



METROPOLITAN  
**DETROIT**  
**MARKET**

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INDUSTRIAL  
**Q3 2024**  
MARKET STATISTICS

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METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

## ECONOMIC OVERVIEW

Third quarter 2024 closed with a direct vacancy rate of 4.44%, an overall vacancy rate of 5.08%, and an average asking direct rental rate reported at \$7.72 per sq. ft. In September, the Michigan unemployment rate was recorded at 4.5%, an increase of 0.6 percentage points compared to one year ago. In August, U.S. employers added 142,000 job openings bringing the total reported to 8 million, a considerable increase compared to 7.7 million in July. Additionally, 254,000 total jobs were added in September, supporting a solid job market and modestly growing economy. The University of Michigan Research Seminar in Quantitative Economics recently released an economic forecast for the State of Michigan showing job growth slowing to 0.8% in 2024, down from 1.8% in 2023, with estimates of 0.3% in 2025 and 0.4% in 2026. In September, inflation reached its lowest level for the first time in over three years as consumer goods and service prices have shown consistent signs of decline. Based on the latest inflation data, and after much anticipation, the Federal Reserve cut a key interest rate by 0.5 percentage points, the first reduction in over four years, bringing relief to consumers and businesses. There is growing confidence inflation is gradually reaching its 2% target, as the overall economy is showing signs of another rate cut before the close of 2024, along with a series of rate cuts throughout 2025.

## STATS ON THE GO

	Q3 2023	Q3 2024	Y-O-Y CHANGE	12 MONTH OVERVIEW
Overall Vacancy	4.11%	5.08%	0.97%	▲
Direct Asking Rents (psf/yr)	\$7.29	\$7.72	6.0%	▲

## INDUSTRIAL MARKET DISCUSSION

The largest lease of the quarter closed in the North Corridor, as Piston Automotive inked a deal for a new build-to-suit totaling 715,000 sq. ft. of manufacturing space located at 3777 Lapeer Road in Auburn Hills, currently under construction with completion expected fourth quarter 2025. In the West Corridor, DSV Air & Sea signed a lease totaling 223,333 sq. ft. of manufacturing space located at 6110 Haggerty Road in Van Buren Township. Lastly in the East Corridor, Detroit Axle leased 163,800 sq. ft. of warehouse distribution space located at 12001 Toepfer Road in Warren.

The largest sale was a 2-building portfolio sale in the Interchange West Business Center including 6703 & 6735 Haggerty Road in Van Buren Township purchased as an investment by NorthPoint Development. In Wixom, the recently constructed 258,037 sq. ft. warehouse distribution building located at 29753 S. Wixom Road was purchased by Morgan Stanley & Company, LLC as an investment. Lastly in Warren, Trident Capital Group purchased the 150,000 sq. ft. warehouse distribution property located at 27767 George Merrelli Drive as an investment. The largest user sale was a 2-building portfolio sale in Dearborn located at 15021 & 15031 S. Commerce Drive totaling 90,000 sq. ft. of hi-tech space purchased by Quality Detroit Holdings, LLC.

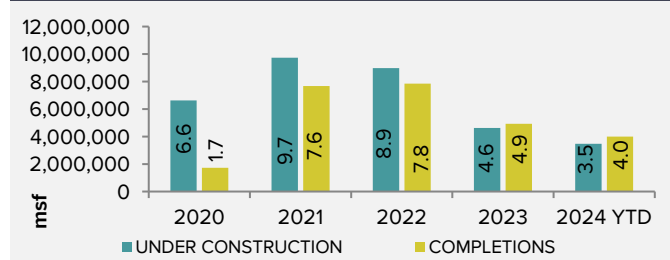
## OUTLOOK

New construction remains steady but is starting to level off compared to two years ago, with several projects nearing completion and ready for occupancy. In September, Reyes Coca-Cola Bottling, LLC announced plans to consolidate its Highland Park and Van Buren Township facilities by building a new 400,000 sq. ft. facility in Lyon Township on a 28-acre site, which is expected to create 643 jobs, with construction slated for completion by the end of 2025. In Auburn Hills, UL Solutions, Inc. has opened its new 89,000 sq. ft. facility, a \$72M investment. Additionally, Fanuc America has officially launched its expanded robotics and automation campus, which spans 650,000 sq. ft. and represents a \$110M investment. Meanwhile, in Macomb County, Stellantis is exploring plans for a three-building development for a new Mopar parts distribution center, totaling 2.7 million sq. ft. on a 230-acre site that was previously a golf course in Romeo.

