

News&Views

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COMPLIMENTS OF



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[GVA Detroit](#) is the local office of GVA Worldwide, an international organization of real estate industry leaders serving key markets in 20 countries. The organization comprises more than 3,750 real estate professionals in 95 markets worldwide. In 2007, GVA Worldwide partners collectively completed \$35 billion in transactions and managed more than 165 million square feet of office, industrial, retail and specialized property.

A leading advisor in commercial real estate, GVA Worldwide optimizes client portfolios locally and around the world. It serves the real estate needs of clients including multinational corporations, major space users, developers, owners, institutions, lenders and investors.

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Is The U.S. Fiscal Stimulus Working?

The stimulus became law in February and is expected to reach maximum economic benefit in the next several months. Most of the benefits to date have been checks to state and local governments and expanded unemployment insurance benefits to workers.

If the plan is working, we will see retail sales improve soon and businesses should respond by curtailing layoffs. We also should see the "shovel ready" projects funded and construction start on any of these approved projects.

[Metro Detroit Real Estate Market](#)

Deals are being cut. The most successful landlords are making deals as close as possible to the "offers" they are receiving from tenants and buyers. Diligent tenants and buyers can find alternative choices if landlords are not realistic. The real dilemma for landlords is how hard to counter, if at all.

Auto suppliers that have been on hold since 4th Quarter of 2008 are very slowly implementing their plans to lease new facilities as they are assured production has restarted. This seems to be the larger suppliers. Smaller suppliers have not been as lucky and continue to be on hold waiting to see if they are still a chosen supplier.

Nimble auto suppliers that can retool and retrain are taking a run at the defense industry and attempting to gain revenue in this growing industry.

After ten (10) years of declining Michigan employment, estimated at a total Michigan job loss of 750,000, the last twelve months have shown job increases in healthcare, computers, math-science, education, business-finance and bartenders.

[Southeast Michigan Industrial/Office Report](#)

The Society of Industrial and Office Realtors reported the following trends for 1st Quarter 2009, in Southeast Michigan.

[Industrial Market](#)

- Overall vacancy 12.5%, up from 12.3% at December 2008
- Net absorption was negative (887,434) sf
- Vacant sublease space decreased to 2,427,210sf

[Office Market](#)

- Overall vacancy 17.5%, up from 17.2% at December 2008
- Net absorption was negative (541,668) sf
- Vacant sublease space decreased to 1,219,332sf
- Class A office net absorption is negative (109,333) sf
- Class B office net absorption is negative (461,233) sf

GVA Detroit Real Estate

GVA continues to work with clients to negotiate lower lease rates, find financing for real estate loans, structure sale/lease backs for owners and relocate to lower cost real estate. Please give us a call and let us see if we can help you lower your occupancy costs.