

Yardi® Matrix

Detroit Puts Pedal To The Metal

Multifamily Report Winter 2018

Multifamily Investments Surge

Rent Growth Tops National Average

Downtown's Iconic Skyscrapers Reemerge



DETROIT MULTIFAMILY

Market Analysis

Winter 2018

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Full Throttle in Motor City

Detroit is well into its economic resurgence, attracting investors and young professionals, with the help of startups, technology companies and automotive giants that are exploring the trending mobility industry. Last year, multifamily transaction volume was 50% higher than in 2016, with suburban properties driving growth. The metro's construction boom has yet to impact rent growth, which stayed well above the national average.

The metro is adding jobs in office-using sectors such as professional and business services, which gained 13,400 positions in the 12 months ending in November 2017. Construction jobs were up 6.9% through the same interval, the highest rate among all employment sectors, due to a growing project pipeline. The opening or expansion of several manufacturing facilities in the metro will create even more blue-collar jobs. Flex-N-Gate will fill 400 positions this fall at its new \$160 million facility in the city's I-94 Industrial Park, while Sakthi Automotive plans to add 200 jobs at its manufacturing and distribution facilities in southwest Detroit this year, once its \$7 million expansion project is completed.

Downtown Detroit is in the midst of a revival, one skyscraper at a time. The projects will add to the metro's expanding housing stock and lead to a slowdown in rent growth. We expect a 3.0% rise in rents for 2018.

Recent Detroit Transactions

Park Place of Northville



City: Northville, Mich.
Buyer: JRK Property Holdings
Purchase Price: \$127 MM
Price per Unit: \$172,413

Sutton Place Apartments



City: Southfield, Mich.
Buyer: GoldOller Real Estate
Purchase Price: \$59 MM
Price per Unit: \$113,809

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