

Detroit

Industrial market snapshot | Q1 2024

The Detroit industrial market continues to see low vacancy, recorded at 3.6% at the end of the first quarter 2024. The market has benefited from historically conservative development activity in efforts to keep supply even with demand and positioning the market favorably. Leasing activity has continued to soften, as landlords and tenants proceed cautiously in the current economic environment.

3.6%

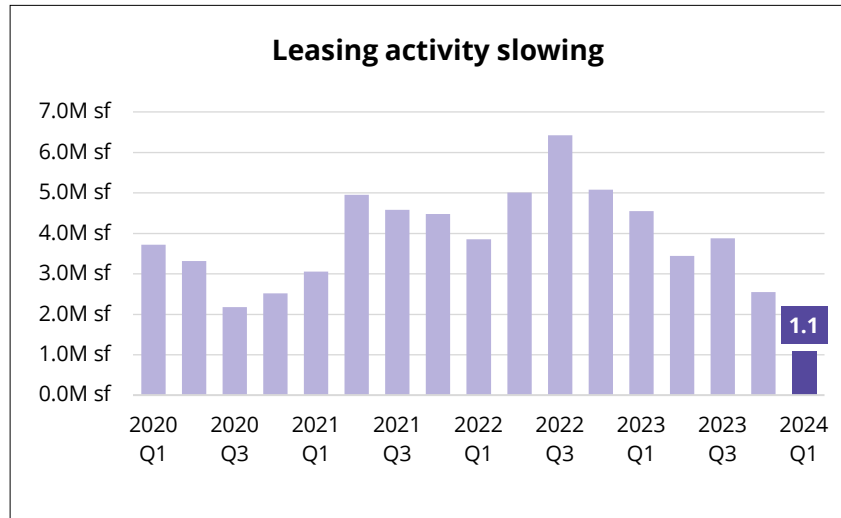
Vacancy remains extremely tight within the Detroit market, recording no change from the prior quarter at the end of Q1 2024.

2 msf

Eleven properties delivered to the market in Q1 2024, totaling 2 msf. Of this new product, 56% has been leased.

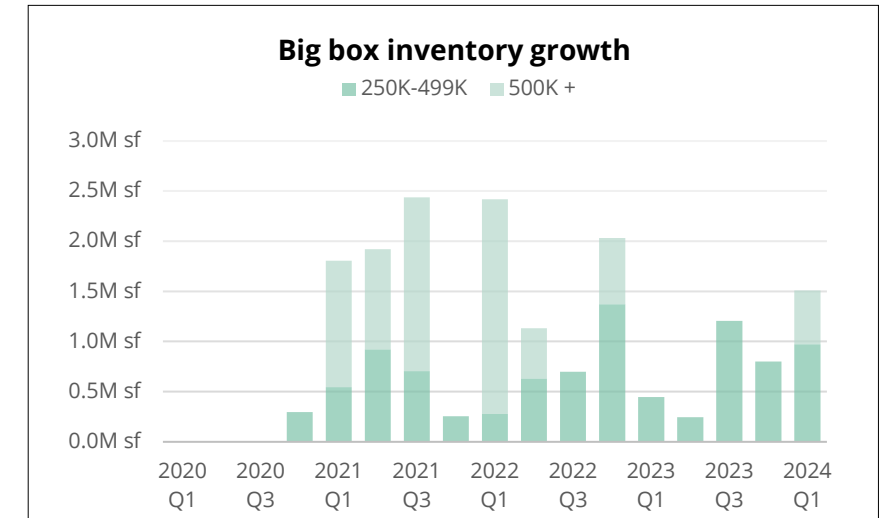
0.5 %

Net absorption as a percentage of inventory reached 0.5%. While this activity is healthy, it is down from the 2.2% peak in Q3 2017.



Leasing activity continues to soften throughout the Detroit industrial market with 1.1 msf leased in Q1 2024, down 57% from the prior quarter. The largest lease signed was within the Flint/Grand Blanc submarket — a 350,000-sf renewal for Genesee Packaging.

