

Detroit

Industrial - Q2 2026

savills

Occupier demand remains resilient as market enters a more balanced phase

The Detroit industrial market found firmer footing in the second quarter following a strong start to the year. While quarterly absorption cooled from Q1's pace, year-to-date net absorption reached 1.9 million square feet (msf)—a marked improvement from the first half of 2025. Vacancy held at 5.3%, underscoring a market that continues absorbing available space while remaining comparatively tight relative to most major U.S. industrial markets. Occupiers stayed active but selective, favoring modern, well-located facilities as expansion decisions continued to unfold gradually rather than the rapid growth seen in prior years.

Modern product continues to outperform aging inventory

Asking rents climbed to \$6.76 per square foot, up 3.6% from a year ago, driven by sustained demand for modern industrial product. Buildings offering contemporary specifications and strong transportation access continued to outperform, while older inventory faced longer marketing periods and greater competitive pressure. Although tenants gained modest negotiating leverage in select segments, Detroit avoided the pricing pressure seen in higher-vacancy markets. Limited new deliveries helped preserve fundamentals through the first half of the year.

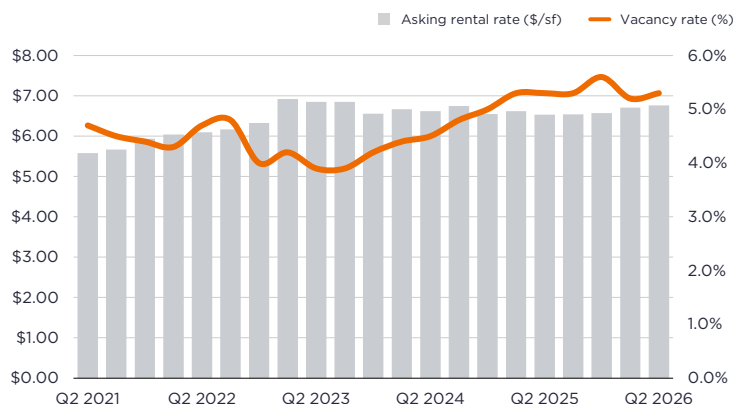
Developer confidence broadens beyond build-to-suit projects

Development activity held steady in the second quarter, with 3.2 msf under construction, and marking the highest mid-year total since 2023. Notably, speculative projects now account for a growing share of the pipeline, reflecting renewed developer confidence in Detroit's long-term industrial fundamentals. Most new activity remains concentrated in established logistics corridors surrounding Detroit Metropolitan Airport, where manufacturers, suppliers and distribution users continue to generate demand. Even with the expanding pipeline, deliveries stayed limited through the first half of the year, letting new construction enter the market gradually and support overall stability.

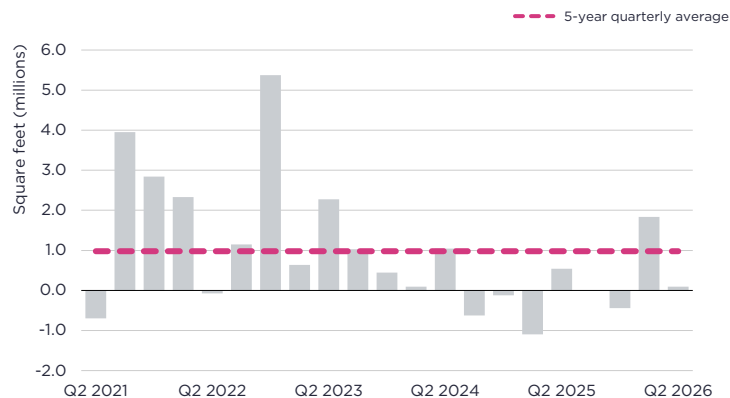
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	512.3 msf	522.5 msf	+10.2 msf
Vacancy rate	5.3%	5.3%	0 bps
Asking rental rate	\$6.53	\$6.76	+3.6%
Net absorption YTD	-0.6 msf	1.9 msf	+2.5 msf
Deliveries YTD	0.9 msf	0.6 msf	-0.3 msf
Under construction	2.6 msf	3.2 msf	+0.6 msf

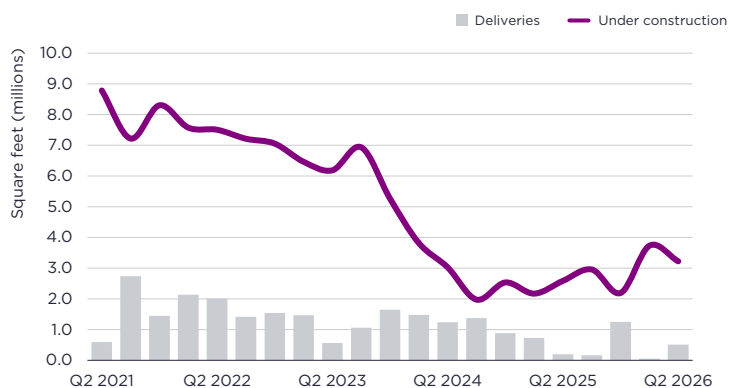
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

- 01** Automotive production shifts should continue generating supplier and logistics demand across the region's key manufacturing corridors going forward.
- 02** Speculative development is expected to expand more selectively in the coming quarters, with new projects focused primarily on proven logistics locations.

