



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q1 2023
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

First quarter 2023 closed with a direct vacancy rate of 3.88%, an overall vacancy rate of 4.24%, and an average asking direct rental rate reported at \$7.14 psf. In March, the Michigan unemployment rate was recorded at 4.1%, a decrease of 0.3 percentage points compared to this time last year, while the U. S. unemployment rate was recorded at 3.5%. Despite ongoing inflation and climbing interest rates, layoffs remain minimal, and the job market resilient. Employers added 504,000 jobs during the month of January and the U.S. unemployment rate dropped to 3.4%, the lowest it's been since 1969. In February, employers added 311,000 jobs and 236,000 jobs in March. It was reported the U.S. economy grew 2.1% by end of 2022, marking 6 months of solid growth, while the first couple months of 2023 the economy grew at a slower pace by 1.1%. In February the Federal Reserve raised the key interest rate by a quarter percentage point and by another quarter of a percentage point in March, the 9th increase beginning one year ago at the start of fighting inflation. The Federal Reserve has signaled that one more rate hike may be necessary this year. On a positive note, consumer confidence slightly increased in March as inflation eased at the wholesale level giving way to optimism that this may be a continued trend throughout 2023.

STATS ON THE GO

	Q1 2022	Q1 2023	Y-O-Y CHANGE	12 MONTH OVERVIEW
Overall Vacancy	4.26%	4.24%	-0.02%	▼
Direct Asking Rents (psf/yr)	\$7.79	\$7.14	-8.3%	▼

INDUSTRIAL MARKET DISCUSSION

The largest lease of the quarter took place in Warren, as Samsung SDI America, Inc. a manufacturer and distributor of rechargeable batteries for electric vehicles, IT, energy storage systems, and materials for semiconductors and displays, signed a lease totaling 274,000 sq. ft. at 6500 14 Mile Road. In Plymouth Township, Loc Performance Products, Inc. signed a deal for 262,474 sq. ft. of manufacturing space located at 13505 N. Haggerty Road. In Howell, Tk Holdings, Inc. leased 252,397 sq. ft. of warehouse distribution space at 1199 Austin Court in the Trans West Industrial Center. Lastly in Warren, AKASOL, Inc. signed a deal totaling 104,391 sq. ft. of warehouse distribution space located at 23500 Mound Road.

Several sales closed during the first quarter. In Sterling Heights, Gannett Publishing, Inc. sold their 388,273 sq. ft. printing and distribution facility as an investment to an Ohio developer, Sterling Heights Mound, LLC, associated with Industrial Commercial Properties, LLC based in Solon, Ohio. Gannett Publishing, Inc. will continue occupying the space. In Plymouth, 40600 Plymouth Road, LLC purchased the 259,621 sq. ft. manufacturing facility located at 40600 Plymouth Road as user of the property. Lastly in Warren, Young Supply Company purchased the 210,567 sq. ft. manufacturing property located at 12350 E. 9 Mile Road.

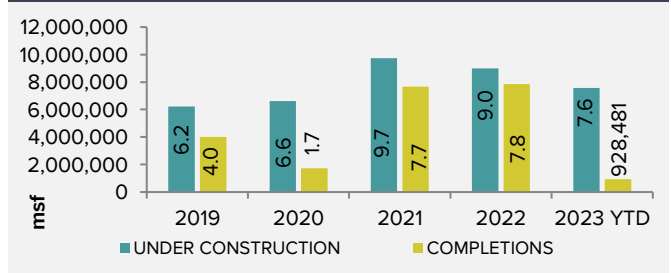
OUTLOOK

As the State of Michigan continues securing its position within the EV manufacturing sector, the Metro Detroit industrial market continues on an upswing as several well-known companies recently announced investments and developments in support of these efforts. In March, \$585M was authorized in state funding in support of three new multibillion-dollar electric vehicle battery factories in Michigan. A \$210M grant was awarded to Ford Motor Company with plans to build a \$3.5B plant in Marshall and will create 2,500 jobs. A \$200M grant to Our Next Energy, Inc. with plans to open a \$1.6B EV plant in Van Buren Township that will create 2,100 jobs. Lastly in Big Rapids, \$175M towards Gotion Inc's \$2.4B EV Factory expected to create 2,350 jobs. Furthermore, Magna International, Inc. proposed plans to construct a new 280,000 sq. ft., \$100M EV seating plant in Auburn Hills, creating 500 jobs. While American Axle & Manufacturing Holdings, Inc. is discussing plans to re-develop 50 acres, creating a \$460M EV research and supplier park near their Detroit headquarters creating 1,100 jobs.

