



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q3 2023
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

Third quarter 2023 closed with a direct vacancy rate of 3.81%, an overall vacancy rate of 4.11%, and an average asking direct rental rate reported at \$7.29 per sq. ft. NNN. In September, the Michigan unemployment rate was recorded at 3.9%, a decrease of 0.4 percentage points compared to this time last year, while the U.S. unemployment rate was recorded at 3.8%, an increase of 0.3 percentage points from this time last year. It has been reported U.S. employers on average have added 236,000 jobs per month throughout the year. In September U.S. employers added 336,000 jobs to close out the quarter, a positive sign employers remain confident as layoffs remain low, less individuals have applied for jobless benefits, despite an uncertain economy as interest rates continue to climb. The U.S. economy grew at a 4.9% annual rate between July and September better than expected based on previous estimates. In July, despite inflation being at its lowest point since early 2021, the Federal Reserve increased the key interest rate for the 11th time in 17th months by 0.25%, bringing the rate to the highest it has been in more than 20 years, furthering the fall of home sales as long-term mortgage rates reached their highest level since 2000. Interest rates remained unchanged in September, while there was indication another rate hike by year-end may be necessary, and keeping rates elevated into 2024.

STATS ON THE GO

	Q3 2022	Q3 2023	Y-O-Y CHANGE	12 MONTH OVERVIEW
Overall Vacancy	3.95%	4.11%	0.16%	▲
Direct Asking Rents (psf/yr)	\$6.98	\$7.29	4.5%	▲

INDUSTRIAL MARKET DISCUSSION

Several notable leases closed the quarter. First in Wixom, Renaissance Global Logistics inked a deal totaling 306,280 sq. ft. of warehouse distribution space located in the newly constructed industrial building located at 28802 Wixom Road. While in Brownstown Township, Progressive Distribution Centers, Inc. leased 301,664 sq. ft. of warehouse distribution space located at 17550-17680 Allen Road. Armaly Sponge Company leased 112,500 sq. ft. of warehouse distribution space at 1199 Austin Court in the Trans West Industrial Center in Howell. Lastly in Warren, Logos Logistics leased 88,779 sq. ft. of warehouse distribution space at 23500 Mound Road.

A considerable number of sales closed during the third quarter. In Oak Park, Founders Properties purchased 275,401 sq. ft. of warehouse distribution space located at 15100-15150 W. Eight Mile Road as an investment. In Westland, Atlas Wholesale Food Company purchased the 64,450 sq. ft. property located at 35500 Central City Parkway. Atlas Wholesale has been in business for 74 years with business growth of 146 percent over the last seven years, additional warehouse space will allow them to meet the growing demands of existing customers and to better serve new customers throughout the region.

OUTLOOK

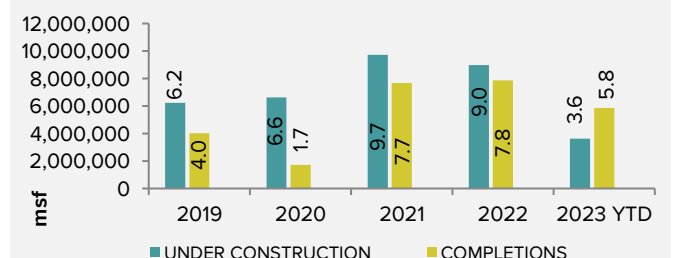
The State of Michigan continues to draw new developments and investments creating jobs and securing future operations of longstanding organizations. Recently announced, Plastic Omnium has plans to invest \$170M towards the development of a 200,000 sq. ft. facility in Grand Blanc Township that will produce hydrogen storage systems. In Wixom, People Driven Technology broke ground on their new 28,000 sq. ft. technology hub. The \$7M high-tech facility is expected to be completed in the spring of 2024. In Auburn Hills, the Michigan Strategic Fund granted approval of \$4.25M towards the new Magna Seating plant and \$5M towards the \$41M Samsung SDI America expansion, both expected to create new jobs and supply demand within the automotive sector.

General Motors Company has decided to reduce the size of their newly planned EV facility at the former Palace of Auburn Hills site by 35% citing improved efficiency of the operations which will now total 715,012 sq. ft. Also in Auburn Hills, Stellantis has recently discussed weighing their options as to how they are currently utilizing the 5.4 million-square-foot North American headquarters.

