

METROPOLITAN **DETROIT** **MARKET**

OFFICE
Q2 2026
MARKET STATISTICS

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METROPOLITAN DETROIT

OFFICE MARKET REVIEW

ECONOMIC OVERVIEW

Second quarter 2026 closed with a direct vacancy rate of 17.96%, an overall vacancy rate of 19.28%, and an average asking direct rental rate reported at \$19.97 per sq. ft. In June, the Michigan unemployment rate was recorded at 5.0%, down 0.3 percentage points compared to one year ago. Nationally, U.S. job openings exceeded expectations in April, totaling 731,000 to reach their highest level in 2 years. In June, employers added 57,000 jobs, below consensus forecasts, while the national unemployment rate ended the quarter at 4.2%. Inflation remained a key focus as consumer prices increased for a second consecutive month in May, leading to the largest annual inflation increase in nearly 3 years, while cooling in June. The Federal Reserve kept its benchmark interest rate unchanged throughout the second quarter while continuing to monitor inflation trends and ongoing geopolitical uncertainty, including continued tensions in the Middle East. Despite elevated borrowing costs, the U.S. economy remained resilient, supported by steady consumer spending, a healthy labor market, and continued business investment. However, higher financing costs continued to constrain expansion plans for many small businesses.

OFFICE MARKET DISCUSSION

Several notable lease transactions closed during the quarter. First in Auburn Hills, Volkswagen AG signed a lease for the 2-story, Class B office building totaling 107,464 sq. ft. on 11.64 acres at 1685 N. Opdyke Road. In Detroit, KPMG, LLP, a nationally recognized accounting and professional services firm, leased 44,830 sq. ft. on the 11th and 12th floors of the Michigan Central Station and plans to relocate around 420 employees. In Southfield, Levine Benjamin Law Firm leased 26,608 sq. ft. on the 4th floor of the Class A 300 Galleria Officentre, representing one of the largest office leases recorded in the Southfield market this quarter. Lastly in Troy, SAE International, a global nonprofit association focused on mobility engineering solutions, leased 19,236 sq. ft. on the 16th floor of the Class A PNC Center located at 755 W. Big Beaver Road.

Multiple investment sales closed during the quarter. In Southfield, Foster Financial Company acquired the two-building portfolio at 25800 and 25900 Northwestern Highway totaling 378,045 sq. ft. through an auction sale. Also in Southfield, Cove Capital Investments, LLC purchased the 3-story, Class B office building totaling 64,607 sq. ft. at 22355 W. 11 Mile Road. In Troy, A.F. Jonna Development, LLC, a premier real estate developer and investor, acquired the former North American Flagstar Bank headquarters totaling 331,412 sq. ft. located at 5151 Corporate Drive. Also in Troy, Siemens Real Estate, Inc. purchased the 3-story Class B office building totaling 116,310 sq. ft. at 1820 E Big Beaver Road.

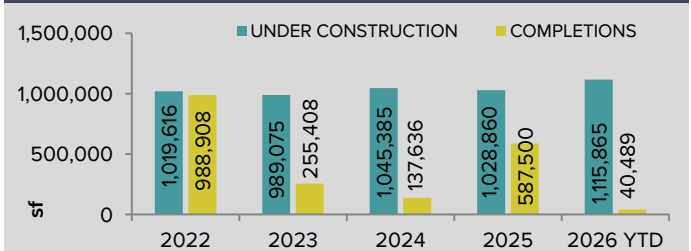
OUTLOOK

The Metro Detroit office vacancy remained stable through the first half of the year as tenants continue targeting space with modern amenities, collaborative workspaces and other conveniences rather than expand their overall footprint. Vacancy is expected to gradually stabilize as obsolete buildings are removed from competitive inventory through redevelopment and conversion. In Dearborn, demolition of the 285,000 sq. ft. Village Plaza is underway after sitting vacant for several years. In June, Detroit Public Media announced plans to break ground on its new 50,000 sq. ft., \$40M headquarters located in the city's Milwaukee Junction neighborhood. Also in Detroit, following a lack of interest from office tenants, the owner of one of the smaller Renaissance Center towers is pursuing a hotel conversion. Looking ahead, the Metro Detroit office market is expected to remain tenant-friendly, with focus on well-located, modern, amenity-rich properties.

