



METROPOLITAN
DETROIT
MARKET

OFFICE
Q1 2021
MARKET STATISTICS

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ASSOCIATES**
KNOW SIGNATURE | KNOW RESULTS

METROPOLITAN DETROIT

OFFICE MARKET REVIEW

ECONOMIC OVERVIEW

First quarter 2021 closed with a direct vacancy rate of 19.46%, an overall vacancy rate of 20.76%, and an average asking direct rental rate reported at \$18.51 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 9-months and was recorded at 4.2% in March, while home prices in the U.S. increased by 11.9% in February, the fastest pace in close to 7- 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	18.08%	20.76%	2.68%	▲
Direct Asking Rents (psf/yr)	\$18.47	\$18.51	0.22%	▲

OFFICE MARKET DISCUSSION

Leasing activity closed the quarter on a steady note. First in Southfield, the largest lease took place at 26700 Lahser Road as the Barbara Ann Karmanos Cancer Institute inked a deal totaling 19,312 sf. Also in Southfield, Evolution New Jersey signed a deal for 16,927 sf at 1000 Town Center. Lastly in Troy, Synergy Health leased 13,722 sf of space located at 500 Stephenson Highway in the Robbins Executive Park.

A few notable investment sales closed the first quarter. In Troy, Integris Ventures inked a deal for the 6-story, Class A, 197,532 sf building located at 800 W. Long Lake Road. In Novi, Harbor Group International, LLC purchased the 3-story, Class A, 180,000 sf building at 30020 Cabot Drive located in the I-275 corridor submarket. Lastly in Farmington Hills, LREH Michigan, LLC purchased the 2-story, Class B, 60,200 sf building located at 31275 Northwestern Highway in the Wood Creek Office Center.

OUTLOOK

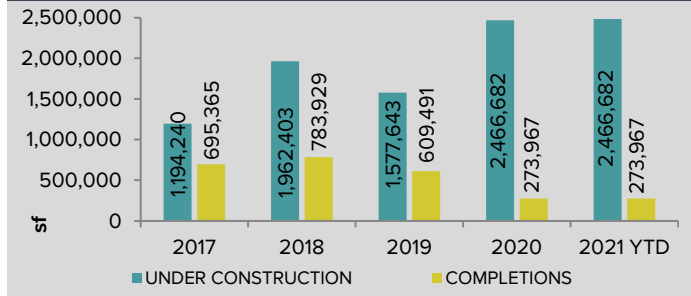
Uncertainty remains as the Metro Detroit office market continued to inch towards normalcy at the close of first quarter. New construction projects remain slow, existing under construction projects are on-going and many companies are beginning to outline a plan for their employees return to the office, which continues to effect leasing activity, renewals and the increase of sublease space being added to the market. In the CBD, construction of the new 5-story, 127,000 sf, \$70-million building located at 2715 Woodward Avenue next to Little Caesars Arena has recently been completed with tenants Warner Norcross + Judd, and the Boston Consulting Group occupying a portion of the building.

Economists and Michigan business owners remain optimistic that the state will begin to reestablish a foundation and experience a form of recovery throughout 2021. Between the number of COVID-19 cases decreasing and the number of vaccines now available there are strong signs we are on the right path towards re-opening our state, employment growth and new job creation. All elements needed for a successful and quick recovery.

