

Detroit

Industrial market snapshot | Q3 2024

The Detroit industrial markets overall vacancy rate increased slightly, up to 4.1% at the end of Q3 2024, however still well below the national average of 8.3%. Leasing activity continues to soften, year-to-date a total of 3.5 msf has been leased. Construction activity continues to slow with a total of 3 msf currently under development, following the delivery of 3.5 msf of new inventory to the market year-to-date.

-1.3 msf

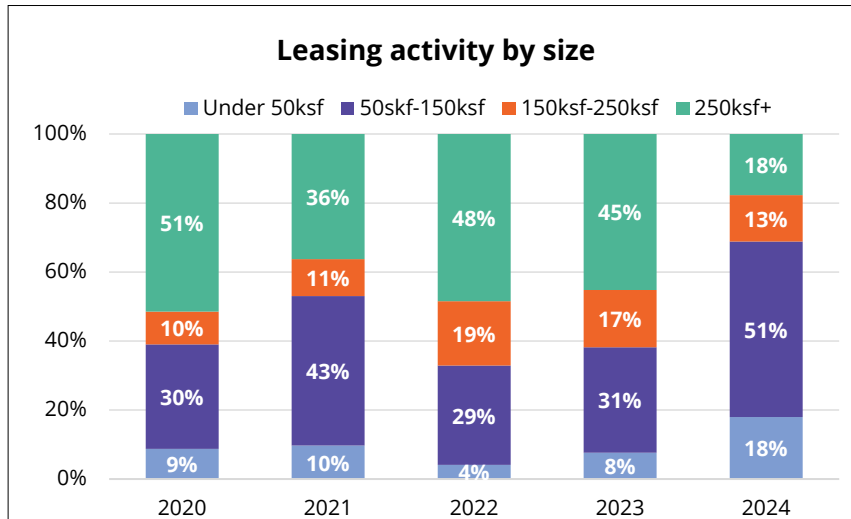
After seven consecutive quarters of positive absorption, the market witnessed negative 1.3 msf or 0.3% of total inventory at the end of Q3 2024.

4.1%

Overall vacancy remains healthy, recorded at 4.1% at the end of Q3 2024, up 40 basis points from the prior quarter.

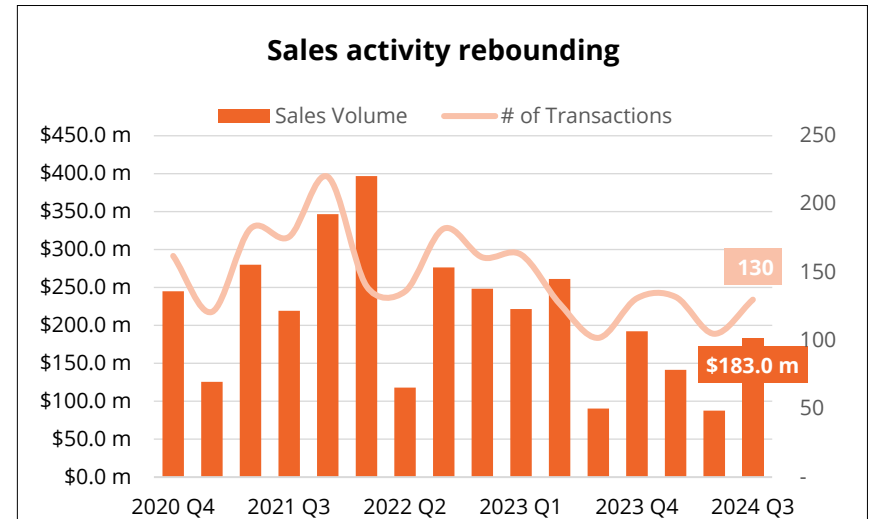
\$183 M

Sales activity increased 102% in Q3 2024 when compared to the year prior, with a total of \$183 million transacting.



Throughout the first three quarters of 2024, a total of 3.5 msf has been leased, which is significantly below the prior four-year average of 10.8 msf. The market has experienced a notable rise in leasing activity for spaces between 50 ksf and 150 ksf, reflecting companies' ongoing evaluations of their real estate needs and a slowdown in larger big-box deals.

