MARKETBEAT

DETROIT

INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.7% Vacancy Rate	▲	▼
-1.3M YTD Net Absorption, SF	▼	▲
$7.39 Asking Rent, PSF	▲	▼
2.4% Rent Growth, YOY	▲	▼
1.2M Under Construction	▼	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1M Detroit Employment	▲	▼
4.7% Detroit Unemployment Rate	▼	▲
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS

MICHIGAN ECONOMIC OVERVIEW

The unemployment rate in Metro Detroit decreased on a year-over-year (YOY) basis from 4.8% to 4.7% as of Q3 2025. Local unemployment remained above the national rate of 4.3%. The state of Michigan posted strong gains in its business climate: in July 2025, CNBC ranked the state sixth in the nation for Top States for Business, the highest placement Michigan has reached to date. Specifically, Michigan's rank in economy, cost of doing business and infrastructure took a major positive leap from 2024 to 2025.

SUPPLY AND DEMAND

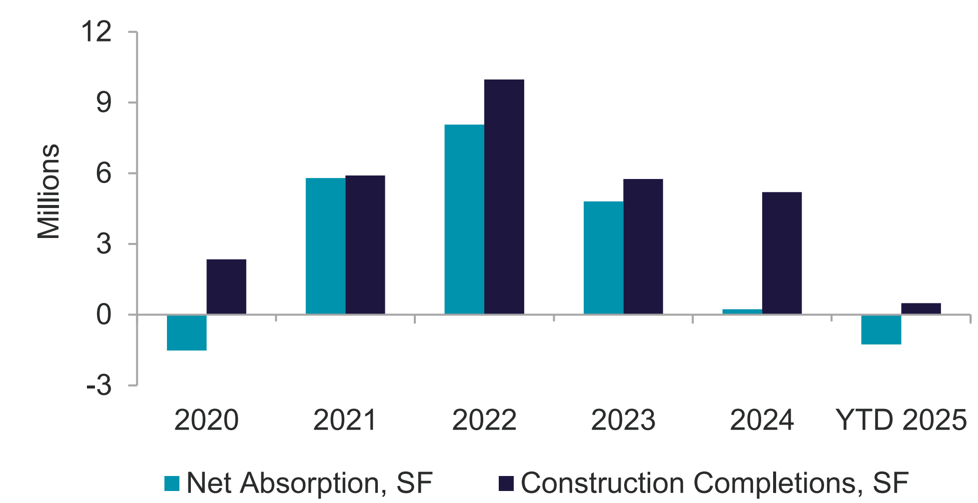
In Metro Detroit, the overall vacancy rate has increased for the past seven consecutive quarters. Since 2020, the market has maintained an average vacancy rate of 3.1%. In comparison, the Q3 2025 vacancy rate rose to 3.7%, representing a 40-basis-point YOY. Over 2.0 million square feet (msf) of vacant space was added to the market YOY. Half of this vacancy was in the warehouse/distribution category. Approximately 500,000 square feet (sf) of construction has been completed so far in 2025, with 35,000 sf of office service space delivered in Q3. Ongoing new construction was 1.2 msf in Q3 2025 with one build-to-suit (BTS) project for General Motors in the Oakland North submarket.

Negative net absorption persisted through the first three quarters of 2025, with Q3 contributing an additional negative 683,000 sf and bringing the year-to-date (YTD) net absorption total to negative 1.3 msf. Most of the negative absorption in the third quarter was observed in the submarkets of Macomb Central, Oakland North and Western Wayne—each posting over 200,000 sf of negative absorption. A major tenant move-out in the Western Wayne submarket was Contractors Steel, which vacated 147,000 sf of manufacturing space at 36555 Amrhein Road. The Washtenaw submarket recorded the most space absorbed through Q3, posting over 370,000 sf, driven largely by ACF Global Logistics' 360,000-sf sublease of manufacturing space at 7700 Michigan Avenue. Apart from absorption, leasing activity recorded just under 1.1 msf in Q3 2025—the lowest quarterly volume of the year—totaling 3.8 msf YTD, a 22.0% decrease YOY. Leasing activity is an indictor of future quarterly net absorption.