UNDER CONSTRUCTION

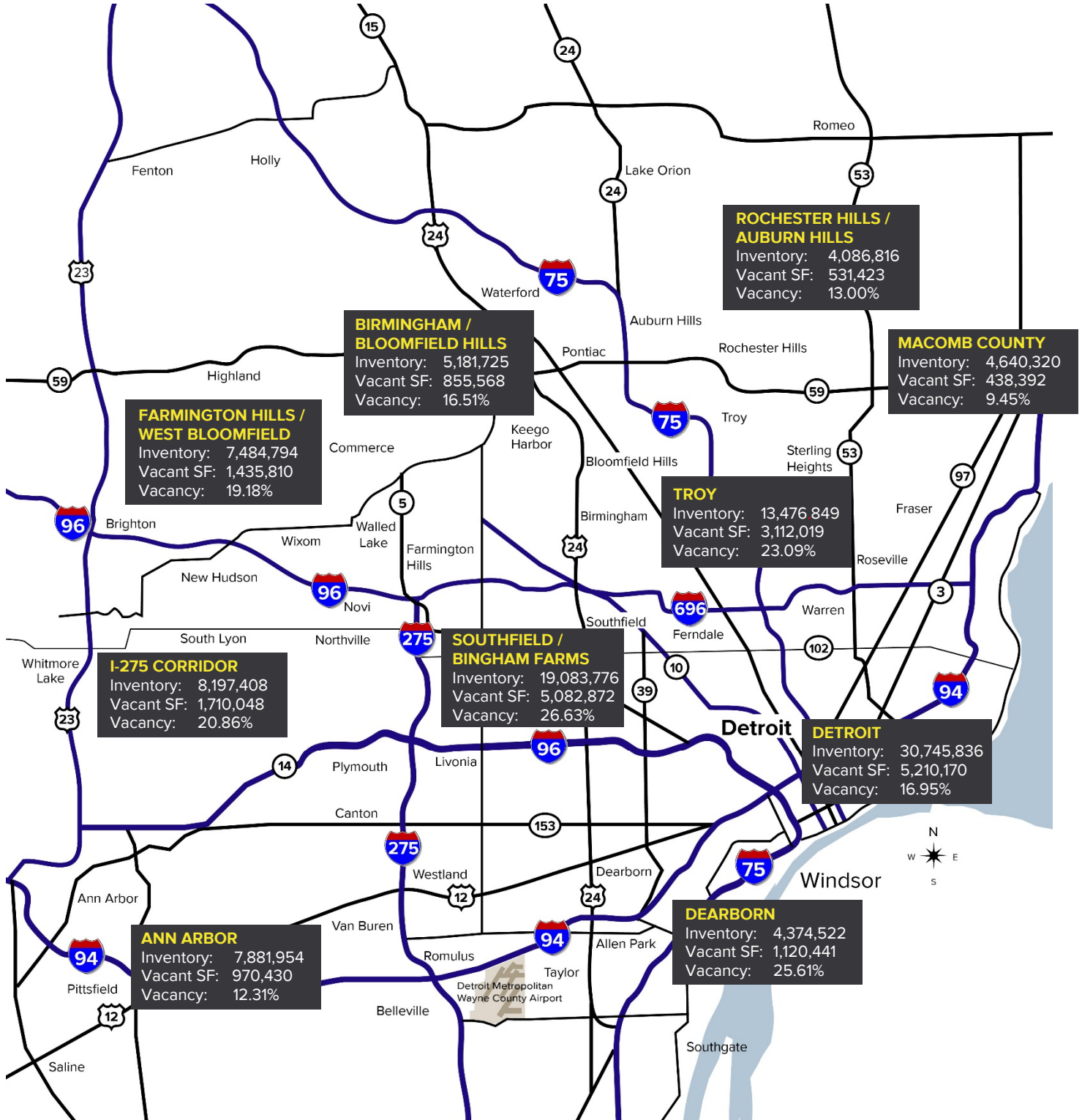
BUILDING / MARKET	CITY	SF	ESTIMATED COMPLETION
2025 Woodward Avenue Detroit	Detroit	422,437	March 2022
1206 Woodward Avenue Detroit	Detroit	366,000	August 2023
120 Henry Street Detroit	Detroit	132,580	October 2021

