



METROPOLITAN  
**DETROIT**  
**MARKET**

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INDUSTRIAL  
**Q1 2022**  
MARKET STATISTICS

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METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

## ECONOMIC OVERVIEW

First quarter 2022 closed with a direct vacancy rate of 3.9%, an overall vacancy rate of 4.26%, and an average asking direct rental rate reported at \$7.79 psf. In March, the Michigan unemployment rate was recorded at 4.4%, a decrease of 0.7 percentage points compared to this time last year. As the U.S. job market nears full recovery, 431,000 jobs were added in March, the number of Americans applying for unemployment benefits reached a 52-year low, and the U.S. unemployment rate was recorded at 3.6%, a decrease of 2.4 percentage points compared to one year ago, the lowest rate since the beginning of the pandemic two years ago. However, U.S. inflation has surged to an increase of 7.9% over the past year currently standing at a 40-year high, long-term mortgage rates have risen to the highest they have been since 2019, while producer prices have increased 11.2% compared to one year ago due to higher energy costs leaving consumers around the country to feel the impacts, and U.S. confidence readings fell to the lowest level since 2011. The Federal Reserve announced plans to combat further inflation with increases to the interest rate, which has remained at zero since the beginning of the pandemic. In March, a 0.4% rate increase was issued with an advisory of six additional rate increases throughout 2022 totaling 1.9% and potentially 2.8% by the end of 2023 based on their median forecast, impacting higher loans for consumers and businesses.

## STATS ON THE GO

	Q1 2021	Q1 2022	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	5.60%	4.26%	-1.34%	▼
Direct Asking Rents (psf/yr)	\$7.02	\$7.79	11.00%	▲

## INDUSTRIAL MARKET DISCUSSION

A number of industrial leases closed the quarter. First, Gardner White signed a deal totaling 275,800 sq. ft. located at 6500 14 Mile Road. While in Livonia, LG Energy Solutions Michigan, Inc. leased 125,262 sq. ft. of warehouse distribution space located at 12350 Sears Drive. In Auburn Hills, located in the North Corridor, TRIGO North America inked a deal for 102,377 sq. ft. of warehouse distribution space at 2430 E. Walton Boulevard. Lastly, Our Next Energy, Inc. leased 101,000 sq. ft. of manufacturing space at 45145 W. 12 Mile Road in Novi as their new headquarters which will have office space and will expand the research and development lab to include cell test equipment and cell research facilities.

Several investment sales closed out the first quarter. The largest sale took place in Auburn Hills as Foundation Capital Partners, LLC purchased the 443,340 sq. ft. warehouse distribution building located at 3600 Giddings Road with RBD Giddings Road, LLC as the seller. While in Shelby Township, M3 SUB #6, LLC purchased the 130,495 sq. ft. warehouse distribution building at 14920-14960 23 Mile Road. Lastly, Frain Cooper Holdings, LLC inked a deal for a manufacturing building totaling 125,063 sq. ft. located at 2430 E. Walton Boulevard in Auburn Hills.

## OUTLOOK

Earlier in the year redevelopment plans were announced for the former GM Warren Transmission plant in Warren. This new \$180M redevelopment located on 127 acres is expected to create 600 jobs along with 1.4 million square feet of new industrial space. While in Ann Arbor, Sartorius BioAnalytical Instruments, Inc. announced plans to create a \$57M facility located at 3874 Research Park Drive. The new facility will consolidate four existing locations and is expected to open in 2023. Southeastern Michigan continues to experience the growth of EV investments, which isn't expected to slow any time soon. General Motors Company and battery maker LG Energy Solutions have received tax incentives around \$824M for up to \$7 billion in any new capital investment when expanding GM's EV and battery production in Michigan.

