

QUARTERLY MARKET REPORT

— 2026 —
1ST
QUARTER

3W
THREE WEST
COMMERCIAL





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COUNTY CRE
MARKET REPORT

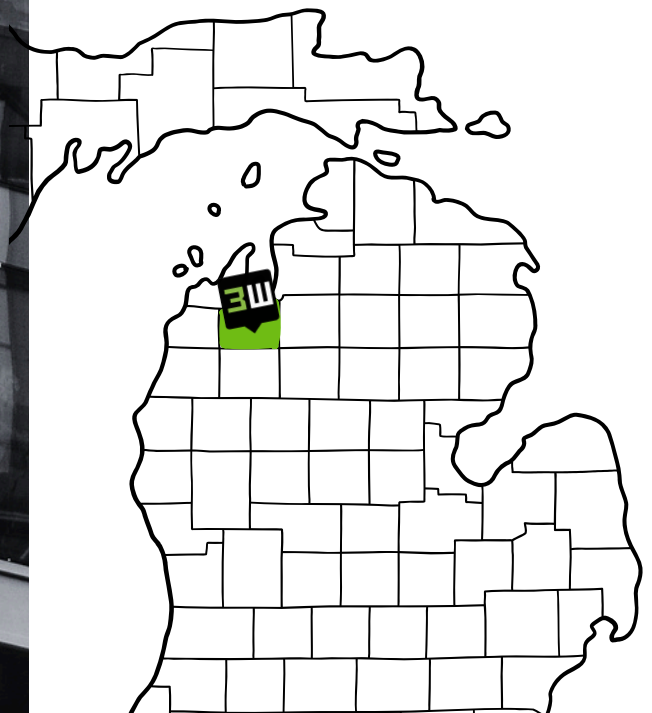
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Q1 COMMERCIAL REAL ESTATE AT A GLANCE: Grand Traverse County Commercial Real Estate Update: Q1 2026 Market Comparison

“The first quarter of 2026 delivered a market defined by rotation rather than retreat in Grand Traverse County’s commercial real estate landscape. While total transaction count declined from 15 to 11 sales compared to Q1 2025, the composition shifted dramatically — industrial properties surged to the forefront, retail gained ground, and office activity contracted sharply. Average sale prices climbed 26% even as total volume dipped modestly, signaling a market consolidating around larger, higher-value transactions.”

-Kevin Endres



Sector specific Trends:

Office Sector: A Sharp Pullback

After recording 9 transactions and \$6.23 million in volume in Q1 2025, the Office/Medical sector contracted dramatically — just 2 sales closed in Q1 2026, totaling 5,054 SF and \$815,000. Average sold price per square foot declined 12% from \$189 to \$166. The one bright spot: average days on market improved to 209 from 224, suggesting the properties that did trade found buyers more efficiently. The steep drop in transaction count reflects continued hesitancy among office buyers as hybrid and remote work patterns continue to reshape demand for traditional office space across the region.

Industrial/ Warehouse Sector: The Standout Story

Industrial was the defining story of Q1 2026. The sector went from a single transaction in Q1 2025 (9,800 SF / \$710,000) to five closings totaling 45,360 SF and \$4,680,570 — a 560% jump in volume. Average sold price per square foot rose from \$72.45 to \$113.79, a 57% increase. The price average price per square foot was skewed upwards due to the smaller average building size sold and one sale with a smaller building on a large acreage parcel.

Retail/ Restaurant Sector: Quietly Gaining Ground

Retail and restaurant properties posted meaningful improvement in Q1 2026. Square footage sold rose 83% year-over-year from 15,018 SF to 27,532 SF, and total volume climbed from \$2.70M to \$3.42M. Average sold price per square foot declined from \$203.02 to \$139.91, which reflects larger average building sizes trading this quarter rather than softening values. Average days on market ticked up slightly to 294, suggesting buyers are being selective. With tourism season approaching and consumer spending in Northern Michigan remaining resilient, retail fundamentals appear to be strengthening heading into Q2.

Key Market Drivers:

➤ **Sector Strength:** Industrial activity reflects a broader investor preference for functional, income-producing physical assets — particularly in an environment where hard assets with stable cash flows are viewed as lower-risk than repositioning opportunities.

➤ **Larger Deals, Fewer Trades:** The 26% jump in average sales price despite fewer transactions signals that the most active buyers in Q1 2026 are experienced owner-users and well-capitalized investors pursuing specific, strategic acquisitions rather than opportunistic purchases.

➤ **Days on Market Holding Steady:** With average days on market stable or improving across industrial and office, and only retail ticking up slightly, well-priced assets continue to find buyers within a reasonable timeframe — a sign of underlying demand health despite lower transaction volume.



