

JUDEH & ASSOCIATES

Vacancy, absorption, asking rates and more on local sub-markets in:
 Office Market -- Industrial Market -- Retail Market -- Related Links

What has happened this past quarter?

Supreme Court Rules AGs can Pursue National Banks – In a landmark 5-4 decision, the ruled that state AGs are allowed to pursue national banks that have allegedly broken state laws. Under the ruling, state AGs would not have the right to examine a national bank, or subpoena information; however, they would expressly have the power to enforce applicable state laws through other judicial proceedings. The Obama Administration has favored a wider role for states to be able to enforce consumer protection and civil rights laws with respect to national banks.

“Build-to-Suit” at issue in Ohio Supreme Court Decision – In Meijer Stores Limited Partnership v Franklin County, Ohio, The taxing authority’s appraisal included sales by developers who built big box retail facilities on a build-to-suit basis and then sold them to third parties. The prevailing authority’s appraiser opined that the value of the Meijer store is “at a point which lies somewhere between selling prices of properties which are leased to first generation users and prices of properties which are vacant and available for occupancy.”

New State Law on Foreclosures – Under the Michigan law which took effect on July 5 -- Foreclosing lenders must notify borrowers of foreclosure by mail; such notification must include the name of a person who has the power to modify the loan and a list of approved housing counselors; borrowers must contact counselor first who would then schedule a meeting with the lender; if a meeting is requested, foreclosure cannot proceed for 90 days after the original notice; loan modifications would follow federal program with goal of reducing payments to 38% of household income by lengthening terms up to 40 years, reducing interest to a floor of 3% and deferring up to 20% of the principal.

Changing Home Prices – Worst & Best 10 Regions:

	Peak year for housing prices (1st Q only)	Change in housing prices since peak	1-Year change in housing prices (1st Q, 2008-2009)	5-Year change in housing prices (1st Q, 2004-2009)	10-Year change in housing prices (1st Q, 1999-2009)	Population (2008)	
Best Regions							
1	Virginia Bch-Norfolk	2008	-4.02	-4.02	55.23	119.98	1,658,292
2	Honolulu	2008	-4.75	-4.75	54.45	115.46	905,034
3	Tacoma, Wash.	2008	-6.87	-6.87	45.63	94.41	785,639
4	Portland Oregon	2008	-5.81	-5.81	44.93	78.41	2,207,462
5	Seattle	2008	-6.66	-6.66	43.01	94.59	2,559,174
6	Albany, N.Y.	2008	-0.33	-0.33	42.45	93.38	853,919
7	El Paso, Texas	2008	-2.32	-2.32	42.33	64.97	742,062
8	Albuquerque	2008	-2.94	-2.94	41.83	63.37	845,913
9	Richmond	2008	-3.01	-3.01	41.19	88.46	1,225,626
10	Charleston, S.C.	2008	-3.19	-3.19	40.49	101.98	644,506

	Peak year for housing prices (1st Q only)	Change in housing prices since peak	1-Year change in housing prices (1st Q, 2008-2009)	5-Year change in housing prices (1st Q, 2004-2009)	10-Year change in housing prices (1st Q, 1999-2009)	Population (2008)	
Worst Regions							
1	Stockton, Calif.	2006	-49.66	-31.22	-21.78	40.34	672,388
2	Detroit	2006	-22.15	-11.47	-19.8	6.13	1,949,929
3	Warren-Troy Mi.	2006	-18.27	-9	-14.72	9.72	2,475,181
4	Las Vegas	2007	-38.25	-29.52	-2.42	40.51	1,865,746
5	Sacramento	2006	-30.97	-15.11	-1.82	81.54	2,109,832
6	Rside-Sbern, Calif.	2007	-38.97	-28.33	-1.17	77.1	4,115,871
7	Toledo, Ohio	2007	-4.95	-3.86	-0.55	23.44	649,104
8	Grand Rapids	2006	-5.57	-3.96	-0.4	25.02	776,833
9	San Diego	2006	-25.67	-13.79	0.64	99.96	3,001,072
10	Cleveland	2006	-3.78	-1.53	1.27	21.13	2,088,291

