



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q4 2022
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

Fourth quarter 2022 closed with a direct vacancy rate of 3.74%, an overall vacancy rate of 4.24%, and an average asking direct rental rate reported at \$7.20 psf. In December, the Michigan unemployment rate was recorded at 4.3%, a decrease of 1.3 percentage points compared to this time last year, while the U. S. unemployment rate was recorded at 3.5%. Despite the Federal Reserve’s intentions to slow the demand for labor, wage gains and inflation with their continued interest rate hikes, the number of U.S. job openings in December was recorded at 11M, up from 10.46M in November as employers continued hiring at a solid pace. During fourth quarter, the U.S. economy grew by 2.9% and 2.1% throughout 2022, recording six straight months of stable growth. In December, indicators pointed towards the easing of inflation as consumer spending decreased by 0.2% from November along with a decline in consumer prices. It is expected the Federal Reserve will raise the key interest rate during 2023, with the number of increases to be determined. As inflation reached a 40-year high, seven interest rate increases were recorded during 2022 with the final increase of the year by half a point reaching the highest level in 15 years. Inflation remains one of the top economic concerns as consumers remain cautious, re-evaluate their spending habits and outlook towards saving and borrowing.

STATS ON THE GO

	Q4 2021	Q4 2022	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	4.21%	4.24%	0.03%	▲
Direct Asking Rents (psf/yr)	\$7.75	\$7.20	7.0%	▼

INDUSTRIAL MARKET DISCUSSION

The largest lease of the quarter took place in Van Buren Township as Our Next Energy, Inc. announced they will receive a \$200M state grant for their new \$1.6B, 659,589 sq. ft. EV battery cell gigafactory to be called ONE Circle. 2,112 New jobs are expected at their new facility located at 42060 Ecorse Road in the Crossroads Distribution Center. In Redford, VeTech inked a deal for a sublease totaling 138,912 sq. ft. of warehouse distribution space located at 12100 Inkster Road. In Brownstown Township, General Motors signed a deal for 135,751 sq. ft. of warehouse distribution space located at 17950 Dix-Toledo Road in Brownstown Business Center North. Lastly in Livonia, DHL supply chain, a global express carrier, inked a deal totaling 101,837 sq. ft. of warehouse distribution space located at 12950 Eckles Road.

Several sales closed in the fourth quarter. First in Auburn Hills, a 3-building portfolio sale including 1350, 1380 & 1400 Harmon Road totaling 181,163 sq. ft. was purchased by RBD Davison, LLC as an investment. While in Shelby Township, Lincoln Electric Company purchased the 156,536 sq. ft. manufacturing building located at 13231 23 Mile Road and will be a user of the property. Lastly in Troy, Prospect Real Estate, LLC purchased 1850-1872 Ring Drive as a 2-building portfolio investment totaling 133,733 sq. ft.

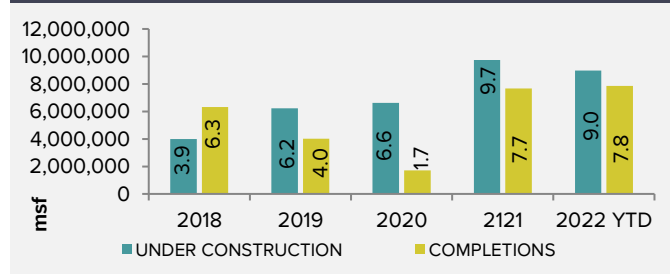
OUTLOOK

The Metro Detroit industrial market continued to thrive as several large projects have recently broke ground, are near completion, or are ready for occupancy. Southfield-based Lear Corporation announced plans to build an \$80M EV component manufacturing plant expected to create hundreds of jobs, while location has yet to be announced. In Orion Township, JR Automation, a provider of automated manufacturing and distribution technology solutions opened their newly completed 275,000 sq. ft. build-to-suit facility at 1427 Brown Road. In Auburn Hills, FANUC America Corporation broke ground on their new 800,000 sq. ft. west campus located on 67 acres with completion expect Spring 2024. While the Michigan Strategic Fund Board approved \$10.2M in state grants to Magna International, Inc. as it aims to expand their presence in Michigan by creating another 1,500 jobs.

