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JUDEH & ASSOCIATES

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

1Q15 – WHAT'S BEEN HAPPENING!

TAX APPEAL DEADLINE NEARS – May 31st is around the corner to file tax appeal petitions on commercial and industrial properties. Since the due date is a Sunday, tax appeal petitions will be accepted through Monday, June 1st.

NEW TAX TRIBUNAL JUDGE – Valerie Lafferty of Okemos was appointed by Governor Snyder to the Michigan Tax Tribunal. She will serve a 4-year term ending 6/30/18. Recently, she served as chief appraiser at MI DNR and previously owned her own law practice. She is also a real estate broker with a bachelor's and law degree from MSU and master's from WSU. She replaces Marcus Abood.

NEW FHA GUIDELINES – The Federal Housing Administration (FHA) has released new guidelines specific to appraiser actions when performing assignment for an FHA-insurable mortgage. These guidelines take effect for all case numbers assigned on or after 6/15/15. In addition, delivery of an electronic appraisal report will be required through a new portal and will apply to all case numbers assigned on or after 6/26/16.

DETROIT HOUSING COMMISSION – HUD returned control of the Detroit Housing Commission to the City after nearly 10 years of federal receivership on 3/16/15. DHC was placed under federal control due to "un-auditable financial records, the distressed physical condition of housing units, significant regulatory compliance deficiencies, and HOPE VI grants that were in default for lack of progress with redevelopment projects," HUD said.

STRONG RESIDENTIAL RENTAL MARKET – Wayne County ranks as one of the strongest national markets with highest potential rental returns along side Georgia, Maryland, and Virginia. Muskegon County ranked in the top 70 safe haven rental markets with unemployment rates below the national average of 5.6% and annual rental returns of 10% or higher.

3-YEAR SOLID ECONOMIC GROWTH – According to the ULI Institute, the real estate industry is expected to remain on a sustainable course of solid growth for 2015 through 2017. The outlook is based on a survey of 46 of the industry's top economists and analysts representing 33 of the country's leading real estate investment, advisory, and research firms and organizations.

CROWDFUNDING — THE NEW DEAL MAKER – A Phenomenon which is quickly picking up global steam, crowdfunding is going from early adopters to mainstream retail and institutional investors. Crowdfunding is the practice of funding projects by raising money from a large number of people, typically through the internet.

AN INVESTMENT TOOL – EB-5 allows investors to be able to take advantage of investment opportunities in the US to qualify as legal permanent residents. Eligible investors will be able to live and work in the US in any capacity, as long as they meet the requirements of the program and the criteria for maintenance of their status.

WHAT NON-COMPETE – A Macomb County State Rep has recently introduced a bill that, if passed, will dramatically limit the use of non-competes in Michigan. Specifically, House Bill 4198, as currently drafted, will eliminate employers' statutory right to bind employees and contractors to non-competition agreements, and void existing non-competes with employees, contract laborers and most individuals. This bill will not apply to reasonable non-competes for the sale of a business and only apply against the owners, principals or officers of the business being sold.

ON A LIGHTER NOTE – I am honored and privileged to have been elected to the Board of Directors of the Girl Scouts of Southeast Michigan. And on that note, please take the time to buy a box, or two, or three.... from our dedicated young ladies who work hard to earn money for a variety of projects.

SOCIAL MEDIA – Follow Judeh & Associates

Total Office Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	777	17,381,279	2,491,170	2,499,693	14.4%	5,482	0	273,042	\$20.07
Detroit/The Pointes	953	45,673,539	6,826,748	6,893,912	15.1%	295,538	0	180,000	\$18.95
Downriver	371	3,065,897	625,443	625,443	20.4%	15,859	0	0	\$14.43
Livingston/W Oakland	700	8,103,394	901,769	918,377	11.3%	79,901	47,000	100,000	\$20.16
Macomb	1,543	15,163,690	1,926,768	1,936,954	12.8%	15,454	0	3,428	\$15.89
North Oakland	763	18,419,953	1,819,940	1,867,310	10.1%	44,051	0	0	\$18.61
Royal Oak	623	5,150,829	494,893	498,393	9.7%	13,858	0	0	\$16.96
Southfield	583	23,625,774	5,750,643	5,765,872	24.4%	(256,989)	0	0	\$16.89
Troy	328	18,135,085	4,504,536	4,568,279	25.2%	68,013	0	0	\$18.60
Washtenaw	872	14,923,117	999,018	1,013,492	6.8%	(33,119)	0	0	\$20.09
West Wayne	1,663	25,440,075	3,231,083	3,298,676	13.0%	203,665	0	17,420	\$16.56
Totals	9,176	195,082,632	29,572,011	29,886,401	15.3%	451,713	47,000	573,890	\$17.99

