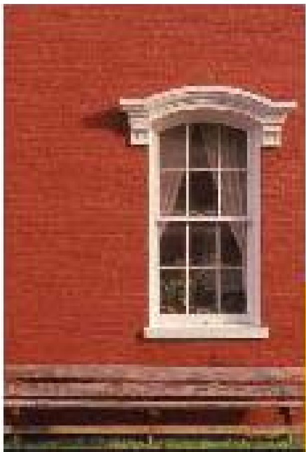
# JUDEH & ASSOCIATES



Real Estate Valuation and Consulting

Tax Appeals

Feasibility Studies

Housing Inspections

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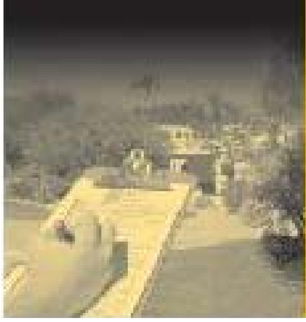


**Vacancy, absorption, asking rates and more on local sub-markets in:**
Office Market -- Industrial Market -- Retail Market -- Related Links

## *THE BUSINESS OF TAX APPEALS!*

**Tax Appeal Season is Here** – The opportunity to appeal property taxes is quickly approaching -- Mid-March for residential and May 31 for non-residential properties (except Detroit 2/1-2/15). Understanding the rights of property owners and more importantly, the process can make the difference between winning and losing. For advice and consultation regarding this complicated procedure, call the experts – Judeh & Associates.

**Inflation Rate for 2010** – The State Tax Commission has set the multiplier for 2010 at .997 which is a dramatic decline from the 2009 multiplier of 4.4%. This means, all things being equal, Taxable Value will experience an extremely slight decrease. The 2010 Capped Value formula is: 2010 Capped Value = (2009 Taxable Value – Losses) x .997 + Additions. In situations where the gap between the Assessed Value and Taxable Value is minimal, the probability of a decline due to market conditions is great. However, if such a gap is dramatic, then in all likelihood the drop in property values will have no affect on the Taxable Value which will experience the slight decline.

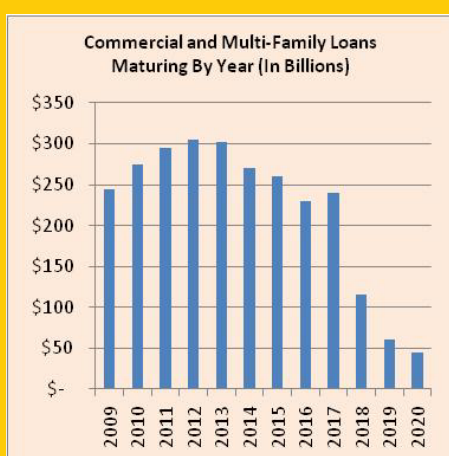
**The New State Tax Commission (STC)** – On 10/29/09, the Governor signed Executive Order 2009-51 which transferred the functions of the old STC and the State Assessors Board to a new entity tilted the New State Tax Commission. As a result, an Education Advisory committee, an Assessor Discipline Advisory Committee and a Certification Advisory Committee were formed along with the abolishment of all current policies, processes and procedures of the State Tax Assessors Board.

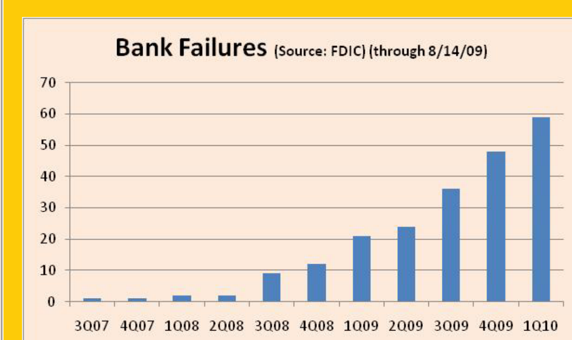
**The Stories of the Numbers**– No relief is expected in 2010 as published by the Federal Reserve, FDIC among others. At this point, it is not whether we are going to recover, because there is no place to go but up when you are at the bottom; it is how long will it take. Most professionals are quoting anywhere between 5-10 years and even then, we will not recover what we lost.

