

FIGURES | DETROIT INDUSTRIAL | Q1 2026

Sustained Absorption Drives Vacancy Decline and Tight Market Fundamentals

▼ 3.3%
Vacancy Rate

▼ 725,429
SF Net Absorption

▼ 204,442
SF Construction Delivered

▼ 1.6M
SF Under Construction

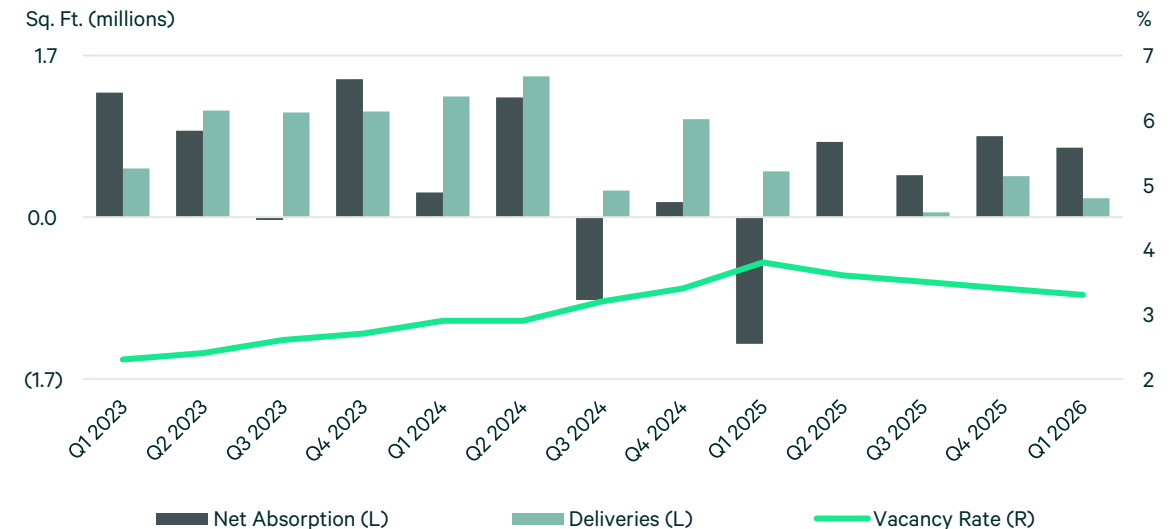
▼ \$7.84
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- In the Detroit Industrial market there was 725,000 sq. ft. of positive absorption in Q1 2026, a decline from the 849,000 sq. ft. recorded in Q4 2025. This quarter also represented the fourth consecutive quarter of positive absorption for the Industrial market.
- In Q1 2026, the market had 1.6 million sq. ft. under construction across 6 active projects. The under-construction volume declined 11.1% quarter-over-quarter but was 22.9% higher year-over-year, while deliveries fell 52.7% from Q4 2025 and 57.5% year-over-year.
- After four consecutive quarters of positive absorption the Detroit Industrial market had a Q1 2026 vacancy rate of 3.3%, making it one of the lowest vacancy rates in the country
- At the close of Q1 2026, there was 2.6 million sq. ft. of leasing activity in the Detroit Industrial market. Up 23.0% quarter-over-quarter but down 1.3% year-over-year.
- In Q1, an audit of the existing inventory led to the removal of obsolete or demolished buildings, reducing the inventory by 4 million sq. ft.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Availability Rate and Vacancy Rates

The Detroit Industrial market reported an availability rate of 4.6%, down 30 bps from 4.9% in Q4 2025. On a year-over-year basis, availability declined from 5.1% by 50 bps. Over the last three years, availability rose from 3.7% in Q1 2023 to 4.6%.

The Detroit Industrial market had a Q1 2026 vacancy rate of 3.3%, down 10 bps from the previous quarter and down 50 bps year-over-year. This marks the fourth consecutive quarter of decreasing vacancy. Buildings that are 300,000 – 499,999 sq. ft. posted the highest vacancy rate at 7.3% for the quarter. While the lowest vacancy rate came from buildings 750,000 sq. ft. and above at 1.9% in Q1 2026.

The Washtenaw submarket recorded the lowest vacancy rate in the metro at 0.8%, followed by Downriver at 2.1%. Southeast Oakland and Detroit posted the highest vacancy rate, both at 5.5%, Northwest Suburbs following them with a 4.4% vacancy rate.

Sublease space remained modest in Q1 2026, with the market-wide sublease availability rate at 0.5%, down from 0.8% in Q4 2025. In total, there was 2.1 million sq. ft. of sublease space available across the metro in Q1 2026.

