

# METROPOLITAN **DETROIT** **MARKET**

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INDUSTRIAL  
**Q2 2025**  
MARKET STATISTICS



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METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

## ECONOMIC OVERVIEW

Second quarter 2025 closed with a direct vacancy rate of 4.97%, an overall vacancy rate of 5.78%, and an average asking direct rental rate reported at \$7.73 per sq. ft. In June, Michigan’s unemployment rate was 5.3%, a 0.6 percentage point increase from one year ago, though it declined for the second consecutive month. Despite this downward trend, it remains above the national unemployment rate of 4.1%. U.S. job growth remained steady, with employers adding 139,000 jobs in May and 147,000 in June. Unemployment claims stayed near historic lows, even amid economic uncertainty driven by trade policies, persistent inflation, and broader market factors. Although the Federal Reserve cut interest rates three times at the end of 2024, it chose to keep rates unchanged in June 2025. This decision reflects ongoing concerns about unresolved tariff disputes and their potential to disrupt economic progress. Consumer confidence rebounded in May after five months of decline but fell again in June, signaling more cautious consumer behavior. Business leaders and consumers remain cautiously optimistic as they enter the second half of the year, paying close attention to how economic and trade policies may influence future market conditions.

## INDUSTRIAL MARKET DISCUSSION

Several notable warehouse distribution leases closed out the quarter. Korex Corporation signed the largest lease securing 191,241 sq. ft. at 43155-43159 W. 9 Mile Road in Novi. In Romulus two notable leases were finalized. First, Costco Wholesale Corporation leased 122,250 sq. ft. in the recently constructed facility at 32250 Smith Road. While KSI Auto Parts took 100,456 sq. ft. at 33200 Smith Road. In Troy, WGS Global Services, LC, a U.S.-based manufacturing and logistics services provider, signed a lease totaling 112,283 sq. ft. at 1850 Ring Road in Troy.

The largest sale to close the quarter was an investment. In Sterling Heights, Camcar, LLC purchased the 410,605 sq. ft. manufacturing facility on 35 acres at 44225 Utica Road, which was 100% leased at time of sale. In Auburn Hills, Penske Vehicle Services, Inc. purchased the 115,180 sq. ft. warehouse distribution facility at 2150 Executive Hills Drive, which it had previously leased from Dembs Development Company. In Sterling Heights, Associated Builders and Contractors, Inc. purchased the 93,205 sq. ft. hi-tech facility located at 36250 Van Dyke Avenue, which will become the location of Southeast Michigan’s largest construction trade school.

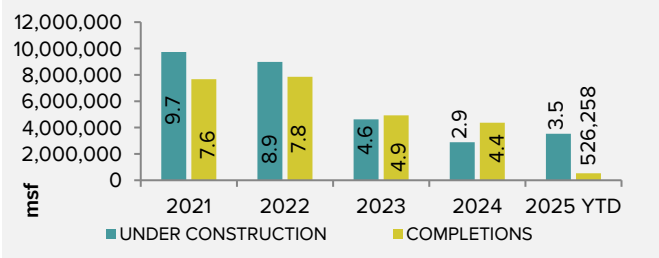
## OUTLOOK

The Metro Detroit industrial market continues to see a slight uptick in vacancy rates as market leaders and key decision-makers take a cautious approach, carefully weighing all factors to determine what is in the best interest of their organizations. In June, Michigan’s economic development agency launched the MI Hub for manufacturers, a \$1.5M initiative, providing resources and tools to help companies apply for grants and loans, access free educational programs, and receive consultations on supply chain, tariffs, and production challenges. Stellantis announced a \$388M investment to establish a 2MSF Mopar Parts “megahub” site in Van Buren Twp., expected to employ 488 people and be fully operational by 2027, enhancing distribution efficiency. General Motors announced they will transition their Orion plant from EV production to gas-powered vehicles in an effort to increase manufacturing in the U.S. While, in Highland Park, Norplas Industries, a subsidiary of Magna International, announced plans to lease an additional 450,000 sq. ft., invest \$6.8M and create 500 new jobs. Across the region, businesses and organizations are prioritizing operational efficiency, customer needs, and responsiveness to shifting market conditions.

## UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
3777 Lapeer Road North Corridor	Auburn Hills	715,000	November 2025
Romulus Trade Center Bldg. 5 South Corridor	Romulus	349,492	December 2025
215 N. River Road East Corridor	Mt. Clemens	250,000	September 2006

## UNDER CONSTRUCTION VS. COMPLETION

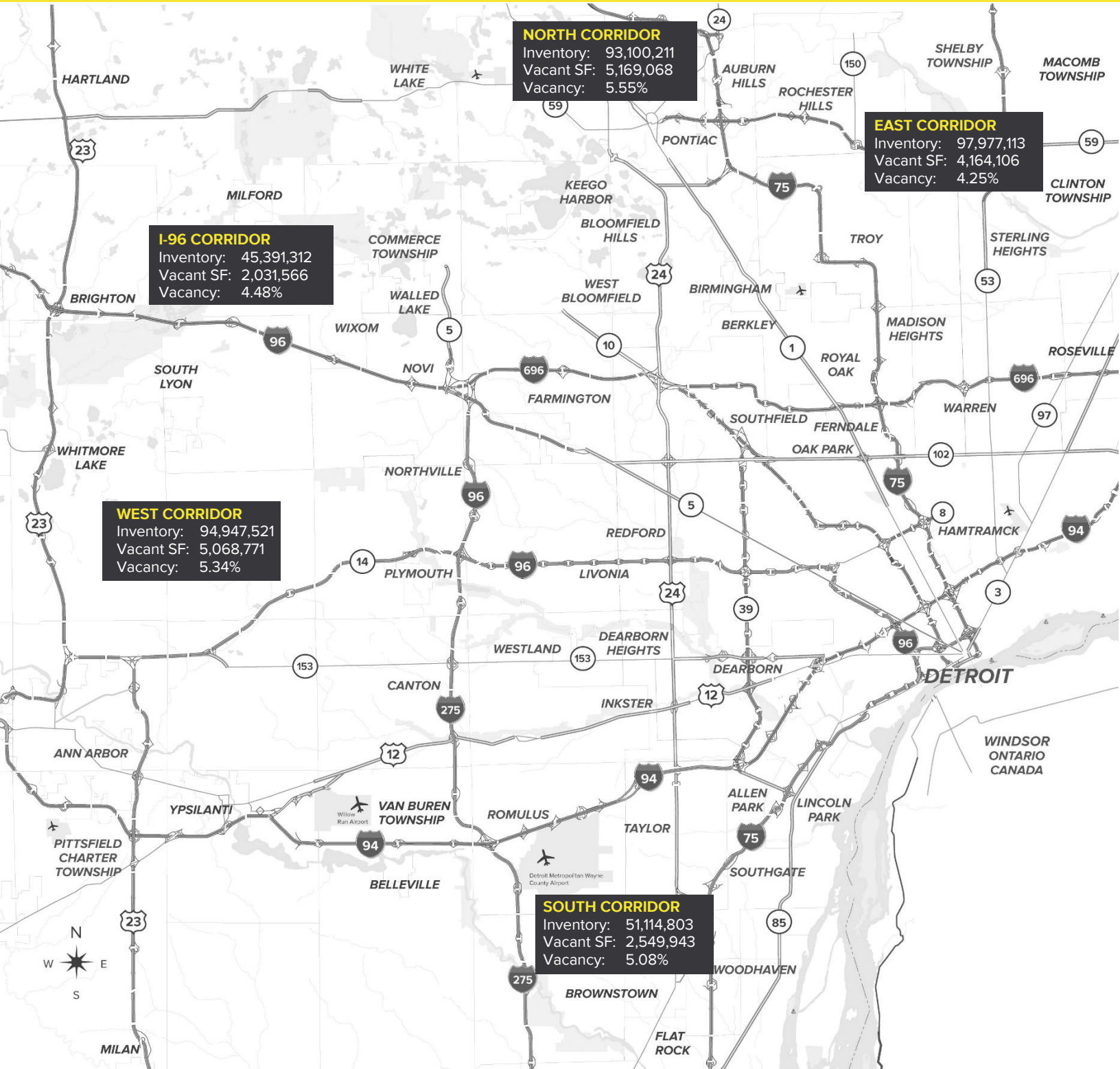






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## INDUSTRIAL MARKET REVIEW

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 1 <sup>st</sup> – 2 <sup>nd</sup> Quarter
<b>NORTH CORRIDOR</b>							
Auburn Hills	332	21,566,401	1,634,759	7.58%	1,027,657	4.77%	0.14%
Madison Heights	432	10,886,361	714,687	6.56%	676,417	6.21%	-0.28%
Orion Twp/Lake Orion	67	4,719,317	261,573	5.54%	190,805	4.04%	1.64%
Rochester/Rochester Hills	312	9,817,721	663,416	6.76%	525,831	5.36%	0.34%
Royal Oak Area*	688	17,110,004	1,273,393	7.44%	1,237,713	7.23%	0.35%
Southfield/Bloomfield Twp	279	7,739,449	296,085	3.83%	296,085	3.83%	0.34%
Troy	839	21,260,958	1,234,320	5.81%	1,214,560	5.71%	-0.50%
<b>TOTAL SUBMARKET</b>	<b>2,949</b>	<b>93,100,211</b>	<b>6,078,233</b>	<b>6.53%</b>	<b>5,169,068</b>	<b>5.55%</b>	<b>0.09%</b>
<b>EAST CORRIDOR</b>							
Chesterfield Twp	232	8,681,457	1,082,386	12.47%	1,082,386	12.47%	2.40%
Clinton Twp	454	8,998,676	316,101	3.51%	262,448	2.92%	0.66%
Fraser	266	6,192,048	154,953	2.50%	154,953	2.50%	-0.43%
Mt. Clemens	101	3,045,315	299,227	9.83%	299,227	9.83%	0.88%
Roseville	282	7,197,348	521,364	7.24%	521,364	7.24%	0.96%
Shelby Twp/Macomb Twp	421	12,601,937	268,252	2.13%	268,252	2.13%	0.04%
Sterling Heights	539	18,728,443	448,038	2.39%	448,038	2.39%	-0.17%
Warren	992	32,531,889	1,374,972	4.23%	1,127,438	3.47%	0.21%
<b>TOTAL SUBMARKET</b>	<b>3,287</b>	<b>97,977,113</b>	<b>4,465,293</b>	<b>4.56%</b>	<b>4,164,106</b>	<b>4.25%</b>	<b>0.39%</b>
