Judeh & Associates

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

2Q14 – What's Been Happening!

MICHIGAN CREDIT UNIONS' LENDING ON THE RISE – According to the Michigan Credit Union League, Michigan credit unions recorded $1.7 billion in total outstanding business loans during 1Q14, up 20% from the same time last year. Such loans are mostly centered around small businesses and attributed to economic growth. In addition, new vehicle loans totaled $1.8 billion, up 10% from last year's first quarter.

MICHIGAN TAX TRIBUNAL APPOINTMENTS – Congratulations to David Marmon of Hoffert & Associates for being appointed recently by Governor Snyder as a Tribunal Judge. Congrats also go to Stephen Lasher for his re-appointment, who will continue to serve as the Chair of the Tribunal.

OCCUPANCY AND THE TAX TRIBUNAL – Governor Snyder, on June 12, signed into law PA 164 which removes from Section 34d increases and decreases in occupancy from determination of additions and losses. The Act limits the use of occupancy rates in the determination of losses and/or additions to the period before tax day.

FTC WINS CLASS ACTION – After taking a stand against the FTC to include MLS listings on public websites, the FTC Administrative Law Judge found in Realcomp's favor citing that Realcomp's rules and policies were not in violation of anti-trust laws. This decision was appealed and won by the FTC.

GRAND RAPIDS IS #1 – While Lonely Plant's Best in Travel for 2014 has listed Grand Rapids and Lake Michigan's Gold Coast as the #1 US City that should be on travelers' radars in the coming year. Grand Rapids, which is the second-largest city in Michigan, was also voted as best beer city in the US by the national Beer Examiner blog in 2012 and 2013. Way to go West Michigan!

JOBS, JOBS & MORE JOBS – Southeast Michigan is set to get its share of $1.3 billion in US economic development grants. According to Lisa Katz, Executive Director of Workforce Intelligence Network (WIN) for Southeastern Michigan, the application included developing vehicle-to-vehicle connectivity and other non-automotive industries as well as blight reduction, roads and talent development. Investments are expected next fall.

ECONOMIC GROWTH – Michigan's weak first quarter in job creation is expected to be short-lived with job growth turning around in 2Q14 to average 2.1% and 1.4-1.5% during 2015 according to the University of Michigan Research Seminar in Quantitative Economics. The top three job producers over the next two years are trade, transportation and utilities; professional and business services; and construction. Growth in real disposable income is at 1.8% after pausing in 2013. Real income growth for 2015 is expected at 2.7%.

THE CHINESE ARE COMING – To spur economic activity, Governor Snyder asked President Obama for 50,000 special federal immigration visas to encourage immigration over the next five years. He is seeking to attract foreign professionals who are willing to work and live in the city. This request is in line with Governor Snyder's initiative to increase immigration for which he has opened the Office for New Americans. He also designated the state as an Employer Based or EB-5 center to expedite visas and permits who want to open a business in the state with an investment of at least $500,000 and 10 employees.

SOCIAL MEDIA – Follow Judeh & Associates

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Office Market

Total Office Market Statistics — **Mid-Year 2014**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	778	17,404,230	2,329,045	2,335,060	13.4%	166,855	0	0	$19.75
Detroit/The Pointes	945	46,174,308	7,548,282	7,600,273	16.5%	276,203	0	0	$17.57
Downriver	370	3,047,519	638,118	638,118	20.9%	29,587	0	11,000	$14.48
Livingston/W Oakland	695	7,988,022	1,008,200	1,017,304	12.7%	(18,418)	0	56,820	$19.61
Macomb	1,528	15,103,900	1,846,800	1,863,625	12.3%	42,520	0	3,428	$15.85
North Oakland	765	19,627,769	3,063,096	3,099,839	15.8%	67,313	10,032	0	$17.47
Royal Oak	625	5,240,472	562,977	562,977	10.7%	40,935	0	0	$15.77
Southfield	586	23,548,526	5,746,755	5,926,345	25.2%	101,837	0	0	$16.53
Troy	327	18,156,246	4,885,491	4,917,835	27.1%	266,380	0	0	$18.45
Washtenaw	868	14,915,554	1,180,739	1,195,064	8.0%	51,308	0	0	$19.48
West Wayne	1,651	25,334,495	3,626,637	3,679,742	14.5%	50,790	10,000	17,920	$16.52
Totals	**9,138**	**196,541,041**	**32,436,140**	**32,836,182**	**16.7%**	**1,075,310**	**20,032**	**89,168**	**$17.49**

