METROPOLITAN DETROIT MARKET

OFFICE Q1 2025

MARKET STATISTICS

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Q1 2025 | OFFICE SNAPSHOT

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METROPOLITAN DETROIT

OFFICE MARKET REVIEW

ECONOMIC OVERVIEW

STATS ON THE GO

	Q1 2024	Q1 2025	Y-O-Y CHANGE	12 MONTH OVERVIEW
Overall Vacancy	23.27%	22.69%	-0.58%	▼
Direct Asking Rents (psf/yr)	$19.33	$19.23	-0.50 %	▼

First quarter 2025 closed with a direct vacancy rate of 20.89%, an overall vacancy rate of 22.69%, and an average asking direct rental rate reported at $19.23 per sq. ft. In March, the Michigan unemployment rate was recorded at 5.5%, an increase of 1.3 percentage points compared to one year ago, the most significant jump recorded compared to all 50 states. This increase is attributable in part toward the economic impact of recently imposed tariffs by the federal government and the problems in the EV sector. Despite the uncertain economic outlook, in March, U.S. employers added 228,000 jobs, up from 151,000 jobs added in February demonstrating resilience of the labor market. Consumer confidence, however, declined for the fourth consecutive month to its lowest level in 12 years. Consumer prices only increased 2.4% in March, a minor decrease compared to 2.8% in February. The economic outlook for 2025 weighs heavily on trade policy developments of tariffs, consumer spending and Federal Reserve policy on interest rates.

OFFICE MARKET DISCUSSION

Leasing activity increased steadily during the first quarter as employers reduced remote work options while reevaluating office design in an effort to boost in-office presence, which is at its highest level since 2020. The largest lease was signed in Southfield, as Citizens United Reciprocal Exchange, a provider of car insurance, inked a deal totaling 21,097 sq. ft. located on the 5th floor of 2000 Town Center. While in Farmington Hills, LSPedia, Inc., a global leader in turnkey compliance, serialization, traceability, business intelligence and supply chain solutions signed a sublease totaling 13,419 sq. ft. located at 31555 W. 14 Mile Road. In Detroit, the law firm Troutman Pepper Locke inked a deal totaling 10,791 sq. ft. located on the 28th floor of the Ally Detroit Center at 500 Woodward Avenue.

The quarter included several notable sales transactions. In Troy, along the Big Beaver corridor, the 186,954 sq. ft., 5-story Class A office building located at 901 Wilshire Drive sold as an investment to LREH Michigan, LLC. In Northville, the 93,000 sq. ft. Class B Westridge Office Center, located at 21680-21700 Haggerty Road, was purchased as investment by the Northern Equities Group. In Troy, the 69,318 sq. ft., 3-story Class B office property located in the Robbins Executive Park sold to AGP Construction who will occupy the property.

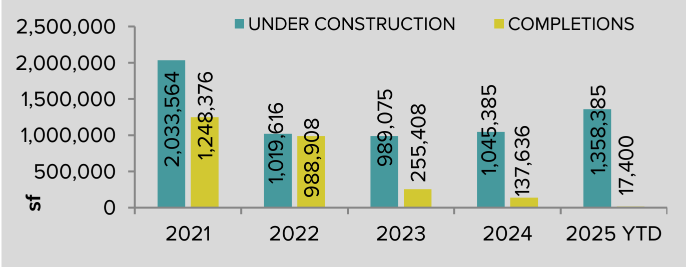
OUTLOOK

The Hudson's Detroit skyscraper reached a major milestone with the official completion of its exterior. Additionally, Ven Johnson Law, PLC was announced as the second major tenant, leasing nearly 22,000 sq. ft. on the 5th floor. Also in Detroit, Bill Ford, hinted at an anticipated announcement of a hotel for the top floors of the newly renovated Michigan Central Station. While, in Livonia, Pulse Primary Care will invest $10.5M toward a corporate headquarters, estimated to create over 500 jobs and include $1M in redevelopment of a 37,000 sq. ft. building. Although new office construction has been minimal, redevelopments across several markets have become a key focus toward modernization and growth strategy, many backed by Michigan Strategic Fund incentives. Multiple projects are in the beginning stages of planning with details to follow. After a series of challenging years, the office sector is showing encouraging signs of recovery, creating increasing optimism to the start of the year.

UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
1240 Woodward Avenue Detroit	Detroit	560,000	February 2026
370 E. Brown Street Birmingham/Bloomfield	Birmingham	135,000	June 2026
900 Briarwood Circle Ann Arbor	Ann Arbor	134,900	September 2025

UNDER CONSTRUCTION VS. COMPLETION



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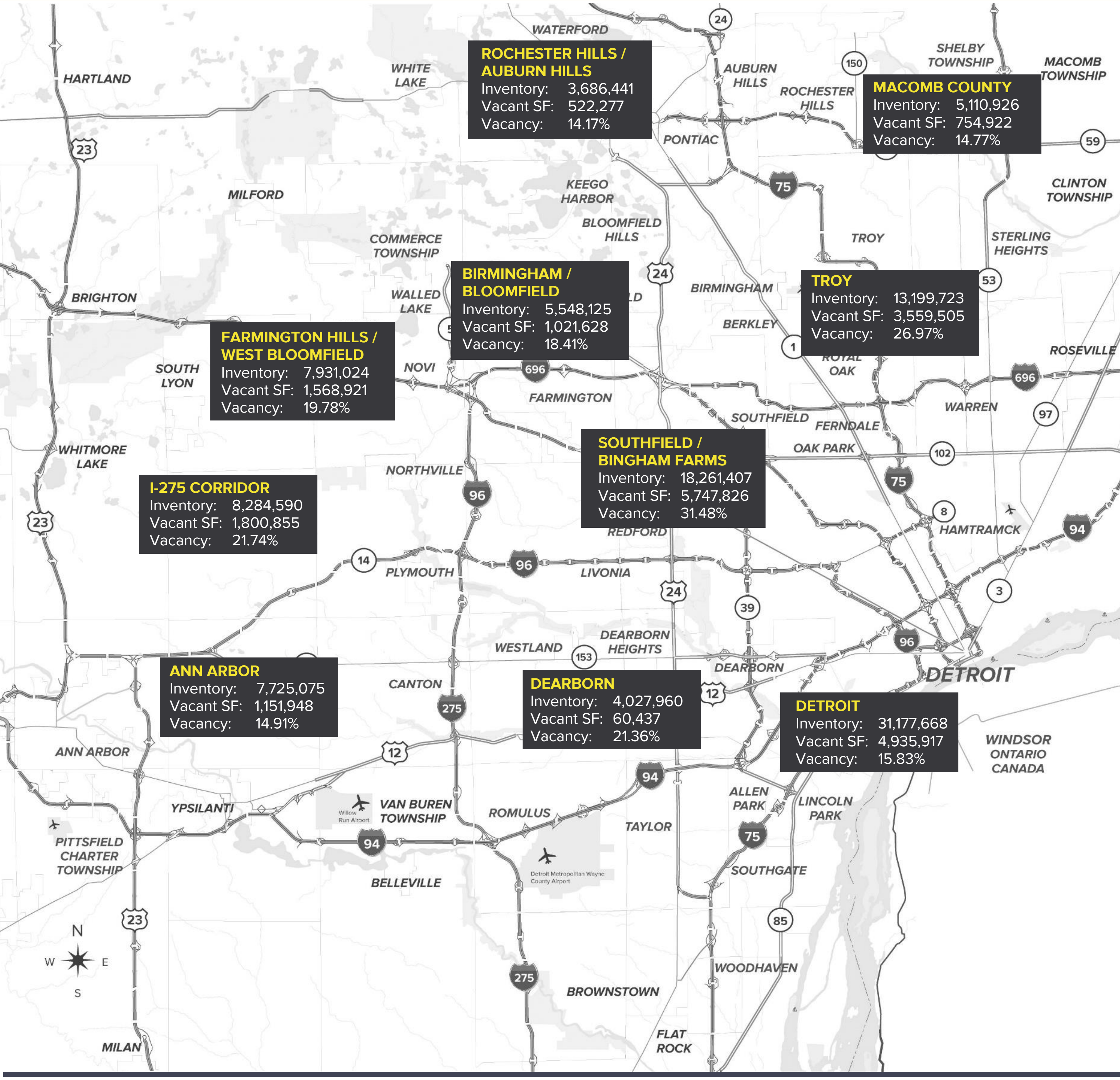

