



# METRO DETROIT

## 2025 MID-YEAR

---

# RETAIL REPORT

**FRIEDMAN HQ**

**34975 W. Twelve Mile Rd.**

**Farmington Hills, MI 48331**

**888.848.1671**

**[friedmanrealestate.com](https://www.friedmanrealestate.com)**

© 2025 FRIEDMAN REAL ESTATE



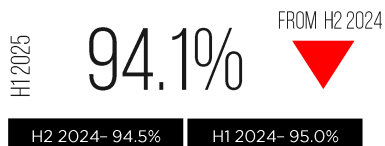
## MARKET AT A GLANCE (H1 2025)



Market Size



Avg Asking Rental Rate



Overall Occupancy






Half-Year Net Absorption



Half Year Sales Volume



SF Under Construction

Note:  or  or  indicates change compared to H2 2024.

Note: H1 = Q1 & Q2 ; H2 = Q3 & Q4

## MARKET OVERVIEW (H1 2025)

In the first half of 2025, Metro Detroit's retail market experienced sustained negative net absorption due to widespread national retail closures. Despite this, rent growth and sales activity held firm, reflecting sustained demand for well-located retail space in Metro Detroit. Although construction delays continue to persist and the broader market continues to contract, new project deliveries and continued investor engagement from the second half of 2024 signal underlying market stability.

**SUPPLY AND DEMAND:** Occupancy saw an ongoing decrease to 94.1% from near all-time highs in H1 2024 of 95.0%. The negative net absorption trend from H2 2024 continued, driven primarily by additional retailer bankruptcies and closures. Dearborn/Downriver and Macomb posted the highest negative absorption figures at (-310K SF) and (-208K SF), respectively, together accounting for more than 55% of the MSA's negative net absorption so far in 2025. Additionally, no submarket recorded significant positive net absorption above 40K SF (Troy had the highest with 38K SF).

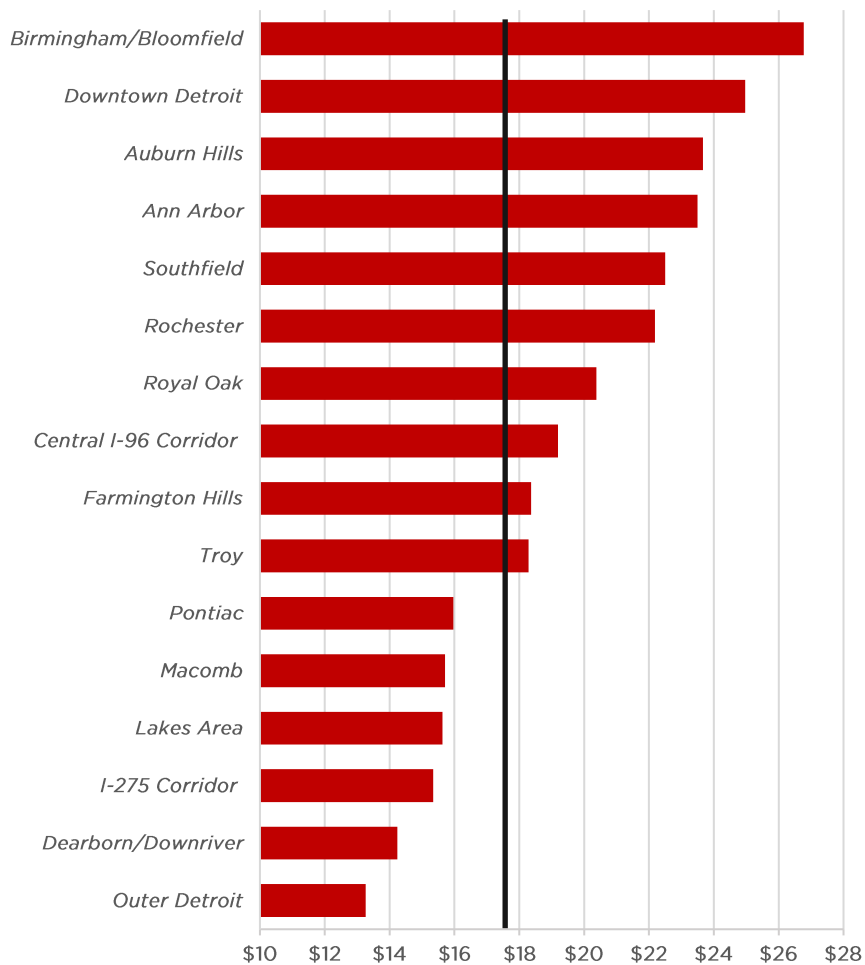
**STRONG LEASING MARKET:** Overall rental rates have reached \$17.71 PSF NNN and mark an all-time high for Metro Detroit, reflecting a 10.7% year-over-year (YOY) increase from H1 2024. This increase can be attributed to strong small tenant demand in the market and general appetite for new construction driving up rental rates in new developments. Despite store closures and downsizing, this creates additional opportunities to lease space at higher rental rates.