**DISTRESSED ASSET REGIONAL SNAPSHOT**

| REGION | $ VOLUME IN BILLIONS | NUMBER OF PROPERTIES |
|---|---|---|
| West | $ 32.9 | 1,502 |
| Southeast | $ 24.5 | 1,498 |
| Northeast | $ 17.1 | 595 |
| Southwest | $ 16.7 | 1,087 |
| Midwest | $ 14.3 | 963 |
| Mid-Atlantic | $ 8.3 | 341 |

Through 8/1/09. Source: Real Capital Analytics



# OFFICE MARKET

**Total Office Market Statistics** — **Fourth Quarter 2009**

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | Deliveries | Const SF | Quoted Rates |
|---|---|---|---|---|---|---|---|---|---|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Bloomfield | 687 | 16,449,408 | 2,470,687 | 2,690,311 | 16.4% | (175,573) | 107,650 | 75,268 | $22.27 |
| Detroit/The Pointes | 746 | 44,732,849 | 6,888,369 | 6,934,034 | 15.5% | (165,771) | 85,966 | 0 | $18.56 |
| Dow nriver | 254 | 2,471,721 | 588,173 | 601,523 | 24.3% | (234,479) | 7,113 | 0 | $16.95 |
| Livingston/W Oakland | 532 | 7,693,656 | 1,219,375 | 1,247,204 | 16.2% | 32,080 | 35,917 | 120,000 | $20.95 |
| Macomb | 1,251 | 13,359,916 | 2,120,055 | 2,147,010 | 16.1% | (53,231) | 63,009 | 68,955 | $17.75 |
| North Oakland | 664 | 17,785,056 | 2,998,145 | 3,149,661 | 17.7% | (1,100,994) | 31,927 | 120,000 | $19.72 |
| Royal Oak | 408 | 4,315,093 | 695,546 | 709,396 | 16.4% | (48,831) | 10,000 | 5,000 | $16.84 |
| Southfield | 466 | 24,111,554 | 4,995,794 | 5,195,205 | 21.5% | (284,813) | 5,992 | 0 | $18.58 |
| Troy | 309 | 17,662,425 | 5,087,095 | 5,497,987 | 31.1% | (281,790) | 0 | 0 | $18.90 |
| Washtenaw | 720 | 13,214,287 | 1,358,625 | 1,449,615 | 11.0% | (41,649) | 15,000 | 0 | $20.32 |
| West Wayne | 1,013 | 22,451,114 | 3,298,436 | 3,461,845 | 15.4% | (199,872) | 8,900 | 166,107 | $17.41 |
| **Totals** | **7,050** | **184,247,079** | **31,720,300** | **33,083,791** | **18.0%** | **(2,554,923)** | **371,474** | **555,330** | **$19.00** |

Source: CoStar

**Construction Activity** **Markets Ranked by Under Construction RBA** — **Fourth Quarter 2009**

| Market | Under Construction Inventory | | | | Average Bldg Size | |
|---|---|---|---|---|---|---|
| | # Bldgs | Total RBA | Preleased SF | Preleased % | All Existing | U / C |
| West Wayne | 1 | 166,107 | 132,886 | 80.0% | 22,163 | 166,107 |
| Livingston/W Oakland | 1 | 120,000 | 60,000 | 50.0% | 14,462 | 120,000 |
| North Oakland | 1 | 120,000 | 0 | 0.0% | 26,785 | 120,000 |
| Bloomfield | 5 | 75,268 | 9,475 | 12.6% | 23,944 | 15,054 |
| Macomb | 2 | 68,955 | 29,443 | 42.7% | 10,679 | 34,477 |
| Royal Oak | 1 | 5,000 | 1,500 | 30.0% | 10,576 | 5,000 |
| Detroit/ The Pointes | 0 | 0 | 0 | 0.0% | 59,964 | 0 |
| Southfield | 0 | 0 | 0 | 0.0% | 51,742 | 0 |
| Troy | 0 | 0 | 0 | 0.0% | 57,160 | 0 |
| Washtenaw | 0 | 0 | 0 | 0.0% | 18,353 | 0 |
| All Other | 0 | 0 | 0 | 0.0% | 9,731 | 0 |
| **Totals** | **11** | **555,330** | **233,304** | **42.0%** | **26,134** | **50,485** |