## UNDER CONSTRUCTION

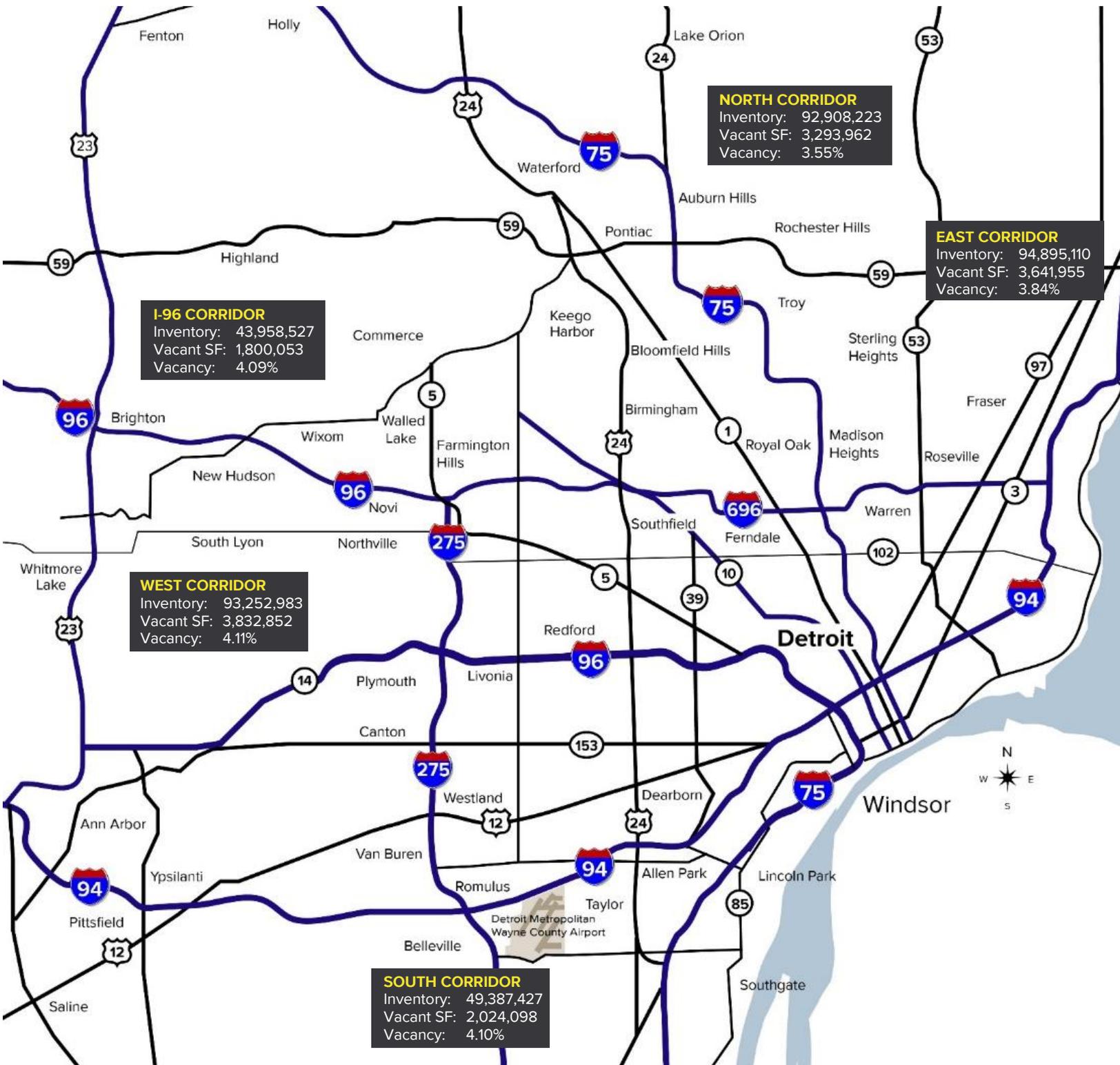
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
48620-48626 Michigan West Corridor	Canton	501,600	May 2023
1 Vining Road South Corridor	Romulus	346,606	January 2023
Lyon Distribution Center II I-96 Corridor	Lyon Twp.	150,000	December 2022

