

FIGURES | MIDWEST U.S. INDUSTRIAL | Q3 2026

Midwest Industrial vacancy rate dips below 5.0%

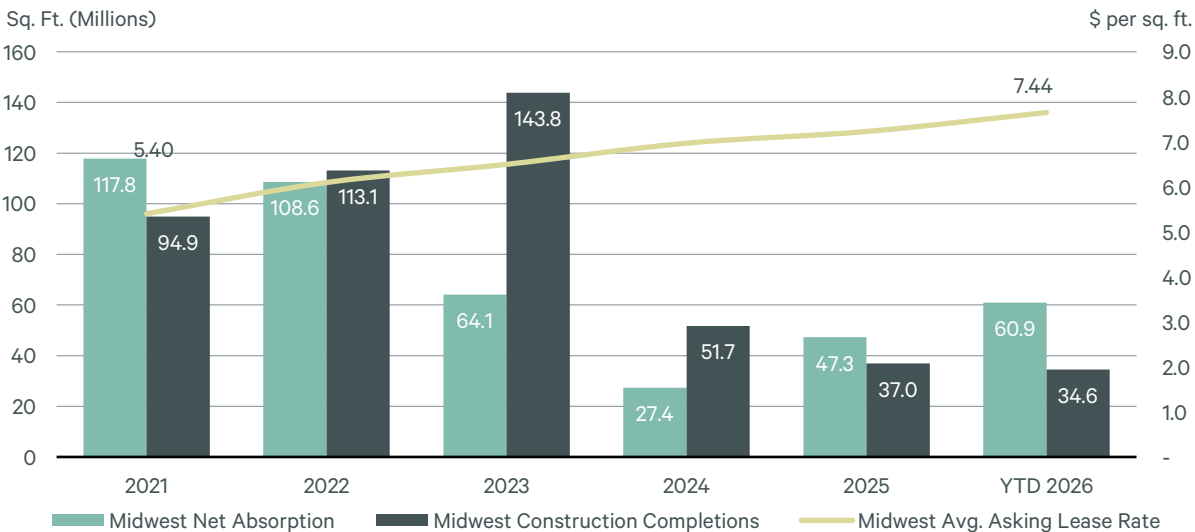


Note: Arrows indicate change from previous quarter.

SUMMARY

- Q3 2026 net absorption was 16.2 million sq. ft. showing continued growth.
- The Midwest continued steady construction activity in Q3 with 62.1 million sq. ft. underway. 45.1% of current construction underway is already leased. 9.9 million sq. ft. delivered in Q3 2026.
- Under construction activity increased by 9.7 million sq. ft. quarter-over-quarter due to an increase in projects breaking ground.
- The Midwest markets posted 53.0 million sq. ft. of industrial leasing activity in Q3 2026, 67.8% of which was new leasing activity.
- The Midwest average vacancy rate decreased quarter-over-quarter (5.0% to 4.9%).
- The overall asking lease rate for the Midwest decreased quarter-over-quarter (\$7.65 per sq. ft. to \$7.44 per sq. ft.).

FIGURE 1: Midwest U.S. Net Absorption, Construction Completions, and Midwest Avg. Asking Lease Rate

