



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q3 2022
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

Third quarter 2022 closed with a direct vacancy rate of 3.53%, an overall vacancy rate of 3.95%, and an average asking direct rental rate reported at \$6.98 psf. In June, the Michigan unemployment rate was recorded at 4.1%, a decrease of 0.5 percentage points compared to this time last year. In August, U.S. job openings declined to 10.1 million, the lowest since June 2021, while adding 528,000 jobs, more than double economist’s original estimates of 258,000 jobs. In September, the hiring pace slightly declined due to higher rates and slower company growth with 263,000 jobs added and an unemployment rate of 3.5%, a decrease of 1.3 percentage points compared to one year ago. Year to date the Federal Reserve has increased the interest rate five times. The Federal Reserve has announced they will continue to aggressively institute rate increases until inflation declines and are confident that balance among the economy is being restored. Wall Street closed out the month of September down 9.3%, the worst month since March of 2020. Interest rate hikes have taken a toll on the housing market as home prices have decreased at an accelerated rate, long-term mortgage rates increased for 6 straight weeks by the end of September, and a 30-year rate was recorded at 6.7%, the highest in 15 years. Consumers, employers and the overall market remain aware and cautious heading into the fourth quarter as anticipation builds as the year is ready to close out.

STATS ON THE GO

	Q3 2021	Q3 2022	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	4.65%	3.95%	-0.70%	▼
Direct Asking Rents (psf/yr)	\$6.81	\$6.98	2.4%	▲

INDUSTRIAL MARKET DISCUSSION

A considerable number of industrial leases were signed in Auburn Hills during the third quarter. First, Dana Thermal Products, LLC inked the largest deal totaling 346,182 sq. ft. located at 3600 Giddings Road. The company plans to open a \$54.2M electric vehicle battery cooling plant. This project will receive \$2.5M from the Michigan Strategic Fund, with production expected to begin in 2023 and create 200 new jobs by the end of 2024. While HIROTEC America leased 217,731 sq. ft. of manufacturing space at 1750 Summit Drive. Lastly, Via Motors, Inc. an electric vehicle manufacturer is moving their headquarters from Utah and will be investing \$12.4M towards creating their 98,356 sq. ft. hi-tech facility located at 3900 Automation Drive and will receive a \$2.5M performance-based grant from the state.

Several sales closed the quarter. The largest was a 2-building portfolio sale in Taylor totaling 451,894 sq. ft. of warehouse distribution space located at 21000-21010 Trolley Industrial Drive and 21100-21150 Trolley Industrial Drive and was purchased by Trolley Drive Associates, LLC. While in Dearborn, V & C Gibraltar BWD, LLC purchased the 342,250 sq. ft. manufacturing site located at 3000 Miller Road. Lastly in Roseville, Frain Cooper Holdings, LLC purchased the 232,717 sq. ft. manufacturing building located at 29880 Groesbeck Highway.

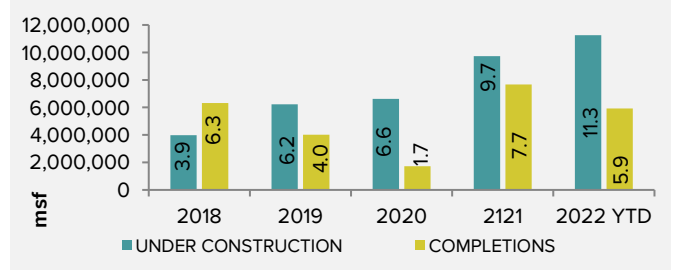
OUTLOOK

The State of Michigan continues to pave the way in battery startups as it recently secured \$4B in investments and 4,500 in news jobs. First, Our Next Energy, Inc. will invest \$1.6B towards a battery cell manufacturing plant in Van Buren Twp., which they will also receive a \$200M grant from the state’s Critical Industrial Fund with expectations of employing up to 2,112 new jobs over the next 6 years. While Gotion, Inc., a battery manufacturer, announced plans to invest \$2.3B to build a battery components plant in Big Rapids, creating 2,350 jobs and is expected to receive a \$125M grant from the state’s Critical Industry Fund and \$50M from the Strategic Site Readiness Program. These recently announced projects are setting the stage for the creation of future developments and the role each will play, as each new development is an essential part in building future developments of electric vehicles and the opportunities Michigan holds.