<b>SOUTH CORRIDOR</b>							
Brownstown Twp	58	5,831,335	0	0.00%	0	0.00%	0.00%
Dearborn/Dearborn Heights	309	11,873,103	1,073,008	9.04%	1,037,045	8.73%	0.19%
Romulus	399	22,127,412	1,742,177	7.87%	1,003,993	4.54%	-2.35%
Taylor	307	11,282,953	553,905	4.91%	553,905	4.91%	-0.09%
<b>TOTAL SUBMARKET</b>	<b>1,073</b>	<b>51,114,803</b>	<b>3,369,090</b>	<b>6.59%</b>	<b>2,594,943</b>	<b>5.08%</b>	<b>-0.99%</b>
<b>WEST CORRIDOR</b>							
Ann Arbor	385	10,886,244	849,234	7.80%	831,334	7.64%	0.84%
Farmington/Farmington Hills	425	12,139,176	1,056,725	8.71%	900,343	7.42%	-0.14%
Livonia	824	31,437,080	2,299,484	7.31%	2,126,313	6.76%	1.72%
Plymouth/Canton	491	20,990,589	931,372	4.44%	774,008	3.69%	0.00%
Redford	204	5,900,364	236,341	4.01%	97,429	1.65%	-0.30%
Van Buren Twp	59	6,643,735	166,530	2.51%	166,530	2.51%	2.33%
Wayne/Westland	283	6,950,333	172,814	2.49%	172,814	2.49%	0.27%
<b>TOTAL SUBMARKET</b>	<b>2,671</b>	<b>94,947,521</b>	<b>5,712,500</b>	<b>6.02%</b>	<b>5,068,771</b>	<b>5.34%</b>	<b>0.81%</b>
<b>I-96 CORRIDOR</b>							
Brighton/Genoa Twp/Green Oak Twp	254	6,832,727	145,784	2.13%	145,784	2.13%	-0.70%
Fowlerville/Howell	126	4,673,247	68,080	1.46%	68,080	1.46%	-3.72%
Lyon Twp/South Lyon/Milford/New Hudson	143	5,619,822	418,227	7.44%	418,227	7.44%	1.34%
Novi	314	11,131,936	816,298	7.33%	705,162	6.33%	0.80%
Walled Lake/Commerce Twp	208	4,726,329	76,459	1.62%	47,201	1.00%	-0.11%
Wixom	379	12,407,251	954,859	7.70%	647,112	5.22%	1.38%
<b>TOTAL SUBMARKET</b>	<b>1,424</b>	<b>45,391,312</b>	<b>2,479,707</b>	<b>5.46%</b>	<b>2,031,566</b>	<b>4.48%</b>	<b>0.24%</b>
<b>METRO DETROIT INDUSTRIAL MARKET TOTAL</b>	<b>11,404</b>	<b>382,530,960</b>	<b>22,104,823</b>	<b>5.78%</b>	<b>19,028,454</b>	<b>4.97%</b>	<b>0.22%</b>