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA — Mid-Year 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Livingston/W Oakland	1	56,820	16,478	29.0%	11,494	56,820
West Wayne	2	17,920	3,247	18.1%	15,345	8,960
Downriver	1	11,000	11,000	100.0%	8,237	11,000
Macomb	1	3,428	3,428	100.0%	9,885	3,428
Bloomfield	0	0	0	0.0%	22,370	0
North Oakland	0	0	0	0.0%	25,657	0
Southfield	0	0	0	0.0%	40,185	0
Troy	0	0	0	0.0%	55,524	0
Washtenaw	0	0	0	0.0%	17,184	0
Detroit/The Pointes	0	0	0	0.0%	48,862	0
All Other	0	0	0	0.0%	8,385	0

Source: Costar

Total Office Market Statistics — **Mid-Year 2014**

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2014 2q	9,138	196,541,041	32,436,140	32,836,182	16.7%	99,959	2	20,032	5	89,168	$17.49
2014 1q	9,136	196,521,009	32,509,477	32,916,109	16.7%	975,351	0	0	7	109,200	$17.46
2013 4q	9,138	196,556,209	33,525,133	33,926,660	17.3%	490,889	2	22,434	3	74,740	$17.44
2013 3q	9,137	196,659,775	34,079,534	34,521,115	17.6%	778,981	1	17,050	5	97,174	$17.51
2013 2q	9,137	196,659,875	34,728,159	35,300,196	17.9%	376,955	1	11,232	5	57,404	$17.56
2013 1q	9,138	196,905,858	35,313,995	35,923,134	18.2%	(165,559)	2	16,635	4	52,636	$16.99
2012	9,137	197,025,223	35,281,430	35,876,940	18.2%	948,522	13	510,844	6	69,271	$17.69
2011	9,131	196,925,796	36,014,429	36,726,035	18.6%	1,189,372	9	308,919	11	457,280	$18.17
2010	9,126	196,688,383	36,771,884	37,677,994	19.2%	(793,421)	14	362,561	10	514,718	$18.74
2009	9,120	196,652,781	35,555,608	36,848,971	18.7%	(3,598,519)	21	293,865	14	503,269	$18.77
2008	9,104	196,440,518	31,854,798	33,038,189	16.8%	(736,084)	32	835,608	19	267,292	$19.42
2007	9,076	195,612,385	30,429,256	31,473,972	16.1%	1,655,333	74	1,830,241	29	826,435	$20.06
2006	9,010	193,803,143	30,405,270	31,320,063	16.2%	483,148	91	2,412,389	64	1,963,184	$20.42
2005	8,921	191,399,229	28,628,108	29,399,297	15.4%	(217,260)	100	2,057,500	89	2,836,859	$20.39
2004	8,822	189,391,729	26,093,544	27,174,537	14.3%	2,166,722	112	3,595,379	92	2,106,443	$20.44
2003	8,712	186,558,922	24,715,115	26,508,452	14.2%	1,355,656	90	3,220,586	108	3,752,971	$21.17

Source: CoStar Property®

Industrial Market

Total Industrial Market Statistics — **Mid-Year 2014**

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport/I-275 Ind	3,113	123,076,702	10,271,442	10,359,717	8.4%	308,523	0	52,000	$4.30
Detroit Area Ind	1,834	82,902,408	12,591,700	12,591,700	15.2%	490,099	0	0	$3.44
Downriver Ind	669	37,519,019	3,902,312	3,902,312	10.4%	183,453	0	0	$3.74
East Area Ind	4,077	116,056,953	3,682,632	3,706,632	3.2%	476,008	0	354,205	$4.46
I-96 Corridor Ind	2,095	55,055,454	3,329,549	3,397,296	6.2%	481,732	80,956	24,770	$6.37
Oakland County NW Ind	1,388	52,626,700	3,345,513	3,385,513	6.4%	312,520	278,000	317,324	$5.31
Royal Oak/Southfield Ind	1,214	19,729,529	1,736,646	1,736,646	8.8%	(41,425)	0	0	$6.38
Troy Area Ind	1,454	30,793,664	1,473,575	1,473,575	4.8%	298,213	0	5,000	$5.56
Washtenaw Ind	866	36,817,272	7,110,091	7,157,843	19.4%	23,371	0	0	$6.01
Totals	**16,710**	**554,577,701**	**47,443,460**	**47,711,234**	**8.6%**	**2,532,494**	**358,956**	**753,299**	**$4.70**

