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The Midwest's Real Estate Source

WHY COMMERCIAL DEBT, EQUITY ARRANGERS ARE EXCITED FOR 2026

Though multi-faceted and wide-ranging, numerous factors are coming together and being validated in real time to boost deal volume in the new year.

By Taylor Williams

Olympic rings, Great Lakes, stages of grief, military branches and factors that point to a more robust landscape in the world of commercial debt and equity placement in 2026 — they all come in fives.

Unlike the other items in that set, however, there is room for debate as to what those five capital markets factors actually are. But according to sources, they are, in no particular order of importance:

- Rising investment sales volume, which allows for better pricing and risk assessment in the equity markets
- No shortage of deals in need of recapitalization
- Strong liquidity and competitive spreads in the debt markets
- Short-term stability in the 10-year Treasury yield
- Resilient acclimation to a new geopolitical environment

Combined, these market forces form the basis of a larger perspective that is defined by optimism — and that optimism is rooted in both qualitative observations and quantitative analysis. And so far, the expectations of at least one major industry research and advocacy organization appear to be in line with the observations of individuals interviewed for this story.

In early February, the Mortgage Bankers Association (MBA) released its 2026 Commercial Real Estate Fi-

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Marcus & Millichap Capital Corp. secured $7.6 million in financing for Urbane 424, a 52-unit multifamily property in Burlington, Iowa. A national bank provided the loan.

WANTED: INFILL, VALUE-ADD INDUSTRIAL BUILDINGS

With strong real estate fundamentals in place across the Midwest, industrial owners are upgrading well-located properties to meet modern standards.

By Kristin Harlow

Venture One Real Estate purchased a 97,073-square-foot building in metro Chicago that was constructed in 2004 and was 44 percent leased at the time of sale.

What are today's industrial investors looking for? Infill properties or those with smaller footprints under 100,000 square feet are in the greatest demand. Owners also target value-add or second-generation assets that can be upgraded and leased, particularly in supply-constrained markets.

"We prioritize infill, durable locations with diversified risk profiles — places where tenants need to be," says Maxx Kossof, vice president of development and acquisitions at The Missner Group, headquartered in Des Plaines, Illinois.

"For Class B assets, we target smaller-footprint buildings where we can drive value by re-leasing at market highs or repositioning the property to broaden its appeal. We are hyper-focused on basis, targeting investments at a significant discount to replacement cost."

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Detroit Developments Showcase Urban Adaptive Reuse
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HEARTLAND GROUNDBREAKERS

JLL


Harlow

JLL has named Managing Director **Nina Harlow** as the head of its Energy & Logistics business within the Industrials division. Harlow will lead interdisciplinary teams delivering workplace management and optimization, occupancy management and strategic real estate solutions for JLL's energy and logistics clients. In her new role, she will work closely with JLL's commercial, technical and account management teams to build and manage safe, sustainable and reliable workplace environments for clients that maximize productivity and prioritize well-being. Harlow's career includes 18 years of leadership experience at JLL, where she has served in a variety of senior roles. Most recently, she was JLL's Industrials Workplace Management lead. Harlow is based in Chicago.

Cushman & Wakefield


Verrant

Joey Verrant has joined Cushman & Wakefield as chief operating officer of Asset Services Multifamily. In this role, Verrant will partner closely with Asset Services Multifamily leadership to drive performance and operations across all managed properties. He will also be instrumental in shaping and executing strategies, ensuring robust controls and fostering a high-performance culture that supports organizational growth and client satisfaction. Verrant will be based in the firm's Chicago headquarters office. Verrant joins Cushman & Wakefield from Rockwell Property Co., a real estate investment firm, where he served as head of asset management with multifamily operational oversight. In that role, he cultivated relationships with investors, lenders and property managers.

Farbman Group


O'Malley

Farbman Group, a full-service commercial real estate firm with operations across the Midwest region, has added **Michael O'Malley** as its new executive vice president of Illinois. Based out of Farbman Group's Chicago office, O'Malley will be responsible for driving the firm's growth strategy, deepening relationships and expanding its full-service platform across Illinois. O'Malley brings over two decades of commercial real estate leadership experience to his new role, including leadership roles overseeing multi-market portfolios, value-add repositioning strategies, real estate owned portfolios and institutional-grade asset services. Most recently, he served as managing director for Pearlmark, where he oversaw $1.5 billion in assets.

Baum Realty


Pruitt

Baum Realty welcomes **Zach Pruitt** as managing director, where he will lead the Urban Industrial platform and oversee brokerage strategy across Chicago's industrial and infill submarkets. His work focuses on leasing, repositioning and long-term value creation, including complex lease negotiations, sale-leaseback transactions and build-to-suit assignments. Pruitt brings more than 20 years of commercial real estate experience spanning investment sales, leasing and strategic portfolio management. He has represented individual owners, institutional investors and Fortune 500 companies across Chicago and more than 50 markets nationwide. Pruitt remains active in the industry through executive development and mentoring.