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OFFICE MARKET

Total Office Market Statistics

Third Quarter 2009

Market	Existing Inventory		Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA					
Bloomfield	677	16,247,460	15.5%	(101,265)	12,650	103,768	\$22.52
Detroit/The Pointes	689	41,477,325	16.3%	(71,528)	55,966	30,000	\$18.23
Downriver	248	2,461,400	23.0%	(202,493)	7,113	0	\$17.09
Livingston/W Oakland	521	7,601,497	16.0%	49,420	32,917	28,000	\$21.74
Macomb	1,207	13,011,570	16.1%	(110,556)	4,290	68,955	\$17.86
North Oakland	652	17,724,340	10.7%	128,173	31,927	120,000	\$20.65
Royal Oak	405	4,309,482	16.0%	(42,513)	0	10,000	\$17.09
Southfield	465	24,147,378	21.1%	(199,746)	5,992	0	\$18.80
Troy	308	17,600,677	30.9%	(232,281)	0	0	\$18.98
Washtenaw	713	13,319,389	11.4%	(91,930)	15,000	0	\$20.54
West Wayne	989	22,546,524	15.2%	(129,113)	8,900	187,387	\$17.72
Totals	6,874	180,447,042	17.3%	(1,003,832)	174,755	548,110	\$19.21

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2009

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
West Wayne	3	187,387	132,886	70.9%	22,797	62,462
North Oakland	1	120,000	0	0.0%	27,185	120,000
Bloomfield	5	103,768	2,755	2.7%	23,999	20,754
Macomb	2	68,955	29,443	42.7%	10,780	34,477
Detroit/ The Pointes	1	30,000	30,000	100.0%	60,199	30,000
Livingston/W Oakland	4	28,000	0	0.0%	14,590	7,000
Royal Oak	1	10,000	5,000	50.0%	10,642	10,000
Southfield	0	0	0	0.0%	51,930	0
Troy	0	0	0	0.0%	57,145	0
Washtenaw	0	0	0	0.0%	18,681	0
All Other	0	0	0	0.0%	9,925	0
Totals	17	548,110	200,084	36.5%	26,251	32,242

Source: Costar

Historical Office Market Statistics

Third Quarter 2009

Period	Existing Inventory		Vacancy			-397813	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2009 3q	6874	180,447,402	30,050,000	31,193,968	17.3%	(579,428)	5	40,791	17	548,110	\$19.21
2009 2q	6,869	180,406,611	29,561,524	30,573,749	16.9%	1,832	3	26,158	20	405,744	\$19.32
2009 1q	6,866	180,380,453	29,454,793	30,549,423	16.9%	(426,236)	5	107,806	19	328,184	\$19.48
2008 4q	6,861	180,272,647	28,844,372	30,015,381	16.6%	(106,623)	6	175,300	20	359,755	\$19.59
2008 3q	6,855	180,097,347	28,677,740	29,733,458	16.5%	73,468	6	106,901	22	494,128	\$19.82
2008 2q	6,853	179,998,826	28,783,798	29,708,405	16.5%	192,678	3	212,191	23	548,007	\$19.85
2008 1q	6,850	179,786,635	28,664,747	29,688,892	16.5%	(517,592)	10	296,526	24	747,008	\$20.13
2007 4q	6,840	179,490,109	27,880,094	28,874,774	16.1%	280,067	13	248,328	25	806,268	\$20.01
2007 3q	6,827	179,241,781	27,905,970	28,906,513	16.1%	274,719	11	132,336	29	984,695	\$20.01
2007 2q	6,822	179,124,158	28,084,899	29,063,609	16.2%	285,320	15	241,958	34	1,004,290	\$20.00
2007 1q	6,807	178,882,200	28,096,886	29,106,971	16.3%	(81,188)	21	676,814	41	935,996	\$20.26
2006	6,786	178,205,386	27,469,370	28,348,969	15.9%	794,461	81	2,327,281	49	1,263,508	\$20.08
2005	6,706	175,881,280	25,974,914	26,819,324	15.2%	847,551	86	1,795,819	70	2,507,995	\$20.24
2004	6,621	174,135,461	24,715,727	25,921,056	14.9%	1,745,477	85	2,848,213	78	1,794,470	\$20.35
2003	6,537	172,045,953	23,731,288	25,577,025	14.9%	1,062,541	65	3,045,867	80	3,018,932	\$19.95
2002	6,474	169,017,206	21,291,750	23,610,819	14.0%	(2,478,267)	84	2,150,798	63	3,664,038	\$21.05

