	(320,148)	18	554,133	\$5.37
2005 4q	14,674	513,789,753	58,326,649	59,179,794	11.5%	3,457,569	10	714,252	\$5.45
2005 3q	14,665	513,125,501	60,738,530	61,973,111	12.1%	67,933	9	533,215	\$5.47
2005 2q	14,658	513,100,372	60,697,275	62,015,915	12.1%	1,274,402	17	634,207	\$5.57
2005 1q	14,641	512,466,165	60,965,522	62,656,110	12.2%	2,732,254	33	1,293,121	\$5.60
2004	14,608	511,173,044	62,413,865	64,095,243	12.5%	1,405,953	61	2,621,021	\$5.68
2003	14,551	508,603,002	60,945,078	62,931,154	12.4%	(2,104,505)	88	3,913,700	\$5.58
2002	14,465	504,724,663	54,687,086	56,948,310	11.3%	(2,830,194)	106	4,015,509	\$5.11

Source: CoStar

RETAIL MARKET

Total Retail Market Statistics

First Quarter 2008

Market	Existing Inventory		Vacancy	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA				
Bloomfield	401	8,832,631	7.7%	0	12,791	\$15.20
Detroit/The Pointes	1,056	14,510,307	16.4%	0	34,400	\$11.38
Downriver	516	9,465,528	14.9%	10,300	15,560	\$11.41
Livingston/W Oakland	911	17,222,710	7.8%	7,985	187,800	\$18.02
Macomb	1,279	33,137,209	14.1%	18,950	85,070	\$13.43
North Oakland	774	17,726,270	9.3%	14,820	528,248	\$14.99
Royal Oak	502	6,844,940	12.0%	20,789	4,050	\$15.25
Southfield	155	5,654,995	9.1%	0	13,423	\$16.15
Troy	138	6,524,256	5.0%	0	52,600	\$17.96
Washtenaw	449	10,409,026	9.6%	5,900	125,534	\$16.99
West Wayne	1,347	32,793,697	11.2%	91,427	56,057	\$12.90
Totals	7,528	163,121,569	11.3%	170,171	1,115,533	\$14.11

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2008

Market	Existing Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
North Oakland	3	528,248	505,248	95.6%	22,902	176,083
Livingston/ W Oakland	4	187,800	94,134	50.1%	18,905	46,950
Washtenaw	7	125,534	102,063	81.3%	23,183	17,933
Macomb	4	85,070	51,370	60.4%	25,909	21,267
West Wayne	4	56,057	14,057	25.1%	24,346	14,014
Troy	2	52,600	11,000	20.9%	47,277	26,300
Detroit/The Pointes	1	34,400	29,584	86.0%	13,741	34,400
Downriver	1	15,560	8,558	55.0%	18,344	15,560
Southfield	1	13,423	0	0.0%	36,484	13,423
Bloomfield	1	12,791	9,721	76.0%	22,027	12,791
All Other	1	4,050	41	1.0%	13,635	4,050
Totals	29	1,115,533	825,776	74.0%	21,669	38,467

Source: Costar

Total Retail Market Statistics

First Quarter 2008

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Bldgs	Total GLA	# Bldgs	Total GLA	
2008 1q	7,528	163,121,569	17,484,581	18,506,840	11.3%	(164,066)	10	170,171	29	1,115,533	\$14.11
2007 4q	7,518	162,951,398	17,212,332	18,172,603	11.2%	2,011,218	22	2,098,356	25	618,860	\$14.05
2007 3q	7,496	160,853,042	17,163,225	18,085,465	11.2%	265,761	23	568,196	43	2,567,316	\$14.17
2007 2q	7,474	160,287,346	16,894,308	17,785,530	11.1%	454,710	9	176,540	56	2,936,627	\$14.24
2007 1q	7,465	160,110,806	17,100,497	18,063,700	11.3%	94,870	22	314,069	44	2,709,443	\$13.98
2006 4q	7,443	159,796,737	16,827,145	17,844,501	11.2%	(112,620)	16	283,421	40	2,628,484	\$13.75
2006 3q	7,429	159,524,572	16,540,926	17,459,716	10.9%	(589,663)	20	433,343	45	2,594,548	\$13.80
2006 2q	7,410	159,095,729	15,907,684	16,441,210	10.3%	566,133	18	318,600	44	1,708,496	\$13.98
2006 1q	7,398	159,503,854	16,888,921	17,415,468	10.9%	(683,930)	46	778,224	45	991,168	\$13.97

Source: CoStar

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