METRO DETROIT
RETAIL REPORT

2026 MID-YEAR

FRIEDMAN HQ

34975 W. Twelve Mile Rd.

Farmington Hills, MI 48331

888.848.1671

friedmanrealestate.com

MARKET AT A GLANCE (H1 2026)

H1 2026 248.1MM FROM H2 2025 ▲

H2 2025 - 247.6MM | H1 2025 - 249.6MM

Market Size

H1 2026 $17.53 FROM H2 2025 ▲

H2 2025 - $17.17 | H1 2025 - $17.71

Avg Asking Rental Rate

H1 2026 94.9% FROM H2 2025 ▬

H2 2025 - 94.9% | H1 2025 - 94.1%

Overall Occupancy

H1 2026 (34.6K) FROM H2 2025 ▼

H2 2025 - 1.65MM | H1 2025 - (935K)

Half-Year Net Absorption

H1 2026 $363MM FROM H2 2025 ▼

H2 2025 - $369MM | H1 2025 - $321MM

Half Year Sales Volume

H1 2026 1.29MM FROM H2 2025 ▼

H2 2025 - 1.33MM | H1 2025 - 205K

SF Under Construction

Note: ▲ or ▼ or ▬ indicates change compared to H2 2025.

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

MARKET OVERVIEW (H1 2026)

In the first half of 2026, the Metro Detroit retail market remained stable despite continued economic uncertainty, shifting consumer spending patterns, and ongoing retailer optimization efforts. Limited new supply and sustained demand for well-located space helped support rent growth and occupancy over the period. While several national retailers continued evaluating store footprints and closing underperforming locations, tenant demand for grocery-anchored centers, experiential retail, and newly developed mixed-use environments remains healthy.

SUPPLY AND DEMAND: Occupancy held steady at 94.9% in H1 2026, the same as H2 2025 and a slight increase compared to 94.1% in H1 2025. Net absorption returned to a slight negative in H1 2026 totaling -34.6K SF, compared to 1.65MM SF in H2 2025. Similar to recent years, market performance varied by submarket, with high-income trade areas and retail corridors exhibiting stronger fundamentals than weaker demographic locations. Notably, Ann Arbor and Outer Detroit posted the highest net absorption figures in H1 2026 at (283K SF) and (203K SF), respectively.

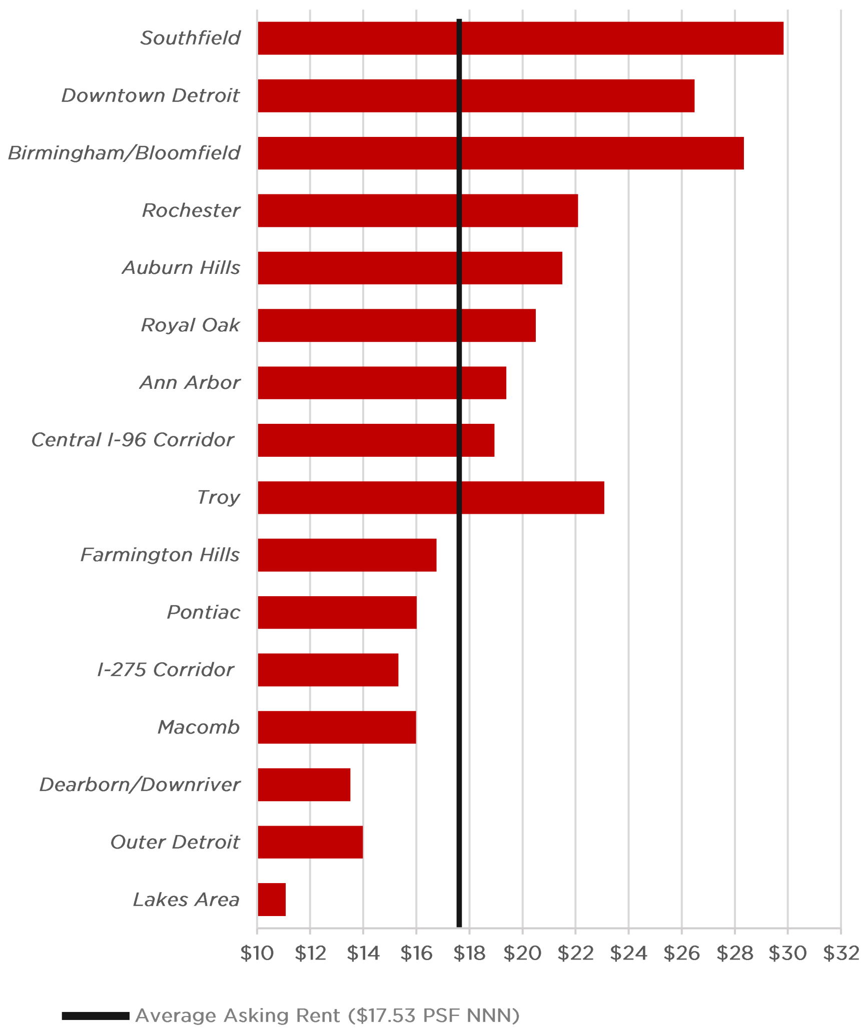
RENTAL RATES: Average asking rental rates measured $17.53 PSF NNN in H1 2026 compared to $17.17 PSF NNN at year-end 2025. Retail rent growth remained positive during H1 2026, with average asking rents increasing despite broader economic uncertainty. Class A retail centers and newly developed mixed-use projects continue to achieve substantial rent premiums over older inventory. Tenant demand remained strongest for highly visible locations with strong traffic counts, affluent demographics, and proximity to complementary retail and entertainment offerings. This trend is driving the growing performance gap between premium retail assets and aging commodity retail properties.