Source: AVANT by Avison Young, CoStar

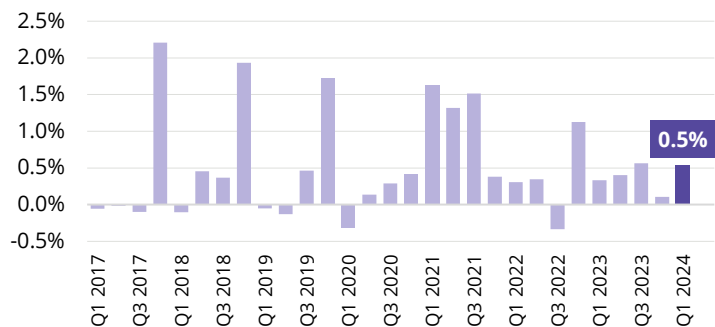


A total of 21.1 msf of new inventory delivered to the Detroit market since Q1 2020 with 81% of that consisting of buildings over 250,000 sf and up.

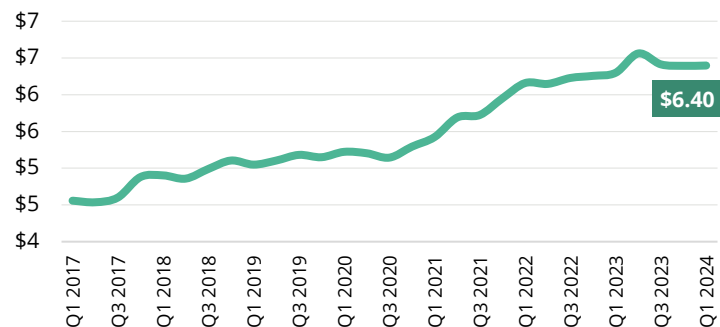
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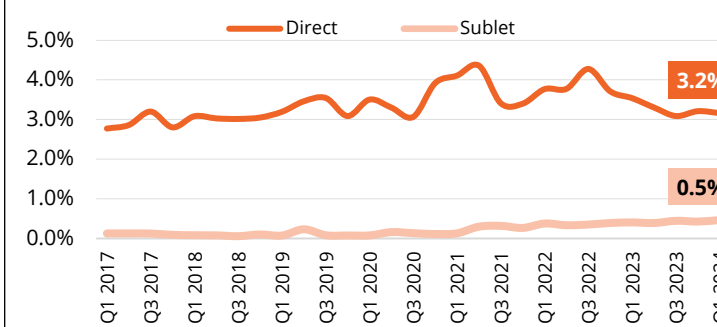
Net absorption as a % of inventory



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Genesee Packaging	1101 North Center Rd	350,000	Direct	Renewal
Ventcon	12350 Sears Dr	125,262	Direct	New
Detroit Mfg. Systems	30811 Century Dr	110,000	Direct	New

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
The Pond Guy	14731 32 Mile Rd	\$6,200,000	\$61.26	Raith Capital Partners
Detroit Forming	34000 Autry St	\$5,200,000	\$68.88	CSM Mechanical
Star Development	15004 3rd St	\$2,150,000	\$22.75	Ur Properties

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
East	78,449,888	114,373	101,023	1.1%	0.2%	1.4%	(1.1%)	0.0%	17,079	\$6.93
Detroit	69,545,306	1,040,646	97,657	6.6%	0.5%	7.0%	(0.2%)	2.6%	1,840,473	\$5.00
Downriver	66,481,283	346,606	1,270,954	3.0%	0.1%	3.1%	(0.1%)	0.3%	221,206	\$5.75
Wayne County West	60,710,651	-	-	2.0%	0.0%	2.0%	(1.4%)	(0.5%)	(328,562)	\$7.59
I-75 Corridor	42,984,255	175,000	948,960	3.0%	1.7%	4.6%	1.9%	(1.2%)	(496,347)	\$8.05
Northwest Suburbs	29,902,861	40,000	146,472	3.5%	0.3%	3.8%	0.6%	0.3%	100,982	\$7.80
Washtenaw	15,267,597	-	-	3.0%	2.4%	5.4%	(0.5%)	0.4%	58,933	\$8.20
Southeast Oakland County	6,232,882	-	-	5.7%	0.0%	5.7%	(5.3%)	4.4%	272,025	\$6.56
Flint/Grand Blanc	5,578,520	330,000	200,000	0.9%	0.0%	0.9%	0.9%	5.9%	330,000	\$6.74
Market total	375,153,243	2,046,625	2,765,066	3.2%	0.5%	3.6%	(0.3%)	0.5%	2,015,789	\$6.40