- 03** Limited deliveries paired with steady occupier demand should help keep market fundamentals balanced through the remainder of 2026 and into next year.

NOTABLE LEASES

Source: Savills Research

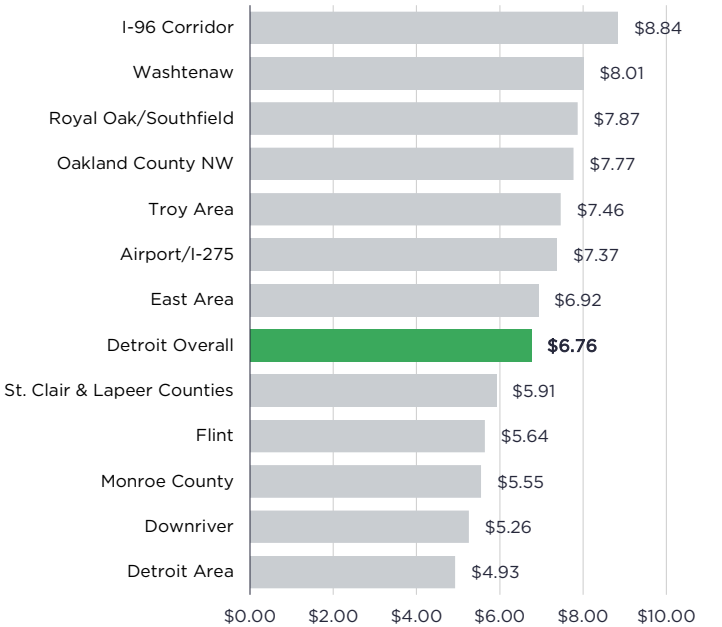
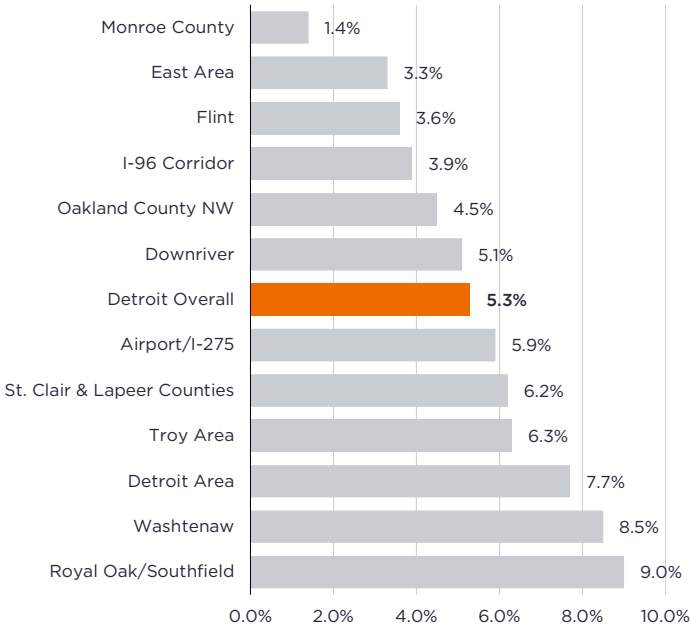
Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Matrix Quality Services	308,000	I-96 Corridor	10035 Assembly Park Drive	New Lease	Professional & Business Services
Piston Automotive	256,100	Airport/I-275	12723 Telegraph Road	Renewal	Automotive
Matrix Quality Services	240,000	Airport/I-275	36501 Van Born Road	New Lease	Professional & Business Services
HI-LEX	98,000	Royal Oak/Southfield	1420 E 10 Mile Road	Renewal	Automotive
SEEL	93,000	Detroit Area	1400 Howard Street	Renewal	Professional & Business Services

NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Piston Automotive	715,000	Oakland County NW	3777 Lapeer Road	Build-to-suit	Under Construction
Flint Development	550,000	Airport/I-275	17340 Wahrman Road	Speculative (available)	Under Construction
Ashley Capital	327,000	Flint	2421 Industrial Avenue	Speculative (available)	Under Construction
NorthPoint Development	312,000	Airport/I-275	33340 Trade Center Drive	Speculative (available)	Under Construction
Bedrock / LuxWall	267,000	Detroit Area	6701 W Fort Street	Build-to-suit	Under Construction

VACANCY RATE COMPARISON (%)
DETROIT SUBMARKETS

RENTAL RATE COMPARISON (\$/SF)*
DETROIT SUBMARKETS



*based on all classes of available inventory

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills