

Detroit

Industrial - Q3 2026

savills

Strongest demand in more than three years drives vacancy lower

Detroit's industrial market recorded its strongest quarterly net absorption in more than three years, with 2.1 million square feet (msf) of occupancy gains in Q3 2026. This brought year-to-date absorption to 4.6 msf, a turnaround from the 0.6 msf of occupancy losses recorded during the same period last year. Vacancy declined 40 basis points (bps) quarter over quarter and year over year to 4.9%, its lowest level since Q3 2024 and among the lowest of major U.S. industrial markets. Despite approximately 1.1 msf of new deliveries during the quarter, strong demand helped reduce vacancies and further limit options for large tenants.

Large commitments highlight demand for modern industrial space

Big-box industrial leasing remained concentrated in the Airport/I-275 submarket, led by Gardner White's 615,000-square-foot (sf) lease and Amazon's 312,000-sf commitment at NorthPoint Development's 33340 Trade Center Drive. Automotive suppliers remained active, with Hansae Mobility, Magna International and Inteva Products leasing nearly 790,000 sf combined as companies adjust to changing vehicle production and electric vehicle (EV) plans. Average asking rents increased 9.0% year over year to \$7.13 per square foot, reflecting the availability of newer, higher-quality space which commands a premium over older buildings.

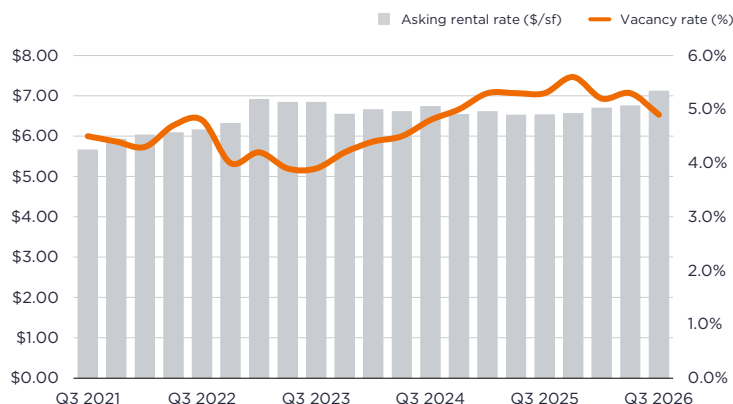
Developers expand plans along the I-94 corridor

Industrial construction activity remains limited, with approximately 2.9 msf underway, representing roughly 0.5% of total inventory. Speculative development continues, including Flint Development's 550,000-sf project in Airport/I-275 and Ashley Capital's 327,000-sf building in Flint. Developers are also looking farther along the I-94 corridor, with Interstate Capital planning approximately 4.8 msf of speculative space across Southeast Michigan, including the 378,000-sf Taylor Distribution 2 project and two developments near the Blue Water Bridge. With approximately 1.6 msf delivered year to date, new supply is expected to remain limited in the near term.

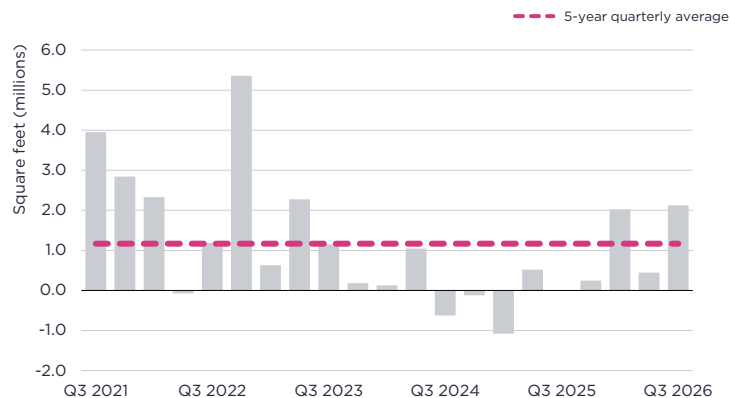
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	515.1 msf	523.6 msf	+8.5 msf
Vacancy rate	5.3%	4.9%	-40 bps
Asking rental rate	\$6.54	\$7.13	+9.0%
Net absorption YTD	-0.6 msf	4.6 msf	+5.2 msf
Deliveries YTD	1.0 msf	1.6 msf	+0.6 msf
Under construction	3.0 msf	2.9 msf	-0.1 msf

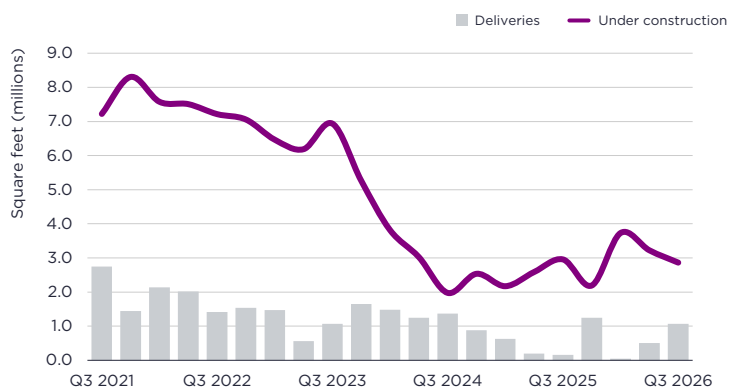
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Recent large leases should support continued occupancy gains and keep Detroit's industrial vacancy among the lowest of major U.S. markets through 2027.