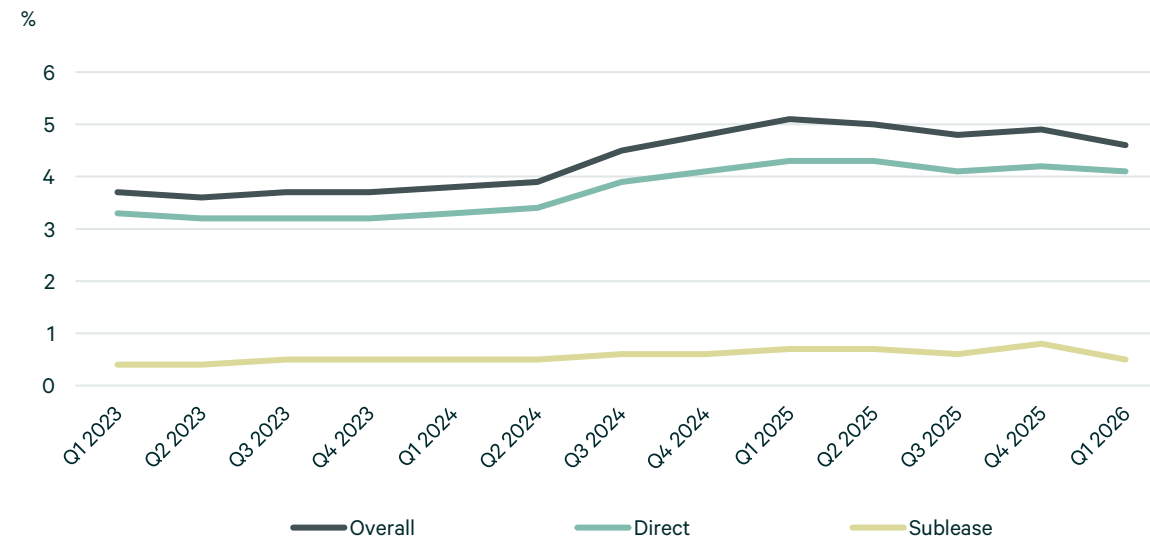
Asking Rent

In Q1 2026 demand for industrial space in the Detroit market stabilized. The market average asking rent was \$7.84 per sq. ft. in Q1 2026. This represented a 0.1% decrease quarter-over-quarter and an 7.4% increase year-over-year. This rate is down 0.5% from the market peak of \$7.88 in Q2 of 2025.

In Q1 2026, the Northwest Suburbs submarket continued to post the highest average asking lease rate at \$9.99 per sq. ft., down 2.3% from the previous quarter. The submarket with the second highest average asking rate was the I-75 Corridor at \$8.37 per sq. ft. The Detroit submarket recorded the largest rent growth, increasing 3.1% to \$8.19 in Q1 26. The Washtenaw submarket experienced the largest measure of rent depreciation, declining 10.1% from the previous quarter to \$8.94.

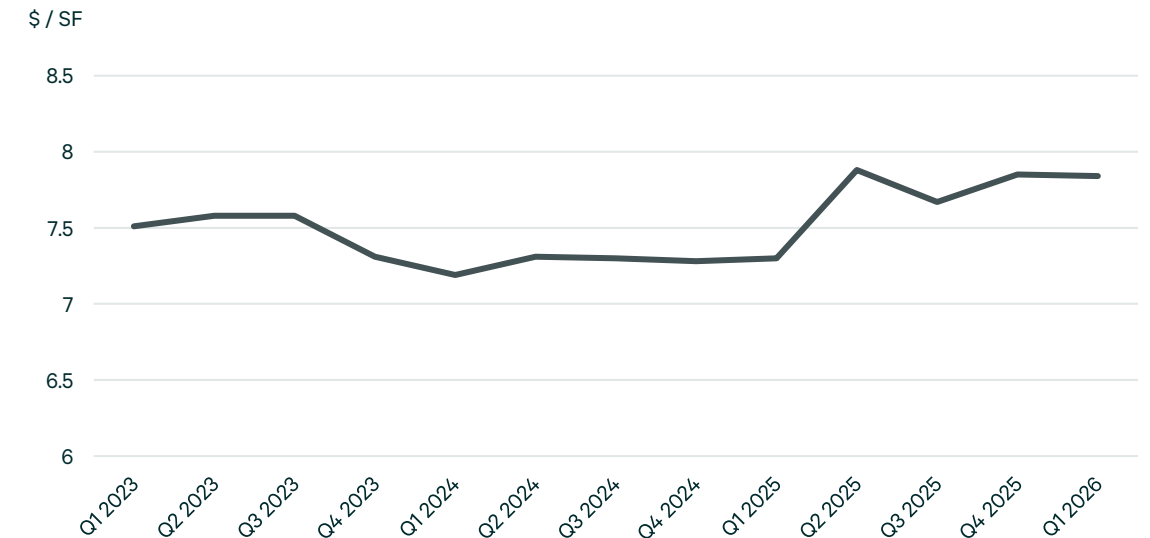
By product type, R&D/Flex retained the highest average asking rents settling at \$11.62, down 1.3% from the previous quarter. The manufacturing rate slightly decreased from the previous quarter, reaching \$8.07 in Q1 26. Distribution/Logistics pricing held relatively stable at \$6.93 during Q1, down 0.4% from Q4 2025.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

