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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

4Q13 – WHAT'S BEEN HAPPENING!

HIGH-END FORECLOSURES UP – According to RealtyTrac in December 2013, US foreclosure activity is down 23% YTD through October 2013; however, foreclosure activity on properties valued at \$5 million and higher rose 61% from the same period in 2012.

GLOBAL BANKS FINED – The European Commission has fined several major global banks \$2.3 billion for their collusion in manipulating key European and Japanese benchmark interest rates that affect many loan types, including mortgages, AP reported in December 2013.

9 BANKS FACE FEDERAL INVESTIGATIONS – The US Department of Justice is investigating nine banks for their sales of mortgage-backed securities, CNBC reported. The nine banks are Bank of America, Citigroup, Credit Suisse, Deutsch Bank, Goldman Sachs, Morgan Stanley, Royal Bank of Scotland, UBS, and Wells Fargo.

SOME MORTGAGES EXEMPT – Six federal agencies jointly issued a final rule in December 2013 that amends Regulation Z in the Truth in Lending Act and exempts certain streamlined mortgages and very small loans from appraisal requirements intended for higher-priced mortgages. The final rule goes into effect January 18, 2014, according to Appraiser News Online.

JPMORGAN TO PAY BILLIONS – JPMorgan Chase agreed to pay \$5.1 billion to resolve outstanding allegations that it sold bad mortgages to Fannie Mae & Freddie Mac, Housing Wire reported in October 2013.

BANKS NEED LIQUID ASSETS – Federal Reserve officials in October 2013 unveiled a Basel III proposal that would require banks to hold enough liquid assets to meet cash needs for 30 days and would require US banks to meet the new standard two years before foreign banks would be required to comply, Reuters reports.

COUNTRYWIDE FOUND LIABLE – A federal judge has found that Bank of America's Countrywide Financial unit is liable for selling thousands of defective loans to Fannie Mae & Freddie Mac in the first mortgage fraud case prosecuted by the US government to go to trial, Bloomberg report.

ALLY REACHES SETTLEMENT – Ally Financial reached a \$170 million settlement with the Federal Housing Finance Agency and the FDIC over charges of improper foreclosure practices reported the national Mortgage News in October 2013.

BANKS MERGING OR SELLING – As many as 20% of the world's largest banks may merge or get sold, the consulting firm McKinsey & Co. announced in its annual report on the banking industry, Bloomberg reported in November 2013.

WHITE HOUSE SAYS NO – The White House has rejected proposals for recapitalizing Fannie Mae and Freddie Mac, noting that a sale for a cash infusion for the two government-sponsored enterprises would fail to address their prominent role in the \$10 trillion US home mortgage market, WSJ reported in November 2013.

JUDEH INDUCTED IN HALL OF FAME – Jumana Judeh, MAI, CCIM has been inducted by the Midwest Real Estate Magazine into its 2013 Hall of Fame. Congratulations. *You Go Girl!*

SOCIAL MEDIA – Follow Judeh & Associates



Office Market

Total Office Market Statistics

Year-End 2013

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	774	17,382,130	2,454,436	2,473,434	14.2%	144,067	0	0	\$19.43
Detroit/The Pointes	940	45,307,954	7,502,102	7,581,839	16.7%	411,980	0	0	\$17.43
Downriver	364	3,029,364	664,937	664,937	21.9%	(41,045)	0	0	\$15.06
Livingston/W Oakland	690	7,985,598	1,000,463	1,004,050	12.6%	106,711	11,232	70,820	\$19.62
Macomb	1,524	15,009,598	2,004,939	2,022,982	13.5%	41,249	0	3,428	\$15.86
North Oakland	755	19,012,449	3,409,535	3,446,402	18.1%	115,425	0	0	\$17.38
Royal Oak	628	5,233,147	604,921	604,921	11.6%	24,901	0	0	\$16.53
Southfield	587	23,458,206	5,569,591	5,739,242	24.5%	127,838	0	0	\$16.74
Troy	325	18,142,369	5,266,125	5,290,381	29.2%	155,105	0	0	\$18.55
Washtenaw	860	14,601,781	1,248,449	1,256,263	8.6%	98,978	6,235	0	\$18.67
West Wayne	1,616	25,123,079	3,641,218	3,699,883	14.7%	231,486	16,434	10,000	\$16.70
Totals	9,063	194,285,675	33,366,716	33,784,334	17.4%	1,416,695	33,901	84,248	\$17.49