UNDER CONSTRUCTION

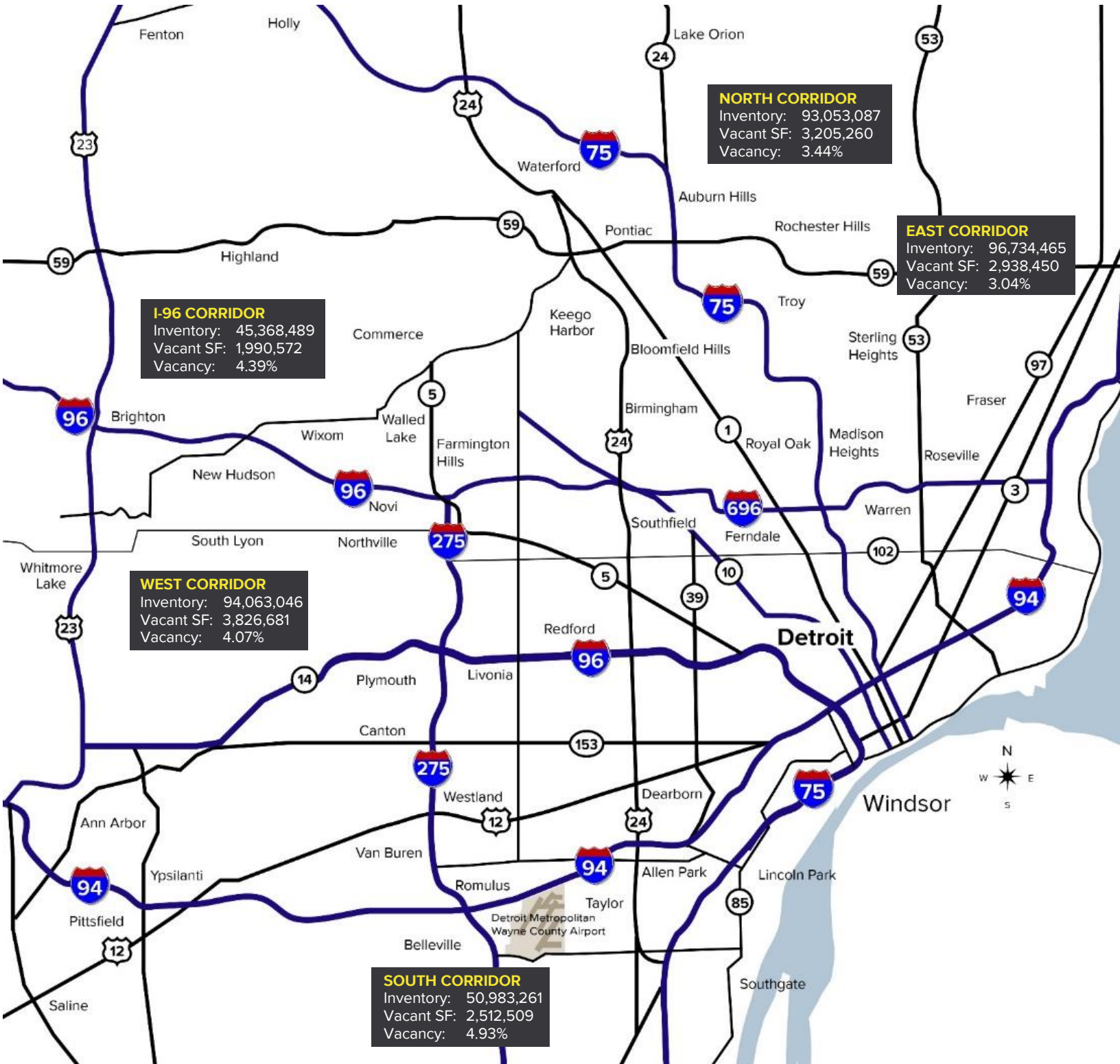
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
Eastland Commerce Center Bldgs. 1, 2 & 3 East Corridor	Harper Woods	1,040,546	January 2024
2630 Featherstone Road North Corridor	Auburn Hills	655,000	April 2024
3874 Research Park Drive West Corridor	Ann Arbor	130,000	December 2023

