

| <b>SEMCOG</b> |             | <b>Quick Facts</b> |     |  |
|---------------|-------------|--------------------|-----|--|
| \$4,620,800   | \$3,942,100 | \$678,500          | 15% |  |
| \$324,400     | \$260,700   | \$63,700           | 20% |  |
| \$765,700     | \$4,500,000 | \$737,300          | 16% |  |

1001 Woodward Ave., Suite 1400 - Detroit, MI 48226 [www.semcog.org](http://www.semcog.org)

July 2018

## Nonresidential Development in Southeast Michigan, 2017



Amazon Distribution Center, Romulus MI - Under Construction Nov 2017

### Regional Summary

- The Southeast Michigan region had 490 nonresidential construction projects completed or underway in 2017, totaling 27.5 million square feet of floorspace. Completed projects contributed 10.5 million square feet of space; under-construction projects registered 17 million. Warehouse/distribution space netted 30 percent of the region's development, followed by industrial projects with 21 percent. (Table 1)
- Construction/project value for completed projects totaled \$1.6 billion. Under-construction projects registered \$2.1 billion in investment value. Medical development projects provided the largest investment value in 2017 with just under \$780 million. (Table 2)
- Retail development tallied the most number of projects in the region with a total of 157 (completed and under construction combined), and industrial/research/hi-tech projects totaled 118. Retail and industrial were the top two building types in 2016 as well. (Figure 1)

Table 1

**2017 Summary of Nonresidential Development Floorspace by Type**

| Building Type <sup>1</sup>               | Floorspace (square feet) |                                 |                   | Percent of Region's Development |
|--|--------------------------|---------------------------------|-------------------|---------------------------------|
|  | Completed <sup>2</sup>   | Under Construction <sup>2</sup> | Total             |                                 |
| Entertainment/Recreational               | 991,050                  | 547,028                         | 1,538,078         | 6%                              |
| Hotel                                    | 993,976                  | 975,072                         | 1,969,048         | 7%                              |
| Industrial/Research/Hi-Tech              | 2,408,922                | 3,363,416                       | 5,772,338         | 21%                             |
| Institutional                            | 426,060                  | 1,341,366                       | 1,767,426         | 7%                              |
| Medical                                  | 518,904                  | 1,122,045                       | 1,640,949         | 6%                              |
| Mixed-Use                                | 124,150                  | 450,120                         | 574,270           | 2%                              |
| Office                                   | 232,139                  | 389,102                         | 621,241           | 2%                              |
| Retail                                   | 1,112,297                | 2,139,422                       | 3,251,719         | 12%                             |
| Skilled Nursing Facility/Assisted Living | 764,997                  | 902,749                         | 1,667,746         | 6%                              |
| Transportation/Utility                   | 205,245                  | 175,650                         | 380,895           | 1%                              |
| Warehouse/Distribution                   | 2,678,461                | 5,587,748                       | 8,266,209         | 30%                             |
| <b>Total</b>                             | <b>10,456,201</b>        | <b>16,993,718</b>               | <b>27,449,919</b> |                                 |
| <i>Number of Projects</i>                | 236                      | 254                             | 490               |                                 |