Source: CoStar Property®

Construction Activity - Office Markets Ranked by Under Construction RBA

Year End 2013

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U / C
Livingston/W Oakland	3	70,820	19,958	28.2%	11,573	23,607
West Wayne	1	10,000	7,400	74.0%	15,546	10,000
Macomb	1	3,428	3,428	100.0%	9,849	3,428
Royal Oak	0	0	0	0.0%	8,333	0
Bloomfield	0	0	0	0.0%	22,458	0
North Oakland	0	0	0	0.0%	25,182	0
Southfield	0	0	0	0.0%	39,963	0
Troy	0	0	0	0.0%	55,823	0
Washtenaw	0	0	0	0.0%	16,979	0
Detroit/The Pointes	0	0	0	0.0%	48,200	0
All Other	0	0	0	0.0%	8,322	0
Totals	5	84,248	30,786	36.5%	21,437	16,850

Source: Costar

Total Office Market Statistics

Year-End 2013

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Bids	Total RBA	# Bids	Total RBA	Rates
2013 4q	9,063	194,285,675	33,366,716	33,784,334	17.4%	454,485	1	16,434	5	84,248	\$17.49
2013 3q	9,062	194,269,241	33,780,804	34,222,385	17.6%	650,929	0	0	5	92,682	\$17.58
2013 2q	9,063	194,286,391	34,318,427	34,890,464	18.0%	383,974	1	11,232	4	35,862	\$17.63
2013 1q	9,064	194,532,374	34,911,282	35,520,421	18.3%	(72,693)	1	6,235	3	31,094	\$17.07
2012 4q	9,064	194,662,139	34,981,983	35,577,493	18.3%	622,100	3	61,484	3	33,901	\$17.79
2012 3q	9,063	194,694,509	35,568,052	36,231,963	18.6%	940,510	2	273,370	5	78,951	\$17.73
2012 2q	9,061	194,421,139	36,392,280	36,899,103	19.0%	(166,435)	2	66,986	7	352,321	\$17.94
2012 1q	9,061	194,395,457	36,078,393	36,736,986	18.9%	140,754	2	81,700	7	401,840	\$18.02
2011	9,061	194,335,016	36,104,526	36,817,299	18.9%	955,560	9	308,919	6	422,056	\$18.25
2010	9,056	194,097,603	36,633,902	37,535,446	19.3%	(956,291)	13	359,811	9	506,798	\$18.82
2009	9,051	194,064,751	35,252,940	36,546,303	18.8%	(3,480,582)	21	293,865	13	500,519	\$18.85
2008	9,035	193,852,488	31,668,841	32,853,458	18.9%	(877,619)	31	583,295	19	267,292	\$19.50
2007	9,008	193,276,668	30,355,303	31,400,019	18.2%	1,530,157	74	1,854,114	28	574,122	\$20.07
2006	8,942	191,443,553	30,182,268	31,097,061	18.2%	702,237	92	2,477,019	63	1,732,572	\$20.45
2005	8,852	188,975,009	28,519,565	29,330,754	15.5%	(233,278)	99	2,045,749	88	2,827,836	\$20.48
2004	8,754	186,979,260	25,980,734	27,101,727	14.5%	2,184,120	110	3,584,531	89	2,067,592	\$20.56

