MARKETBEAT
DETROIT
INDUSTRIAL Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.7% Vacancy Rate	▲	▼
-1.1M YTD Net Absorption, SF	▼	▲
$7.35 Asking Rent, PSF	▲	▼
2.4% Rent Growth, YOY	▲	▼
1.4M Under Construction *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1M Detroit Employment	▲	▼
5.1% Detroit Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source: BLS

MICHIGAN ECONOMIC OVERVIEW

The unemployment rate in Metro Detroit increased from 4.3% to 5.1% as of Q2 2025. Local unemployment remained above the national rate of 4.2%.

According to the U.S. Census Bureau, Detroit's population increased for the second year in a row. Revised census estimates show an addition of nearly 12,500 residents. Mayor Mike Duggan attributed the growth to an influx of young people, noting the city's 2023 median age was 35—lower than the state average of 40.5. Duggan also highlighted ongoing development, with at least 2,000 homes added or renovated annually.

SUPPLY AND DEMAND

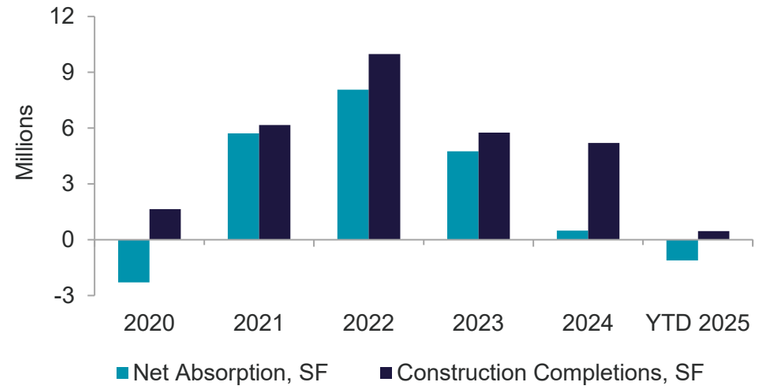
The overall industrial vacancy rate in Metro Detroit has trended upward for eight consecutive quarters, with incremental increases ranging from 10 to 20 basis points (bps) per quarter. As of Q2 2025, vacancy was 3.7%, which was a 60 bps jump on a year-over-year (YOY) basis. The difference in vacancy was more apparent in the submarket of Macomb North, where YOY vacancy increased by 330 bps to 5.0% in Q2. Within product types, the warehouse/distribution vacancy increased by 70 bps over the year. For the first time in over 10 years, no construction deliveries were recorded for the quarter. Year-to-date (YTD) construction deliveries totaled 460,000 square feet (sf). Ongoing new construction was just 1.4 million square feet (msf), as 40,000 sf of speculative construction was added in Q2.

Negative net absorption has been a short-term trend in Metro Detroit, with four out of the last six quarters recording negative absorption. Net absorption for Q2 was negative 346,000 sf, totaling a negative 1.1 msf YTD. Major tenant move-outs near Wixom in the Oakland Southwest submarket had a significant effect on Q2 absorption. While restrained, leasing activity partially offset some of the move-outs. Piston Automotive leased the entire 293,000-sf building at 20400 Ralston Street in Detroit. Additionally, Gonzales Contract Services occupied 177,000 sf at 1430 East 10 Mile Road in Oakland Southeast. Apart from absorption, Q2 2025 leasing activity was just over 1.0 msf, which was a 27.0% decrease YOY. Leasing activity is an indictor of future quarterly net absorption.

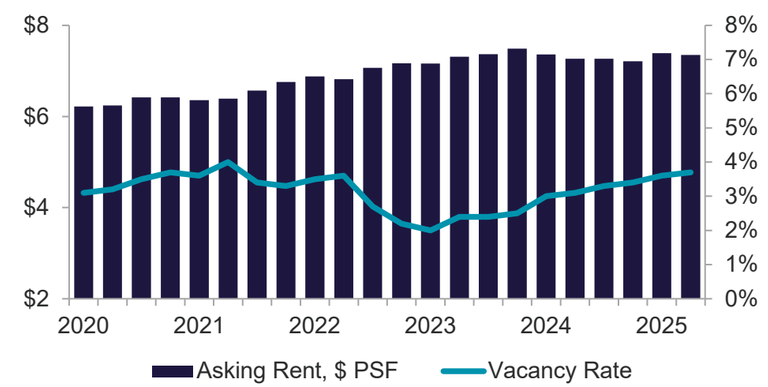
PRICING

Across all categories, overall net asking rates were $7.35 per square foot (psf) in Q2 2025, a 2.4% YOY increase. Asking rates have been at or near the $7.00 psf threshold since mid-2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
Livingston	12,314,525	329,947	2.7%	-90,650	-90.650	0	0	$6.76	$12.10	$8.38	$7.69
Macomb Central	37,829,396	641,991	1.7%	100,626	-3,995	0	0	$8.15	$9.28	$6.78	$7.38
Macomb North	20,907,553	1,055,459	5.0%	21,925	508,403	40,227	460,000	$9.95	$10.75	$6.16	$6.17
Macomb South	46,241,390	724,295	1.6%	-600	-149,832	0	0	$5.50	$8.15	$7.86	$7.49
Oakland North	37,371,619	1,650,157	4.4%	65,484	3,608	762,728	0	$7.75	$10.08	$5.89	$6.56
Oakland Southeast	44,397,486	1,972,793	4.4%	29,016	-110,204	0	0	$8.31	$11.85	$7.96	$8.65
Oakland Southwest	41,530,781	2,150,459	5.2%	-582,980	-828,165	409,000	0	$11.68	$12.30	$8.33	$10.17
Washtenaw	27,235,710	1,131,600	4.2%	64,070	-67,296	99,650	0	$7.23	$13.47	$9.98	$8.33
Dearborn/Downriver	48,583,157	1,676,614	3.5%	-6,340	-165,288	0	0	$6.80	$8.00	$6.95	$5.05
Detroit	79,588,207	4,368,610	5.5%	253,142	135,229	0	0	$7.34	$11.17	$6.57	$6.72
Western Wayne	106,356,373	2,869,752	2.7%	-199,666	-345,857	40,010	0	$8.10	$12.98	$7.48	$7.93
DETROIT TOTALS	**502,356,197**	**18,571,359**	**3.7%**	**-345,973**	**-1,114,047**	**1,351,615**	**460,000**	**$7.21**	**$11.39**	**$6.74**	**$7.35**

