

MARKET FUNDAMENTALS

	YOY Chg	Outlook
20.5% Vacancy Rate	▲	▲
-156K YTD Net Absorption, SF	▲	▼
\$20.10 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▼	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1M Detroit Employment	▲	▼
5.1% Detroit Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate <small>Source: BLS</small>	▲	▲

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

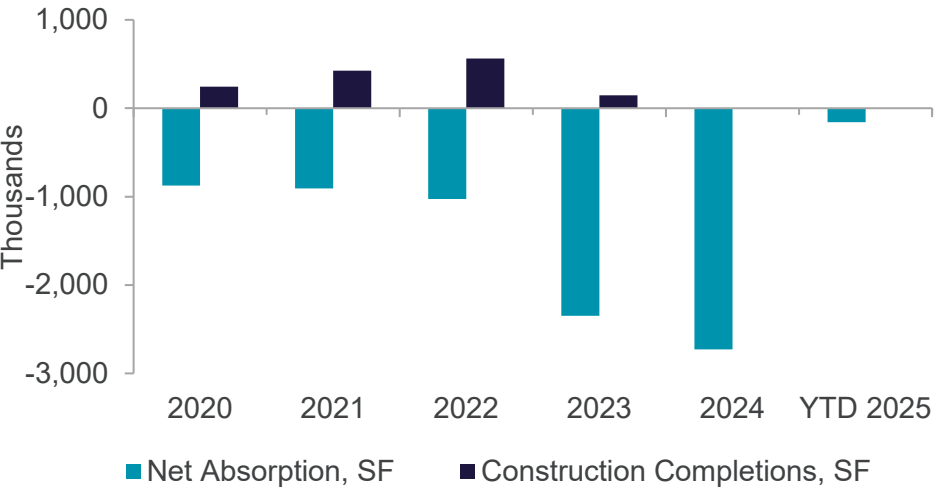
After significant increases between 2022 and 2024, the overall office vacancy rate in Metro Detroit slightly flattened over the past three quarters. Since Q4 2024, the vacancy rate only increased by 10 basis points (bps). In Q2 2025, the vacancy rate was 20.5%, which marked a 190 bps increase on a year-over-year (YOY) basis, mainly due to the vacancy increase in the Auburn Hills/Rochester Hills submarket. Of the 21.0 million square feet (msf) vacant across the market, 1.2 msf was available for sublease, marking the first drop in sublease vacancy in five quarters.

While overall net absorption has been negative for eleven consecutive quarters, the level of negative absorption continued to shrink in 2025. Year-to-date (YTD) in 2025, overall absorption was negative 157,000 square feet (sf). By comparison, the first half of 2024 registered negative 934,000 sf of net absorption. Most of the major absorption activity in Q2 was centered in the Detroit CBD submarket, which recorded positive net absorption of 47,000 sf. Comerica Inc. occupied 72,000 sf in the One Campus Martius building in downtown Detroit. Apart from net absorption, Q2 2025 new leasing activity was 482,000 sf, a 31.0% decrease YOY. Leasing activity is an indicator of future quarterly net absorption.

