

SEPTEMBER 2015

DETROIT MARKET RECAP

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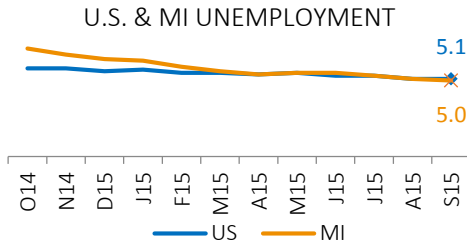


EMPLOYMENT

SEPTEMBER U.S. UNEMPLOYMENT
7,915,000
↓ 14.3% vs YOY

SEPTEMBER MI UNEMPLOYMENT
235,000
↓ 26.3% vs YOY

Michigan's economic recovery reached a new high after the unemployment rate in September bested the nation's average for the first time in 15 years. The state's seasonally adjusted, monthly unemployment level, 5%, is slightly below the national average of 5.1%. It's the first time that has happened since August 2000, when both the state and national unemployment rates were below 5%.



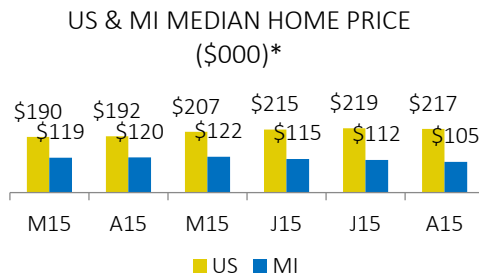
The September U.S. unemployment rate remained unchanged at 5.1%. The number of unemployed persons changed little. Job gains occurred in health care and information, while mining employment fell. Over the year, the unemployment rate and the number of unemployed persons were down by 0.8 percentage points and 1.3 million; respectively.

REAL ESTATE

AUGUST U.S. FORECLOSURES
1 in 1,210 HOMES

AUGUST MI FORECLOSURES
1 in 1,386 HOMES

RealtyTrac's U.S. Home Sales Report shows that single family home and condo sales were on pace for an eight-year high nationwide. A total of 1.9 million U.S. single family homes and condos sold through August in 2015 (up 5.4% YOY). Further, 110 metro areas were on pace for at least an eight-year high; including Detroit.



Southfield-based auto supplier Lear Corp. has purchased a downtown Detroit building as a future satellite office. The seven-story Hemmeter Building, at 230 E. Grand River, will be refurbished and used by Lear at a yet-to-be-determined point. The building's recent commercial tenants include the Coaches Corner sports bar, the Wolverine Fur Co. and a sunglasses and apparel shop called Spectacles. Coaches Corner relocated to Bagley Ave, the furrier may be relocated, but Spectacles is expected to stay put.

Construction work has begun on DuCharme Place, a 185-unit, \$42-million upscale residential community planned for 1544 E. Lafayette. The project is headed by Southfield-based Arco Construction. DuCharme Place is expected to be ready by 2016.

AUTOMOTIVE

U.S. # OF CARS SOLD
1,442,112
↑ 15.7% vs YOY

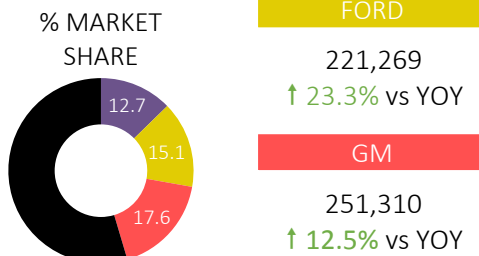
OF CARS SOLD BY MAKER
FIAT-CHRYSLER
193,019
↑ 13.6% vs YOY

- In September there were over 1.4M new car sales (+15.7% YOY) in the U.S.

- In September, Ford saw 221k new car sales (+23.3% YOY).

- GM saw 251k new car sales in September (+12.5% YOY).

- Fiat-Chrysler saw 193k new car sales in September (+13.6%).



FORD
221,269
↑ 23.3% vs YOY

GM
251,310
↑ 12.5% vs YOY

Fiat-Chrysler Automobiles committed to invest \$5.3 billion in its U.S. plants over the next four years as part of its tentative agreement with the UAW. The automaker's investments would help the UAW secure thousands of jobs. The \$5.3 billion includes \$3.4 billion invested in assembly plants, \$1.5 billion at engine and transmission plants, \$315 million at stamping plants and \$34 million at Mopar parts distribution plants.

DETROIT REVITALIZATION

The local tech scene notched another new entrant after mortgage giant Dan Gilbert invested in Campless. Campless, a website that provides data to sneaker collectors, received a "significant investment" from Gilbert's Detroit Venture Partners. Detroit Venture Partners is a venture capital firm that invests in seed and early-stage technology companies. Two months ago, Campless relocated its headquarters to One Campus Martius.

Hopes of turning downtown Detroit into a major technology hub took a couple of big steps forward as digital giant Amazon and Lear announced major moves and investments. Amazon said it would establish a technology hub on several floors of the 150 W. Jefferson office tower. Amazon did not give a specific figure, but it said "multiple floors" would be added to its operations, indicating roughly several hundred new workers. Lear said it would establish a new innovation and product design center at 119 W. State in downtown's Capitol Park district. Lear will position about 150 workers in the center. The moves are expected to be completed by fall 2016.

DEPARTMENT STORES



Macy's will soon open Best Buy shops within some of its department stores as a way to test selling consumer electronics. This initiative will begin in 10 unidentified Macy's stores across the country in November. The 300-square-foot space will be staffed by Best Buy employees and feature Samsung products and other brands.

Carhartt, the Michigan work apparel maker, plans to invest \$18.6 million to expand its headquarters in Dearborn, creating 215 jobs, within the next three years. The expansion is aimed at adding space and employees. To assist with its expansion, the company is seeking a nearly \$1.4 million grant from the Michigan Strategic Fund.

Although nothing has been announced yet, it appears that Detroit is close to getting a Nike store on Woodward Avenue downtown. The website for the U.S. Green Building Council shows that a Nike store, to be located at 1261 Woodward downtown, has a pending certification as an environmentally sensitive "green" building. The store would be about 19,500 square feet, and the location would be in a storefront controlled by businessman Dan Gilbert's Bedrock Real Estate Services through a master lease.

CONSUMER ELECTRONICS



Llamasoft, an Ann Arbor supply chain software company, scored one of the state's largest recent investments in a technology venture. Llamasoft received a \$50-million buy-in with Goldman, Sachs & Co. The investment by affiliates of Goldman, Sachs & Co. will be used to fund technology development and growth initiatives.

ENTERTAINMENT



Detroit casinos reported a 4.3% year-over-year increase in aggregate revenue during September.

Imagine, a Michigan movie theater chain, is reopening the theater at the Palladium in downtown Birmingham after investing millions of dollars to give it a new look and features. New features include a casual-fare restaurant, a full bar with drink delivery, and more comfortable seats. The updated theater, off Old Woodward, is set to open to the public on Oct. 2.

HEALTH



Henry Ford Health System will build a \$110-million cancer center in Detroit as part of a \$500-million expansion and neighborhood improvement project spanning 300 acres. The planned five-story, 144,000 square-foot cancer center in the city's New Center neighborhood will include a rooftop garden and skywalk to connect it to Henry Ford Hospital. Officials are expected to break ground in spring 2016 and open the center in summer 2018.

At one suburban Detroit Meijer, shoppers can now checkout and also get a check-up. Beaumont Health has opened its first "retail health clinic" inside the Royal Oak Meijer store at 5150 Coolidge Highway. The Beaumont FastCare clinic is staffed by Beaumont nurse practitioners and offers a low-cost option for routine health services such as a sports physical and vaccinations.

OTHER



Detroit's first craft-beer store, 8 Degrees Plato, opened in a sparsely populated area of Cass Avenue, south of the Midtown core. Its craft beers from across Michigan and the country are displayed across 2,400 square feet, under high ceilings with historic accents. Customers at the new store are able to drink while they shop, whether it's poured from one of 16 taps or a bottle off the shelves.