

APRIL 2015

DETROIT MARKET RECAP

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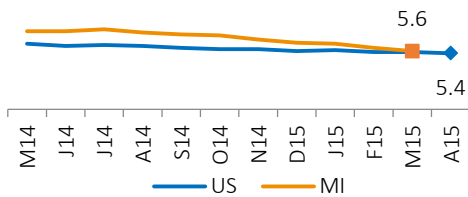


EMPLOYMENT



APRIL U.S. UNEMPLOYMENT 8,549,000 ↓11.8% vs YOY	MARCH MI UNEMPLOYMENT 267,000 ↓26.4% vs YOY
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U.S. & MI UNEMPLOYMENT



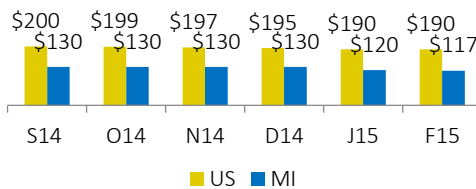
The Michigan unemployment rate for April was not available at the time of this report. The Michigan unemployment rate declined in March to 5.6% (down .3 percentage points from February).

The U.S. unemployment rate for the month of April was 5.4% (down 0.1 percentage points from March). Job gains occurred in professional and business services, health care, and construction. Mining employment continued to decline.

REAL ESTATE



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



The landmark Fisher and Albert Kahn buildings in Detroit's New Center area are going up for public auction in June. The two buildings will be offered for sale on the website auction.com.

The site of the former Ford Wixom Assembly Plant is again up for sale. A Boston-based firm bought 240 acres of the industrial site at I-96 and Wixom Road for about \$7 million in 2013. The firm is marketing the remaining undeveloped acres for resale. A third parcel was bought last fall by Wixom-based Schonscheck Inc., which is developing the property for industrial use.

The Ilitch family's Olympia Development will have one year after completing the new arena project in Detroit to finish the renovation of the Eddystone Hotel into a new residential and mixed-use building. Detroit's Downtown Development Authority approved an amendment to the city's agreement with Olympia to build the arena and surrounding district. The agreement calls for Olympia to develop and complete the hotel, to restore the historic façade; and to set aside 20% of the rental apartments for affordable housing.

AUTOMOTIVE



U.S.
OF CARS
SOLD
1,455,242
↑ 4.6% YOY

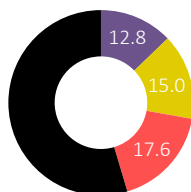
OF CARS
SOLD
BY MAKER

FIAT-CHRYSLER
189,027
↑ 5.8% vs YOY

In April, 1.5 million (+4.6% YOY) new cars were sold in the U.S.

- Ford sold 221,652 (+5.4% YOY) new cars in the U.S. in April.
- In April, GM saw 269,056 (+5.9% YOY) new car sales in the U.S.
- Fiat-Chrysler saw 189,027 (+5.8% YOY) new car sales in the U.S. in April.

% MARKET
SHARE



FORD

221,652
↑ 5.4% vs YOY

Fiat Chrysler Automobiles received commitments of \$3 billion for bonds. The automaker intends to use the money "for general corporate purposes," and to pay off some of the \$12.7 billion in debt held by FCA US.

GM

269,056
↑ 5.9% vs YOY

GM will invest \$5.4 billion in its U.S. facilities over the next three years, including \$783.5 million to upgrade three Michigan plants. The largest portion, \$520 million, will go towards equipment at the Delta Township assembly. The company's Pontiac Metal Center will receive \$124 million in new equipment. GM will spend \$139.5 million for a new body shop and to upgrade stamping operations at a plant in Warren.



DETROIT REVITALIZATION

The Kresge Foundation announced \$1.6 million in grants to a variety of neighborhood-based initiatives in Detroit. The monetary awards are part of a three-year, \$5-million initiative to fund neighborhood efforts of Detroit-based nonprofits. Among the winners is Heritage Works, which will receive \$100,000 to support Intersections, a project to transform vacant lots throughout Detroit into community-centered parks.