Construction Activity - Markets Ranked by Under Construction RBA — Mid-Year 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Prelease	All	U / C
East Area	5	354,205	267,800	75.6%	28,466	70,841
Oakland County NW	3	317,324	317,324	100.0%	37,915	105,775
Airport/I-275	1	52,000	0	0.0%	39,536	52,000
I-96 Corridor	1	24,770	0	0.0%	26,279	24,770
Troy Area	1	5,000	1,600	32.0%	21,179	5,000
Downriver	0	0	0	0.0%	56,082	0
Royal Oak/Southfield	0	0	0	0.0%	16,252	0
Washtenaw	0	0	0	0.0%	42,514	0
Detroit Area	0	0	0	0.0%	45,203	0
Totals	**11**	**753,299**	**586,724**	**77.9%**	**33,188**	**68,482**

Source: Costar

Total Industrial Market Statistics — **Mid-Year 2014**

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2014 2q	16,710	554,577,701	47,443,460	47,711,234	8.6%	1,816,907	1	54,960	11	753,299	$4.70
2014 1q	16,710	554,560,741	49,247,053	49,511,181	8.9%	715,587	2	303,996	10	774,065	$4.64
2013 4q	16,709	554,776,745	50,223,774	50,442,772	9.1%	1,609,174	0	0	10	1,059,058	$4.61
2013 3q	16,711	556,235,868	53,312,010	53,511,069	9.6%	2,071,537	0	0	5	660,284	$4.51
2013 2q	16,715	556,492,245	55,610,878	55,838,983	10.0%	791,618	1	250,000	5	660,284	$4.46
2013 1q	16,715	556,344,252	56,285,068	56,482,608	10.2%	2,332,612	2	98,893	4	606,960	$4.48
2012	16,713	556,245,359	58,438,043	58,716,327	10.6%	9,599,337	5	451,639	5	650,893	$4.44
2011	16,717	556,571,860	68,138,192	68,642,165	12.3%	3,843,063	2	196,336	5	432,211	$4.37
2010	16,738	560,910,519	75,708,007	76,823,887	13.7%	(6,494,743)	6	383,137	3	481,336	$4.53
2009	16,743	561,364,193	68,404,530	70,782,818	12.6%	(9,818,356)	10	379,974	4	130,655	$4.78
2008	16,742	561,737,826	59,424,049	61,338,095	10.9%	3,246,709	27	2,223,623	12	482,678	$5.09
2007	16,717	559,839,828	61,129,185	62,686,806	11.2%	3,105,696	47	2,451,064	20	1,702,930	$5.24
2006	16,677	557,731,420	63,164,731	63,684,094	11.4%	(3,544,995)	64	3,363,250	38	1,550,203	$5.49
2005	16,620	555,152,814	56,708,947	57,560,493	10.4%	7,109,674	97	5,026,023	52	2,353,611	$5.55
2004	16,526	550,469,090	58,379,224	59,986,443	10.9%	3,795,813	82	2,780,616	93	4,806,095	$5.74
2003	16,448	547,804,033	59,347,482	61,117,199	11.2%	(1,716,413)	115	4,134,852	58	1,919,617	$5.64