Source: Costar

**Historical Office Market Statistics** — **Fourth Quarter 2009**

| Period | Existing Inventory | | Vacancy | | | Net Absorption | Deliveries | | UC Inventory | | Quoted Rates |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2009 4q | 7,050 | 184,247,079 | 31,720,300 | 38,083,791 | 18.0% | (1,570,297) | 4 | 193,719 | 11 | 555,330 | $19.00 |
| 2009 3q | 7,046 | 184,053,360 | 30,172,217 | 31,319,775 | 17.0% | (378,280) | 6 | 43,791 | 14 | 629,049 | $19.21 |
| 2009 2q | 7,041 | 184,012,269 | 29,872,613 | 30,900,404 | 16.8% | (177,562) | 3 | 26,158 | 17 | 473,683 | $19.32 |
| 2009 1q | 7,039 | 183,986,847 | 29,587,224 | 30,697,420 | 16.7% | (428,784) | 5 | 107,806 | 17 | 447,623 | $19.48 |
| 2008 4q | 7,034 | 183,879,041 | 28,974,255 | 30,160,830 | 16.4% | (66,438) | 6 | 175,300 | 19 | 488,474 | $19.58 |
| 2008 3q | 7,028 | 183,703,741 | 28,847,808 | 29,919,092 | 16.3% | 41,499 | 6 | 106,901 | 18 | 466,128 | $19.81 |
| 2008 2q | 7,026 | 183,605,220 | 28,939,413 | 29,862,070 | 16.3% | 208,282 | 4 | 215,691 | 19 | 520,007 | $19.85 |
| 2008 1q | 7,022 | 183,389,529 | 28,830,516 | 29,854,661 | 16.3% | (522,765) | 10 | 296,526 | 21 | 722,508 | $20.14 |
| 2007 | 7,012 | 183,093,003 | 28,040,690 | 29,035,370 | 15.9% | 798,199 | 62 | 1,306,638 | 22 | 781,768 | $20.02 |
| 2006 | 6,956 | 181,801,078 | 27,662,045 | 28,541,644 | 15.7% | 781,412 | 81 | 2,324,647 | 51 | 1,270,710 | $20.10 |
| 2005 | 6,876 | 179,479,606 | 26,157,174 | 27,001,584 | 15.0% | 887,669 | 87 | 1,825,873 | 71 | 2,510,616 | $20.26 |
| 2004 | 6,790 | 177,703,733 | 24,908,051 | 26,113,380 | 14.7% | 1,766,944 | 86 | 2,820,664 | 79 | 1,824,524 | $20.36 |
| 2003 | 6,705 | 175,641,774 | 23,972,628 | 25,818,365 | 14.7% | 983,774 | 67 | 3,048,800 | 81 | 2,991,383 | $19.96 |
| 2002 | 6,640 | 172,610,094 | 21,451,390 | 23,770,459 | 13.8% | (2,444,460) | 86 | 2,201,598 | 64 | 3,653,764 | $21.06 |
| 2001 | 6,554 | 170,408,496 | 16,851,341 | 19,124,401 | 11.2% | (1,829,806) | 118 | 4,268,950 | 91 | 3,757,293 | $20.63 |
| 2000 | 6,439 | 166,167,421 | 11,943,334 | 13,053,520 | 7.9% | (1,773,018) | 83 | 2,671,986 | 113 | 4,758,521 | $21.37 |

Source: CoStar

# INDUSTRIAL MARKET

**Total Industrial Market Statistics** — Fourth 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 | 2,999 | 112,564,510 | 16,000,600 | 17,566,551 | 15.6% | (3,253,573) | 180,000 | 0 | $ 4.93 |
| Detroit Area Ind | 1,396 | 86,031,642 | 15,862,210 | 16,524,210 | 19.2% | (1,501,897) | 19,200 | 0 | $ 2.97 |
| Downriver Ind | 644 | 41,703,896 | 4,898,386 | 4,991,437 | 12.0% | (585,378) | 0 | 0 | $ 3.97 |
| East Area Ind | 4,084 | 115,104,156 | 11,832,682 | 11,899,562 | 10.3% | (1,454,939) | 139,390 | 0 | $ 4.39 |
| I-96 Corridor Ind | 1,905 | 56,656,945 | 6,915,626 | 7,139,650 | 12.6% | (707,573) | 209,570 | 60,523 | $ 5.88 |
| Oakland County NW Ind | 1,311 | 51,045,996 | 5,505,909 | 5,625,415 | 11.0% | (623,547) | 0 | 0 | $ 5.37 |
| Royal Oak/Southfield Ind | 1,164 | 19,641,290 | 1,869,832 | 1,911,889 | 9.7% | (134,283) | 0 | 0 | $ 5.54 |
| Troy Area Ind | 1,452 | 32,124,630 | 4,507,746 | 4,601,695 | 14.3% | (1,267,899) | 0 | 0 | $ 5.04 |
| Washtenaw Ind | 762 | 25,534,746 | 3,753,414 | 3,819,813 | 15.0% | 520,164 | 0 | 0 | $ 7.30 |
| **Totals** | **15,717** | **540,407,811** | **71,146,405** | **74,080,222** | **13.7%** | **(9,008,925)** | **548,160** | **60,523** | **$ 4.77** |

