

JANUARY 2016

DETROIT MARKET RECAP

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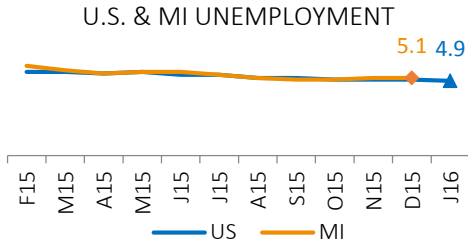
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EMPLOYMENT

JANUARY U.S. UNEMPLOYMENT
7,791,000
↓ 12.7% vs YOY

JANUARY MI UNEMPLOYMENT
246,000
↓ 19.6% vs YOY

Michigan unemployment data was not available at the time of this report. In December, the Michigan unemployment rate held steady at 5.1%. Increases in the number of unemployed were negated by gains in total employment.



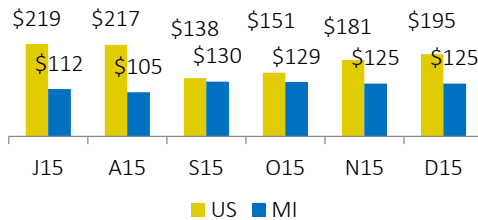
In January, the U.S. unemployment rate remained steady at 4.9% (down .1 percentage point month-over-month). Job gains occurred in several industries, led by retail trade, food services and drinking places, health care, and manufacturing. Unemployment declined in private educational services, transportation and warehousing, and mining.

JANUARY U.S. FORECLOSURES
1 in 1,387 HOMES

JANUARY MI FORECLOSURES
1 in 1,856 HOMES

Businessman Dan Gilbert stated that so many residents and businesses have been moving downtown that the city's central business district may be running out of room. In a summary of 2015 progress downtown, Gilbert, who with his partners owns or controls more than 80 properties downtown, said his Bedrock Real Estate Services signed 70 new tenants to downtown leases in 2015 after completing 53 new leases in 2014. "The demand to be downtown is very strong. Soon, the biggest challenge will be lack of adequate supply for the anticipated demand in the marketplace."

US & MI MEDIAN HOME PRICE (\$000)*



Dan Gilbert's Bedrock Real Estate Services announced two purchases: Corktown Lofts and three buildings in downtown Detroit. Corktown Lofts is a collection of properties that includes a four-story loft-style office building, two warehouses and two parking lots in the Corktown neighborhood. The properties total approximately 178,500 square feet. Gilbert also bought three buildings along Woodward Avenue and the forthcoming M-1 Rail line. The buildings adjoin each other and comprise the Lofts @ Woodward Center, an occupied 61-unit residential apartment complex with three ground-floor retail spaces at 1424-1448 Woodward Avenue. Bedrock plans to keep the 61 apartments and hopefully fill two vacant storefronts.

REAL ESTATE

AUTOMOTIVE

U.S. # OF CARS SOLD
1,148,087

OF CARS SOLD BY MAKER

FIAT-CHRYSLER
155,037

In January there were over 1.1M new car sales in the U.S.

- In January, Ford saw 172k new car sales.
- GM saw 204k new car sales in January.
- Fiat-Chrysler saw 155k new car sales in January.

% MARKET SHARE

FORD
172,478

GM
203,745

In 2015, automakers sold more vehicles in the U.S. than any year in industry history. The 2015 tally topped 17.6 million, surpassing the record of 17.4 million from 2000. Fiat-Chrysler had its best year since 2005. Ford had its best year since 2006. GM sold nearly 3.1 million vehicles, a 5% increase over 2014.

Mary Barra was also named chairman of the board by GM's board. The position is historically afforded to many GM CEOs after a growing-in period. Barra won accolades for her handling of the company's ignition switch crisis and for guiding the release of a highly acclaimed lineup of refreshed vehicles.

GM will combine its ride-sharing technology into one service called Maven. The service will launch immediately in Ann Arbor where it initially will serve faculty and students at U-of-M.

