

METROPOLITAN
DETROIT
MARKET

OFFICE
Q4 2024
MARKET STATISTICS



METROPOLITAN DETROIT

OFFICE MARKET REVIEW

ECONOMIC OVERVIEW

Fourth quarter 2024 closed with a direct vacancy rate of 20.24%, an overall vacancy rate of 22.34%, and an average asking direct rental rate reported at \$19.08 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.

OFFICE MARKET DISCUSSION

The fourth quarter saw robust leasing activity, highlighted by two leases at 31440 Northwestern Highway in Farmington Hills. The Kirk Gibson Foundation signed an 11-year lease for 40,692 sq. ft. to establish a Parkinson’s Wellness Center, slated to open in mid-2025. The project will include \$4.5 million in investments for renovations, equipment, and staff training, creating a cutting-edge facility that will offer a wide array of therapeutic programs, counseling, and lifestyle classes, all free of charge for individuals living with Parkinson’s disease. Additionally, Amentum Technology, Inc., a global leader in advanced engineering and innovative technology solutions, leased 18,948 sq. ft. at the same location. In Troy, eMortgage Funding secured 31,149 sq. ft. of space on the 4th floor at 320 E. Big Beaver.

The quarter also saw several significant investment sales. The largest transaction was the sale of a two-building office portfolio at 290 & 330 Town Center Drive in Dearborn, totaling 336,934 sq. ft., which was acquired by Dearborn Town Center Office, LLC. In Warren, the two-building portfolio at 27800 & 28000 Dequindre Road, totaling 169,472 sq. ft., was purchased by Global Vision Land Company, LLC. Additionally, in Auburn Hills, Ashley Capital, LLC purchased the former Comerica office building at 3551 Hamlin Road at auction. This investment includes 209,956 sq. ft. on nearly 13 acres.

OUTLOOK

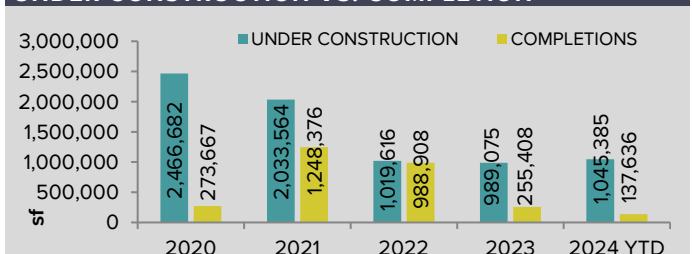
Downtown Detroit continues to make headlines with its upcoming developments, reshaping the central business district into a dynamic, well-designed hub. The University of Michigan in Ann Arbor recently completed a \$9.5 million land acquisition at 2201 W. Grand River Avenue, directly across from the six-story, 200,000 sq. ft. U-M Center for Innovation currently under construction. This land purchase will help support the center’s future expansion needs. Meanwhile, General Motors has announced plans to double the space they originally intended to occupy at the Hudson’s Detroit project, expanding from two floors to four floors.

The Metro Detroit office market closed the year on a positive note, showing signs of recovery and growth across several key corridors. Looking ahead to 2025, the region is well-positioned for further growth, investment, and opportunity. A recent study by economists at Comerica Bank forecasts moderate economic growth for Michigan in 2025.

UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
1240 Woodward Avenue Detroit	Detroit	560,000	February 2025
370 E. Brown Street Birmingham/Bloomfield	Birmingham	135,000	June 2026
4060 W. Maple Road Birmingham/Bloomfield Twp.	Bloomfield Twp.	22,485	January 2025

