

1st Quarter 2009

E-Newsletter

# JUDEH ASSOCIATES

Real Estate  
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## Vacancy, absorption, asking rates and more on local sub-markets in:

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

## ***INFORMATION IS POWER!***

**First Time Homebuyer Tax Credit** – The American Recovery and Reinvestment Act of 2009 signed by President Obama increases the first time homebuyer tax credit to \$8,000 up from \$7,500 and will be available to home buyers who have purchased a principal residence between January 1, 2009 and December 1, 2009. Unlike the previous credit, this credit will not require repayment; however, if the home is sold within three years of the purchase, the entire amount of the credit is recaptured upon the sale of the property.

**Property Tax Pop-Up Relief** – The MI Senate passed 36-0 a property tax pop-up relief bill which provides a taxpayer that purchases a principal residence with an income tax credit of 10% of the purchase price or \$10,000, whichever is less. The tax credit would only apply to purchases of property made after the effective date of the act and before January 1, 2011. This tax credit is designed to offset the higher property taxes that home buyers face when compared to the taxes of the previous owner. The MI House will now have to take up the bill.

**Court of Appeals Overturns MTT Decision** – In Superior Hotels, LLC v Township of Mackinaw, the Court ruled that the State Tax Commission (STC) did correctly adjust a retroactive error on behalf of the Township to the Taxable Value of the property after it was discovered that such a figure was not correctly adjusted for the completion of the construction but rather for inflation.

**Networking is Where It's At** – If there was ever a time where we all need to build and strengthen business relationships, it is now. When times are tough, survival will depend on who we know. So, here are two events to consider:

- CREW Detroit (Commercial Real Estate Women) Bring-A-Guest event is an excellent opportunity to meet real estate professionals. The event is scheduled for Thursday, May 21, 5-7 pm, at The Whitney in the "D." Register at [www.crewdetroit.org](http://www.crewdetroit.org).
- Detroit Regional Chamber Small Business Triage will give attendees an opportunity to meet experts in sales, marketing, finance, law, general business planning and operations. The event is scheduled for Tuesday, May 19, 8:00 am – 2:00 pm at the offices of the Detroit Regional Chamber. Register at [www.detroitchamber.org](http://www.detroitchamber.org).

## Office Market

### Total Office Market Statistics

First Quarter 2009

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA					
Bloomfield	670	16,382,090	13.5%	27,217	0	14,003	\$22.64
Detroit/The Pointes	654	39,044,610	17.2%	(28,091)	55,966	0	\$18.41
Downriver	226	2,395,781	24.9%	(185,118)	0	0	\$17.91
Livingston/W Oakland	491	7,701,944	17.3%	68,727	18,000	52,872	\$21.74
Macomb	1,164	13,119,469	16.1%	(37,604)	0	86,079	\$18.59
North Oakland	632	17,808,635	12.8%	(3,289)	26,000	120,000	\$20.89
Royal Oak	375	4,205,624	14.9%	2,560	0	10,000	\$17.44
Southfield	456	24,270,954	21.0%	(171,754)	0	5,992	\$19.16
Troy	300	17,610,110	30.3%	(142,624)	0	0	\$19.43
Washtenaw	698	13,045,881	12.4%	(55,944)	0	12,000	\$20.79
West Wayne	972	22,595,409	14.9%	(15,748)	0	0	\$18.12
<b>Totals</b>	<b>6,638</b>	<b>178,180,507</b>	<b>17.2%</b>	<b>(541,668)</b>	<b>99,966</b>	<b>300,946</b>	<b>\$19.59</b>