UNDER CONSTRUCTION

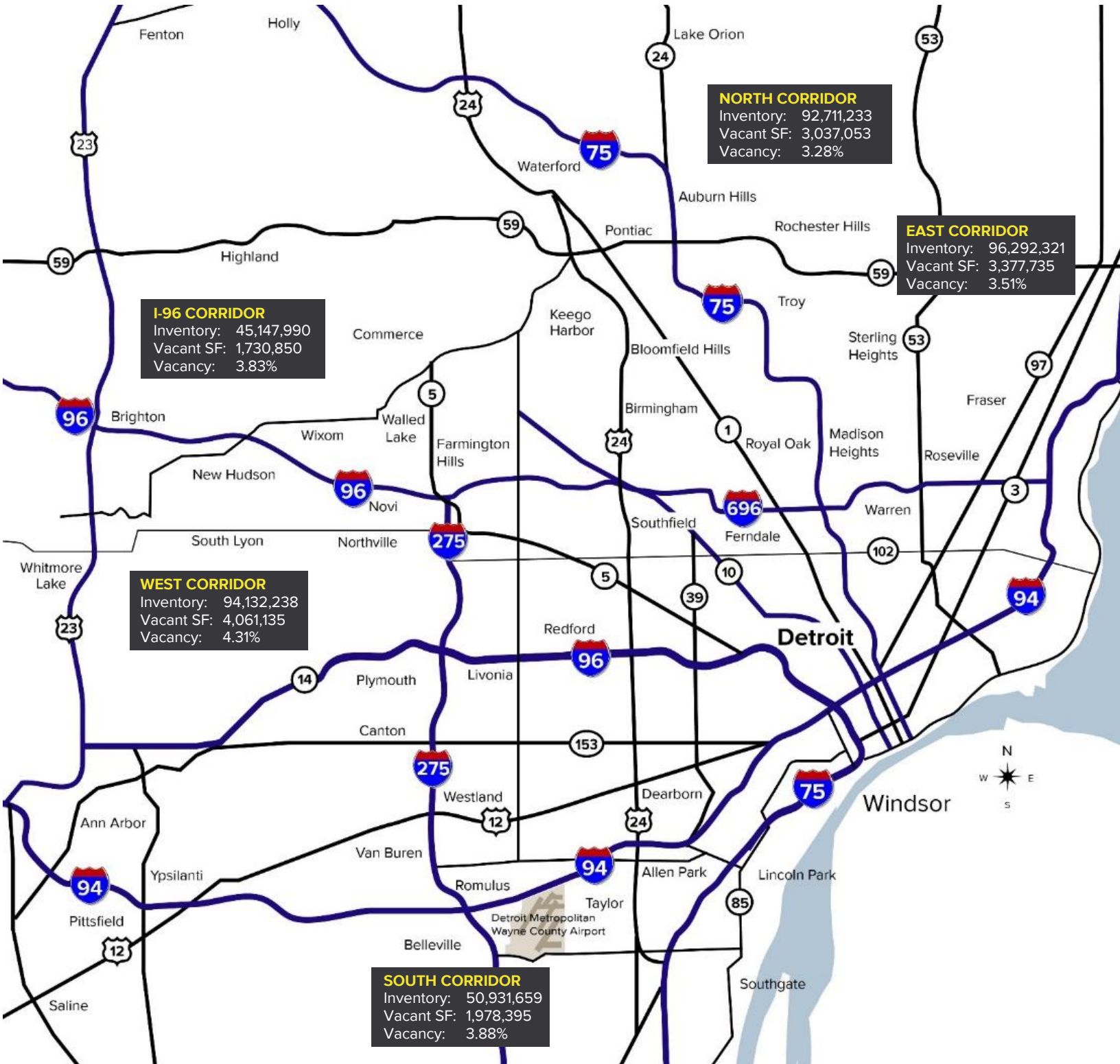
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
Eastland Commerce Center Bldgs. 1, 2 & 3 East Corridor	Harper Woods	1,040,546	July 2023
2632 Featherstone Road North Corridor	Auburn Hills	800,000	March 2024
48610 Michigan Avenue Building 3 West Corridor	Canton	400,000	July 2023