UNDER CONSTRUCTION VS. COMPLETION



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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 2 nd - 3 rd Quarter
NORTH CORRIDOR							
Auburn Hills	330	21,295,302	835,886	3.93%	662,860	3.11%	-0.66%
Madison Heights	431	10,818,827	282,757	2.61%	263,957	2.44%	-1.63%
Orion Twp/Lake Orion	67	4,719,295	153,748	3.26%	153,748	3.26%	2.81%
Rochester/Rochester Hills	312	10,162,743	399,884	3.93%	315,871	3.11%	-0.53%
Royal Oak Area*	682	16,960,334	727,524	4.29%	727,524	4.29%	0.29%
Southfield/Bloomfield Twp	277	7,676,446	306,137	3.99%	306,137	3.99%	1.66%
Troy	845	21,420,140	873,374	4.08%	775,163	3.62%	0.16%
TOTAL SUBMARKET	2,944	93,053,087	3,579,310	3.85%	3,205,260	3.44%	-0.01%
EAST CORRIDOR							
Chesterfield Twp	232	8,706,971	272,003	3.12%	272,003	3.12%	-0.22%
Clinton Twp	451	9,026,696	232,167	2.57%	178,514	1.98%	-0.64%
Fraser	262	6,088,524	132,419	2.17%	132,419	2.17%	0.27%
Mt. Clemens	99	2,976,537	74,888	2.52%	74,888	2.52%	2.52%
Roseville	279	7,003,233	148,274	2.12%	148,274	2.12%	-0.12%
Shelby Twp/Macomb Twp	416	12,529,246	320,310	2.56%	320,310	2.56%	0.60%
Sterling Heights	535	18,643,851	305,859	1.64%	293,138	1.57%	0.04%
Warren	984	31,759,407	1,627,156	5.12%	1,518,904	4.78%	0.68%
TOTAL SUBMARKET	3,258	96,734,465	3,113,076	3.22%	2,938,450	3.04%	0.32%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,335	0	0.00%	0	0.00%	-5.17%
Dearborn/Dearborn Heights	311	12,172,997	839,760	6.90%	839,760	6.90%	0.33%
Romulus	394	21,721,021	1,229,248	5.66%	1,134,875	5.22%	-0.30%
Taylor	306	11,257,908	537,874	4.78%	537,874	4.78%	3.22%
TOTAL SUBMARKET	1,069	50,983,261	2,606,882	5.11%	2,512,509	4.93%	0.08%
WEST CORRIDOR							
Ann Arbor	386	11,137,290	978,329	8.78%	965,722	8.67%	0.54%
Farmington/Farmington Hills	421	12,002,700	875,309	7.29%	657,181	5.48%	0.68%
Livonia	819	31,486,564	963,031	3.06%	931,531	2.96%	0.19%
Plymouth/Canton	488	20,753,302	925,093	4.46%	869,780	4.19%	0.76%
Redford	203	5,888,681	211,118	3.59%	211,118	3.59%	-0.60%
Van Buren Twp	58	6,002,066	88,763	1.48%	88,763	1.48%	0.02%
Wayne/Westland	280	6,792,443	131,946	1.94%	102,586	1.51%	-0.29%
TOTAL SUBMARKET	2,655	94,063,046	4,173,589	4.44%	3,826,681	4.07%	0.33%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	260	7,067,597	121,200	1.71%	91,800	1.30%	-0.21%
Fowlerville/Howell	124	4,576,662	83,876	1.83%	83,876	1.83%	-0.80%
Lyon Twp/South Lyon/Milford/New Hudson	139	5,445,796	395,227	7.26%	395,227	7.26%	0.45%
Novi	313	11,300,639	689,918	6.11%	599,553	5.31%	0.74%
Walled Lake/Commerce Twp	207	4,722,989	176,936	3.75%	176,936	3.75%	-0.62%
Wixom	376	12,245,806	671,829	5.49%	643,180	5.25%	-1.95%
TOTAL SUBMARKET	1,419	45,368,489	2,138,986	4.71%	1,990,572	4.39%	-0.46%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,345	380,202,348	15,611,843	4.11%	14,473,472	3.81%	0.12%

*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
15100-15150 W. Eight Mile Road	Oak Park	North Corridor	275,401	Investment	Founders Properties
35500 Central City Parkway	Westland	West Corridor	64,450	User	Atlas Wholesale Food Company
2000 Oakley Park Road	Commerce Twp.	I-96 Corridor	56,558	User	BCS Property Management, LLC
1735 E. Fourteen Mile Road	Troy	North Corridor	49,290	User	1735 Troy, LLC
25330 Interchange Court	Farmington Hills	West Corridor	25,950	User	Easy Street Property Management, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
28802 Wixom Road	Wixom	I-96 Corridor	306,280	Direct	Renaissance Global Logistics
17550-17608 Allen Road	Brownstown Twp.	South Corridor	301,664	Direct	Progressive Distribution Centers, Inc.
1199 Austin Court	Howell	I-96 Corridor	112,500	Direct	Armaly Sponge Company
23500 Mound Road	Warren	East Corridor	88,779	Direct	Logos Logistics
1866 New Energy Way	Auburn Hills	North Corridor	82,530	Direct	TÜV SÜD

SIGNATURE QUICK FACTS

<p>Q3 2023 SIGNATURE LISTED...</p> <p> 181 NEW PROPERTIES</p> <p> 2,870,421 SQUARE FEET</p> <p> 407.52 ACRES</p>	<p>Q3 2023 SIGNATURE CLOSED....</p> <p> 276 TRANSACTIONS</p> <p> 6,091,066 SQUARE FEET</p> <p> 75.72 ACRES</p>	<p> 42% CONSISTENT MARKET SHARE</p> <hr/> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <hr/> <p>TCN  MEMBER FIRM WORLDWIDE REAL ESTATE SERVICES</p>
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