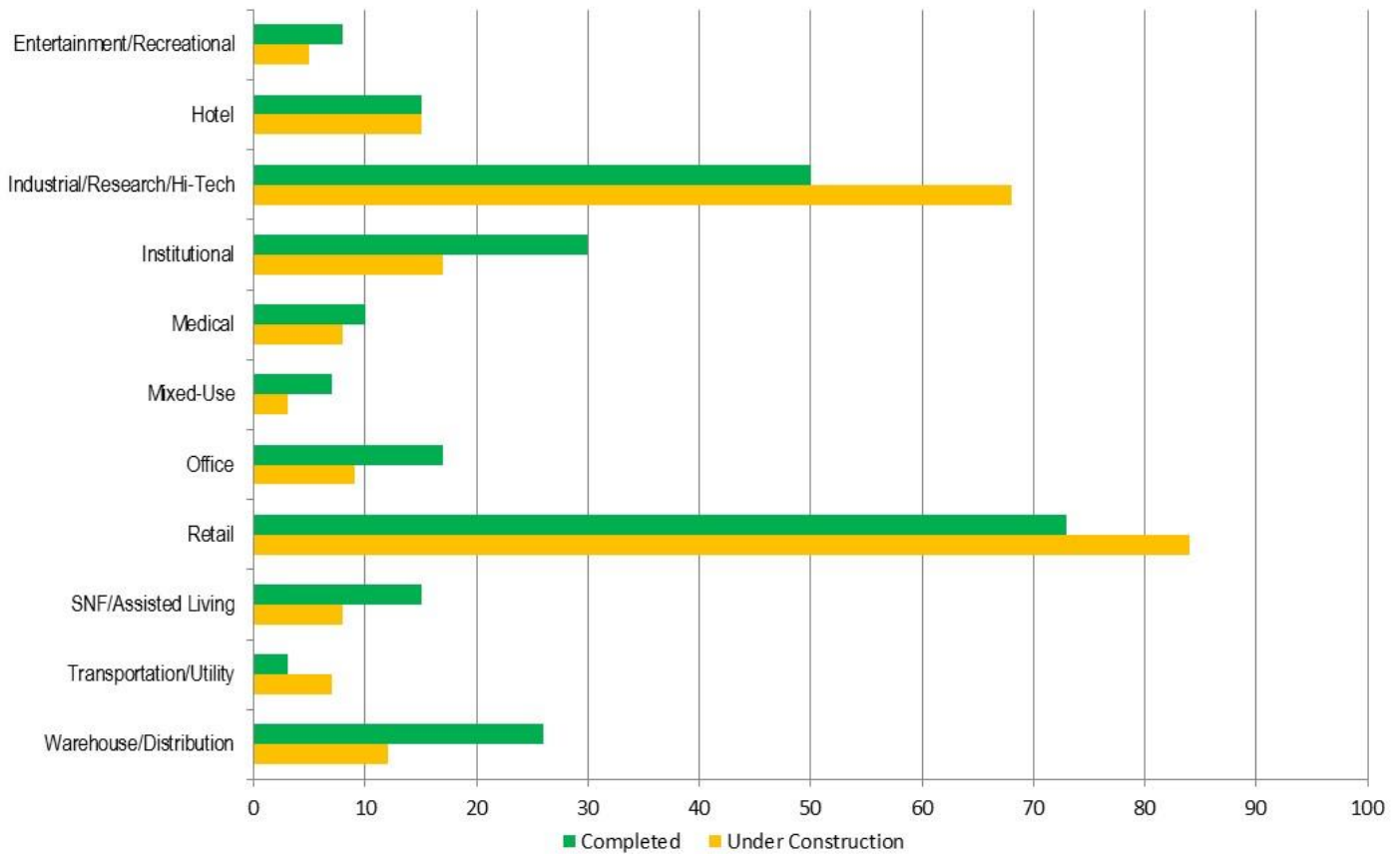
Table 2

**2017 Summary of Nonresidential Development Value by Type**

| Building Type                            | Construction/Project Value <sup>3</sup> |                        |                        | Percent of Total Value |
|--|---|------------------------|------------------------|------------------------|
|  | Completed                               | Under Construction     | Total                  |                        |
| Entertainment/Recreational               | \$633,600,000                           | \$32,490,000           | \$666,090,000          | 18%                    |
| Hotel                                    | \$69,769,132                            | \$64,600,000           | \$134,369,132          | 4%                     |
| Industrial/Research/Hi-Tech              | \$202,980,655                           | \$382,532,733          | \$585,513,388          | 16%                    |
| Institutional                            | \$65,785,757                            | \$490,815,577          | \$556,601,334          | 15%                    |
| Medical                                  | \$214,700,000                           | \$565,000,000          | \$779,700,000          | 21%                    |
| Mixed-Use                                | \$8,886,500                             | \$159,470,000          | \$168,356,500          | 5%                     |
| Office                                   | \$4,940,000                             | \$69,991,000           | \$74,931,000           | 2%                     |
| Retail                                   | \$81,219,782                            | \$116,277,580          | \$197,497,362          | 5%                     |
| Skilled Nursing Facility/Assisted Living | \$35,534,403                            | \$131,036,362          | \$166,570,765          | 4%                     |
| Transportation/Utility                   | \$35,860,092                            | \$8,283,000            | \$44,143,092           | 1%                     |
| Warehouse/Distribution                   | \$199,563,000                           | \$129,273,840          | \$328,836,840          | 9%                     |
| <b>Total Value</b>                       | <b>\$1,552,839,321</b>                  | <b>\$2,149,770,092</b> | <b>\$3,702,609,413</b> |                        |