\*Royal Oak Area includes: Berkley, Ferndale, Hazel Park, Oak Park and Royal Oak.

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## TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
44225 Utica Road	Sterling Heights	East Corridor	410,605	Investment	Camcar, LLC
2150 Executive Hills Drive	Auburn Hills	North Corridor	115,180	User	Penske Vehicle Services, Inc.
36250 Van Dyke Avenue	Sterling Heights	East Corridor	93,205	User	Associated Builders and Contractors, Inc.
11650 Park Court	Utica	East Corridor	92,803	User	R&E Automated
24601 Capital Boulevard	Clinton Township	East Corridor	80,160	Investment	Burton-Katzman Development Company

## TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
43155-43159 W. 9 Mile Road	Novi	I-96 Corridor	191,247	Direct	Korex Corporation
32250 Smith Road	Romulus	South Corridor	122,250	Direct	Costco Wholesale Corporation
1850 Ring Drive	Troy	North Corridor	112,283	Direct	WGS Global Services, LC
33200 Smith Road	Romulus	South Corridor	100,456	Direct	KSI Auto Parts
6701 Center Drive	Sterling Heights	East Corridor	89,611	Direct	Engle

## SIGNATURE QUICK FACTS

<p><b>Q2 2025</b> SIGNATURE LISTED...</p> <p> <b>194</b> NEW PROPERTIES</p> <p> <b>3,086,374</b> SQUARE FEET</p> <p> <b>450.48</b> ACRES</p>	<p><b>Q2 2025</b> SIGNATURE CLOSED....</p> <p> <b>346</b> TRANSACTIONS</p> <p> <b>4,656,672</b> SQUARE FEET</p> <p> <b>563.94</b> ACRES</p>	<p> <b>42%</b> CONSISTENT MARKET SHARE</p> <p><b>FULL-SERVICE COMMERCIAL REAL ESTATE</b></p> <p><b>TCN</b>  <b>MEMBER FIRM</b> WORLDWIDE REAL ESTATE SERVICES</p>
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