02

Changing vehicle production and EV plans should continue to drive leasing activity among automotive suppliers, although manufacturing job losses could limit broader demand.

03

Developers are increasingly targeting sites along the I-94 corridor toward the Blue Water Bridge, but most planned projects are unlikely to deliver before 2027.

NOTABLE LEASES

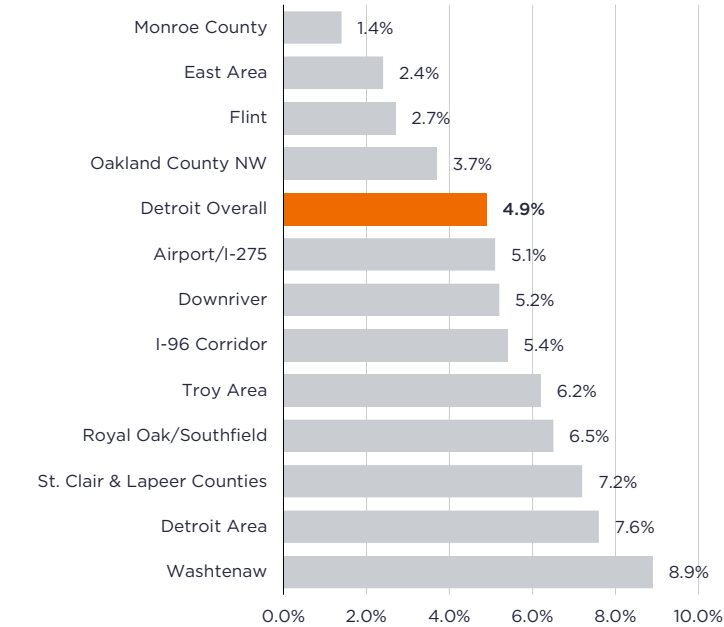
Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Gardner White	615,000	Airport/I-275	42060 Ecorse Road	New Lease	Retailer (Brick & Mortar)
Hansae Mobility	460,000	East Area	52153 Sierra Drive	New Lease	Automotive
Amazon	312,000	Airport/I-275	33340 Trade Center Drive	New Lease	E-commerce
Magna International	176,000	Detroit Area	12225 Oakland Park Boulevard	New Lease	Automotive
Inteva Products	150,000	Oakland County NW	800 Standard Parkway	New Lease	Automotive

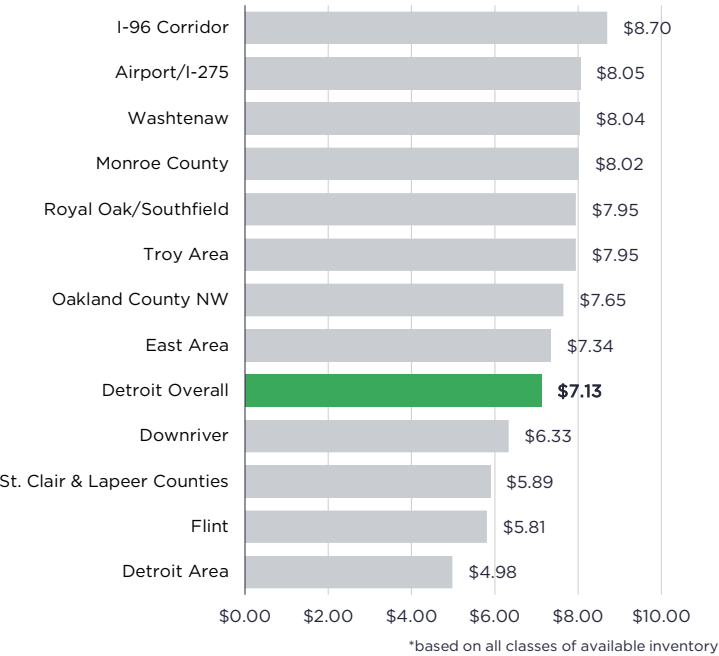
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Piston Automotive	715,000	Oakland County NW	3777 Lapeer Road	Build-to-suit	Delivered Q3 2026
Flint Development	550,000	Airport/I-275	17340 Wahrman Road	Speculative (available)	Under Construction
Interstate Capital	378,000	Airport/I-275	26456 Northline 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 (fully leased)	Delivered Q3 2026

VACANCY RATE COMPARISON (%)
DETROIT SUBMARKETS



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



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