



Birmingham Bloomfield Chamber of Commerce Real Estate Forecast for 2021.



**YOUR LOCAL
COMMERCIAL REAL
ESTATE EXPERTS**

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Summary of what happened

 **2020**

Journey through
2020

Why and how
this affects

 **2021**

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So why was the Pandemic so different?

- *Pandemic vs. Great Recession*
- *Lack of predictability*
- *Financial markets*



What happened?

Businesses changing the way they did business.

- Restaurants moving to carry out and curbside services.
- Retailers using E-Commerce to sell products.
- Offices moving entirely to telecommuting.



- Office
- Retail (hospitality)
- Multifamily
- Industrial

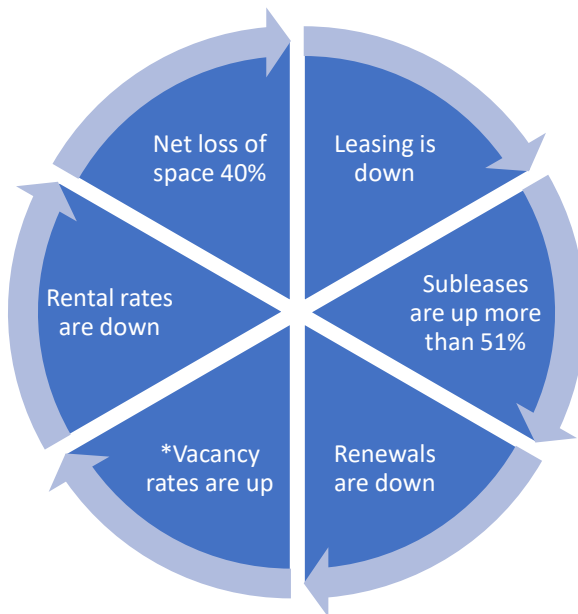


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Office

LEASING



SALES

- High Inventory
- Demand lower
- Prices reduced

*Birmingham has managed to remain at 80-90% occupancy

Retail

Leasing and Sales

LEASING

- Travel ban
- Tourism



SALES

- High Inventory
- Demand lower
- Prices reduced

Multifamily Sales

Tenants

- Tenants paying rent
- Moratorium on evictions

Landlords

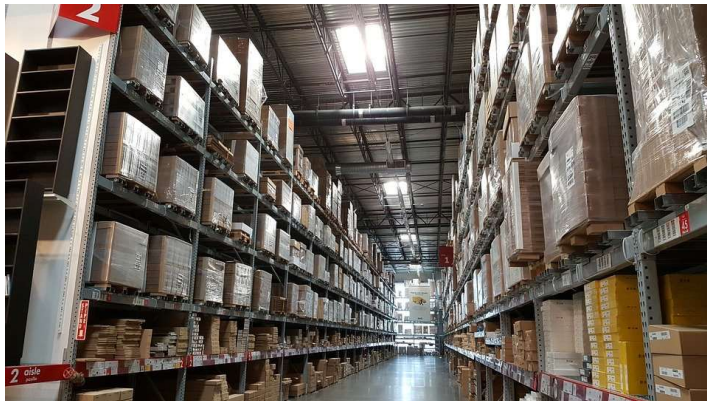
- Rent being collected
- High demand by investors
- Fannie Mae and HUDRefinancing



Industrial

LEASING AND SALES

- E commerce strong
- Cannabis grow and processing



- Low inventory
- High demand
- Prices rising
- More development





Expectations for 2021

- Office will continue to struggle with occupancy.
- Designers are busy reconfiguring spacing needs.
- Rent rates will likely fall.
- There may be distressed sales.

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Expectations for 2021 Continued

- Retail
 - Plans for redevelopment of malls
 - Hotels; senior housing and other types of multifamily; medical; and office.
- New opportunities for drive through and carry out pharmacies and food industries.



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Birmingham Retail Market

Welcomed 14 new retail business.

