



MULTIFAMILY REPORT

Detroit Stays Solid

December 2024



Unemployment Improves

Investment Volume Expands

Steady T3 Rent Growth Outpaces US

DETROIT MULTIFAMILY



Detroit Rents Still On the Rise

Detroit advertised asking rents continued to climb at a steady pace, up 0.2% on a trailing three-month basis, through October. In contrast, the national average was down 10 basis points. On a year-over-year basis, the difference was even more noticeable. The metro recorded a 3.7% increase, while the U.S. rate of growth stood at just 0.9%.

Overall, the metro saw a net gain in employment during the 12 months ending in August, however the rate of growth was 120 basis points below the 1.4% national average. Detroit's August unemployment rate stood at 4.1%, according to data from the Bureau of Labor Statistics. The figure outperformed both the state and U.S. averages. A \$6.4 billion project nearing completion will boost the metro's economy. The Gordie Howe International Bridge, which will link Windsor, ON, and Detroit, is scheduled to be finished by September 2025, enhancing cross-border trade as well as tourism.

Detroit developers completed 1,275 units during the first 10 months of the year. The metro's pipeline included 4,379 units under construction with an additional 25,800 units in the planning and permitting stages. New construction starts have slowed, especially compared to the high levels seen in 2023. Investment activity picked up, as the sales volume for the first 11 months totaled \$224 million, already surpassing 2023's \$157 million.

Market Analysis | December 2024

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Recent Detroit Transactions

Turtle Cove



City: Westland, Mich.
Buyer: Highlands Vista Group
Purchase Price: \$27 MM
Price per Unit: \$140,625

Danish Village



City: Rochester Hills, Mich.
Buyer: Redwood Housing Partners
Purchase Price: \$20 MM
Price per Unit: \$135,667