Source: CoStar Property®

Retail Market

Total Retail Market Statistics — Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	824	10,476,910	884,129	1,022,404	9.8%	102,950	75,000	1,500	$15.46
Detroit/The Pointes	4,389	28,595,908	2,790,963	2,887,811	10.1%	73,313	4,000	10,000	$10.08
Downriver	1,272	13,910,083	2,052,604	2,075,504	14.9%	55,912	0	0	$10.75
Livingston/W Oakland	1,797	23,470,537	1,353,310	1,372,290	5.8%	121,871	2,032	0	$15.50
Macomb	3,905	46,966,590	4,137,153	4,386,285	9.3%	295,763	4,271	85,981	$11.07
North Oakland	1,808	23,708,359	2,675,908	2,795,766	11.8%	37,125	22,880	0	$10.59
Royal Oak	1,717	11,815,228	665,605	683,647	5.8%	97,770	8,883	31,077	$14.73
Southfield	389	7,237,996	866,007	866,007	12.0%	44,431	0	0	$13.34
Troy	337	7,996,311	334,178	334,178	4.2%	47,099	8,186	0	$16.09
Washtenaw	1,899	18,317,768	913,115	913,115	5.0%	80,924	1,950	8,000	$14.55
West Wayne	4,542	48,379,894	4,181,222	4,302,718	8.9%	157,673	5,622	11,021	$10.89
Totals	**22,879**	**240,875,584**	**20,854,194**	**21,639,725**	**9.0%**	**1,114,831**	**132,824**	**147,579**	**$11.97**

Source: CoStar Property®

Construction Activity - Markets Ranked by Under Construction RBA — Mid-Year 2014

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Macomb	2	85,981	85,981	100.0%	12,027	42,900
Royal Oak	2	31,077	31,077	100.0%	6,881	15,538
West Wayne	3	11,021	11,021	100.0%	10,652	3,674
Detroit/The Pointes	1	10,000	0	0.0%	6,515	10,000
Washtenaw	1	8,000	0	0.0%	9,646	8,000
Bloomfield	1	1,500	1,500	100.0%	12,715	1,500
Downriver	0	3,421	0	0.0%	10,936	0
Southfield	0	0	0	0.0%	18,607	0
Troy	0	0	0	0.0%	23,728	0
North Oakland	0	0	0	0.0%	13,113	0
All Other	0	0	0	0.0%	13,061	0
Totals	**10**	**147,579**	**129,579**	**87.8%**	**10,528**	**14,758**

Source: Costar

Total Retail Market Statistics — Mid-Year 2014

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total GLA	# Blds	Total GLA	Rates
2014 2q	22,879	240,875,584	20,854,194	21,639,725	9.0%	398,202	6	39,954	10	147,579	$11.97
2014 1q	22,876	240,905,179	21,408,299	22,067,522	9.2%	716,629	9	92,870	11	111,456	$11.88
2013 4q	22,869	240,941,999	22,120,277	22,820,971	9.5%	(77,262)	18	151,037	18	164,245	$11.90
2013 3q	22,857	241,071,919	22,180,400	22,873,629	9.5%	810,280	18	519,305	32	307,529	$11.99
2013 2q	22,845	240,616,660	22,532,847	23,228,650	9.7%	748,842	11	287,975	41	758,384	$11.81
2013 1q	22,837	240,340,550	22,973,880	23,701,382	9.9%	211,641	19	154,895	34	874,230	$11.90
2012 4q	22,821	240,306,635	23,100,803	23,879,108	9.9%	368,559	9	53,265	40	851,967	$11.92
2012 3q	22,812	240,253,370	23,409,613	24,194,402	10.1%	659,024	8	183,584	38	385,536	$12.05
2012 2q	22,808	240,094,772	23,671,120	24,694,828	10.3%	(289,632)	12	221,267	24	379,605	$12.08
2012 1q	22,801	239,914,229	23,361,668	24,224,653	10.1%	480,463	11	119,206	25	504,341	$12.02
2011	22,795	239,857,178	23,656,119	24,648,065	10.3%	646,742	25	536,881	26	502,637	$11.95
2010	22,786	239,580,907	23,658,106	25,018,536	10.4%	1,264,884	26	713,898	17	365,018	$12.00
2009	22,770	238,945,534	23,835,770	25,648,047	10.7%	19,057	79	2,333,750	15	349,120	$12.68
2008	22,700	236,864,689	21,872,458	23,586,259	10.0%	2,006,880	131	2,418,125	61	1,926,313	$14.06
2007	22,578	234,497,568	21,965,671	23,226,018	9.9%	4,090,796	170	3,882,602	99	1,965,154	$14.07
2006	22,413	230,638,896	22,676,863	23,458,142	10.2%	(31,221)	185	3,180,120	134	3,408,387	$13.89

Source: CoStar Property®