UNDER CONSTRUCTION

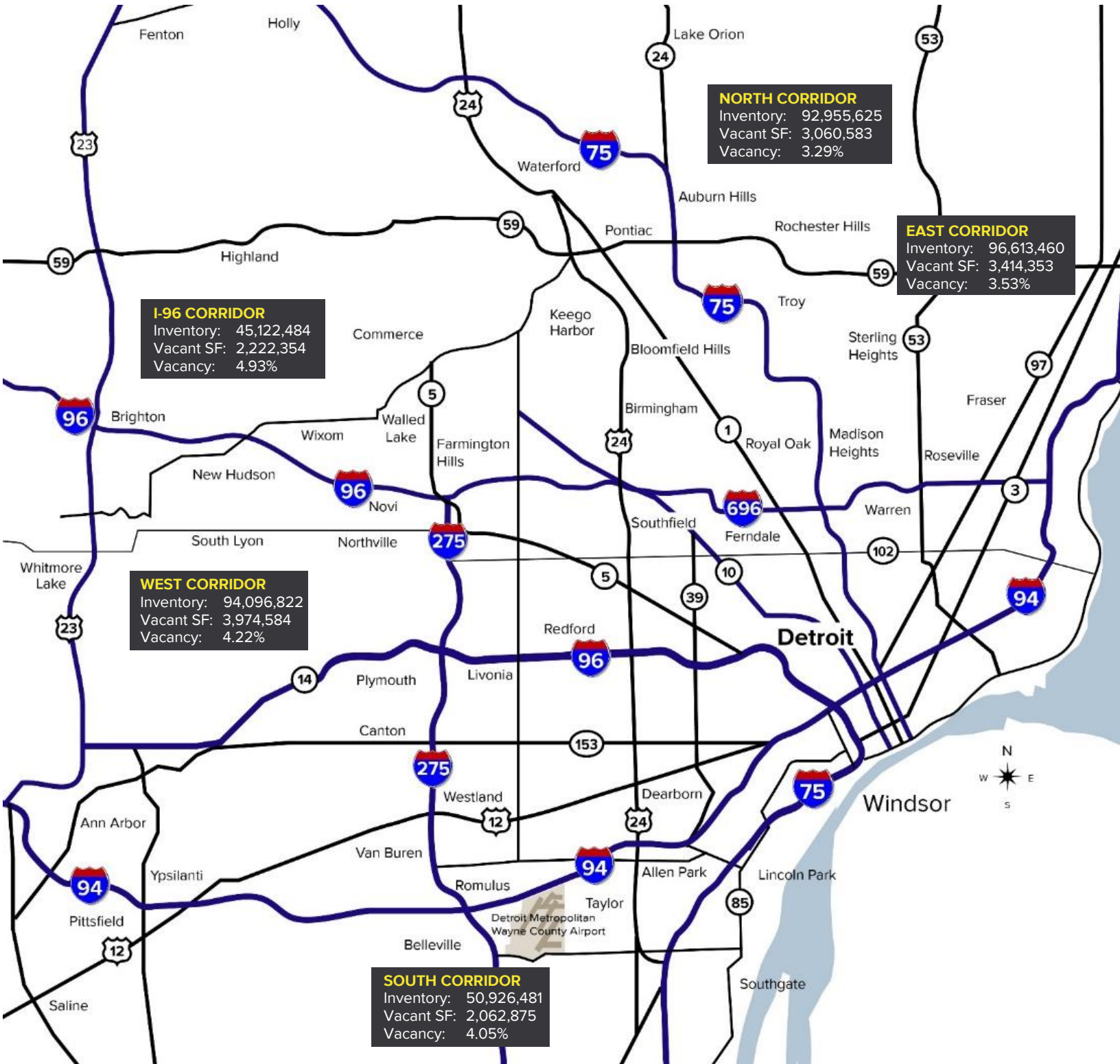
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
Eastland Commerce Center Bldgs. 1, 2 & 3 East Corridor	Harper Woods	1,040,546	July 2023
48620-48626 Michigan Avenue West Corridor	Canton	501,600	May 2023
28803 Wixom Road Building D I-96 Corridor	Wixom	258,465	December 2023