## UNDER CONSTRUCTION VS. COMPLETION



METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW



## METROPOLITAN DETROIT

# INDUSTRIAL MARKET REVIEW

Submarket: Buildings 5,000 Sq. Ft. & Up	Total Buildings	Total Inventory Square Feet	Available Square Feet Overall	Vacancy % Overall	Available Square Feet Direct	Vacancy % Direct	Direct Vacancy % Change 4 <sup>th</sup> – 1 <sup>st</sup> Quarter
<b>NORTH CORRIDOR</b>							
Auburn Hills	330	21,420,793	1,131,681	5.28%	1,019,883	4.76%	0.45%
Madison Heights	430	10,809,617	395,410	3.66%	375,210	3.47%	-0.32%
Orion Twp/Lake Orion	67	4,682,239	46,831	1.00%	46,831	1.00%	0.14%
Rochester/Rochester Hills	312	10,158,545	538,022	5.30%	472,177	4.65%	0.47%
Royal Oak Area*	678	16,835,225	903,246	5.37%	655,129	3.89%	0.67%
Southfield/Bloomfield Twp	276	7,601,422	260,636	3.43%	235,479	3.10%	0.11%
Troy	844	21,400,382	629,013	2.94%	489,253	2.29%	-0.29%
<b>TOTAL SUBMARKET</b>	<b>2,937</b>	<b>92,908,223</b>	<b>3,904,839</b>	<b>4.20%</b>	<b>3,293,962</b>	<b>3.55%</b>	<b>0.20%</b>
<b>EAST CORRIDOR</b>							
Chesterfield Twp	227	8,440,002	136,875	1.62%	136,875	1.62%	0.08%
Clinton Twp	449	9,030,861	344,563	3.82%	344,563	3.82%	0.05%
Fraser	260	6,076,978	139,137	2.29%	139,137	2.29%	0.00%
Mt. Clemens	98	2,965,203	269,819	9.10%	269,819	9.10%	0.00%
Roseville	278	6,744,671	500,686	7.42%	425,434	6.31%	-0.13%
Shelby Twp/Macomb Twp	403	11,618,117	505,742	4.35%	493,903	4.25%	0.38%
Sterling Heights	532	18,470,507	248,273	1.34%	248,273	1.34%	0.27%
Warren	979	31,548,771	1,679,110	5.32%	1,583,951	5.02%	0.61%
<b>TOTAL SUBMARKET</b>	<b>3,226</b>	<b>94,895,110</b>	<b>3,824,205</b>	<b>4.03%</b>	<b>3,641,955</b>	<b>3.84%</b>	<b>0.31%</b>
<b>SOUTH CORRIDOR</b>							
Brownstown Twp	58	5,831,335	14,000	0.24%	14,000	0.24%	0.00%
Dearborn/Dearborn Heights	309	11,741,170	1,279,087	10.89%	1,086,430	9.25%	0.27%
Romulus	390	20,617,722	490,469	2.38%	490,469	2.38%	-0.92%
Taylor	307	11,197,200	473,199	4.23%	433,199	3.87%	0.26%
<b>TOTAL SUBMARKET</b>	<b>1,064</b>	<b>49,387,427</b>	<b>2,256,755</b>	<b>4.57%</b>	<b>2,024,098</b>	<b>4.10%</b>	<b>-0.26%</b>
<b>WEST CORRIDOR</b>							
Ann Arbor	386	11,083,903	719,905	6.50%	693,378	6.26%	1.18%
Farmington/Farmington Hills	421	12,104,164	989,310	8.17%	918,132	7.59%	0.72%
Livonia	815	30,907,343	808,692	2.62%	635,292	2.06%	-0.05%
Plymouth/Canton	485	20,385,603	1,125,213	5.52%	1,098,438	5.39%	-0.68%
Redford	201	5,835,735	310,992	5.33%	310,992	5.33%	0.88%
Van Buren Twp	60	6,143,476	91,389	1.49%	91,389	1.49%	-1.34%
Wayne/Westland	280	6,792,759	85,231	1.25%	85,231	1.25%	-0.74%
<b>TOTAL SUBMARKET</b>	<b>2,648</b>	<b>93,252,983</b>	<b>4,130,732</b>	<b>4.43%</b>	<b>3,832,852</b>	<b>4.11%</b>	<b>-0.02%</b>
<b>I-96 CORRIDOR</b>							
Brighton/Genoa Twp/Green Oak Twp	259	7,101,555	140,469	1.98%	140,469	1.98%	0.76%
Fowlerville/Howell	121	4,241,667	193,021	4.55%	193,021	4.55%	-1.74%
Lyon Twp/South Lyon/Milford/New Hudson	130	4,917,542	255,847	5.20%	255,847	5.20%	0.06%
Novi	312	11,326,890	684,613	6.04%	652,246	5.76%	-1.09%
Walled Lake/Commerce Twp	204	4,649,100	230,348	4.95%	230,348	4.95%	-0.32%
Wixom	373	11,721,773	328,122	2.80%	328,122	2.80%	-0.54%
<b>TOTAL SUBMARKET</b>	<b>1,399</b>	<b>43,958,527</b>	<b>1,832,420</b>	<b>4.17%</b>	<b>1,800,053</b>	<b>4.09%</b>	<b>-0.52%</b>
<b>METRO DETROIT INDUSTRIAL MARKET TOTAL</b>	<b>11,274</b>	<b>374,402,270</b>	<b>15,948,951</b>	<b>4.26%</b>	<b>14,592,920</b>	<b>3.90%</b>	<b>0.03%</b>