UNDER CONSTRUCTION

BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
6141 3 rd Avenue Detroit	Detroit	335,000	March 2027
1400 Saint Antoine Street Detroit	Detroit	220,000	January 2027
479 S. Old Woodward Avenue Birmingham/Bloomfield	Birmingham	89,705	July 2026

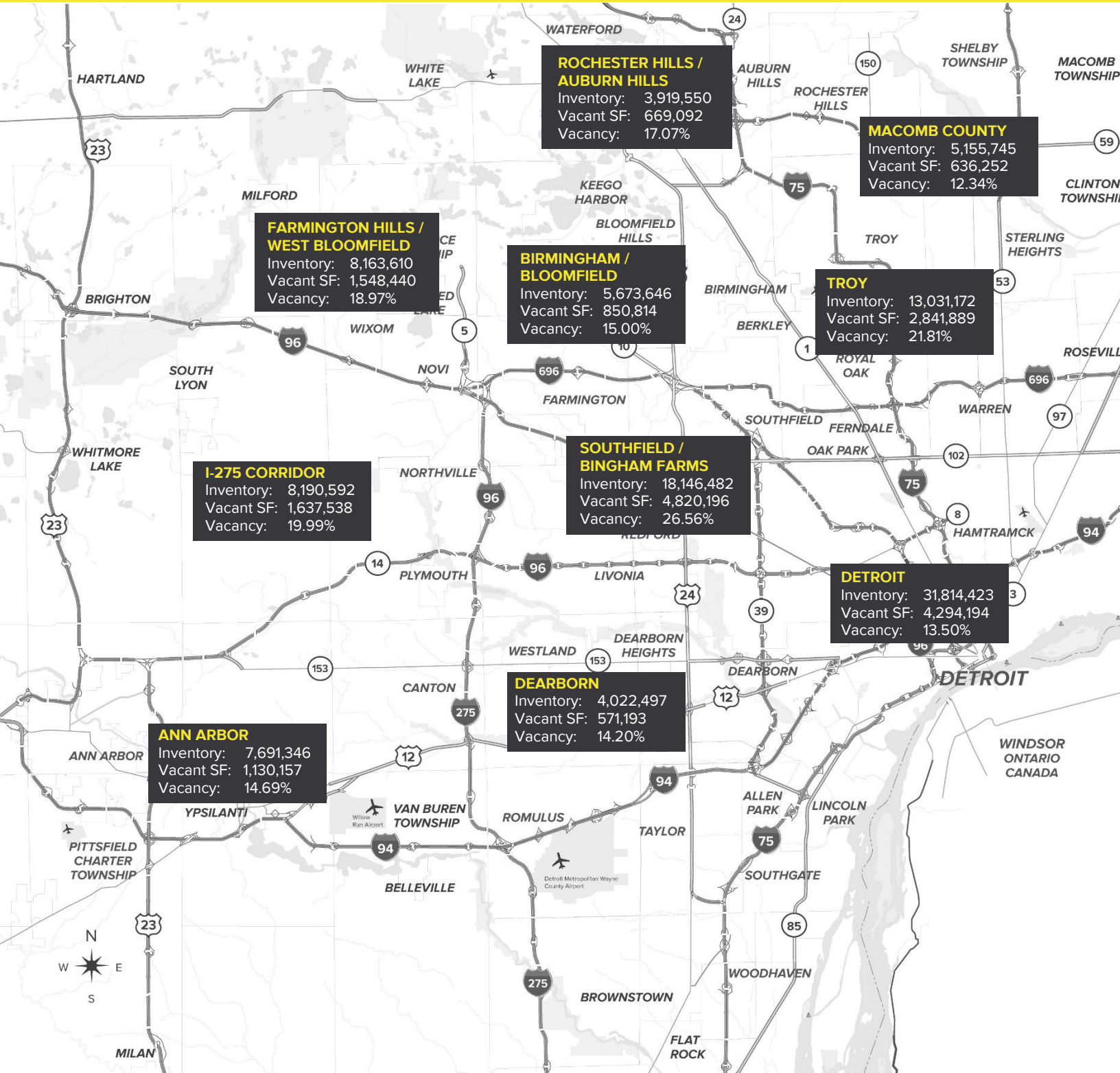
UNDER CONSTRUCTION VS. COMPLETION





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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 %
CLASS A					
Ann Arbor	2,400,932	269,508	11.23%	249,825	10.41%
Birmingham/Bloomfield	2,381,041	518,979	21.80%	475,542	19.97%
Dearborn	1,750,393	256,209	14.64%	256,209	14.64%
Detroit	11,593,829	1,501,545	12.95%	1,399,400	12.07%
Farmington Hills/West Bloomfield	2,540,537	648,389	25.52%	408,389	16.07%
I-275 Corridor*	2,728,705	736,678	27.00%	712,101	26.10%
Macomb County**	862,473	248,522	28.82%	238,837	27.69%
Rochester Hills/Auburn Hills	571,563	140,067	24.51%	118,039	20.65%
Southfield/Bingham Farms	5,750,468	2,206,816	38.38%	1,995,716	34.71%
Troy	6,580,915	1,621,496	24.64%	1,544,745	23.47%
CLASS A TOTAL	37,160,856	8,148,209	21.93%	7,398,803	19.91%
CLASS B					
Ann Arbor	4,687,563	856,352	18.27%	813,580	17.36%
Birmingham/Bloomfield	3,046,743	354,851	11.65%	346,030	11.36%
Dearborn	2,044,000	270,236	13.22%	270,236	13.22%
Detroit	16,085,937	2,282,003	14.19%	2,228,913	13.86%
Farmington Hills/West Bloomfield	5,053,640	1,130,989	22.38%	1,117,476	22.11%
I-275 Corridor*	4,890,360	1,182,450	24.18%	877,525	17.94%
Macomb County**	3,102,413	317,527	10.23%	317,527	10.23%
Rochester Hills/Auburn Hills	2,914,310	554,770	19.04%	543,962	18.67%
Southfield/Bingham Farms	10,563,496	2,579,290	24.42%	2,545,059	24.09%
Troy	5,812,288	1,406,984	24.21%	1,243,036	21.39%
CLASS B TOTAL	58,200,750	10,935,452	18.79%	10,303,344	17.70%
CLASS C					
Ann Arbor	602,851	66,752	11.07%	66,752	11.07%
Birmingham/Bloomfield	245,862	29,242	11.89%	29,242	11.89%
Dearborn	228,104	44,748	19.62%	44,748	19.62%
Detroit	4,134,657	676,911	16.37%	665,881	16.10%
Farmington Hills/West Bloomfield	569,433	22,575	3.96%	22,575	3.96%
I-275 Corridor*	571,527	47,912	8.38%	47,912	8.38%
Macomb County**	1,190,859	79,888	6.71%	79,888	6.71%
Rochester Hills/Auburn Hills	433,677	7,091	1.64%	7,091	1.64%