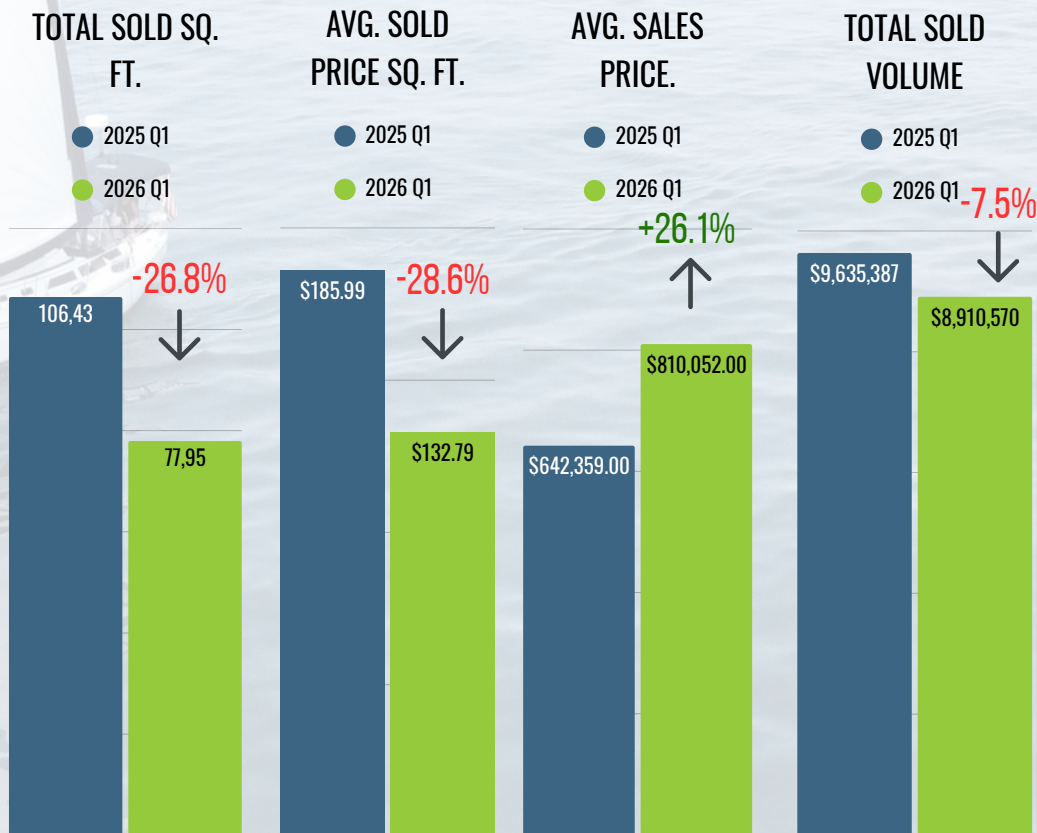
COMMERCIAL REAL ESTATE SALES



Grand Traverse County

1st Quarter 2025 vs. 2026

Metric	Q 1 2025	Q 1 2026	Change
Total Sales Volume	\$9,635,387	\$8,910,570	-26.8%
Total Square Footage Sold	106,425 SF	77,946 SF	-7.5%
Average Sale Price	\$642,359	\$810,052	+26.1%
Avg Sold Price/ SF	\$185.99 / sf	\$132.79 / SF	-28.6%



METHODOLOGY & SOURCES

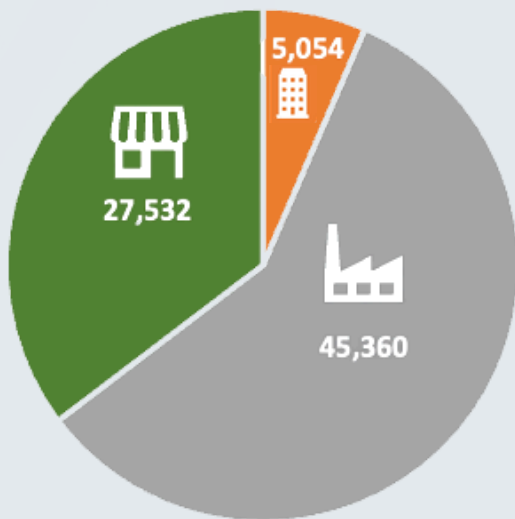
DATA FOR THIS REPORT WAS COMPILED BY THREE WEST COMMERCIAL FROM VERIFIED COMMERCIAL PROPERTY TRANSACTIONS WITHIN GRAND TRAVERSE COUNTY, COVERING THE PERIOD JANUARY 1-SEPTEMBER 30 FOR BOTH 2025 AND 2026. FIGURES WERE DERIVED FROM MLS DATA, PUBLIC RECORDS, AND INTERNAL TRANSACTION TRACKING. SUPPLEMENTAL CONTEXT WAS INFORMED BY REPORTS FROM TRAVERSE CONNECT, MICHIGAN ECONOMIC DEVELOPMENT CORPORATION (MEDC), AND LOCAL PLANNING DEPARTMENTS.