Source: CoStar

INDUSTRIAL MARKET

Total Industrial Market Statistics

Third Quarter 2009

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	3,000	112,193,619	15,840,852	17,376,994	15.5%	(2,893,000)	135,000	45,000	\$ 4.72
Detroit Area Ind	1,370	84,377,806	15,051,167	15,713,167	18.6%	(626,210)	0	0	\$ 3.02
Dow nriver Ind	642	42,091,318	4,824,021	4,917,072	11.7%	(511,013)	0	0	\$ 4.29
East Area Ind	3,989	112,702,691	11,938,898	12,051,321	10.7%	(1,453,065)	118,650	20,740	\$ 4.51
I-96 Corridor Ind	1,904	56,516,120	6,713,218	6,945,992	12.3%	(443,376)	209,570	67,600	\$ 6.19
Oakland County NW Ind	1,299	48,017,283	5,367,145	5,437,468	11.3%	(406,325)	0	0	\$ 5.44
Royal Oak/Southfield Ind	1,151	19,692,762	1,978,404	2,020,461	10.3%	(235,252)	0	0	\$ 5.83
Troy Area Ind	1,456	32,298,206	3,714,820	3,808,769	11.8%	(441,142)	0	0	\$ 5.20
Washtenaw Ind	747	25,278,481	3,746,119	3,818,214	15.1%	436,243	0	0	\$ 7.62
Totals	15,558	533,168,286	69,174,644	72,089,458	13.5%	(6,573,140)	463,220	133,340	\$ 4.77

Source: Costar

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2009

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
I-96 Corridor Ind	2	67,600	21,000	31.1%	29,683	33,800
Airport/I-275 Ind	1	45,000	45,000	100.0%	37,398	45,000
East Area Ind	1	20,740	20,740	100.0%	28,253	20,740
Dow nriver Ind	0	0	0	0.0%	25,563	0
Royal Oak/Southfield Ind	0	0	0	0.0%	17,109	0
Troy Area Ind	0	0	0	0.0%	22,183	0
Oakland County NW Ind	0	0	0	0.0%	36,965	0
Washtenaw Ind	0	0	0	0.0%	33,840	0
Detroit Area Ind	0	0	0	0.0%	61,590	0
Totals	4	133,340	86,740	65.1%	34,270	33,335

Source: Costar

Historical Industrial Market Statistics

Third 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 3q	15,558	533,168,286	69,174,644	72,089,458	13.5%	(2,007,150)	1	18,650	4	133,340	\$4.77
2009 2q	15,557	533,149,636	67,264,018	70,063,658	13.1%	(1,987,059)	3	93,551	4	130,990	\$4.91
2009 1q	15,555	533,084,710	65,510,148	68,011,673	12.8%	(2,578,931)	5	351,019	7	224,541	\$5.01
2008 4q	15,551	532,743,495	62,557,383	65,091,527	12.2%	(2,531,010)	3	366,934	12	575,560	\$5.04
2008 3q	15,548	532,376,561	59,555,979	62,193,583	11.7%	3,653,543	1	20,215	12	852,848	\$5.06
2008 2q	15,547	532,356,346	63,276,962	65,826,911	12.4%	(4,761,072)	2	75,010	8	572,941	\$5.05
2008 1q	15,545	532,281,336	58,533,104	60,990,829	11.5%	4,507,812	8	506,363	7	528,932	\$5.13
2007 4q	15,537	531,774,973	62,700,570	64,992,278	12.2%	762,892	6	404,250	11	601,146	\$5.21
2007 3q	15,531	531,370,723	64,140,094	65,350,920	12.3%	1,653,156	7	460,095	16	985,623	\$5.27
2007 2q	15,524	530,910,628	65,804,062	66,543,981	12.5%	156,319	15	391,298	20	1,372,480	\$5.27
2007 1q	15,509	530,519,330	65,670,804	66,309,002	12.5%	1,145,261	24	598,714	25	917,659	\$5.29
2006	15,485	529,920,616	66,308,565	66,855,549	12.6%	(2,821,164)	57	2,919,913	43	1,226,179	\$5.37
2005	15,429	527,084,113	60,344,977	61,197,882	11.6%	7,623,324	77	3,921,601	46	2,381,349	\$5.49
2004	15,354	523,234,598	63,338,007	64,971,691	12.4%	2,218,055	68	2,657,155	71	3,635,278	\$5.69
2003	15,289	520,608,002	62,687,660	64,563,150	12.4%	(1,791,012)	87	3,716,265	43	1,708,325	\$5.56
2002	15,204	516,927,098	56,812,329	59,091,234	11.4%	(2,779,667)	109	3,966,266	77	3,272,368	\$5.12

