



METROPOLITAN
DETROIT
MARKET

INDUSTRIAL
Q1 2021
MARKET STATISTICS

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METROPOLITAN DETROIT

INDUSTRIAL MARKET REVIEW

ECONOMIC OVERVIEW

First quarter 2021 closed with a direct vacancy rate of 5.18%, an overall vacancy rate of 5.60%, and an average asking direct rental rate reported at \$7.02 psf. In March, the Michigan unemployment rate was recorded at 5.1%, a decrease for the third straight month, yet still at an elevated rate compared to one year ago when recorded at 3.5%. While the U.S. unemployment rate was recorded at 6.0% in March, it continues to steadily decrease as the number of jobless claims dip as many job sectors continue to reopen. Optimism continues to grow as U.S. employers are expected to continue to add jobs as many states move towards easing business restrictions, creating confidence in paving a path toward strengthening the economic recovery in the coming months. Many other factors signal a strengthening economy including consumer spending, investing, and housing demand. Consumer spending increased at the fastest pace in nine months and was recorded at 4.2% in March, while U.S. home prices increased by 11.9% in February, the fastest pace in close to seven years as demand for housing continues to escalate. The Federal Reserve also announced they expect to keep the interest rate near zero with no rate hikes through 2023.

STATS ON THE GO

	Q1 2020	Q1 2021	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	5.33%	5.60%	0.27%	▲
Direct Asking Rents (psf/yr)	\$6.72	\$7.02	4.50%	▲

INDUSTRIAL MARKET DISCUSSION

Leasing activity remained strong with several large deals closed during the first quarter. General Motors, LLC inked the largest deal totaling 470,693 sf of space located at the newly constructed 911,172 sf warehouse distribution building located at 1430 E. 10 Mile Road, Hazel Park in the Tri-County Commerce Center III. In Romulus, Hearn Industrial Services, Inc. signed a deal for 149,361 sf warehouse distribution space located at 37350 Ecorse Road in the Ecorse Commons Industrial Park. In Farmington Hills, MacLean-Fogg signed a deal totaling 142,798 sf of warehouse distribution space located at 23400 Haggerty Road. Lastly in Wixom, U.S. AutoForce leased a 138,000sf warehouse distribution facility currently under construction at 48238 Frank Street with completion expected during first quarter 2022.

Several sales closed the quarter. First, Troy Landmark Properties, LLC inked a deal for 190,000 sf manufacturing space located at 4755 Rochester Road in Troy and will be a user of the building. In Canton, Spirit Master Funding X, LLC purchased the 170,000 sf manufacturing building located at 7295 N. Haggerty Road as an investment. Lastly in Warren, the 122,548 sf warehouse distribution facility was purchased by 12850 Nine Mile, LLC as an investment.

OUTLOOK

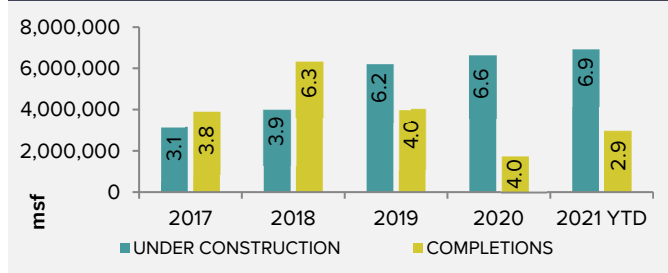
The Metro Detroit industrial market continued to experience strong leasing, sales activity, and several large buildings under construction or construction planned to start soon. The Detroit Big Three automotive companies posted first quarter profit gains, while automotive sales information provider Edmunds has forecasted 15.5M new U.S. vehicle sales by the end of 2021, a 6.5 percent increase compared to last year. This is attributed to new vehicle pricing, new products offered and the rollout of the COVID-19 vaccine. In February, General Motors announced they will be investing \$93M in their Romulus Powertrain plant that would support production of their full-size pickups.

In February, The Institute for Supply Management announced an increase in U.S. manufacturing to a 3-year high reported at 60.8%, a 2.1 percentage increase compared to January. Economists and Michigan business owners remain optimistic that the state will begin to reestablish a foundation and continue to experience recovery throughout 2021 leading to greater gains in the industrial sector.

UNDER CONSTRUCTION

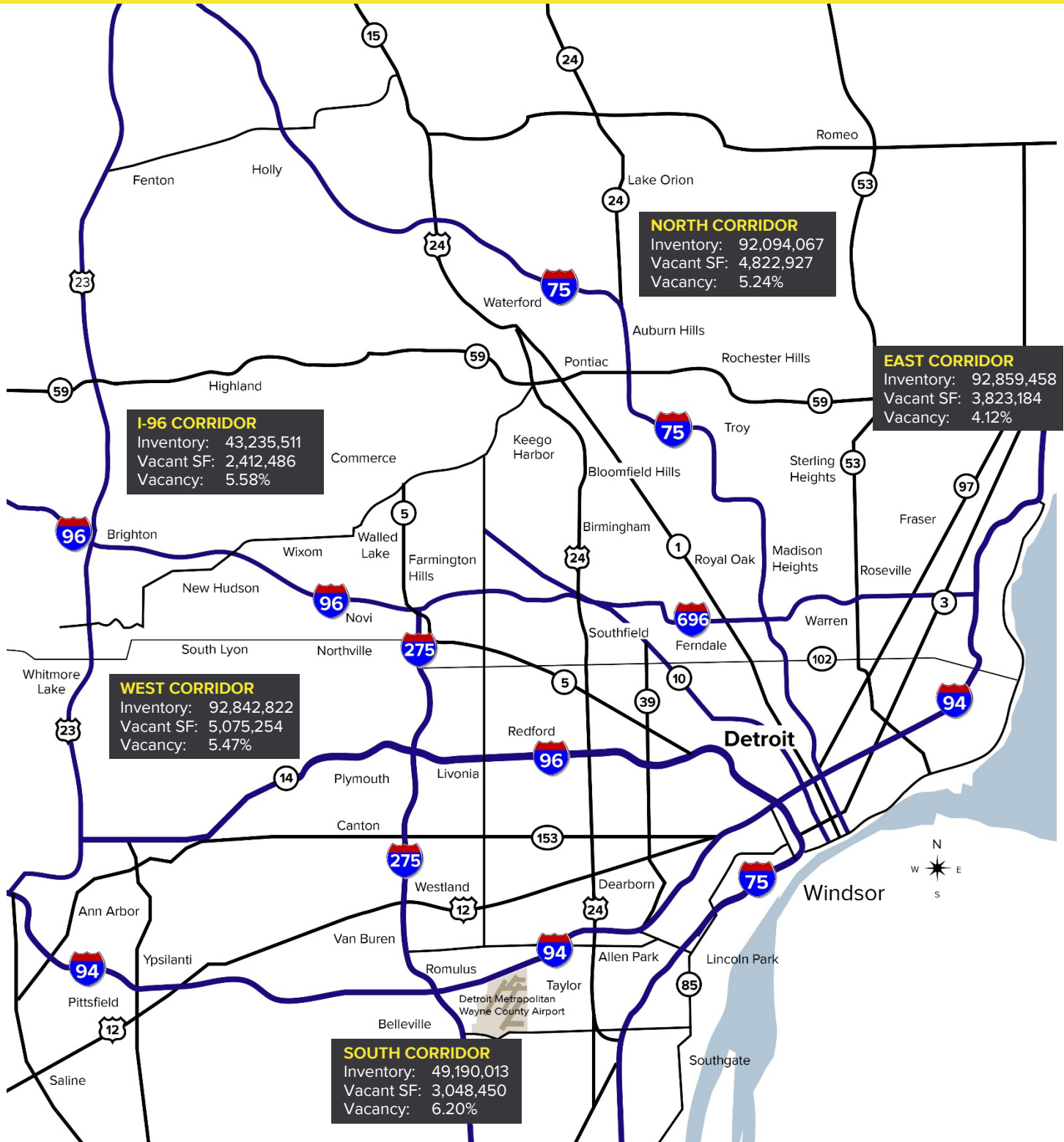
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
1200 Featherstone Road North Corridor	Auburn Hills	1,000,000	October 2021
28801 Wixom Road I-96 Corridor	Wixom	741,993	October 2021
42000 Ecorse Road Building 6 West Corridor	Van Buren Twp.	659,546	July 2021