Source: Costar

**Construction Activity** Markets Ranked by Under Construction RBA — Fourth Quarter 2009

| Market | Under Construction Inventory | | | | Average Bldg Size | |
|---|---|---|---|---|---|---|
| | # Bldgs | Total RBA | Preleased SF | Preleased % | All Existing | U / C |
| I-96 Corridor Ind | 2 | 60,523 | 21,000 | 34.7% | 29,741 | 30,261 |
| Downriver Ind | 0 | 0 | 0 | 0.0% | 64,758 | 0 |
| East Area Ind | 0 | 0 | 0 | 0.0% | 28,184 | 0 |
| Oakland County NW Ind | 0 | 0 | 0 | 0.0% | 38,937 | 0 |
| Royal Oak/Southfield Ind | 0 | 0 | 0 | 0.0% | 16,874 | 0 |
| Troy Area Ind | 0 | 0 | 0 | 0.0% | 22,124 | 0 |
| Airport/I-275 Ind | 0 | 0 | 0 | 0.0% | 37,534 | 0 |
| Washtenaw Ind | 0 | 0 | 0 | 0.0% | 33,510 | 0 |
| Detroit Area Ind | 0 | 0 | 0 | 0.0% | 61,627 | 0 |
| **Totals** | **2** | **60,523** | **21,000** | **34.7%** | **34,384** | **30,261** |

Source: Costar

**Historical Industrial Market Statistics** — Fourth Quarter 2009

| Period | Existing Inventory | | Vacancy | | | Net Aborsption | Deliveries | | UC Inventory | | Quoted Rates |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | # Blds | Total RBA | # Blds | Total RBA | |
| 2009 4q | 15,717 | 540,407,811 | 71,146,405 | 74,080,222 | 13.7% | (1,892,380) | 1 | 45,000 | 2 | 60,523 | $4.73 |
| 2009 3q | 15,717 | 540,372,348 | 69,244,675 | 72,152,379 | 13.4% | (1,564,453) | 3 | 48,990 | 3 | 105,523 | $4.77 |
| 2009 2q | 15,714 | 540,323,358 | 67,795,589 | 70,538,936 | 13.1% | (2,855,846) | 4 | 103,151 | 5 | 133,513 | $4.91 |
| 2009 1q | 15,711 | 540,248,832 | 65,163,332 | 67,608,564 | 12.5% | (2,696,246) | 5 | 351,019 | 9 | 236,664 | $5.01 |
| 2008 4q | 15,707 | 539,907,617 | 62,093,252 | 64,571,103 | 12.0% | (2,569,439) | 3 | 366,934 | 13 | 578,083 | $5.03 |
| 2008 3q | 15,704 | 539,540,683 | 59,053,419 | 61,634,730 | 11.4% | 4,116,106 | 1 | 20,215 | 12 | 845,771 | $5.06 |
| 2008 2q | 15,703 | 539,520,468 | 63,185,672 | 65,730,621 | 12.2% | (5,097,811) | 2 | 75,010 | 8 | 572,941 | $5.05 |
| 2008 1q | 15,701 | 539,445,458 | 58,105,075 | 60,557,800 | 11.2% | 4,883,226 | 8 | 501,227 | 7 | 528,932 | $5.13 |
| 2007 | 15,693 | 538,944,231 | 62,653,091 | 64,939,799 | 12.0% | 3,742,308 | 52 | 1,853,211 | 11 | 596,010 | $5.21 |
| 2006 | 15,642 | 537,096,076 | 66,291,968 | 66,833,952 | 12.4% | (2,855,313) | 58 | 2,947,051 | 43 | 1,226,179 | $5.37 |
| 2005 | 15,585 | 534,232,435 | 60,262,093 | 61,114,998 | 11.4% | 7,749,180 | 75 | 3,905,164 | 47 | 2,408,487 | $5.49 |
| 2004 | 15,512 | 530,399,357 | 63,387,342 | 65,031,100 | 12.3% | 2,354,445 | 67 | 2,629,559 | 70 | 3,645,979 | $5.68 |
| 2003 | 15,448 | 527,800,357 | 62,911,055 | 64,786,545 | 12.3% | (1,721,664) | 86 | 3,735,807 | 44 | 1,715,867 | $5.57 |
| 2002 | 15,364 | 524,099,911 | 57,091,530 | 59,364,435 | 11.3% | (2,280,681) | 110 | 3,992,214 | 75 | 3,282,179 | $5.12 |
| 2001 | 15,258 | 520,183,397 | 49,880,822 | 53,167,240 | 10.2% | (5,721,632) | 186 | 8,578,767 | 104 | 3,847,012 | $5.47 |
| 2000 | 15,084 | 512,003,671 | 38,157,267 | 39,265,882 | 7.7% | (2,519,050) | 232 | 11,019,934 | 152 | 7,100,445 | $5.47 |

Source: Costar

# RETAIL MARKET

**Total Retail Market Statistics** — Fourth Quarter 2009

| Market | Existing Inventory | | Vacancy | | | YTD Net | YTD | Under | Quoted |
|---|---|---|---|---|---|---|---|---|---|
| | # Bldgs | Total RBA | Direct SF | Total SF | Vac % | Absorption | Deliveries | Const SF | Rates |
| Bloomfield | 578 | 9,385,954 | 745,701 | 909,309 | 9.7% | (143,961) | 12,791 | 0 | $15.02 |
| Detroit/The Pointes | 2,047 | 18,544,469 | 2,615,130 | 2,679,578 | 14.4% | 57,855 | 27,500 | 20,000 | $11.12 |
| Downriver | 792 | 11,350,728 | 1,722,152 | 1,863,741 | 16.4% | (251,567) | 14,000 | 0 | $9.62 |
| Livingston/W Oakland | 1,122 | 19,325,221 | 1,406,041 | 1,588,760 | 8.2% | 340,594 | 603,930 | 53,203 | $16.56 |
| Macomb | 2,934 | 42,459,418 | 5,011,230 | 5,292,276 | 12.5% | 628,435 | 808,839 | 0 | $12.34 |
| North Oakland | 1,349 | 21,372,420 | 2,391,853 | 2,669,231 | 12.5% | (429,718) | 80,317 | 0 | $11.03 |
| Royal Oak | 753 | 8,161,869 | 966,846 | 1,085,937 | 13.3% | (137,776) | 32,330 | 0 | $14.36 |
| Southfield | 187 | 6,181,619 | 399,722 | 436,928 | 7.1% | (7,814) | 14,000 | 0 | $12.85 |
| Troy | 183 | 7,006,995 | 423,435 | 503,622 | 7.2% | (92,612) | 8,158 | 0 | $14.46 |
| Washtenaw | 1,127 | 14,469,367 | 1,138,892 | 1,239,848 | 8.6% | 78,713 | 214,124 | 0 | $16.77 |
| West Wayne | 1,885 | 35,279,887 | 3,994,641 | 4,392,974 | 12.5% | (610,090) | 30,890 | 282,617 | $12.68 |
| **Totals** | **12,957** | **193,537,947** | **20,815,643** | **22,662,204** | **11.7%** | **(567,941)** | **1,846,879** | **355,820** | **$12.68** |

Source: CoStar

**Construction Activity** Markets Ranked by Under Construction RBA — Fourth Quarter 2009

| Market | Under Construction Inventory | | | | Average Bldg Size | |
|---|---|---|---|---|---|---|
| | # Bldgs | Total GLA | Preleased SF | Preleased % | All Existing | U / C |
| West Wayne | 9 | 282,617 | 233,715 | 82.7% | 18,716 | 31,402 |
| Livingston/ W Oakland | 2 | 53,203 | 0 | 0.0% | 17,224 | 26,601 |
| Detroit/ The Pointes | 1 | 20,000 | 4,000 | 20.0% | 9,059 | 20,000 |
| Downriver | 0 | 0 | 0 | 0.0% | 14,332 | 0 |
| Royal Oak | 0 | 0 | 0 | 0.0% | 10,839 | 0 |
| Bloomfeild | 0 | 0 | 0 | 0.0% | 16,239 | 0 |
| North Oakland | 0 | 0 | 0 | 0.0% | 15,843 | 0 |
| Southfield | 0 | 0 | 0 | 0.0% | 33,057 | 0 |
| Troy | 0 | 0 | 0 | 0.0% | 38,290 | 0 |
| Macomb | 0 | 0 | 0 | 0.0% | 14,472 | 0 |
| All Other | 0 | 0 | 0 | 0.0% | 12,839 | 0 |
| **Totals** | **12** | **355,820** | **237,715** | **66.8%** | **14,937** | **29,652** |