Source: Costar

RETAIL MARKET

Total Retail Market Statistics

Third Quarter 2009

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	420	3,817,287	245,506	359,866	9.4%	(37,585)	12,791	0	\$14.32
Detroit/The Pointes	1,735	11,479,274	1,662,079	1,680,173	14.6%	(14,393)	0	0	\$10.94
Dow nriver	578	5,144,477	557,089	557,089	10.8%	13,478	0	0	\$11.78
Livingston/W Oakland	781	6,104,296	470,130	483,798	7.9%	(111,934)	0	229,514	\$18.04
Macomb	1,963	16,521,512	1,649,227	1,702,234	10.3%	(195,012)	15,000	10,000	\$11.18
North Oakland	1,065	8,316,561	805,824	814,324	9.8%	23,977	11,317	13,000	\$13.15
Royal Oak	613	4,241,019	566,233	606,806	14.3%	(96,215)	17,690	0	\$14.44
Southfield	112	1,117,253	109,668	146,874	13.1%	(50,031)	14,000	0	\$13.63
Troy	92	1,036,264	99,789	99,789	9.6%	(28,087)	0	0	\$13.64
Washtenaw	919	6,891,510	460,025	524,275	7.6%	17,098	49,150	16,000	\$17.33
West Wayne	1,320	14,583,805	1,355,408	1,524,478	10.5%	(246,886)	19,390	416,371	\$11.13
Totals	9,598	79,253,258	7,980,978	8,499,706	10.7%	(725,590.00)	139,338	684,885	\$12.73

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

Third Quarter 2009

Market	# Bldgs	Under Construction Inventory			Average Bldg Size	
		Total GLA	Preleased SF	Preleased %	All Existing	U / C
West Wayne	10	469,171	390,658	83.3%	19,348	46,917
Macomb	4	430,100	283,800	66.0%	15,699	107,525
Livingston/ W Oakland	5	289,514	176,311	60.9%	17,480	57,903
Washtenaw	1	16,000	16,000	100.0%	13,026	16,000
North Oakland	1	13,000	13,000	100.0%	16,287	13,000
Troy	2	8,158	5,974	73.2%	39,422	4,079
Downriver	0	0	0	0.0%	15,256	0
Southfield	0	0	0	0.0%	33,725	0
Bloomfeild	0	0	0	0.0%	16,584	0
Detroit/ The Pointes	0	0	0	0.0%	9,197	0
All Other	0	0	0	0.0%	11,194	0
Totals	23	1,225,943	885,743	72.2%	15,575	53,302

Source: Costar

Historical Retail Market Statistics

Third Quarter 2009

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Bldgs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2009 3q	12,205	190,093,175	19,835,543	21,296,314	11.2%	(363,290)	5	387,395	23	1,225,943	\$12.72
2009 2q	12,201	189,747,024	19,151,599	20,586,873	10.8%	4,108	7	172,539	25	1,231,357	\$13.29
2009 1q	12,198	189,621,922	19,026,201	20,465,879	10.8%	(589,664)	12	258,026	19	1,071,625	\$13.80
2008 4q	12,186	189,363,896	18,366,628	19,618,189	10.4%	632,436	24	673,421	24	1,129,271	\$14.02
2008 3q	12,164	188,696,642	18,506,412	19,583,371	10.4%	216,420	14	306,598	42	1,373,555	\$14.07
2008 2q	12,153	188,403,616	18,654,334	19,506,765	10.4%	749,938	23	334,488	42	1,029,477	\$14.24
2008 1q	12,130	188,069,128	18,882,914	19,922,215	10.6%	361,833	30	662,265	46	1,077,437	\$14.06
2007 4q	12,100	187,406,863	18,666,470	19,621,783	10.5%	1,183,977	21	1,086,401	55	1,150,841	\$13.99
2007 3q	12,079	186,320,462	18,799,795	19,719,359	10.6%	828,989	29	1,067,064	59	1,858,342	\$14.23
2007 2q	12,051	185,255,898	18,635,140	19,483,784	10.5%	576,769	16	253,435	61	2,618,173	\$14.28
2007 1q	12,035	185,002,463	18,888,106	19,807,118	10.7%	1,145,747	42	1,024,667	56	2,182,748	\$14.10
2006 4q	11,994	183,986,596	19,020,960	19,936,998	10.8%	(63,499)	15	220,715	71	2,816,740	\$14.05
2006 3q	11,981	18,377,137	18,849,793	19,664,040	10.7%	(682,640)	19	328,760	65	2,216,342	\$13.94
2006 2q	11,963	183,452,877	18,165,193	18,657,140	10.2%	1,057,983	24	463,260	45	2,079,829	\$14.21
2006 1q	11,945	183,716,342	19,486,670	19,978,588	10.9%	(575,601)	67	1,137,682	51	1,312,270	\$14.10

Source: CoStar

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