



MULTIFAMILY REPORT

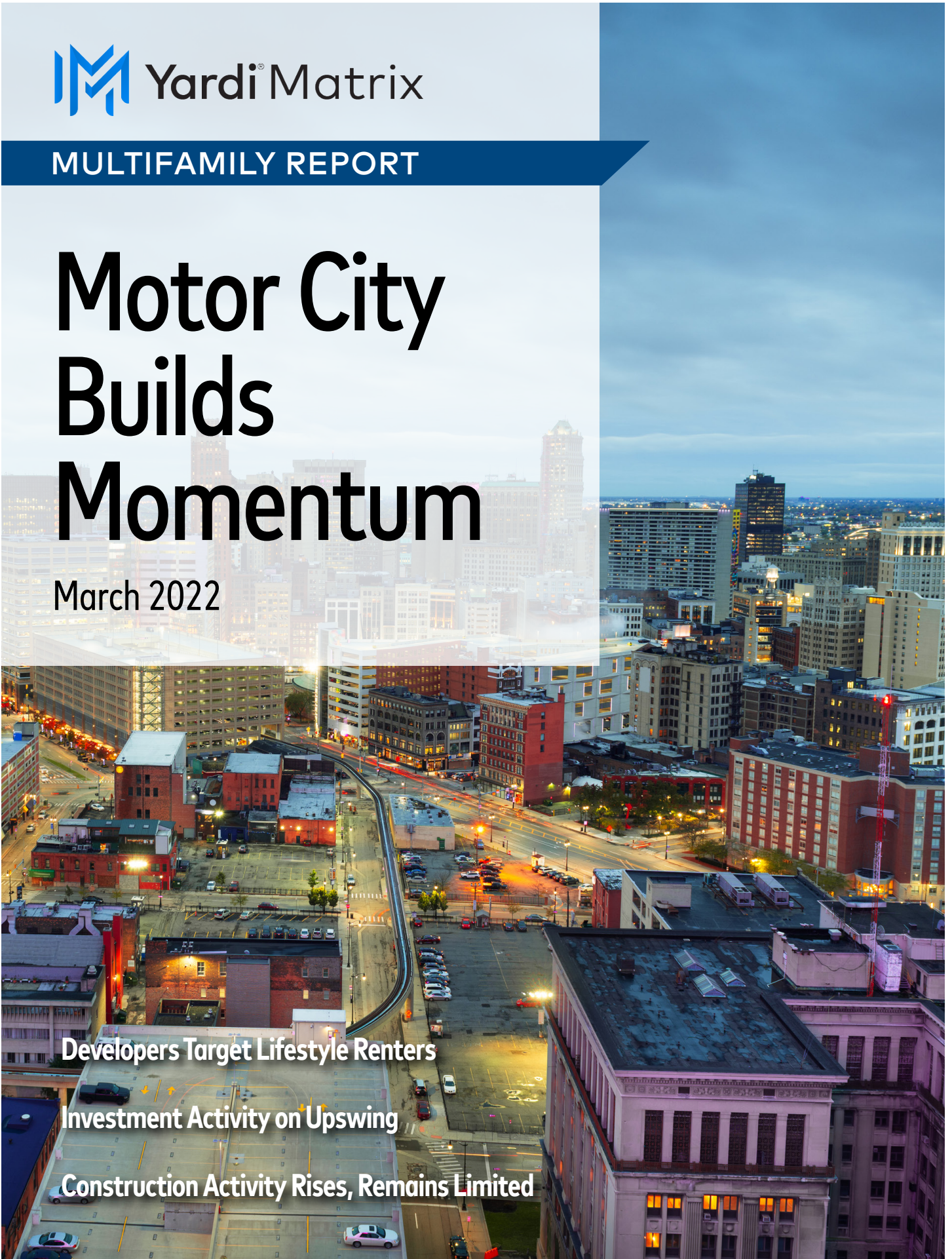
Motor City Builds Momentum

March 2022

Developers Target Lifestyle Renters

Investment Activity on Upswing

Construction Activity Rises, Remains Limited



DETROIT MULTIFAMILY



Detroit Housing Market Improves, Still Moderate

Motor City's recovery trajectory remained positive, as increased multifamily investor interest showcased strengthening confidence. Mirroring U.S. trends, rent growth softened at the beginning of the year, increasing 0.2% on a trailing three-month (T3) basis through January, to an average of \$1,165. Detroit's occupancy rate in stabilized properties was 96.9% in December.

The unemployment rate rose to 4.3% in December, according to preliminary data from the Bureau of Labor Statistics, after fluctuating through the year. The metro added 81,400 jobs in the twelve months ending in November, a 5.2% increase year-over-year. Detroit's largest sector—professional and business services—was second in terms of growth, expanding by 24,900 jobs. Despite work from home still keeping white-collar workers away from the office, Bedrock—the metro's largest real estate company—made significant investments along the Detroit riverfront over the past year, with the purchase of The River Place portfolio and the 420,000-square-foot The Icon.

Construction activity bounced back by Detroit's standards, as developers completed 2,039 units in 2021, 0.9% of total stock and almost double compared to the previous year. The metro had 4,952 units under construction, with developers focusing entirely on Lifestyle assets, mostly in submarkets in the North and the urban core.

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Recent Detroit Transactions

The Crossings at Canton



City: Canton, Mich.
Buyer: GSH Group
Purchase Price: \$144 MM
Price per Unit: \$193,760

Manors at Knollwood



City: Clinton Township, Mich.
Buyer: The Solomon Organization
Purchase Price: \$132 MM
Price per Unit: \$219,502

Kings Pointe



City: Warren, Mich.
Buyer: LR Management
Purchase Price: \$18 MM
Price per Unit: \$105,412