In the Detroit Industrial market there was 725,000 sq. ft. of positive absorption in Q1 2026, a decline from the 849,000 sq. ft. recorded in Q4 2025. This quarter also represented the fourth consecutive quarter of positive absorption for the Industrial market. Over the last year, cumulative net absorption totaled 2.8 million sq. ft., and over the last three years the market has added 8.5 million sq. ft. of new inventory.

The Downriver submarket recorded the highest positive absorption in Q1 2026, totaling 469,000 sq. ft. for the quarter. Followed by the I-75 Corridor, Washtenaw, and Western Wayne submarkets which absorbed 237,000, 202,000, and 175,000 sq. ft., respectively. In contrast, the Detroit submarket posted (322,995) in negative absorption mainly due to a couple large vacancies including Coca Cola Distribution in Highland Park.

By building size, buildings that are between 200,000 – 299,999 sq. ft. posted the highest amount of absorption at 447,000 sq. ft. Following that range were buildings between 300,000 - 499,999 sq. ft. with a positive absorption figure of 303,000 sq. ft. Buildings between 100,000 – 199,999 sq. ft. posted negative (178,000) sq. ft. in absorption.

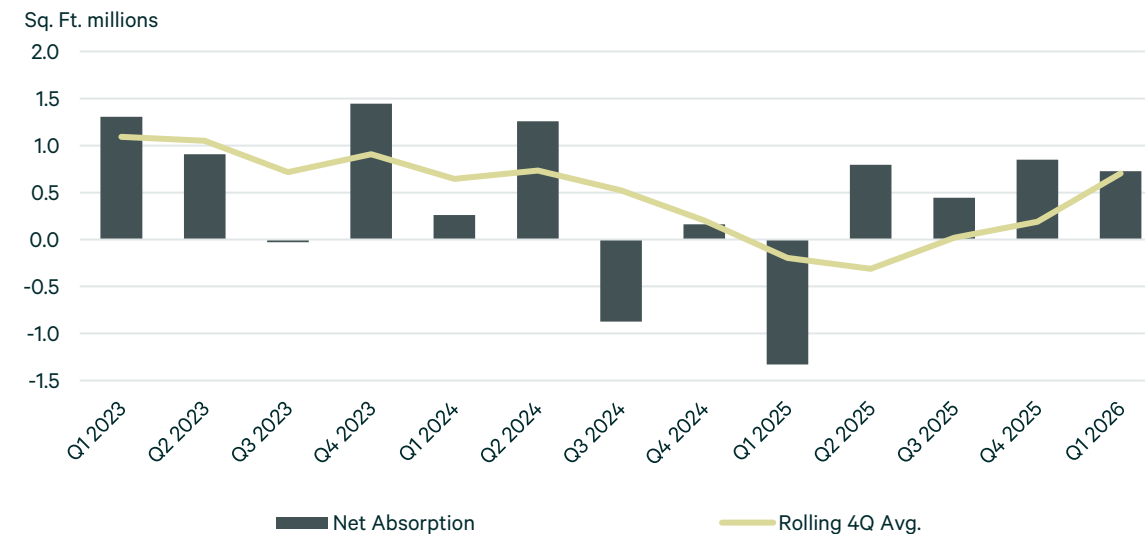
Construction Activity

In Q1 2026, the market had 1.6 million sq. ft. under construction across 6 active projects. The under-construction volume declined 11.1% quarter-over-quarter but was 22.9% higher year-over-year, while deliveries fell 52.7% from Q4 2025 and 57.5% year-over-year. In Q1 there were 3 speculative developments underway for a total of 389,874 sq. ft. The other volume comes from 3 larger build-to-suit projects contributing to a combined 1.5 million sq. ft.

