

FIGURES | DETROIT INDUSTRIAL | Q3 2026

Big-Box Demand Propels Detroit Industrial Leasing Momentum

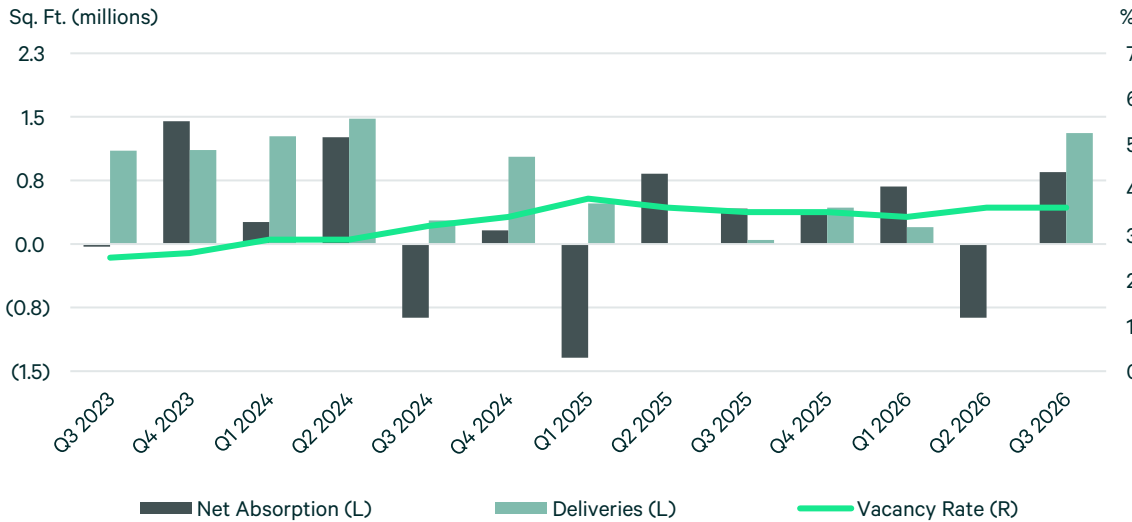


Note: Arrows indicate change from previous quarter.

Market Overview

- In Q3 2026, net absorption totaled 855,000 sq. ft. in the Detroit industrial market. Over the trailing four-quarter period the Detroit Industrial market has absorbed 1.05 million sq. ft. in total, indicating a resilient demand for industrial space and return to positive occupancy growth.
- In Q3 2026 construction volume in the Detroit industrial market totaled 2.06 million sq. ft. across ten active projects. Of the ten active projects, six are speculative development and four are build-to-suit with a 45.5% pre-leasing rate overall.
- In Q3 2026, the Detroit market average asking rent stabilized at \$7.88 per sq. ft., capping a period of modest growth from earlier quarters.
- Leasing activity strengthened in Q3 2026 after a volatile run over prior quarters. Inclusive of all leases 10,000 sq. ft. or more, leasing activity totaled 4.12 million sq. ft. Big-box leasing was the primary demand driver as leasing volume on buildings 100,000 sq. ft. or larger was responsible for 84.9% of total Q3 2026 activity

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy Rate

The Detroit industrial market vacancy rate remained stable at 3.6% in Q3 2026, unchanged from the previous quarter. The overall vacancy rate is 10 bps higher, year-over-year, than the 3.5% in Q3 2025. Over the previous three-year period the vacancy rate peaked at 3.8% in Q1 2025 and has been slightly lower since then. Over the quarter vacancy in Class A product declined by 10 bps, ending Q3 2026 at 2.8%.

The majority of absorption in Q3 2026 occurred in newly delivered space, limiting its effect on the overall vacancy rate. Of the current inventory, buildings that are 250,000 – 499,999 sq. ft. posted the highest vacancy rate at 6.9% while buildings 750,000 sq. ft. or more, had a vacancy rate of 2%.