Figure 1

**Number of Nonresidential Development Projects by Building Type, 2017**



- Major renovation projects in the seven-county region contributed 7.6 million square feet of floorspace and \$687 million in investment value. A total of 57 projects were completed in 2017 and another 49 were under construction. Industrial renovations topped the region with 2.3 million square feet or 31 percent of the total. (Tables 3 & 4)

Table 3

**2017 Regional Summary of Nonresidential Renovation Floorspace by Type<sup>4</sup>**

| Building Type                            | Floorspace (square feet) |                    | Total            | Percent of Region's Development |
|--|--------------------------|--------------------|------------------|---------------------------------|
|  | Completed                | Under Construction |                  |                                 |
| Entertainment/Recreational               | 38,000                   | 75,000             | 113,000          | 1%                              |
| Hotel                                    | 229,100                  | 370,636            | 599,736          | 8%                              |
| Industrial/Research/Hi-Tech              | 1,269,379                | 1,060,724          | 2,330,103        | 31%                             |
| Institutional                            | 365,500                  | 173,627            | 539,127          | 7%                              |
| Mixed-Use                                | 73,200                   | 57,400             | 130,600          | 2%                              |
| Office                                   | 662,871                  | 847,954            | 1,510,825        | 20%                             |
| Retail                                   | 772,800                  | 724,126            | 1,496,926        | 20%                             |
| Skilled Nursing Facility/Assisted Living | 0                        | 34,305             | 34,305           | 0%                              |
| Warehouse/Distribution                   | 789,870                  | 17,600             | 807,470          | 11%                             |
| <b>Total</b>                             | <b>4,200,720</b>         | <b>3,361,372</b>   | <b>7,562,092</b> |                                 |
| <i>Number of Projects</i>                | <i>57</i>                | <i>49</i>          | <i>106</i>       |                                 |

Table 4

**2017 Regional Summary of Nonresidential Renovation Construction Value by Type<sup>4</sup>**

| Building Type                            | Construction/Project Value <sup>3</sup> |                      |                      | Percent of Total Value |
|--|---|----------------------|----------------------|------------------------|
|  | Completed                               | Under Construction   | Total                |                        |
| Entertainment/Recreational               | \$21,000,000                            | \$0                  | \$21,000,000         | 3%                     |
| Hotel                                    | \$46,000,000                            | \$62,000,000         | \$108,000,000        | 16%                    |
| Industrial/Research/Hi-Tech              | \$123,400,000                           | \$41,000,000         | \$164,400,000        | 24%                    |
| Institutional                            | \$51,500,000                            | \$44,733,000         | \$96,233,000         | 14%                    |
| Mixed-Use                                | \$13,000,000                            | \$3,200,000          | \$16,200,000         | 2%                     |
| Office                                   | \$54,700,000                            | \$165,362,500        | \$220,062,500        | 32%                    |
| Retail                                   | \$30,818,135                            | \$5,685,490          | \$36,503,625         | 5%                     |
| Skilled Nursing Facility/Assisted Living |   | NG*                  |                      |                        |
| Warehouse/Distribution                   | \$25,000,000                            | \$26,700             | \$25,026,700         | 4%                     |
| <b>Total</b>                             | <b>\$365,418,135</b>                    | <b>\$322,007,690</b> | <b>\$687,425,825</b> |                        |

