

NOVEMBER 2015

DETROIT MARKET RECAP

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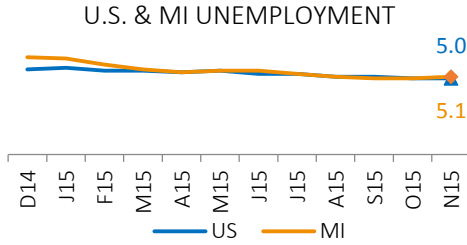
EMPLOYMENT

NOVEMBER U.S. UNEMPLOYMENT
7,937,000
↓ 12.5% vs YOY

NOVEMBER MI UNEMPLOYMENT
244,000
↓ 21.0% vs YOY

The Michigan unemployment rate in November increased slightly to 5.1% (+.1 percentage point month-over-month). The rate inched up as more previously idle participants returned to the workforce seeking jobs. The rise to 5.1% still left the rate at almost the lowest point in recent years.

In November, the U.S. unemployment rate was unchanged month-over-month at 5.0%. Job gains occurred in construction, professional and technical services, and health care. Mining and information lost jobs.



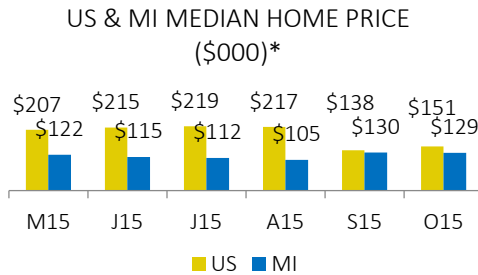
REAL ESTATE

OCTOBER U.S. FORECLOSURES
1 in 1,269 HOMES

OCTOBER MI FORECLOSURES
1 in 1,569 HOMES

Demand for new single-family homes in southeast Michigan continues to cool as the market for new rental buildings stays hot. New single-family home permits (including condos) fell 8% in the first nine months of this year compared to last year across Oakland, Wayne, Macomb and St. Clair counties. Through September, there were a total of 3,185 single-family home permits, or about 5% less than in 2014. Meanwhile, the number of new multi-family permits in the region for rental buildings jumped 85% year-over-year through September to 990 permits.

Developer Craig Sasser announced he is aiming to restore Detroit's vacant and ravaged Lee Plaza high-rise into luxury apartments. Sasser announced plans for a \$34-million renovation to the 17-story tower located at 2240 W. Grand Blvd. He said he plans to finalize the sale in December and start cleaning out the building in January. Work would follow on the 200 units, all market-rate apartments.



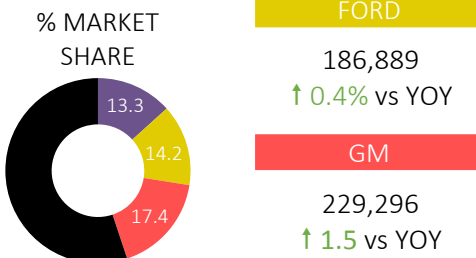
AUTOMOTIVE

U.S. # OF CARS SOLD
1,318,210
↑ 1.2% vs YOY

OF CARS SOLD BY MAKER
FIAT-CHRYSLER
175,874
↑ 3.0% vs YOY

In November there were over 1.31M new car sales (+1.2% YOY) in the U.S.

- In November, Ford saw 187k new car sales (+0.4% YOY).
- GM saw 229k new car sales in November (+1.5% YOY).
- Fiat-Chrysler saw 176k new car sales in November (+3.0% YOY).



UAW contracts are in place for GM, Ford and Fiat Chrysler Automotive. With new contracts in place, the Big 3 can look forward to four years of labor peace and prosperity as the industry heads into record U.S. sales, and healthy profits margins, due to consumers buying more expensive trucks and crossovers.

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



DETROIT REVITALIZATION

Dan Gilbert confirmed a Nike store is coming to downtown Detroit. The 22,000-square-foot store will open at 1261 Woodward Avenue in spring 2016. A Nike store would be the latest upscale retailer along the stretch of Woodward between Campus Martius and Grand Circus Park.