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

*Rental rates reflect weighted net asking $psf/year | Stats are not reflective of U.S. MarketBeat Tables

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
43155-43159 9 Mile Road West	Oakland Southwest	The Korex Corp.	191,274	New Lease
1294 Beach Court	Washtenaw	Bank Supplies, Inc.	105,418	New Lease
33100 Smith Road	Western Wayne	KSI Auto Parts	100,456	New Lease

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1294 Beach Court	Washtenaw	Carey Alphabet Properties II LLC / Bank Supplies, Inc.	105,418	$7.9M / $75
11650 Park Court	Macomb North	Randal Bellestri / R&E Automated	92,803	$10.3M / $110
29835 Beck Road	Oakland Southwest	Adept Plastic Finishing Inc. / Cooper Standard	80,690	$8.1M / $100

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
52153 Sierra Drive	Macomb North	Gestamp	460,000	BNL MI Sierra Drive, LLC

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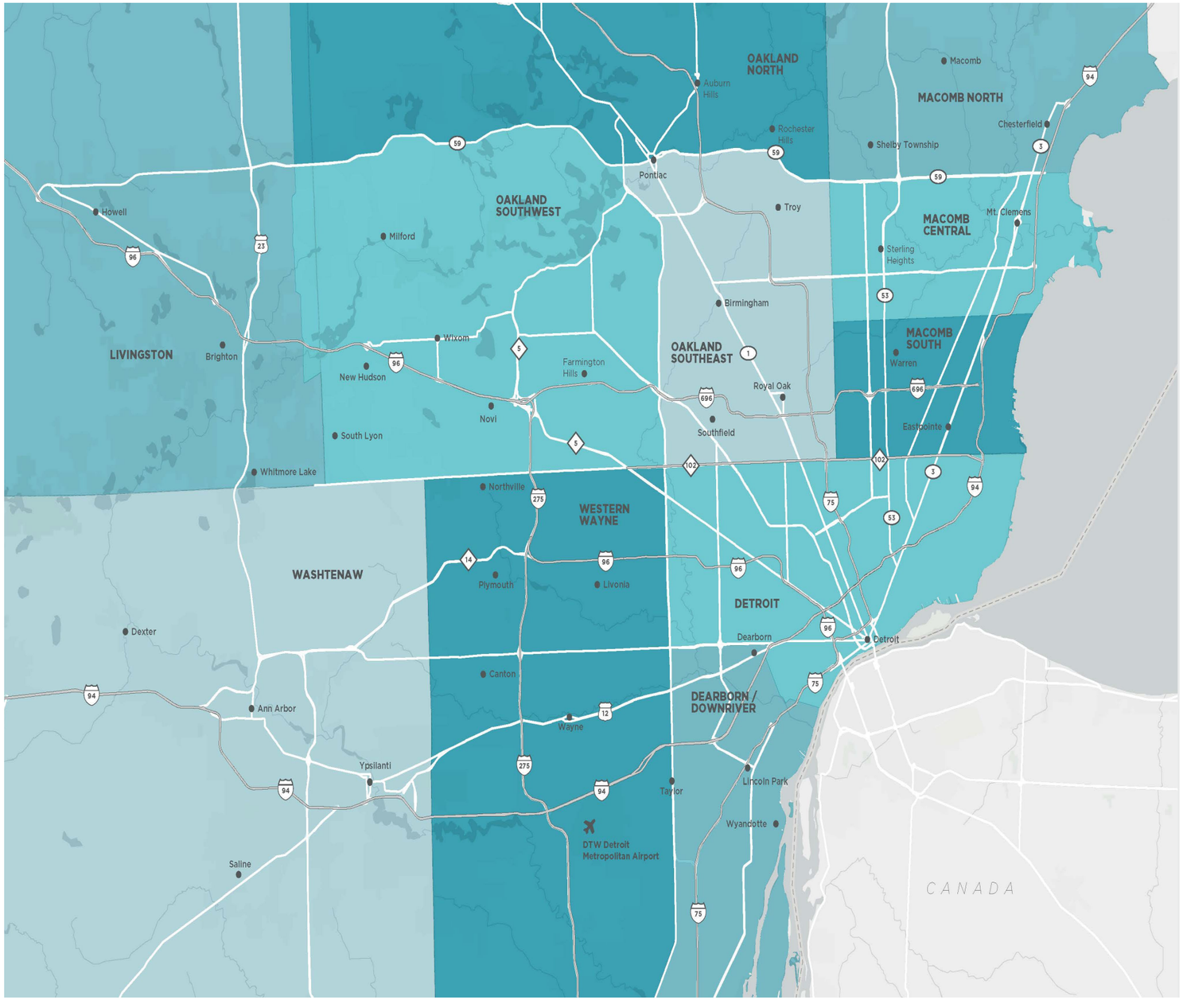
INDUSTRIAL SUBMARKETS



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