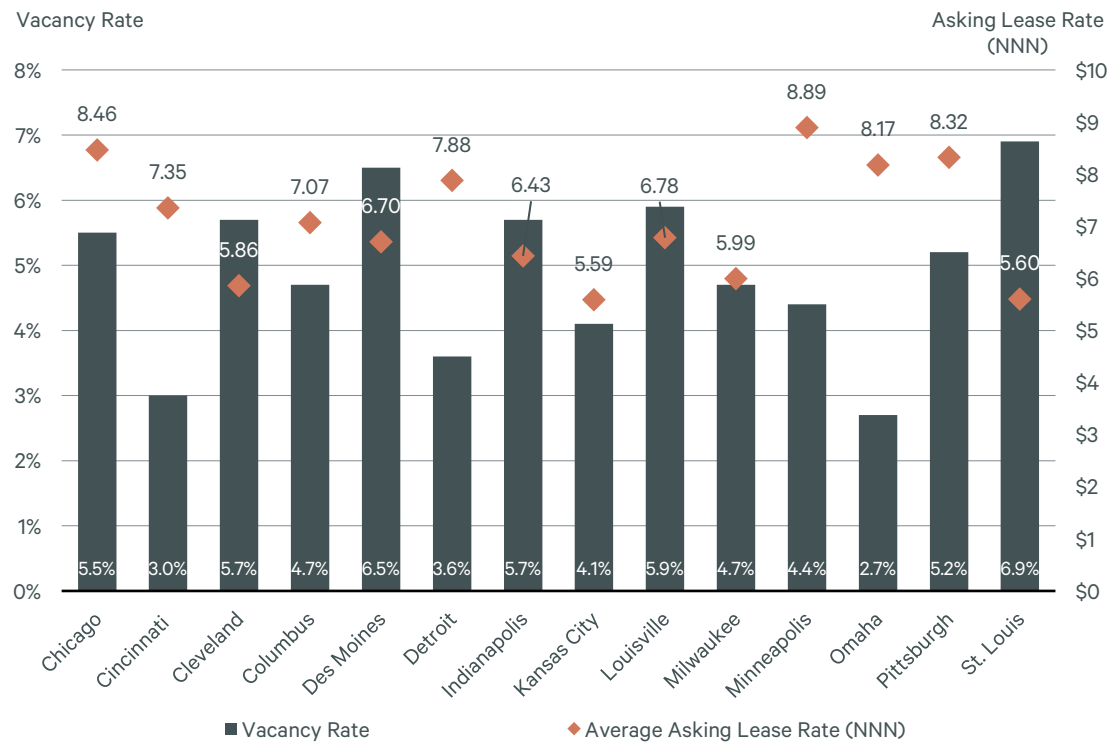


Source: CBRE Research, Q3 2026

Key Market Statistics

In the Midwest, Omaha had the lowest vacancy rate (2.7%). St. Louis had the highest vacancy rate (6.9%). The overall vacancy rate for the Midwest markets decreased quarter-over-quarter finishing at 4.9%. Looking longer-term vacancy has decreased 50 basis points (bps) year-over-year. The overall asking lease rate for the Midwest decreased in Q3 2026, finishing at \$7.44 per sq. ft. Over the last 5 years asking rents grew 43% — from \$5.19 per sq. ft. in Q2 2021 to \$7.44 per sq. ft. in Q3 2026. Average asking lease rates range from as low as \$5.59 per sq. ft. (Kansas City) to as high as \$8.46 per sq. ft. (Chicago).

FIGURE 2: Vacancy and Asking Lease Rates



Source: CBRE Research, Q3 2026

FIGURE 3: Overall Market Statistics

Market	Total Rentable Area (MSF)	Availability Rate %	Vacancy Rate %	Q3 2026 Construction Completions (MSF)	Under Construction (MSF)	Q3 2026 Net Absorption (MSF)	Avg. Asking Rate (\$ PSF, NNN)
Chicago	1,163.07	8.6	5.5	2.02	14.43	3.63	8.46
Cincinnati	289.25	4.7	3.0	0.12	1.63	2.97	7.35
Cleveland	248.29	6.2	5.7	0.09	0.64	(0.34)	5.86
Columbus	310.45	5.5	4.7	0.44	14.39	2.55	7.07
Des Moines	68.66	7.2	6.5	0.11	0.89	0.32	6.70
Detroit	432.10	4.5	3.5	1.31	2.06	0.66	7.88
Indianapolis	346.80	7.1	5.7	0.57	8.89	2.09	6.43
Kansas City	291.69	5.0	4.1	1.04	3.88	2.18	5.59
Louisville	187.79	8.2	5.9	2.23	4.03	1.41	6.78
Milwaukee	312.14	5.3	4.7	0.12	2.09	(0.12)	5.99
Minneapolis/St. Paul	324.47	7.1	4.4	0.17	4.15	(0.04)	8.89
Omaha	87.76	3.5	2.7	0.59	1.39	(0.61)	8.17
Pittsburgh	135.34	5.7	5.2	0.00	0.96	0.19	8.32
St. Louis	215.29	7.9	6.9	1.13	2.64	1.35	5.60
Midwest Total	4,415.09	6.6	4.9	9.97	62.11	16.24	7.44

Source: CBRE Research, Q3 2026

Construction Activity

Steady construction activity continued in Q3 2026 with 62.1 million sq. ft. underway. The Chicago market led the Midwest with 14.4 million sq. ft., followed by Columbus and Indianapolis. 45.1% of current construction underway is already leased. Under construction activity increased by 9.7 million sq. ft. quarter-over-quarter, and up by 15.7 million sq. ft. compared to Q3 2025. Over approximately the last 10 years the Midwest has delivered 485.2 million sq. ft. of additional speculative product and 231.1 million sq. ft. from build-to-suit deliveries.