SALES AND INTEREST RATES: Total H1 2026 sales volume remained steady at $363MM, compared to $369MM in H2 2025. After one half, 2026 is tracking slightly above 2025 total sales volume, which at $690MM marked a 19% YOY increase from 2024 ($578MM). Transaction volume remains strong despite elevated interest rates and financing costs.

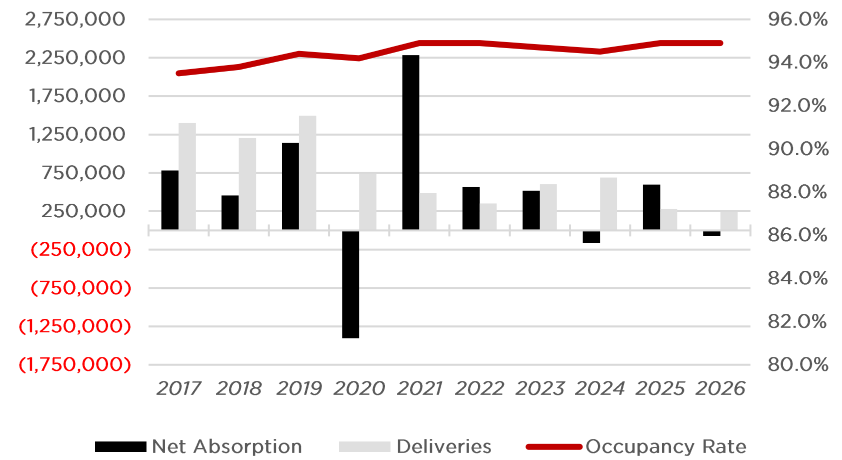
TARGETED DEVELOPMENT: Inventory under construction totaled 1.29MM SF during H1 2026, compared to 1.33MM SF in H2 2025. Development activity remained concentrated within mixed-use projects, grocery-anchored centers, and strategic retail corridors with strong population growth and consumer demand. Notably, the Northland City Center mixed-use development in Southfield and Somerset West mixed-use development in Troy account for 800K SF of the space under construction.

BANKRUPTCIES & CLOSURES: In 2024 and 2025, some major national retailers such as Party City (738), Big Lots (601), JoAnn (553), Walgreens (333), Rite Aid (800+), and others announced large-scale store closures. Owners have been working through the issue of larger vacant suites for some time now, and some landlords have successfully backfilled vacancies, particularly within stronger trade areas. Property owners have repositioned former big-box spaces through subdivision, entertainment concepts, medical uses, fitness operators, and mixed-use redevelopment strategies. While higher construction costs and financing constraints present challenges for large-scale repositioning projects, the market has generally demonstrated an ability to absorb these retail vacancies and adapt to changing consumer preferences over time. Notably, other companies have begun aggressive expansion in Metro Detroit, helping absorb space and drive new development and investment activity. These companies include Sheetz, Gardner White, Aldi, Meijer, Target, Crunch Fitness, and Planet Fitness.

AVERAGE NNN ASKING RENTS BY SUBMARKET

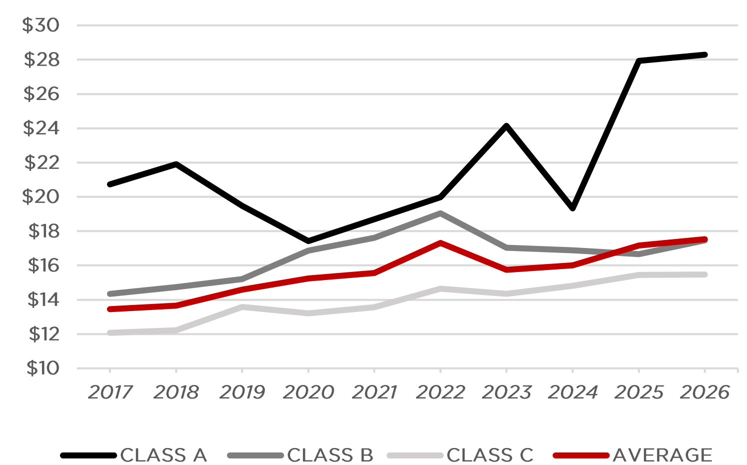


OCCUPANCY AND ABSORPTION



Note: 2026 Net Absorption and Deliveries are annualized projections based on half year figures.

