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CITY OF ROCHESTER HILLS

**P**lanning and  
Development

DATE: March 24, 2009

TO: LDFA Board Members

FROM: Dan Casey, Manager of  
Economic Development

RE: CoStar Database Subscription

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City Administration has received a proposal from CoStar to license its proprietary real estate database based on a monthly fee of \$417, or \$5,004 annually. CoStar offers Property and Tenant databases, and quarterly real estate reports nationally and regionally. It is one of several real estate databases used in the industry. Others would include CPIX and Loopnet.

The Property database includes listings of all buildings available for sale or lease in Oakland County, along with pertinent details on each property. For a slightly higher fee, access could be provided to the entire metro Detroit market.

The Tenant database provides information on tenants located in buildings, including number of employees, lease terms and NAIC or SIC code. Tenant information is often derived from the companies and is not always provided in full detail. The Tenant database provides an important tool for tracking companies that may be in the market for facilities as their leases expire.

CoStar's reporting capabilities provide a valuable tool, allowing staff to customize site search reports with a Rochester Hills look and feel. Regional reports would allow staff to track the real estate market, evaluating trends, including lease rates and sales data.

Locally, the cities of Auburn Hills, Southfield and Troy subscribe to the Costar database.

The Planning and Development Department has developed its own searchable online database of properties and land. Rochester Hills-based Compusystems at no cost to the City developed this database, known as Cproperties. Planning staff maintains the database on a quarterly basis. Although a valuable tool, it does not provide information on real estate outside of Rochester Hills, have a tenant component or reporting capabilities.

City staff does not have a recommendation regarding this proposal. CoStar's database would provide a valuable tool, but is still costly; however, the LDFA's marketing funds could be used to pay the monthly subscription. It's clear that CoStar's most important benefit to the City would be its Tenant database, providing City staff with information regarding lease terms of companies in the region. This would allow staff to strategically target companies that would be good candidates for relocation to Rochester Hills. The Property database would provide City staff with improved site search reports, including maps that identify the location of targeted buildings.