There were 3 deliveries this quarter, contributing to the total of 204,000 sq. ft. of delivery volume. The largest being Virginia Tile’s 83,000 sq. ft. build-to-suit in Plymouth Township. The other two projects were speculative and combine for 121,000 sq. ft. of new inventory. One of those projects being the Metro North Technology Park 47,000 sq. ft. build in Auburn Hills and a 73,000 sq. ft. build on Birch Drive in Shelby Township.

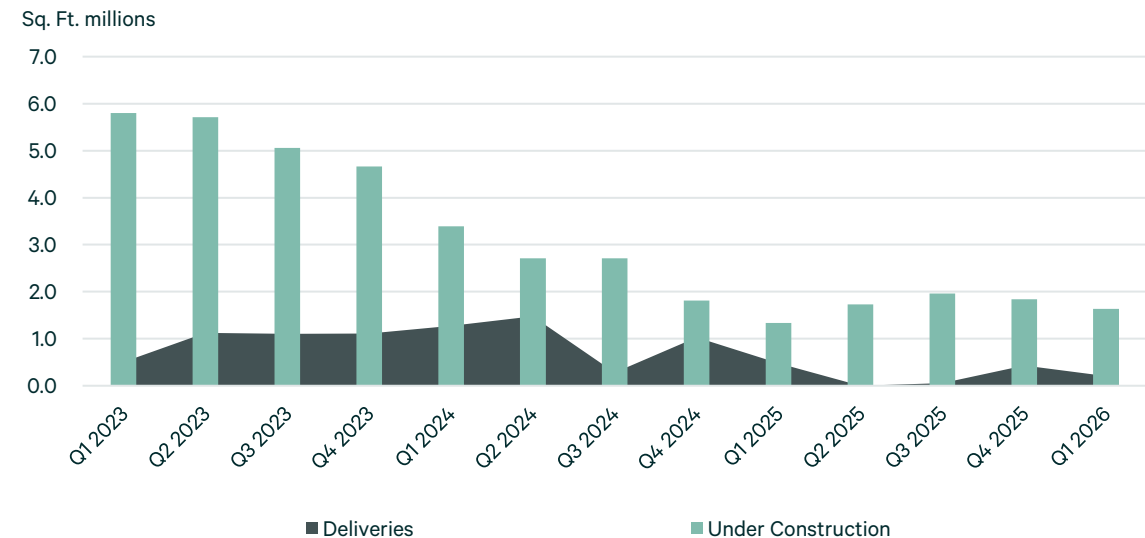
Construction is concentrated in the I-75 Corridor and Downriver submarkets, which account for 1.0 million sq. ft. and 312,500 sq. ft. underway, led by General Motor’s facility at 3777 Lapeer Road, Acoufelt in the I-75 Corridor, and Building 4 of the Romulus Trade Center located in the Downriver submarket. Macomb also recorded 288,000 sq. ft. underway across the Alro Steel facility and the Danview Technology project.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

