

JUDEH ASSOCIATES

Vacancy, absorption, asking rates and more for local submarkets (pages 2-4):

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



IT'S TIME TO THINK ABOUT TAX APPEALS!

TAX APPEALS 2011 -- The 2011 multiplier as published by the State Tax Commission is 1.017. As everyone knows in Michigan, values have been dropping faster than Assessor's can catch up. Remember residential properties have to be appealed first to the March Board of Appeals and non-residential properties can be appealed directly to the Michigan Tax Tribunal no later than May 31.

AEROTROPOLIS BILL SIGNED -- On December 15, 2010, Governor Granholm signed the six-bill Next Michigan legislative package into law which allows the offering of economic incentives to attract certain businesses to locate near Metro and Willow run airports. According to Wayne County Executive Robert Ficano, who has spearheaded this project, approximately 64,000 jobs can be generated as a result of this globally competitive project. The Aerotropolis Development Corporation will oversee what potentially could be \$10 billion in economic investment over the next 15 years as logistics-related companies take advantage of the incentives and the proximity to the airport.

DODD-FRANK -- Considered to be one of the most complex pieces of legislation ever written, The Dodd-Frank Wall Street Reform & Consumer Protection Act will have a direct affect on financial service firms and others such as swap dealers and participants, asset managers, executive compensation, advisers to real estate funds, credit rating agencies, appraisers, foreign banking and foreign non-banking companies, the SEC, bank and their holding companies, insurance companies and the list goes on. A summary of this legislation is on our website.

NEW MORTGAGE LOAN OFFICER COMPENSATION RULES -- The Federal Reserve Board has issued final TILA guidelines for implementing the new loan officer compensation rules. In brief, loan officers must be registered and licensed with their state banking departments and pass new standards including no criminal charges of fraud, personal financial stability and affiliation with only one licensed mortgage company among other criteria. Loan officers need to have 20 hours of industry-related education, pass a test and take continuing education classes. All loan officers need to be bonded and have their previous and current employment and licensing information posted on a public website (www.nmlsconsumeraccess.org).

PROPOSED CHANGES FOR ACCOUNTING OF LEASES -- Under review is a proposed fundamental rewriting of the financial Standards Accounting Board's Accounting Standards Codification Topic 840, which before 2009 was known as FAS 13 which have historically comprised generally accepted accounting principles (GAAP). The proposed new rule responds to dissatisfaction with the way that operating leases are disclosed on companies' financial statements.

RESTAURANT RELIEF? (maybe) -- According to a December 2010 survey, consumers say they expect to spend 5% less per meal at restaurants this year -- an average of \$12.90 per meal versus the \$13.60 spent per meal over the last 12 months. In addition, 11% say they expect to spend just \$5 or less per meal in 2011, up from 6% last year, while 60% plan to utilize coupons and other promotions. On the bright side, diners are eating out more -- 57% of consumers surveyed said they dined out at least once a week in the past 12 months, an 8% increase from March 2010. In the coming 12 months, 11% of consumers plan to increase their dining-out frequency, albeit spending less per meal.

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Office MARKET

Total Office Market Statistics

4th Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	Deliveries	Under Cost SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	760	17,246,308	2,476,095	2,646,459	15.3%	121,137	87,720	0	\$21.38
Detroit/The Pointes	769	41,265,175	7,219,807	7,280,490	17.6%	(211,938)	0	0	\$21.04
Dow nriver	274	2,454,252	581,430	595,005	24.2%	16,083	0	0	\$16.21
Livingston/W Oakland	548	7,926,887	1,100,365	1,115,691	14.1%	141,780	0	13,770	\$20.39
Macomb	1,296	13,581,783	2,077,862	2,101,131	15.5%	96,223	27,000	0	\$17.29
North Oakland	690	17,603,734	3,496,806	3,582,028	20.3%	(358,003)	0	29,715	\$17.91
Royal Oak	513	4,893,970	645,375	741,680	15.2%	30,590	0	0	\$16.93
Southfield	561	24,198,581	5,097,048	5,283,243	21.8%	211,580	0	5,992	\$18.39
Troy	308	17,601,745	5,612,737	5,862,111	33.3%	(133,212)	0	0	\$18.47
Washtenaw	835	14,417,666	1,304,495	1,347,076	9.3%	179,897	20,257	10,370	\$20.20
West Wayne	1,116	22,484,291	3,031,595	3,102,324	13.8%	299,536	181,943	0	\$17.56
Totals	7,670	183,674,392	32,643,615	33,657,238	18.3%	393,673	316,920	59,847	\$19.02