\*Royal Oak Area includes: Berkley, Ferndale, Hazel Park, Oak Park and Royal Oak.

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# INDUSTRIAL MARKET REVIEW

## TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
3600 Giddings Road	Auburn Hills	North Corridor	443,340	Investment	Foundation Capital Partners, LLC
14920-14960 23 Mile Road	Shelby Twp.	East Corridor	130,495	Investment	M3 SUB #6, LLC
2430 E. Walton Boulevard	Auburn Hills	North Corridor	125,063	Investment	Frain Cooper Holdings, LLC
23745 Mound Road	Warren	East Corridor	94,089	User	Devon Selft Storage Holdings (U.S.), LLC
21175 Telgraph Road	Southfield	North Corridor	67,788	User	Flex-N-Gate, Inc.

## TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
6500 14 Mile Road	Warren	East Corridor	275,800	Direct	Gardner White
12350 Sears Drive	Livonia	West Corridor	125,262	Direct	LG Energy Solutions Michigan, Inc.
2430 E. Walton Boulevard	Auburn Hills	North Corridor	102,377	Direct	TRIGO North America
45145 W. 12 Mile Road	Novi	I-96 Corridor	101,000	Direct	Our Next Energy, Inc.
10100 Assembly Park Drive	Wixom	I-96 Corridor	83,202	Direct	Wayfair

## SIGNATURE QUICK FACTS

<p><b>Q1 2022</b> SIGNATURE LISTED...</p> <div style="display: flex; justify-content: center; align-items: center;">  <div style="margin-left: 10px;"> <p><b>195</b> NEW PROPERTIES</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p><b>3,534,381</b> SQUARE FEET</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p><b>549.373</b> ACRES</p> </div> </div>	<p><b>Q1 2022</b> SIGNATURE CLOSED....</p> <div style="display: flex; justify-content: center; align-items: center;">  <div style="margin-left: 10px;"> <p><b>338</b> TRANSACTIONS</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p><b>6,609,098</b> SQUARE FEET</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p><b>155.65</b> ACRES</p> </div> </div>	 <p><b>42%</b> CONSISTENT MARKET SHARE</p> <hr/> <p><b>FULL-SERVICE COMMERCIAL REAL ESTATE</b></p> <hr/> <p><b>TCN</b>  <b>MEMBER FIRM</b> WORLDWIDE REAL ESTATE SERVICES</p>
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