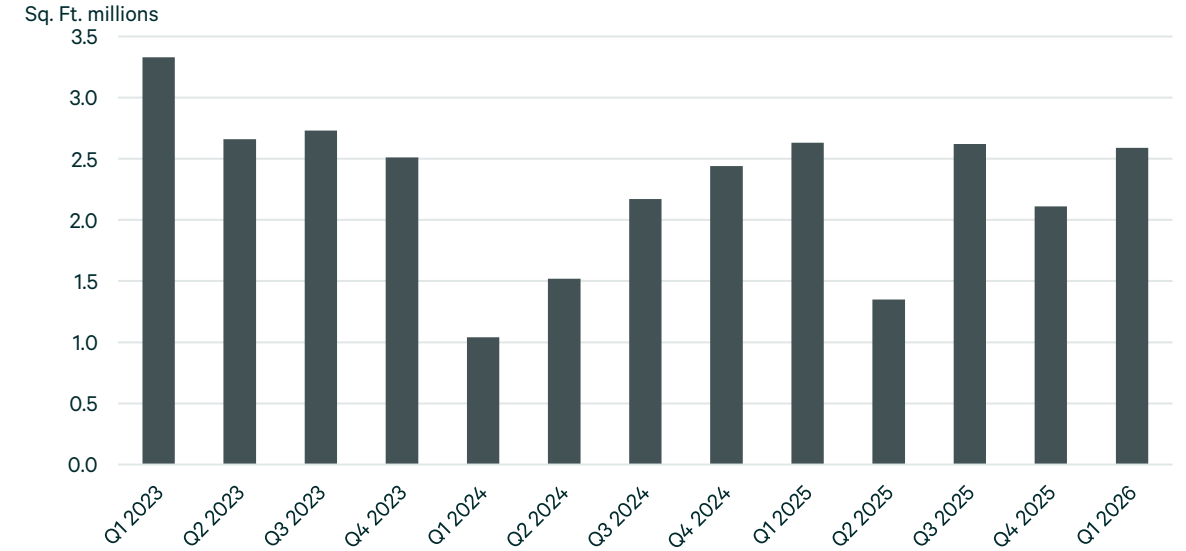
Leasing Activity

At the close of Q1 2026, there was 2.6 million sq. ft. of leasing activity in the Detroit Industrial market. Up 23.0% quarter-over-quarter but down 1.3% year-over-year. Compared with Q1 2023, when leasing reached 3.3 million sq. ft., current activity is lower by 22%. Leases larger than 50,000 sq. ft. accounted for 85.6% of total leasing activity. New leases made up 58.8% of total leasing volume.

By submarket, Downriver records the highest leased area at 1.9 million sq. ft., bolstered by the Renaissance Global Logistics renewal and Morgan Foods sublease. Followed by the I-75 Corridor at 326,000 sq. ft., largely due to the lease from Lear Corporation at 3600 Giddings. Western Wayne 142,000 sq. ft., Northwest Suburbs 84,000 sq. ft., and Macomb 81,000 sq. ft., all posted positive but comparatively smaller leasing volumes.

By size 2 leases larger than 300,000 sq. ft. accounted for 52.5% of leasing activity. Notably, 8 leases between 50,000 and 100,000 sq. ft. accounted for the second largest percentage at 19.7% of total volume. Followed by 12 leases that were less than 50,000 sq. ft. but greater than 10,000 sq. ft. and made up 14.4% of total leasing volume in Q1 2026.

Figure 6: Leasing Activity Trend



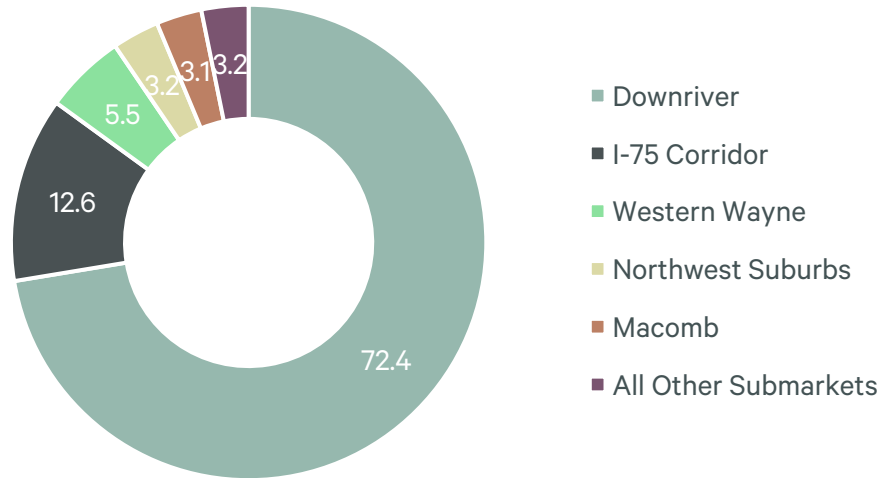
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

| Tenant | Sq. Ft. Leased | Transaction Type | Address | Submarket |
|------------------------------------|----------------|------------------|------------------------|---------------|
| Renaissance Global Logistics | 898,000 | Renewal | 38481 W Huron River Dr | Downriver |
| Morgan Foods | 463,000 | New Lease | 17991 Wahrman Rd | Downriver |
| Lear Corporation | 227,000 | New Lease | 3600 Giddings Rd | I-75 Corridor |
| Aisin World Corporation of America | 122,000 | New Lease | 32252 Smith Rd | Downriver |
| Electronics For Imaging | 78,000 | New Lease | 27501 Hildebrandt St | Downriver |
| Hearn Industrial Services | 68,000 | Renewal | 37350 Ecorse Rd | Downriver |
| Joyson Safety Systems | 61,000 | New Lease | 2025 Harmon Rd | I-75 Corridor |