At the submarket level, market conditions remain exceptionally tight across several key market segments. The Macomb, I-75 Corridor, and Washtenaw submarkets each ended Q3 2026 with vacancy rates below 3%, while Downriver and Western Wayne remained close behind with vacancy rates under 4%. In contrast, Southeast Oakland recorded the highest vacancy rate among all submarkets, ending the quarter at 7.3%.

Sublease availability remained relatively unchanged throughout the quarter, reaching 0.5% in Q3 2026. This rate is an increase of 10 bps quarter-over-quarter and down 10 bps from 0.6% in Q3 2025.

Asking Rent

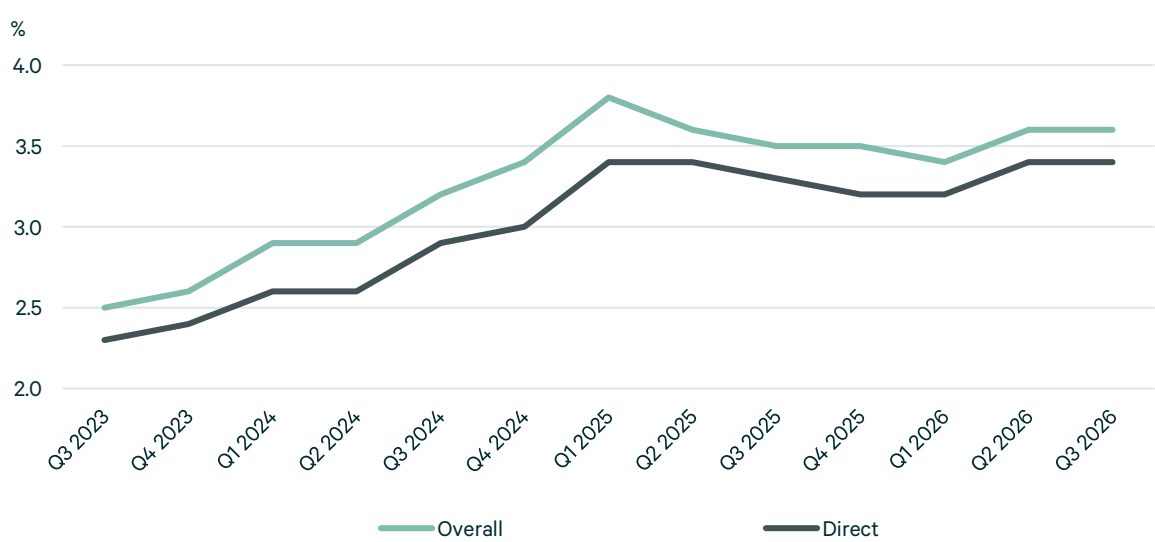
In Q3 2026, the Detroit market average asking rent stabilized at \$7.88 per sq. ft., capping a period of modest growth from earlier quarters. This rent is slightly lower quarter-over-quarter, with a 0.5% decrease from \$7.92 per sq. ft. in Q2 2026 but remaining 2.9% higher year-over-year compared with \$7.66 per sq. ft. in Q3 2025.

Across the three-year period from Q3 2023, average asking rents moved within a relatively narrow band with a low of \$7.17 per sq. ft. and a peak of \$7.92 per sq. ft., ending Q3 2026 \$0.33 per sq. ft. above the \$7.55 per sq. ft. recorded in Q3 2023.

At the submarket level, the Washtenaw submarket rose to \$9.72, the highest average submarket rate in Q3 2026 and an appreciation in pricing of 31.4%. This is mainly due to the addition of a number of R&D/Flex availabilities. The Northwest Suburbs submarket continued to maintain a pricing premium at an average rate of \$9.16 per sq. ft.

