



## MULTIFAMILY REPORT

# Detroit's Drift

Fall 2020

**Rents Post Significant Gains Across Submarkets**

**Employment Market Expected to Gain 1,200 Jobs**

**Downtown Detroit Leads Development**



# DETROIT MULTIFAMILY



## Rents Rebound Favorably

Despite the vulnerability displayed in recent decades, Detroit's multifamily market has not succumbed to the current downturn. Rents in the metro rose a substantial 0.7% on a trailing three-month basis through October to \$1,050, with Lifestyle rents posting a remarkable rebound after six consecutive months of negative performance that ended in March.

Employment took a serious hit, declining 14.9% in the 12 months ending in September, trailing the -9.3% national average. The unemployment rate slid to 12.8% in August from the 26.5% all-time high registered in May, with the preliminary September figure clocking in at 12.5%. As expected, because of the state's automotive industry concentration, manufacturing was among the worst-hit sectors, contracting by 9.8% in the 12 months ending in September. Even though Detroit has lost a large chunk of its workforce since the onset of the pandemic, the metro is better positioned to weather the immediate fallout of the current crisis than it was in past downturns.

Developers delivered only 547 units through October and had another 5,732 under construction. Meanwhile, \$194 million in multifamily assets traded during the first 10 months of the year, with one transaction recorded in April accounting for nearly half of that.

## Market Analysis | Fall 2020

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### Recent Detroit Transactions

#### Independence Green



City: Farmington Hills, Mich.  
Buyer: JRK Property Holdings  
Purchase Price: \$100 MM  
Price per Unit: \$101,427

#### Garfield Park



City: Fraser, Mich.  
Buyer: Princeton Enterprises  
Purchase Price: \$5 MM  
Price per Unit: \$48,485

#### Atrium



City: Southfield, Mich.  
Buyer: Contour Cos.  
Purchase Price: \$4 MM  
Price per Unit: \$37,500

#### Ryan Court



City: Detroit  
Buyer: Century Partners  
Purchase Price: \$1 MM  
Price per Unit: \$5,440