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Submarket: Buildings 20,000 Sq. Ft. & Up	Total Inventory Square Feet	Available Square Feet w/Sublease	Vacancy % w/Sublease	Direct Available Square Feet	Direct Vacancy %
CLASS A					
Ann Arbor	2,400,932	298,423	12.43%	237,604	9.90%
Birmingham/Bloomfield	2,291,336	653,155	28.51%	615,519	26.86%
Dearborn	1,750,393	349,898	19.99%	349,898	19.99%
Detroit	10,746,859	1,667,949	15.52%	1,540,172	14.33%
Farmington Hills/West Bloomfield	2,340,537	574,606	24.55%	535,658	22.89%
I-275 Corridor*	2,728,705	770,759	28.25%	761,637	27.91%
Macomb County**	662,473	45,559	6.88%	45,559	6.88%
Rochester Hills/Auburn Hills	571,563	104,625	18.31%	99,122	17.34%
Southfield/Bingham Farms	5,750,468	2,276,093	39.58%	1,999,769	34.78%
Troy	6,580,915	1,996,492	30.34%	1,777,800	27.01%
CLASS A TOTAL	**35,824,181**	**8,737,559**	**24.39%**	**7,962,738**	**22.23%**
CLASS B					
Ann Arbor	4,722,793	998,111	21.13%	844,982	17.89%
Birmingham/Bloomfield	3,033,927	392,084	12.92%	387,919	12.79%
Dearborn	2,049,463	464,548	22.67%	393,064	19.18%
Detroit	15,978,481	2,757,402	17.26%	2,700,512	16.90%
Farmington Hills/West Bloomfield	5,022,590	1,018,554	20.28%	1,004,549	20.00%
I-275 Corridor*	5,035,476	1,104,739	21.94%	969,813	19.26%
Macomb County**	3,278,034	707,485	21.58%	507,485	15.48%
Rochester Hills/Auburn Hills	2,707,187	420,785	15.54%	408,045	15.07%
Southfield/Bingham Farms	10,678,421	3,732,459	34.95%	3,436,608	32.18%
Troy	5,980,839	1,886,167	31.54%	1,724,703	28.94%
CLASS B TOTAL	**58,487,211**	**13,482,334**	**23.05%**	**12,377,680**	**21.16%**
CLASS C					
Ann Arbor	601,350	69,362	11.53%	69,362	11.53%
Birmingham/Bloomfield	222,862	18,190	8.16%	18,190	8.16%
Dearborn	228,104	117,475	51.50%	117,475	51.50%
Detroit	4,452,328	700,146	15.73%	695,233	15.62%
Farmington Hills/West Bloomfield	567,897	35,759	6.30%	28,714	5.06%
I-275 Corridor*	520,409	69,405	13.34%	69,405	13.34%
Macomb County**	1,170,419	201,878	17.25%	201,878	17.25%
Rochester Hills/Auburn Hills	407,691	15,110	3.71%	15,110	3.71%
Southfield/Bingham Farms	1,832,518	311,449	17.00%	311,449	17.00%
Troy	637,969	57,002	8.93%	57,002	8.93%
CLASS C TOTAL	**10,641,547**	**1,595,776**	**15.00%**	**1,583,818**	**14.88%**
COMBINED CLASS A, B, & C					
Ann Arbor	7,725,075	1,365,896	17.68%	1,151,948	14.91%
Birmingham/Bloomfield	5,548,125	1,063,429	19.17%	1,021,628	18.41%
Dearborn	4,027,960	931,921	23.14%	860,437	21.36%
Detroit	31,177,668	5,125,497	16.44%	4,935,917	15.83%
Farmington Hills/West Bloomfield	7,931,024	1,628,919	20.54%	1,568,921	19.78%
I-275 Corridor*	8,284,590	1,944,903	23.48%	1,800,855	21.74%
Macomb County**	5,110,926	954,922	18.68%	754,922	14.77%
Rochester Hills/Auburn Hills	3,686,441	540,520	14.66%	522,277	14.17%
Southfield/Bingham Farms	18,261,407	6,320,001	34.61%	5,747,826	31.48%
Troy	13,199,723	3,939,661	29.85%	3,559,505	26.97%
METRO DETROIT OFFICE MARKET TOTAL	**104,952,939**	**23,815,669**	**22.69%**	**21,924.236**	**20.89%**

*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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TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
901 Wilshire Drive	Troy	Troy	186,954	Investment	LREH Michigan, LLC
21680-21700 Haggerty Road	Northville	I-275 Corridor	93,000	Investment	Northern Equities Group
950 Stephenson Highway	Troy	Troy	69,318	User	AGP Construction
426 Clinton Street	Detroit	Detroit	58,000	Investment	Clinton Street Properties, LLC
44725 Grand River Avenue	Novi	I-275 Corridor	18,502	User	44725 Grand River, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
2000 Town Center	Southfield	Southfield/ Bingham Farms	21,097	Direct	Citizens United Reciprocal Exchange
31555 W. 14 Mile Road	Farmington Hills	Farmington Hills/ W. Bloomfield	13,419	Sublease	LSPedia, Inc.
500 Woodward Avenue	Detroit	Detroit	10,791	Direct	Troutman Pepper Locke
31700 Middlebelt Road	Farmington Hills	Farmington Hills/ W. Bloomfield	10,617	Direct	Area Agencies on Aging
27725 Stansbury Boulevard	Farmington Hills	Farmington Hills/ W. Bloomfield	9,499	Sublease	OpenText

SIGNATURE QUICK FACTS

Q1 2025
SIGNATURE LISTED...

NEW

227
NEW PROPERTIES

3,702,857
SQUARE FEET

430.51
ACRES

Q1 2025
SIGNATURE CLOSED....

CLOSED

283
TRANSACTIONS

4,375,742
SQUARE FEET

203.06
ACRES

42%
CONSISTENT MARKET SHARE

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TCN WORLDWIDE REAL ESTATE SERVICES
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