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

4th Quarter 2010

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
North Oakland	2	29,715	26,865	90.4%	25,513	14,857
Livingston/W Oakland	1	13,770	6,885	50.0%	14,465	13,770
Washtenaw	1	10,370	8,400	81.0%	17,267	10,370
Southfield	1	5,992	0	0.0%	43,135	5,992
West Wayne	0	0	0	0.0%	20,147	0
Bloomfield	0	0	0	0.0%	22,693	0
Detroit/The Pointes	0	0	0	0.0%	53,661	0
Royal Oak	0	0	0	0.0%	9,540	0
Troy	0	0	0	0.0%	57,149	0
Macomb	0	0	0	0.0%	10,480	0
All Other	0	0	0	0.0%	8,957	0
Totals	5	59,847	42,150	70.4%	23,947	11,969

Source: Costar

Historical Office Market Statistics

4th Quarter 2010

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	
2010 4q	7,670	183,674,392	32,643,615	33,657,238	18.3%	1,049,456	3	213,943	5	59,847	\$19.02
2010 3q	7,668	183,467,449	33,488,927	34,499,751	18.8%	47,952	2	47,477	7	270,940	\$18.83
2010 2q	7,668	183,452,910	33,505,355	34,533,164	18.8%	(6,200)	3	55,500	8	304,647	\$18.92
2010 1q	4,665	183,397,410	33,306,374	34,471,464	18.8%	(697,535)	0	0	7	258,155	\$18.91
2009 4q	7,666	183,467,037	32,559,659	33,843,556	18.4%	(1,440,386)	6	128,719	7	258,155	\$19.02
2009 3q	7,660	183,338,318	31,132,056	32,274,451	17.6%	(417,638)	6	51,649	13	386,874	\$19.26
2009 2q	7,655	183,289,369	30,785,236	31,807,864	17.4%	(311,907)	4	33,581	15	240,580	\$19.38
2009 1q	7,652	183,256,524	30,357,308	31,463,112	17.2%	(317,710)	11	175,991	16	211,941	\$19.54
2008	7,641	183,080,533	29,787,228	30,969,411	16.9%	(875,840)	27	606,870	25	362,932	\$19.65
2007	7,618	182,482,043	28,487,816	29,495,081	16.2%	1,727,434	69	1,837,315	23	587,562	\$20.09
2006	7,555	180,659,441	28,520,727	29,399,913	16.3%	796,265	88	2,416,701	58	1,785,137	\$20.15
2005	7,468	178,245,915	26,938,655	27,782,652	15.6%	638,579	97	1,972,495	80	2,721,772	\$20.31
2004	7,373	176,362,611	25,333,011	26,537,927	15.0%	1,365,189	92	2,743,125	86	1,931,932	\$20.42
2003	7,282	174,378,191	24,066,072	25,918,696	14.9%	1,271,776	78	3,134,600	86	2,875,509	\$20.11
2002	7,206	171,260,711	21,789,969	24,072,992	14.1%	(2,159,093)	104	2,394,057	74	3,632,422	\$21.11
2001	7,103	168,869,354	17,251,690	19,522,542	11.6%	(2,127,456)	122	4,099,833	109	3,966,504	\$20.68

Source: CoStar

Industrial Market

Total Industrial Market Statistics

4th Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Airport/I-275 Ind	3,022	112,595,208	16,436,041	17,939,315	15.9%	199,895	0	0	\$ 4.60
Detroit Area Ind	1,542	87,691,844	18,850,379	19,491,379	22.2%	(628,239)	0	0	\$ 2.97
Dow nriver Ind	657	42,554,405	5,555,681	5,648,732	13.3%	(381,093)	0	0	\$ 4.05
East Area Ind	4,101	117,967,569	11,158,387	11,347,116	9.6%	758,587	0	302,000	\$ 4.24
I-96 Corridor Ind	1,903	56,204,840	6,557,645	6,757,988	12.0%	417,707	60,523	0	\$ 5.74
Oakland County NW Ind	1,359	57,551,774	5,335,693	5,516,922	9.6%	107,689	240,000	0	\$ 5.04
Royal Oak/Southfield Ind	1,178	19,660,165	2,060,618	2,090,818	10.6%	(143,126)	0	0	\$ 5.35
Troy Area Ind	1,459	32,126,284	4,192,552	4,243,857	13.2%	488,273	0	0	\$ 5.00
Washtenaw Ind	826	35,368,061	8,188,426	8,240,991	23.3%	(4,517,008)	0	0	\$ 6.06
Totals	16,047	561,720,150	78,335,422	81,277,118	14.5%	(3,697,315)	300,523	302,000	\$ 4.53