**SUSTAINED SALES & INVESTMENT INTEREST:** Although the H1 2025 sales volume (\$321MM) represents a decrease from H2 2024 (\$375MM), it marks a 58% YOY increase from H1 2024 (\$203MM). This indicates a marked increase in investor confidence even with a high-interest-rate and high-financing-cost environment. While cap rates remain elevated, sustained sales volume suggests that both buyers and sellers are growing more comfortable transacting in the current market.

**TARGETED DEVELOPMENT:** There was a large decrease in retail space delivered (141K SF) and under development (205K SF) in H1 2025 as higher construction costs persist nationwide. This marks an 80% decrease in space delivered and 45% decrease in SF under construction from H2 2024. This is in part due to a shortage of available infill land for development and more targeted mixed-use projects in Downtown Detroit and the Central I-96 Corridor (Novi/Northville), which make up 61% (125K SF) of the construction volume.

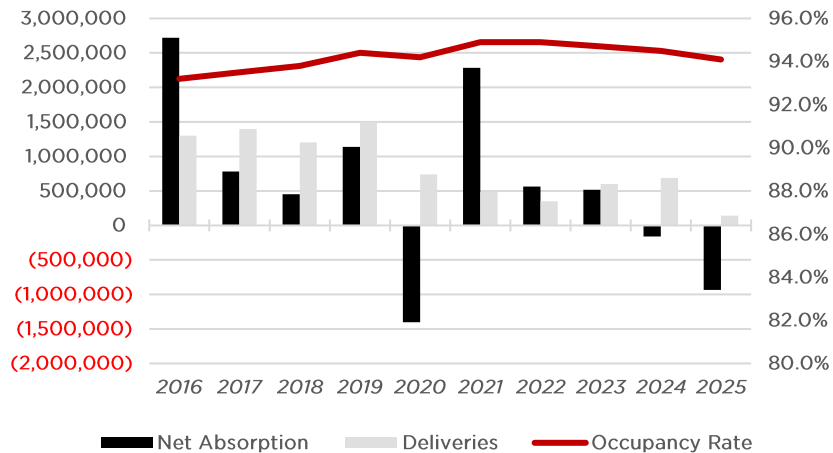
**BANKRUPTCIES & CLOSURES PREVAIL:** The end of 2024 and beginning of 2025 saw major national retailers such as Party City (738), Big Lots (601), JoAnn (553), Walgreens (333), Rite Aid (800+), and others announce large-scale store closures. These vacancies have pushed property owners and developers to secure new tenants while also exploring alternative uses or repositioning the affected spaces. However, high construction costs make repositioning or demising vacant boxes difficult and costly.

## AVERAGE NNN ASKING RENTS BY SUBMARKET

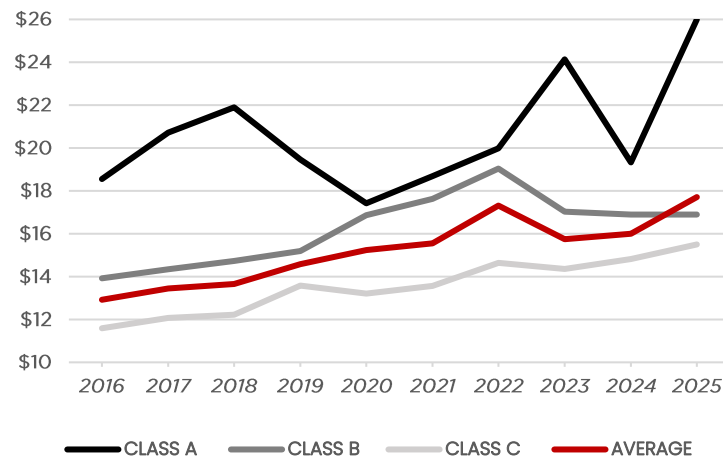


— Average Asking Rent (\$17.71 PSF NNN)

## OCCUPANCY AND ABSORPTION



## AVERAGE NNN ASKING RENT BY CLASS



## TOP SALE TRANSACTIONS (BASED ON SALES PRICE)

PROPERTY NAME	CITY	SUBMARKET	SF	SALE PRICE	PRICE/SF
Arbor Hills Crossing	Ann Arbor	I-275 Corridor	90,700	\$53,420,000	\$588
Willow Creek Shopping Center	Canton	I-275 Corridor	161,626	\$23,800,000	\$147
Taylor Retail Shopping Center	Taylor	Dearborn/Downriver	42,467	\$4,925,770	\$116



