

MARKET FUNDAMENTALS

	YOY Chg	Outlook
18.5% Vacancy Rate	▼	▲
75K YTD Net Absorption, SF	▲	▼
\$20.45 Asking Rent, PSF (Overall, All Property Classes)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.0M Detroit Employment	▼	▲
5.4% Detroit Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate Source: BLS	▼	▲

ECONOMIC OVERVIEW

The Detroit metro area remained relatively stable through Q3 2026 despite a challenging economic environment, with unemployment up 70 basis points (bps) year-over-year (YOY) to 5.4%. Nonfarm employment held steady at 2.0 million jobs, down 3,200 jobs YOY. Office-using sectors were mixed in August 2026, with financial activities employment up 0.7% YOY, while professional and business services declined 1.0% YOY and information services fell 3.2% YOY.

SUPPLY AND DEMAND

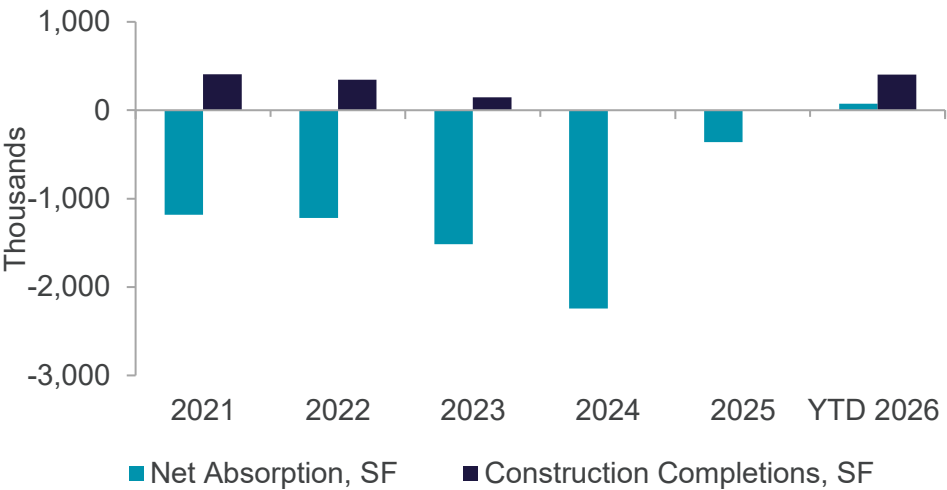
Detroit’s overall office vacancy rate rose 10 bps YOY to 18.5% in Q3 2026 and 40 bps quarter-over-quarter (QOQ). Vacancy increased across all asset classes on both a QOQ and YOY basis. Of the 18.0 million square feet (msf) of vacant space, only 912,000 square feet (sf), approximately 5.1%, was sublease space. Class A vacancy increased 50 bps YOY to 21.3% in Q3 2026, with vacant space rising by nearly 324,000 sf, while Class B vacancy declined 40 bps to 18.2%. Vacancy decreased in eight of the 19 tracked submarkets YOY, led by Ann Arbor and Southfield/Bingham Farms, while Farmington Hills/Novi/West Bloomfield and Auburn Hills/Rochester Hills posted the largest increases.

After a strong first quarter, net absorption turned negative over the last six months, leaving year-to-date (YTD) net absorption barely positive at 75,200 sf. Leasing activity slowed in Q3 2026, totaling 232,000 sf and bringing the YTD total to 1.4 msf, down 14.8% from the same period in 2025. The average lease size increased to approximately 6,000 sf YTD, up 13.0% from the same period last year. The Southfield/Bingham Farms submarket recorded the most leasing activity YTD, totaling 433,000 sf and accounting for 30.6% of leasing volume. Leasing activity is an indicator of future quarterly net absorption.

