

SOUTHEASTERN MICHIGAN ECONOMIC OUTLOOK

**OAKLAND
UNIVERSITY™**

ECONOMY-AT-A-GLANCE

School of Business Administration

November 2013

INDICATOR	DATE	CURRENT	PREVIOUS	P-O-P	LAST YEAR	Y-O-Y	COMMENTS
REAL ESTATE MARKET							
Single Family Housing Permits ¹	Sep-13	385	378	1.9%	341	12.9%	Housing permits rose M-O-M for the first time since May 2013
S&P / Case-Schiller Detroit MSA Home Price Index ²	Aug-13	92.5	90.8	2.0%	79.5	16.4%	Index had its sixth M-O-M rise
Industrial Vacancy Rate ³	3Q13	11.8%	12.4%	(0.6%)	13.3%	(1.5%)	Vacancy rate had its ninth M-O-M decrease
Office Vacancy Rate ³	3Q13	23.1%	23.6%	(0.5%)	24.0%	(0.9%)	Lowest vacancy rate in four years
TRANSPORTATION							
DTW – Domestic Passengers ⁴ (millions)	Sep-13	2.37	2.78	(14.8%)	2.32	2.2%	Leisure travel seasonally down in Sept
DTW – International Passengers (thousands) ⁴	Sep-13	246	285	(13.8%)	242	1.9%	Increase of 1.7% YTD
DTW – Air Freight (millions of pounds) ⁴	Sep-13	35.1	36.9	(4.8%)	36.9	(5.0%)	Decline of 3.4% YTD
Loaded Truck Containers - Detroit & Port Huron Crossings (thousands) ⁵	Apr-13	152	138	9.9%	148	2.3%	Detroit Crossing's fourth M-O-M rise; Port Huron Crossing's third
MANUFACTURING							
Michigan Automobile Production (millions) ⁶	Jul-13	2.29	2.46	(6.9%)	2.63	(13.0%)	Lowest monthly production since October 2012
Purchasing Managers Index (PMI) ⁷	Sep-13	59.9	60.2	(0.5%)	50.6	18.4%	Substantially above 50 indicating an expanding economy
LABOR MARKET							
Total Private Employment (millions) ⁸	Aug-13	1.66	1.65	1.0%	1.65	1.0%	Highest employment since October 2008
Government Employment (thousands) ⁸	Aug-13	176	178	(1.0%)	180	(2.0%)	Lowest employment since January 2003
Detroit-Warren-Livonia Unemployment Rate ⁸	Aug-13	9.8%	10.4%	(0.6%)	11.0	(1.2%)	First M-O-M decline since April 2013
OTHER							
Detroit Casino Revenues (millions) ⁹	Sep-13	\$106	\$113	(5.8%)	\$114	(6.8%)	Lowest casino revenue since June 2013
Detroit Consumer Price Index (CPI) (bimonthly) ¹⁰	Aug-13	220.0	221.6	(0.7%)	217.1	1.3%	First M-O-M decline since December 2012
Venture Capital Investments (millions) ¹¹	3Q13	\$26.8	\$2.0	1,247.8%	\$110.7	(75.7%)	2Q2013 had the lowest quarterly investment since 1Q1995, generating the abnormally large M-O-M increase
COMMENTARY							

The latest data for the Detroit MSA economy shows continued improvement. Gains in the real estate sector continue with single family permits increasing, industrial and office vacancy rates declining and home prices rising. The labor market showed improvement with growth in private sector employment and a fall in the unemployment rate, and the local labor force is growing suggesting that discouraged workers are becoming more optimistic. Government employment declined due to the federal sequester. Manufacturing was mixed with Michigan automotive production declining in the summer; the purchasing manager's index remains substantially above 50 indicating an expanding economy. The transportation sector had gains on the passenger side year over year; air freight was down.

¹Home Builders Association of Southeastern Michigan ²Standard and Poor's ³Cushman and Wakefield ⁴Wayne County Airport Authority ⁵Research and Innovative Technology Administration and U.S. Bureau of Transportation Statistics ⁶Michigan Senate Fiscal Agency ⁷Wayne State University School of Business Administration and the Institute for Supply Management – Southeast Michigan, Inc. ⁸Michigan Department of Technology, Management, and Budget ⁹Michigan Gaming Control Board ¹⁰Bureau of Labor Statistics ¹¹Pricewaterhouse Coopers/National Capital Venture Association MoneyTree™ Report

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