



## MULTIFAMILY REPORT

# Detroit Shifts Down A Gear

December 2023

A nighttime aerial photograph of the Detroit skyline, showing illuminated skyscrapers and buildings across the city.

Short-Term Rent Movement Negative

Occupancy Near US Average

Construction Slowdown



# DETROIT MULTIFAMILY



## Rents, Pipeline Shaky Amid Volatility

Detroit multifamily largely followed nationwide trends going into the last quarter of 2023, with rent growth slightly in the red and occupancy close to the national average. Rents were down 0.2% on a trailing three-month (T3) basis through October, 10 basis points below the U.S. pace. Year-over-year, rate growth was on par with the national average, up 0.4%, to \$1,239, but still below the \$1,718 U.S. figure as of October.

Detroit unemployment dropped to 3.8% in September, on par with the U.S. and very close to the state's rate. In the 12 months ending in August, Detroit gained 13,900 jobs, marking just a 1.2% expansion, only half the national pace of growth. The education and health services sector led gains, with 6,000 jobs added, closely followed by government (5,300 positions) and leisure and hospitality (4,000 positions). Meanwhile, education and research are making strides, with the University of Michigan breaking ground on a \$250 million Center for Innovation with help from Olympia Development and Related Cos.

Development slowed in the Detroit area, as completions amounted to just 1,065 units in the first 10 months of 2023, down more than 50% year-over-year. However, metro Detroit still had 5,444 units under construction as of October 2023, as well as some 26,000 units in the planning and permitting stages.

### Recent Detroit Transactions

#### Carnegie Park



City: Southfield, Mich.

Buyer: Rockwell Property

Purchase Price: \$21 MM

Price per Unit: \$117,074

## Market Analysis | December 2023

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