

A Stealth Slowdown Creeps Into the Warehouse Market

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Mark Silverman, a partner in Troutman Pepper Locke's Bankruptcy + Restructuring Practice Group, was quoted in the January 21, 2026 *Globest* article, "[A Stealth Slowdown Creeps Into the Warehouse Market](#)."

Industrial real estate has long been viewed as one of commercial property's safest havens, but subtle cracks are beginning to show. Behind the steady demand for warehouse space, a slower, less visible kind of distress is emerging—what Troutman Pepper Locke partner Mark Silverman calls a "stealth" shift that standard market metrics may not yet fully capture.

"What's interesting to me is that industrial loan defaults have slightly ticked up this year from previous years," Silverman tells *GlobeSt.com*, citing MSCI data showing a 5.1% year-over-year increase in October.

"I see it, too," he says. "You see the overbuild of industrial with the anticipation of groups for last-mile distribution with the name of your brand. On a lot of these new industrials, there are massive signs for rentals. They don't seem to be removing those signs, and there are no trucks in the lots. They're not immediately into loan defaults." But that's a startling development, he adds, "especially for an asset class that was particularly solid."

The vulnerability is heightened by leasing dynamics. Many warehouses are occupied by single tenants, leaving a property entirely vacant in the event of a sudden exit. "If that company backs out," Silverman says, "you have nothing."

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The picture is further complicated by the public nature of expansion announcements compared to the relative quiet around facility exits. "Companies will make a splashy announcement about expansions but are often quieter when they pull back from using other facilities," Silverman notes.

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"I think lenders need to be very focused on industrial assets on their books," Silverman advises, stressing that owners should ensure borrowers maintain adequate cash reserves, monitor tenant credit quality and prepare contingency plans to backfill vacant space.

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"The book is still being written on this," Silverman says.

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