Source: Costar

**Historical Retail Market Statistics** — Fourth Quarter 2009

| Period | Existing Inventory | | Vacancy | | | Net | Deliveries | | UC Inventory | | Quoted |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | # Bldgs | Total GLA | Direct SF | Total SF | Vac % | Absorption | # Blds | Total GLA | # Blds | Total GLA | Rates |
| 2009 4q | 12,957 | 193,537,947 | 20,815,643 | 22,662,204 | 11.7% | (65,766) | 10 | 356,776 | 12 | 355,820 | $12.68 |
| 2009 3q | 12,947 | 193,181,171 | 20,370,672 | 22,239,662 | 11.5% | (96,682) | 7 | 615,214 | 20 | 685,696 | $12.63 |
| 2009 2q | 12,941 | 192,607,201 | 19,720,117 | 21,569,010 | 11.2% | (91,232) | 10 | 391,401 | 23 | 1,072,183 | $13.18 |
| 2009 1q | 12,935 | 192,263,237 | 19,280,517 | 21,133,814 | 11.0% | (314,261) | 16 | 483,488 | 21 | 1,133,036 | $13.69 |
| 2008 4q | 12,919 | 191,779,749 | 18,639,782 | 20,336,065 | 10.6% | 525,467 | 21 | 544,543 | 31 | 1,452,144 | $13.93 |
| 2008 3q | 12,900 | 191,241,373 | 18,801,475 | 20,323,156 | 10.6% | 223,653 | 14 | 305,688 | 43 | 1,470,145 | $13.98 |
| 2008 2q | 12,889 | 190,949,257 | 18,957,484 | 20,254,693 | 10.6% | 710,708 | 23 | 359,653 | 40 | 1,109,762 | $14.15 |
| 2008 1q | 12,866 | 190,589,604 | 19,187,148 | 20,605,748 | 10.8% | 417,918 | 31 | 751,048 | 45 | 998,054 | $13.96 |
| 2007 4q | 12,835 | 189,838,556 | 18,937,673 | 20,272,618 | 10.7% | 1,293,072 | 22 | 1,181,155 | 56 | 1,264,789 | $13.88 |
| 2007 3q | 12,813 | 188,657,401 | 19,091,480 | 20,384,535 | 10.8% | 490,727 | 28 | 1,065,261 | 61 | 2,101,775 | $14.11 |
| 2007 2q | 12,786 | 187,594,640 | 18,963,857 | 19,812,501 | 10.6% | 535,014 | 16 | 253,435 | 61 | 2,761,638 | $14.16 |
| 2007 1q | 12,770 | 187,341,205 | 19,176,868 | 20,094,080 | 10.7% | 1,002,794 | 44 | 944,767 | 55 | 2,237,467 | $13.97 |
| 2006 4q | 12,727 | 186,405,238 | 19,246,669 | 20,160,907 | 10.8% | (80,512) | 14 | 219,316 | 72 | 2,695,362 | $13.93 |
| 2006 3q | 12,715 | 186,197,178 | 19,058,088 | 19,872,335 | 10.7% | (666,347) | 21 | 346,024 | 64 | 2,086,083 | $13.82 |
| 2006 2q | 12,695 | 185,855,654 | 18,372,517 | 18,864,464 | 10.2% | 1,052,854 | 23 | 453,154 | 46 | 1,997,529 | $14.07 |
| 2006 1q | 12,678 | 186,129,225 | 19,698,971 | 20,190,889 | 10.8% | (569,335) | 69 | 1,129,707 | 52 | 1,221,263 | $13.96 |

Source: CoStar

## Related Links

Judeh & Associates www.judehonline.com
Appraisal Institute www.appraisalinstitute.org
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