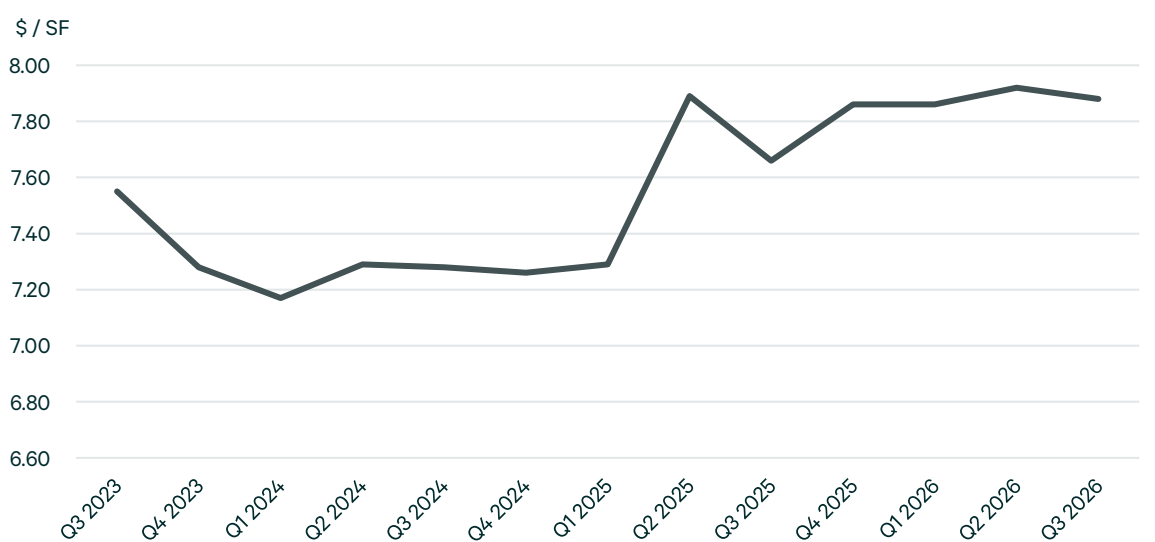
Class A industrial product ended Q3 2026 with an average asking rate of \$8.12 per sq. ft., a 4.6% decrease from the previous quarter however, remaining \$0.27 higher than all other industrial product.

Figure 2: Vacancy Rate



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Figure 3: Average Direct Asking Rate



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Net Absorption

In Q3 2026 net absorption totaled 855,000 sq. ft. in the Detroit industrial market, exceeding the comparable positive 826,000 sq. ft. recorded in Q2 2025, and a clear occupancy shift from the significantly negative absorption in the previous quarter. Over the trailing four-quarter period the Detroit Industrial market has absorbed 1.05 million sq. ft. in total.

The I-75 Corridor submarket absorbed a net total of 992,000 sq. ft. making it the submarket with the largest occupancy gains in Q3 2026. This volume is mainly comprised of move-ins from Piston automotive at 3777 Lapeer and Lear Corp. at 3600 Giddings. Macomb also posted large occupancy gains with 530,000 sq. ft. in net absorption throughout the quarter. The Northwest Suburbs and Southeast Oakland recorded the most pronounced negative absorption performances at (491,000) and (226,000) sq. ft., respectively. Large vacancies contributing to the occupancy loss in Q3 2026 include LG and Akasol in the Southeast Oakland submarket, American Plastic Toys in the Northwest Suburbs, and Yazaki North America in the Western Wayne submarket.

By building size, buildings between 250,000 - 499,999 sq. ft. led the way with 380,000 sq. ft. in positive net absorption. Year-to-date, buildings this size have absorbed 814,000 sq. ft. Reaffirming the demand for big-box space.

