

FEBRUARY 2016

DETROIT MARKET RECAP

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EMPLOYMENT

FEBRUARY U.S. UNEMPLOYMENT 7,815,000
 ↓ 9.6% vs YOY

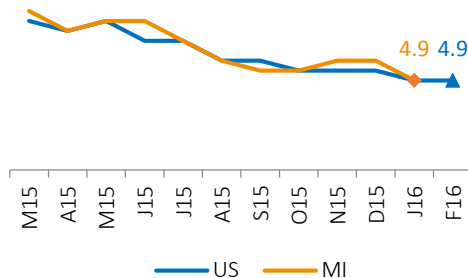
JANUARY MI UNEMPLOYMENT 237,000
 ↓ 17.1% vs YOY

The Michigan unemployment rate for February was unavailable at the time of this report. In January, the unemployment rate for Michigan was 4.9% (-.2 percentage points from December).

The U.S. unemployment rate for February was unchanged at 4.9%. Employment gains occurred in health care and social assistance, retail trade, food services and drinking places, and private educational services. Job losses continued in mining.

As baby boomers retire in increasing numbers, employers throughout Michigan face a growing problem finding workers with the education, training and skills needed to fill their jobs. Industries in Michigan from construction to health care are facing shortages of competent workers. Those shortages are growing more acute as Michigan's unemployment rate continues to decline toward the 5% mark and the pool of available talent shrinks. Shortages of qualified workers — known as the "skills gap" — presents a drag on Michigan's future economic growth.

U.S. & MI UNEMPLOYMENT



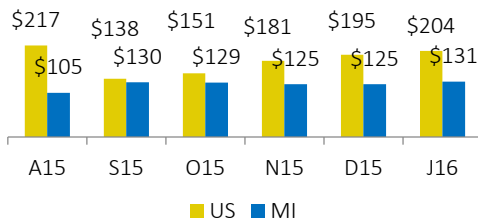
REAL ESTATE

JANUARY U.S. FORECLOSURES 1 in 1,346 HOMES

FEBRUARY MI FORECLOSURES 1 in 1,654 HOMES

Jonathon Hartzell, co-CEO of Detroit ShipYard, officially purchased the Cass Corridor land for his Detroit ShipYard shipping container restaurant collective. After finalization of the land sale, the 7,500-square-foot space will be built on Peterboro Street between Cass and Second. The ShipYard hopes to open this summer. Currently, plans call for five restaurants, two bars, a stage, gallery space and some room for retail and private event spaces.

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



AUTOMOTIVE

U.S. # OF CARS SOLD 1,343,922
 ↑ 6.8% vs YOY

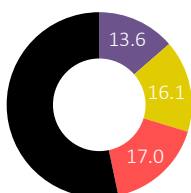
OF CARS SOLD BY MAKER

FIAT-CHRYSLER
182,879

• In February there were over 1.3M new car sales (+6.8% YOY) in the U.S.

- In February, Ford saw 216k new car sales.
- GM saw 227K new car sales in February.
- Fiat-Chrysler saw 183k new car sales in February.

% MARKET SHARE



FORD
216,045

GM
227,825

As GM expands its new Maven car-sharing service from the U-of-M campus to the larger Ann Arbor community, it is going up against a significant base of Zipcar customers. A spokeswoman at Zipcar's Boston headquarters, said the service has 40 stations on campus and 21 elsewhere in the city. Maven began with 11 locations on campus offering 17 vehicles. The plan is to grow to 20 locations with 35 vehicles throughout the city. The service plans to launch similar programs in major U.S. cities later this year.

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

**DETROIT REVITALIZATION**

A new entrance to the University of Detroit Mercy campus in northwest Detroit is part of a long-term effort to beautify and revitalize the area around Livernois and Six Mile roads, where the university has been perched for years. According to President Antoine Garibaldi, the roughly \$700,000 project is long overdue.

CONSUMER ELECTRONICS

Detroit will be one of five cities to see new residential gigabit internet service available from Comcast in 2016. The internet, phone and cable giant announced new DOCSIS 3.1-powered gigabit internet would fire in the second half of the year. The new network technology will make it possible for Xfinity and Business Internet customers to receive gigabit speeds

**ENTERTAINMENT**

Detroit casino revenue for February was not available at the time of this report. In January, Detroit casinos' aggregate revenue was \$109 million.


