

Yardi® Matrix

Detroit Shifts Into Higher Gear

Multifamily Report Fall 2017

**Emerging Economy
Attracts Investors**

**Rent Growth
Tops U.S. Average**

**Downtown, Midtown
Drive New Deliveries**

DETROIT MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

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Motor City's Slow Acceleration

Detroit continues to rebuild its economy brick by brick and business by business, spurring demand for housing and pushing rent growth above the national average. This restoration is reflected in the local multifamily market's improving fundamentals, which are also stimulated by the lowest unemployment rate in 17 years. Although investment has slowed down slightly, due to lingering skepticism about the market's stability, high yields should remain enticing to buyers.

Detroit is widely recognized as an emerging metro that is on the verge of an economic turnaround, due largely to its broad-based employment growth. Helping to advance that narrative is LinkedIn's choice of downtown Detroit for its first new office in 10 years. The city's automotive industry is shifting gears and using its resources to develop modern transportation technology. Ann Arbor-based startup May Mobility and French company Navya are testing self-driving shuttles in the area. Technology in Motion and Detroit Moves, which showcase the metro's innovative mobility technology, are among the startups that are powering the city's auto business. Industrial employment is also expected to grow: Amazon's new facilities in Livonia and Romulus will add 2,600 employees when completed.

Strong demand should lead to healthy absorption of the roughly 1,900 units likely to come online this year. We expect rent growth to be a fairly robust 4.1% in 2017.

Recent Detroit Transactions

The Crossings at Canton



City: Canton, Mich.
Buyer: APM Management
Purchase Price: \$52 MM
Price per Unit: \$70,329

Chimney Hill



City: West Bloomfield, Mich.
Buyer: The Solomon Organization
Purchase Price: \$52 MM
Price per Unit: \$158,841

Apple Ridge



City: Livonia, Mich.
Buyer: SG Capital Group
Purchase Price: \$24 MM
Price per Unit: \$87,912

Waterford West



City: Waterford, Mich.
Buyer: Monarch Investment
Purchase Price: \$17 MM
Price per Unit: \$101,705

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