Source: CoStar Property®

Industrial Market

Total Industrial Market Statistics

Year-End 2013

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	123,373,184	11,429,925	11,496,879	9.3%	1,797,479	250,000	52,000	\$4.26
Detroit Area Ind	1,834	82,756,781	14,214,678	14,214,678	17.2%	869,750	0	0	\$3.44
Downriver Ind	667	37,470,182	4,363,811	4,363,811	11.6%	362,315	0	0	\$3.71
East Area Ind	4,071	15,700,693	4,193,716	4,217,716	3.6%	922,247	0	330,778	\$4.38
I-96 Corridor Ind	2,093	54,963,233	3,814,230	3,876,519	7.1%	366,536	98,893	80,956	\$6.19
Oakland County NW Ind	1,364	53,333,050	4,947,326	5,005,326	9.4%	830,853	0	418,241	\$5.26
Royal Oak/Southfield Ind	1,216	19,941,850	1,930,215	1,930,215	9.7%	73,767	0	0	\$5.84
Troy Area Ind	1,458	30,818,483	1,786,654	1,806,525	5.9%	492,610	0	0	\$5.23
Washtenaw Ind	865	36,717,321	7,407,591	7,411,091	20.2%	181,352	0	0	\$6.04
Totals	16,686	555,074,777	54,088,146	54,322,760	9.8%	5,896,909	348,893	881,975	\$4.58

Source: CoStar Property®

Construction Activity - Industrial Markets Ranked by Under Construction R

Year End 2013

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	Existing	U / C
Oakland County NW	3	418,241	90,723	21.7%	39,100	139,414
East Area	3	330,778	267,800	81.0%	28,421	110,259
I-96 Corridor	2	80,956	25,996	32.1%	26,261	40,478
Airport/I-275 Ind	1	52,000	0	0.0%	39,568	52,000
Downriver	0	0	0	0.0%	56,177	0
Troy Area	0	0	0	0.0%	21,138	0
Royal Oak/Southfield	0	0	0	0.0%	16,400	0
Washtenaw Ind	0	0	0	0.0%	42,448	0
Detroit Area Ind	0	0	0	0.0%	45,124	0
Totals	9	881,975	384,519	43.6%	33,266	97,997

Source: Costar

Total Industrial Market Statistics

Year-End 2013

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	
2013 4q	16,686	555,074,777	54,088,146	54,322,760	9.8%	1,376,002	0	9	881,975	\$4.58	
2013 3q	16,686	555,074,777	55,484,087	55,698,762	10.0%	15,14,703	0	4	382,284	\$4.49	
2013 2q	16,689	555,317,777	57,212,744	57,456,465	10.3%	840,708	1	250,000	4	382,284	\$4.44
2013 1q	16,689	555,169,784	57,936,024	58,149,180	10.5%	2,165,496	2	98,893	4	606,960	\$4.46
2012 4q	16,687	555,070,891	59,921,883	60,215,783	10.8%	2,951,990	2	321,428	5	650,893	\$4.41
2012 3q	16,685	554,749,463	62,531,493	62,846,345	11.3%	2,642,355	0	0	7	972,321	\$4.39
2012 2q	16,686	554,799,463	65,175,493	65,538,700	11.8%	2,472,740	2	61,736	3	591,428	\$4.40
2012 1q	16,689	555,192,547	67,982,312	68,404,524	12.3%	1,521,527	1	68,475	5	653,164	\$4.37
2011	16,691	555,397,392	69,611,307	70,130,896	12.6%	3,271,411	2	196,336	5	432,211	\$4.36
2010	16,712	559,736,051	76,609,470	77,740,966	13.9%	(6,646,415)	6	383,137	3	481,336	\$4.53
2009	16,716	560,121,660	69,086,256	71,480,160	12.8%	(10,071,805)	10	379,974	4	130,655	\$4.77
2008	16,715	560,495,293	59,848,071	61,781,988	11.0%	2,451,367	27	2,218,438	12	482,678	\$5.07
2007	16,690	558,602,480	60,782,921	62,340,542	11.2%	3,532,273	47	2,451,053	20	1,702,930	\$5.22
2006	16,650	556,494,083	63,245,055	63,764,418	11.5%	(3,482,000)	64	3,359,977	38	1,550,192	\$5.46
2005	16,593	553,918,750	56,855,539	57,707,085	10.4%	6,655,511	96	4,994,156	52	2,350,338	\$5.52
2004	16,501	549,308,073	58,144,700	59,751,919	10.9%	3,754,296	81	2,797,696	92	4,774,228	\$5.72

