

JULY 2015

# DETROIT MARKET RECAP

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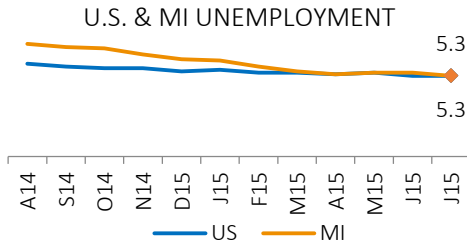
## EMPLOYMENT



JULY U.S. UNEMPLOYMENT 8,266,000 ↓ 12.2% vs YOY	JULY MI UNEMPLOYMENT 249,000 ↓ 24.5% vs YOY
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The July unemployment rate for the state of Michigan was 5.3% (down .2 percentage points from June). This is the lowest monthly rate for the state since August 2001.

In July, both the unemployment rate (5.3%) and the number of unemployed persons (8.3 million) were unchanged since June. Over the year, the unemployment rate and the number of unemployed persons were down by 0.9 percentage points and 1.4 million, respectively.



## REAL ESTATE



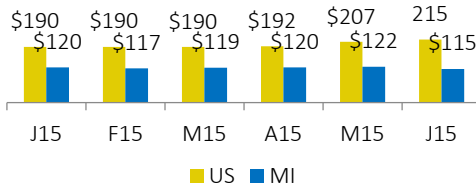
JULY U.S. FORECLOSURES 1 in 1,057 HOMES	JULY MI FORECLOSURES 1 in 1,4086 HOMES
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The metro Detroit real estate market is inching back toward pre-recession territory. Home prices across the metro area were about 4% higher this May compared to a year earlier according to the latest Standard & Poor's/Case-Shiller Home Price index. Local housing prices are now back to their January 2008 levels, although still 21% off their peak in late 2005 and early 2006, the index found.

In Detroit neighborhoods, analysis of land records shows the median sale price of any home in the city was \$30,000 last month, more than four times the \$7,000 median in 2009. In Detroit's suburbs, prices have been steadily rebounding from recessionary lows with help from super-low mortgage rates, slimmer inventories of existing homes, improvements in the economy, and people's personal finances.

Last month a team comprised of Southfield-based REDICO, Peter Cummings, John Rhea of RHEAL Capital Management, and New York-based HFZ Capital Group completed their \$12.2-million purchase of the Fisher and Albert Kahn buildings. The group announced plans to convert part of the properties to residential use.

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

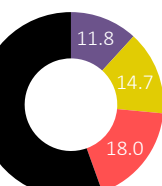


## AUTOMOTIVE



U.S. # OF CARS SOLD 1,510,940 ↑ 5.3% YOY	# OF CARS SOLD BY MAKER <b>FIAT-CHRYSLER</b> 178,027 ↑ 6.2% vs YOY
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- In July, there were 1,510,940 new car sales (+5.3% YOY) in the U.S.

% MARKET SHARE	<b>FORD</b> 222,014 ↑ 5.0% vs YOY
	<b>GM</b> 272,512 ↑ 6.4% vs YOY

- In July, Ford saw 222,014 new car sales (+5.0% YOY).

- GM saw 272,512 new car sales in July (+6.4% YOY).

- Fiat-Chrysler saw 178,027 new car sales in July (+6.2%).




**DETROIT  
REVITALIZATION**

The Michigan DNR Outdoor Adventure Center, Detroit's newest riverfront attraction opened. Built in the Globe Building near Milliken State Park and Harbor, the center includes a man-made rock formation with a 36-foot waterfall, kayaks, and a variety of other activities. The project took three years to build, and cost \$18 million.

Royal Oak could be home to a new Hyatt Place hotel as part of a larger mixed-use development. The \$48-million project, which received incentives this week from the Michigan Economic Development Corp., is planned for a 3.56-acre site at 400 N. Main. The space could include apartments, retail and office space and a parking deck.

Brandon Duckett, a New York developer, hopes to transform a 1922 22,795 square-foot vacant apartment building at 678 Selden into a residential development with 28 apartments. The \$3.7-million project, which includes a state performance grant and a \$1.5-million construction loan, calls for 28 apartments and two commercial spaces in the building. It will be called the H.R. Finn Apartments.



**CONSUMER  
ELECTRONICS**

The Ferndale-based IT risk management company CBI is opening an office in downtown Detroit in September at 1260 Library. Fifty employees will move to that office and add 20 positions. The Detroit office will be home to some of CBI's executive, sales, presales, marketing, IT security strategists and recruiting teams.



**GROCERY**


Five Hiller's Markets re-opened as Kroger stores, including the: South Lyon, Commerce Township, Northville Township, West Bloomfield and Ann Arbor locations. A downtown Northville store is being renovated and will re-open in the fall. A second former Hiller's in Commerce Township on Union Lake will not re-open, because Kroger opened a store nearby a year ago.

Fresh Thyme Farmers Market's opened three metro Detroit locations. The stores are located at 901 E. Big Beaver Road in Troy, 15480 Sheldon Road in Northville, and 2025 S. Rochester Road in Rochester Hills. The chain opened its first store in April 2014 in Mt. Prospect, Illinois, and now has 21 stores in the Midwest. Fresh Thyme is backed by Meijer.



**ENTERTAINMENT**

Aggregate revenue at the Detroit casinos increased in July compared to the same month a year ago. Revenue totaled \$114.7 million at Greektown, MGM Grand and MotorCity casinos last month (+3.1% YOY).



**RESTAURANT**

Dessert Oasis Coffee Roasters, a coffee shop based in suburban Rochester, will open a downtown Detroit location in The Albert in Capitol Park in September. The shop will be the company's second location and also the second retail tenant to take space in The Albert. Dessert Oasis Coffee Roasters specializes in small-batch coffee roasting and brewing by the cup.

Panera Bread will open its first Detroit bakery-café this winter in the GM Renaissance Center. Construction is expected to begin in September and wrap up in early 2016. The 4,429-square-foot restaurant will have about 30 employees and feature an integrated series of technologies designed to improve service and convenience for customers.



**TELE-  
COMMUNICATIONS**

To keep pace with customer demands for faster Internet speeds, Comcast is boosting its most popular 50 megabits-per-second Internet plan to 75 megabits-per-second at no added charge. The move, is part of the Philadelphia-based cable company's effort to increase broadband speed, and compete to keep and attract customers as online providers race to build better networks and push more Internet services.



**AUTO  
AFTERMARKET**

Magna International reached an agreement to purchase Getrag for \$1.9 billion, giving one of the world's largest suppliers control over one of the world's largest automotive transmission manufacturers. Magna's decision to acquire Getrag occurs after several other mergers among automotive suppliers as automakers work to fill out product lines and acquire in-demand technology. Getrag makes a range of transmission systems.



**OTHER**

Masco, the Michigan-based maker of brand-named faucets and other building products, plans to move its headquarters from its longtime home in Taylor to Livonia by the end of next year. The company, which spun off its installation and services business and has cut corporate staff, intends to move into new, three-story 75,000-square-foot digs in about 12 acres at West Seven Mile Road and Haggerty Road, near Schoolcraft College.

The Ilitch family's Olympia Development demolished the Park Avenue Hotel by implosion on July 11th. Implosion method reduces the time of demolition from three months to a single morning and keeps the overall construction of the planned Red Wings hockey and events arena on schedule for a September 2017 opening.