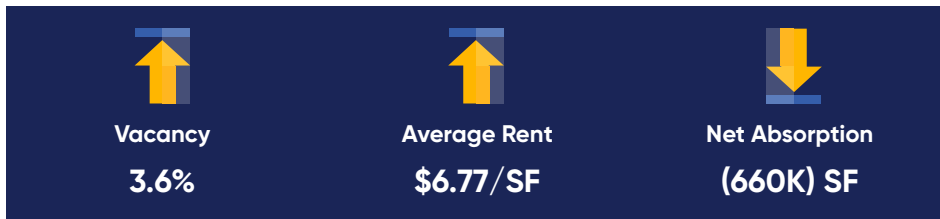


# Market Report

The Metro Detroit office market's vacancy rate rose to 9.7%. Approximately 14,000 SF of office space was delivered this quarter, with 2.2 million SF currently under construction. Net absorption is positive at approximately 98,000 SF.



Vacancies in the Metro Detroit industrial market have risen to 3.6%. About 105,000 SF of industrial space was delivered with over 5.3 million SF currently under construction. Absorption was negative at approximately 660,000 SF.



## Occupier's Perspective



Detroit's industrial vacancy rate is near the lowest level ever recorded.



Office rents in Metro Detroit have stayed relatively the same over the past two years.



There is a steady stream of new supply, with about 90 buildings in the planning stages, totaling over 7 million SF of office space.

## Rental and Vacancy Rates

Market Rent (\$/SF)	Total Vacancy Rate	
\$22.38	Office Market   4 & 5 Star	9.6%
\$20.76	Office Market   3 Star	10.5%
\$16.99	Office Market   1 & 2 Star	8.7%
\$20.12	Office Market   All Ratings	9.7%
\$6.48	Industrial Market   Logistics	3.7%
\$6.41	Industrial Market   Specialized	2.3%
\$10.17	Industrial Market   Flex	8.7%
\$6.77	Industrial Market   All Types	3.6%

## Recent Transactions

Tenant/Buyer	Size	Submarket	Type	Sector
WWP PLC	150,000 SF	CBD	Lease	Office
General Motors Company	42,521 SF	W of Van Dyke/Macomb	Lease	Office
Coventry Place	36,500 SF	Troy	Sale	Office
Piston Automotive	256,100 SF	Dearborn Area	Lease	Industrial
K&M Express LLC	78,822 SF	Downriver South	Lease	Industrial
Maksteel	220,000 SF	Dearborn	Sale	Industrial

## Market Trends



Detroit's office market is experiencing trends that suggest the development of a tenant's market, with landlords agreeing to notable concessions.

Detroit's economic landscape is seeing an employment growth rate of 2.1% in the manufacturing, trade, and transportation sectors.

Detroit's industrial market saw over 500 new leases throughout 2019, with almost 10 million SF absorbed at an average effective rental rate of \$7.50/SF.