FIGURE 4: Q3 2026 Construction Underway

Market	UC BTS (MSF)	UC SPEC (MSF)	Under Construction Total (MSF)	Available Space (MSF)	Available Space (%)	Pre- Leased (MSF)	Pre- Leased (%)
Chicago	6.02	7.90	14.42	6.85	47.5	7.58	52.5
Cincinnati	0.53	1.11	1.65	1.12	67.7	0.53	32.3
Cleveland	0.40	0.24	0.64	0.20	31.9	0.44	68.1
Columbus	2.59	11.80	14.39	11.75	81.6	2.65	18.4
Des Moines	0.69	0.20	0.89	0.20	22.5	0.69	77.5
Detroit	0.85	1.21	2.05	1.12	54.5	0.94	45.5
Indianapolis	4.36	4.52	8.88	4.23	47.6	4.66	52.4
Kansas City	1.21	2.67	3.88	2.13	54.7	1.76	45.3
Louisville	1.11	2.92	4.03	2.92	72.5	1.11	27.5
Milwaukee	1.10	0.98	2.09	0.93	44.6	1.16	55.4
Minneapolis/ St. Paul	2.17	1.98	4.14	1.57	37.9	2.57	62.1
Omaha	0.45	0.95	1.39	0.58	42.0	0.81	58.0
Pittsburgh	0.43	0.33	0.96	0.08	8.3	0.88	91.7
St. Louis	2.23	0.41	2.64	0.41	15.7	2.23	84.3
Total Midwest	24.14	37.26	62.10	34.10	54.9	28.00	45.1