AVERAGE NNN ASKING RENT BY CLASS



TOP SALE TRANSACTIONS (BASED ON SALES PRICE) (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	SF	SALE PRICE	PRICE/SF
*The Heights	Dearborn Heights	Dearborn/Downriver	171,414	$30,870,300	$180
34200-34288 Woodward Ave	Birmingham	Birmingham/Bloomfield	40,000	$20,000,000	$500
Westland Shopping Center	Westland	I-275 Corridor	90,860	$14,000,000	$154

*Note: *Indicates part of Multi-Property Sale*

Top Sale:
The Heights – Dearborn Heights, MI
Sale Price: $30,870,300

TOP LEASE TRANSACTIONS (BASED ON SQUARE FEET) (H1 2026)

TENANT	PROPERTY NAME	CITY	SUBMARKET	SF
*Gardner White	27775 Novi Rd	Novi	Central I-96 Corridor	102,600
Meijer	33462 7 Mile Rd	Detroit	Outer Detroit	75,466
Just Play	29905 7 Mile Rd	Livonia	I-275 Corridor	61,752

*Note: *Indicates Friedman Transaction*

Top Lease:
Gardner White – Novi, MI
Square Footage: 102,600

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SUBMARKET	# BLDGS	INVENTORY (SF)	H2 2025 NET ABS. (SF)	SF UNDER CONST	TOTAL VAC. (%)	TOTAL AVAIL. (%)	OVERALL OCC. (%)	AVG ASKING RENT (NNN)	H1 2026 TOTAL SALES VOLUME	H1 2026 SALES PRICE PER SF
Ann Arbor	1,936	19,466,796	283,699	4,740	3.2%	3.9%	96.8%	$19.39	$24,494,501	$149
Auburn Hills	104	1,553,526	4,174	0	2.7%	4.4%	97.3%	$21.50	-	-
Birmingham/ Bloomfield	413	5,415,124	(5,860)	0	3.5%	6.2%	96.5%	$28.34	$26,850,000	$430
Central I-96 Corridor	921	14,104,653	16,651	19,200	4.5%	4.9%	95.5%	$18.95	$19,955,822	$160
Dearborn/Downriver	4,319	36,772,972	65,310	178,310	5.2%	6.5%	94.8%	$13.51	$87,430,548	$137
Downtown Detroit	335	2,992,666	(33,120)	146,000	5.0%	5.2%	95.0%	$26.48	$1,461,500	$132
Farmington Hills	463	5,328,495	75,749	0	9.1%	9.4%	90.9%	$16.76	$16,889,900	$136
I-275 Corridor	2,569	28,333,031	(216,105)	82,917	5.5%	6.5%	94.5%	$15.32	$63,232,286	$140
Lakes Area	920	8,633,649	109,395	3,360	6.5%	9.8%	93.5%	$11.08	$8,115,000	$64
Macomb	4,589	54,630,986	(96,489)	28,340	5.5%	6.2%	94.5%	$15.99	$46,631,954	$108
Outer Detroit	5,566	30,038,577	203,508	0	4.7%	5.8%	95.3%	$13.98	$30,037,596	$85
Pontiac	603	8,368,001	(54,128)	18,120	4.2%	7.0%	95.8%	$16.01	$7,904,900	$23
Rochester	354	5,321,001	(31,046)	11,224	3.6%	4.8%	96.4%	$22.09	$5,880,000	$261
Royal Oak	1,819	11,976,685	57,618	3,000	4.9%	5.9%	95.1%	$20.50	$6,303,000	$148
Southfield	409	6,206,901	27,094	500,000	5.4%	5.6%	94.6%	$29.84	$9,010,000	$312
Troy	404	8,930,677	(441,104)	300,000	6.6%	7.1%	93.4%	$23.08	$8,875,000	$296
TOTAL	25,727	248,084,096	(34,654)	1,295,211	5.1%	6.1%	94.9%	$17.53	$363,072,007	$123