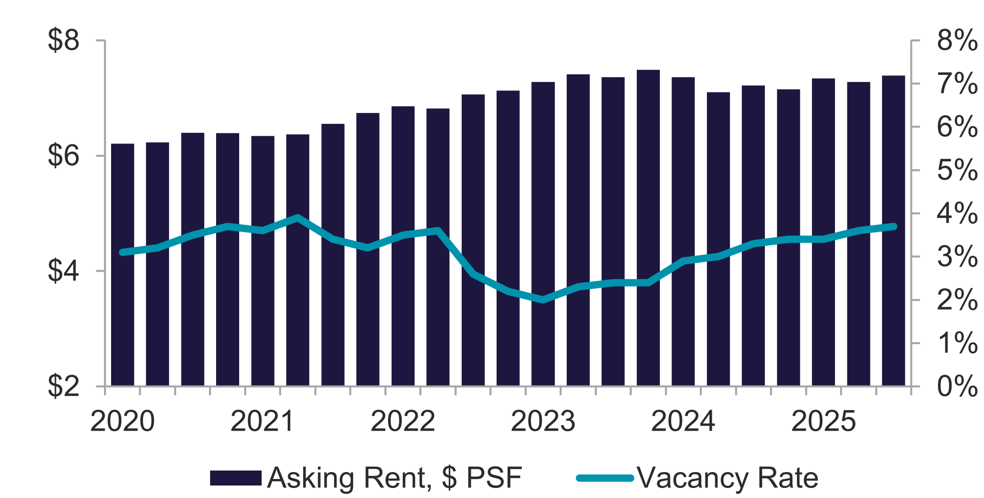
PRICING

Across all categories, overall net average asking rates were $7.39 per square foot (psf) in Q3 2025, a 2.4% YOY increase. Asking rates have been above the $7.00 psf threshold since mid-2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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	12,327,864	338,571	2.70%	-14,624	-105274	0	0	$6.77	$11.95	$8.50	$8.79
Macomb Central	37,828,714	852,699	2.30%	-208,208	-212,203	0	0	$7.91	$9.28	$6.43	$6.89
Macomb North	20,896,119	1,050,101	5.00%	-18,420	492,683	40,227	460,000	N/A	$10.75	$6.18	$6.18
Macomb South	46,301,091	965,268	2.10%	-53416	-158,088	0	0	$7.52	$8.25	$7.81	$7.71
Oakland North	37,443,897	1,852,888	4.90%	-210,464	-199,806	762,728	0	$7.81	$10.41	$5.90	$6.49
Oakland Southeast	44,396,212	2,019,976	4.50%	-106,639	-196,359	0	0	$8.48	$12.31	$8.85	$9.38
Oakland Southwest	41,498,906	1,930,006	4.70%	-124,733	-655,871	0	0	$11.37	$12.41	$8.99	$10.92
Washtenaw	27,269,960	823,963	3.00%	370,317	292,239	65,400	34,250	$7.15	$13.54	$10.80	$11.25
Dearborn/Downriver	48,682,617	1,642,070	3.40%	2,700	-210,735	0	0	$6.50	$8.52	$6.95	$7.25
Detroit	79,565,841	4,106,153	5.20%	-93,100	251,609	0	0	$7.10	$10.76	$5.81	$6.06
Western Wayne	106,321,848	3,046,670	2.90%	-226,655	-566,292	349,492	0	$7.84	$12.98	$7.30	$7.74
DETROIT TOTALS	**502,533,069**	**18,628,365**	**3.7%**	**-683,242**	**-1,268,097**	**1,217,847**	**494,250**	**$7.70**	**$11.78**	**$6.53**	**$7.39**

*Rental rates reflect weighted net asking $psf/year

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7700 Michigan Avenue	Washtenaw	ACF Global Logistics	360,700	Sublease
28101 Schoolcraft Road	Western Wayne	Rhino Tool House	132,804	New Lease
500 Madison Street West	Washtenaw	GWS, LLC	125,000	New Lease
325 Silverbell Road West	Oakland North	ARaymond Manufacturing Center NA, Inc.	89,252	New Lease

