



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q4 2024
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

Fourth quarter 2024 closed with a direct vacancy rate of 4.61%, an overall vacancy rate of 5.44%, and an average asking direct rental rate reported at \$7.64 per sq. ft. In December, the Michigan unemployment rate was recorded at 5.0%, an increase of 0.7 percentage points compared to one year ago. In November, US jobless claims fell to the lowest level in six months, with a healthy 227,000 jobs added. In December, jobless claims continued to decline, reaching the lowest point in eight months, with 153,000 jobs added. The labor market remains resilient despite ongoing economic uncertainties, suggesting that employers are holding onto their employees while investing in future growth and stability. Signs of inflation increased again in October and December, following a period of easing over the summer months. Contributing factors included higher prices for energy, goods, and services, as well as continued supply chain constraints. In November, the Federal Reserve lowered its key interest rate by 0.25 percentage points, followed by another 0.25 percentage point reduction in December. The outlook for future interest rate adjustments in 2025 remains uncertain, as various economic indicators and other factors will influence decisions. Consumers, investors, and financial institutions remain hopeful as they navigate these challenges.

STATS ON THE GO

	Q4 2023	Q4 2024	Y-O-Y CHANGE	12 MONTH OVERVIEW
Overall Vacancy	4.05%	5.44%	1.39%	▲
Direct Asking Rents (psf/yr)	\$7.75	\$7.64	1.30%	▼

INDUSTRIAL MARKET DISCUSSION

The largest lease of the quarter was signed in the South Corridor, where DTE Electric Company secured 349,494 sq. ft. of space at 33360 Trade Center Drive in Romulus, within Building 3 of the Romulus Trade Center. In Detroit, LuxWall, Inc., a manufacturer of energy-efficient glass, committed to a 276,000 sq. ft. build-to-suit facility as part of a \$166 million expansion on a 10-acre site. This development, expected to create 277 jobs, is slated for completion in 2026. Additionally, two notable leases were finalized in Harper Woods at the newly constructed Eastland Commerce Center. Avancez, LLC leased 224,589 sq. ft. at 18200 Vernier Road in Building 2, while Home Express Delivery Services, Inc. secured a deal for 104,353 sq. ft. at 18300 Vernier Road in Building 3.

The largest sale of the quarter involved a 133,332 sq. ft. warehouse distribution facility in the East Corridor, located at 25800-25840 Sherwood Avenue in Warren. The property was purchased by HKJAX, LLC, which will occupy the space. In Madison Heights, Iroquois Industries, Inc. acquired 128,124 sq. ft. at 32565 Dequindre Road and will occupy the building as well. In Rochester Hills, Kumo Capital, LLC finalized the largest investment transaction, purchasing a 94,433 sq. ft. property at 2700 Product Drive. Lastly, in Romulus, Group 10 Management Company purchased a 73,825 sq. ft. warehouse distribution building at 15760 Wahrman Road in the AeroPark Commerce Center II as an investment.

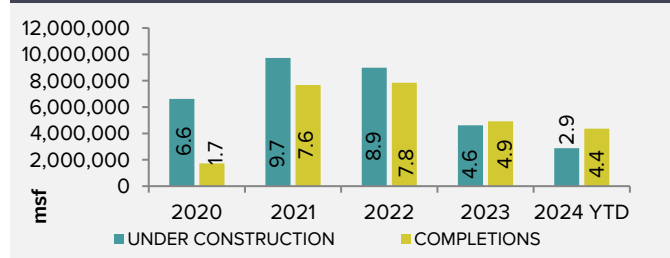
OUTLOOK

The Metro Detroit industrial market showed resilience throughout the year, despite high interest rates and rising construction costs. Several large-scale speculative projects are nearing completion and will soon be ready for occupancy, contributing to a modest increase in the vacancy rate. Looking ahead to 2025, Metro Detroit is well-positioned for favorable growth, investment, and new opportunities. According to a recent study by economists at Comerica Bank, Michigan's economy is expected to grow at a moderate pace in 2025. General Motors, the top-selling automaker in the U.S. for 2024, has announced plans to build a \$145 million battery cell prototype center at their Tech Center to expand their electric vehicle capabilities. Meanwhile, Chinese auto supplier, Westcast Industries, Inc. is considering a \$12 million investment in a CNC machining facility at 3300 University Drive in Auburn Hills, which will create 100 jobs.

UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
3777 Lapeer Road North Corridor	Auburn Hills	715,000	November 2025
12488 24 Mile Road East Corridor	Shelby Twp.	130,000	June 2025
61890 Silver Lake Road I-96 Corridor	South Lyon	100,000	July 2025

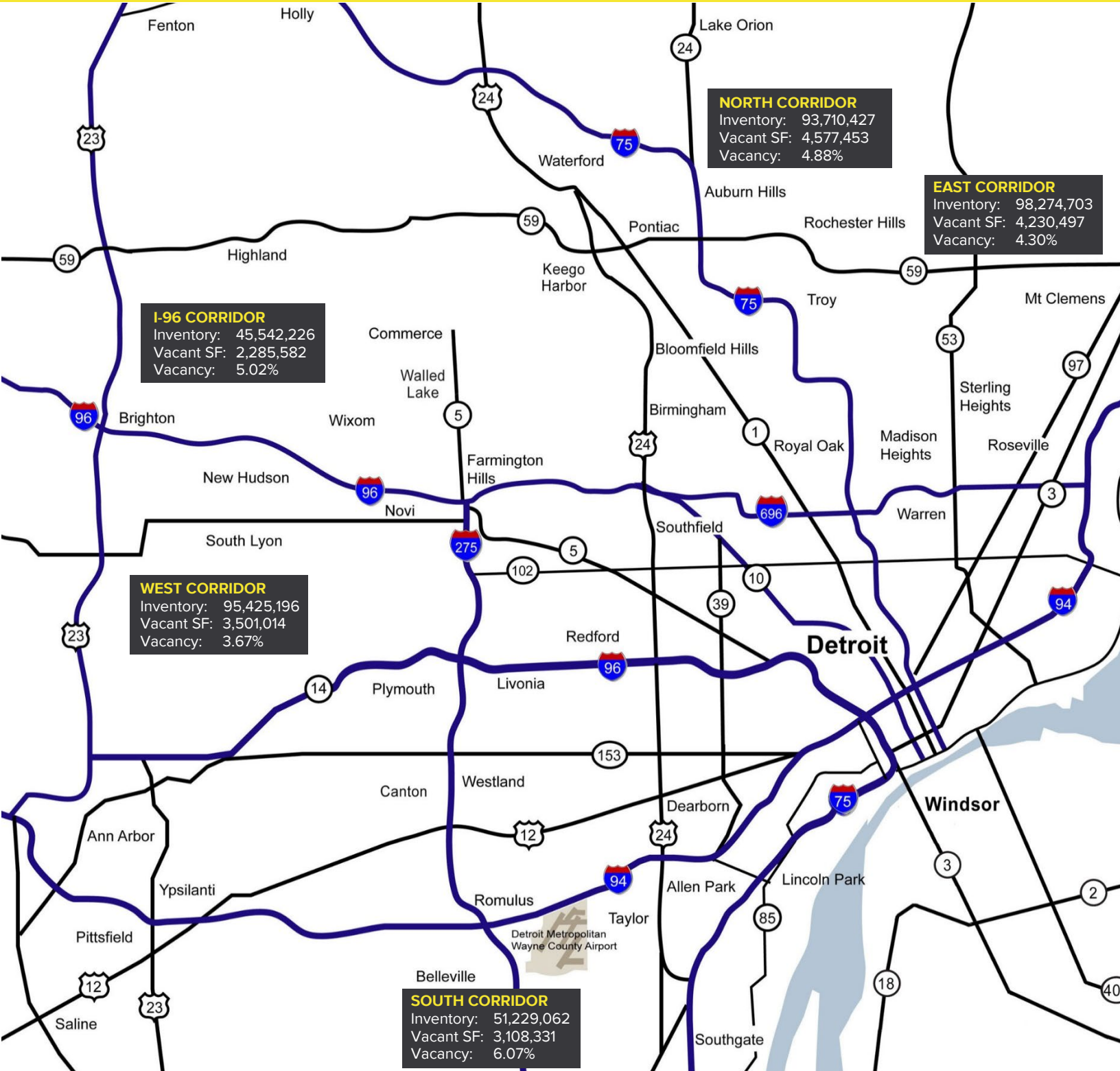
UNDER CONSTRUCTION VS. COMPLETION





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INDUSTRIAL MARKET REVIEW



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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 3 rd - 4 th Quarter
NORTH CORRIDOR							
Auburn Hills	331	21,404,841	1,670,509	7.80%	1,089,723	5.09%	0.94%
Madison Heights	431	10,877,655	662,746	6.09%	662,746	6.09%	-0.36%
Orion Twp/Lake Orion	67	4,719,295	114,183	2.42%	114,183	2.42%	0.00%
Rochester/Rochester Hills	314	10,272,993	554,981	5.40%	432,831	4.21%	-1.19%
Royal Oak Area*	685	17,062,761	1,029,741	6.04%	842,267	4.94%	-0.25%
Southfield/Bloomfield Twp	278	7,713,244	180,979	2.35%	180,979	2.35%	-1.05%
Troy	848	21,659,638	1,300,844	6.01%	1,254,724	5.79%	-0.40%
TOTAL SUBMARKET	2,954	93,710,427	5,513,983	5.88%	4,577,453	4.88%	-0.18%
EAST CORRIDOR							
Chesterfield Twp	232	8,680,523	1,060,577	12.22%	1,060,577	12.22%	8.23%
Clinton Twp	455	9,121,661	287,675	3.15%	234,022	2.57%	-0.22%
Fraser	265	6,164,433	163,618	2.65%	163,618	2.65%	0.75%
Mt. Clemens	101	3,034,015	271,627	8.95%	271,627	8.95%	-2.27%
Roseville	281	7,182,738	416,751	5.80%	416,751	5.80%	-0.29%
Shelby Twp/Macomb Twp	422	12,636,805	364,644	2.89%	364,644	2.89%	0.30%
Sterling Heights	538	18,571,561	457,036	2.46%	457,036	2.46%	-0.42%
Warren	991	32,882,967	1,506,356	4.58%	1,262,222	3.84%	0.07%
TOTAL SUBMARKET	3,285	98,274,703	4,528,284	4.61%	4,230,497	4.30%	0.64%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,335	0	0.00%	0	0.00%	-1.34%
Dearborn/Dearborn Heights	314	12,236,767	958,502	7.83%	958,502	7.83%	2.49%
Romulus	397	21,870,398	2,716,921	12.42%	1,519,465	6.95%	-1.87%
Taylor	308	11,290,562	630,364	5.58%	630,364	5.58%	0.20%
TOTAL SUBMARKET	1,077	51,229,062	4,305,787	8.40%	3,108,331	6.07%	-0.31%
WEST CORRIDOR							
Ann Arbor	388	11,281,642	716,208	6.35%	698,308	6.19%	0.44%
Farmington/Farmington Hills	424	12,173,067	885,327	7.27%	725,092	5.96%	-0.53%
Livonia	824	31,609,564	1,105,656	3.50%	998,249	3.16%	0.41%