Source: CoStar

### Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2009

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
North Oakland	1	120,000	0	0.0%	28,178	120,000
Macomb	3	86,079	29,443	34.2%	11,271	28,693
Livingston/W Oakland	6	52,872	4,000	7.6%	15,686	8,812
Bloomfield	1	14,003	0	0.0%	24,451	14,003
Washtenaw	1	12,000	0	0.0%	18,690	12,000
Royal Oak	1	10,000	5,000	50.0%	11,215	10,000
Southfield	1	5,992	0	0.0%	53,226	5,992
Downriver	0	0	0	0.0%	10,601	0
Troy	0	0	0	0.0%	58,700	0
West Wayne	0	0	0	0.0%	23,246	0
All Other	0	0	0	0.0%	59,701	0
<b>Totals</b>	<b>14</b>	<b>300,946</b>	<b>38,443</b>	<b>12.8%</b>	<b>26,842</b>	<b>21,496</b>

Source: Costar

### Historical Office Market Statistics

First Quarter 2009

Period	Existing Inventory		Vacancy		Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2009 1q	6,638	178,180,507	30,046,212	17.5%	(541,668)	4	99,966	14	300,946	\$19.53
2008 4q	6,634	178,080,541	29,328,199	17.2%	(161,399)	4	22,200	16	369,785	\$19.62
2008 3q	6,630	178,058,341	29,153,200	17.1%	5,871	4	93,401	18	360,985	\$19.85
2008 2q	6,630	177,973,320	29,230,323	17.1%	181,573	5	243,676	17	317,601	\$19.87
2008 1q	6,625	177,729,644	29,068,474	17.0%	(398,052)	9	291,567	21	557,277	\$20.14
2007 4q	6,616	177,438,077	28,409,000	16.7%	366,154	15	546,397	22	656,644	\$20.02
2007 3q	6,601	176,891,680	28,226,380	16.6%	303,021	11	132,177	30	1,146,640	\$20.02
2007 2q	6,596	176,774,216	28,313,244	16.8%	37,093	13	234,019	33	1,045,241	\$20.03
2007 1q	6,583	176,540,197	28,407,130	16.7%	(185,669)	22	567,686	39	972,589	\$20.30
2006	6,561	175,972,511	27,783,809	16.3%	879,126	75	2,344,609	48	1,190,958	\$20.09
2005	6,487	173,631,077	26,357,754	15.7%	905,404	86	1,916,053	66	2,396,308	\$20.28
2004	6,402	171,765,024	25,036,186	15.3%	1,673,335	78	2,807,826	78	1,860,670	\$20.32
2003	6,326	169,754,163	24,058,252	15.3%	982,889	62	3,021,415	74	3,059,736	\$19.95
2002	6,266	166,749,868	21,507,589	14.3%	(2,814,945)	80	2,135,522	60	3,689,288	\$21.03
2001	6,186	164,614,346	16,658,179	11.5%	(1,896,379)	119	4,199,593	84	3,695,453	\$20.61
2000	6,070	160,442,628	11,753,883	8.0%	(1,936,990)	80	2,493,852	112	4,667,586	\$21.33

Source: CoStar

## INDUSTRIAL MARKET

### Total Industrial Market Statistics

First Quarter 2009

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF
	# Blds	Total RBA				
Airport/I-275 Ind	2,994	112,949,292	12.8%	(247,190)	135,000	45,000
Detroit Area Ind	1,334	77,663,381	19.4%	83,153	0	0
Downriver Ind	633	42,551,577	11.3%	(290,039)	0	0
East Area Ind	4,002	113,294,599	8.9%	450,652	100,000	18,650
I-96 Corridor Ind	1,911	57,115,972	11.0%	68,890	0	158,336
Oakland County NW Ind	1,283	48,566,264	11.0%	(109,611)	0	0
Royal Oak/Southfield Ind	1,152	19,902,919	9.0%	54,387	0	0
Troy Area Ind	1,467	32,688,580	10.4%	51,439	0	0
Washtenaw Ind	731	25,100,868	20.3%	(949,115)	0	0
<b>Totals</b>	<b>15,507</b>	<b>529,833,452</b>	<b>12.5%</b>	<b>(887,434)</b>	<b>235,000</b>	<b>221,986</b>