Construction Activity

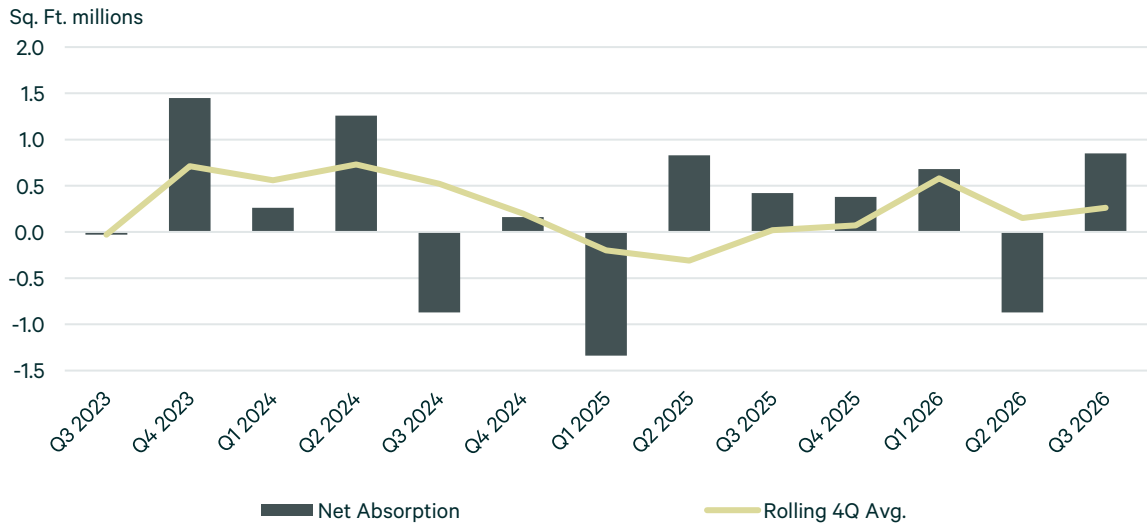
In Q3 2026 construction volume in the Detroit industrial market totaled 2.06 million sq. ft. across ten active projects. This volume represents a 25.7% decline from the previous quarter and a 4.6% increase year-over-year. Of the ten active projects, six are speculative development and four are build-to-suit with a 45.5% pre-leasing rate overall.

There were four deliveries during Q3 2026, totaling 1.31 million sq. ft.. The largest being the GM owned manufacturing facility at 3777 Lapeer Rd for 715,000 sq. ft. Followed by the completion of building 4 of the Romulus Trade Center for 312,500 sq. ft., occupied by Amazon. Alro Steel also completed their 248,250 sq. ft. facility in Mount Clemens.

600,000 sq. ft. of the active construction pipeline is from four new projects started during Q3 2026. The largest being the Fort Street Industrial Campus, a LuxWall 276,000 sq. ft. build-to-suit. Sapa Transmission also started their 202,500 sq. ft. expansion in Shelby Township. Both projects are set to deliver in the second half of 2027.

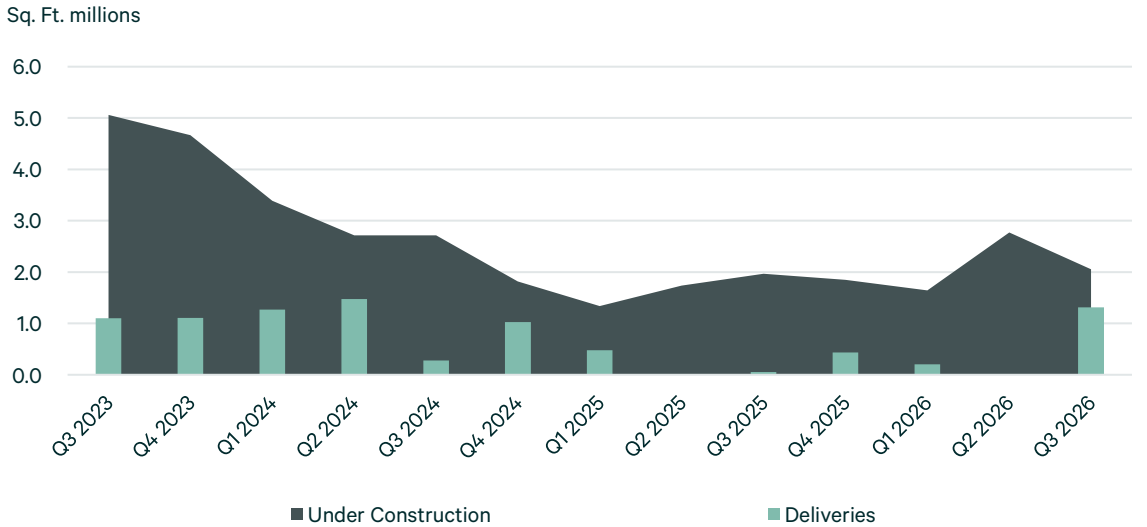
The bulk of the overall construction is concentrated in the Downriver submarket with a total of 1.04 million sq. ft. across three projects. Macomb has the second most construction volume with 373,000 sq. ft. across four projects.

