



CITY COUNCIL AGENDA ITEM

Date: August 7, 2012

To: Mike Culpepper, Acting City Manager

From: Mark F. Miller, Director of Economic and Community Development
Glenn Lapin, Economic Development Specialist

Subject: Troy Commercial Real Estate Market Information (2nd Quarter of 2012)

For your information, the brokerage firm of CB Richard Ellis has provided commercial real estate market data through the 2nd quarter of 2012. This data provides a snapshot of current Troy market vacancy/occupancy rates for office, industrial and retail properties. Comparisons to the prior two years are included.

Troy Office Market Vacancy/Occupancy Rates

Q2 2012: 27.5% Vacant / 72.5% Occupied
Q2 2011: 29.2% Vacant / 70.8% Occupied
Q2 2010: 28.7% Vacant / 71.3% Occupied

Troy Industrial Market Vacancy/Occupancy Rates

Q2 2012: 10.1% Vacant / 89.9% Occupied
Q2 2011: 14.5% Vacant / 85.5% Occupied
Q2 2010: 15.2% Vacant / 84.8% Occupied

Troy Retail Market Vacancy/Occupancy Rates

Q2 2012: 6.8% Vacant / 93.2% Occupied
Q2 2011: 6.8% Vacant / 93.2% Occupied
Q2 2010: 7.3% Vacant / 92.7% Occupied

It is encouraging that the general trend of occupancy rates appears to be improving. This trend is consistent with what the brokerage community has communicated to City management. The improving occupancy trends are reflected in several recent projects including, but not limited to, Nexteer occupying 30,000 square feet at 1775 Research Drive, Wayne State University Physicians Group renovating 176,688 square feet at 1420-1450 Stephenson Highway, Classic Design occupying 70,000 square feet at 1100 Piedmont, Fisher Dynamics re-occupying a 77,000 square foot industrial property at 1625 W. Maple, and Alternative Automotive Technologies moving into 180,000 square feet at 1225 E. Maple (former Saleen Motors facility).