



MULTIFAMILY REPORT

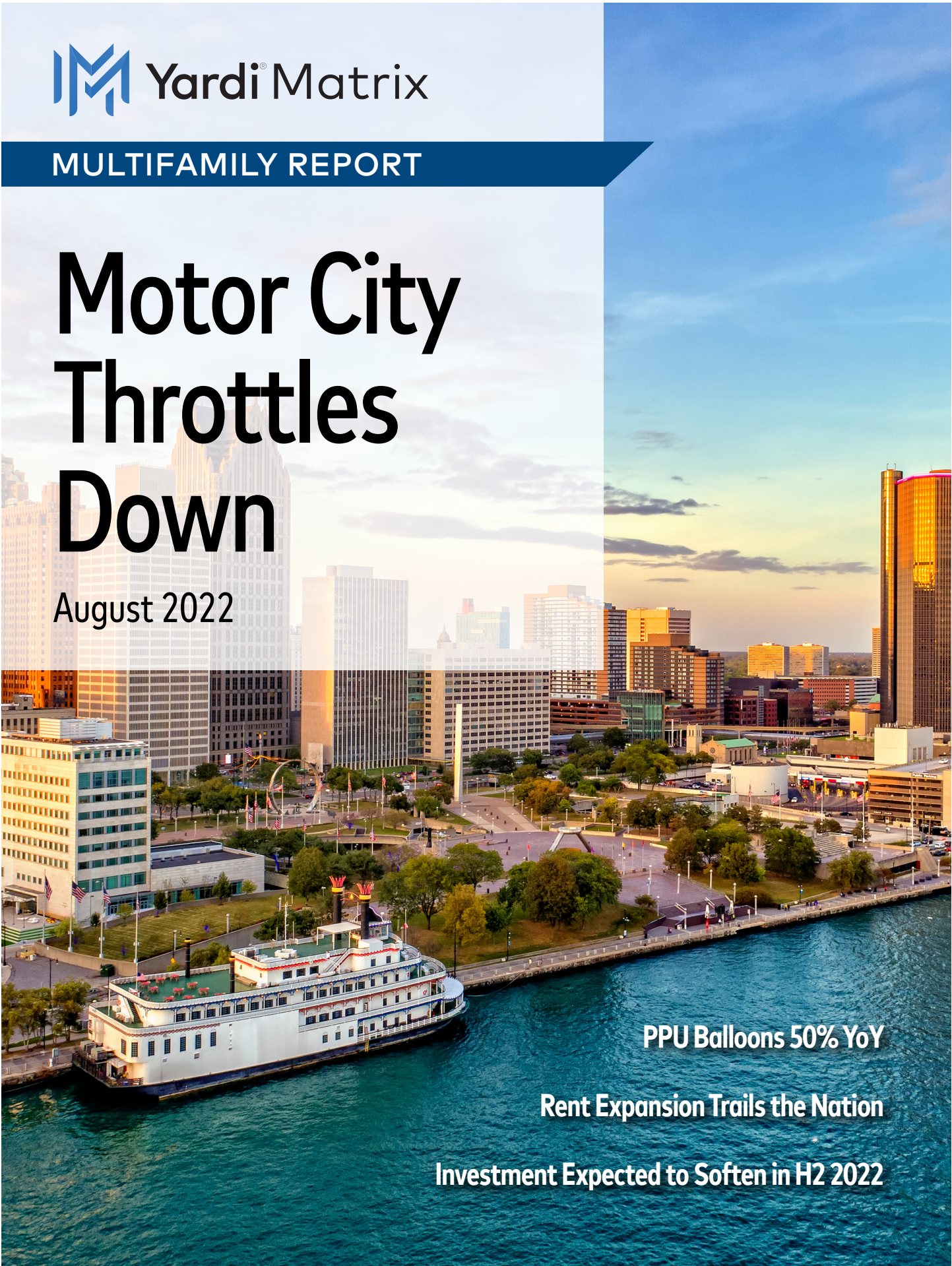
Motor City Throttles Down

August 2022

PPU Balloons 50% YoY

Rent Expansion Trails the Nation

Investment Expected to Soften in H2 2022



DETROIT MULTIFAMILY



Fundamentals Stable, Recovery Strolls Along

Detroit's recovery continued well into 2022, with fundamentals staying healthy. Average asking rents rose 0.8% on a trailing three-month (T3) basis through June, to \$1,228, 30 basis points below the national rate and still relatively affordable compared to the \$1,706 U.S. figure. Detroit's limited new inventory continued to boost rent development. And even though the occupancy rate in stabilized properties declined 50 basis points in the 12 months ending in May, it still remained high, at 96.5%.

The unemployment rate in Detroit stood at 4.9% in May, a 20-basis-point improvement from January, trailing the state (4.3%) and the U.S. (3.6%), according to the Bureau of Labor Statistics. Employment expanded 5.1%, or 89,000 jobs, in the 12 months ending in May, surpassing the national rate by 40 basis points. Leisure and hospitality led gains (13.2%, 20,700 jobs), followed by Detroit's largest sectors—trade, transportation and utilities and professional and business services—which added 33,500 jobs combined. As economic volatility intensified, the metro's tech ecosystem and the recent and upcoming expansions in the automotive industry are poised to sustain the recovery.

Developers delivered 1,203 units in 2022 through June, already reaching the annual average for the past decade. Meanwhile, investors traded \$419 million in multifamily assets for a price per unit that rose 49.4% year-over-year, to \$150,239.

Market Analysis | August 2022

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

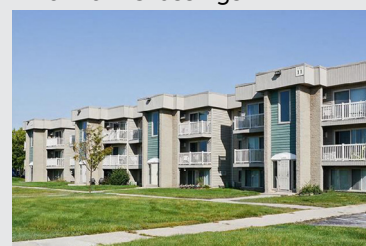
Recent Detroit Transactions

Bloomfield Square



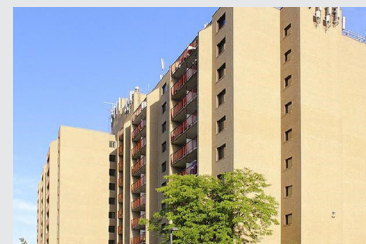
City: Auburn Hills, Mich.
Buyer: Halt Management
Purchase Price: \$38 MM
Price per Unit: \$149,902

Riverview Crossings



City: Riverview, Mich.
Buyer: Pepper Pike Capital
Partners
Purchase Price: \$28 MM
Price per Unit: \$93,333

Greenhouse



City: Detroit
Buyer: Ginosko Development Co.
Purchase Price: \$21 MM
Price per Unit: \$103,088

Chateau Riviera



City: Southfield, Mich.
Buyer: Monarch Investment and
Management Group
Purchase Price: \$21 MM
Price per Unit: \$106,333