UNDER CONSTRUCTION VS. COMPLETION



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Submarket: Buildings 20,000 Sq. Ft. & Up	Total Inventory Square Feet	Available Square Feet w/Sublease	Vacancy % w/Sublease	Direct Available Square Feet	Direct Vacancy %	Direct Vacancy % Change 4 th - 1 st Qtr
CLASS A						
Ann Arbor	2,592,938	218,905	8.44%	187,177	7.22%	0.90%
Birmingham/ Bloomfield	1,895,589	505,263	26.65%	479,120	25.28%	1.98%
Dearborn	1,534,978	93,997	6.12%	93,997	6.12%	3.19%
Detroit	10,362,416	1,489,894	14.38%	1,409,018	13.60%	1.27%
Farmington Hills/West Bloomfield	2,411,248	663,004	27.50%	649,652	26.94%	-1.07%
I-275 Corridor*	2,627,918	597,498	22.74%	534,395	20.34%	3.64%
Macomb County**	573,400	22,844	3.98%	21,944	3.83%	0.00%
Rochester Hills/Auburn Hills	654,115	165,666	25.33%	147,633	22.57%	1.18%
Southfield/Bingham Farms	5,868,546	1,559,962	26.58%	1,432,233	24.41%	-0.19%
Troy	6,558,896	1,948,966	29.71%	1,776,516	27.09%	0.85%
CLASS A TOTAL	35,080,044	7,265,999	20.71%	6,731,685	19.19%	0.93%
CLASS B						
Ann Arbor	4,792,905	767,462	16.01%	751,644	15.68%	2.04%
Birmingham/ Bloomfield	3,095,572	370,888	11.98%	353,094	11.41%	1.97%
Dearborn	2,534,432	816,740	32.23%	815,137	32.16%	0.32%
Detroit	15,632,501	2,994,004	19.15%	2,968,227	18.99%	0.34%
Farmington Hills/West Bloomfield	4,598,234	817,366	17.78%	732,695	15.93%	0.51%
I-275 Corridor*	4,930,903	1,080,346	21.91%	1,019,103	20.67%	0.36%
Macomb County**	3,271,887	412,832	12.62%	383,835	11.73%	-1.56%
Rochester Hills/Auburn Hills	3,001,739	540,055	17.99%	359,266	11.97%	0.40%
Southfield/Bingham Farms	11,410,374	3,414,952	29.93%	3,151,214	27.62%	0.53%
Troy	6,160,655	1,371,877	22.27%	1,249,758	20.29%	-1.29%
CLASS B TOTAL	59,429,202	12,586,522	21.18%	11,783,973	19.83%	0.29%
CLASS C						
Ann Arbor	496,111	31,609	6.37%	31,609	6.37%	0.58%
Birmingham/ Bloomfield	190,564	23,354	12.26%	23,354	12.26%	-1.97%
Dearborn	305,112	211,307	69.26%	211,307	69.26%	0.00%
Detroit	4,750,919	832,925	17.53%	832,925	17.53%	1.20%
Farmington Hills/West Bloomfield	475,312	53,463	11.25%	53,463	11.25%	1.31%
I-275 Corridor*	638,587	178,825	28.00%	156,550	24.52%	0.43%
Macomb County**	795,033	32,613	4.10%	32,613	4.10%	-2.89%
Rochester Hills/Auburn Hills	430,962	24,524	5.69%	24,524	5.69%	-0.32%
Southfield/Bingham Farms	1,804,856	499,425	27.67%	499,425	27.67%	-1.59%
Troy	757,298	86,163	11.38%	85,745	11.32%	-2.28%
CLASS C TOTAL	10,644,754	1,974,208	18.55%	1,951,515	18.33%	-0.03%
COMBINED CLASS A, B, & C						
Ann Arbor	7,881,954	1,017,976	12.92%	970,430	12.31%	1.61%
Birmingham/ Bloomfield	5,181,725	899,505	17.36%	855,568	16.51%	1.74%
Dearborn	4,374,522	1,122,044	25.65%	1,120,441	25.61%	1.30%
Detroit	30,745,836	5,316,823	17.29%	5,210,170	16.95%	0.72%
Farmington Hills/West Bloomfield	7,484,794	1,533,833	20.49%	1,435,810	19.18%	0.08%
I-275 Corridor*	8,197,408	1,856,669	22.65%	1,710,048	20.86%	1.47%
Macomb County**	4,640,320	468,289	10.09%	438,392	9.45%	-1.59%
Rochester Hills/Auburn Hills	4,086,816	730,245	17.87%	531,423	13.00%	0.44%
Southfield/Bingham Farms	19,083,776	5,474,339	28.69%	5,082,872	26.63%	0.09%
Troy	13,476,849	3,407,006	25.28%	3,112,019	23.09%	-0.34%
METRO DETROIT OFFICE MARKET TOTAL	105,154,000	21,826,729	20.76%	20,467,173	19.46%	0.47%

*I-275 Corridor includes: Livonia, Northville, Novi, Plymouth/Plymouth Twp. **Macomb County includes: Clinton Twp., Mt. Clemens, Shelby Twp., Sterling Heights. Utica and Warren.

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OFFICE MARKET REVIEW



TOP SALE TRANSACTIONS

Building	City	Market	Size/SF	Sale Type	Buyer
800 W. Long Lake Road	Troy	Troy	197,532	Investment	Integrus Venture
30020 Cabot Drive	Novi	I-275 Corridor	180,000	Investment	Harbor Group International, LLC
31275 Northwestern Highway	Farmington Hills	Farmington Hills/ W. Bloomfield	60,200	Investment	LREH Michigan, LLC
25240 Lahser Road	Southfield	Southfield/ Bingham Farms	15,630	User	Barlow Executive Props, LLC
29000 Inkster Road	Southfield	Southfield/ Bingham Farms	15,250	Investment	Offices @ Fountain Park, LLC

TOP LEASE TRANSACTIONS

Building	City	Market	Size/SF	Lease Type	Tenant
26700 Lahser Road	Southfield	Southfield	19,312	Direct	Barbara Ann Karmanos Cancer Institute
1000 Town Center	Southfield	Southfield	16,927	Direct	Evolution New Jersey, LLC
500 Stephenson Highway	Troy	Troy	13,722	Direct	Synergy Health
2600 W. Big Beaver Road	Troy	Troy	13,199	Direct	USI Insurance
41740 Six Mile Road	Northville	I-275 Corridor	12,010	Direct	CGD Legal Services, P.C.

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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