## UNDER CONSTRUCTION

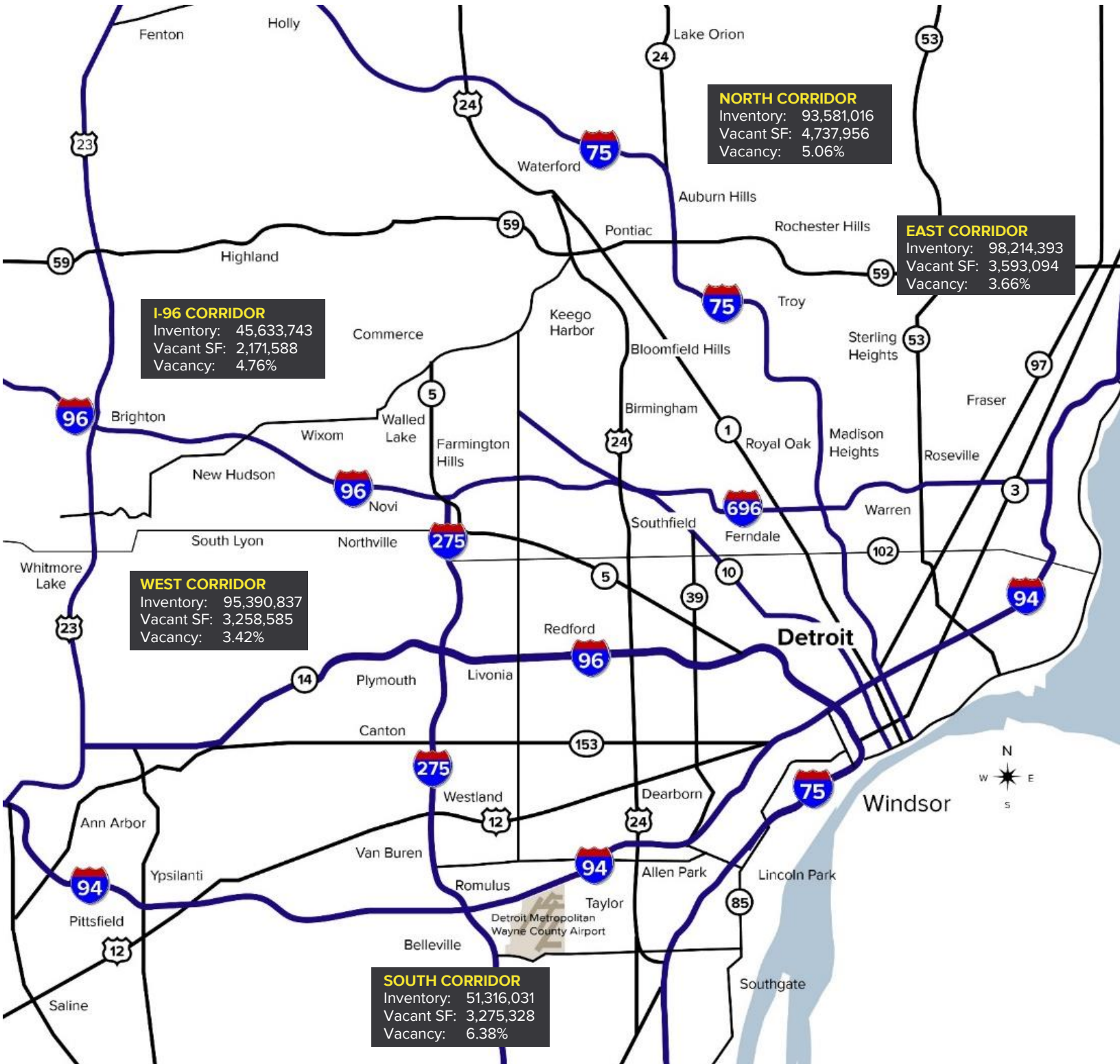
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
3777 Lapeer Road North Corridor	Auburn Hills	715,000	November 2025
6110 Haggerty Road West Corridor	Van Buren Twp.	630,421	December 2026
52153 Sierra Drive East Corridor	Chesterfield Twp.	200,000	December 2025