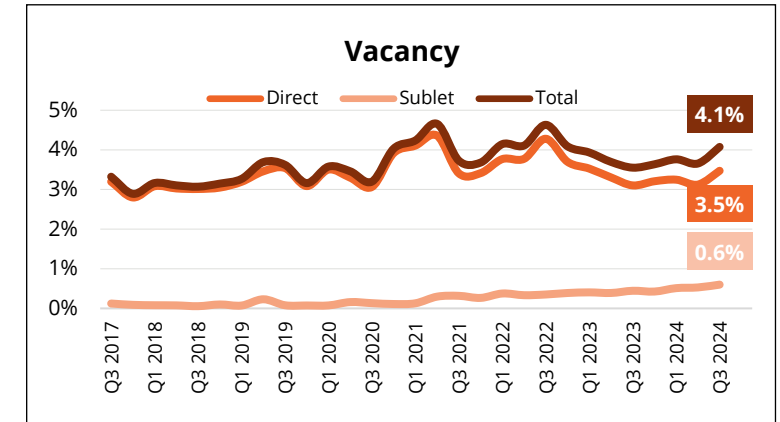
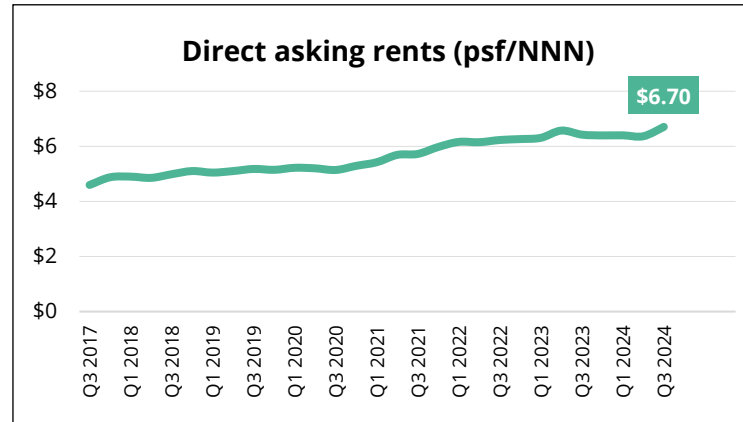
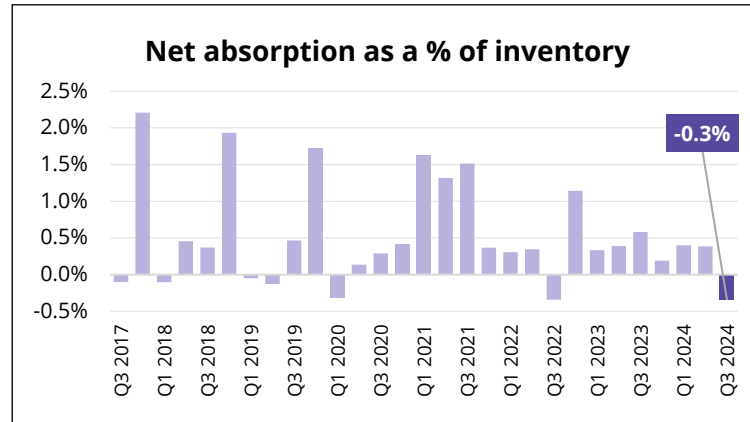
Source: AVANT By Avison Young, CoStar



Sales volume in Q3 2024 indicates a strong recovery, increasing 102% when compared to Q3 2023. This resurgence in investment activity could suggest a renewed investor confidence within the Detroit Industrial sector.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
WestRock	2201 Industrial Ave	166,133	New	Direct
Detroit Axle	12001 Toepfer Rd	163,800	New	Direct
Penske	2150 Executive Hills Blvd	114,000	New	Direct
SnowEx	531-631 Ajax Dr	112,911	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
NorthPoint Development	6735 Haggerty Rd, 6703 Haggerty Rd	\$29,394,537 \$28,605,463	\$85.19 \$83.16	Kojaian
New Mountain Capital	23300 Haggerty Rd, 900 Denton Dr	\$15,816,361 \$5,319,730	\$185.34 \$115.63	Humanetics Innovative Solutions
Trident Capital	27767 George Merrelli Dr	\$15,100,000	\$100.67	Larson Realty Group
Granger Group	27485 George Merrelli Dr	\$14,500,000	\$173.16	Larson Realty Group

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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 (QTD)	Annual direct asking rent psf NNN
East	76,770,364	114,373	548,818	1.3%	0.2%	1.5%	0.0%	(0.2%)	(122,543)	\$6.60
Detroit	69,551,406	1,040,746	-	7.1%	0.5%	7.6%	0.7%	0.4%	252,196	\$6.32
Downriver	66,456,245	1,100,000	830,421	3.6%	0.3%	3.9%	1.3%	(2.0%)	(1,318,151)	\$6.05
Wayne County West	60,525,134	-	-	1.5%	0.0%	1.6%	(0.4%)	0.4%	255,785	\$7.61
I-75 Corridor	43,498,357	745,000	1,373,401	3.1%	1.7%	4.8%	1.2%	0.1%	32,638	\$7.98
Northwest Suburbs	29,968,672	107,472	283,033	4.7%	1.4%	6.0%	1.3%	(2.1%)	(621,948)	\$7.31
Washtenaw	15,317,597	50,000	-	2.5%	2.4%	4.9%	(0.7%)	(0.1%)	(10,057)	\$6.39
Southeast Oakland County	6,159,732	-	-	5.7%	0.0%	5.7%	(4.4%)	(0.0%)	(1,000)	\$6.50
Flint/Grand Blanc	5,646,647	398,127	-	3.8%	0.0%	3.8%	3.8%	4.1%	232,013	\$6.75
Market total	373,894,154	3,555,718	3,035,673	3.5%	0.6%	4.1%	0.5%	(0.3%)	(1,301,067)	\$6.70