DETROIT, MI

2025 MARKET AT A GLANCE

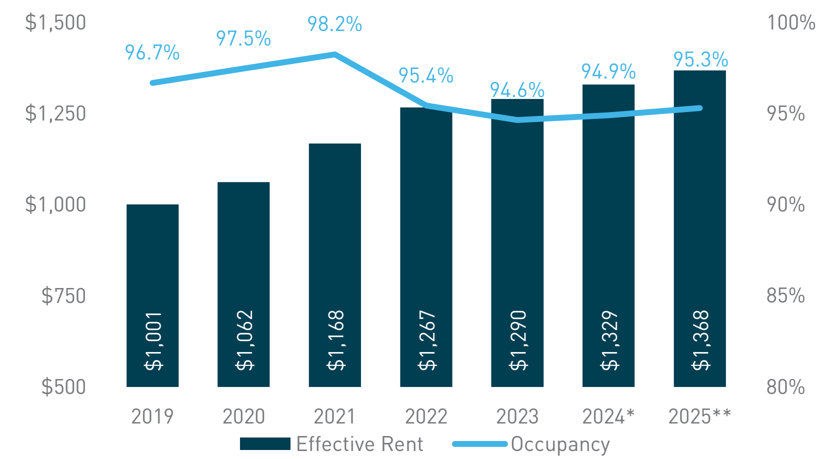
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
95.3%	$1,368	20.9%
UP 40 BPS YOY	UP 2.9% YOY	DOWN 20 BPS YOY

Vibrant Apartment Demand Expected to Outpace Deliveries in 2025

Detroit metro area's apartment fundamentals improved in 2024 and are expected to advance further in 2025, amid greater-than-normal deliveries. At year-end 2024, three new apartment communities in the metro area were under lease-up. An additional 17 properties were under construction; 13 of those apartment communities will be completed in 2025. Of the 2,855 new units forecast for the Detroit area this year, 1,546 are scheduled for completion in the Southfield submarket, which normally receives few if any new apartments each year. All the deliveries in the submarket this year will be at the $403 million Northland City Center mixed-use redevelopment of the Northland Mall. About 84% of the metro's apartment inventory is at least 25 years old. More than half of the new apartment units in 2025 will be Class A units, so the emergence of this new, amenity-rich apartment inventory is expected to propel leasing activity. Furthermore, the median household income in the metro area is forecast to increase 3.6% this year, outpacing last year's 1.6% gain, enabling many renters to gravitate to higher-end apartments. Consequently, net apartment absorption is predicted to surge in 2025, outpacing deliveries. The healthy demand metrowide is projected to increase occupancy 40 basis points by year-end 2025. Meanwhile, Greater Detroit's average monthly effective rent is forecast to rise 2.9% to $1,368. Even with the increase, the metro's average effective rent will remain an excellent value—4% less than Grand Rapids, 16% less than Ann Arbor, and significantly lower than Chicago's $2,098 average monthly effective rent.

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 2024 are projected values. 2025 figures are forecast projections.

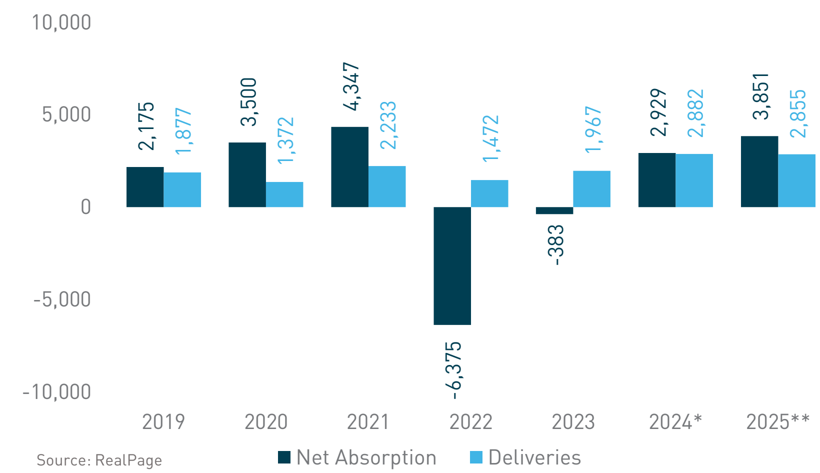
APARTMENT TRENDS



Source: RealPage

*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.



