

# Detroit

## Industrial market snapshot | Q4 2024

The Detroit industrial markets overall vacancy rate increased 60 basis points throughout 2024, up to 4.4% at year-end, however still well below the national average of 7.3%. Leasing activity rebounded somewhat to close 2024, with the most leased space in a quarter occurring in Q4 this year. Construction activity continues to slow with a total of 2.87 msf currently under development, which should slow the rising vacancy rates as less new supply will be added to the market in the near future.

## 1.85 msf

In Q4 2024, Detroit's industrial market leased 1.85 msf, 6.1% more than the 2024 quarterly leasing average of 1.74 msf.

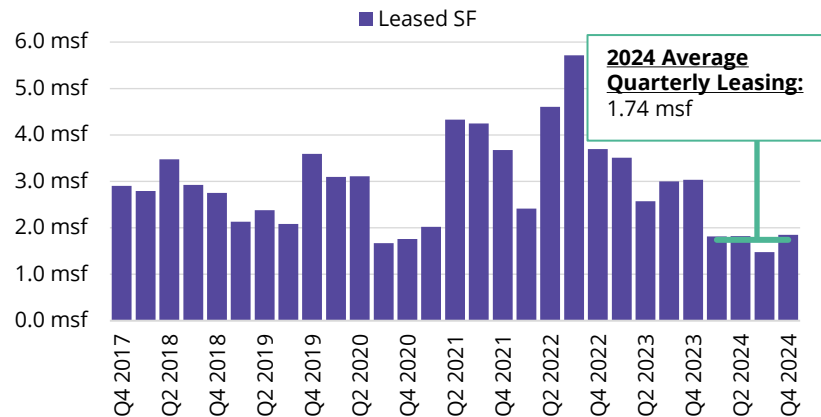
## 2.87 msf

Detroit's industrial construction pipeline remains modest following a spike in industrial interest post-COVID. Under construction SF peaked at 8.12 msf in Q4 2021.

## 4.4%

Detroit's industrial market continues to experience tight market conditions, with a vacancy rate (2.9%) lower than the US average of 7.3%

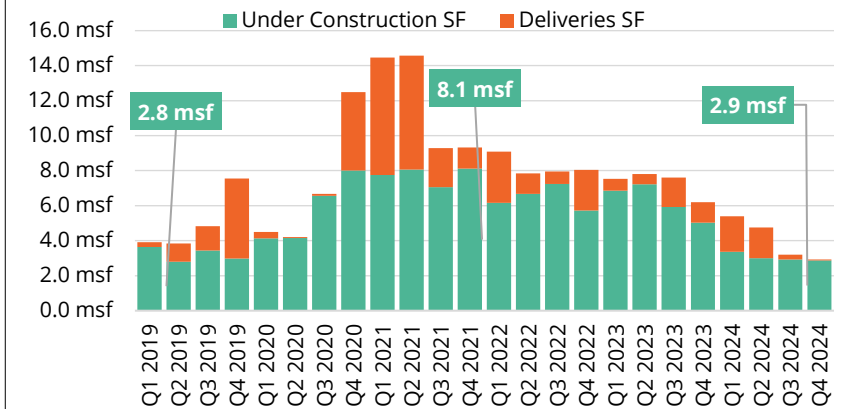
### Detroit's industrial leasing continues stabilizing



Despite 2024's annual leasing volume of 6.97 msf residing below half (48.8%) of the 2021-2023 post-COVID average annual leasing volume of 14.27 msf, each period of 2024 saw consistent leasing activity. In Q4 2024, Detroit ended the year on a positive note, with the most amount of quarterly leasing activity of the year.

Source: AVANT By Avison Young, CoStar

### Construction activity remains modest

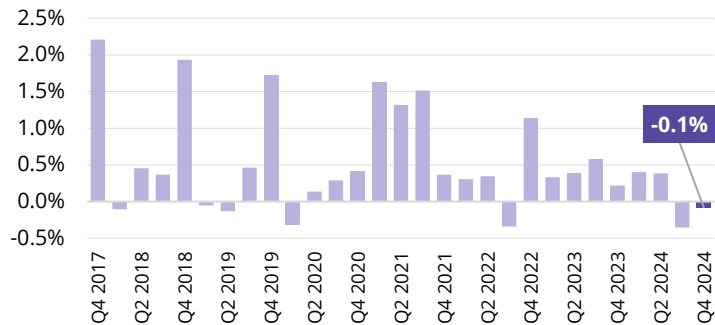


Since midway through 2023, the amount of industrial space underway has continued to decline, reaching the lowest level since Q2 2019 at the end of 2024. Despite this influx of square footage, Detroit's industrial vacancy rates remain low, as occupier demand persists for newly delivered, high-quality industrial spaces.