UNDER CONSTRUCTION VS. COMPLETION



METROPOLITAN DETROIT

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 4 th - 1 st Quarter
NORTH CORRIDOR							
Auburn Hills	330	21,290,815	882,580	4.15%	622,301	2.92%	0.16%
Madison Heights	430	10,808,188	466,457	4.32%	422,277	3.91%	0.49%
Orion Twp/Lake Orion	66	4,670,799	11,000	0.24%	11,000	0.24%	0.00%
Rochester/Rochester Hills	312	10,161,726	421,606	4.15%	337,593	3.32%	-0.05%
Royal Oak Area*	680	16,924,115	792,998	4.69%	700,781	4.14%	-0.05%
Southfield/Bloomfield Twp	276	7,606,977	219,021	2.88%	204,696	2.69%	0.23%
Troy	846	21,493,005	781,710	3.64%	761,935	3.55%	-0.34%
TOTAL SUBMARKET	2,940	92,955,625	3,575,372	3.85%	3,060,583	3.29%	0.01%
EAST CORRIDOR							
Chesterfield Twp	231	8,701,543	308,880	3.55%	308,880	3.55%	-0.29%
Clianton Twp	450	9,068,823	223,584	2.47%	223,584	2.47%	-1.32%
Fraser	260	6,078,172	177,620	2.92%	151,160	2.49%	0.39%
Mt. Clemens	98	2,965,203	0	0.00%	0	0.00%	0.00%
Roseville	279	7,061,666	512,343	7.26%	512,343	7.26%	1.98%
Shelby Twp/Macomb Twp	410	12,391,571	354,926	2.86%	166,853	1.35%	-0.27%
Sterling Heights	533	18,652,170	373,805	2.00%	373,805	2.00%	-0.53%
Warren	982	31,694,312	1,730,030	5.46%	1,677,728	5.29%	0.43%
TOTAL SUBMARKET	3,243	96,613,460	3,681,188	3.81%	3,414,353	3.53%	0.02%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,335	301,644	5.17%	301,644	5.17%	0.00%
Dearborn/Dearborn Heights	311	12,160,519	1,215,379	9.99%	1,140,135	9.38%	1.20%
Romulus	394	21,679,962	315,348	1.45%	235,615	1.09%	-0.13%
Taylor	308	11,254,665	408,481	3.63%	385,481	3.43%	-0.29%
TOTAL SUBMARKET	1,071	50,926,481	2,240,852	4.40%	2,062,875	4.05%	0.17%
WEST CORRIDOR							
Ann Arbor	387	11,183,555	799,397	7.15%	784,551	7.02%	-0.35%
Farmington/Farmington Hills	421	12,028,717	633,318	5.27%	581,904	4.84%	-0.98%
Livonia	818	31,478,823	1,000,742	3.18%	853,742	2.71%	0.14%
Plymouth/Canton	487	20,682,065	855,124	4.13%	828,183	4.00%	-0.08%
Redford	202	5,861,390	743,863	12.69%	743,863	12.69%	0.71%
Van Buren Twp	59	6,080,596	88,763	1.46%	88,763	1.46%	0.02%
Wayne/Westland	279	6,781,676	93,578	1.38%	93,578	1.38%	-0.03%
TOTAL SUBMARKET	2,653	94,096,822	4,214,785	4.48%	3,974,584	4.22%	-0.09%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	260	7,116,597	160,744	2.26%	131,344	1.85%	0.39%
Fowlerville/Howell	124	4,467,038	207,176	4.64%	94,600	2.12%	-1.50%
Lyon Twp/South Lyon/Milford/New Hudson	137	5,336,068	376,298	7.05%	376,298	7.05%	0.06%
Novi	314	11,307,752	574,560	5.08%	559,504	4.95%	0.73%
Walled Lake/Commerce Twp	205	4,668,250	198,237	4.25%	193,237	4.14%	-0.45%
Wixom	374	12,226,779	867,371	7.09%	867,371	7.09%	3.82%
TOTAL SUBMARKET	1,414	45,122,484	2,384,386	5.28%	2,222,354	4.93%	1.10%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,321	379,714,872	16,096,583	4.24%	14,734,749	3.88%	0.14%

*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
6200 Metropolitan Parkway	Sterling Heights	East Corridor	388,273	Investment	Sterling Heights Mound, LLC
40600 Plymouth Road	Plymouth Twp.	West Corridor	259,621	User	40600 Plymouth Road, LLC
12350 E. 9 Mile Road	Warren	East Corridor	210,567	User	Young Supply Company
21001-21033 Groesbeck Highway	Warren	East Corridor	151,953	Investment	21001 Groesbeck Highway, LLC
11650 Park Court	Shelby Twp.	East Corridor	92,803	Investment	RBD Davison Road, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
6500 Fourteen Mile Road	Warren	East Corridor	274,000	Direct	Samsung SDI America, Inc.
13505 N. Haggerty Road	Plymouth Twp.	West Corridor	262,474	Direct	Loc Performance Products, Inc.
1199 Austin Court	Howell	I-96 Corridor	252,937	Direct	Tk Holdings, LLC
23500 Mound Road	Warren	East Corridor	104,391	Direct	AKASOL, Inc.
6400 Center Drive	Sterling Heights	East Corridor	81,033	Direct	Kuka Robotics

SIGNATURE QUICK FACTS

<p>Q1 2023 SIGNATURE LISTED...</p> <p> 167 NEW PROPERTIES</p> <p> 2,701,969 SQUARE FEET</p> <p> 452.41 ACRES</p>	<p>Q1 2023 SIGNATURE CLOSED....</p> <p> 303 TRANSACTIONS</p> <p> 7,823,225 SQUARE FEET</p> <p> 351.73 ACRES</p>	<p> 42% CONSISTENT MARKET SHARE</p> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <p>TCN  MEMBER FIRM WORLDWIDE REAL ESTATE SERVICES</p>
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