Hunt Midwest


Jones

Hunt Midwest has announced that **Heather Jones** has joined the firm's executive leadership team as general counsel and senior vice president as the real estate development company continues its growth in key U.S. markets. In the newly created role, Jones will work to scale the company's strategies and staff to support its expanding reach across diverse sectors, including industrial, commercial, self-storage development, new home communities, multifamily and senior living. Prior to joining Hunt Midwest, Jones previously worked for more than 20 years as a partner, shareholder and executive committee member with Kansas City-based law firm Seigfreid Bingham PC, where she played a crucial role as Hunt Midwest's outside legal counsel.

Cullinan Properties


Wozniak

Cullinan Properties, a provider of real estate services specializing in commercial and mixed-use developments and acquisitions, has promoted **Wayne Wozniak** to chief financial officer. With more than 20 years of experience in finance and accounting, Wozniak has played a critical role in guiding Cullinan's financial strategy and supporting the company's long-term growth. In his new role, he will oversee financial operations, including accounting, tax strategy, financial reporting, forecasting and capital planning, while working closely with executive leadership to advance Cullinan's strategic initiatives. Throughout his time at Cullinan, Wozniak has been integral in managing complex financial projects across Cullinan's portfolio.

Cresa


Anderson

Cresa's Board of Directors has appointed **Ray Anderson** as CEO. Anderson will drive Cresa's continued growth and advisory approach, leveraging decades of experience in strategic consulting, performance improvement and M&A for corporate clients. Anderson succeeds Tod Lickerman, who will remain on Cresa's board. Anderson has been serving major occupier clients as a consultant for the past 20 years and is known for his innovative approach to business strategy, operational improvement and technology adoption. Previously, he was a senior partner with EY-Parthenon in its Value Creation group, managing global transformation and M&A projects for leading public, private and private equity corporate clients.

Siegel Jennings


Jennings

Kieran Jennings, Esq., CMI, CRE, managing partner of Siegel Jennings Co. LPA, has been elected president of the American Property Tax Counsel (APTC). APTC is a network of premier law firms across the United States and Canada that provides portfolio owners with a single source for all of their property tax needs. APTC member firms serve clients in every major category of real estate. Jennings' practice focus includes real property taxation, tax planning and general state and local tax litigation.

Venture One Real Estate


Clewlow

Chicago-based industrial investor and developer Venture One Real Estate has promoted **Michael Clewlow** to principal. Clewlow joined the firm in 2020 as an acquisition analyst in the company's Chicago headquarters. Over the past five years, he has sourced more than 7 million square feet of acquisitions totaling $600 million. During that same period, he completed 3 million square feet of dispositions totaling $475 million.

Lee & Associates of Michigan


Robinson

Lee & Associates of Michigan has announced that **Kimberly Robinson**, chief operating officer, has been named a principal of the firm. Robinson oversees firmwide operations and plays a central role in advancing strategic initiatives across the organization. Her appointment as principal reflects both her leadership within the firm and her role in driving long-term business growth.

To publish news about new hires, promotions or awards, visit www.francemediainc.com/regional-groundbreakers.

Questions? Contact Barb Sherer at 404.832.8262 or bsherer@francemediainc.com.

FLIGHT TO QUALITY, SLOW ROAD TO REINVENTION DEFINE DETROIT'S OFFICE OUTLOOK

Andy Gutman
President,
Farbman Group

The Detroit office market has moved past the initial shock of the post-pandemic years, but the idea that all challenges are over would be premature. Looking ahead in 2026, office in Detroit would be best described as stabilizing but still highly selective, shaped by a continued flight to quality, cautious capital markets and a growing emphasis on service and tenant experience.

While vacancy remains elevated compared with pre-pandemic norms, limited new construction and a clear bifurcation between high- and low-quality assets are helping prevent further deterioration. The next phase of the cycle will be defined by how effectively landlords adapt to tenant expectations and how long it takes for capital markets to allow older assets to meaningfully change hands.

Detroit office in 2026

By the numbers, Detroit's office market in 2026 shows stability without significant growth pressure. Vacancy estimates range from approximately 15.7 to 23.3 percent, depending on data source and asset class. Marcus & Millichap, for example, projects a 2026 year-end vacancy of roughly 15.7 percent, which is a modest 10-basis-point increase year-over-year. Broader datasets that include older inventory report vacancy closer to 23 percent.

Asking rents have remained largely flat, with Class A and well-located Class B buildings maintaining pricing power, while commodity office space continues to face downward pressure and concessions. Net absorption remains soft, particularly among professional and financial service users. For submarket performance, the urban core and Troy areas have shown relative resilience, with some tightening driven by tenant upgrades rather than expansion. Overall, limited spec construction is acting as a stabilizing force in the market and is preventing vacancy from rising materially.