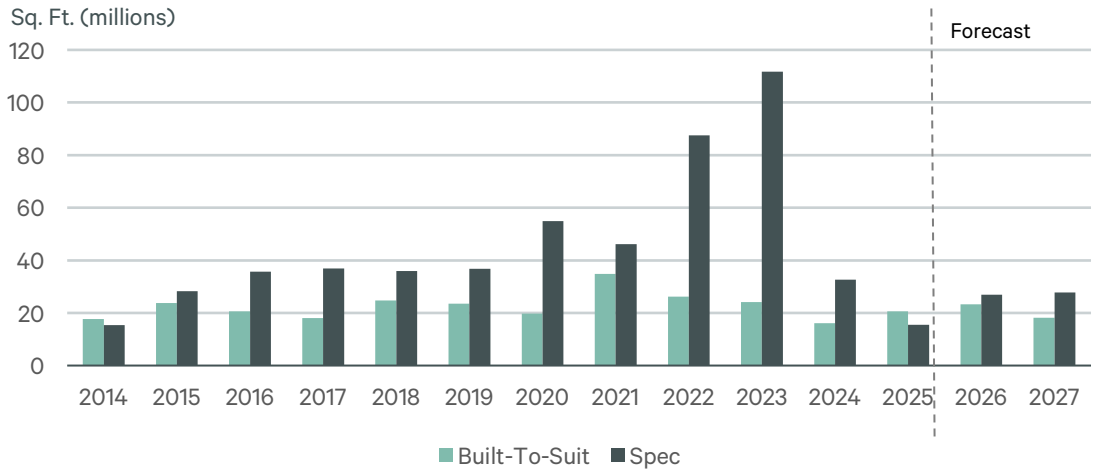
Source: CBRE Research, Q3 2026

FIGURE 5: Pre-Leasing in Projects Currently Underway



Source: CBRE Research, Q3 2026

FIGURE 6: Construction Completions by Year –Build-to-Suit vs. Speculative

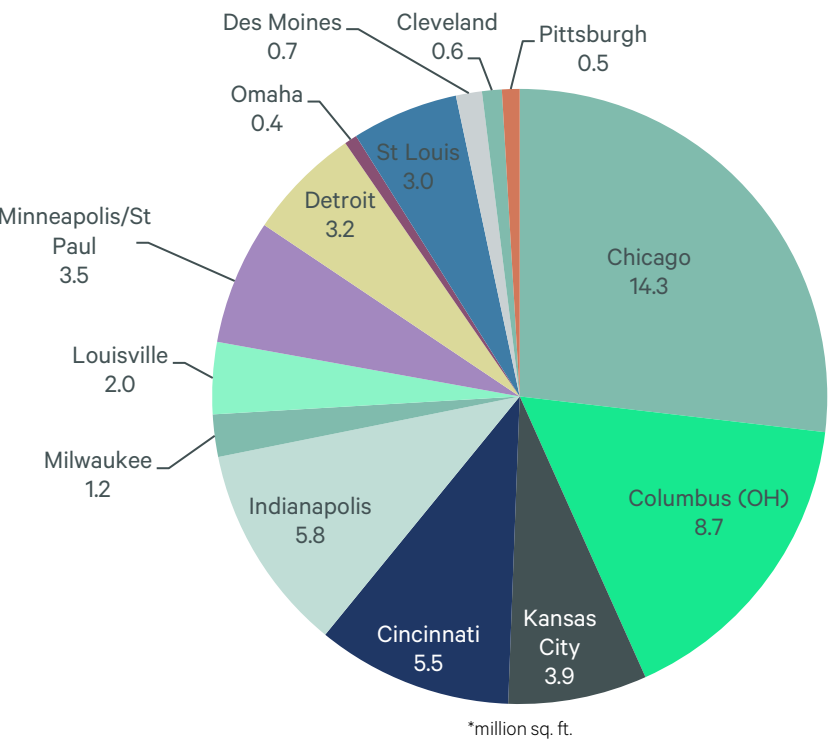


Source: CBRE Research, Q3 2026, forecast based on projects which had started construction as of Q3 2026

Transaction Activity

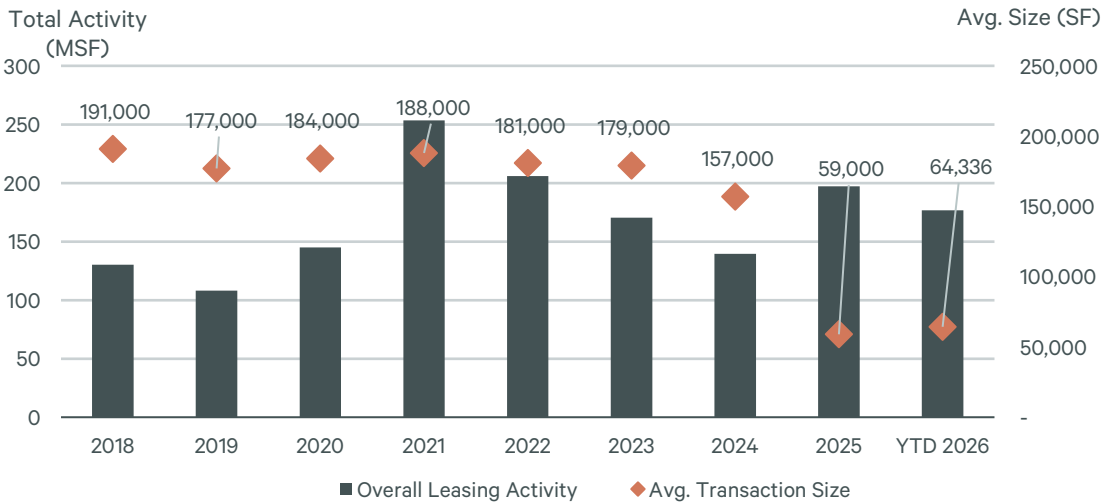
The Midwest markets posted 53.0 million sq. ft. of industrial leasing activity in Q3 2026. 67.8% was new activity and 32.2% was from renewals. Leasing activity decreased from the 58.0 million sq. ft. recorded in Q2 2026. Chicago saw the most activity, followed by Columbus and Indianapolis. While activity has decreased compared with previous years, leasing activity remained strong and exceeded totals prior to 2020. The last full year of leasing activity in 2025 posted 197.0 million sq. ft., which greatly exceeded the 2024 leasing activity total of 139.4 million sq. ft.

