

DECEMBER 2015

DETROIT MARKET RECAP

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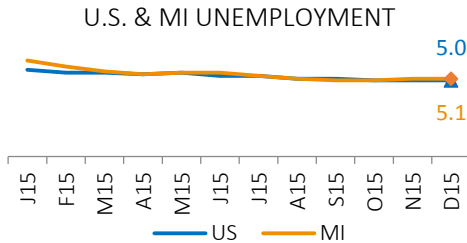
EMPLOYMENT

DECEMBER U.S. UNEMPLOYMENT
7,904,000
↓ 9.2% vs YOY

DECEMBER MI UNEMPLOYMENT
246,000
↓ 19.6% vs YOY

The Michigan unemployment rate in December remained stable at 5.1%. Increases in the number of unemployed were negated by gains in total employment.

In December, the U.S. unemployment rate remained unchanged month-over-month at 5.0%. December ended with a blockbuster 292,000 jobs added. Yet, the sharp rise in employment was offset by Americans entering the workforce to look for jobs.



REAL ESTATE

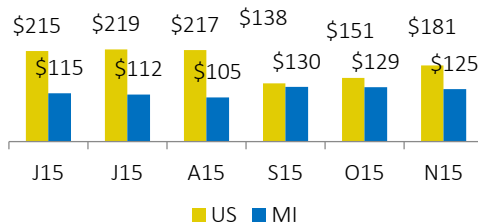
DECEMBER U.S. FORECLOSURES
1 in 1,278 HOMES

DECEMBER MI FORECLOSURES
1 in 1,476 HOMES

Bedrock Real Estate started work on "micro apartments" in downtown Detroit. Micro apartments are small studio apartments. Bedrock intends to break ground in early 2016 on a 13-story building in the Capitol Park district. It would have about 220 "micro lofts" measuring nearly 350 square feet.

Bedrock Real Estate Services is close to an agreement with the City of Detroit to buy the city-owned underground garage at the site of the old Hudson's store. The deal would allow Bedrock to build on the site. The Downtown Development Authority voted to extend a development timeline to give Bedrock and the city time to finish their negotiations.

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



The former American Motors (AMC) headquarters has been offered to the city after failing to sell in the Wayne County Treasurer tax foreclosure auction. The city has to decide whether to accept the complex at 14250 Plymouth Road. If the city declines, the county keeps the AMC property and it could go to the Wayne County Land Bank Corp. The property tentatively sold in October, but the sale was voided once the winning bidder failed to pay the bid amount and property taxes that were due.

AUTOMOTIVE

U.S. # OF CARS SOLD
1,641,913
↑ 8.9% vs YOY

OF CARS SOLD BY MAKER

- FIAT-CHRYSLER: 217,527 (↑ 12.6% vs YOY)
- FORD: 237,606 (↑ 8.3% vs YOY)
- GM: 290,230 (↑ 5.7% vs YOY)

% MARKET SHARE

In December there were over 1.6M new car sales (+8.9% YOY) in the U.S.

- In December, Ford saw 238k new car sales (+8.3% YOY).
- GM saw 290k new car sales in December (+5.7% YOY).
- Fiat-Chrysler saw 218k new car sales in December (+12.6% YOY).

Ford Motor Co. is supercharging its investment in electric vehicles (EVs). Ford will invest \$4.5 billion in electric vehicle research and add 13 new EVs by 2020. It's Ford's biggest investment over a 5-year period in the technology to date. By 2020, Ford said 40% of its nameplates worldwide will be electrified, up from about 13% today.

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



DETROIT REVITALIZATION

With developer Ashley Capital promising a \$26 million investment near the Hazel Park Raceway, the Michigan Department of Environmental Quality has approved a \$2 million loan for the city to clean up a former landfill. The funds will go toward "environmental response activities and a vapor mitigation system at the former landfill." The site is on the northeast corner of the horse race track property at 10 Mile and Dequindre roads.