DEPARTMENT STORES

William Adler, the founder of Will Leather Goods, opened his 8th shop in Midtown. Located at 4120 2nd Ave., the business sells leather bags, belts and accessories at prices from \$45 dollars to more than \$1,200. The store is located in an area where brands such as Shinola and Carhartt are opening stores to create a retail area with a cozier feel.

T.J. Maxx has chosen Canton for one of its new stores. The company plans to build a 21,000-square-foot store on the Centre Village Shopping Center property southwest of Ford and Canton Center roads. TJX, which owns stores such as T.J. Maxx, Marshalls and HomeGoods, had earlier announced it expects to open hundreds of stores; including about 70 new T.J. Maxx and Marshalls locations this year, alone, in the United States.

Musician Jack White has opened his Third Man Records complex in Detroit. The space is part retail shop, part record plant, part concert space and, if all goes as hoped, a tourist destination that celebrates the neighborhood's legacy. Housed at 441 Canfield, in a building now co-owned by Shinola and Third Man, the store is a spin-off of the colorful Nashville headquarters White built after leaving Detroit in 2005.

U.S. regulators are poised to block the proposed merger of Office Depot and Staples unless the companies deliver concessions amid concerns of their combined share in the market for corporate office supplies. Staples in February agreed to acquire Office Depot for \$6.3 billion, but the deal immediately encountered regulatory scrutiny. The two office supply giants announced last month they had won an extension on the review process through Dec. 8, when the FTC must decide whether to approve the transaction or take legal action against it.

ENTERTAINMENT

Freedom Hill Amphitheatre's operations will be taken over by longtime rival Palace Sports & Entertainment (PS&E). PS&E will handle marketing, sales and other day-to-day business for the 7,700-capacity Sterling Heights venue, which remains under the control of Tom Celani's Luna Entertainment in a 20-year lease with Macomb County. With PS&E's existing management of DTE Energy Music Theatre and Meadow Brook Music Festival, the company now has purview over metro Detroit's three busiest summer amphitheatres.

Overall, casino revenue for the Detroit market for MGM Grand Detroit, MotorCity Casino and Greektown Casino was up 1.8% compared to the same reporting period last year.

HEALTH

The U-of-M Health System announced plans to build a medical care center in Brighton. The school approved the \$175 million project to build a primary and specialty care center. The new center is expected to offer about 40 medical services, including exam and operating rooms and cancer care services. A construction schedule will be set once design plans are approved. The center is expected to employ about 375 people.

RESTAURANT

Olga's Kitchen could be purchased out of bankruptcy by Schostak Family Restaurants, which owns part of 11 Olga's locations that are not part of the bankruptcy. Livonia-based Team Schostak Family Restaurants bid \$8.3 million for all 27 remaining Olga's restaurants. If Schostak wins the auction, it would gain full control over all 27 restaurant locations.

Chick-fil-A is coming to greater Lansing. The Atlanta-based fast food chain plans to open a restaurant at 5617 W. Saginaw in late 2016. Chick-fil-A has roughly 1,900 restaurants in 42 U.S. states.

BUSINESS SERVICES

Detroit-based Quicken Loans has unveiled a new self-service website aimed at speeding up the mortgage approval process and cutting down the need to talk with a human loan officer. The new Rocket Mortgage website allows prospective borrowers to start and finish a mortgage application entirely online and get approved in as little as eight minutes. A Quicken spokesperson stated the self-service mortgage model does not endanger the jobs of Quicken's loan officers.

OTHER

Marriott International announced it is buying Starwood Hotels & Resorts Worldwide -- the owner of the Westin and Sheraton brands -- in a \$12.2 billion deal that will make it the world's largest hotel chain. In metro Detroit, the deal would involve both business and leisure hotels. The companies are still working through what will happen to the brands, employees, and hotel rewards programs.

Anheuser-Busch InBev formalized a deal to acquire its British-South African rival SABMiller for \$107 billion, creating a gigantic global beer company hoping to reach deeper into developing markets. The companies had been weighing a deal since mid-September. The acquisition gives Budweiser maker AB InBev access to many emerging markets. Together, a combined AB InBev and SABMiller would control almost 30% of global beer sales.