

ECONOMIC OVERVIEW

The Detroit metro area remained relatively stable through Q3 2026 despite a challenging economic environment, with unemployment up 70 basis points (bps) year-over-year (YOY) to 5.4%. Nonfarm employment held steady at 2.0 million jobs, down 3,200 jobs YOY. Industrial-using sectors declined in August 2026, with manufacturing employment down 1.1% YOY and trade, transportation and utilities down 0.3% YOY.

SUPPLY AND DEMAND

Overall industrial vacancy within the Detroit market increased by 30 bps YOY to 3.8 %, though it decreased by 30 bps quarter-over-quarter (QOQ). Among all property types, the office service segment recorded the largest increase in vacancy, up 130 bps YOY to 7.6%. At the submarket level, four of the 11 tracked submarkets reported a YOY decrease in vacancy, falling by an average of 30 bps. The remaining seven submarkets recorded increases, rising by an average of 80 bps.

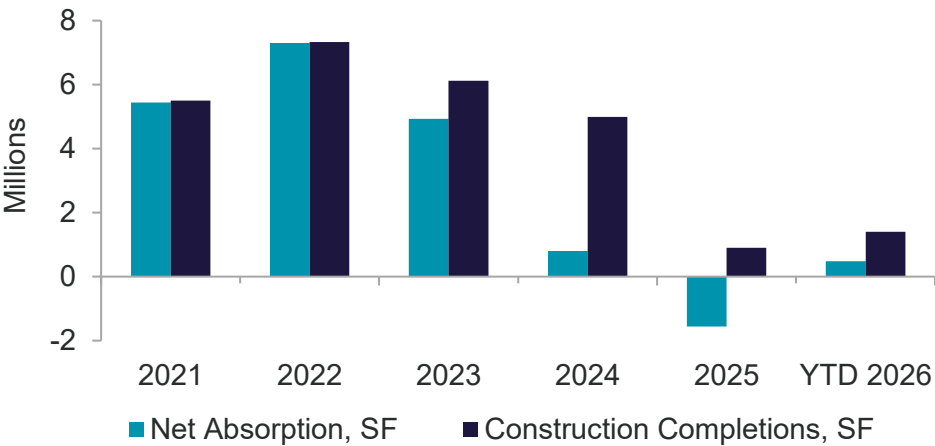
After four consecutive quarters of negative absorption, Q3 2026 net absorption turned positive, totaling 2.0 million square feet (msf) and lifting the year-to-date (YTD) total to 485,000 square feet (sf). Occupancy gains were driven largely by move-ins in the Western Wayne submarket, led by Renaissance Global Logistics, which occupied its 500,000-sf space at 38481 Huron River Drive West, and Morgan Foods, which occupied its 462,000-sf space at 17991 Wahrman Road. New leasing activity accelerated in Q3 2026, bringing the YTD total to 6.6 msf, up 36.0% YOY. Growth was largely driven by big-box demand, with eight new deals of 250,000 sf and greater, compared with just three during the same period last year. New leasing activity is an indicator of future quarterly net absorption.

Detroit's industrial development pipeline remained extremely active through Q3 2026, with 1.4 msf of new industrial space delivered YTD, and an additional 3.2 msf under construction. Build-to-suit (BTS) projects accounted for 69.0% of YTD deliveries, with speculative developments accounting for 72.0% of space under construction.