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

First Quarter 2015

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Released SF	Released %	All Existing	U / C
Bloomfield	2	273,042	253,492	92.8%	22,370	136,521
Detroit/The Pointes	2	180,000	168,500	93.6%	47,926	90,000
Livingston/W Oakland	1	100,000	100,000	100.0%	11,576	100,000
West Wayne	2	17,420	3,247	18.6%	15,298	8,710
Macomb	1	3,428	3,428	100.0%	9,827	3,428
Royal Oak	0	0	0	0	8,268	0
Southfield	0	0	0	0	40,524	0
Troy	0	0	0	0	55,290	0
Washtenaw	0	0	0	0	17,114	0
North Oakland	0	0	0	0	24,141	0
All Other	0	0	0	0	8,264	0
Totals	8	573,890	528,667	92.1%	21,260	71,736

Source: CoStar

Total Office Market Statistics

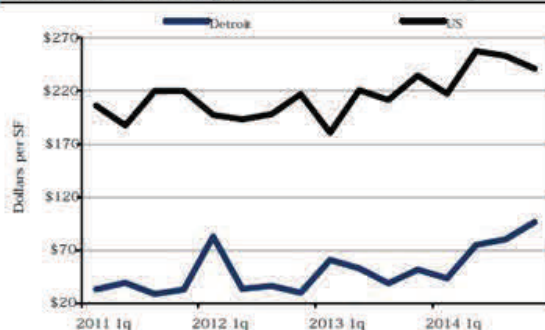
First Quarter 2015

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2015 1q	9,176	195,082,632	29,572,011	29,886,401	15.3%	451,713	2	47,000	8	573,890	\$17.99
2014 4q	9,174	195,035,632	30,017,625	30,291,114	15.5%	505,842	1	8,696	10	620,890	\$17.80
2014 3q	9,174	195,076,976	30,412,321	30,838,300	15.8%	628,852	1	10,000	9	582,586	\$17.73
2014 2q	9,176	195,117,585	31,150,506	31,507,761	16.1%	(171,765)	4	80,852	5	207,124	\$17.55
2014 1q	9,172	195,036,733	30,891,299	31,255,144	16.0%	930,890	0	0	6	94,280	\$17.55
2013	9,174	195,071,933	31,862,494	32,221,234	16.5%	1,263,548	6	67,351	3	70,820	\$17.53
2012	9,174	195,665,798	33,522,427	34,078,647	17.4%	1,031,830	13	504,959	5	61,351	\$17.75
2011	9,168	195,572,256	34,344,619	35,016,935	17.9%	1,397,071	9	308,919	10	443,406	\$18.23
2010	9,163	195,334,843	35,275,158	36,176,593	18.5%	(803,156)	14	368,060	9	506,798	\$18.80
2009	9,157	195,293,742	34,043,648	35,332,336	18.1%	(2,557,972)	21	341,011	14	508,768	\$18.83
2008	9,141	195,034,333	31,331,564	32,514,955	16.7%	(542,702)	35	817,335	19	314,438	\$19.48
2007	9,110	194,224,473	30,117,677	31,162,393	16.0%	1,483,131	74	1,807,032	31	856,569	\$20.05
2006	9,044	192,438,440	29,944,698	30,859,491	16.0%	373,409	89	2,359,976	66	1,979,501	\$20.40
2005	8,957	190,086,939	28,110,210	28,881,399	15.2%	(248,697)	100	2,062,676	89	2,810,378	\$20.45
2004	8,858	188,074,263	25,539,033	26,620,026	14.2%	2,252,827	113	3,609,326	93	2,116,195	\$20.54
2003	8,747	185,227,509	24,246,762	26,026,099	14.1%	1,394,306	93	3,251,406	109	3,766,918	\$21.15

Source: CoStar Property®

U.S. Price/SF Comparison

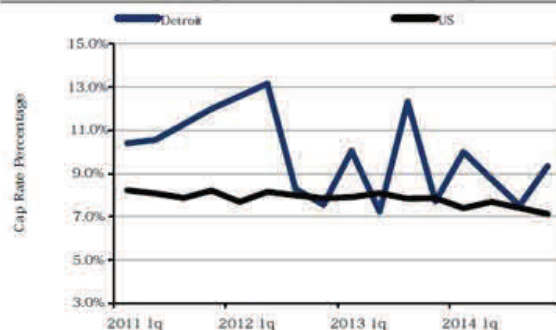
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar CMPS®

U.S. Cap Rate Comparison

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



Source: CoStar CMPS®

"A Certified Woman-Owned Business"

Total Industrial Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Airport/I-275 Ind	3,118	123,404,524	8,267,079	8,340,034	6.8%	774,656	0	52,000	\$4.37
Detroit Area Ind	1,837	83,188,552	12,014,207	12,014,207	14.4%	399,245	66,000	575,000	\$3.58
Downriver Ind	672	37,411,124	3,985,867	3,985,867	10.7%	115,031	0	0	\$3.78
East Area Ind	4,087	116,589,261	3,776,462	3,781,597	3.2%	345,601	413,778	287,934	\$4.85
I-96 Corridor Ind	2,097	55,206,437	2,753,290	2,834,580	5.1%	(49,892)	0	137,886	\$6.58
Oakland County NW Ind	1,391	52,446,723	3,545,113	3,567,603	6.8%	79,317	0	154,580	\$5.41
Royal Oak/Southfield Ind	1,208	19,627,661	1,472,241	1,472,241	7.5%	98,823	0	0	\$6.23
Troy Area Ind	1,453	30,910,133	1,172,027	1,195,463	3.9%	42,123	0	5,000	\$5.99
Washtenaw Ind	865	31,887,855	2,239,249	2,239,249	7.0%	107,416	0	30,269	\$7.33
Totals	16,728	550,672,270	39,225,535	39,430,841	7.2%	1,912,320	479,778	1,242,669	\$4.84

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

First Quarter 2015

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Prelease	All	U / C
Detroit Area	2	575,000	275,000	47.8%	45,285	287,500
East Area	5	287,934	278,510	96.7%	28,527	57,587
Oakland County NW	2	154,580	125,000	80.9%	37,704	77,290
I-96 Corridor	2	137,886	102,500	74.3%	26,326	68,943
Airport/I-275	1	52,000	0	0.0%	39,578	52,000
Washtenaw	1	30,269	30,269	100.0%	36,865	30,269
Troy Area	1	5,000	1,600	32.0%	21,273	5,000
Downriver	0	0	0	0.0%	55,671	0
Royal Oak/Southfield	0	0	0	0.0%	16,248	0
Totals	14	1,242,669	812,879	65.4%	32,919	88,762