\*No Construction/Project Value listed for the project

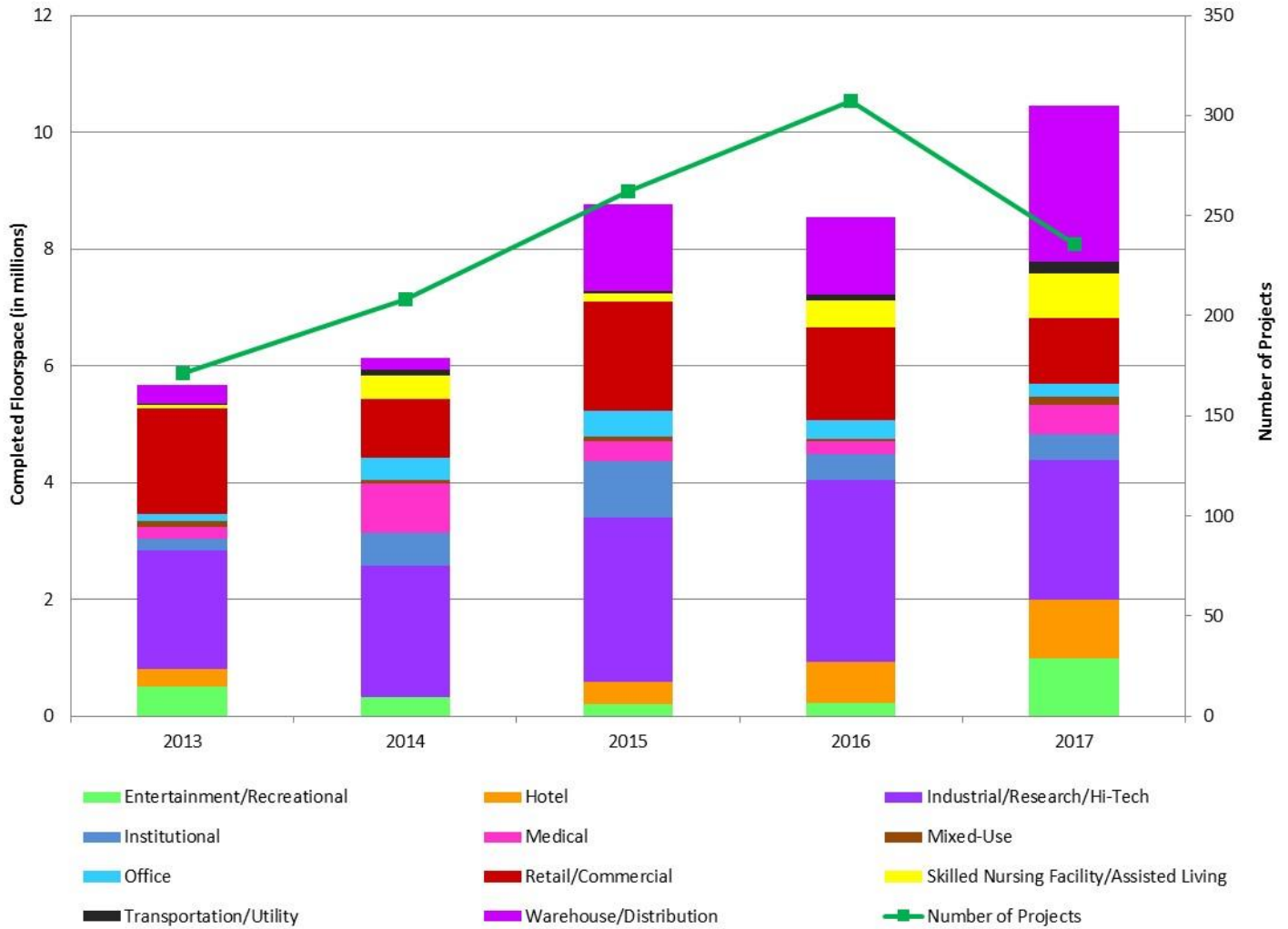
- 2017 was a solid year in nonresidential development with larger project sizes contributing to the 23 percent gain in completed floorspace over 2016. Several large projects were completed in 2017 such as the new Little Caesars Arena in Detroit at 650,000 square feet and Livonia's Amazon Distribution Center at one million square feet. Other building types such as skilled nursing facilities, hotels, medical, and transportation had double-digit percent increases in completed floorspace. The actual number of projects completed declined from 307 to 236. (Table 5, Figure 2)
- Preliminary 2018 construction data shows over 11 million square feet of projects in the pipeline on top of the 17 million square feet already under construction.