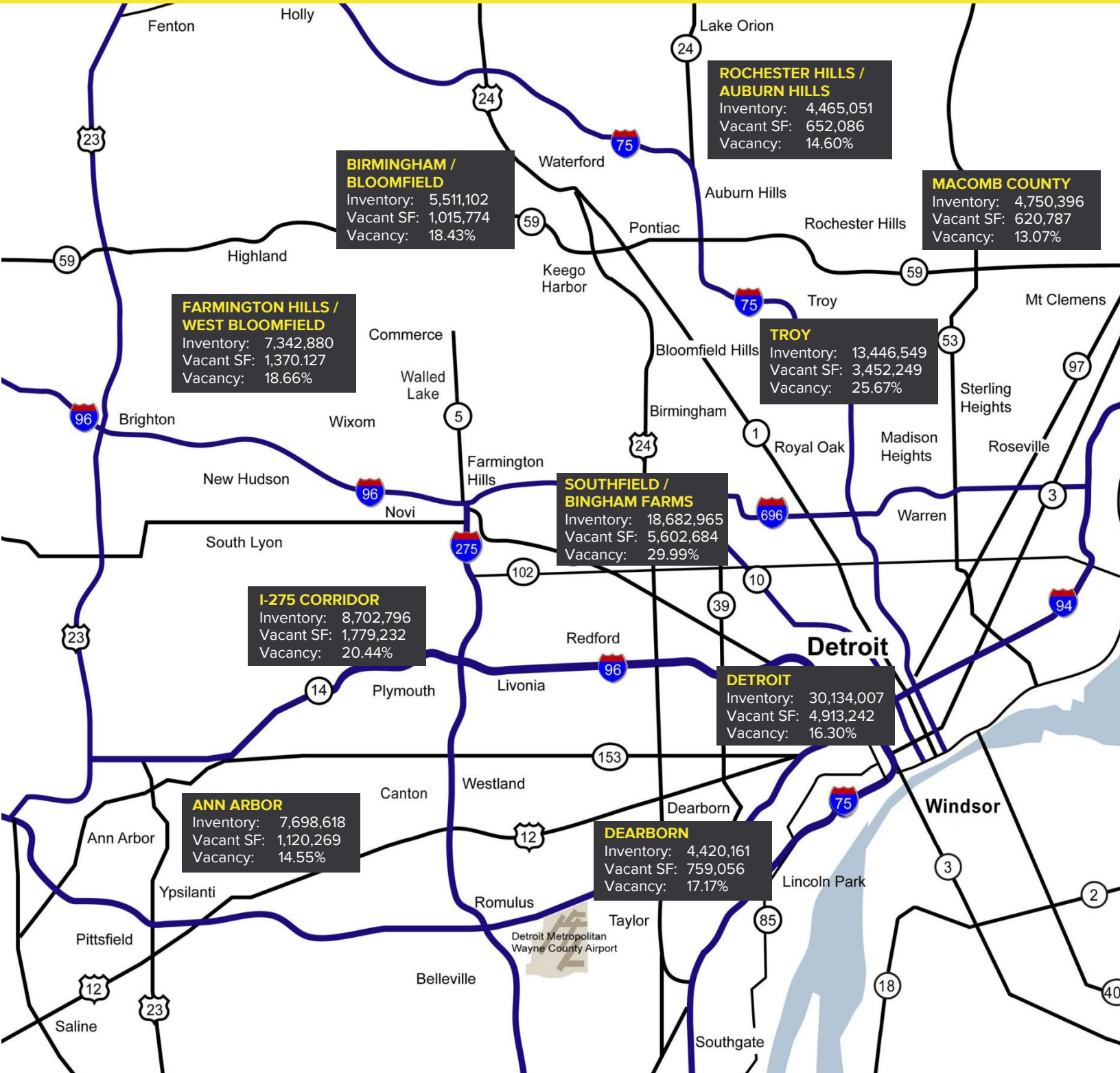
UNDER CONSTRUCTION VS. COMPLETION





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Submarket: Buildings 20,000 Sq. Ft. & Up	Total Inventory Square Feet	Available Square Feet w/Sublease	Vacancy % w/Sublease	Direct Available Square Feet	Direct Vacancy %	Direct Vacancy % Change 3 rd - 4 th Qtr
CLASS A						
Ann Arbor	2,440,437	346,636	14.20%	280,011	11.47%	0.18%
Birmingham/Bloomfield	2,257,695	644,350	28.54%	618,412	27.39%	-1.07%
Dearborn	1,419,212	211,768	14.92%	211,768	14.92%	6.95%
Detroit	10,657,596	2,566,678	24.08%	2,247,955	21.09%	0.16%
Farmington Hills/West Bloomfield	2,411,248	529,054	21.94%	491,420	20.38%	-1.26%
I-275 Corridor*	2,837,918	839,561	29.58%	742,260	26.16%	-0.51%
Macomb County**	573,400	24,395	4.25%	24,395	4.25%	-1.38%
Rochester Hills/Auburn Hills	741,170	107,726	14.53%	102,223	13.79%	-2.11%
Southfield/Bingham Farms	5,947,860	2,271,492	38.19%	1,967,609	33.08%	0.93%
Troy	6,558,596	2,012,204	30.68%	1,798,270	27.42%	0.16%
CLASS A TOTAL	35,845,132	9,553,854	26.65%	8,484,323	23.67%	0.28%
CLASS B						
Ann Arbor	4,762,070	951,208	19.97%	797,894	16.76%	0.64%
Birmingham/Bloomfield	3,095,572	390,290	12.61%	383,456	12.39%	-0.95%
Dearborn	2,901,163	525,288	18.11%	525,288	18.11%	0.00%
Detroit	15,075,047	2,342,813	15.54%	2,283,696	15.15%	0.18%
Farmington Hills/West Bloomfield	4,480,510	871,411	19.45%	852,992	19.04%	-0.48%
I-275 Corridor*	5,184,503	1,172,897	22.62%	944,774	18.22%	-0.98%
Macomb County**	3,381,963	533,085	15.76%	525,374	15.53%	0.52%
Rochester Hills/Auburn Hills	3,292,919	637,927	19.37%	528,637	16.05%	1.19%
Southfield/Bingham Farms	10,999,153	3,841,070	34.92%	3,424,386	31.13%	-0.13%
Troy	6,130,655	1,707,726	27.86%	1,576,495	25.71%	-0.17%
CLASS B TOTAL	59,303,555	12,973,715	21.88%	11,842,992	19.97%	0.02%
CLASS C						
Ann Arbor	496,111	42,364	8.54%	42,364	8.54%	-3.55%
Birmingham/Bloomfield	157,835	13,906	8.81%	13,906	8.81%	-0.54%
Dearborn	99,786	22,000	22.05%	22,000	22.05%	0.00%
Detroit	4,401,364	385,391	8.76%	381,591	8.67%	-1.47%
Farmington Hills/West Bloomfield	451,122	32,760	7.26%	25,715	5.70%	-0.18%
I-275 Corridor*	680,375	92,198	13.55%	92,198	13.55%	-1.08%
Macomb County**	795,033	71,018	8.93%	71,018	8.93%	0.14%
Rochester Hills/Auburn Hills	430,962	21,226	4.93%	21,226	4.93%	0.67%
Southfield/Bingham Farms	1,735,952	210,689	12.14%	210,689	12.14%	-1.59%
Troy	757,298	77,484	10.23%	77,484	10.23%	-6.00%
CLASS C TOTAL	10,005,838	969,036	9.68%	958,191	9.58%	-1.60%
COMBINED CLASS A, B, & C						
Ann Arbor	7,698,618	1,340,208	17.41%	1,120,269	14.55%	0.22%
Birmingham/Bloomfield	5,511,102	1,048,546	19.03%	1,015,774	18.43%	-0.76%
Dearborn	4,420,161	759,056	17.17%	759,056	17.17%	2.34%
Detroit	30,134,007	5,294,882	17.57%	4,913,242	16.30%	-0.01%