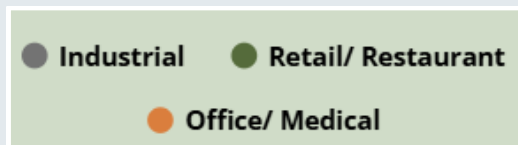
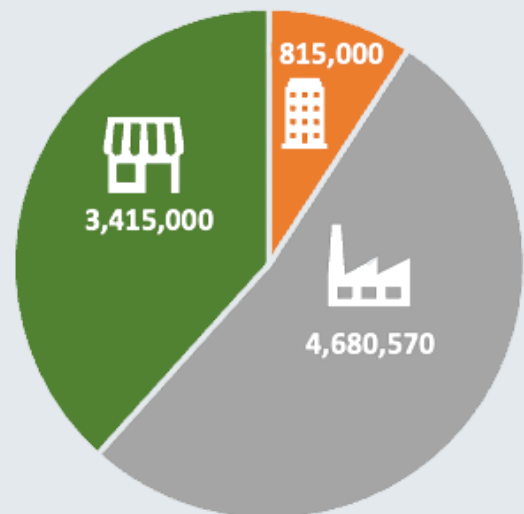
SOLD PROPERTIES GRAND TRAVERSE COUNTY

	TOTAL SQ. FT.	AVG. SOLD PRICE / SQ. FT.	AVG. DAYS ON MKT.	TOTAL VOLUME SOLD
Office / Medical	5,054	\$166.05	209	\$815,000
Industrial / Warehouse	45,360	\$113.79	200	\$4,680,570
Retail / Restaurant	27,532	\$139.91	281	\$3,415,000

TOTAL SQUARE FEET



TOTAL VOLUME SOLD



* All sales data is for sales in Grand Traverse County reported by Traverse Area Association of Realtors ** Properties without a recorded sales price are not included in the Average Calculations for Sold Price/SF



Industrial



**TRAVERSE CITY
5835 SHUGART LANE**

**LEASE PRICE: \$8.50/SF
SOLD PRICE: \$8.50/SF
SIZE: 15,000 SQ. FT.**



**TRAVERSE CITY
RENNIE SCHOOL RD.**

**LEASE PRICE: \$10.00/SF
SOLD PRICE: \$10.00/SF
SIZE: 4,500 SQ. FT.**



**TRAVERSE CITY
1732 BARLOW**

**LEASE PRICE: \$8.00 SF
SOLD PRICE: \$8.00 SF
SIZE: 10,000 SQ. FT.**



**TRAVERSE CITY
2151 CASS ROAD**

**LIST PRICE: \$1,738,000
SOLD PRICE: \$1,710,000
SIZE: 9,830 SQ. FT.**



Office



BOYNE CITY 1249 M-75

LIST PRICE: \$649,000
SOLD PRICE: \$575,000
SIZE: 3,808 SQ. FT



BOYNE CITY 615 BEARDSLEY RD.

LIST PRICE: \$495,000
SOLD PRICE: \$495,000
SIZE: 5,000 SQ. FT



TRAVERSE CITY 117 UNION ST.

LEASE PRICE: \$17.00/SF
SOLD PRICE: \$15.00/SF
SIZE: 2,586 SQ. FT



TRAVERSE CITY 551 GARFIELD RD. S.

LIST PRICE: \$285,000
SOLD PRICE: \$275,000
SIZE: 1,542 SQ. FT



Retail



TRAVERSE CITY
305 W. FRONT ST.

LEASE PRICE: \$24/SF
SOLD PRICE: \$18/SF
SIZE: 3,684 SQ. FT.



TRAVERSE CITY
527 E EIGHTH ST.

LIST PRICE: \$1,650,000
SOLD PRICE: \$1,500,000
SIZE: 5,954 SQ. FT.



GAYLORD
400 W MAIN ST.

LEASE PRICE: \$12/SF
SOLD PRICE: \$12.00/SF
SIZE: 435 SQ. FT.



TRAVERSE CITY
232 E STATE ST.

LEASE PRICE: \$24.00/SF
SIZE: 2,121 SQ. FT.





Retail



INTERLOCHEN
9672 US-31



LEASE PRICE: \$800.00 /MONTH
LEASE SOLD: \$800.00 /MONTH
SIZE: 3,001 SQ. FT.