Ferrous CAL Co., an Ohio company, plans to invest \$53 million to redevelop a steel plant. The Wayne County Commission approved cleanup for a mostly inactive steel plant site, the former McLouth Steel at 28000 W. Jefferson in Gibraltar. The company plans to upgrade and clean the site to produce steel for automotive companies. The company expects to create 100 jobs.

HM Ventures Group 6, a New York investment entity, plans to turn the Wurlitzer Building into a hotel with a café, restaurant, and a roof-level lounge. Total investment is estimated to be near \$21 million. The project is expected to create 60 full-time jobs. The city's Brownfield Redevelopment Authority, a quasi-public arm of the city, approved a Tax Increment Financing reimbursement of almost \$1.9 million to assist in the project.

Southfield-based REDICO, a developer, unveiled designs for transforming the blighted Bloomfield Park, which fronts Telegraph Road and straddles Pontiac and Bloomfield Township. Plans call for razing parking garages and other structures on the site. In its place would come new retail buildings, offices, a grocery store, and a fitness center. The project is estimated to cost \$180 million. If approved, demolition plans could begin later this year.

The old Brewster Wheeler Recreation Center, near Brewster Douglass public housing, is being redeveloped. The rec center will feature a restaurant with a rooftop beer garden, a basement bar, event space, and offices for groups. The cost of the investment is up to \$15 million. Construction on the restaurant is expected to begin by the end of the year, with an opening in 2016.



DEPARTMENT STORES

Laurel Park Place will receive an estimated \$5 million facelift in an effort to attract new and younger shoppers. Construction began early in the month and is expected to be finished in November. The renovations include a brighter, more modern color scheme, new flooring, new seating, and energy-efficient lighting.

Nordstrom Rack announced it plans to open a 33,000-square-foot store in Novi in fall 2016. It will be the state's fifth Nordstrom Rack. It is to be located in West Oaks, which is across Novi Road from Twelve Oaks Mall.

Detroit native William Adler is set to open a leather goods shop in Midtown. Based in Eugene, Oregon, where Adler lives now, the business sells mostly leather bags, belts, and accessories for men, women, and pets. The 9,000-square-foot shop in Midtown is expected to open in late 2015 at 4120 Second St. and include an espresso bar.



AUTO AFTERMARKET

Southfield-based Lear is spending nearly \$1.1 billion on two big acquisitions. Lear completed the \$850-million purchase of Ottawa Eagle in January and paid \$257 million for Guilford Mills in 2012. The acquisitions give Lear more control over the materials it uses on seats and steering wheels it sells to most of the world's largest automakers.

The Michigan Strategic Fund approved a \$3.5-million incentive grant for India-based Sakthi Automotive. Sakthi is launching a major expansion of vehicle parts manufacturing along a half-mile stretch of Fort Street in southwest Detroit. Expansion plans include a new aluminum foundry, 350 more jobs, and conversion of the former Southwestern High School into a worker training hub.



ENTERTAINMENT

Revenues at the Detroit casinos increased from the same month last year. Revenue totaled \$120.5 million (+7.4% YOY) for the combined three Detroit casinos. MotorCity Casino's revenue was up 6.0% (YOY) to \$40.5 million (YOY), MGM was up 10.4% (YOY) to \$51.8 million, and Greentown revenue was up 4.1% (YOY) to \$28.2 million.



BUSINESS SERVICES

Gas Station TV, A Dan Gilbert-backed startup company, is moving to downtown Detroit with its 80 employees. The company will relocate its headquarters to 1201 Woodward Ave. GSTV provides video at gas pumps. In less than a decade, the at-the-pump broadcast has grown from a five-station pilot to 3,000 stations in 45 states.



OTHER

Delta Air Lines may eventually put an international hub in Shanghai, building up its service to Asia in a move that would boost the company's Detroit business. Delta, which has partnerships with China Eastern and China Southern airlines, will need an expanded presence in the world's largest economy. Plans for a Shanghai hub have not been solidified.

An England-based pharmaceutical company has offered to acquire Perrigo, a generic drug maker with roots in Michigan. Mylan N.V. announced it offered to acquire Perrigo for \$28.9 billion. The deal would combine the two global drug makers. Perrigo in 2013 moved its corporate headquarters from Allegan to Ireland for tax purposes. Perrigo has an estimated 6,400 employees in the U.S.