Source: CoStar Property®

Retail Market

General Retail Market Statistics

Year-End 2013

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	663	4,930,390	373,391	478,609	9.7%	54,069	30,900	0	\$ 11.32
Detroit/The Pointes	4,097	22,135,780	2,216,454	2,242,812	10.1%	89,093	62,964	0	\$ 9.01
Downriver	1,026	7,215,357	745,126	747,252	10.4%	(136,249)	8,000	0	\$ 10.86
Livingston/W Oakland	1,370	9,303,659	283,213	283,213	3.0%	16,969	541	0	\$ 12.39
Macomb	3,036	20,628,285	1,335,691	1,399,827	6.8%	32,957	23,436	121	\$ 10.02
North Oakland	1,397	9,927,896	790,047	799,734	8.1%	63,698	5,300	22,880	\$ 10.37
Royal Oak	1,554	7,727,698	456,815	467,737	6.1%	101,762	0	7,153	\$ 13.33
Southfield	288	2,801,212	137,096	137,096	4.9%	(5,324)	5,525	10,000	\$ 16.08
Troy	232	2,018,813	112,121	112,121	5.6%	82,667	36,188	0	\$ 13.79
Washtenaw	1,658	10,651,286	365,771	365,771	3.4%	99,569	98,390	0	\$ 16.69
West Wayne	3,634	23,015,973	1,681,253	1,694,241	7.4%	479,973	234,107	5,431	\$ 9.81
Totals	18,955	120,356,349	8,496,978	8,728,413	7.3%	879,184	505,351	45,585	\$ 10.81

Source: CoStar Property®

Construction Activity - Retail Markets Ranked by Under Construction RBA

Year Ending 2013

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Released SF	Released %	All Existing	U / C
North Oakland	2	25,380	0	0.0%	13,674	12,690
Royal Oak	4	17,652	17,652	100.0%	6,887	4,413
Southfield	1	10,000	10,000	100.0%	10,892	10,000
West Wayne	3	9,043	9,043	100.0%	10,873	3,014
Washtenaw	1	8,000	0	0.0%	9,615	8,000
Troy	3	7,929	7,929	100.0%	24,289	2,643
Macomb	1	121	121	100.0%	12,148	121
Downriver	0	0	0	0.0%	11,092	0
Livingston/W Oakland	0	0	0	0.0%	13,109	0
Bloomfield	0	0	0	0.0%	12,792	0
All Other	0	0	0	0.0%	6,680	0
Totals	15	78,125	44,745	57.3%	10,701	5,208

Source: Costar

Total Retail Market Statistics

Year-End 2013

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bloomfield	823	10,527,833	962,239	1,100,514	10.5%	91,305	30,900	0	\$ 13.95
Detroit/The Pointes	4,300	28,724,678	2,857,895	2,956,523	10.3%	438,708	373,481	0	\$ 10.29
Downriver	1,222	13,554,003	2,061,298	2,063,424	15.2%	(4,471)	24,918	0	\$ 10.46
Livingston/W Oakland	1,790	23,464,489	1,520,726	1,672,726	7.1%	89,653	10,675	0	\$ 15.43
Macomb	3,841	46,659,233	4,471,975	4,763,407	10.2%	178,701	25,936	121	\$ 11.45
North Oakland	1,707	23,342,230	2,610,086	2,679,923	11.5%	145,551	5,300	25,380	\$ 10.17
Royal Oak	1,701	11,714,800	782,267	800,059	6.8%	47,003	0	17,652	\$ 14.15
Southfield	383	7,618,483	605,218	605,218	7.9%	43,999	14,629	10,000	\$ 14.19
Troy	326	7,918,119	373,091	373,091	4.7%	97,555	52,306	7,929	\$ 15.00
Washtenaw	1,912	18,383,706	960,713	960,713	5.2%	299,473	203,790	8,000	\$ 14.13
West Wayne	4,406	47,907,756	4,696,332	4,810,128	10.0%	441,583	244,107	9,043	\$ 10.71
Totals	22,411	239,815,330	21,901,840	22,785,726	9.5%	1,869,060	986,042	78,125	\$ 11.89

Source: CoStar Property®