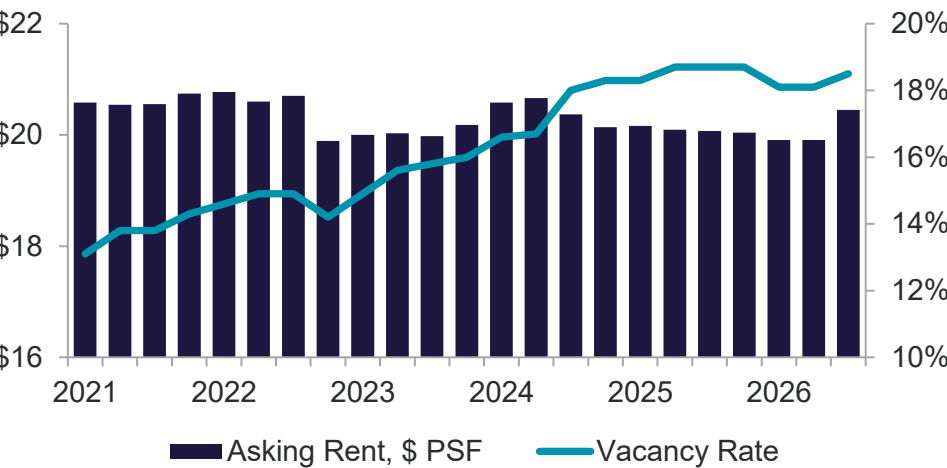
PRICING

Across all categories, gross average asking rental rates were recorded at \$20.45 per square foot (psf) in Q3 2026, which represents a 1.9% YOY increase. The Ann Arbor submarket recorded the highest rent increase in Metro Detroit, with average rents increasing by 31.2% YOY to \$26.09 psf. Conversely, the Macomb County submarket posted the highest decrease in rents, with a decline of 6.5% YOY to \$17.43 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Detroit CBD	18,161,273	80,920	3,540,404	19.9%	-16,328	414,405	0	\$26.05	\$33.00
Airport District	1,401,306	0	0	0.0%	0	0	0	N/A	N/A
Ann Arbor CBD	4,030,006	54,311	401,622	11.3%	-62,150	-26,811	0	\$27.46	\$29.98
Ann Arbor Non-CBD	3,325,904	0	379,788	11.4%	43,403	183,465	0	\$26.09	\$33.67
Auburn Hills/Rochester Hills	3,495,991	107,236	518,670	17.9%	-10,664	-105,982	0	\$21.81	\$23.16
Birmingham	2,118,772	13,127	160,219	8.2%	-4,920	21,253	75,690	\$30.36	\$38.00
Bloomfield	1,586,943	0	133,951	8.4%	-6,407	-2,891	0	\$21.47	\$24.50
Clarkston & Waterford Area	673,240	0	64,398	9.6%	5,568	-6,432	0	\$27.51	N/A
Dearborn/Downriver	4,606,626	19,490	538,441	12.1%	-2,406	-26,148	0	\$18.16	\$20.26
Detroit New Center/Midtown	5,266,642	16,503	524,867	10.3%	0	10,110	0	\$22.65	\$25.98
Farmington Hills/Novi/West Bloomfield	10,843,442	290,941	1,763,281	18.9%	-202,606	-259,687	0	\$18.79	\$20.69
Livonia	3,773,670	3,706	938,670	25.0%	-11,007	-32,372	0	\$18.66	\$18.45
Macomb County	4,634,840	9,685	273,280	6.1%	-11,801	-13,064	0	\$17.43	\$17.79
Plymouth/Northville	1,525,227	0	107,008	7.0%	-40,658	-51,250	0	\$18.02	N/A
Pontiac	3,187,956	4,642	274,495	8.8%	8,463	-44,462	0	\$21.35	\$20.57
Royal Oaks	1,977,070	6,470	177,438	9.3%	-31,678	-2,800	0	\$15.89	N/A
Southfield/Bingham Farms	17,709,620	203,583	4,980,011	29.3%	-48,193	62,178	0	\$18.62	\$20.37
The Pointes	433,063	0	44,256	10.2%	-3,735	3,856	0	\$19.00	N/A
Troy	13,615,013	101,641	3,165,672	24.0%	54,537	-48,154	0	\$20.59	\$20.41
DETROIT TOTALS	102,366,604	912,255	17,986,471	18.5%	-340,582	75,214	75,690	\$20.45	\$28.00

*Rental rates reflect full service asking | Class A rental rate stats are not reflective of U.S. MarketBeat

