

Detroit

Office - Q3 2026

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Leasing activity strengthens while market fundamentals remain uneven

Leasing activity reached 1.0 million square feet (msf) in Q3, about 20.0% above the five-year quarterly average and 0.4 msf higher than a year ago. Renewals accounted for six of the 10 largest transactions, while relocations included AT&T's 158,000-square-foot (sf) move within Southfield and Hyundai America Technical Center's 45,000-sf move in Ann Arbor. Manufacturing companies were also active, with Hyundai, Ford Component Sales and Renesas Electronics among the quarter's largest transactions. The mix of renewals and sizable relocations suggests demand is broadening beyond lease expirations, with tenants making selective commitments to new locations.

Availability remains below year-ago levels as inventory contracts

Availability ended the quarter at 23.4%, down 120 basis points (bps) from a year ago, while Class A availability declined 60 bps to 24.3%. Some of the improvement reflects a shrinking market, with inventory declining 2.0 msf over the past year as aging properties exited the competitive stock. Sublease space also fell 0.4 msf to 1.7 msf, narrowing a key source of lower-cost alternatives for tenants. Conditions varied widely by location, highlighting the fragmented nature of the recovery. Availability fell below 14.0% in the Birmingham Area, Dearborn and Royal Oak, while Southfield and Auburn Hill/Rochester witnessed availability exceeding 30.0%. These differences continue to shape tenant options and landlord leverage across the market.

Detroit's Class A assets continue to lead rent growth

Overall average asking rents were relatively stable during the quarter at \$21.35 per square foot (psf) but remained 3.3% above year-ago levels. Class A rents showed greater momentum, increasing 4.8% year over year to \$23.58 psf as tenants favored higher-quality, well-located buildings. Pricing varies significantly by location, with the Birmingham Area averaging \$36.67 psf, followed by the Central Business District (CBD) at \$27.30 psf and Ann Arbor at \$27.02 psf. Eight submarkets averaged less than \$20.00 psf, highlighting the increasingly localized nature of office pricing across the Detroit market.

KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	83.3 msf	81.3 msf	-2.0 msf
Availability rate	24.6%	23.4%	-120 bps
Asking rental rate	\$20.66	\$21.35	+3.3%
Class A asking rental rate	\$22.49	\$23.58	+4.8%
Quarterly leasing activity	0.6 msf	1.0 msf	+0.4 msf
Available sublease space	2.1 msf	1.7 msf	-0.4 msf

Outlook

01

Demand should continue to favor higher-quality, well-located buildings, supporting Class A pricing while rent growth remains more limited in lower-tier properties and softer submarkets.

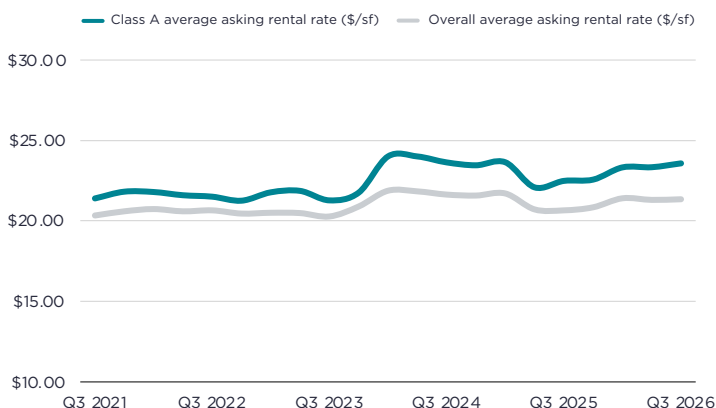
02

Leasing activity is likely to remain near its five-year quarterly average through year-end, although renewals are expected to remain a considerable driver of transaction volume.

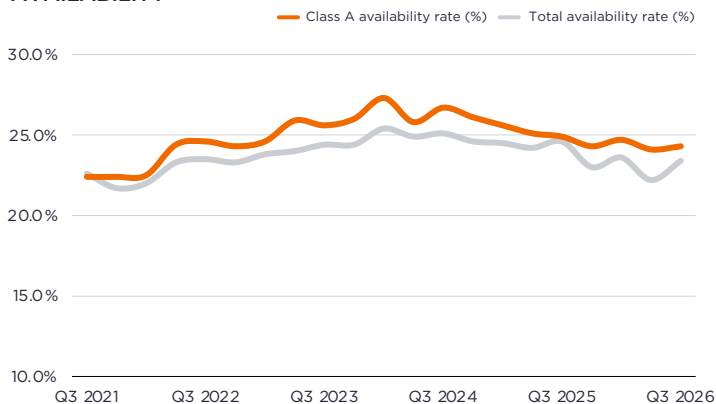
03

Additional removals of aging office inventory could support lower availability over time, although quarterly results are likely to remain uneven across the market.