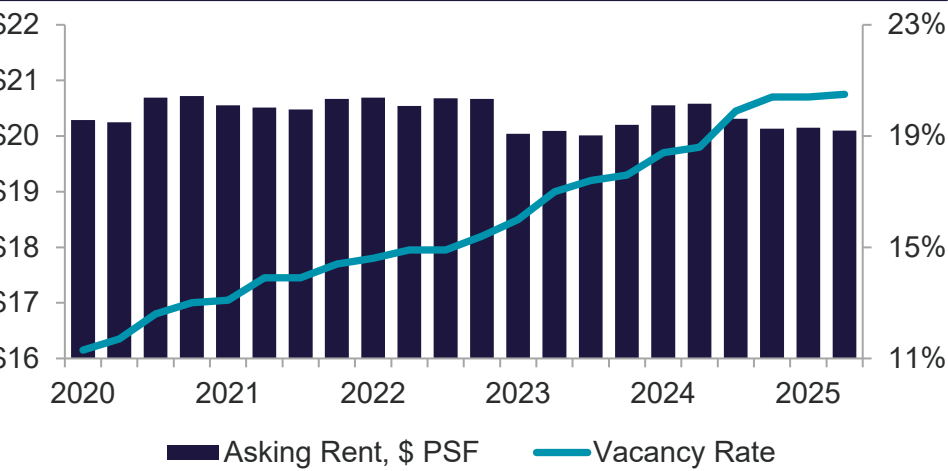
PRICING

Overall gross average asking rental rates were \$20.10 per square foot (psf) in Q2 2025, which was a 2.3% decrease over the prior year. Over the past year, asking rents in the Detroit New Center/Midtown submarket fell by 9.8% to \$22.70 psf — the largest drop in the Metro Detroit office market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Detroit CBD	17,719,715	90,144	3,760,441	21.7%	47,251	-28,407	404,000	\$24.95	\$30.00
Airport District	1,401,306	0	0	0.0%	0	0	0	N/A	N/A
Ann Arbor CBD	4,052,774	79,087	437,289	12.7%	-44,489	-12,747	0	\$27.11	\$35.00
Ann Arbor Non-CBD	3,360,622	133,786	546,719	20.2%	-25,336	-20,403	0	\$22.16	\$28.00
Auburn Hills/Rochester Hills	3,136,615	68,904	796,959	27.6%	8,909	-36,280	0	\$19.35	\$19.20
Birmingham	2,132,273	4,576	215,661	10.3%	-1,234	-12,741	42,000	\$31.91	\$34.86
Bloomfield	1,570,284	1,391	224,306	14.4%	-14,263	-1,158	0	\$23.64	\$27.50
Dearborn/Downriver	4,928,801	6,231	708,331	14.5%	-3,176	-47,683	0	\$17.86	\$17.08
Detroit New Center/Midtown	5,771,980	16,503	530,476	9.5%	0	293	0	\$22.70	\$25.84
Farmington Hills/Novi/West Bloomfield	10,784,576	57,507	1,806,042	17.3%	21,075	107,722	0	\$18.83	\$21.33
Clarkston & Waterford Area	673,240	0	104,312	15.5%	-3,618	-6,580	0	\$23.24	\$23.50
Livonia	3,775,118	0	964,577	25.6%	20,931	11,845	0	\$17.46	\$22.00
Macomb County	4,683,322	7,711	462,135	10.0%	-8,090	5,863	0	\$18.32	\$21.06
Plymouth/Northville	1,521,810	0	59,153	3.9%	766	-434	0	\$18.37	\$23.50
Pontiac	3,358,887	14,280	491,312	15.1%	4,426	4,293	0	\$21.34	\$20.49
Royal Oak	1,977,070	11,370	139,529	7.6%	-6,800	-7,202	0	\$18.77	\$28.00
Southfield/Bingham Farms	17,840,062	490,880	5,192,441	31.9%	3,987	3,761	0	\$17.49	\$19.64
The Pointes	433,063	0	34,781	8.0%	0	0	0	N/A	N/A
Troy	13,277,045	172,256	3,410,349	27.0%	-103,815	-116,827	0	\$20.10	\$20.41
DETROIT TOTALS	102,398,563	1,154,626	19,884,813	20.5%	-103,476	-156,685	446,000	\$20.10	\$25.00