FIGURE 7: Q3 2026 Leasing Activity



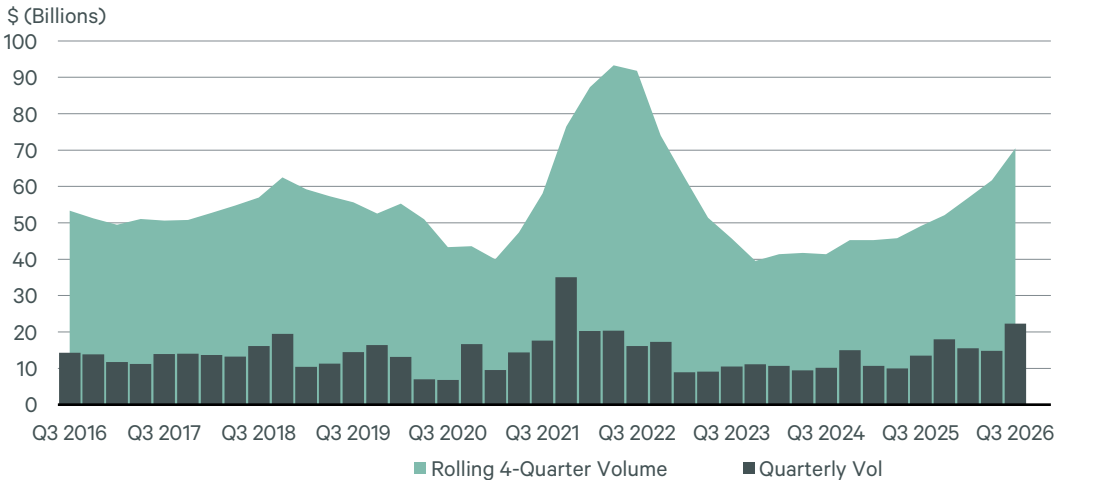
Source: CBRE Research, Q3 2026

FIGURE 8: Historic Leasing Activity



Source: CBRE Research, Q3 2026

FIGURE 9: Investment Activity



Source: Real Capital Analytics Q3 2026

Industrial Big Box

One of the most important decisions facing developers is what size speculative facilities to develop in order to meet user demand, while minimizing downtime and maximizing returns. As shown in Figure 10 below, 49% of Midwest big-box facilities fall in the 200,000 to 499,999 sq. ft. range. Facilities in this range had the highest average asking rents in Q3 2026, averaging \$6.83 per sq. ft. NNN representing a 5.6% premium over facilities in the 500,000 to 749,999 sq. ft. range. Facilities in the 750,000 sq. ft. or greater range maintained the lowest vacancy rate for big box facilities, averaging 5.1% vacancy as of Q3 2026 after posting 6.2 million sq. ft. of positive net absorption in Q3 2026.

Strong leasing activity continues in the Midwest with 43.4 million sq. ft. of big box leasing activity in Q3 2026. 45.3% came from facilities 200,000-499,999 sq. ft., 34.6% came from facilities 750,000 sq. ft. or above, and 20.1% came from facilities 500,000 sq. ft. to 749,999 sq. ft.

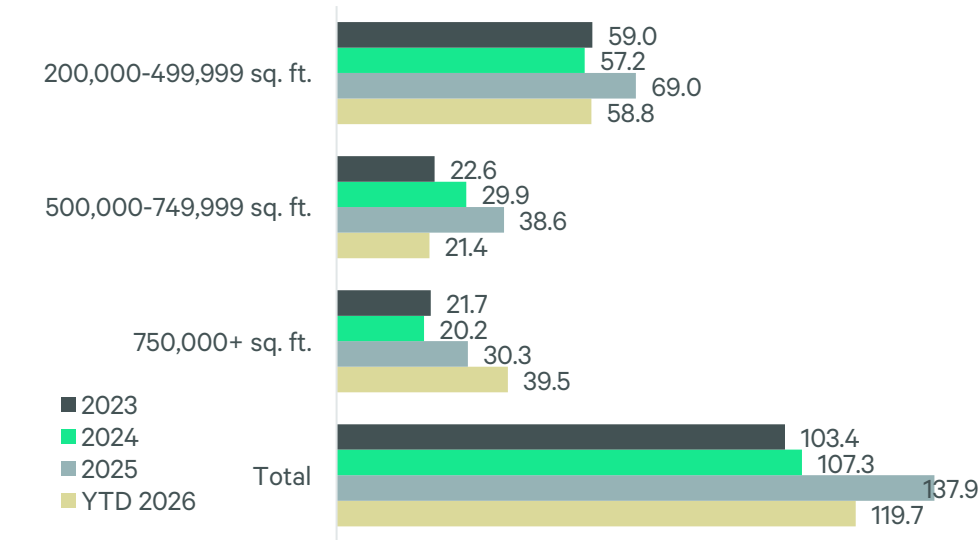
Big Box development activity has increased with the Q3 2026 under construction total 37.3% higher than the total in Q3 2025. For completions in Q3 2026, 59.1% of the big box completed space came from facilities 200,000-499,999 sq. ft., 16.9% came from facilities 500,000 to 749,999 sq. ft., and 24.0% came from facilities over 750,000 sq. ft.