The Russell Street Deli (located in the Eastern Market district) and Public Lumber & Millwork (located near I-75 and 7 Mile) have been named the big winners of the latest NEIdeas competition for Detroit small businesses. Each winner gets \$100,000 to assist in their business expansions. NEIdeas is one of multiple Detroit programs for entrepreneurs to foster a more growth-oriented economy.



DEPARTMENT STORES

Hunting and fishing gear retailer Cabela's could become an anchor at a proposed new outlet shopping center in metro Detroit. The store would be part of the planned Outlets of Southeastern Michigan in Macomb County's Chesterfield Township at the intersection of I-94 and Hall Road. Groundbreaking for the 200-acre shopping center development is expected sometime next spring with a possible fall opening.



ENTERTAINMENT

Total adjusted aggregate revenues for the three Detroit Casinos – MGM Grand Detroit Casino, Motor City Casino and Greektown Casino were up 3.3% in 2015 compared to 2014. Specifically, 2015 aggregate revenue for MGM Grand Detroit was up by 3.7%, MotorCity Casino was up by 4.4%, and Greektown Casino was up 1% when compared to aggregate revenue for 2014.



HEALTH

New York-based North American Partners in Anesthesia has acquired ProCare Systems Inc. of Grand Rapids. ProCare helps pain management medical professionals cut costs and devote more time to patient care. With the deal, ProCare goes from being the biggest medical management company in Michigan to being one of the country's biggest.



RESTAURANT

Standby, a bar, opened in downtown Detroit. They have craft cocktails, beer and wine, and a small food offering. Standby is located at 225 Gratiot Ave.




BUSINESS SERVICES

Zoller Inc., an Ann Arbor-based measured and preset tool supplier, is proposing to build a new nearly 45,000-square-foot facility in Ann Arbor. Plans have been submitted for what will be the company's U.S. headquarters. The development would include a one-story office, a warehouse and a garage. Plans indicate the project would cost approximately \$1 million, and constructed in the spring and summer of 2016.

DTE Energy announced two new solar installation sites planned for Lapeer in 2016, with the bigger of the two becoming the third largest in the country. The sites will eventually produce enough electricity to power 9,000 homes. The utility is partnering with Indiana-based Inovateus on the project. Hosting the solar installations will allow Lapeer to claim it's 100 percent green.

Newell Rubbermaid has reached a deal to acquire Farden, whose brands include Sunbeam, Rawlings, Coleman and other consumer goods. Rubbermaid will acquire the company for \$15.4 billion, and the deal is expected to close in Q2 of 2016. The combined company, which will be known as Newell Brands, would have annual revenue of about \$16 billion.



OTHER

The Michigan-based maker of Jiffy Mix baking mixes is planning a \$35 million expansion to diversify the business. Chelsea Milling Co. plans a new mixing tower that will eventually be attached to a new packaging plant and support building. The company plans to keep making boxes of mix for retail sale while boosting institutional and food-service sales.

Midland-based Dow Chemical Co. is planning to combine with its rival DuPont Co. in a \$130 billion deal and subsequently spin off tax-free into three independent, publicly traded companies. The merger is expected to close within the next two years, subject to approval. The impact of the merger on Michigan, home of Dow for more than a century, is still somewhat uncertain.

M-1 Rail will not be called M-1 Rail when the 3.3-mile modern streetcar debuts in 2017. Detroit-based Quicken Loans bought the right to name Detroit's future streetcar line for 10 years and \$5 million. Selling the naming rights for an entire mass transit system puts Detroit future streetcar on the forefront of a trend in public transportation.

The state hourly minimum is rising from \$8.15 to \$8.50. The wage will increase to \$8.90 in 2017 and \$9.25 in 2018, after which it will rise with inflation every year. Scheduled inflationary increases will not take effect if unemployment is 8.5 percent or higher for the prior year.