Vacant land



TRAVERSE CITY
3525 FRONT STREET

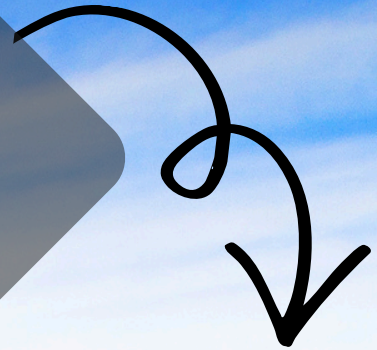
LIST PRICE: \$850,000
SOLD PRICE: \$625,000
SIZE: 1.20 ACRES



FIFE LAKE
7499 US-131

LIST PRICE: \$250,000
SOLD PRICE: \$216,775
SIZE: 1.67 ACRES

WHAT'S THE COMPANY BUZZ?



3W VICTORY BOARD

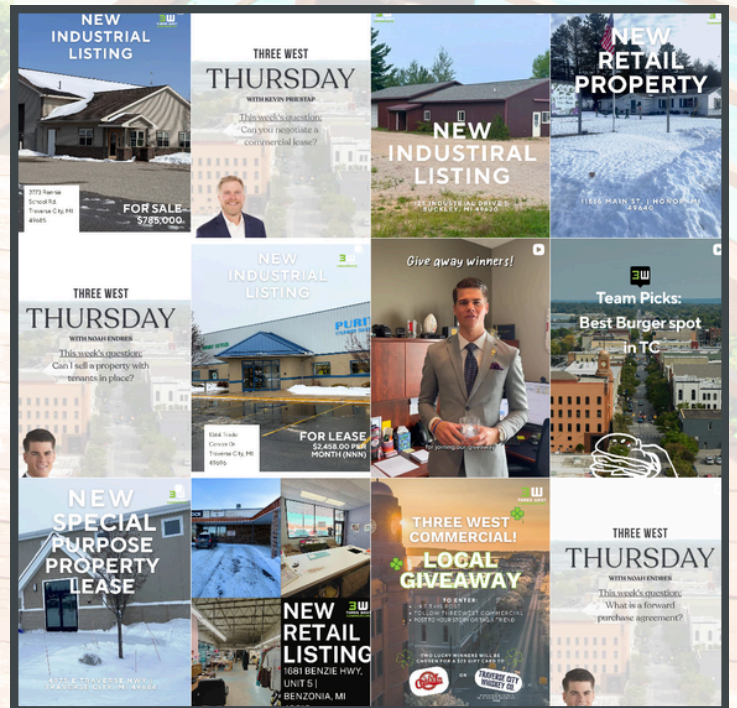
	UNITS	VOLUME	SQFT
KEVIN.E	12	\$ 6,708,811	34,027
DAVID.F	3	\$ 1,812,073	13,111
BILL.S	13	\$ 3,120,980	30,279
DAVID.C	4	\$ 231,595	3,290
NOAH.E	3	\$ 782,034	3,842
KEVIN.P	1	\$ 12,600	815

CELEBRATE EVERY WIN



There's been a lot of great momentum around the Three West office lately and we've added a few new ways to celebrate it. Our **new deal victory board** in the office gives a real-time look at what's moving and what's closing, **highlighting the activity happening across our team**, while the addition of our sales bell brings a little extra energy to every win. It's been exciting to see deals come together and even better to take a moment to recognize them a **reflection of the hard work, collaboration, and continued progress we're seeing in today's market.**

Be sure to keep up with us on social media to stay connected with what's happening at Three West! From **market updates** to **behind-the-scenes moments**, we've been sharing more of what our team is up to, including our **"Three West Thursday" insight videos**, where we break down quick takes on the market, along with our recent **"team picks"** series highlighting favorite local spots around Traverse City. It's a fun way to get to know our team while staying informed and connected to the community!





**WE ARE NORTHERN MICHIGAN'S
COMMERCIAL REAL ESTATE
BROKERAGE.**

LOOKING AHEAD TO MID 2026!

The market enters Q2 2026 with selective momentum. Industrial demand shows no signs of abating, and retail activity is building ahead of the summer tourism season. The office sector remains the wildcard — a resolution in pricing expectations between buyers and sellers could unlock meaningful activity in the second half of the year.

Three West Commercial continues to track strong interest from owner-users and investors targeting industrial and mixed-use assets in Grand Traverse County and across Northern Michigan. With regional economic fundamentals — including low unemployment, a resilient tourism economy, and continued population growth in Northern Michigan — remaining supportive, the underlying demand picture stays solid. Q1 2026 is less a sign of weakness and more a reflection of a market repricing and rebalancing across property types. A lack of commercial inventory remains an ongoing issue for those looking to make a move in 2026.