UNDER CONSTRUCTION

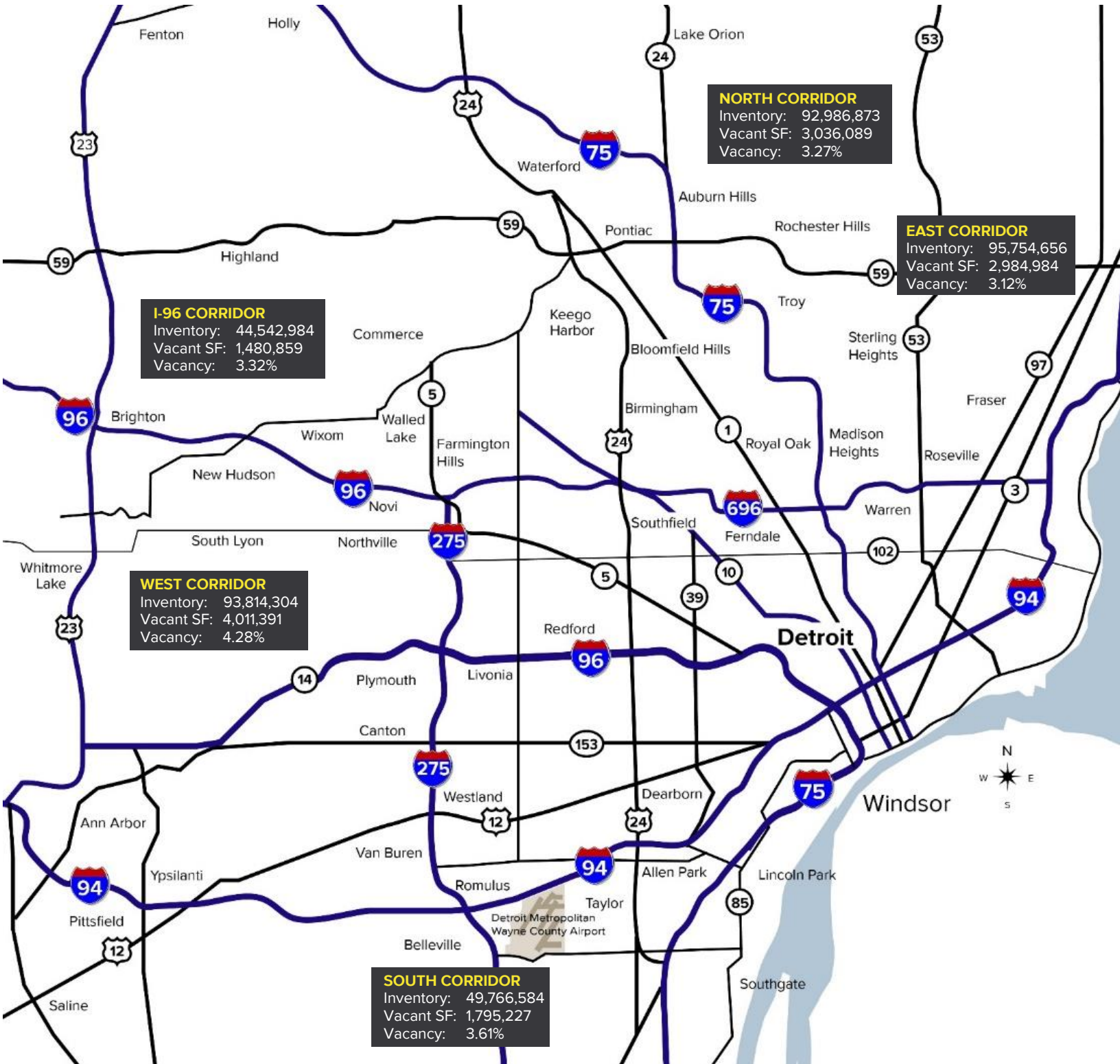
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
48620-48626 Michigan Avenue West Corridor	Canton	501,600	May 2023
14674 23 Mile Road East Corridor	Shelby Township	450,000	August 2023
28803 Wixom Road Bldg. C I-96 Corridor	Wixom	307,912	July 2023