- Johnny Was
- Paint Nail Bar
- Sidecar/Slice/Shift Restaurants
- Sorrentia's Salon
- Woodward Standard Print House
- Seven Daughters
- Urban Wick Candle Bar
- Bakehouse46
- Planthropie

Birmingham Retail Market

Leased spaces preparing to open:

- James & Bloom
- Clean Juice
- Perch 313
- Birmingham Pub
- Birmingham Bridal
- Fruition Acai & Juice Bar
- David Abraham Custom Clothiers
- The Lash Lounge
- DiMaggio Fine Art & Jewelry

Birmingham
recently
welcomed its
newest hotel,
The Daxton.



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Mixed Use Projects in Detroit



CONSTRUCTION
ACTIVITY IS
STRONG



PLANS
INCLUDE
OFFICE,
RETAIL,
HOSPITALITY
AND
MULTIFAMILY



DEVELOPERS
ARE BEING
STRATEGIC

Detroit Multifamily Market



- Challenges in construction costs
- Lending
- Zoning and Site Plan Approval
- Speed of Approvals
- Labor Shortage
- Demand High
- Walkability is Key

FINANCING



- Senior debt or financing
- Secondary debt or financing (Invest Detroit or PACE Equity)
- Tax Credits (Brownfield)
- Low Income Tax Credits (LITC) (Affordable Housing)
- Developer Equity
- Joint Venture or Ground Lease

Hudson Site



View of Updated Hudson's Site Development from Woodward Avenue looking Northeast towards the project

- This is the largest scale development project to break ground to date in the CBD. The Bedrock project will include Office, Retail, Hospitality and approx. 250 units of housing.



Sugar Hill Mixed-Use Development

MIDTOWN

Garfield + John R. Intersection in Midtown

Currently a vacant site, the Sugar Hill Arts District mixed-use development will create an inclusive community, reinforcing urban vitality and inclusion in one of Detroit's most dynamic districts. An iconic design from renowned architect Phil Freelon showcases a highly walkable micro-urban environment that features a tightly woven network of housing, pedestrian streets, parking and retail spaces, along with state-of-the-art green and sustainable technology.

\$32M INVESTMENT

84 UNITS

- Luxury Apartment Homes
- World-Class Architectural Design
- 11,000 SF Retail Space Including On-Site Subsidized Preschool

DEVELOPMENT PLAN:

- Rents affordable to artists, professionals, faculty, and veterans
- Green pedestrian alley with public amenities and neighborhood retail options
- Project supports veterans by providing quality housing
- Construction begins: Winter 2018

Sugar Hill

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Petit Bateau



This is the first large-scale mixed-use project for Petit Bateau and will be located in the Historic Art District.

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The Mid



Located In the heart of Midtown this project plans to incorporate a 225-room hotel, approximately 80,000 square feet of retail space, hundreds of multi-family residences, affordable housing, co-living housing units and 60 residential condominiums. The project will offer alternatives for family and communal living supported by eateries, entertainment and public amenities.

Detroit Leland

This is a \$125 M project and a rehab of the former Leland Hotel into 340 units of affordable and market rate residential and 54,000 sf of commercial space.



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The Villages

Located in West Village on Detroit's eastside, this is a 96-unit mixed use project with retail on the main level, currently in construction.



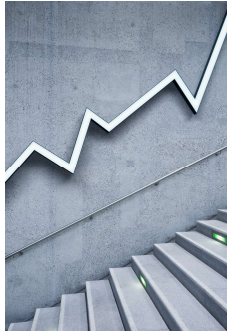
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Industrial Projects

The metro Detroit areas will continue to see a boom in building of industrial warehouses and distribution centers.

- Amazon plans two large distribution centers in metro Detroit.
- Creates opportunity for smaller warehousing for products.
- New FCA plant will lead to more suppliers in need of manufacturing facilities in the area.



OPTIMISM

- Where there are casualties there are also new opportunities.
- Clear indication that the markets will continue to improve throughout the rest of this year.



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thank you!

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