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



DETROIT REVITALIZATION

Thousands of families and auto enthusiasts made this year's auto show one of the most successful yet. According to Max Muncey, spokesman for the Detroit Auto Dealers Association, attendance was up for this year's show: the total ticketed attendance was 815,575, which edged out last year's total of 808,775. This year's auto show is expected to have a more than \$425-million economic impact on metro Detroit when all is said and done — up from \$400 million in 2015. This year's Industry Preview attendance of 39,788 broke the 2015 record of 35,551.

President Barack Obama used his visit to Detroit to spotlight the resurgence of the city and automotive industry, as well as do a bit of car shopping at the auto show. "There's only one Detroit," he said during a speech at the UAW-General Motors Center for Human Resources on the city's riverfront. "And if you're looking for the world's best cars and the workers who make those cars, you need to be in Detroit, Michigan..."

Detroit's most famous postcard image — the Renaissance Center — is getting a major upgrade. GM announced it will build a new addition to its world headquarters, including new glass-enclosed display space to exhibit GM brands and a giant video screen facing Jefferson Avenue. Construction will begin this year and be completed in 2018.



DEPARTMENT STORES

All 18 Macy's in Michigan stayed off of the retailer's newest list of store closings, delivering a pleasant surprise for local department store shoppers. None of the 40 stores on the long-anticipated Macy's closure list were in Michigan. Last year's closure of the Macy's in Northland Center proved the death knell for the entire Southfield mall, which closed for good that spring.



GROCERY

Fresh Thyme Farmers Market has confirmed it plans to build a new store in Canton, becoming the Phoenix-based company's sixth location in metro Detroit. Fresh Thyme plans to build a 28,709-square-foot store on Morton Taylor north of Ford, just north of Applebee's and Boston Market.

Jack Aronson, who last year sold his Ferndale-based Garden Fresh Gourmet salsa business to Campbell for \$231 million, started a new line of foods, Clean Planet. The company sells chicken, beef and turkey directly to customers through its website. Clean touts on its website that the company was "founded on simple, down-to-earth principles: Make honest, healthy food, make it safe and out-of-this-world good, and make it easy to get and prepare."



ENTERTAINMENT

In January, Detroit casinos' aggregate revenue was \$109 million. MGM recorded \$46.7 million. Revenues were \$37.1 million for MotorCity and \$25.2 million for Greektown.



HEALTH

Millendo Therapeutics, an Ann Arbor-based start-up drug company with roots at U-of-M, scored a \$62 million buy-in from outside investors because of its early work on treatments for several medical conditions. This follows an earlier round of investment that raised \$16 million in 2012. The \$62-million investment is the largest disclosed investment of its kind in Michigan history. The biopharmaceutical company is focused on developing new approaches for the treatment of orphan and specialty endocrine diseases.



FINANCIAL

Troy-based Talmer Bank will be absorbed into Chemical Bank later this year under a proposed \$1.1-billion merger deal to create the largest Michigan-headquartered bank in the state. All Talmer Bank locations will become Chemical Bank locations. The new Chemical Bank will have 266 branch locations in Michigan.



RESTAURANT

Max & Erma's told employees at 13 restaurants in three states that those locations were closing, effective immediately. The restaurant closures include eight locations in Michigan. Restaurants in Rochester, Novi, Livonia, Canton, Auburn Hills, Plymouth, and Ann Arbor will close. The eighth Michigan restaurant could not be learned.



OTHER

A Michigan sugar producer plans to invest \$125 million in four facilities. Money will be used for capital projects in Michigan Sugar Company plants in Bay City, Caro, Sebawaing and Croswell. About \$20 million will go toward the Bay City-based, grower-owned cooperative's agricultural department. Another \$57 million will go into the Croswell facility in Michigan's Thumb Area. The investment will complete operation upgrades at the plant.

Tesla Motors Inc. has applied for licenses to sell and service vehicles in Michigan. Gov. Snyder signed legislation in late 2014 that bans the company's business model of directly selling cars to customers. If the Secretary of State approves, Tesla could begin selling and buying vehicles as long as local business permits are taken care of.