The flight to quality

One of the most consistent trends across the region is the continued flight to quality with many tenants continuing to reassess their office space needs as well as what role the office plays inside their organization.

In practice, organizations are reducing footprints by roughly 15 to 30 percent, upgrading from older Class B or C buildings to newer or repositioned Class A and strong Class B assets, and demonstrating a willingness to pay comparable or slightly higher rents to gain efficiency, flexibility and a better overall experience.

A common example we see play out across the market is a mid-sized law firm, tech-adjacent professional services group or healthcare administrative user downsizing from a traditional footprint into a prebuilt or highly flexible space. What these tenants are prioritizing are spec suites that allow faster occupancy, modern HVAC, lighting and building technology, walkable locations with access to amenities and buildings that offer high-touch management and responsiveness.

So, tenants are shrinking their footprints but are upgrading the quality of the buildings they occupy. What that dynamic has done is benefited Class A and strong Class B properties, especially the ones that have more modern systems, flexible layouts and a higher level of service.

Pace of conversion

Repurposing is still being discussed as a solution for underperforming Class C and D office assets, but the pace of conversion in Detroit remains slow. The reason for this is that typical conversion costs for office to residential or to mixed-use projects in the area often range from $180 to $300-plus per square foot, depending on building condition, floor plate depth and mechanical systems.

Land values in Detroit are also materially lower than in other markets like Chicago or New York for example, which also further reduces the financial incentive to pursue these types of conversions. Incentive gaps also remain. Available tax credits, grants and public financing in Detroit isn't fully offsetting construction or capital costs, and financing also remains limited, especially for spec or partial conversions.

As a result of all these factors, many lower-quality office assets are in a holding pattern where lenders have been slow to push widespread into receiverships. Owners also aren't as willing, or are unable, to sell at the deeply discounted prices that buyers expect. Over time, these buildings may change hands at very low valuations, or when land values rise or development activity accelerates again.

However, opportunities might emerge through very low basis acquisitions, strategic conversions that are tied to broader redevelopment initiatives or assets that are in locations where surrounding land values begin to rise. For example, projects like Michigan Central Station, or selective redevelopment around the Renaissance Center, are a glimmer of what is possible but also show how complex and capital-intensive deals remain.

What amenities work

Amenities remain a critical component of the office value proposition, but their role has evolved. While fitness centers continue to be well-received, demand has shifted toward service-driven, hospitality-inspired amenities that enhance daily usability and support meetings, collaboration and employee engagement.

What is working today are amenities that are functional, service driven and inspire collaboration. Spec suites that are paired with shared meeting and conference centers, for example, allow tenants to reduce private square footage but maintain the ability to host client and team gatherings. Flexible training and collaboration spaces that can be reserved on demand are also working as a value-add for tenants.

Other key amenities include tenant engagement programming such as networking events, wellness initiatives and community-building activities as well as corporate food partnerships, pop-ups or corporate food delivery programs with dedicated drop-off areas in the office.

Economics, distress

From an economic perspective, metro Detroit has experienced less visible office distress than other nearby markets. Distress does exist but is not as pronounced. It's more unevenly distributed across asset classes than it is in other cities.

Transaction volume is expected to remain low in 2026 due to limited financing availability, cautious buyers and properties that are too highly leveraged to trade at current valuations. That has created a standoff where lenders are not eager to realize losses and where owners are not positioned to sell at steep discounts. That, in turn, extends the market's slow churn.

Service-driven survival

The real defining differentiator for office landlords in the coming year will be service. In a highly competitive market, being able to retain tenants in your office building means much more than having a well-located building. Responsiveness, flexibility and commitment to meeting tenant needs are more important than ever before.

Landlords are being asked to move quickly whether by expediting tenant build-outs, accommodating last-minute meetings or events or delivering operational solutions on tight timelines. High-touch service used to be a luxury but is becoming more of a requirement to be able to maintain tenant loyalty and occupancy.

Broader questions around the future of office remain unresolved. While there have been calls for a universal return to the office, the approach overlooks a critical reality: The office is most effective when it aligns with an organization's culture. Employees are more likely to return when the workplace offers a clear value proposition — one that supports collaboration, reinforces culture and creates an environment that genuinely feels worth coming back to.

Looking ahead

Overall, Detroit's office market has made progress, but there is a long way to go. The challenges have not disappeared, but the worst of the dislocation appears to be behind the market and stability is emerging through disciplined development, selective tenant demand and adaptive ownership strategies.

For landlords, forward momentum and success in occupancy will depend on how adaptable they are willing to be, what type of service they are offering, as well as how clear their understanding is that the office of the future is still evolving.

Angstrom NA unveiled plans to relocate its global headquarters to the newly renamed Angstrom Office Center in the Detroit suburb of Southfield. NAI Farbman negotiated the lease. Over the past five years, the building has undergone $20 million in upgrades.