## TOP LEASE TRANSACTIONS (BASED ON SQUARE FEET)

TENANT	PROPERTY NAME	CITY	SUBMARKET	SF
Club Studio	3501 W Maple Lane	Troy	Troy	61,652
Metro Pickleball	Imperial Plaza	Clinton Twp	Macomb	53,697
NRG Adventure Park	396-400 John R Rd	Troy	Troy	50,000



Note: \*Indicates renewal

SUBMARKET	# BLDGS	INVENTORY (SF)	NET ABS. (SF)	SF UNDER CONST	TOTAL VAC. (%)	TOTAL AVAIL. (%)	OVERALL OCC. (%)	AVG ASKING RENT (NNN)	TOTAL SALES VOLUME	SALES PER SF
Ann Arbor	1,940	19,039,447	(73,438)	15,788	3.80%	4.60%	96.20%	\$23.50	\$70,636,774	\$300.51
Auburn Hills	106	1,579,488	2,364	14,769	7.70%	9.90%	92.30%	\$23.66	-	-
Birmingham/Bloomfield	412	5,590,270	26,696	-	4.20%	5.20%	95.80%	\$26.77	-	-
Central I-96 Corridor	911	14,019,872	3,249	54,814	4.70%	5.20%	95.80%	\$19.19	\$10,365,000	\$183.67
Dearborn/Downriver	4,498	38,421,005	(310,255)	-	5.60%	7.10%	94.40%	\$14.24	\$49,981,422	\$133.12
Downtown Detroit	343	3,012,206	(12,107)	70,000	4.70%	4.70%	95.30%	\$24.97	\$8,612,500	\$163.83
Farmington Hills	463	5,334,261	(17,212)	-	12.10%	12.70%	87.90%	\$18.36	\$9,953,000	\$220.24
I-275 Corridor	2,557	28,191,242	(162,644)	-	5.20%	6.20%	94.80%	\$15.34	\$52,950,000	\$148.53
Lakes Area	919	8,624,883	(20,322)	-	8.80%	10.30%	91.20%	\$15.63	\$10,351,500	\$126.20
Macomb	4,579	54,691,811	(208,069)	20,309	6.00%	5.80%	94.00%	\$15.71	\$37,620,000	\$132.02
Outer Detroit	5,455	29,992,228	1,597	-	5.90%	7.00%	94.10%	\$13.26	\$30,389,350	\$65.47
Pontiac	597	8,271,061	14,175	16,000	3.50%	4.90%	96.50%	\$16.78	\$19,790,000	\$65.61
Rochester	354	5,287,021	(89,438)	13,586	4.70%	5.80%	95.30%	\$22.18	\$5,846,250	\$216.10
Royal Oak	1,822	12,006,795	(109,360)	-	6.20%	7.00%	93.80%	\$20.38	\$9,743,350	\$127.36
Southfield	412	6,612,270	(17,865)	-	14.60%	14.10%	85.40%	\$22.55	\$2,670,000	\$192.77
Troy	406	8,951,281	37,865	-	5.50%	5.80%	94.50%	\$18.29	\$2,300,000	\$384.74
<b>TOTAL</b>	<b>25,774</b>	<b>249,625,141</b>	<b>-934,764</b>	<b>205,266</b>	<b>5.90%</b>	<b>6.70%</b>	<b>94.10%</b>	<b>\$17.71</b>	<b>\$321,209,146</b>	<b>\$137.49</b>

## TOP RETAIL PROPERTIES DELIVERED (H1 2025)

PROPERTY NAME	CITY	SUBMARKET	RETAIL SF	DELIVERED	OCCUPANCY	PROPERTY TYPE
21321 Telegraph Rd	Southfield	Southfield	119,612	Q2 2025	85%	Mixed Use
Dearborn Fresh Plaza	Dearborn	Dearborn	32,500	Q2 2025	0%	Storefront
Sakura Novi (42768 Grand River Avenue)	Novi	Central I-96 Corridor	18,837	Q2 2025	N/A	Mixed Use
Porsche Novi	Novi	Central I-96 Corridor	18,514	Q1 2025	100%	Auto Dealership

