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DETROIT, MI | 4Q24

# Class A Warehouse Market Overview



**NEWMARK**

The market experienced a rebound in the fourth quarter after a sluggish start to the year. In the fourth quarter of 2024, the vacancy rate for Class A bulk warehouses in Metro Detroit decreased by 190 basis points to 5.7%, with 1,589,695 square feet absorbed. Metro Detroit is experiencing a surge in investments related to electric vehicles (EVs), which are driving industrial demand. The Class A warehouse sector has been a primary beneficiary, with nearly 1 million square feet absorbed due to electric vehicles/alternative energy investments alone.

## Fundamentals and Trends

### 4Q24 SNAPSHOT AND 12-MONTH FORECAST

FALLING STABLE RISING



5.7%

VACANCY RATE



\$8.68

ASKING RENT (AVG. NNN \$PSF)



1.8 MSF

NET ABSORPTION YTD



3.6 MSF

DELIVERIES YTD



.409 MSF

UNDER CONSTRUCTION



6.98%

AVG. CAP RATE

#### SIZE AND DEMOGRAPHICS

**52.3 MSF**  
Class A Inventory  
(12.0% of Total Detroit Industrial Market)

**4.4 million**  
Population, Detroit MSA  
- 1% 5-Year Growth

**37.1 million**  
Population within 250 miles

#### LOGISTICS INFRASTRUCTURE

**CN, Norfolk Southern, Canadian Pacific, CSX,**

**Strategic location on I-75 and I-275; I-94, I-96**

**Port of Detroit, Ambassador Bridge, Bluewater Bridge, Gordie Howe International Bridge**

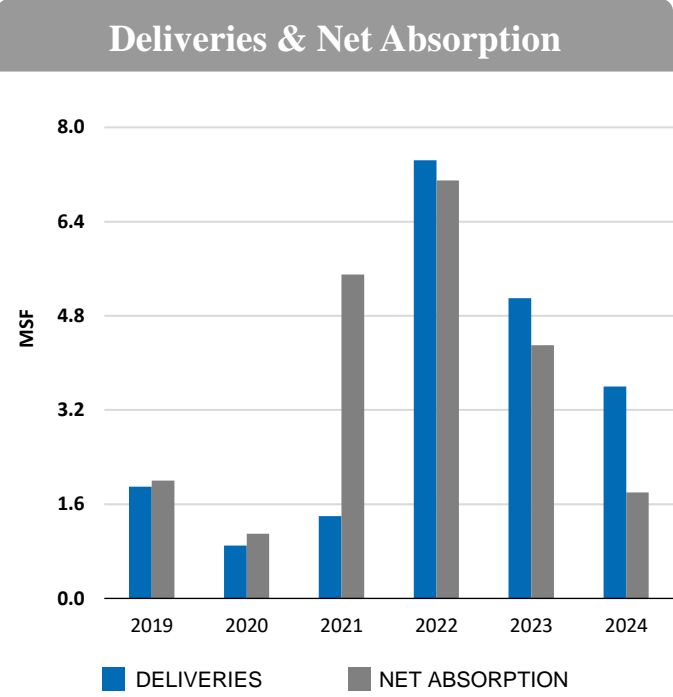
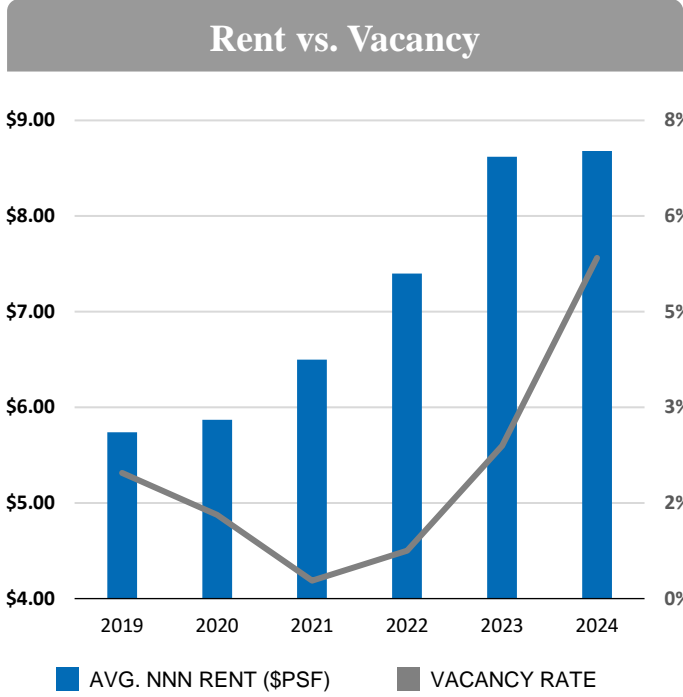
**Detroit Metro Airport**

#### LABOR/ECONOMIC CONDITIONS

**127,741**  
Warehousing labor force, Detroit MSA

**\$44,000**  
Average Annual Wages, Warehousing Occupations

**1.1**  
Location Quotient, Warehousing Occupations



## Active in Market

DEVELOPERS	INVESTORS	OCCUPIERS/INDUSTRIES
Scannell Properties	Stockbridge Capital Group	Automotive
Ashley Capital	Crestlight Capital	Automation
Flint Development	Morgan Stanley Investments	E-Commerce
Hillwood	NorthPoint Development	
NorthPoint Development	Trident Capital Group	

“Based on leasing activity during the fourth quarter of 2024, Metro Detroit’s bulk warehouse market is experiencing renewed demand. This upswing is fueled by new automotive distribution requirements, EV investments, and companies upgrading to higher-quality warehouse space. We have good momentum going into 2025.” **Dan Labes, Executive Managing Director, Detroit**

Note: All data indicative of Class A warehouse/distribution space unless otherwise noted. Class A data is defined as 100,000+ SF, 24'+ minimum interior ceiling height and constructed since 2000. Build-to-suit projects are excluded from 'Under Construction' square footage. Rents represent new construction asking rents. Sources: Newmark Research, U.S. BLS, U.S. Census.

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