

# Detroit

## Office market snapshot | Q2 2024

Detroit's office market faces uncertainty with rising vacancies despite **recommended** in-office requirements for many businesses, many 3 or 4 days a week. Average deal size has grown across the market, but overall leasing volume is still significantly down from pre-2020 averages. Aging office properties, limited new development, and a lack of interest rate cuts have led to continuingly suppressed sales activity.

# 1.7 msf

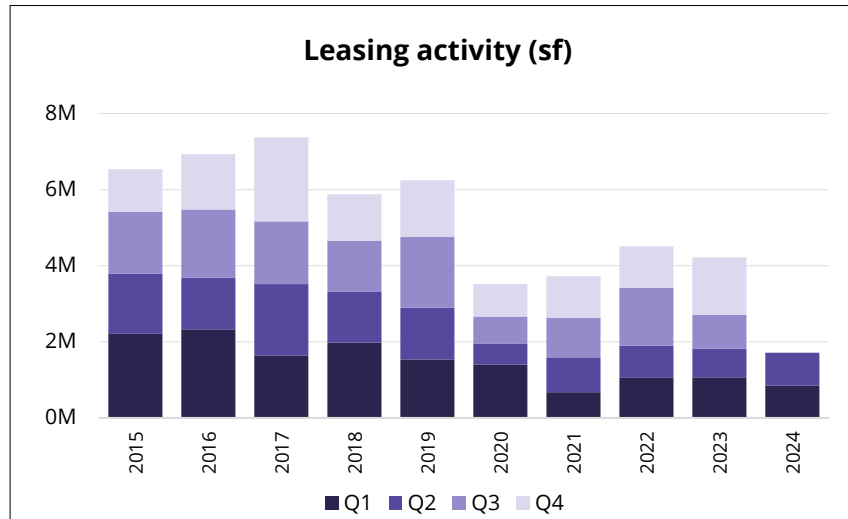
Total market leasing activity through the first half of 2024. This is nearly identical to the midway point of 2023.

# +24%

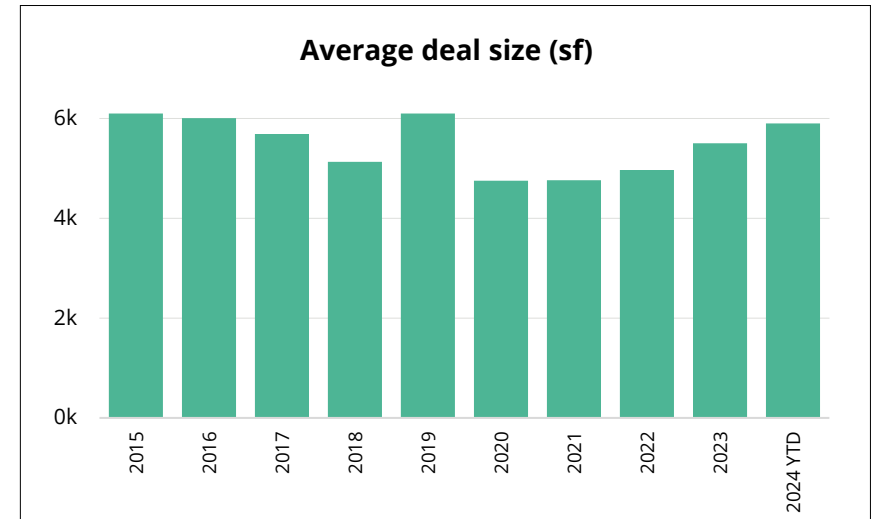
Growth in average deal size from 2020 to 2024. Average deal size has grown for the past four years consecutively.

# 21.5%

Total availability across the market. This has fallen from the previous quarter and is at the lowest point since Q1 2023.



Leasing activity in Q2 2024 totaled over 864k sf. This is up slightly from last quarter and up 14% from Q2 of last year.