Source: Costar

### Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2009

Market	Existing Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
I-96 Corridor Ind	5	158,336	19,773	12.5%	29,888	31,667
Airport/I-275 Ind	1	45,000	45,000	100.0%	37,725	45,000
East Area Ind	1	18,650	0	0.0%	28,309	18,650
Downriver Ind	0	0	0	0.0%	67,222	0
Royal Oak/Southfield Ind	0	0	0	0.0%	17,277	0
Troy Area Ind	0	0	0	0.0%	22,283	0
Oakland County NW Ind	0	0	0	0.0%	37,854	0
Washtenaw Ind	0	0	0	0.0%	34,338	0
Detroit Area Ind	0	0	0	0.0%	58,218	0
<b>Totals</b>	<b>7</b>	<b>221,986</b>	<b>64,773</b>	<b>29.2%</b>	<b>34,167</b>	<b>31,712</b>

Source: Costar

### Historical Industrial Market Statistics

First Quarter 2009

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	
2009 1q	15,507	529,833,452	64,050,945	66,478,155	12.5%	(887,434)	3	235,000	7	221,986	\$5.02
2008 4q	15,504	529,598,452	62,895,892	65,355,721	12.3%	(1,803,398)	3	433,878	10	456,986	\$5.05
2008 3q	15,501	529,164,574	60,555,156	63,118,445	11.9%	1,835,358	2	65,845	9	780,346	\$5.06
2008 2q	15,499	529,098,729	62,412,324	64,887,958	12.3%	(2,638,377)	2	75,010	7	569,496	\$5.05
2008 1q	15,497	529,023,719	59,791,161	62,174,571	11.8%	2,330,816	9	519,745	7	547,050	\$5.13
2007 4q	15,488	528,503,974	61,768,249	63,985,642	12.1%	719,317	7	430,309	13	660,158	\$5.21
2007 3q	15,481	528,073,665	63,138,139	64,274,650	12.2%	2,151,136	7	460,395	19	1,070,694	\$5.25
2007 2q	15,474	527,613,270	65,299,787	65,965,391	12.5%	539,375	15	501,298	22	1,412,223	\$5.23
2007 1q	15,459	527,111,972	65,365,270	66,003,468	12.5%	921,898	20	430,566	26	1,043,102	\$5.25
2006	15,439	526,681,406	65,947,816	66,494,800	12.6%	(3,002,647)	57	2,895,245	40	1,183,474	\$5.34
2005	15,383	523,869,571	59,827,413	60,680,318	11.6%	7,747,773	77	4,082,659	44	2,247,812	\$5.45
2004	15,308	519,858,998	62,783,834	64,417,518	12.4%	1,830,656	64	2,611,890	72	3,843,923	\$5.68
2003	15,247	517,277,667	61,780,953	63,666,843	12.3%	(1,814,739)	86	3,729,813	40	1,671,680	\$5.58
2002	15,163	513,583,215	55,934,360	58,157,652	11.3%	(3,028,150)	108	3,871,262	77	3,405,397	\$5.12
2001	15,059	509,787,653	47,994,079	51,333,940	10.1%	(4,585,559)	183	8,958,181	101	3,696,160	\$5.48
2000	14,889	501,234,959	37,072,832	38,195,687	7.6%	(1,949,694)	236	11,329,742	151	7,491,729	\$5.47