KEY LEASE TRANSACTIONS Q3 2026

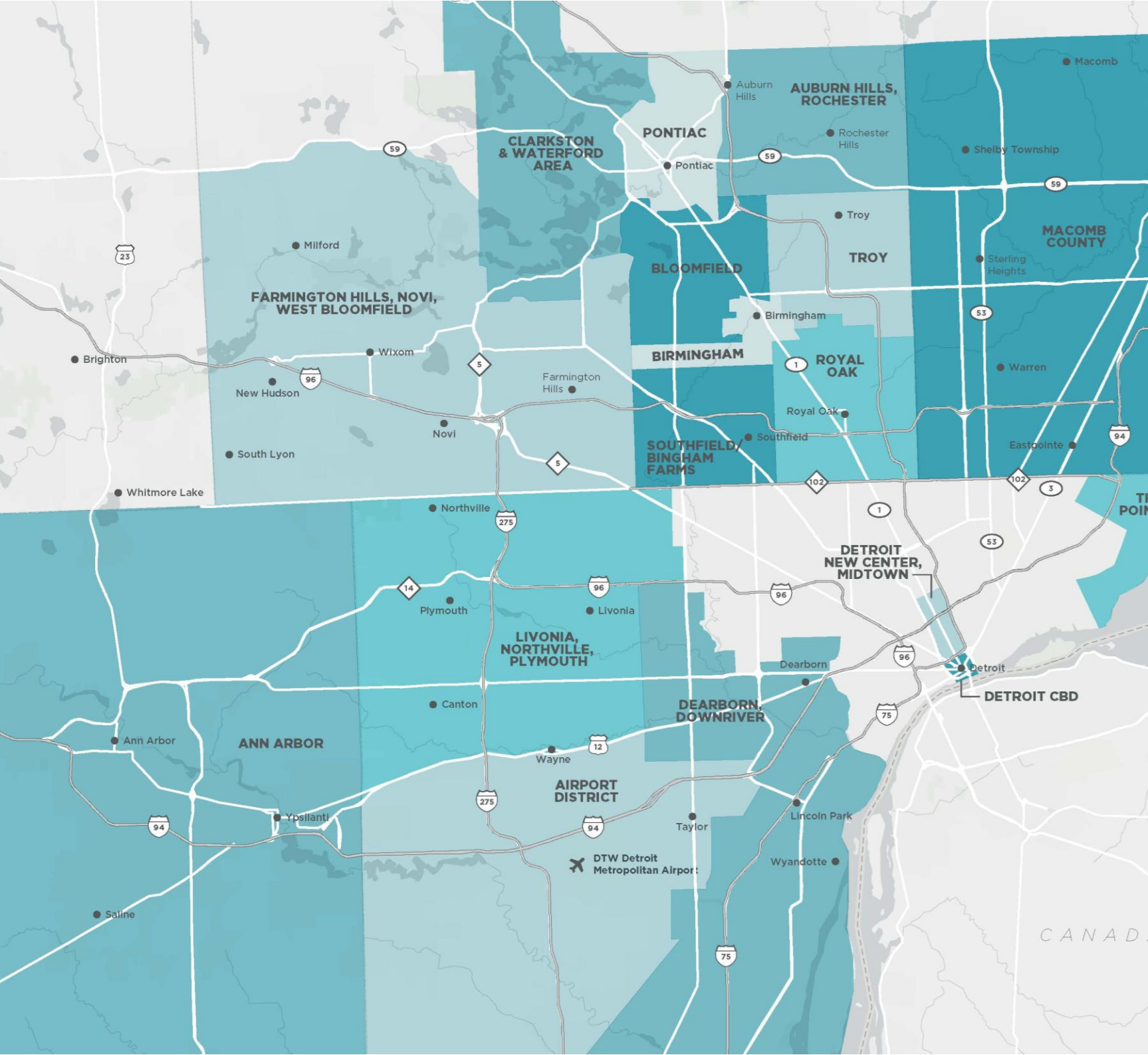
PROPERTY	SUBMARKET	TENANT	SF	TYPE
100 Phoenix Dr.	Ann Arbor Non-CBD	Hyundai America Technical Center, Inc.	44,927	New
3155 Big Beaver Rd W	Troy	MortgagePros, LLC	41,875	New
6530 Farmington Rd.	Farmington Hills/Novi/West Bloomfield	Henry Ford Health System	37,562	Renewal*

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
3000 University Dr	Auburn Hills/Rochester Hills	Edge Realty LLC Miami VIP Realty LLC	445,234	\$15.3M \$34
325 Old Woodward Ave N	Birmingham	Versa Real Estate Andi Numan	102,620	\$60.0M \$585
24800 Northwestern Hwy	Southfield/Bingham Farms	North Ten Tower, LLC Superior Place Holdings, LLC	53,300	\$7.3M \$136

OFFICE SUBMARKETS



GREGORY ROGALLA
Senior Research Manager, Midwest
Tel: +1 847 518 3200
gregory.rogalla@cushwake.com

JARRETT HICKS
Research Manager
Tel: +1 513 322 3802
jarrett.Hicks@cushwake.com

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