Businessman Dan Gilbert is branding all of his Rock Gaming casino operations as Jack Entertainment, including changing the name of his Greektown property to Jack Detroit Casino Hotel Greektown by the end of this year. The name Jack is meant to convey excitement and spontaneity. The name change will mean a rebranding of all of Gilbert's casinos, including those in Ohio, with significant changes in signage, marketing, casino decor and more.

The state's economic development approved a \$5.5-million award to restore Flint's historic Capitol Theatre as part of a number of efforts to spur the revitalization of a city reeling from its drinking water crisis. The renovation includes the entire mixed-use building, which opened as a theater in the 1920s. The project will be undertaken through a partnership between the Flint Cultural Center Corporation and the Uptown Reinvestment Corp., a nonprofit group of local business leaders.

Comerica Bank will be the third "Landmark"-level sponsor for the new Detroit hockey arena under construction at the northern edge of downtown, joining Meijer and St. Joseph Mercy Health System. Olympia Entertainment, which is building the arena, announced that Comerica has signed a multi-year sponsorship commitment as a Landmark Partner. The agreement makes Comerica the sole sponsor of the arena's future Players Club, a 250-person VIP area.

**GROCERY**

By April, Meijer will be distributing craft beer from the six largest Michigan breweries - Bell's, Founders, Short's, New Holland, Atwater and Arcadia - into Meijer stores in Indiana, Illinois, Ohio, Kentucky and Wisconsin. Meijer says the expansion of Michigan's craft beer out of state is driven by the quality of the beer and the thirst that exists in a market that remains in strong growth mode. The retailer expects double-digit increases in the craft beer sales in the next five years.

**HEALTH**

Medical technology company Stryker is buying Physio-Control International Inc. for \$1.28 billion. The purchase will help expand Stryker's product offerings and broaden its global reach. Privately held Physio-Control develops, makes and markets monitors/defibrillators, automated external defibrillators, CPR-assist devices, and data management and support services. The transaction is expected to close at the start of the second quarter.

**RESTAURANT**


Granite City Food and Brewery opened a new Detroit restaurant that is 16,000-square-feet with over 700 seats in the Renaissance Center. The national chain has 34 locations across 14 states, but picked Detroit - its 35th location - to be a flagship location. The new restaurant adds a fast-casual lunch option for the 11,000 RenCen employees.

**BUSINESS SERVICES**

The future of Dow Chemical in Michigan remains unclear as more details were announced about their merger with DuPont. The companies announced that Wilmington, Delaware will be the corporate headquarters for the company that will be spun off after the merger is complete. The merger is expected to complete later this year, and have an expected combined revenue of \$31 billion. Company officials declined to comment on anticipated job losses in Michigan.

**PERSONAL SERVICES**

A former Kmart Supercenter in Detroit is being turned into a U-Haul Moving and Storage location. The old Kmart at 19990 Telegraph Road, which closed in October 2014, was sold this past December for an undisclosed price. A temporary U-Haul showroom selling moving and packing supplies, as well as truck and trailer rental will open shortly, and a U-Haul storage facility with 1,200 climate-controlled rooms could open by late summer.

**OTHER**

The noted Ann Arbor-based comic book and board game shop Vault of Midnight will open a new location this spring in downtown Detroit in one of businessman Dan Gilbert's properties. The store will open in a storefront at 1226 Library St., between Gratiot and Grand River, and hire five new full-time employees. It will offer comic books and graphic novels as well as toys, games, action figures and branded merchandise.

U.S. consumer prices were unchanged in January, as the rising costs of housing and health care were largely offset by cheaper oil. The annual pace of inflation showed signs of acceleration. The Labor Department said prices have risen 1.4% over the past 12 months, compared to a year ago when annual inflation was close to zero. Consumer prices climbed at the fastest annual rate since October 2014. Gasoline prices at the pump have dropped 24% over the past year to a national average of \$1.72 a gallon. At the same time, economic growth struggles worldwide have pushed up the value of the dollar, making foreign imports cheaper.