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

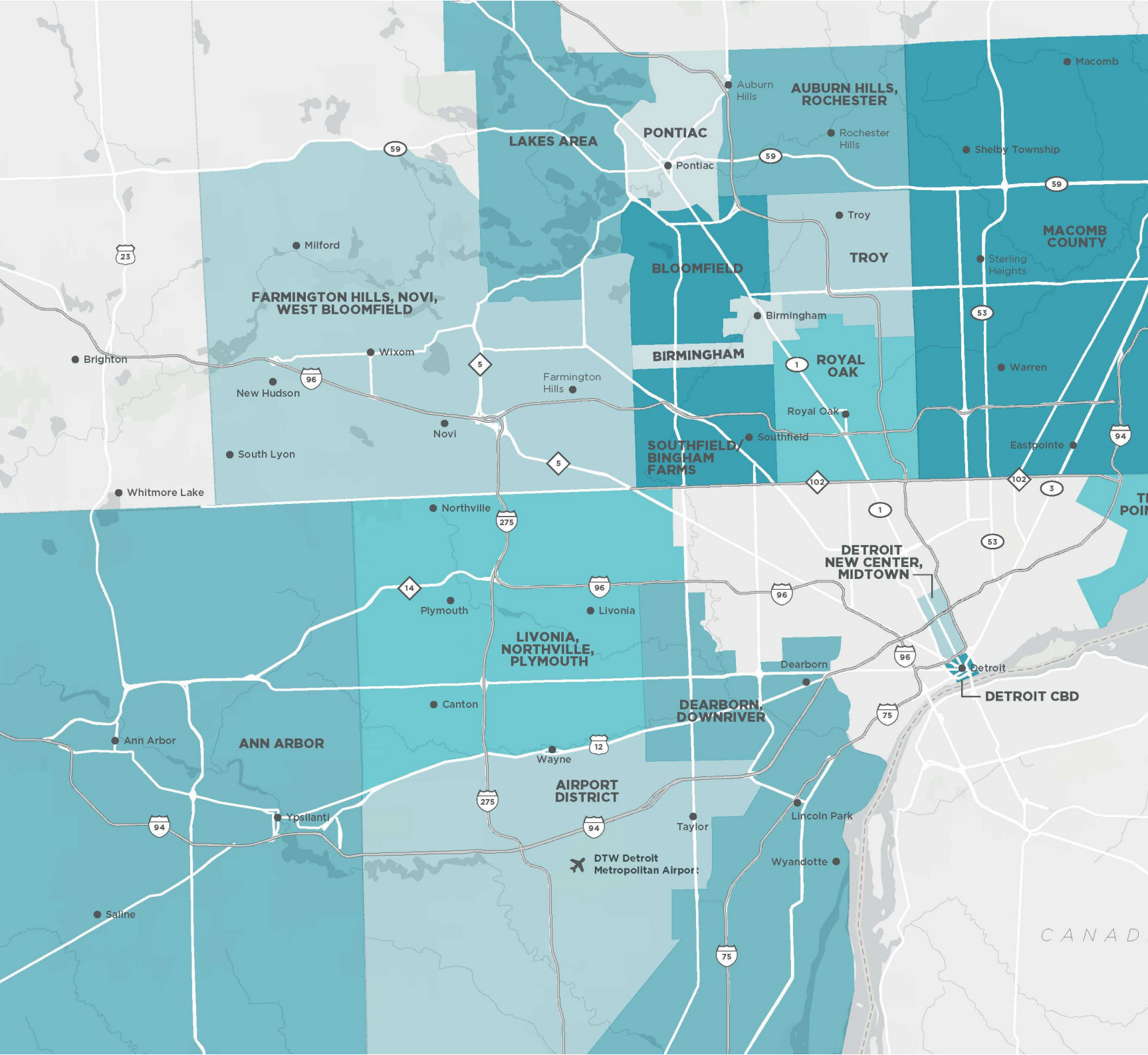
PROPERTY	SUBMARKET	TENANT	SF	TYPE
1 Campus Martius	Detroit CBD	Comerica Inc.	72,007	New Lease
777 Woodward Avenue	Detroit CBD	Centene Management Company, LLC	51,402	*Renewal
777 Woodward Avenue	Detroit CBD	Dykema Gossett PLLC	25,701	New Lease

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
600 Renaissance Center	Detroit CBD	FF&F Capital Group / Stockbridge Enterprises, Inc.	336,000	\$9.2M / \$27
36250 Van Dyke Avenue	Macomb County	Comcast Corporation / Associated Builders and Contractors, Inc.	97,636	\$4.8M / \$49
5250 Auto Club Drive	Dearborn/Downriver	Nephron Clinic, P.C. / Chicago Pacific Founders	79,777	\$22.8M / \$285

OFFICE SUBMARKETS



EDGAR BRAVO
Research Analyst
Tel: +1 312 470 2374
Edgar.Bravo@cushwake.com

JARRETT HICKS
Research Manager
Tel: +1 513 322 3802
Jarrett.Hicks@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.