Plymouth/Canton	490	20,878,745	951,106	4.56%	833,869	3.99%	1.24%
Redford	204	5,900,473	108,362	1.84%	108,362	1.84%	-0.62%
Van Buren Twp	58	6,631,735	0	0.00%	0	0.00%	0.00%
Wayne/Westland	282	6,949,970	137,134	1.97%	137,134	1.97%	0.09%
TOTAL SUBMARKET	2,670	95,425,196	3,903,793	4.09%	3,501,014	3.67%	0.25%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	256	6,885,110	207,898	3.02%	207,898	3.02%	0.93%
Fowlerville/Howell	125	4,657,585	242,308	5.20%	242,308	5.20%	1.55%
Lyon Twp/South Lyon/Milford/New Hudson	143	5,626,022	454,181	8.07%	454,181	8.07%	0.26%
Novi	315	11,317,126	708,919	6.26%	671,022	5.93%	0.05%
Walled Lake/Commerce Twp	208	4,726,329	105,630	2.23%	105,630	2.23%	-1.22%
Wixom	378	12,330,054	924,655	7.50%	604,543	4.90%	0.15%
TOTAL SUBMARKET	1,425	45,542,226	2,643,591	5.80%	2,285,582	5.02%	0.26%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,411	384,181,614	20,895,438	5.44%	17,702,877	4.61%	0.17%

*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
25800-25840 Sherwood Avenue	Warren	East Corridor	133,332	User	HKJAX, LLC
32565 Dequindre Road	Madison Heights	North Corridor	128,124	User	Iroquois Industries, Inc.
2700 Product Drive	Rochester Hills	North Corridor	94,443	Investment	Kumo Capital, LLC
15670 Wahrman Road	Romulus	South Corridor	73,825	Investment	Group 10 Management Company
255 Rex Boulevard	Auburn Hills	North Corridor	68,974	Investment	Granger Group

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
33360 Trade Center Drive Building 3	Romulus	South Corridor	349,494	Direct	DTE Electric Company
6701 Fort Street	Detroit	South Corridor	276,000	Direct	LuxWall, Inc.
18200 Vernier Road	Harper Woods	East Corridor	224,589	Direct	Avancez, LLC
43700 Gen Mar	Novi	I-96 Corridor	156,000	Direct	Active Dynamics
18300 Vernier Road	Harper Woods	East Corridor	104,353	Direct	Home Express Delivery Services, Inc.

SIGNATURE QUICK FACTS

<p>Q4 2024 SIGNATURE LISTED...</p> <p>NEW 174 NEW PROPERTIES</p> <p>4,527,651 SQUARE FEET</p> <p>517.085 ACRES</p>	<p>Q4 2024 SIGNATURE CLOSED....</p> <p>CLOSED 313 TRANSACTIONS</p> <p>6,280,310 SQUARE FEET</p> <p>182.66 ACRES</p>	<p> 42% CONSISTENT MARKET SHARE</p> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <p>TCN WORLDWIDE REAL ESTATE SERVICES MEMBER FIRM</p>
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