



## MULTIFAMILY REPORT

# Motor City Builds Momentum

March 2022

Developers Target Lifestyle Renters

Investment Activity on Upswing

Construction Activity Rises, Remains Limited

# DETROIT MULTIFAMILY



## Detroit Housing Market Improves, Still Moderate

Motor City's recovery trajectory remained positive, as increased multifamily investor interest showcased strengthening confidence. Mirroring U.S. trends, rent growth softened at the beginning of the year, increasing 0.2% on a trailing three-month (T3) basis through January, to an average of \$1,165. Detroit's occupancy rate in stabilized properties was 96.9% in December.

The unemployment rate rose to 4.3% in December, according to preliminary data from the Bureau of Labor Statistics, after fluctuating through the year. The metro added 81,400 jobs in the twelve months ending in November, a 5.2% increase year-over-year. Detroit's largest sector—professional and business services—was second in terms of growth, expanding by 24,900 jobs. Despite work from home still keeping white-collar workers away from the office, Bedrock—the metro's largest real estate company—made significant investments along the Detroit riverfront over the past year, with the purchase of The River Place portfolio and the 420,000-square-foot The Icon.

Construction activity bounced back by Detroit's standards, as developers completed 2,039 units in 2021, 0.9% of total stock and almost double compared to the previous year. The metro had 4,952 units under construction, with developers focusing entirely on Life-style assets, mostly in submarkets in the North and the urban core.

## Market Analysis | March 2022

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Jack Kern

Director of Research  
and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### 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

**Lucia Morosanu**  
Associate Editor

### Recent Detroit Transactions

#### The Crossings at Canton



City: Canton, Mich.  
Buyer: GSH Group  
Purchase Price: \$144 MM  
Price per Unit: \$193,760

#### Manors at Knollwood



City: Clinton Township, Mich.  
Buyer: The Solomon Organization  
Purchase Price: \$132 MM  
Price per Unit: \$219,502

#### Kings Pointe



City: Warren, Mich.  
Buyer: LR Management  
Purchase Price: \$18 MM  
Price per Unit: \$105,412