Farmington Hills/West Bloomfield	7,342,880	1,433,225	19.52%	1,370,127	18.66%	-0.72%
I-275 Corridor*	8,702,796	2,104,656	24.18%	1,779,232	20.44%	-0.84%
Macomb County**	4,750,396	628,498	13.23%	620,787	13.07%	0.23%
Rochester Hills/Auburn Hills	4,465,051	766,879	17.18%	652,086	14.60%	0.59%
Southfield/Bingham Farms	18,682,965	6,323,251	33.85%	5,602,684	29.99%	0.07%
Troy	13,446,549	3,797,414	28.24%	3,452,249	25.67%	-0.34%
METRO DETROIT OFFICE MARKET TOTAL	105,154,525	23,496,615	22.34%	21,285,506	20.24%	-0.04%

*I-275 Corridor includes: Livonia, Northville, Novi, Plymouth/Plymouth Twp. **Macomb County includes: Clinton Twp., Mt. Clemens, Shelby Twp., Sterling Heights. Utica and Warren.

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OFFICE MARKET REVIEW







TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
290 & 330 Town Center Drive 2-Bldg. Portfolio	Dearborn	Dearborn	336,934	Investment	Dearborn Town Center Office, LLC
3551 Hamlin Road	Auburn Hills	Rochester Hills/ Auburn Hills	209,596	Investment	Ashley Capital, LLC
27800 & 28000 Dequindre Road 2-Bldg. Portfolio	Warren	Macomb County	169,472	Investment	Global Vision Land Company, LLC
28588 Northwestern Highway	Southfield	Southfield/ Bingham Farms	94,127	Investment	Swift Investment Group
17475 Federal Drive	Dearborn	Dearborn	45,138	User	The Guidance Center

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
31440 Northwestern Highway	Farmington Hills	Farmington Hills/ W. Bloomfield	40,692	Direct	Kirk Gibson Foundation
320 E. Big Beaver Road	Troy	Troy	31,149	Direct	eMortgage Funding
31440 Northwestern Highway	Farmington Hills	Farmington Hills/ W. Bloomfield	18,948	Direct	Amentum Technology, Inc.
26300 Northwestern Highway	Southfield	Southfield/ Bingham Farms	17,025	Direct	Hewson & Van Hellemont, P.C.
340 E. Big Beaver Road	Troy	Troy	15,634	Direct	Lend-A-Loan, LLC

SIGNATURE QUICK FACTS

<p>Q4 2024 SIGNATURE LISTED...</p> <div style="display: flex; justify-content: center; align-items: center;">  <p>174 NEW PROPERTIES</p> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <p>4,527,651 SQUARE FEET</p> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <p>517.085 ACRES</p> </div>	<p>Q4 2024 SIGNATURE CLOSED....</p> <div style="display: flex; justify-content: center; align-items: center;">  <p>313 TRANSACTIONS</p> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <p>6,280,310 SQUARE FEET</p> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <p>182.66 ACRES</p> </div>	 <p>42% CONSISTENT MARKET SHARE</p> <hr/> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <hr/> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>TCN WORLDWIDE REAL ESTATE SERVICES</p> </div> <div style="text-align: center;">  <p>MEMBER FIRM</p> </div> </div>
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