Table 5

**Percent Change in Completed Nonresidential Floorspace, 2013-2017**

|                        | 2013      | 2014      | 2015      | 2016      | 2017       |
|------------------------|-----------|-----------|-----------|-----------|------------|
| Total (in square feet) | 5,677,933 | 6,133,315 | 8,767,507 | 8,535,383 | 10,456,201 |
| Percent Change         |           | 8%        | 43%       | -3%       | 23%        |

Figure 2  
**Five-Year History of Completed Nonresidential Development Floorspace and Number of Projects**



**County Summary (Table 6)**

- Livingston County compiled just under 1.5 million square feet of nonresidential development, completed and under construction combined. Industrial development comprised 27 percent of the county’s development. The City of Brighton had the most development in the county with just over 600,000 square feet of total project floorspace. The largest project in the county was the 320,000-square-foot University of Michigan Brighton Health Center, continuing construction from 2016.
- Macomb County registered 4.9 million square feet of nonresidential development, with industrial projects leading the county at 39 percent of total development. Shelby Township topped the county with 2.1 million square feet of completed and under-construction square footage. The Amazon Distribution Hub under construction off Mound Road in Shelby Township was the largest project at one million square feet.
- Monroe County had 120,000 square feet of construction space reported in 2017. Warehouse space accounted for 40 percent of the development in the county. Frenchtown Township had the most development for the county with just under 50,000 square feet and the largest project in the region, an under-construction Secure Self Storage facility at 28,000 square feet.



- Oakland County reported 7.6 million square feet of development completed and under construction for 2017. Industrial floorspace had the largest share of development space with 23 percent. The City of Novi registered the most development in the county with just under 1.3 million square feet. The largest project in the county was the 575,000-square-foot Tri-County Commerce Center in Hazel Park that opened in 2017.
- St. Clair County recorded just under 500,000 square feet of nonresidential floorspace. Medical projects accounted for 35 percent of the county's development. The City of Port Huron had the most development in the county with 206,000 square feet. McLaren's new four-story patient tower under construction in Port Huron was the largest project at 160,000 square feet. It is scheduled to open in the fall of 2018.
- Washtenaw County had construction totaling 1.9 million square feet in 2017. Institutional development comprised 29 percent of total floorspace in the county. The City of Ann Arbor contributed the most space with just over one million square feet. The major project in the county was the Biological Sciences Building at the University of Michigan. The project recently opened in June 2018.
- Wayne County registered the most development in the region for 2017 with 11 million square feet of completed and under-construction floorspace. Warehouse/distribution construction accounted for 51 percent of total development in the county. The City of Romulus led the county with 3.7 million square feet of total space. Another Amazon Distribution Center in Romulus was the county's largest project at 2.3 million square feet.

Table 6  
**2017 Summary of Nonresidential Development Floorspace by County and Type**