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TOP RETAIL PROPERTIES DELIVERED (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	RETAIL SF	DELIVERED	OCCUPANCY	PROPERTY TYPE
Harvest Market	Ann Arbor	Ann Arbor	57,000	Q2 2026	100%	Supermarket
Sakura Novi Building A (42688 Grand River Ave.)	Novi	Central I-96 Corridor	12,892	Q1 2026	100%	Mixed Use
Sakura Novi Building D (42658 Grand River Ave.)	Novi	Central I-96 Corridor	12,232	Q1 2026	±44%	Mixed Use
17115 N Laurel Park Dr	Livonia	I-275 Corridor	6,000	Q1 2026	100%	Restaurant

Harvest Market
Supermarket – Ann Arbor, MI
Retail SF: 57,000

TOP RETAIL PROPERTIES UNDER CONSTRUCTION (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	RETAIL SF	DELIVERY	OCCUPANCY	PROPERTY TYPE
Northland City Center	Southfield	Southfield	500,000	Q4 2026	N/A	Mixed Use
Somerset West	Troy	Troy	300,000	Q1 2028	N/A	Mixed Use
Regent Court Redevelopment	Dearborn	Dearborn/Downriver	250,337	Q4 2026	±70%	Shopping Center
COSM Detroit	Detroit	Downtown Detroit	146,000	Q4 2026	N/A	Mixed Use


Northland City Center (Rendering)
Mixed Use – Southfield, MI
Retail SF: 500,000

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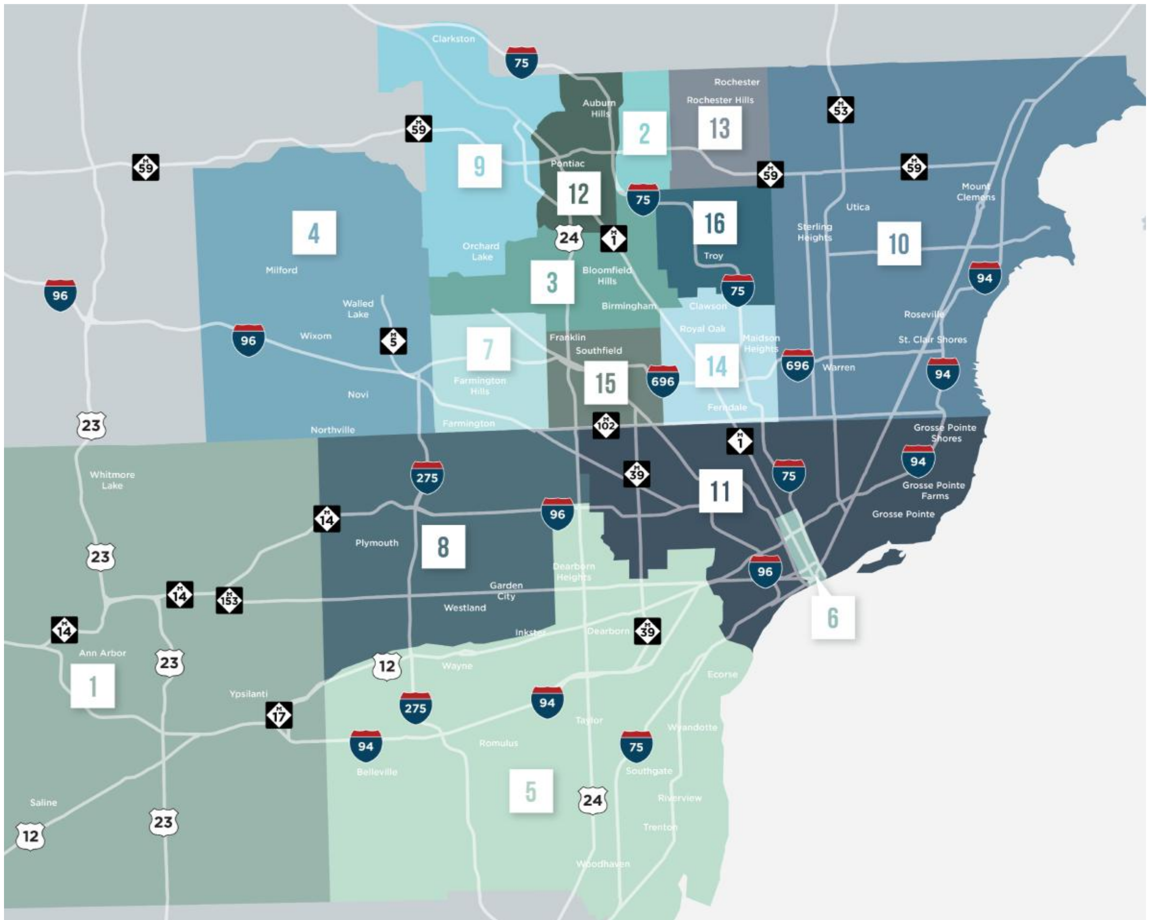
RETAIL SUBMARKET MAP



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 2026 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.