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 4 th - 1 st Quarter
NORTH CORRIDOR							
Auburn Hills	328	21,074,726	1,088,275	5.16%	944,519	4.48%	0.45%
Madison Heights	429	10,793,980	711,437	6.59%	698,413	6.47%	0.36%
Orion Twp/Lake Orion	67	4,674,239	227,943	4.88%	222,143	4.75%	2.94%
Rochester/Rochester Hills	311	10,114,143	806,236	7.97%	742,603	7.34%	-1.56%
Royal Oak Area*	672	16,513,819	964,723	5.84%	947,141	5.74%	0.09%
Southfield/Bloomfield Twp	275	7,573,662	486,321	6.42%	461,164	6.09%	0.77%
Troy	843	21,349,498	1,0836,538	5.08%	806,944	3.78%	-1.31%
TOTAL SUBMARKET	2,925	92,094,067	5,368,473	5.83%	4,822,927	5.24%	-0.10%
EAST CORRIDOR							
Chesterfield Twp	226	8,490,025	188,519	2.24%	188,519	2.24%	-0.39%
Clinton Twp	443	8,792,749	311,118	3.54%	311,118	3.54%	0.30%
Fraser	260	6,098,800	216,198	3.54%	216,198	3.54%	0.09%
Mt. Clemens	98	2,965,203	282,811	9.54%	282,811	9.54%	-3.48%
Roseville	277	6,679,801	531,853	7.96%	396,151	5.93%	0.19%
Shelby Twp/Macomb Twp	402	11,941,817	551,787	4.62%	539,948	4.52%	0.80%
Sterling Heights	532	18,380,931	620,228	3.37%	620,228	3.37%	0.67%
Warren	976	29,591,132	1,337,211	4.52%	1,268,211	4.29%	-0.15%
TOTAL SUBMARKET	3,214	92,859,458	4,039,725	4.35%	3,823,184	4.12%	0.08%
SOUTH CORRIDOR							
Brownstown Twp	58	5,831,258	396,340	6.80%	396,340	6.80%	0.00%
Dearborn/Dearborn Heights	310	11,771,390	855,638	7.27%	739,194	6.28%	-1.24%
Romulus	386	20,444,963	1,586,531	7.76%	1,392,274	6.81%	0.21%
Taylor	306	11,142,402	520,642	4.67%	520,642	4.67%	0.24%
TOTAL SUBMARKET	1,060	49,190,013	3,359,151	6.83%	3,048,450	6.20%	-0.15%
WEST CORRIDOR							
Ann Arbor	382	10,996,340	669,497	6.09%	609,117	5.54%	0.18%
Farmington/Farmington Hills	421	12,019,509	986,379	8.21%	826,847	6.88%	-0.22%
Livonia	812	30,768,756	1,037,945	3.37%	838,771	2.73%	-0.36%
Plymouth/Canton	483	20,342,938	1,607,157	7.90%	1,600,217	7.87%	0.38%
Redford	202	5,839,626	172,312	2.95%	172,312	2.95%	-0.44%
Van Buren Twp	60	6,140,058	736,309	11.99%	736,309	11.99%	9.64%
Wayne/Westland	279	6,735,595	291,681	4.33%	291,681	4.33%	-2.24%
TOTAL SUBMARKET	2,639	92,842,822	5,501,280	5.93%	5,075,254	5.47%	0.39%
I-96 CORRIDOR							
Brighton/Genoa Twp/Green Oak Twp	255	6,925,610	142,016	2.05%	142,016	2.05%	0.20%
Fowlerville/Howell	119	4,203,691	292,206	6.95%	292,206	6.95%	-0.59%
Lyon Twp/South Lyon/Milford/New Hudson	126	4,567,934	428,708	9.39%	408,708	8.95%	1.85%
Novi	310	11,292,946	935,357	8.28%	902,479	7.99%	0.76%
Walled Lake/Commerce Twp	203	4,612,477	140,847	3.05%	140,847	3.05%	-2.25%
Wixom	370	11,632,853	542,804	4.67%	526,230	4.52%	0.03%
TOTAL SUBMARKET	1,383	43,235,511	2,481,938	5.74%	2,412,486	5.58%	0.15%
METRO DETROIT INDUSTRIAL MARKET TOTAL	11,221	370,221,871	20,750,567	5.60%	19,182,301	5.18%	0.09%

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

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TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
4755 Rochester Road	Troy	North Corridor	190,000	User	Troy Landmark Properties, LLC
7295 N. Haggerty Road	Canton	West Corridor	170,000	Investment	Spirit Master Funding X, LLC
12850 E. 9 Mile Road	Warren	East Corridor	122,548	Investment	12850 Nine Mile, LLC
1 ATS Drive	Wixom	I-96 Corridor	117,709	Investment	Undisclosed
40400-40500 Grand River Avenue	Novi	I-96 Corridor	102,000	Investment	40400 Grand River, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
1430 E. 10 Mile Road	Hazel Park	North Corridor	470,693	Direct	General Motors, LLC
37350 Ecorse Road	Romulus	South Corridor	149,361	Direct	Hearn Industrial Services, Inc.
23400 Haggery Road	Farmington Hills	West Corridor	142,798	Direct	MacLean-Fogg
48238 Frank Street	Wixom	I-96 Corridor	138,000	Direct	U.S. AutoForce
35660 Clinton Street	Wayne	West Corridor	126,700	Direct	Hearn Industrial Services, Inc.

SIGNATURE QUICK FACTS

<p>Q1 2021 SIGNATURE LISTED...</p> <p> 232 NEW LISTINGS</p> <p> 4,723,992 SQUARE FEET</p> <p> 180.40 ACRES</p>	<p>Q1 2021 SIGNATURE CLOSED....</p> <p> 327 TRANSACTIONS</p> <p> 6,833,102 SQUARE FEET</p> <p> 119.52 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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