Figure 4: Net Absorption Trend



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Figure 5: Construction Activity



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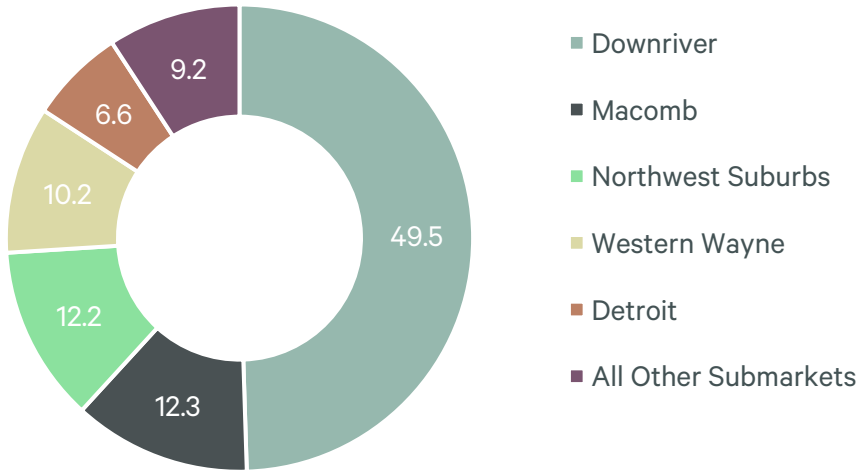
Leasing Activity

Leasing activity strengthened in Q3 2026 after a volatile run over prior quarters. Inclusive of all leases 10,000 sq. ft. or more, leasing activity totaled 4.12 million sq. ft. This leasing volume is an increase of 92.5% from the previous quarter. Big-box leasing was the primary demand driver as leasing volume on buildings 100,000 sq. ft. or larger was responsible for 84.9% of total Q3 2026 activity.

The leasing volume throughout the quarter was centered in the Downriver submarket, accounting for more than 2 million sq. ft. of transacted space and just under 50% of total volume. The Macomb and Northwest Suburbs submarkets also both posted over 500,000 sq. ft. in leasing activity. The submarket with the lowest volume, and only submarket not to record over 100,000 sq. ft. in leasing activity, was the Southeast Oakland submarket at 74,000 sq. ft. transacted throughout the quarter.

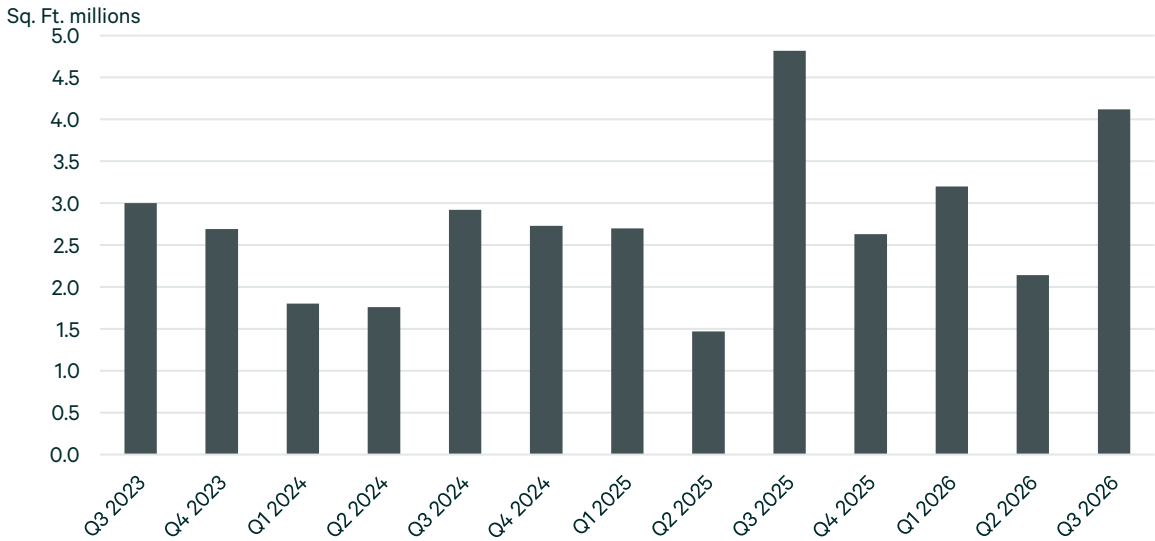
The largest commitment was from Project Motown for just shy of 800,000 sq. ft. in the Downriver submarket. Followed by Gardner White’s 615,000 sq. ft. lease for the former Our Next Energy space at Ashley Capital’s Crossroads Distribution Center. Hansae USA also signed a 460,000 sq. ft. sublease at the Gestamp plant in Chesterfield, relieving some pressure following GM’s pivot from EVs.