Source: CBRE Research, Q1 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 9

| Size Range | Net Rentable Area (MSF) | Total Vacancy (%) | Total Availability (%) | Direct Availability (%) | Sublease Availability (%) | Avg. Direct Asking Rate (\$/SF NNN/yr) | Current Quarter Net Absorption (SF) | YTD Net Absorption (SF) | Deliveries (SF) | Under Construction (MSF) |
|-------------------------|-------------------------|-------------------|------------------------|-------------------------|---------------------------|--|-------------------------------------|-------------------------|-----------------|--------------------------|
| Under 100,000 sq. ft. | 154.10 | 2.7 | 3.9 | 3.3 | 0.5 | 8.18 | 132,000 | 132,000 | 204,000 | 0.08 |
| 100,000-199,999 sq. ft. | 80.26 | 3.0 | 4.5 | 3.7 | 0.7 | 7.98 | (178,000) | (178,000) | - | - |
| 200,000-299,999 sq. ft. | 42.19 | 5.0 | 7.8 | 7.1 | 0.7 | 6.13 | 447,000 | 447,000 | - | 0.53 |
| 300,000-499,999 sq. ft. | 40.22 | 7.3 | 7.6 | 7.6 | - | 7.10 | 303,000 | 303,000 | - | 0.31 |
| 500,000-749,999 sq. ft. | 31.02 | 3.1 | 6.4 | 6.3 | 0.1 | 6.84 | (80,000) | (80,000) | - | 0.72 |
| 750,000 sq. ft. | 83.07 | 1.9 | 2.4 | 2.0 | 0.4 | 12.55 | 101,000 | 101,000 | - | - |
| Total | 430.87 | 3.3 | 4.6 | 4.1 | 0.5 | 7.84 | 725,000 | 725,000 | 204,000 | 1.64 |

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 10

| Product Type | Net Rentable Area (MSF) | Total Vacancy (%) | Total Availability (%) | Direct Availability (%) | Sublease Availability (%) | Avg. Direct Asking Rate (\$/SF NNN/yr) | Current Quarter Net Absorption (SF) | Deliveries (SF) | Under Construction (MSF) | YTD Net Absorption (SF) |
|-------------------------|-------------------------|-------------------|------------------------|-------------------------|---------------------------|--|-------------------------------------|-----------------|--------------------------|-------------------------|
| Distribution/Logistics | 176.29 | 3.8 | 5.6 | 4.9 | 0.7 | 6.93 | 509,000 | - | 0.64 | 509,000 |
| Manufacturing - General | 200.76 | 2.9 | 3.7 | 3.5 | 0.2 | 8.07 | 21,000 | 121,000 | 1.00 | 21,000 |
| R&D/Flex | 42.98 | 3.1 | 4.9 | 4.0 | 0.9 | 11.62 | 203,000 | 83,000 | - | 203,000 |
| Other Industrial | 10.84 | 4.7 | 4.1 | 3.5 | 0.7 | 5.38 | (7,000) | - | - | (7,000) |
| Total | 430.87 | 3.3 | 4.6 | 4.1 | 0.5 | 7.84 | 725,000 | 204,000 | 1.64 | 725,000 |

Source: CBRE Research, Q1 2026

Market Statistics by Class

Figure 11

| Property Class | Net Rentable Area (MSF) | Total Vacancy (%) | Total Availability (%) | Direct Availability (%) | Sublease Availability (%) | Avg. Direct Asking Rate (\$/SF NNN/yr) | Current Quarter Net Absorption (SF) | Deliveries (SF) | Under Construction (MSF) | YTD Net Absorption (SF) |
|----------------------|-------------------------|-------------------|------------------------|-------------------------|---------------------------|--|-------------------------------------|-----------------|--------------------------|-------------------------|
| Class A | 61.93 | 1.9 | 3.6 | 3.4 | 0.2 | 8.68 | 227,000 | 0 | 715,000 | 227,000 |
| All Other Industrial | 368.93 | 3.5 | 4.8 | 4.2 | 0.5 | 7.73 | 498,000 | 204,000 | 923,000 | 492,000 |
| Total | 430.87 | 3.3 | 4.6 | 4.1 | 0.5 | 7.84 | 725,000 | 204,000 | 1.64 | 725,000 |