Source: Costar

Construction Activity Markets Ranked by Under Construction RBA

4th Quarter 2010

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
East Area Ind	2	302,000	267,800	88.7%	28,766	151,000
Dow nriver Ind	0	0	0	0.0%	64,771	0
I-96 Corridor Ind	0	0	0	0.0%	29,535	0
Oakland County NW Ind	0	0	0	0.0%	42,349	0
Royal Oak.Southfield Ind	0	0	0	0.0%	16,689	0
Troy Area Ind	0	0	0	0.0%	22,019	0
Airport/I-275 Ind	0	0	0	0.0%	37,259	0
Washtenaw Ind	0	0	0	0.0%	42,818	0
Detroit Area Ind	0	0	0	0.0%	56,869	0
Totals	2	302,000	267,800	88.7%	35,005	151,000

Source: Costar

Historical Industrial Market Statistics

4th Quarter 2010

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	
2010 4q	16,047	561,720,150	78,335,422	81,277,118	14.5%	(3,427,663)	1	24,000	2	302,000	\$4.53
2010 3q	16,046	561,480,150	74,385,416	77,609,455	13.8%	(224,626)	0	0	3	542,000	\$4.57
2010 2q	16,046	561,480,150	74,161,402	77,384,829	13.8%	894,413	1	21,000	2	257,000	\$4.60
2010 1q	16,045	561,459,150	74,726,478	78,258,242	13.9%	(939,439)	1	39,523	2	38,000	\$4.68
2009 4q	16,045	561,439,867	74,107,818	77,299,520	13.8%	(2,316,822)	1	45,000	2	60,523	\$4.79
2009 3q	16,045	561,404,404	71,867,476	74,947,235	13.3%	(1,457,856)	2	39,390	3	105,523	\$4.80
2009 2q	16,043	561,365,014	70,520,491	73,449,989	13.1%	(3,413,106)	2	67,555	4	123,913	\$4.94
2009 1q	16,042	561,326,084	67,377,695	69,997,953	12.5%	(2,951,399)	5	351,019	6	191,468	\$5.04
2008	16,038	560,984,869	64,042,152	66,705,339	11.9%	1,765,218	19	1,833,284	11	542,487	\$5.07
2007	16,020	559,457,210	64,651,962	66,942,898	12.0%	1,766,738	54	1,811,810	15	1,453,707	\$5.25
2006	15,967	557,650,456	66,393,139	66,902,882	12.0%	(3,363,844)	61	2,405,687	45	1,184,778	\$5.45
2005	15,908	555,373,679	60,409,356	61,262,261	11.0%	7,507,802	84	4,636,773	51	2,061,249	\$5.46
2004	15,826	550,808,992	62,596,618	64,205,376	11.7%	3,481,868	74	2,749,403	79	4,392,246	\$5.66
2003	15,755	548,090,148	63,134,210	64,968,400	11.9%	(2,204,860)	98	3,782,524	49	1,883,079	\$5.63
2002	15,659	544,320,876	56,705,267	58,994,268	10.8%	(876,975)	124	4,715,333	88	3,496,219	\$5.12
2001	15,539	539,681,243	50,228,492	53,477,660	9.9%	(5,219,365)	201	9,178,054	122	4,758,908	\$5.48

