



## 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](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Ron Brock, Jr.

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

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent Detroit Transactions

#### Bloomfield Square



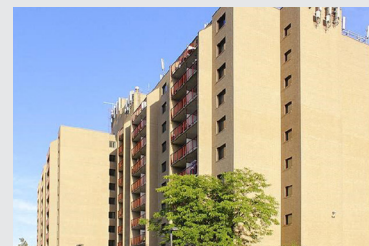
City: Auburn Hills, Mich.  
Buyer: Halt Management  
Purchase Price: \$38 MM  
Price per Unit: \$149,902

#### 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