UNDER CONSTRUCTION VS. COMPLETION



METROPOLITAN DETROIT

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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 2 nd - 3 rd Quarter
NORTH CORRIDOR							
Auburn Hills	330	21,420,287	1,063,334	4.96%	770,762	3.60%	-1.95%
Madison Heights	430	10,809,777	405,438	3.75%	361,258	3.34%	-0.26%
Orion Twp/Lake Orion	67	4,682,239	40,016	0.85%	40,016	0.85%	0.00%
Rochester/Rochester Hills	312	10,158,836	513,622	5.06%	405,164	3.99%	0.44%
Royal Oak Area*	680	16,865,919	758,451	4.50%	666,234	3.95%	0.50%
Southfield/Bloomfield Twp	276	7,601,422	138,532	1.82%	113,275	1.49%	-0.69%
Troy	845	21,448,393	735,247	3.43%	679,280	3.17%	0.73%
TOTAL SUBMARKET	2,940	92,986,873	3,654,640	3.93%	3,036,089	3.27%	-0.23%
EAST CORRIDOR							
Chesterfield Twp	228	8,495,962	171,615	2.02%	171,615	2.02%	-0.17%
Clinton Twp	450	9,068,823	337,050	3.72%	337,050	3.72%	0.10%
Fraser	260	6,080,972	113,219	1.86%	86,759	1.43%	-0.48%
Mt. Clemens	98	2,965,203	0	0.00%	0	0.00%	-0.15%
Roseville	278	6,745,871	352,589	5.23%	352,589	5.23%	-0.88%
Shelby Twp/Macomb Twp	406	12,332,625	182,592	1.48%	182,592	1.48%	-3.60%
Sterling Heights	532	18,470,508	353,478	1.91%	353,478	1.91%	0.74%
Warren	980	31,594,692	1,621,060	5.13%	1,500,901	4.75%	0.06%
TOTAL SUBMARKET	3,232	95,754,656	3,131,603	3.27%	2,984,984	3.12%	-0.40%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,335	236,302	4.05%	236,302	4.05%	-0.11%
Dearborn/Dearborn Heights	310	12,154,477	1,226,186	10.09%	990,942	8.15%	-1.53%
Romulus	390	20,574,072	180,452	0.88%	180,452	0.88%	-1.02%
Taylor	308	11,206,700	394,731	3.52%	387,531	3.46%	-0.22%
TOTAL SUBMARKET	1,066	49,766,584	2,037,671	4.09%	1,795,227	3.61%	-0.81%
WEST CORRIDOR							
Ann Arbor	386	11,094,498	935,964	8.44%	886,656	7.99%	0.88%
Farmington/Farmington Hills	422	12,098,659	644,116	5.32%	599,452	4.95%	-1.63%
Livonia	818	31,477,083	1,151,018	3.66%	1,004,018	3.19%	0.97%
Plymouth/Canton	485	20,384,869	744,687	3.65%	704,537	3.46%	-0.28%
Redford	201	5,835,735	795,932	13.64%	657,020	11.26%	8.95%
Van Buren Twp	60	6,143,476	76,763	1.25%	76,763	1.25%	-0.24%
Wayne/Westland	279	6,779,984	82,945	1.22%	82,945	1.22%	0.26%
TOTAL SUBMARKET	2,651	93,814,304	4,431,425	4.72%	4,011,391	4.28%	0.71%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	260	7,109,555	106,762	1.50%	106,762	1.50%	-0.40%
Fowlerville/Howell	122	4,418,677	148,794	3.37%	148,794	3.37%	-0.14%
Lyon Twp/South Lyon/Milford/New Hudson	136	5,323,717	306,808	5.76%	306,808	5.76%	-1.78%
Novi	314	11,314,308	592,412	5.24%	457,637	4.04%	-0.55%
Walled Lake/Commerce Twp	204	4,651,363	210,595	4.53%	210,595	4.53%	-1.38%
Wixom	373	11,725,364	250,263	2.13%	250,263	2.13%	-1.38%
TOTAL SUBMARKET	1,409	44,542,984	1,615,634	3.63%	1,480,859	3.32%	-0.93%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,298	376,865,401	14,870,973	3.95%	13,308,550	3.53%	-0.20%

*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
21000-21010 & 21100-21150 Trolley Industrial Drive	Taylor	South Corridor	451,894	Investment	Trolley Drive Associates, LLC
3000 Miller Road	Dearborn	South Corridor	342,250	User	V & C Gibraltar BWD, LLC
29880 Groesbeck Highway	Roseville	East Corridor	232,717	Investment	Frain Cooper Holdings, LLC
2737 S. Adams Road	Rochester Hills	North Corridor	149,580	User	Gemini Import Export, LLC
4600 Arrowhead Drive	Ann Arbor	West Corridor	148,651	User	KLA Corporation

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
3600 Giddings Road	Auburn Hills	North Corridor	346,182	Direct	Dana Thermal Products, LLC
1750 Summit Drive	Auburn Hills	North Corridor	217,731	Direct	HIROTEC America
1430 E. 10 Mile Road	Hazel Park	North Corridor	182,243	Sublease	Ultimate Hydroforming, Inc.
23975 Research Drive	Farmington Hills	South Corridor	100,000	Direct	US Pack Services, LLC
3900 Automation Avenue	Auburn Hills	North Corridor	98,356	Direct	Via Motors, Inc.

SIGNATURE QUICK FACTS

<p>Q3 2022 SIGNATURE LISTED...</p> <p> 210 NEW PROPERTIES</p> <p> 2,780,212 SQUARE FEET</p> <p> 812.88 ACRES</p>	<p>Q3 2022 SIGNATURE CLOSED....</p> <p> 358 TRANSACTIONS</p> <p> 6,873,888 SQUARE FEET</p> <p> 755.24 ACRES</p>	<p> 42% CONSISTENT MARKET SHARE</p> <hr/> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <hr/> <p>TCN  MEMBER FIRM WORLDWIDE REAL ESTATE SERVICES</p>
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