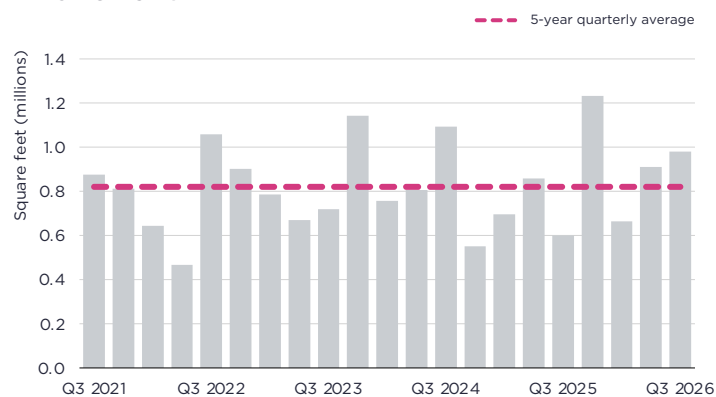
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



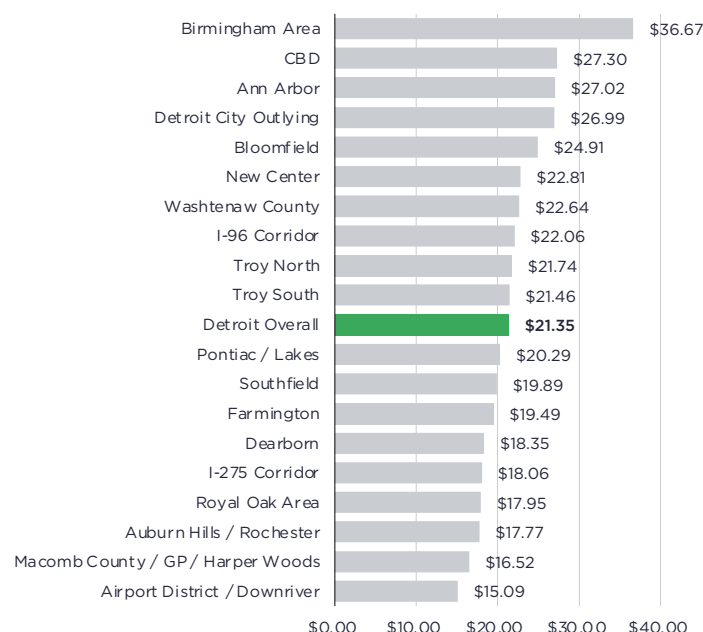
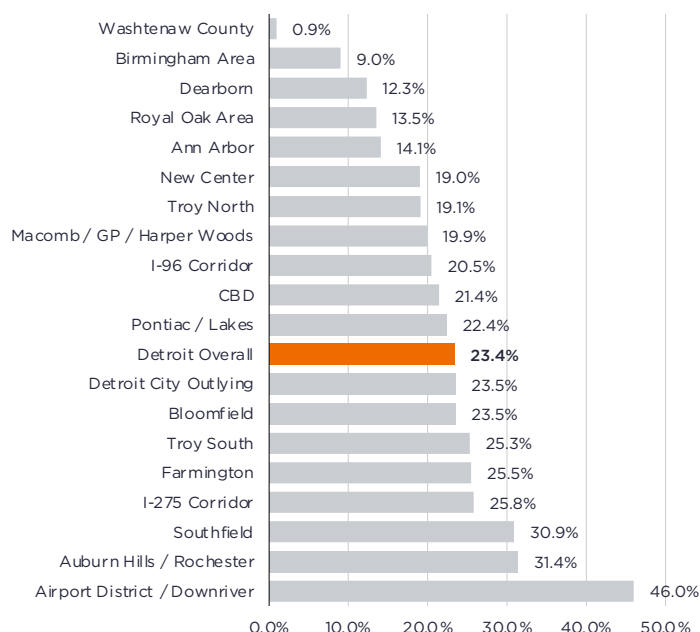
NOTABLE LEASES

*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
AT&T	Technology, Advertising, Media & Information	Southfield	26533 Evergreen Road	158,000	Relocation
Hyundai America Technical Center	Manufacturing	Ann Arbor	100 Phoenix Drive	45,000	Relocation
Champion Home Builders	Architecture, Engineering & Construction	Troy South	755 W Big Beaver Road	39,000	Renewal
Ford Component Sales	Manufacturing	Dearborn	330 Town Center Drive	32,000	Relocation
Regus	Coworking	Troy South	100 W Big Beaver Road	24,000	Renewal
Renesas Electronics	Manufacturing	Farmington	34705 W 12 Mile Road	22,000	Renewal
Miller Canfield	Legal Services	CBD	150 W Jefferson Avenue	19,000	Renewal
Denenberg Tuffley	Legal Services	Southfield	28411 Northwestern Highway	19,000	Renewal
The Heat and Warmth Fund	Associations & Nonprofits	New Center	3031 W Grand Avenue	17,000	Relocation
Consulate General of Canada	Government	CBD	600 Renaissance Center	16,000	Renewal

AVAILABILITY RATE COMPARISON (%) DETROIT SUBMARKETS

RENTAL RATE COMPARISON (\$/SF) DETROIT SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills