DETROIT, MI

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.7%	$1,329	20.5%
UP 40 BPS YOY	UP 3.5% YOY	UP 20 BPS YOY

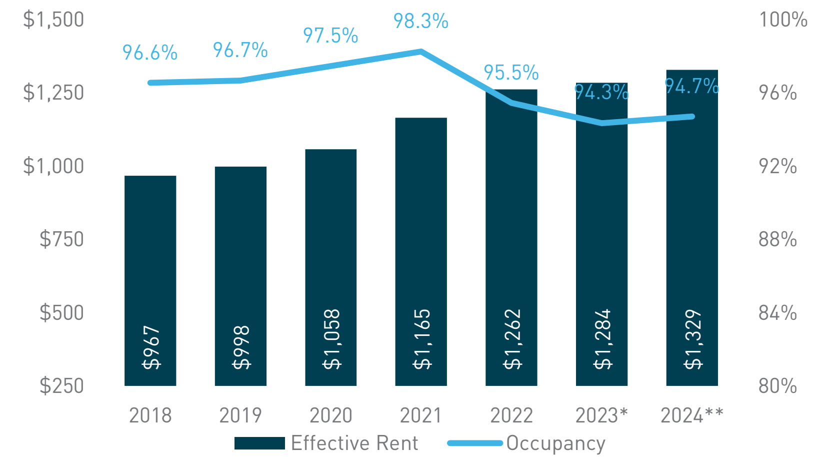
Apartment Demand Projected to Outpace Wave of New Inventory in 2024

The manufacturing sector, which accounts for approximately 12% of the Detroit metro area's nonfarm employment, is anticipated to lead the other job sectors in growth in 2024. Magna International of America's 280,000-square-foot facility that opens in Auburn Hills this year with 530 new workers will be a major contributor to this growth. The trade, transportation, and utilities sector is also expected to expand, boosted by 1,050 new workers at General Motors Company's 1.1 million-square-foot electric vehicle parts warehouse expected to open in Auburn Hills in late 2024. These and other company expansions will encourage household formation, estimated to total nearly 3,000 new households metrowide in 2024. The completion of 4,072 new apartments this year—many of which were delayed because of labor shortages and supply chain interruptions during the pandemic—will accommodate some of these households. Multifamily developers, optimistic about a return of renters to the urban core, will bring approximately 25% of the new apartments online in the Downtown/Midtown/Rivertown submarket. Together, employment and household growth will contribute to the projected net absorption of 4,896 apartment units metrowide in 2024. Apartment demand is forecast to eclipse deliveries in 2024, fueling a 40-basis-point, year-over-year increase in occupancy to 94.7% in the fourth quarter of 2024. Meanwhile, average monthly effective rent is projected to rise 3.5% to $1,329 by year-end.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