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 12

| Submarket | Net Rentable Area (MSF) | Total Vacancy (%) | Total Availability (%) | Direct Availability (%) | Sublease Availability (%) | Avg. Direct Asking Rate (\$/SF NNN/yr) | Current Quarter Net Absorption (SF) | YTD Net Absorption (SF) | Deliveries (SF) | Under Construction (MSF) |
|-------------------|-------------------------|-------------------|------------------------|-------------------------|---------------------------|--|-------------------------------------|-------------------------|-----------------|--------------------------|
| Detroit | 74.75 | 5.5 | 6.7 | 6.4 | 0.3 | 8.19 | (323,000) | (323,000) | - | - |
| Downriver | 66.54 | 2.1 | 4.3 | 3.4 | 0.8 | 6.77 | 469,000 | 469,000 | - | 0.31 |
| I-75 Corridor | 64.10 | 2.6 | 3.4 | 2.8 | 0.6 | 8.37 | 237,000 | 237,000 | 48,000 | 1.00 |
| Macomb | 83.04 | 2.3 | 2.8 | 2.6 | 0.2 | 7.06 | 59,000 | 59,000 | 73,000 | 0.29 |
| Northwest Suburbs | 40.71 | 4.4 | 5.6 | 4.9 | 0.8 | 9.99 | (95,000) | (95,000) | - | - |
| Southeast Oakland | 10.22 | 5.5 | 9.4 | 9.2 | 0.3 | 7.38 | 1,000 | 1,000 | - | - |
| Washtenaw | 19.60 | 0.8 | 2.5 | 1.7 | 0.8 | 8.04 | 202,000 | 202,000 | - | - |
| Western Wayne | 71.91 | 3.6 | 5.2 | 4.8 | 0.4 | 7.52 | 175,000 | 175,000 | 83,000 | 0.04 |
| Total | 430.87 | 3.3 | 4.6 | 4.1 | 0.5 | 7.84 | 725,000 | 725,000 | 204,000 | 1.64 |

Source: CBRE Research, Q1 2026

National Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets.

Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

Detroit Employment Update

▼ 4.7%
Unemployment Rate

▲ 2.2M
Labor Force

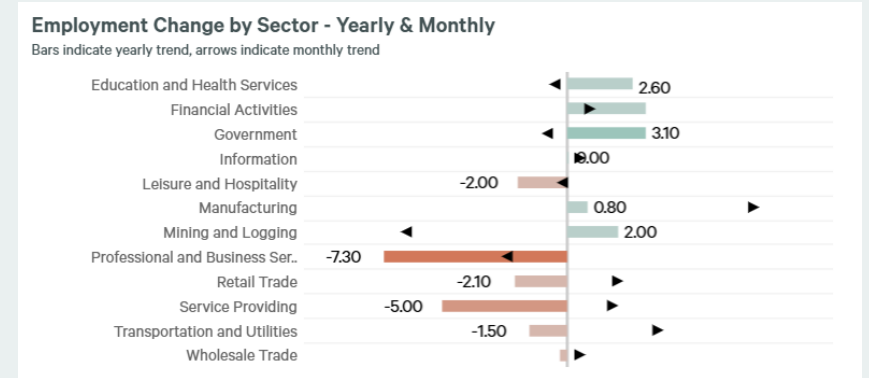
▼ 536.4k
Office Using Jobs

▲ 646.5k
Industrial Using Jobs

▲ 288.0k
Retail Using Jobs

Employment Change by Sector – Yearly + Monthly

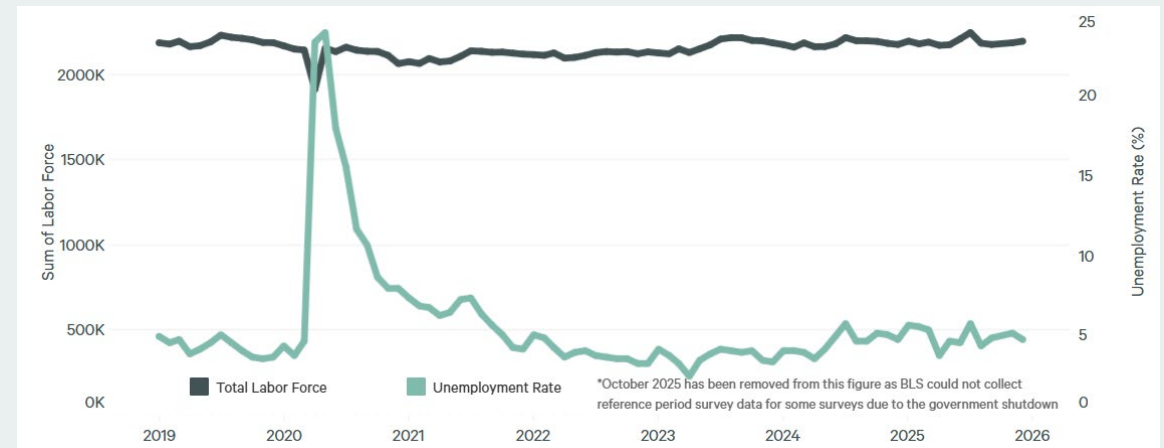
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