Southfield/Bingham Farms	1,832,518	279,421	15.25%	279,421	15.25%
Troy	637,969	60,277	9.45%	54,108	8.48%
CLASS C TOTAL	10,447,457	1,314,817	12.59%	1,297,618	12.42%
COMBINED CLASS A, B, & C					
Ann Arbor	7,691,346	1,192,612	15.51%	1,130,157	14.69%
Birmingham/Bloomfield	5,673,646	903,072	15.92%	850,814	15.00%
Dearborn	4,022,497	571,193	14.20%	571,193	14.20%
Detroit	31,814,423	4,460,459	14.02%	4,294,194	13.50%
FarmingtonHills/West Bloomfield	8,163,610	1,801,953	22.07%	1,548,440	18.97%
I-275 Corridor*	8,190,592	1,967,040	24.02%	1,637,538	19.99%
Macomb County**	5,155,745	645,937	12.53%	636,252	12.34%
Rochester Hills/Auburn Hills	3,919,550	701,928	17.91%	669,092	17.07%
Southfield/Bingham Farms	18,146,482	5,065,527	27.91%	4,820,196	26.56%
Troy	13,031,172	3,088,757	23.70%	2,841,889	21.81%
METRO DETROIT OFFICE MARKET TOTAL	105,809,063	20,398,478	19.28%	18,999,765	17.96%

*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
25800 & 25900 Northwestern Highway	Southfield	Southfield/ Bingham Farms	378,045	Investment	Foster Financial Company, Inc.
5151 Corporate Drive	Troy	Troy	331,412	Investment	A.F. Jonna Development & Management Company
1820 E. Big Beaver Road	Troy	Troy	116,310	Investment	Siemens Real Estate, Inc.
22355 W. 11 Mile Road	Southfield	Southfield/ Bingham Farms	64,607	Investment	Cove Capital Investments, LLC
34977 Woodward Avenue	Birmingham	Birmingham/ Bloomfield	57,787	Investment	F&J Property Holdings, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
1685 N. Opdyke Road	Auburn Hills	Rochester Hills/ Auburn Hills	107,464	Direct	Volkswagen AG
2001 15 th Street	Detroit	Detroit	44,830	Direct	KPMG, LLP
300 Galleria Officentre	Southfield	Southfield	26,608	Direct	Levine Benjamin Law Firm
755 Big Beaver Road	Troy	Troy	19,236	Direct	SAE International
700 Tower Drive	Troy	Troy	14,717	Direct	Empire Management Group, LLC

SIGNATURE QUICK FACTS

Q2 2026 SIGNATURE LISTED...  198 NEW PROPERTIES  5,239,949 SQUARE FEET  324.07 ACRES	Q2 2026 SIGNATURE CLOSED....  291 TRANSACTIONS  5,893,931 SQUARE FEET  150.63 ACRES	 42% CONSISTENT MARKET SHARE FULL-SERVICE COMMERCIAL REAL ESTATE TCN  MEMBER FIRM WORLDWIDE REAL ESTATE SERVICES
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