

MARCH 2016

DETROIT MARKET RECAP

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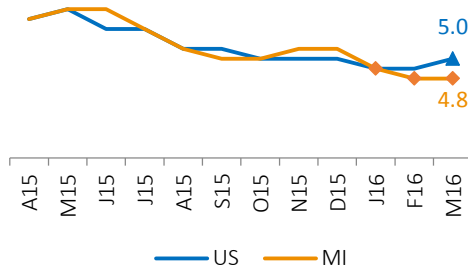
DetroitNews.com

EMPLOYMENT



MARCH U.S. UNEMPLOYMENT 7,966,000 ↓ 6.9% vs YOY	MARCH MI UNEMPLOYMENT 232,000 ↓ 15% vs YOY
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U.S. & MI UNEMPLOYMENT



In March, Michigan unemployment remained unchanged at 4.8%.

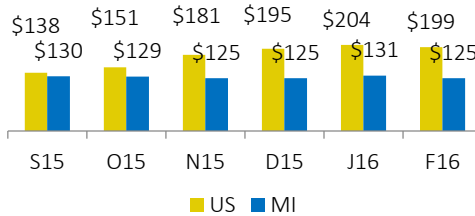
In March, the US unemployment increased slightly to 5.0% (+.1 percentage point month-over-month). Employment increased in retail trade, construction, and health care. Job losses occurred in manufactured and mining.

REAL ESTATE



March U.S. FORECLOSURES 1 in 1,212 HOMES	March MI FORECLOSURES 1 in 1,743 HOMES
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US & MI MEDIAN HOME PRICE (\$000)*



A \$100-million public-private development plan is gaining momentum in Royal Oak. The project aims to fill two needs: replacing the deteriorating City Hall and adding high-quality office space to downtown. Ground could be broken this fall. The building would be about 190,000 square feet (with city hall occupying 30,000 square feet) and be called the Royal Oak City Center, or ROCC.

The 139-year-old James Scott Mansion at 81 Peterboro in Detroit is being restored. The project will take about \$6 million and 18 months. Once finished in late 2017 the building will house 27 apartments and a small retail space.

AUTOMOTIVE



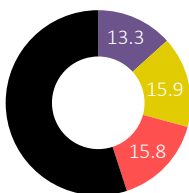
U.S.
OF CARS
SOLD
1,595,065
↑ 3.1% vs YOY

OF CARS
SOLD
BY MAKER
FIAT-CHRYSLER
213,187
↑ 8.1% vs YOY

In March there were over 1.6M new car sales (+3.1% YOY) in the U.S.

- Ford saw 253k new car sales (+7.8% YOY).
- GM saw 252K new car sales in March (+0.9% YOY).
- Fiat-Chrysler saw 213k new car sales in March (+8.1% YOY).

% MARKET SHARE



FORD
253,064
↑ 7.8% vs YOY

GM
252,128
↑ 0.9% vs YOY

GM, in an effort to win the self-driving car race, acquired Cruise Automation. Cruise is a software company dedicated to self-driving car technology. The acquisition suggests GM is shifting into high gear when it comes to rolling out cars that will either largely or entirely move through traffic using sensors and other technology.

Workers at GM's Orion assembly plant have begun work on pre-production versions of the 2017 Chevy Bolt. Pre-production are designed to train workers in new processes required for launching a new model. Production of market-ready cars will begin in Q4 of 2016.

* Median home price data is one month behind
Sources: Detroit Free Press, The Detroit News, Mlive, GoodCarBadCar, RealtyTrac



**DETROIT
REVITALIZATION**

Bedrock Real Estate Services bought another downtown Detroit property at 1900 St. Antoine — increasing businessman Dan Gilbert's investments in Detroit and hopes for revitalizing the city. The latest acquisition is more than 100,000 square feet. The real estate company leased most of the vacant space to a soon-to-be-announced tenant that is expected to bring with it "hundreds of employees."