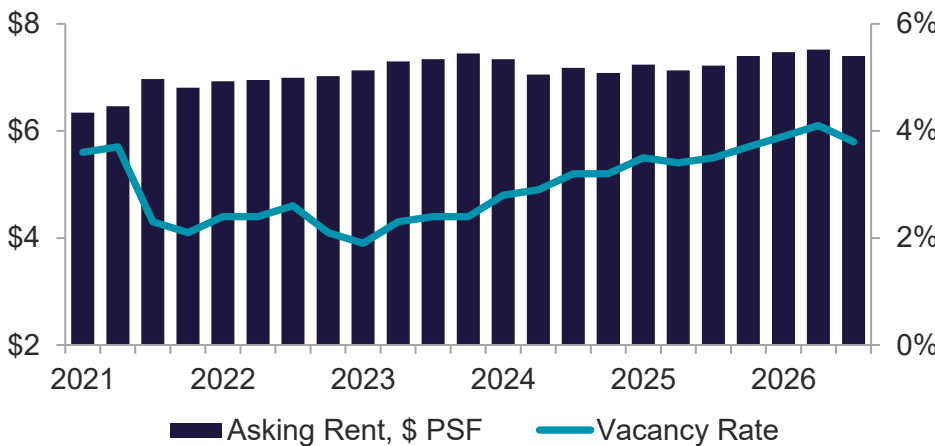
PRICING

The overall average net asking rental rate continued to increase, up 2.5% YOY to \$7.40 per square foot (psf). Five of 11 submarkets reported YOY asking rent growth, led by Livingston (+10.4% to \$9.67 psf) and Macomb North (+9.5% to \$6.75 psf).

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.8% Vacancy Rate	▲	▲
485K YTD Net Absorption, SF	▲	▲
\$7.40 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.0M Detroit Employment	▼	▲
5.4% Detroit Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)*	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)*	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
Livingston	12,364,482	171,431	1.4%	40,449	-18,805	57,000	0	\$9.25	N/A	\$8.59	\$9.67
Macomb Central	38,148,448	627,925	1.7%	377,722	546,810	37,173	250,000	\$7.98	\$9.03	\$6.28	\$6.60
Macomb North	20,952,190	1,173,678	5.6%	26,623	-83,756	355,676	0	\$8.16	N/A	\$6.62	\$6.75
Macomb South	47,591,644	929,496	2.0%	26,912	-79,775	0	0	\$6.66	\$7.50	\$6.45	\$6.56
Oakland North	38,309,106	1,869,117	4.9%	199,119	865,717	303,000	762,728	\$10.13	\$10.10	\$6.10	\$7.10
Oakland Southeast	44,426,344	2,166,004	4.9%	161,429	-370,312	0	0	\$8.60	\$11.13	\$8.60	\$9.28
Oakland Southwest	41,880,694	2,317,806	5.5%	-420,313	-717,667	170,500	0	\$9.73	\$12.49	\$9.74	\$10.55
Washtenaw	27,450,082	1,527,368	5.6%	-12,791	-818,208	0	0	\$7.57	\$13.18	\$8.94	\$9.87
Dearborn/Downriver	48,625,723	1,576,287	3.2%	-35,402	120,007	0	0	\$4.85	\$9.13	\$5.03	\$5.74
Detroit	79,863,725	4,156,132	5.2%	236,194	-194,696	276,000	0	\$6.90	\$14.00	\$4.83	\$5.35
Western Wayne	106,552,707	2,896,733	2.7%	1,383,445	1,235,806	1,979,028	386,639	\$7.55	\$11.32	\$7.33	\$7.80
DETROIT TOTALS	506,165,145	19,411,977	3.8%	1,983,387	485,121	3,178,377	1,399,367	\$7.86	\$11.40	\$6.48	\$7.40

*Revisions to previous quarterly statistics may alter year-to-date totals

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
42060 Ecorse Rd	Western Wayne	Gardner White	615,140	New
33340 Trade Center Dr	Western Wayne	Amazon	312,474	New
10035 Assembly Park Dr	Oakland Southwest	Matrix Quality Services, Inc.	307,912	New
12225 Oakland Park Blvd	Detroit	Magna	175,000	New
1350 Jarvis St	Oakland Southeast	NOX Metals, Inc.	73,986	New

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
36555 Amrhein Rd	Western Wayne	Alro Steel JB Donaldson Properties LLC	147,000	\$6.8M \$46
2110 Executive Hills Ct	Oakland North	Symmetry Management & Realty Inc. Oakland County	107,499	\$11.1M \$103
3255 Hamlin Rd W	Oakland North	Dietz Property Group Oakland County	83,663	\$8.8M \$105
2400 Stephenson Hwy	Oakland Southeast	MBA Properties LLC Apek Electric	78,173	\$5.9M \$75
2222 Stephenson Hwy	Oakland Southeast	MBA Properties II, LLC Emotional Advantage	30,120	\$2.7M \$88

CONSTRUCTION COMPLETIONS 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3777 Lapeer Rd	Oakland North	General Motors	715,000	General Motors Company
33340 Trade Center Dr	Western Wayne	DTE Electric Company	349,492	NorthPoint Development

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