

YARDI® Matrix

Detroit Gears Up

Multifamily Winter Report 2016

**Multifamily Demand
Returns in Suburbs**

**Redevelopment Wave
Hits Infill Locations**

**Investment Picks
Up Pace**

DETROIT MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2016

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Motor City Picks Up Traction

Detroit in recent years has earned a negative reputation through its municipal bankruptcy, high crime rate and the near collapse of the automotive industry during the recession. Today, however, the metro is on the upswing. It is led, naturally, by the resurgent auto industry, which hit record sales in 2015.

The changes encompass improvements to a broad sample of the metro's economic base. The initiatives are led by billionaire financier Dan Gilbert and the Downtown Development Agency, which have produced an evolving, 18-hour city center with luxury retail and apartments, high-end office space, arenas and entertainment. The M-1 Rail line project is expected to galvanize investment along the newly formed Woodward corridor. Rocket Fiber, a Gilbert-controlled tech company, has already used the opportunity created by the construction process to lay down infrastructure that will benefit nearby residential assets.

Multifamily rents improved moderately in 2015, and demand is slated to increase as the job market continues to outperform. Looking forward, low supply combined with a focus on rehabbing existing assets will translate to higher rent rates. Rents are still lagging in some areas of the city, but renewed population growth and a strengthening job market are signs that the metro will continue to improve.

Recent Detroit Transactions

North Park Towers



City: Southfield, Mich.
Buyer: RESSCO
Purchase Price: \$18 MM
Price per Unit: \$54,985

Northridge Meadows



City: Northville, Mich.
Buyer: SJB Management Co.
Purchase Price: \$8 MM
Price per Unit: \$69,643

Bristol Hills



City: Trenton, Mich.
Buyer: Victor Cassar Management
Purchase Price: \$6 MM
Price per Unit: \$36,905

Gibraltar Pointe



City: Gibraltar, Mich.
Buyer: Princeton Enterprises
Purchase Price: \$2 MM
Price per Unit: \$27,160