

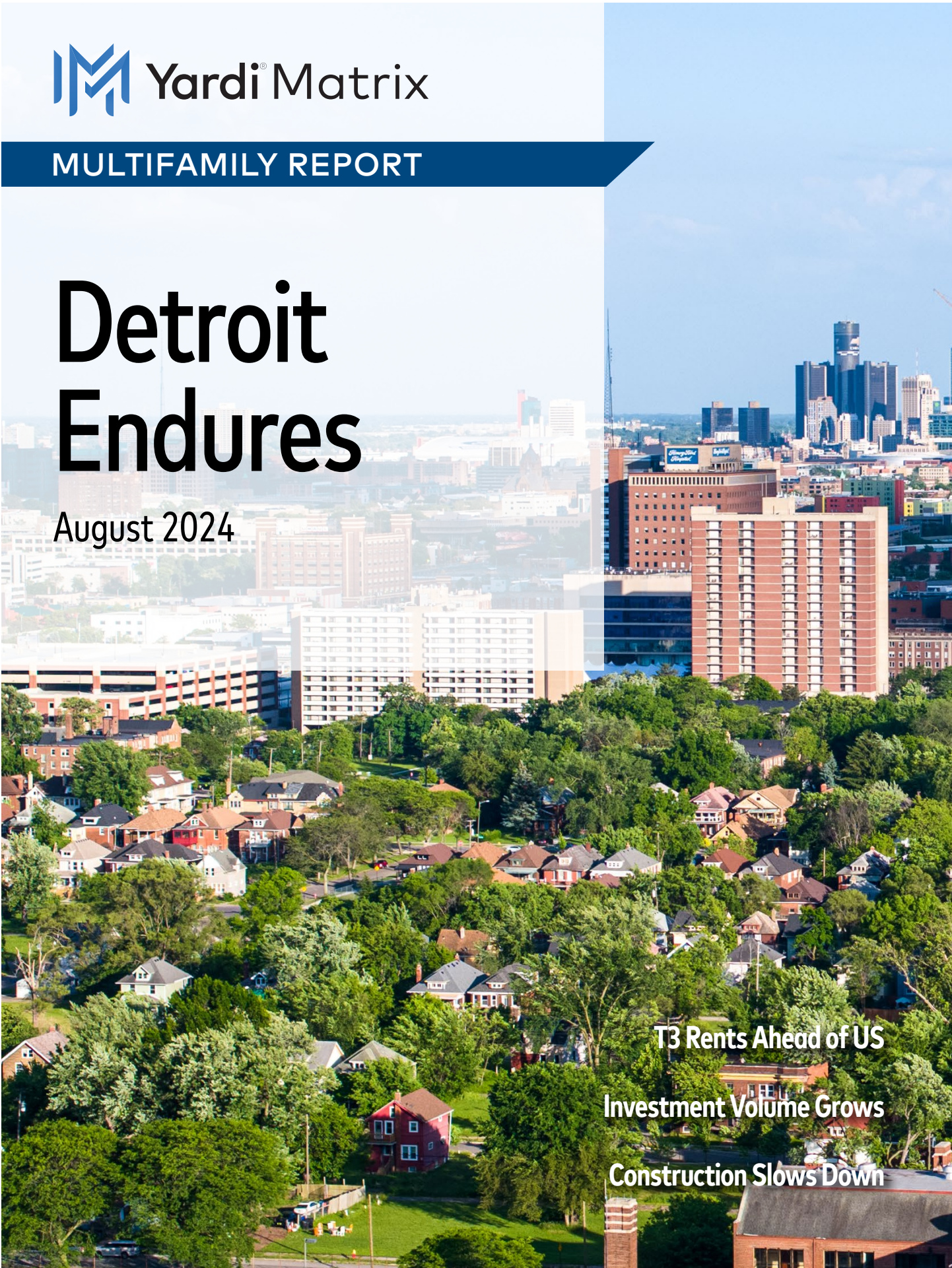


MULTIFAMILY REPORT

Detroit Endures

August 2024

T3 Rents Ahead of US
Investment Volume Grows
Construction Slows Down



DETROIT MULTIFAMILY



Balanced Rental Market Amid Overall Slowdown

Detroit's multifamily fundamentals stabilized in the first half of 2024. Average advertised asking rents were up 0.6% on a trailing three-month basis through June, to \$1,277, faring better than the 0.3% U.S. rate. The overall occupancy for stabilized assets clocked in at 94.4% as of May, down 30 basis points year-over-year and only 10 basis points below the 94.5% national figure.

The metro's employment market expanded by just 0.1% in the 12 months ending in April, adding 2,900 net jobs. The rate was 130 basis points below the national average. Unemployment stood at 5.2% as of May, 120 basis points higher than the U.S. rate, according to preliminary data from the Bureau of Labor Statistics. The \$1.5 billion District Detroit development is now slated to begin construction in early 2025. The project includes office and residential buildings, as well as hotels.

A total of 1,065 units came online in the first six months of 2024, which represented a 0.5% expansion of existing stock and was 60 basis points below the national rate. Construction starts have also declined, with only one project breaking ground in the first half of the year. Investment showed signs of picking up again, as \$130 million in assets changed hands, which came close to the \$157 million total recorded for all of 2023.

Market Analysis | August 2024

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Recent Detroit Transactions

The Crossings



City: New Hudson, Mich.
Buyer: Dietz Property Group
Purchase Price: \$73 MM
Price per Unit: \$238,513

Kensington at Beverly Hills



City: Southfield, Mich.
Buyer: The Solomon Organization
Purchase Price: \$24 MM
Price per Unit: \$113,054

Cambridge House



City: Sterling Heights, Mich.
Buyer: Abro Property
Purchase Price: \$17 MM
Price per Unit: \$86,097

Riverside Townhomes



City: Gibraltar, Mich.
Buyer: Arco Construction
Purchase Price: \$17 MM
Price per Unit: \$125,919