Troy-based Kresge Foundation showed off the new addition to its headquarters. Kresge, a \$3.5-billion foundation, acquired its 3-acre site on busy Big Beaver Road in Troy in 1984. It converted a farmhouse and dairy barn dating to the 1850's into part of its new headquarters. The headquarters include many sustainability features, such as a small wetland and a 400-foot-deep geothermal well.

Robert Slattery, the developer responsible for pumping nearly \$50 million into Detroit's Midtown neighborhood, is planning a new project. Slattery hopes to begin the partial demolition of the 1912 house at 477 W. Alexandrine in April. Once completed in 2017, the apartment building will hold six residential units. Slattery also presented plans to build a second building in addition to the restoration on the property. The new building will add six more units of housing, storage space for tenants and a private garden space between the two structures.



**DEPARTMENT
STORES**

Meijer plans to spend \$80 million to remodel 12 stores in southeast Michigan. The remodels are part of a larger, \$400-million investment to build 9 news stores, including 2 in Michigan, this year, and to make enhancements to 32 stores. Meijer plans comes on the heels of efforts from Ohio-based Kroger, to build larger-format stores in Michigan, and its acquisition of Hiller's supermarket stores in metro Detroit.



ENTERTAINMENT

In March, Detroit casinos' aggregate revenue was \$125 million (up 0.8% year-over-year) for MGM, MotorCity and Greektown casinos compared with March 2015 results.

Escape the Room opened its 11th U.S. location in Detroit at 1030 Randolph, in the Brush Street Garage. The business will charge people \$28 to be locked in a room with strangers for an hour. To escape, they must solve a series of riddles. Escape the Room is a fast-growing player in the market of real-life "room escape" games, which has taken off in recent years across the globe.



FINANCIAL

Fifth Third Bank Eastern Michigan cut the ribbon on its new regional headquarters, which occupies 62,000 square feet in the One Woodward office tower in downtown Detroit. According to David Girodat, president and CEO of the regional headquarters, the move's purpose from Southfield to downtown was to contribute, "... to the remarkable resurgence Detroit is experiencing."



RESTAURANT

Mark Wahlberg is bringing his burger chain, Wahlburgers, to a location in Greektown at 569 Monroe Street. The Boston-based burger chain was founded by actor Mark Wahlberg and his family, and is popular for BBQ and homemade fries. The first Michigan location will open this summer.




**AUTO
AFTERMARKET**

The state's economic development arm announced it will spend \$1.4 million to lure Stoneridge, an Ohio-based auto supplier, to Novi. The move could lead to an estimated 140 jobs in the region. Stoneridge is a global designer and manufacturer of electrical and electronic components, and has approximately 4,100 employees worldwide across 27 locations in 12 countries. Stoneridge is expected to make a capital investment worth more than \$5.1 million.



GROCERY

The Fresh Market, a Greensboro, N.C.-based specialty grocery chain, has agreed to a roughly \$1.4 billion deal to be acquired by an affiliate of Apollo Global Management. The move came as The Fresh Market battled competition from Whole Foods and other specialty groceries, and declining same-store sales. The grocery chain's board of directors unanimously approved the deal.



OTHER

The United Auto Workers added roughly 5,000 members in 2015 as the Detroit-based union grew 1.3% year-over-year. The union said it has 408,639 members, up from the 403,466 it had in 2014. That marks the sixth straight year the union has grown its ranks after hitting a low in 2009.

Swiss banking giant Credit Suisse said it would eliminate 2,000 more jobs and accelerate cost-cutting plans mapped out last year. The Zurich-headquartered financial institution said it would make deeper cuts in its trading operations, by eliminating 2,000 jobs in Credit Suisse's Global Markets unit. The moves come in response to downbeat trading performance.

Detroit's 3.3-mile streetcar line from downtown to New Center will be known as QLINE. Quicken Loans purchased the naming rights for \$5 million.