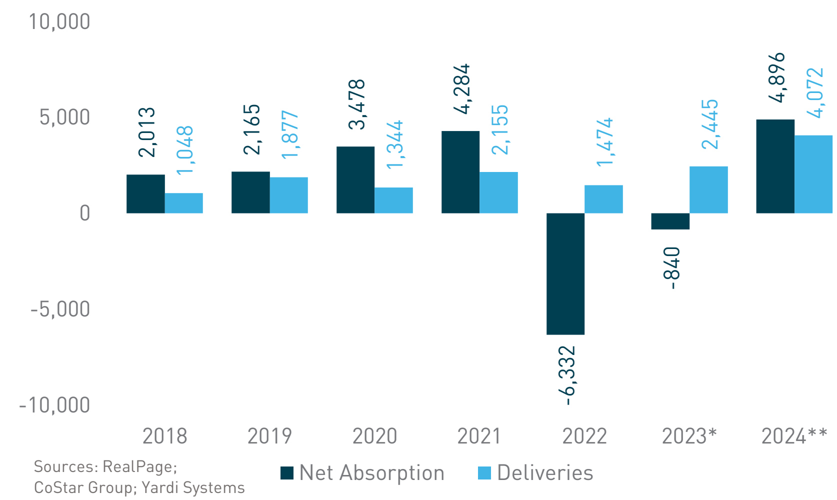


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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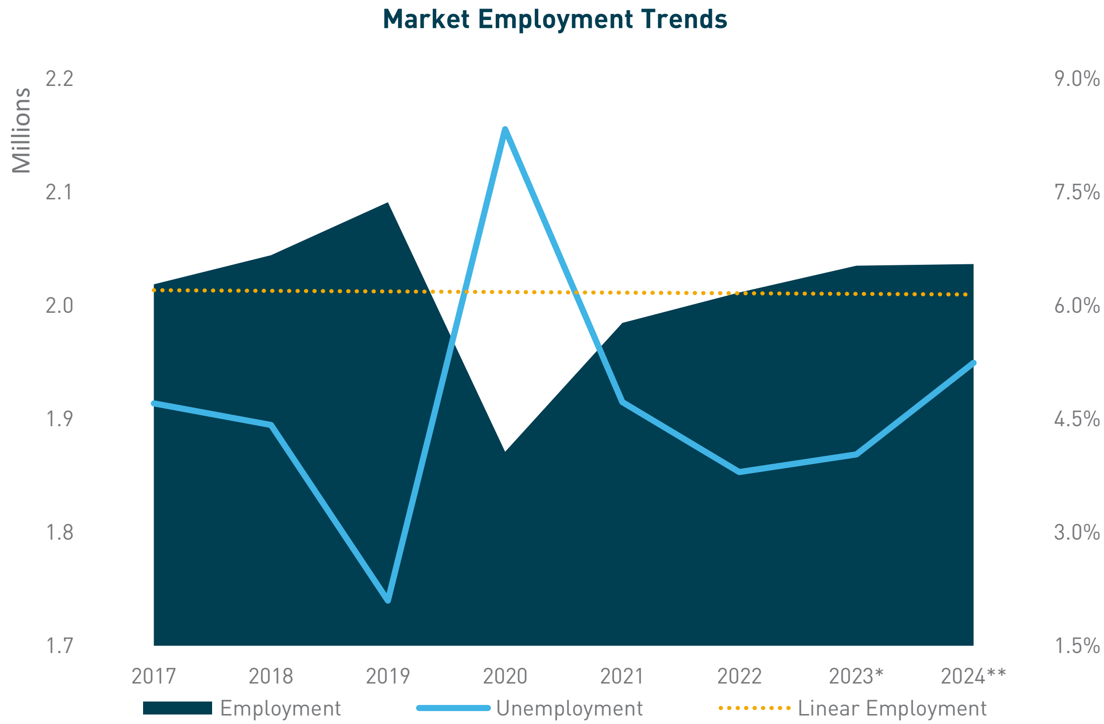
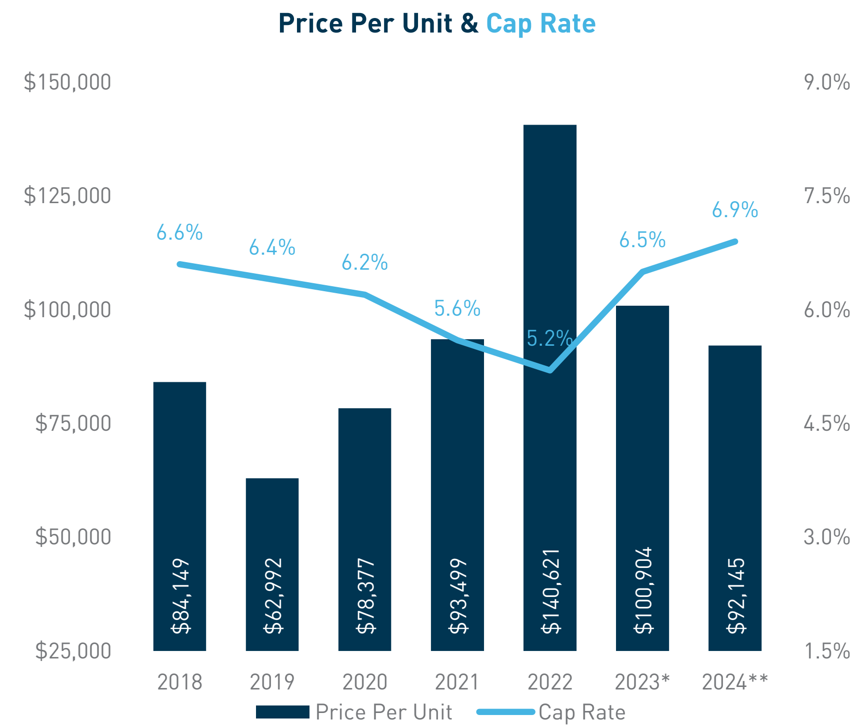
EMPLOYMENT TRENDS



Source: Moody's Analytics *Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI *Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
2,036,700	5.2%	$77,853
UP 0.1% YOY	UP 120 BPS YOY	UP 2.8% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$92,145	6.9%
DOWN 8.7% YOY	UP 40 BPS YOY