## UNDER CONSTRUCTION VS. COMPLETION



METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW



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# INDUSTRIAL MARKET REVIEW

Submarket: Buildings 5,000 Sq. Ft. & Up	Total Buildings	Total Inventory Square Feet	Available Square Feet Overall	Vacancy % Overall	Available Square Feet Direct	Vacancy % Direct	Direct Vacancy % Change 2 <sup>nd</sup> - 3 <sup>rd</sup> Quarter
<b>NORTH CORRIDOR</b>							
Auburn Hills	331	21,414,619	1,505,919	7.03%	887,677	4.15%	0.03%
Madison Heights	431	10,874,507	719,985	6.62%	701,405	6.45%	-0.53%
Orion Twp/Lake Orion	67	4,719,295	114,183	2.42%	114,183	2.42%	-1.69%
Rochester/Rochester Hills	313	10,214,889	643,210	6.30%	551,787	5.40%	0.89%
Royal Oak Area*	685	17,062,761	1,108,444	6.50%	884,970	5.19%	0.42%
Southfield/Bloomfield Twp	278	7,713,244	262,107	3.40%	262,107	3.40%	0.08%
Troy	847	21,581,701	1,409,947	6.53%	1,335,827	6.19%	1.92%
<b>TOTAL SUBMARKET</b>	<b>2,952</b>	<b>93,581,016</b>	<b>5,763,795</b>	<b>6.16%</b>	<b>4,737,956</b>	<b>5.06%</b>	<b>0.48%</b>
<b>EAST CORRIDOR</b>							
Chesterfield Twp	232	8,720,554	347,724	3.99%	347,724	3.99%	0.62%
Clinton Twp	455	9,121,661	308,506	3.38%	254,853	2.79%	0.68%
Fraser	264	6,153,698	116,983	1.90%	116,983	1.90%	0.62%
Mt. Clemens	100	3,018,655	441,915	14.64%	338,627	11.22%	7.31%
Roseville	280	7,175,738	436,837	6.09%	436,837	6.09%	3.45%
Shelby Twp/Macomb Twp	421	12,625,039	327,185	2.59%	327,185	2.59%	-0.23%
Sterling Heights	537	18,564,890	534,644	2.88%	534,644	2.88%	0.22%
Warren	990	32,834,158	1,420,372	4.33%	1,236,241	3.77%	-0.60%
<b>TOTAL SUBMARKET</b>	<b>3,279</b>	<b>98,214,393</b>	<b>3,934,166</b>	<b>4.01%</b>	<b>3,593,094</b>	<b>3.66%</b>	<b>0.46%</b>
<b>SOUTH CORRIDOR</b>							
Brownstown Twp	58	5,831,335	78,325	1.34%	78,325	1.34%	0.00%
Dearborn/Dearborn Heights	313	12,197,883	651,162	5.34%	651,162	5.34%	-0.59%
Romulus	397	21,988,045	2,334,008	10.61%	1,938,352	8.82%	1.22%
Taylor	308	11,298,768	607,489	5.38%	607,489	5.38%	0.56%
<b>TOTAL SUBMARKET</b>	<b>1,076</b>	<b>51,316,031</b>	<b>3,670,984</b>	<b>7.15%</b>	<b>3,275,328</b>	<b>6.38%</b>	<b>0.50%</b>
<b>WEST CORRIDOR</b>							
Ann Arbor	387	11,276,664	675,951	5.99%	648,795	5.75%	-0.38%
Farmington/Farmington Hills	424	12,180,808	943,003	7.74%	790,955	6.49%	0.80%
Livonia	823	31,600,400	885,853	2.80%	860,170	2.75%	-0.39%
Plymouth/Canton	488	20,859,446	800,115	3.84%	682,878	2.75%	0.45%
Redford	204	5,900,681	145,441	2.46%	145,441	2.46%	0.38%
Van Buren Twp	58	6,631,735	0	0.00%	0	0.00%	0.00%
Wayne/Westland	281	6,941,103	130,346	1.88%	130,446	1.88%	0.81%
<b>TOTAL SUBMARKET</b>	<b>2,665</b>	<b>95,390,837</b>	<b>3,580,709</b>	<b>3.75%</b>	<b>3,258,585</b>	<b>3.42%</b>	<b>0.11%</b>
<b>I-96 CORRIDOR</b>							
Brighton/Genoa Twp/Green Oak Twp	257	6,898,121	144,430	2.09%	144,430	2.09%	0.00%
Fowlerville/Howell	124	4,643,185	169,436	3.65%	169,436	3.65%	-0.38%
Lyon Twp/South Lyon/Milford/New Hudson	143	5,626,022	439,631	7.81%	439,631	7.81%	2.66%
Novi	313	11,297,703	701,682	6.21%	663,785	5.88%	1.19%
Walled Lake/Commerce Twp	208	4,727,471	163,218	3.45%	163,218	3.45%	-0.10%
Wixom	377	12,441,241	932,105	7.49%	591,088	4.75%	2.17%
<b>TOTAL SUBMARKET</b>	<b>1,422</b>	<b>45,633,743</b>	<b>2,550,502</b>	<b>5.59%</b>	<b>2,171,588</b>	<b>4.76%</b>	<b>1.17%</b>
<b>METRO DETROIT INDUSTRIAL MARKET TOTAL</b>	<b>11,394</b>	<b>384,136,020</b>	<b>19,500,156</b>	<b>5.08%</b>	<b>17,036,551</b>	<b>4.44%</b>	<b>0.47%</b>