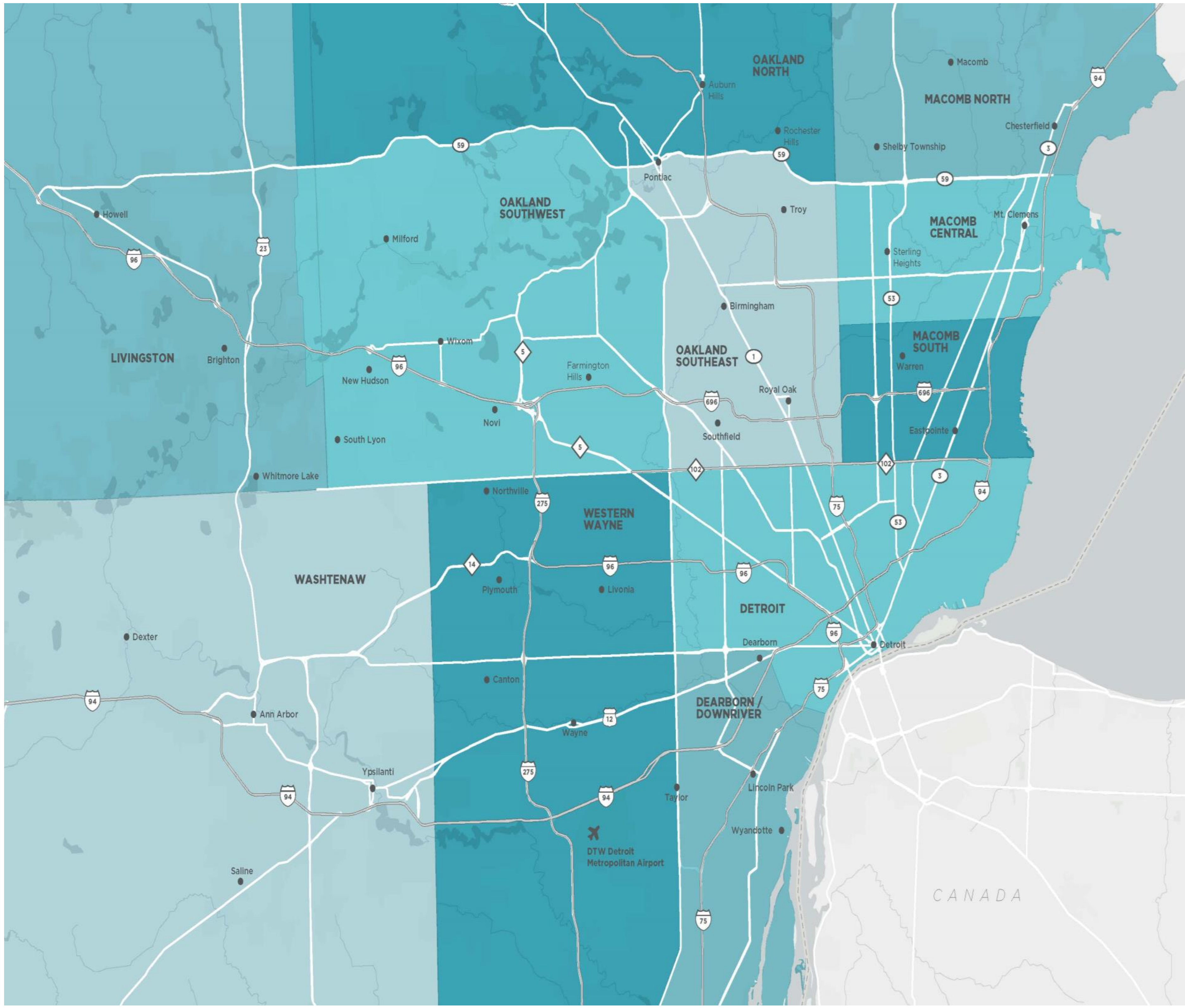
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
15203 Commerce Drive South	Dearborn/Downriver	World Properties LI, LLC / Evergreen & Fenkell Inc.	53,906	$3.6M / $67
1121-1135 Rochester Road	Oakland Southeast	The Levine Group, Inc. / 1121 Rochester LLC	42,900	$3.5M / $82
1655 Hamlin Road West	Oakland North	Venture Management / Unified Ventures LLC	30,000	$3.2M / $106

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

INDUSTRIAL SUBMARKETS



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