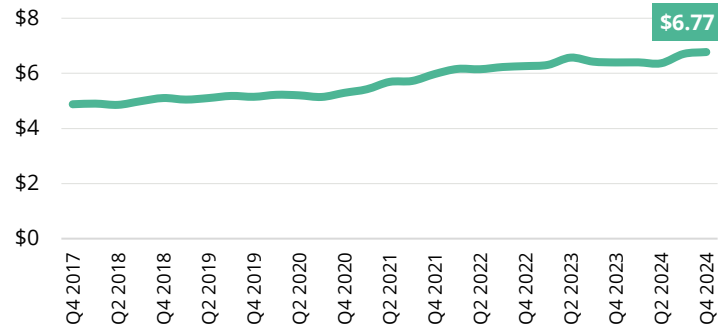
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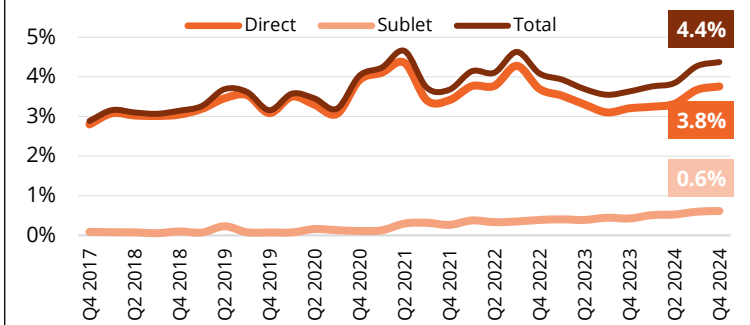
Net absorption as a % of inventory



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
DTE Energy	33360 Trade Center Dr	349,492	New	Direct
Avancez Assembly	18200 Vernier Rd	224,589	New	Direct
Home Express Delivery Services, LLC	18300 Vernier Rd	104,353	New	Direct
Wipro Pari, Inc.	275 Rex Blvd	104,280	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Four Springs Capital Trust Operating Partnership	14741 Laplaignance Rd	\$139,500,000	\$126.75	InSite Real Estate LLC
Kumo Capital	2700 Product Dr	\$9,100,000	\$96.36	Webasto Sunroofs, Inc.
Julius Giarmarco	25800-25840 Sherwood Ave	\$6,400,000	\$48.00	The Geneva Watch Group LLC
eXp Commercial	1164 Ladd Rd	\$6,210,787	\$77.23	Tempus Realty Partners

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### Get in touch

Kathleen Cavanaugh  
Market Intelligence  
Analyst  
kathleen.cavanaugh@avisonyoung.com

Joseph Stockman  
Market Intelligence  
Analyst  
joe.stockman@avisonyoung.com

	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	76,949,564	114,373	548,818	2.4%	0.1%	2.5%	1.3%	(0.7%)	(541,646)	\$7.23
Detroit	69,262,815	1,040,746	-	6.3%	0.5%	6.8%	(1.5%)	0.9%	611,974	\$6.42
Downriver	67,853,355	1,446,606	830,421	4.2%	0.7%	4.9%	2.0%	(0.1%)	(63,558)	\$6.13
Wayne County West	60,525,134	-	-	2.1%	0.0%	2.2%	0.7%	(0.6%)	(379,416)	\$7.38
I-75 Corridor	43,773,357	920,000	1,273,401	3.1%	1.4%	4.5%	1.4%	0.3%	110,853	\$7.63
Northwest Suburbs	29,799,672	158,472	221,922	5.1%	1.3%	6.4%	2.4%	(0.1%)	(44,562)	\$7.44
Washtenaw	15,317,597	50,000	-	2.6%	2.4%	5.0%	(0.7%)	(0.1%)	(13,036)	\$6.40
Southeast Oakland County	6,232,882	-	-	5.6%	0.0%	5.6%	(4.5%)	0.0%	1,000	\$6.50
Flint/Grand Blanc	5,646,647	398,127	-	3.8%	0.0%	3.8%	2.9%	0.0%	-	\$6.87
Market total	375,361,023	4,128,324	2,874,562	3.8%	0.6%	4.4%	0.7%	(0.1%)	(318,391)	\$6.77