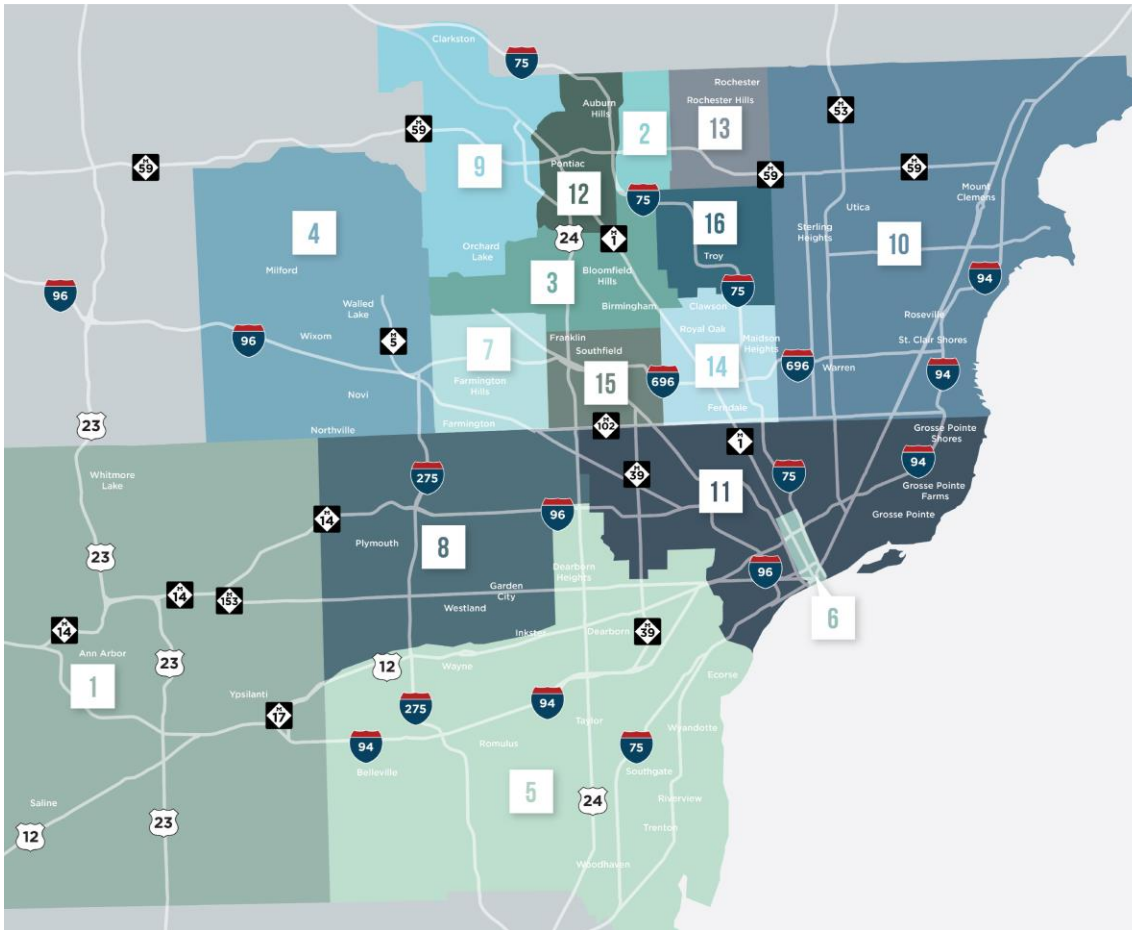


## TOP RETAIL PROPERTIES UNDER CONSTRUCTION (H1 2025)

PROPERTY NAME	CITY	SUBMARKET	RETAIL SF	DELIVERY	OCCUPANCY	PROPERTY TYPE
Northland City Center	Southfield	Southfield	500,000	Q1 2026	0%	Mixed Use
COSM Detroit	Detroit	CBD	70,000	Q4 2026	N/A	Retail
2174 Telegraph Rd	Bloomfield Twp	Birmingham/ Bloomfield	16,000	Q3 2025	0%	Storefront
5609 Jackson Road	Ann Arbor	Ann Arbor	10,788	Q3 2025	100%	Strip Center



## RETAIL SUBMARKET MAP



- |   |                       |    |               |
|---|-----------------------|----|---------------|
| 1 | ANN ARBOR             | 9  | LAKES AREA    |
| 2 | AUBURN HILLS          | 10 | MACOMB        |
| 3 | BIRMINGHAM/BLOOMFIELD | 11 | OUTER DETROIT |
| 4 | CENTRAL I-96 CORRIDOR | 12 | PONTIAC       |
| 5 | DEARBORN/DOWNRIVER    | 13 | ROCHESTER     |
| 6 | DOWNTOWN DETROIT      | 14 | ROYAL OAK     |
| 7 | FARMINGTON HILLS      | 15 | SOUTHFIELD    |
| 8 | I-275 CORRIDOR        | 16 | TROY          |

Friedman Research separates the Metro Detroit retail submarkets in the manner shown to better reflect the way users, tenants, and brokers view our market. We believe this provides a more accurate statistical picture of each submarket which allows our clients to make better informed decisions.

Friedman's 2025 Mid-Year Retail Market Report provides our clients with a snapshot of pertinent market data and information to help them make informed commercial real estate decisions. The information contained in this report is gathered from multiple sources believed to be reliable.