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



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Figure 6: Leasing Activity Trend (Inclusive of all leases 10,000 sq. ft. or more)



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Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Project Motown	799,668	New Lease	6100 Haggerty	Downriver
Gardner White	614,906	New Lease	42060 Ecorse	Downriver
Hansae USA	460,000	New Sublease	52153 Sierra Dr	Macomb
Amazon	312,500	New Lease	33340 Trade Center Dr	Downriver
Matrix Quality Services	307,747	New Sublease	10035 Assembly Park Dr	Northwest Suburbs
Micro Center	193,907	New Lease	27651 Hildebrant	Downriver
Inteva Products	150,102	New Lease	800 Standard Pkwy	I-75 Corridor
Beaver Aerospace	147,000	New Lease	36555 Amrhein Rd	Western Wayne

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	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 (SF)
Distribution/Logistics	175.81M	4.3	5.7	4.8	0.9	6.92	585,000	500,000	598,000	1.12M
Manufacturing - General	204.84M	3.1	3.4	3.2	0.1	8.19	191,000	102,000	715,000	936,000
R&D/Flex	41.22M	3.5	4.9	4.4	0.5	11.40	(14,000)	33,000	-	-
Other Industrial	10.22M	4.0	3.4	2.7	0.7	5.83	94,000	28,000	-	-
Total	432.10M	3.6	4.5	4.0	0.5	7.88	855,000	662,000	1.31M	2.06M

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	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 (SF)
Below 50K SF	67.12M	3.0	4.0	3.6	0.4	8.94	(104,000)	(384,000)	37,000	83,000
50K-99,999 SF	85.01M	3.2	4.0	3.5	0.5	8.18	107,000	94,000	-	172,000
100K-249,999 SF	97.76M	3.2	4.1	3.6	0.5	7.84	208,000	67,000	248,000	408,000
250K-499,999 SF	60.93M	6.9	7.8	7.6	0.2	6.11	380,000	814,000	313,000	844,000
500K-749,999 SF	31.74M	6.0	8.5	6.1	2.3	6.59	209,000	129,000	715,000	550,000
750,000 SF +	89.53M	2.0	2.0	1.8	0.1	12.60	55,000	(57,000)	-	-
Total	432.10M	3.6	4.5	4.0	0.5	7.88	855,000	662,000	1.31M	2.06M

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (SF)	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 (SF)
Class A	67.7M	2.8	4	2.5	1.5	8.12	1.09M	1.04M	1.03M	1.53M
All Other Industrial	364.37M	3.8	4.5	4.2	0.3	7.85	(231,000)	(379,000)	285,000	531,000
Total	432.10M	3.6	4.5	4.0	0.5	7.88	855,000	662,000	1.31M	2.06M