Source: Costar

Retail Market

Total Retail Market Statistics

4th Quarter 2010

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %				
Bloomfield	721	10,152,622	727,493	861,629	8.5%	69,841	0	7,920	\$14.32
Detroit/The Pointes	2,767	23,064,700	2,417,474	2,555,521	11.1%	382,610	0	0	\$10.62
Downriver	892	12,181,462	1,788,515	1,819,233	14.9%	165,635	6,200	0	\$9.84
Livingston/W Oakland	1,200	19,667,691	1,670,826	1,747,500	8.9%	(108,093)	25,143	25,724	\$14.88
Macomb	3,113	43,209,717	4,761,127	4,887,226	11.3%	299,315	0	0	\$11.30
North Oakland	1,462	22,252,832	2,194,253	2,432,410	10.9%	252,658	158,640	10,067	\$10.43
Royal Oak	1,227	10,147,257	885,385	940,088	9.4%	251,239	46,600	0	\$13.73
Southfield	257	6,614,508	419,299	419,299	6.3%	55,548	0	0	\$12.35
Troy	222	7,491,081	394,940	430,740	5.8%	86,142	0	0	\$12.95
Washtenaw	1,675	17,222,308	1,182,602	1,285,966	7.5%	62,932	19,899	0	\$15.46
West Wayne	2,262	37,510,168	4,211,215	4,558,535	12.2%	437,204	403,326	9,533	\$11.76
Totals	15,798	209,514,346	20,653,129	21,938,147	10.5%	1,955,031	659,808	53,244	\$11.94

Source: CoStar

Construction Activity Markets Ranked by Under Construction RBA

4th Quarter 2010

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U / C
Livingston/W Oakland	1	25,724	0	0.0%	16,390	25,724
North Oakland	1	10,067	7,651	76.0%	15,221	10,067
West Wayne	1	9,533	2,288	24.0%	16,583	9,533
Bloomfield	1	7,920	7,920	100.0%	14,081	7,920
Downriver	0	0	0	0.0%	13,656	0
Royal Oak	0	0	0	0.0%	8,270	0
Detroit/The Pointes	0	0	0	0.0%	8,336	0
Southfield	0	0	0	0.0%	25,737	0
Troy	0	0	0	0.0%	33,744	0
Macomb	0	0	0	0.0%	13,880	0
All Other	0	0	0	0.0%	10,282	0
Totals	4	53,244	17,859	33.5%	13,262	13,311

Source: Costar

Historical Retail Market Statistics

4th Quarter 2010

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	
2010 4q	15,798	209,514,346	20,653,129	21,938,147	10.5%	810,235	5	183,299	4	53,244	\$11.94
2010 3q	15,794	209,335,987	21,218,010	22,570,023	10.8%	891,170	5	227,926	9	236,543	\$12.25
2010 2q	15,791	209,112,041	21,565,306	23,237,247	11.1%	602,358	7	241,583	11	444,583	\$12.46
2010 1q	15,785	208,873,458	21,754,795	23,601,022	11.3%	(349,732)	1	7,000	16	675,186	\$12.59
2009 4q	15,784	208,866,458	21,352,172	23,245,290	11.1%	(230,933)	12	272,781	9	312,753	\$12.66
2009 3q	15,772	208,593,677	20,837,477	22,741,576	10.9%	201,835	8	773,400	17	569,394	\$12.59
2009 2q	15,766	207,866,864	20,321,461	22,216,598	10.7%	(279,958)	14	461,983	21	1,096,090	\$13.15
2009 1q	15,756	207,452,318	19,624,299	21,522,094	10.4%	36,388	21	655,374	26	1,286,896	\$13.73
2008 4q	15,735	206,796,944	19,199,509	20,903,108	10.1%	455,437	22	350,342	42	1,744,988	\$14.06
2008 3q	15,715	206,452,769	19,483,627	21,014,370	10.2%	346,301	14	314,721	51	1,524,712	\$14.10
2008 2q	15,703	206,144,270	19,730,177	21,052,172	10.2%	688,843	23	352,199	43	1,296,802	\$14.25
2008 1q	15,680	205,792,071	19,986,722	21,388,816	10.4%	489,204	50	900,290	46	1,103,578	\$14.08
2007 4q	15,630	204,891,781	19,630,967	20,977,730	10.2%	1,245,403	20	989,759	76	1,488,438	\$13.98
2007 3q	15,610	203,902,022	19,928,501	21,233,374	10.4%	370,109	29	1,061,218	79	2,132,392	\$14.04
2007 2q	15,582	202,843,304	19,776,757	20,544,765	10.1%	569,351	17	255,585	62	2,646,531	\$14.08
2007 1q	15,565	202,587,719	20,021,955	20,858,531	10.3%	1,623,776	67	1,461,269	56	2,120,715	\$13.90

Source: CoStar

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