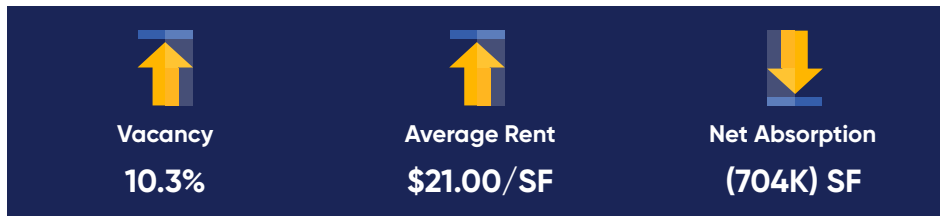
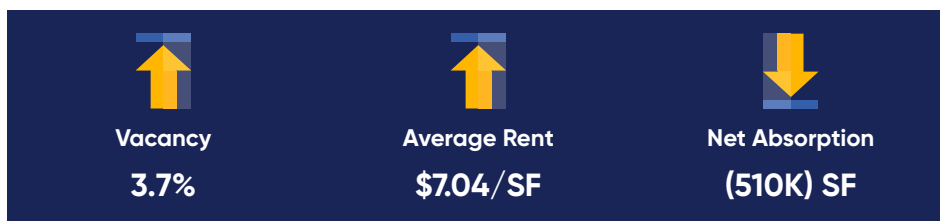


# Market Report

The Metro Detroit office market's vacancy rate rose to 10.3%. Approximately 46,650 SF of office space was delivered this quarter, with almost 3.4 million SF currently under construction. Net absorption is negative at approximately 704,000 SF.



Vacancies in the Metro Detroit industrial market increased slightly to 3.7%. About 24,900 SF of industrial space was delivered this quarter with over 5.9 million SF currently under construction. Absorption was negative at approximately 510,000 SF.



## Rental and Vacancy Rates

Market Rent (\$/SF)	Total Vacancy Rate	
\$23.80	Office Market   4 & 5 Star	9.7%
\$21.68	Office Market   3 Star	11.4%
\$17.31	Office Market   1 & 2 Star	9.4%
\$21.00	Office Market   All Ratings	10.3%
\$6.67	Industrial Market   Logistics	4.0%
\$6.80	Industrial Market   Specialized	2.3%
\$10.44	Industrial Market   Flex	8.7%
\$7.04	Industrial Market   All Types	3.7%

## Recent Transactions

Tenant/Buyer	Size	Submarket	Type	Sector
Shinola	82,254 SF	Detroit-New Center	Lease	Office
Faurecia USA	40,692 SF	Farmington/Farmington Hills	Lease	Office
550 Stephenson Hwy	36,000 SF	Troy South	Sale	Office
Hawthorne Gardening Co.	254,625 SF	Airport District	Lease	Industrial
Paragon Model & Tool	101,833 SF	Central I-96 Corridor	Lease	Industrial

## Occupier's Perspective

The Detroit office market is looking at a forecasted loss of about 15,000 jobs over the next five years, leaving open the possibility of a depressed market.

Detroit's industrial market rental rate is almost unchanged from the previous quarter.

Both the office and industrial markets in Detroit are experiencing increases in vacancy rates, with the exception of the specialized industrial market having a 0.01% decrease.

## Market Trends & COVID-19



Both the office and industrial markets in Detroit are seeing large declines and changes in the investment market. This has opened up opportunities for tenants looking to purchase their facilities.

Detroit's office market is experiencing uncertainty as companies evaluate work-from-home strategies and determine what the long-term need for corporate office space will be.

Detroit's industrial market is still anticipating a demand for new industrial facilities despite the pandemic, with over a third of new deliveries being absorbed and close to 6 million SF under construction.