

OCTOBER 2015

DETROIT MARKET RECAP

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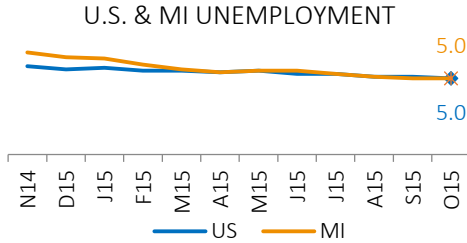
EMPLOYMENT

OCTOBER U.S. UNEMPLOYMENT
7,908,000
↓ 14.3% vs YOY

OCTOBER MI UNEMPLOYMENT
238,000
↓ 24.2% vs YOY

The Michigan unemployment rate for October was 5.0% (flat from September). The number of jobs in Michigan grew by 9,000 in October from the previous month, while the number of unemployed edged up by 3,000 people. Total employment has risen in eight of the first 10 months this year.

In October, the U.S. unemployment rate was 5.0% (down .1 percentage point from September). Job gains occurred in professional and business services, health care, retail trade, food services and drinking places, and construction.



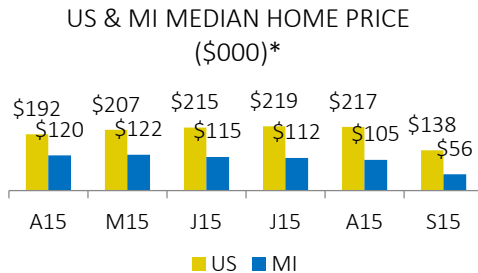
REAL ESTATE

SEPTEMBER U.S. FORECLOSURES
1 in 1,147 HOMES

SEPTEMBER MI FORECLOSURES
1 in 1,434 HOMES

The Skillman Foundation and Rock Ventures (founded by Dan Gilbert) commissioned a new report to understand the impact of blight removal. The report found that each individual demolition in the so-called Hardest-Hit zones in Detroit increased the value of occupied single-family homes within 500 feet by 4.3%. Overall, the study showed an estimated increase in total home equity of more than \$209 million following the blight demolitions.

Wayne County canceled the sale of the tax-foreclosed former American Motors Corp. headquarters after the winning auction bidder didn't pay. The sprawling and dilapidated complex on Plymouth near Schaefer in Detroit could be transferred to the city. Nicholas Casab, 25, of Commerce Township was the sole auction bidder, but the sale was voided when he didn't pay the \$500 bid price or its summer tax bill of \$160,600.



AUTOMOTIVE

U.S. # OF CARS SOLD
1,455,153
↑ 13.6% vs YOY

OF CARS SOLD BY MAKER

- FIAT-CHRYSLER**
195,545
↑ 14.7% vs YOY
- FORD**
213,105
↑ 13.4% vs YOY
- GM**
262,993
↑ 15.9% vs YOY

% MARKET SHARE

Maker	Market Share (%)
GM	17.7
Ford	15.0
Fiat-Chrysler	12.8

- In October there were over 1.45M new car sales (+13.6% YOY) in the U.S.
- In October, Ford saw 213k new car sales (+13.4% YOY).
- GM saw 263k new car sales in October (+15.9% YOY).
- Fiat-Chrysler saw 196k new car sales in October (+14.7% YOY).

The UAW secured a net gain of just over 100 jobs over the next four years in its tentative agreement with Fiat-Chrysler Automobiles. In 2011, Fiat-Chrysler committed to adding 2,100 jobs. Sales grew faster than anticipated and FCA added about 13,000. Today, sales are booming, and expected to surpass 17 million this year. Growth is expected to slow or plateau in the coming years.

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



DETROIT REVITALIZATION


The Ilitch family plans to donate land and cash worth \$40 million for a new Wayne State University business school, the largest single gift in the university's history. The donation will include \$35 million to build the school plus a \$5-million endowment. The building would be located near the family's new Red Wings arena under construction on Woodward Avenue north of downtown Detroit. The school is expected to be completed by 2018.

Mayor Mike Duggan announced a deal to transfer about 40 acres of city-owned land near Eastern Market to the RecoveryPark farming project. RecoveryPark is an effort to grow food commercially inside the city and use the profits to support SHAR, a drug addiction recovery agency. The deal will see the city lease and then eventually sell about 400 parcels near Chene and Ferry to RecoveryPark. The operation will pay \$105 per acre per year in lease payments to the city and eventually buy the land for about \$3,500 per acre.



DEPARTMENT STORES

Walgreens said it will buy rival Rite Aid in a \$17.2 billion deal that would whittle the drug-store industry into two massive chains. The deal would combine the second and third largest drug-store operators, and if it gets regulatory approval, it will intensify the competition between Walgreens and CVS Health. Walgreens Boots Alliance, which operates the namesake drug-store chain, said it is paying \$9 per share in cash in a valuation that includes the assumption of debt. Walgreens said Rite Aid would keep its brand name for now.




CONSUMER ELECTRONICS

The Troy-based private company New World Systems, a software company targeting government clients, will be bought for \$670 million in cash and stock by Texas-based Tyler Technologies. New World Systems has more than 470 employees and more than 2,000 customers in local, state and federal government agencies. The transaction is expected to close by the end of the year.

Comcast plans to add 400 jobs in Michigan over the next year, about 300 of them will be in the company's customer service call centers in Ann Arbor, Plymouth and Sterling Heights. The hires are part of a national effort aimed at improving the company's customer service.

GROCERY


Whole Foods Market is coming to Birmingham. The city's planning board approved final site plans for the supermarket chain to open a new store at 2100 E. Maple. Doing so will allow the store to move into a newly-constructed building that's almost twice the size of their existing location at Maple and Coolidge in Troy.



HEALTH

The Farmington Hills city council approved a \$160-million Beaumont expansion project on the 24-acre campus that will increase beds, add a new pavilion for rooms and build a new parking structure. The city council was following the recommendation of the city's planning commission, which recommended approval of the plan in August. The hospital handles some 15,000 admissions a year, sees some 65,000 patients and is a Level I trauma center.

HealthPlus of Michigan will merge into Health Alliance Plan (HAP) operations. Flint-based HealthPlus was formed in 1979. HAP is based in Detroit and has more than 675,000 members and over 1,000 employees. Both are non-profits. The two are combining to achieve greater value and stability in the Mid-Michigan region for members, employer groups, labor and providers.



RESTAURANT

Ferndale will open its first cat café. The Ferndale Cat Shelter's Catfé Lounge, at 821 Livernois, plans to open in November as a place to relax or work, sip coffee and pet some kitties who are available for adoption. Visitors will be asked for a suggested donation of \$10 per hour for spending time with the felines.

Ann Arbor based Dominos unveiled a retrofitted Chevy Spark named DXP. The vehicle is fitted with a warming oven designed to keep 80 pizzas warm from store to door. The cost for a DXP is estimated between \$20,000 and \$25,000 apiece for a franchise. The market could be relatively substantial, with 100,000 people delivering Domino's pizzas every week. The customized car is a bid to improve the way the company delivers its prepared food and boost branding power on the roads without building its own car from scratch.



FINANCIAL

Grand Rapids-based Lake Michigan Credit Union plans to merge with United Federal Credit Union, based in St. Joseph, to rank among the top 20 credit unions in the U.S. The newly merged credit union will have \$6 billion in total assets, ranking as No. 19 nationwide, and have 1,400 employees at 78 locations in seven states. No staff cuts or branch closings are planned.



ENTERTAINMENT

Monthly revenue was 4.9 percent higher at the three casinos (MGM, MotorCity, Greektown) in October than during September.