| Building Type                                  |                           | Livingston       | Macomb           | Monroe         | Oakland          | St. Clair      | Washtenaw        | Wayne             |
|--|---------------------------|------------------|------------------|----------------|------------------|----------------|------------------|-------------------|
| Entertainment/<br>Recreational                 | Completed                 | 0                | 0                | 0              | 0                | 18,050         | 303,000          | 670,000           |
|  | Under Construction        | 14,900           | 239,000          | 0              | 202,113          | 0              | 0                | 91,015            |
|  | <b>Total</b>              | <b>14,900</b>    | <b>239,000</b>   | <b>0</b>       | <b>202,113</b>   | <b>18,050</b>  | <b>303,000</b>   | <b>761,015</b>    |
| Hotel  | Completed                 | 120,780          | 110,000          | 0              | 209,166          | 0              | 203,000          | 351,030           |
|  | Under Construction        | 118,066          | 149,749          | 0              | 412,542          | 29,000         | 59,000           | 206,715           |
|  | <b>Total</b>              | <b>238,846</b>   | <b>259,749</b>   | <b>0</b>       | <b>621,708</b>   | <b>29,000</b>  | <b>262,000</b>   | <b>557,745</b>    |
| Industrial/<br>Research/Hi-Tech                | Completed                 | 210,977          | 820,805          | 0              | 933,750          | 114,000        | 169,190          | 160,200           |
|  | Under Construction        | 196,362          | 1,099,234        | 40,000         | 804,833          | 0              | 109,315          | 1,113,672         |
|  | <b>Total</b>              | <b>407,339</b>   | <b>1,920,039</b> | <b>40,000</b>  | <b>1,738,583</b> | <b>114,000</b> | <b>278,505</b>   | <b>1,273,872</b>  |
| Institutional                                  | Completed                 | 45,768           | 7,984            | 0              | 143,642          | 69,966         | 54,700           | 104,000           |
|  | Under Construction        | 31,433           | 45,637           | 2,451          | 644,563          | 0              | 481,282          | 136,000           |
|  | <b>Total</b>              | <b>77,201</b>    | <b>53,621</b>    | <b>2,451</b>   | <b>788,205</b>   | <b>69,966</b>  | <b>535,982</b>   | <b>240,000</b>    |
| Medical  | Completed                 | 68,616           | 24,000           | 0              | 73,000           | 0              | 0                | 353,288           |
|  | Under Construction        | 332,882          | 15,394           | 0              | 236,369          | 174,000        | 23,400           | 340,000           |
|  | <b>Total</b>              | <b>401,498</b>   | <b>39,394</b>    | <b>0</b>       | <b>309,369</b>   | <b>174,000</b> | <b>23,400</b>    | <b>693,288</b>    |
| Mixed-Use                                      | Completed                 | 0                | 0                | 0              | 113,150          | 0              | 0                | 11,000            |
|  | Under Construction        | 0                | 0                | 0              | 32,176           | 0              | 32,000           | 385,944           |
|  | <b>Total</b>              | <b>0</b>         | <b>0</b>         | <b>0</b>       | <b>145,326</b>   | <b>0</b>       | <b>32,000</b>    | <b>396,944</b>    |
| Office   | Completed                 | 0                | 20,000           | 0              | 135,699          | 0              | 0                | 76,440            |
|  | Under Construction        | 31,776           | 35,900           | 0              | 138,148          | 0              | 62,000           | 121,278           |
|  | <b>Total</b>              | <b>31,776</b>    | <b>55,900</b>    | <b>0</b>       | <b>273,847</b>   | <b>0</b>       | <b>62,000</b>    | <b>197,718</b>    |
| Retail   | Completed                 | 17,435           | 381,665          | 900            | 441,331          | 20,023         | 63,265           | 187,678           |
|  | Under Construction        | 157,061          | 266,085          | 24,316         | 804,117          | 23,990         | 102,616          | 761,237           |
|  | <b>Total</b>              | <b>174,496</b>   | <b>647,750</b>   | <b>25,216</b>  | <b>1,245,448</b> | <b>44,013</b>  | <b>165,881</b>   | <b>948,915</b>    |
| Skilled Nursing<br>Facility/Assisted<br>Living | Completed                 | 16,198           | 0                | 0              | 529,757          | 0              | 0                | 219,042           |
|  | Under Construction        | 0                | 276,930          | 3,779          | 622,040          | 0              | 0                | 0                 |
|  | <b>Total</b>              | <b>16,198</b>    | <b>276,930</b>   | <b>3,779</b>   | <b>1,151,797</b> | <b>0</b>       | <b>0</b>         | <b>219,042</b>    |
| Transportation/<br>Utility                     | Completed                 | 23,389           | 16,500           | 0              | 0                | 27,863         | 0                | 137,493           |
|  | Under Construction        | 0                | 0                | 0              | 0                | 0              | 168,750          | 6,900             |
|  | <b>Total</b>              | <b>23,389</b>    | <b>16,500</b>    | <b>0</b>       | <b>0</b>         | <b>27,863</b>  | <b>168,750</b>   | <b>144,393</b>    |
| Warehouse/<br>Distribution                     | Completed                 | 38,150           | 252,000          | 6,300          | 793,221          | 0              | 0                | 1,588,790         |
|  | Under Construction        | 72,675           | 1,133,230        | 42,800         | 299,805          | 20,000         | 22,038           | 3,997,200         |
|  | <b>Total</b>              | <b>110,825</b>   | <b>1,385,230</b> | <b>49,100</b>  | <b>1,093,026</b> | <b>20,000</b>  | <b>22,038</b>    | <b>5,585,990</b>  |
| <b>County Totals</b>                           | <b>Completed</b>          | <b>541,313</b>   | <b>1,632,954</b> | <b>7,200</b>   | <b>3,372,716</b> | <b>249,902</b> | <b>793,155</b>   | <b>3,858,961</b>  |
|  | <b>Under Construction</b> | <b>955,155</b>   | <b>3,261,159</b> | <b>113,346</b> | <b>4,196,706</b> | <b>246,990</b> | <b>1,060,401</b> | <b>7,159,961</b>  |
|  | <b>Total</b>              | <b>1,496,468</b> | <b>4,894,113</b> | <b>120,546</b> | <b>7,569,422</b> | <b>496,892</b> | <b>1,853,556</b> | <b>11,018,922</b> |