Source: Costar

Total Industrial Market Statistics

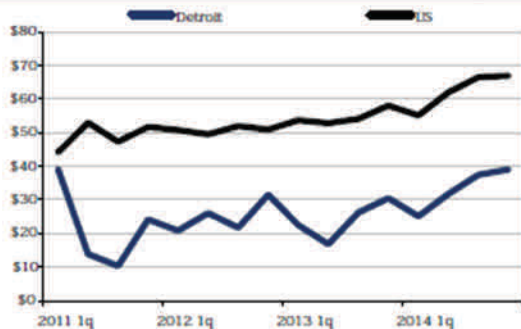
First Quarter 2015

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	
2015 1q	16,728	550,672,270	39,225,535	39,430,841	7.2%	1,912,320	4	479,778	14	1,242,669	\$4.84
2014 4q	16,724	550,192,492	40,659,696	40,863,383	7.4%	2,146,883	2	204,312	16	1,610,920	\$4.81
2014 3q	16,722	549,988,180	42,577,868	42,805,954	7.8%	409,895	2	139,659	17	1,779,846	\$4.74
2014 2q	16,723	554,904,401	47,929,787	48,132,070	8.7%	1,675,081	1	54,960	16	1,387,256	\$4.73
2014 1q	16,724	554,894,701	49,558,412	49,797,451	9.0%	976,927	2	303,996	12	1,011,709	\$4.67
2013	16,723	555,110,705	50,796,473	50,990,382	9.2%	6,739,881	4	367,972	11	1,190,705	\$4.63
2012	16,726	556,560,240	58,901,514	59,179,798	10.6%	9,782,631	5	451,639	6	669,972	\$4.45
2011	16,730	556,886,741	68,801,145	69,288,930	12.4%	4,082,256	2	196,336	5	432,211	\$4.38
2010	16,751	561,225,400	76,610,153	77,709,845	13.8%	(6,487,447)	6	383,137	3	481,336	\$4.54
2009	16,756	561,679,074	69,313,972	71,676,072	12.8%	(10,878,800)	10	379,974	4	130,655	\$4.79
2008	16,756	562,105,035	59,309,187	61,223,233	10.9%	3,513,303	28	2,332,987	12	482,678	\$5.10
2007	16,730	560,097,673	61,171,553	62,729,174	11.2%	3,171,616	47	2,455,390	21	1,812,294	\$5.25
2006	16,689	557,948,939	63,232,693	63,752,056	11.4%	(3,443,018)	65	3,385,873	38	1,554,529	\$5.50
2005	16,631	555,347,710	56,861,628	57,707,809	10.4%	7,097,921	97	5,246,767	54	2,393,855	\$5.58
2004	16,537	550,443,242	58,302,279	59,901,262	10.9%	3,826,824	82	2,776,053	94	5,055,383	\$5.78
2003	16,459	547,782,748	59,291,206	61,067,592	11.1%	(1,698,615)	114	4,112,869	59	1,943,598	\$5.65

Source: CoStar Property®

U.S. Price/SF Comparison

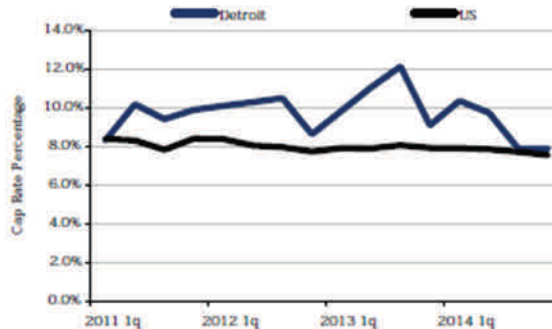
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMP54

U.S. Cap Rate Comparison

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



Source: CoStar COMP54

Total Retail Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	YTD Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Bloomfield	828	10,496,495	759,567	916,136	8.7%	13,839	14,820	0	\$16.38
Detroit/The Pointes	4,510	29,229,263	2,789,195	2,836,523	9.7%	109,936	0	190,000	\$10.15
Downriver	1,318	14,080,499	2,119,028	2,168,812	15.4%	10,285	0	7,500	\$10.37
Livingston/W Oakland	1,807	23,272,910	1,200,202	1,219,182	5.2%	62,108	0	0	\$14.45
Macomb	3,925	47,425,363	3,840,413	4,089,539	8.6%	153,030	45,981	7,600	\$11.33
North Oakland	1,824	23,336,614	2,420,551	2,540,409	10.9%	124,359	0	32,218	\$10.13
Royal Oak	1,728	11,852,317	857,428	885,031	7.5%	18,985	19,643	0	\$13.50
Southfield	392	7,436,326	952,879	955,279	12.8%	(78,627)	5,430	4,637	\$14.00
Troy	337	7,996,812	268,817	268,817	3.4%	44,359	0	0	\$16.33
Washtenaw	1,902	18,341,579	755,865	755,865	4.1%	82,158	0	253,579	\$15.12
West Wayne	4,566	47,695,786	3,869,352	3,985,107	8.4%	4,078	28,864	50,882	\$11.11
Totals	23,137	241,163,964	19,833,297	20,620,700	8.6%	544,510	114,738	546,416	\$11.95

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA

First Quarter 2015

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Washtenaw	3	253,579	246,079	97.0%	9,647	84,526
Detroit/The Pointes	1	190,000	190,000	100.0%	6,481	190,000
West Wayne	6	50,882	40,423	79.4%	10,446	8,480
North Oakland	4	32,218	18,300	56.8%	12,794	8,054
Macomb	1	7,600	0	0.0%	12,083	7,600
Downriver	1	7,500	5,250	70.0%	10,683	7,500
Southfield	1	4,637	4,637	100.0%	18,970	4,637
Royal Oak	0	0	0	0.0%	6,859	0
Troy	0	0	0	0.0%	23,729	0
Bloomfield	0	0	0	0.0%	12,677	0
All Other	0	0	0	0.0%	12,879	0
Totals	17	546,416	504,689	92.4%	10,423	32,142

Source: Costar

Total Retail Market Statistics

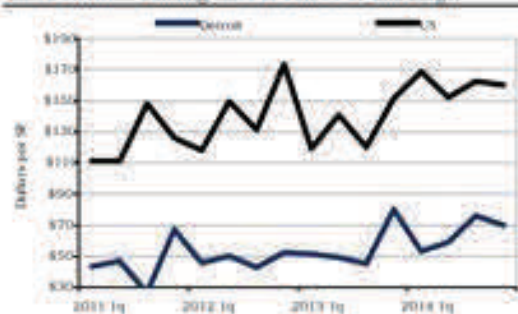
First Quarter 2015

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2015 1q	23,137	241,163,964	19,833,297	20,620,700	8.6%	544,510	11	114,738	17	546,416	\$11.95
2014 4q	23,126	241,049,226	20,268,931	21,050,472	8.7%	397,547	9	84,303	27	656,517	\$11.92
2014 3q	23,118	240,968,329	20,593,879	21,367,122	8.9%	528,683	8	114,287	33	723,983	\$11.90
2014 2q	23,114	240,903,672	21,034,737	21,831,148	9.1%	426,016	6	113,354	25	701,125	\$11.94
2014 1q	23,114	240,936,665	21,620,054	22,290,157	9.3%	556,431	9	136,005	16	267,456	\$11.86
2013 4q	23,109	240,948,202	22,146,551	22,858,125	9.5%	(46,723)	18	152,437	21	316,393	\$11.88
2013 3q	23,097	241,076,722	22,235,813	22,939,922	9.5%	705,727	18	519,305	35	447,077	\$11.96
2013 2q	23,085	240,621,463	22,483,707	23,190,390	9.6%	613,891	11	287,975	44	897,932	\$11.78
2013 1q	23,077	240,345,353	22,789,789	23,528,171	9.8%	231,193	20	157,395	36	895,643	\$11.87
2012	23,060	240,308,938	22,933,764	23,722,949	9.9%	1,374,595	40	578,322	41	855,867	\$11.89
2011	23,034	239,858,481	23,644,261	24,647,087	10.3%	640,433	26	542,506	26	502,637	\$11.92
2010	23,024	239,576,585	23,634,314	25,005,624	10.4%	1,324,465	27	723,497	18	370,643	\$11.99
2009	23,007	238,931,613	23,861,960	25,685,117	10.7%	(24,003)	78	2,299,900	15	349,120	\$12.67
2008	22,938	236,884,618	21,890,871	23,614,119	10.0%	2,128,190	134	2,405,356	60	1,893,779	\$14.05
2007	22,813	234,530,266	22,116,730	23,387,957	10.0%	4,108,105	169	3,874,641	102	1,952,385	\$14.09
2006	22,649	230,679,555	22,853,192	23,645,351	10.3%	(235,807)	186	2,953,622	133	3,400,426	\$13.92

Source: CoStar Property®

U.S. Price/SF Comparison

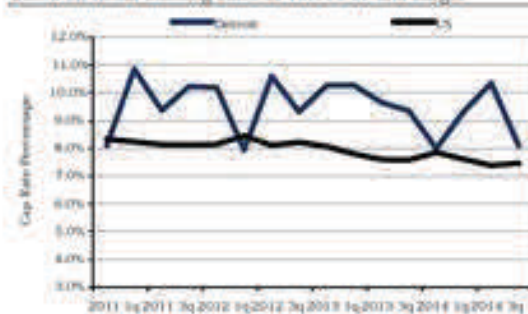
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Source: CoStar COMPAS

U.S. Cap Rate Comparison

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



Source: CoStar COMPAS

"A Certified Woman-Owned Business"