FIGURE 10: Midwest U.S. Industrial Big Box Market Statistics

Size Range (Sq. Ft.)	Net Rentable Area (MSF)	Availability Rate %	Vacancy Rate %	Q3 2026 Construction Completions (MSF)	Under Construction (MSF)	Q2 2026 Net Absorption (MSF)	Avg. Asking Rate PSF (\$, NNN)
200,000-499,999	1,143.0	8.4	6.1	4.51	24.39	5.04	6.83
500,000-749,999	441.7	7.8	5.3	1.29	9.19	3.95	6.47
750,000+	736.0	6.0	5.1	1.83	18.02	6.29	6.10
Midwest Total	2,320.7	7.5	5.6	7.63	51.60	15.28	6.57

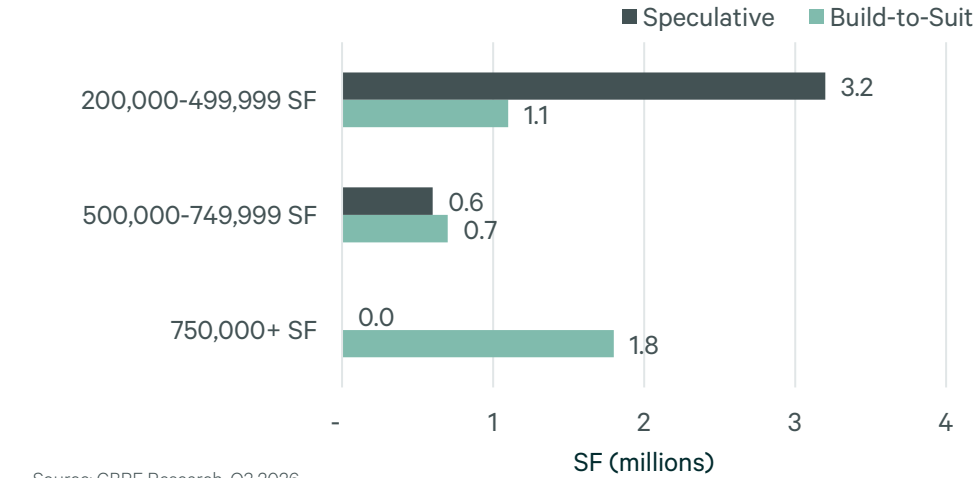
Source: CBRE Research, Q3 2026

FIGURE 11: Midwest U.S. Big Box Leasing Activity by Building Size (sq. ft., millions)



Source: CBRE Research, Q3 2026

FIGURE 12: Q3 2026 Midwest U.S. Big Box Completions by Size



Source: CBRE Research, Q3 2026

CHICAGO OFFICE 300 N LaSalle, Suite 600 Chicago, IL 60654	DETROIT OFFICE 2000 Town Center, Suite 2200 Southfield, MI 48075	MINNEAPOLIS OFFICE 4400 West 78 th Street, Suite 300 Bloomington, MN 55435
CINCINNATI OFFICE 201 E. 5 th Street, Suite 2200 Cincinnati, OH 45202	INDIANAPOLIS OFFICE 8888 Keystone Crossing, Suite 1000 Indianapolis, IN 46240	OAK BROOK OFFICE 700 Commerce Drive, Suite 450 Oak Brook IL, 60523
CLEVELAND OFFICE 950 Main Avenue, Suite 200 Cleveland, OH 44113	KANSAS CITY OFFICE 4520 Main Street, Suite 1600 Kansas City, MO 64111	OMAHA OFFICE 11213 Davenport Street, Suite 300 Omaha, NE 68154
COLUMBUS OFFICE 200 Civic Center Drive, 14th Floor Columbus, OH 43215	LOUISVILLE OFFICE 10200 Forest Green Blvd, Suite 500 Louisville, KY 40223	PITTSBURGH OFFICE 301 Grant Street, 40th Floor Pittsburgh, PA 15219
DES MOINES OFFICE 595 S 60 th St, Suite 245 West Des Moines, IA 50266	MILWAUKEE OFFICE 790 N. Water Street, Suite 1800 Milwaukee, WI 53202	ST LOUIS OFFICE 190 Carondelet Plaza, Suite 650 St. Louis, MO 63105

Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher (Louisville industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 50,000 square feet or higher). In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.

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