\*Royal Oak Area includes: Berkley, Ferndale, Hazel Park, Oak Park and Royal Oak.

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# INDUSTRIAL MARKET REVIEW









## TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
6703 & 6735 Haggerty Road 2-Building Portfolio	Van Buren Twp.	West Corridor	689,050	Investment	NorthPoint Development
29753 S. Wixom Road Building D	Wixom	I-96 Corridor	258,037	Investment	Morgan Stanley & Company, LLC
27767 George Merrelli Drive	Warren	East Corridor	150,000	Investment	Trident Capital Group
15021-15031 Commerce Drive 2-Building Portfolio	Dearborn	South Corridor	90,000	User	Detroit Quality Holdings, LLC
32200 N. Avis Drive	Madison Heights	North Corridor	88,700	User	Sutherland Felt Company

## TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
3777 Lapeer Road	Auburn Hills	North Corridor	715,000	Direct	Piston Automotive
6110 Haggerty Road	Van Buren Twp.	West Corridor	223,333	Direct	DSV Air & Sea
12001 Toepfer Road	Warren	East Corridor	163,800	Direct	Detroit Axle
2150 Executive Hills Drive	Auburn Hills	North Corridor	114,000	Direct	Penske
23300 Haggerty Road	Farmington Hills	West Corridor	85,339	Direct	Humanetics

## SIGNATURE QUICK FACTS

<p><b>Q3 2024</b> SIGNATURE LISTED...</p> <p> <b>197</b> NEW PROPERTIES</p> <p> <b>4,256,508</b> SQUARE FEET</p> <p> <b>393.48</b> ACRES</p>	<p><b>Q3 2024</b> SIGNATURE CLOSED....</p> <p> <b>304</b> TRANSACTIONS</p> <p> <b>4,608,457</b> SQUARE FEET</p> <p> <b>1,236.05</b> ACRES</p>	<p> <b>42%</b> CONSISTENT MARKET SHARE</p> <p><b>FULL-SERVICE COMMERCIAL REAL ESTATE</b></p> <p><b>TCN</b>  <b>MEMBER FIRM</b> WORLDWIDE REAL ESTATE SERVICES</p>
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