Source: RealPage

*Projected **Forecast

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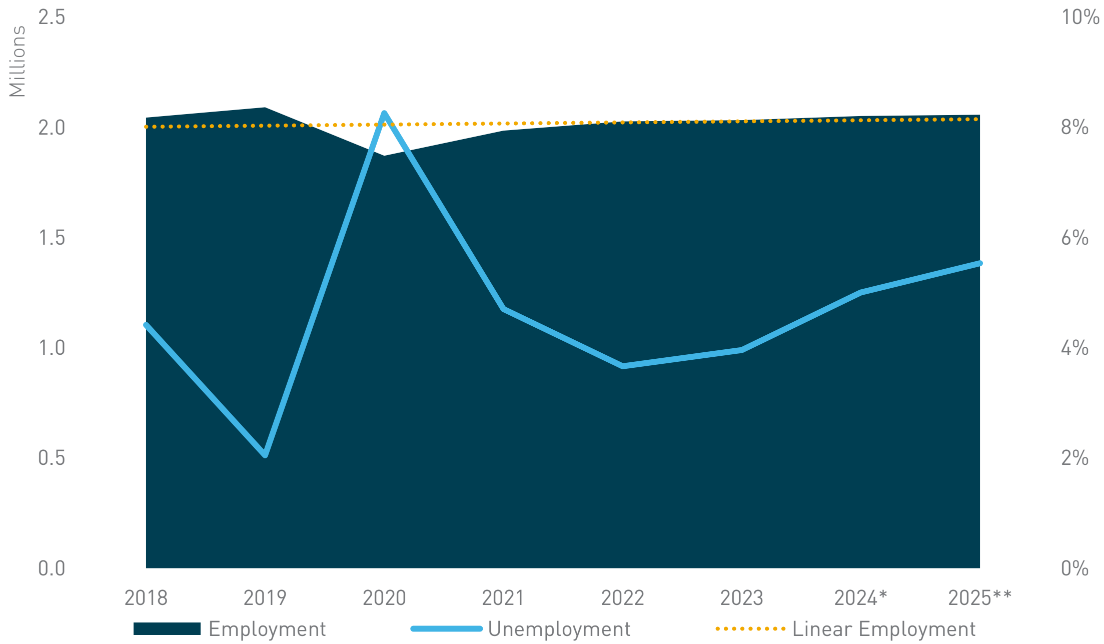
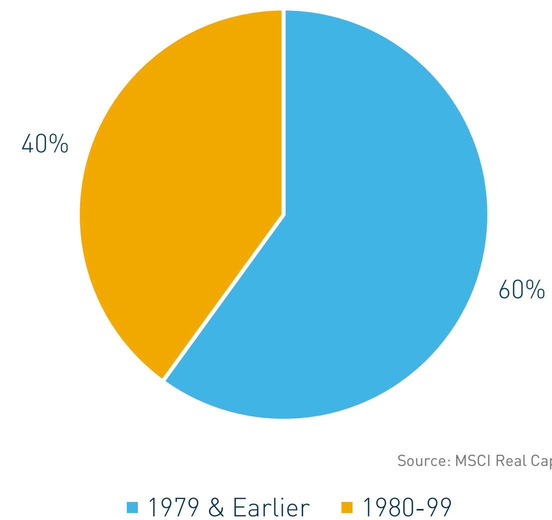
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
2,056,400	5.5%	$78,433	$158,849	6.5%
UP 0.2% YOY	UP 50 BPS YOY	UP 3.6% YOY	UP 19.7% YOY	UP 110 BPS YOY