Source: US BLS, December 2025

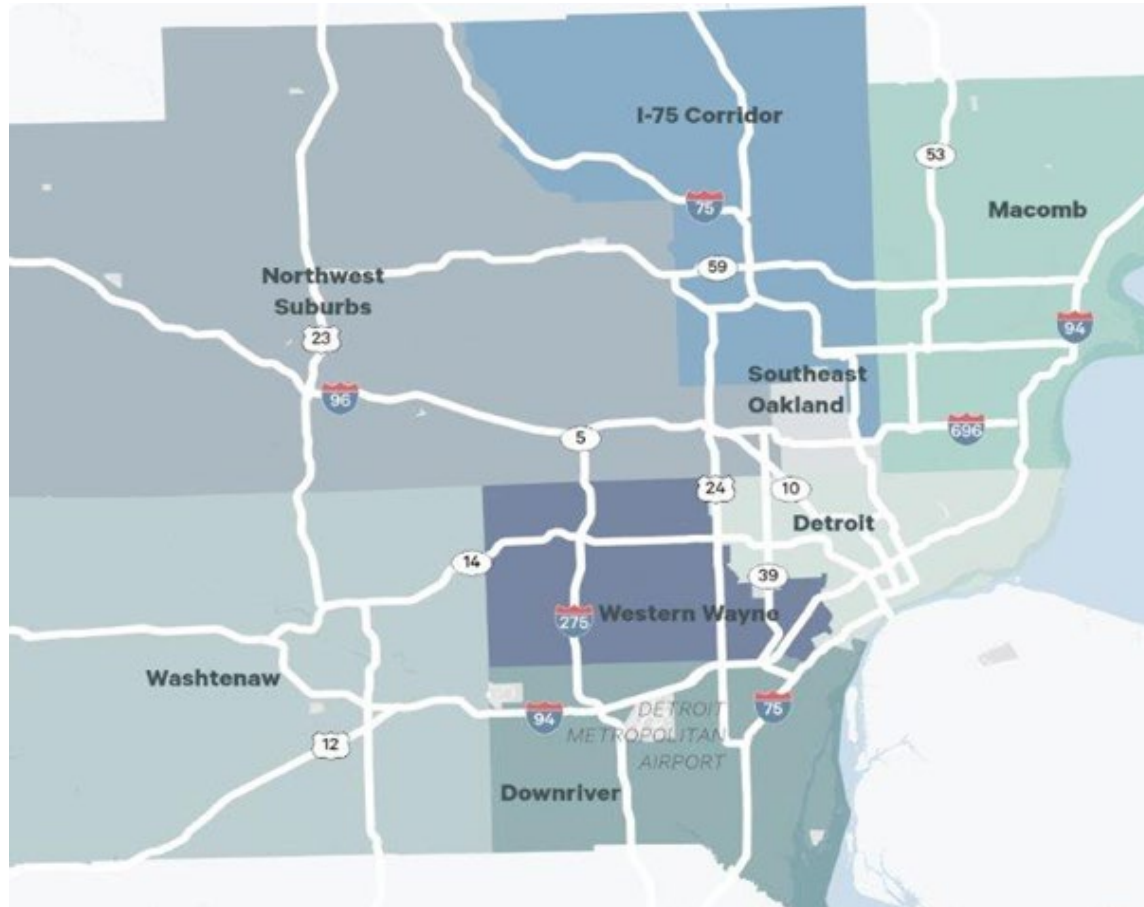
Detroit Unemployment Rate and Labor Force Trends



Source: US BLS, December 2025



Market Area Overview



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. **Class A industrial are buildings** built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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. 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. In Q1, an audit of the existing inventory led to the removal of obsolete or demolished buildings, reducing the inventory by 4 million sq. ft.

Contacts

Adam Stapleton

Field Research Analyst
 CBRE | Michigan
 adam.stapleton@cbre.com

Maggie Parra

Research Manager
 CBRE | North Midwest
 maggie.parra@cbre.com

Paul Van Devender

Managing Director
 CBRE | Michigan
 paul.vandevender@cbre.com