UNDER CONSTRUCTION VS. COMPLETION



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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 3 rd - 4 th Quarter
NORTH CORRIDOR							
Auburn Hills	329	21,140,815	876,449	4.15%	583,877	2.76%	-0.84%
Madison Heights	430	10,807,245	413,981	3.83%	369,801	3.42%	0.08%
Orion Twp/Lake Orion	66	4,670,799	11,000	0.24%	11,000	0.24%	-0.61%
Rochester/Rochester Hills	312	10,161,726	450,787	4.44%	342,329	3.37%	-0.62%
Royal Oak Area*	680	16,879,625	800,246	4.74%	708,029	4.19%	0.24%
Southfield/Bloomfield Twp	276	7,601,330	186,705	2.46%	186,705	2.46%	0.97%
Troy	845	21,449,693	868,475	4.05%	835,312	3.89%	0.72%
TOTAL SUBMARKET	2,938	92,711,233	3,607,643	3.89%	3,037,053	3.28%	0.01%
EAST CORRIDOR							
Chesterfield Twp	230	8,682,543	333,373	3.84%	333,373	3.84%	1.82%
Clinton Twp	451	9,080,911	344,433	3.79%	344,433	3.79%	0.07%
Fraser	260	6,079,172	154,220	2.54%	127,760	2.10%	0.67%
Mt. Clemens	98	2,965,203	0	0.00%	0	0.00%	0.00%
Roseville	279	7,027,803	370,819	5.28%	370,819	5.28%	0.05%
Shelby Twp/Macomb Twp	410	12,387,069	388,251	3.13%	200,178	1.62%	0.14%
Sterling Heights	533	18,476,531	467,192	2.53%	467,192	2.53%	0.62%
Warren	980	31,594,089	1,691,450	5.35%	1,533,980	4.86%	0.11%
TOTAL SUBMARKET	3,241	96,292,321	3,749,738	3.89%	3,377,735	3.51%	0.39%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,335	301,644	5.17%	301,644	5.17%	1.12%
Dearborn/Dearborn Heights	311	12,159,627	1,229,933	10.11%	994,689	8.18%	0.03%
Romulus	394	21,679,962	343,287	1.58%	263,554	1.22%	0.34%
Taylor	308	11,260,735	425,708	3.78%	418,508	3.72%	0.26%
TOTAL SUBMARKET	1,071	50,931,659	2,300,572	4.52%	1,978,395	3.88%	0.27%
WEST CORRIDOR							
Ann Arbor	386	11,099,513	865,361	7.80%	817,860	7.37%	-0.62%
Farmington/Farmington Hills	422	12,099,712	755,447	6.24%	704,033	5.82%	0.87%
Livonia	818	31,479,708	957,370	3.04%	810,370	2.57%	-0.62%
Plymouth/Canton	486	20,671,216	883,037	4.27%	842,887	4.08%	0.62%
Redford	202	5,856,937	840,806	14.36%	701,894	11.98%	0.72%
Van Buren Twp	60	6,143,476	88,763	1.44%	88,763	1.44%	0.19%
Wayne/Westland	279	6,781,676	95,328	1.41%	95,328	1.41%	0.19%
TOTAL SUBMARKET	2,653	94,132,238	4,486,112	4.77%	4,061,135	4.31%	0.03%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	260	7,110,057	104,129	1.46%	104,129	1.46%	-0.04%
Fowlerville/Howell	123	4,459,837	273,874	6.14%	161,374	3.62%	0.25%
Lyon Twp/South Lyon/Milford/New Hudson	137	5,334,742	372,902	6.99%	372,902	6.99%	1.23%
Novi	313	11,287,145	557,718	4.94%	476,848	4.22%	0.18%
Walled Lake/Commerce Twp	205	4,668,125	221,543	4.75%	214,343	4.59%	0.06%
Wixom	375	12,288,084	401,254	3.27%	401,254	3.27%	1.14%
TOTAL SUBMARKET	1,413	45,147,990	1,931,420	4.28%	1,730,850	3.83%	0.51%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,316	379,215,441	16,075,485	4.24%	14,185,168	3.74%	0.21%

*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
1350, 1380 & 1400 Harmon Road	Auburn Hills	North Corridor	181,163	Investment	RBD Davison, LLC
13231 23 Mile Road	Shelby Twp.	East Corridor	156,536	User	Lincoln Electric Company
1850-1872 Ring Drive	Troy	North Corridor	133,733	Investment	Prospect Real Estate, LLC
24801 Capital Boulevard	Clinton Township	East Corridor	100,982	Investment	Realty Income Corporation
1681 Harmon Road	Auburn Hills	North Corridor	89,870	Investment	Harmon Road Investments, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
42060 Ecorse Road	Van Buren Twp.	West Corridor	659,589	Direct	Our Next Energy, Inc.
12100 Inster Road	Redford	West Corridor	138,912	Sublease	VeTech
17950 Dix-Toledo Road	Brownstown Twp.	South Corridor	135,751	Direct	General Motors
12950 Eckles Road	Livonia	West Corridor	101,837	Direct	DHL Supply Chain
1450 McPherson Park Drive	Howell	I-96 Corridor	88,542	Direct	Triton Industries.

SIGNATURE QUICK FACTS

<p>Q4 2022 SIGNATURE LISTED...</p> <p>197 NEW PROPERTIES</p> <p>2,956,244 SQUARE FEET</p> <p>330.9 ACRES</p>	<p>Q4 2022 SIGNATURE CLOSED....</p> <p>337 TRANSACTIONS</p> <p>9,181,837 SQUARE FEET</p> <p>445.44 ACRES</p>	<p>42% CONSISTENT MARKET SHARE</p> <p>FULL-SERVICE COMMERCIAL REAL ESTATE</p> <p>TCN WORLDWIDE REAL ESTATE SERVICES MEMBER FIRM</p>
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