Green highlight denotes top construction type in the county

## Background

Nonresidential development is defined as construction of a building for use other than providing facilities for people to live in. SEMCOG tracks 11 different types of nonresidential construction using various resources. Construction must be a new building, an addition to an existing building, or a redevelopment which includes tearing down the old and constructing new. Major renovation projects are tracked, but reported separately. Projects must be completed and opened or under construction in the reporting year. Project data is presented by floorspace (square feet), building type, and construction value. See background section for additional information.

SEMCOG has been reporting on nonresidential development (construction) in Southeast Michigan since the early 1990s. Data are collected from local planning and building departments, county planning departments, commercial real estate databases, and construction and news periodicals. Relevant information, including size of building (in square feet of floorspace), location, construction costs, building type, and project status are collected.

Information is compiled for the current reporting year and often compared to previous years. Data are presented by total square feet of floorspace (completed and under construction), investment or construction value, and building type. Project data changes regularly and updates are made to current and previous years' projects as new information is collected. This report is based on collected data only and should not be considered all encompassing.

Contact Janet Moadlo at 313-324-3434 or [moadlo@semcog.org](mailto:moadlo@semcog.org) for questions or to submit project data.

## Notes

### <sup>1</sup>Building Type

Entertainment/Recreational

Hotel

Industrial/Research/Hi-Tech

Institutional

Medical

Mixed-Use

Office

Retail/Commercial

Skilled Nursing Facility/Assisted Living

Transportation/Utility

Warehouse/Distribution

### Description/Sample Type

sports arenas, sports complexes, clubhouses, recreational centers

motels, travel lodges, hotels

manufacturing, research, hi-tech

schools, universities, government, churches

hospitals, outpatient or specialty centers, large medical offices

mix of any of types (e.g., office/retail)

professional, administrative, small medical/dental offices

restaurants, personal services, shopping, auto services

assisted living, memory care, hospice care

airports, rail services, waste management facilities

self storage, private shipping companies, wholesale trade

### <sup>2</sup>Project Status

COMPLETED - Construction finished in year listed.

UNDER CONSTRUCTION - Building still under construction; either a continuation from previous years or construction began in reporting year.

<sup>3</sup>Construction/Project Value - Value reported when a project is submitted by the community. Value can be investment, construction costs, or construction cost and improvements (i.e., machinery or equipment). No adjustments have been made to account for construction length of time or inflation. Value is updated if new information is gathered on the project. Not all projects submitted include value.

<sup>4</sup>Renovation Projects - Defined for this report as "significant interior and/or exterior structural changes to an existing building." These are usually buildings that have been vacant and unusable structures for many years. While not true new construction, the improvement and re-use of the region's building stock is an important component of nonresidential development.