

Demographics & Economics

Population

Detroit MSA	4.6 million	Detroit	6.9%
Detroit Growth ¹	0.40%	Michigan	7.2%
National Growth ¹	1.30%	National	4.3%

Household Income & Value

Per Capita Income	\$38,299	2006 Households	1.8 million
3-year Job Growth ²	-2.30%	Household Growth ¹	0.51%
Net Migration (2005)	-25,300	Median Home Price	\$162,100

Major Employers

General Motors Corp.
Ford Motor Corp.
Daimler Chrysler Corp.
Visteon Corp.
SBC Communications

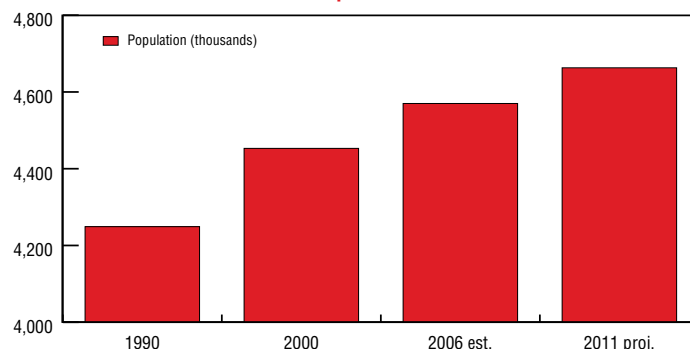
Sources: Bureau of Labor Statistics May 14, 2007 report, Detroit Chamber of Commerce, NAR, STDB Online. "Home Price Analysis Report for Detroit Region – July 2006" ©2006 NATIONAL ASSOCIATION OF REALTORS®. Used with permission. Reproduction, reprinting, or retransmission of this document in any form (electronic media included) is prohibited without written permission.
¹Projected annual growth over 5 years (2006-2011).
²Total cumulative job creation of last 3 years.

Noteworthy Transactions

	Sale Date	Sale Price	SF/Units	\$ Per SF/Unit
Office				
Galleria Office Centre	Feb. 07	\$100,500,000	1,003,712	\$100
Oakland Commons	Jan. 07	\$28,250,000	316,634	\$89
Industrial				
West Technology Park	Feb. 07	\$19,975,000	282,450	\$71
Technology Park	Feb. 07	\$21,000,000	224,110	\$94
Retail				
Woodhaven Village	Mar. 07	\$14,000,000	94,627	\$148
Brownstone Shopping Centre	Feb. 07	\$15,250,000	98,335	\$155
Apartment				
Peninsular Place	Feb. 07	\$25,362,162	184	\$137,838
Hotel				
Marriott Courtyard	Feb. 07	\$9,137,868	102	\$89,587
Holiday Inn Gateway	Feb. 07	\$15,319,367	171	\$89,587

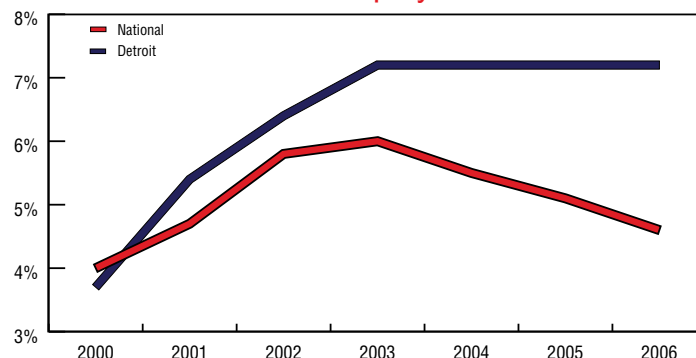
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.

Detroit Population Growth



Source: STDB Online

Detroit Unemployment Rate



Source: Bureau of Labor Statistics

Market Construction/Redevelopment Activity

	Property Type	New(N)/Refurbished(R)	Total SF/Units	Estimated Delivery
5440 Corporate Dr.	Office	N	21,000	2007
Haggerty Corridor Corporate Office Park	Office	N	150,000	2007

Sources: CBRE, RE Business

Changes from Previous Quarter

	Office	Industrial
Vacancy	↑	↑
Inventory	↑	↑
Expected 1-Year Rents	↑	↓
Asking Rents	↓	↓

Data compiled from various sources, including RERC, Torto Wheaton Research, Grubb & Ellis, CBRE, and Marcus & Millichap.

Detroit Transaction Breakdown (4/1/06 - 3/31/07)

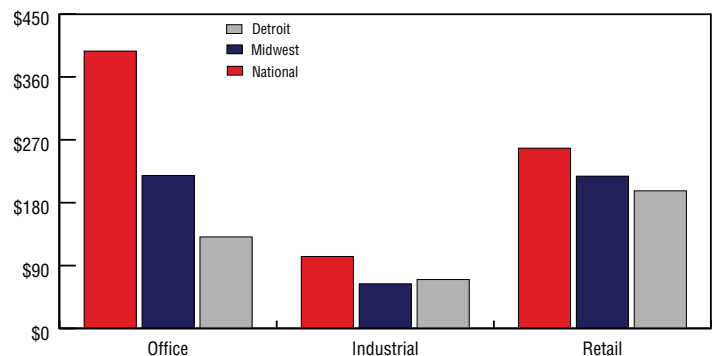
	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$99	\$125	\$118	\$53	\$22
Size-Weighted Avg.	\$98	\$43	\$105	\$30,972	\$30,875
Price-Weighted Avg.	\$113	\$60	\$206	\$38,357	\$40,872
Median	\$109	\$46	\$99	\$33,196	\$28,750
> \$5 Million					
Volume (Mil)	\$559	\$343	\$202	\$725	\$146
Size-Weighted Avg.	\$106	\$58	\$124	\$50,653	\$84,539
Price-Weighted Avg.	\$134	\$73	\$192	\$68,149	\$104,289
Median	\$113	\$63	\$149	\$45,839	\$110,132
All Transactions					
Volume (Mil)	\$658	\$468	\$320	\$778	\$168
Size-Weighted Avg.	\$105	\$53	\$116	\$48,562	\$68,785
Price-Weighted Avg.	\$131	\$70	\$197	\$66,130	\$95,933
Median	\$110	\$51	\$122	\$45,839	\$54,443
Capitalization Rates % (All Transactions)					
Weighted Average	7.7	9.8	7.1	7.0	8.4
Median	8.3	9.5	7.4	7.2	8.8

Source: RERC

RERC's Take on the Market

- Although average household income is higher in Detroit than most Midwestern cities, the difficulties in the auto industry are taking a toll on employment. The 3-year job growth was negative, and the unemployment rates in the area and in the State of Michigan are well above the national rate.
- Prices for commercial property among all sectors in the area are generally lower than regional and national averages, and capitalization rates are generally higher than both national and regional rates.
- Although area property prices are low, investors should be wary, as the area economy is expected to remain relatively weak.

RERC Price-Weighted Average Price Per SF/Unit - 1Q 2007



RERC Weighted Average Cap Rates - 1Q 2007