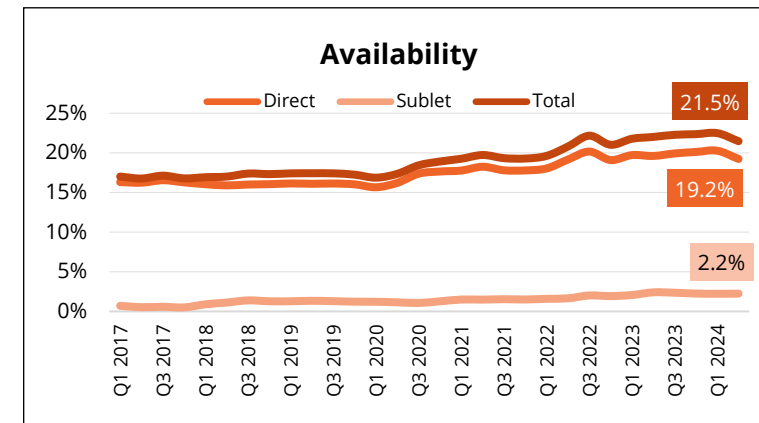
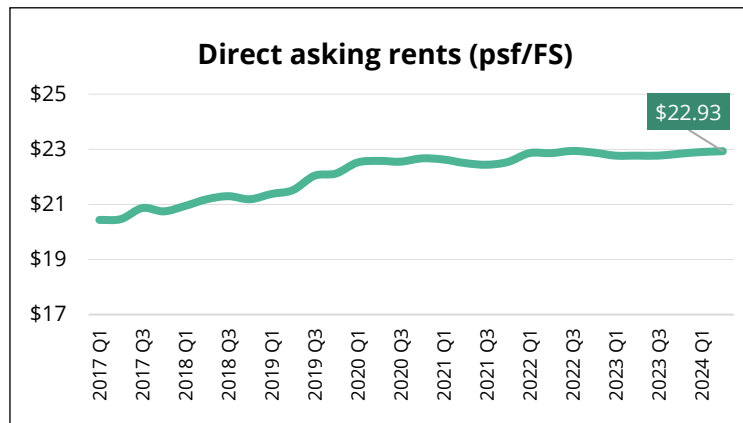
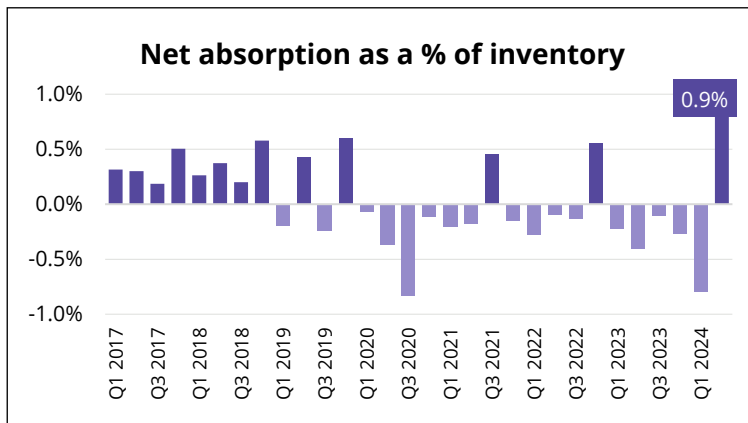


Even while total leasing volume is still recovering, average deal size through the first half of 2024 nearly resembles pre-COVID sizes.

Source: AVANT by Avison Young, Costar

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### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
DynaTrace	1 Campus Martius	35,000	New	Direct
Keyence	29065 Cabot Dr	27,269	New	Direct
Burns & McDonnell	4000 Town Center	18,567	New	Sublease

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Provider RE Partners	29110 Inkster Rd	\$7,455,082	\$179	Acquia
UBT	901 Tower Dr	\$6,818,390*	\$55	Friedman RE
W Investors Group	32000 Northwestern Hwy	\$4,700,000	\$80	Friedman RE

\* Indicates an auction sale

Source: AVANT by Avison Young, Costar, RCA

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## Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	YTD net absorption (SF)	YTD net absorption (% of inventory)
Detroit/The Pointes	35,128,942		366,000	16.7%	1.1%	17.8%	-86,374	-0.2%
10 Mile	16,383,456			29.1%	5.0%	34.2%	-217,004	-1.3%
Troy	13,319,248			22.6%	3.2%	25.8%	567,829	4.3%
West Wayne	12,371,304			19.4%	2.5%	21.9%	312,508	2.5%
North Oakland	10,651,584			9.1%	3.2%	12.3%	-62,794	-0.6%
Bloomfield/Birmingham	10,398,697		90,000	23.4%	1.1%	24.6%	-219,799	-2.1%
Macomb	3,370,014		206,000	22.8%	0.2%	23.0%	-109,738	-3.3%
Livingston/W Oakland	3,111,158			18.5%	1.5%	20.0%	27,726	0.9%
Ann Arbor	2,723,856			15.3%	3.8%	19.1%	-45,817	-1.7%
Royal Oak	1,988,181			13.7%	0.6%	14.3%	4,890	0.2%
Downriver	1,508,809			3.0%	0.1%	3.1%	17,022	1.1%
Northern Outlying	1,290,378			7.9%	0.0%	7.9%	-16,851	-1.3%
Howell-Brighton Area	510,291	100,000		9.8%	0.0%	9.8%	110,036	21.6%
<b>Market total</b>	<b>112,755,918</b>	<b>100,000</b>	<b>572,000</b>	<b>19.2%</b>	<b>2.3%</b>	<b>21.5%</b>	<b>281,634</b>	<b>0.2%</b>