## RETAIL MARKET

### Total Retail Market Statistics

First Quarter 2009

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA					
Bloomfield	550	9,488,094	9.3%	(52,202)	0	12,791	\$15.59
Detroit/The Pointes	1,743	17,516,985	16.9%	27,388	0	0	\$11.13
Downriver	671	11,207,887	15.3%	(224,461)	15,560	42,560	\$11.60
Livingston/W Oakland	1,022	18,625,115	7.5%	(86,453)	0	422,162	\$17.56
Macomb	2,416	41,832,507	12.3%	(129,928)	81,402	23,560	\$13.14
North Oakland	1,282	22,466,206	9.8%	1,639	32,000	205,895	\$14.05
Royal Oak	613	7,669,188	11.3%	(5,652)	13,100	30,150	\$15.83
Southfield	168	5,712,023	8.4%	(469)	0	14,000	\$16.00
Troy	155	6,748,613	5.7%	(8,135)	0	41,600	\$18.08
Washtenaw	1,046	14,417,641	7.7%	(72,357)	0	377,463	\$17.69
West Wayne	1,654	34,267,171	9.9%	(34,056)	0	38,816	\$13.16
<b>Totals</b>	<b>11,320</b>	<b>189,951,430</b>	<b>10.7%</b>	<b>(584,686.00)</b>	<b>142,062</b>	<b>850,442</b>	<b>\$13.72</b>

Source: CoStar

### Total Retail Market Statistics

First Quarter 2009

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	
2009 1q	11,320	189,951,430	18,838,876	20,335,032	10.7%	(584,686)	7	142,062	17	850,442	\$13.72
2008 4q	11,314	189,811,168	18,345,568	19,610,084	10.3%	624,025	22	639,381	19	77,178	\$13.92
2008 3q	11,294	189,177,954	18,510,981	19,600,895	10.4%	113,546	12	274,098	35	1,166,812	\$13.95
2008 2q	11,284	188,912,428	18,583,529	19,448,915	10.3%	612,973	21	262,017	38	967,997	\$14.12
2008 1q	11,263	188,650,411	18,770,835	19,799,871	10.5%	293,294	21	549,467	41	932,089	\$13.95
2007 4q	11,242	188,100,944	18,598,650	19,543,698	10.4%	1,503,135	21	1,539,524	41	889,820	\$13.92
2007 3q	11,221	186,561,420	18,600,085	19,507,309	10.5%	819,271	31	1,057,728	48	2,175,629	\$14.15
2007 2q	11,191	185,506,192	18,387,353	19,271,352	10.4%	617,209	15	249,209	59	2,985,158	\$14.20
2007 1q	11,176	185,256,983	18,683,372	19,639,352	10.6%	721,165	33	655,327	56	2,736,844	\$14.06
2006 4q	11,143	184,601,656	18,695,057	19,705,190	10.7%	(104,949)	16	296,215	61	3,037,480	\$13.91
2006 3q	11,129	184,316,697	18,403,715	19,315,282	10.5%	(672,800)	20	431,152	57	2,346,600	\$13.99
2006 2q	11,110	183,890,045	17,685,383	18,215,830	9.9%	906,649	21	448,417	46	1,876,221	\$14.20
2006 1q	11,095	184,168,353	18,877,319	19,400,787	10.5%	(687,477)	56	930,586	49	1,149,819	\$14.10

Source: CoStar

### Construction Activity Markets Ranked by Under Construction RBA

First Quarter 2009

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Livingston/ W Oakland	4	381,889	303,598	79.5%	18,224	95,472
Washtenaw	4	264,003	250,075	94.7%	13,784	66,001
Macomb	2	110,000	0	0.0%	17,315	55,000
West Wayne	3	36,759	2,496	6.8%	20,718	12,253
Downriver	1	27,000	0	0.0%	16,703	27,000
Southfield	1	14,000	7,280	52.0%	34,000	14,000
Bloomfield	1	12,791	9,721	76.0%	17,251	12,791
Detroit/The Pointes	1	4,000	0	0.0%	10,050	4,000
Troy	0	0	0	0.0%	43,539	0
Royal Oak	0	0	0	0.0%	12,511	0
All Other	0	0	0	0.0%	17,524	0
<b>Totals</b>	<b>17</b>	<b>850,442</b>	<b>573,170</b>	<b>67.4%</b>	<b>16,780</b>	<b>50,026</b>

Source: Costar

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