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	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 (SF)
Detroit	74.36M	5.4	6.6	6.4	0.2	7.86	53,000	(360,000)	-	276,000
Downriver	66.37M	3.1	3.1	3.0	0.1	6.40	96,000	520,000	313,000	1.04M
I-75 Corridor	63.90M	2.4	3.3	2.8	0.5	8.50	992,000	1.14M	715,000	285,000
Macomb	82.50M	2.0	2.6	2.5	0.1	7.32	530,000	659,000	248,000	373,000
Northwest Suburbs	40.29M	6.3	8.8	6.0	2.8	9.16	(491,000)	(837,000)	-	85,000
Southeast Oakland	9.57M	7.3	8.1	6.9	1.2	8.30	(226,000)	(344,000)	-	-
Washtenaw	18.92M	2.5	2.4	1.6	0.8	9.72	(31,000)	(112,000)	-	-
Western Wayne	76.18M	3.7	4.2	4.1	0.1	7.91	(68,000)	(7,000)	37,000	-
Total	432.10M	3.6	4.5	4.0	0.5	7.88	855,000	662,000	1.31M	2.06M

Source: CBRE Research, Q3 2026

National Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.



Detroit Employment Update

▼ 5.7%
Unemployment Rate

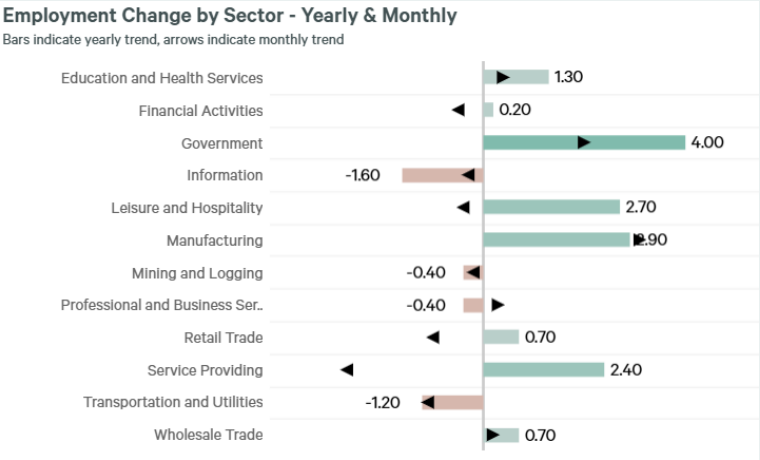
▼ 2.2M
Labor Force

▼ 529.3k
Office Using Jobs

▲ 1,174k
Industrial Using Jobs

▼ 281.9k
Retail Using Jobs

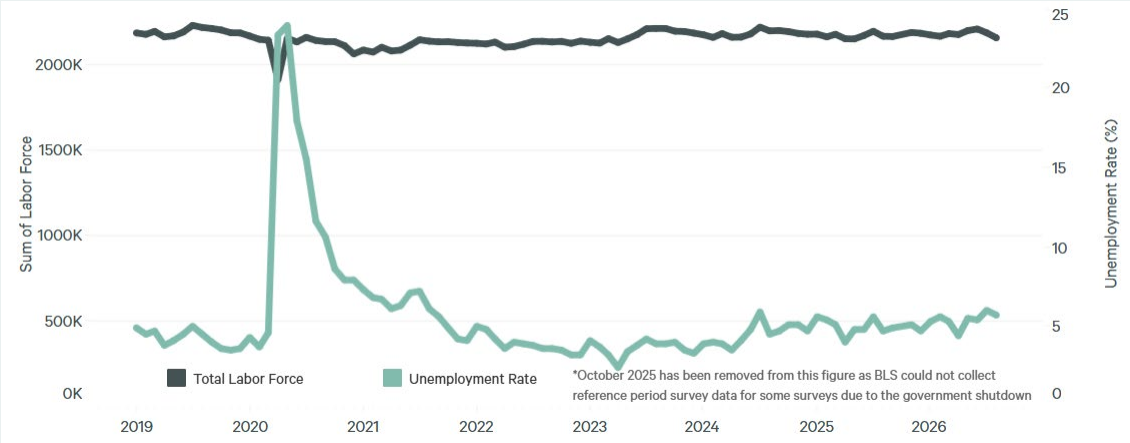
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

Source: US BLS, September 2026

Detroit Unemployment Rate and Labor Force Trends



Source: US BLS, September 2026

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. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market. Buildings which have begun construction as evidenced by site excavation or foundation work.

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