



### MARKET AT A GLANCE



**OCCUPANCY RATE** **96.4%**  
Up **20 bps** since 3Q16



**ASKING RENT** **\$978**  
Up **2.9%** since 3Q16

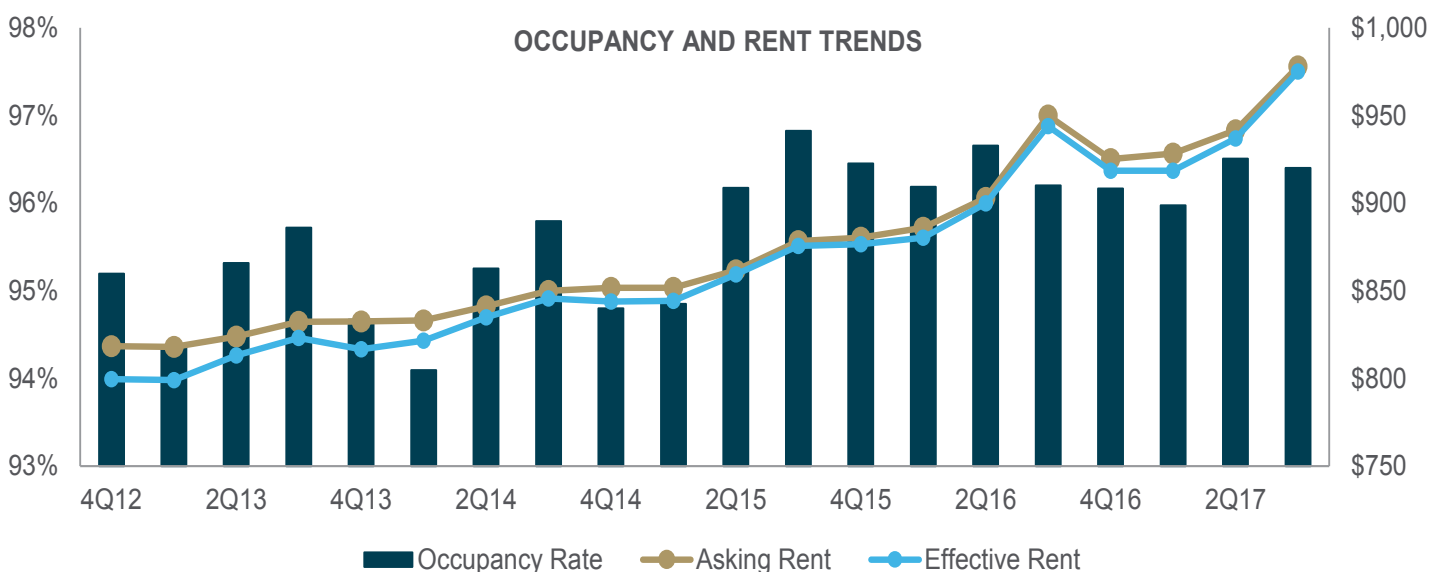


**CONCESSIONS** **0.3%**  
Down **30 bps** since 3Q16

### OCCUPANCY AND RENT TRENDS

## JOB GROWTH, APARTMENT DEMAND SUPPORT 3.3% EFFECTIVE RENT INCREASE

Sustained job growth in the Detroit metro area supported favorable apartment fundamentals in the last four quarters. Renters occupied 2,134 additional apartments during this time, with the net absorption of 868 units in Downtown Detroit leading all other areas. The metrowide occupancy rate increased 20 basis points annually to 96.4% in September of this year as occupancy rose in two-thirds of the submarkets. In the last four quarters, new multifamily inventory totaled 1,865 units in the six-county metro area, a 46% increase over the prior four-quarter period. Confident in continued apartment demand, multifamily developers requested permits for 1,869 units so far this year, 119% greater than the same period in 2016. Operators took advantage of healthy apartment demand, raising asking rent an average of 2.9% since the third quarter of last year. By September, asking rent averaged \$978 per month. Operators additionally enhanced the bottom line by reducing concessions 30 basis points to 0.3% of asking rent. The reduction spurred a 3.3% annual increase in effective rent to \$975 per month.



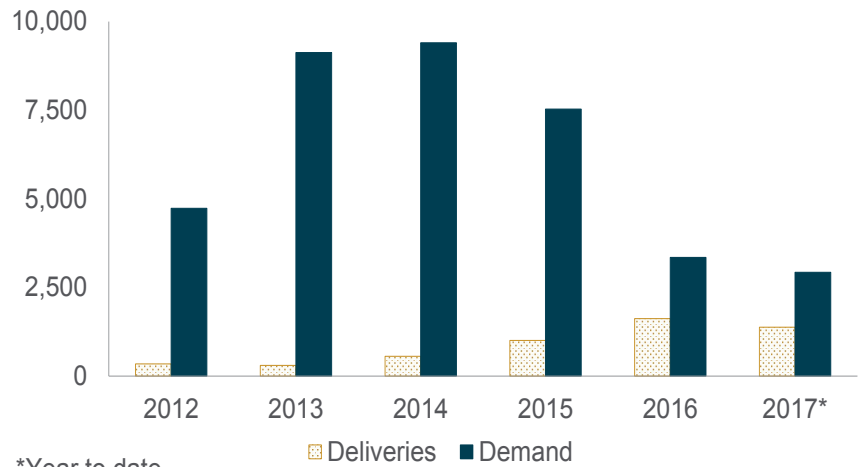
## DELIVERIES AND DEMAND



**DELIVERIES** 1,377  
Units YTD



**NET ABSORPTION** 2,929  
Units YTD



\*Year to date

## ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
5.3% ..... **-210 BPS CHANGE** ..... 3.2%

2016 **EMPLOYMENT\*** 2017  
1.98m ..... **2.0% CHANGE** ..... 2.02m

2016 **EXISTING SFH SALES\*\*** 2017  
77.2k ..... **23.1% CHANGE** ..... 95.0k

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$157.3k ..... **6.5% CHANGE** ..... \$167.6k

2016 **10-YEAR TREASURY\*\*** 2017  
1.63% ..... **60 BPS CHANGE** ..... 2.20%

Employment expanded in seven of nine job sectors, with losses confined to the information and the other services sectors. Annual job growth of 2.0% was recorded as 39,600 workers were added to local payrolls through August of this year. By far the greatest increase in employment occurred in the professional and business services sector, which grew 3.6% with 14,300 new hires. The sector was supported by 500 new jobs at Rock Connections in Detroit. In the manufacturing industry, businesses created 7,100 jobs, a 2.9% gain. Companies in the financial activities sector recruited 1,300 workers, a 1.2% increase. United Shore Financial Services LLC was a key contributor to the sector's growth, adding hundreds of jobs in Troy. Over the next several years, manufacturing industry employment will be enhanced by 700 newly created positions at Ford Motor Company's Flat Rock Assembly Plant, 430 new jobs at Grupo Antolin's manufacturing facility in Shelby Township, and 150 engineers at Roush Industries in Troy.

\*August; \*\*September



# DETROIT

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Dearborn/Dearborn Heights	96.2%	96.4%	1.0%	-2.1%	\$1,031	\$1,009	23	20	0	0
Down River/Romulus	96.9%	97.4%	1.6%	2.2%	\$767	\$784	84	96	0	0
Downtown	96.1%	96.5%	-1.1%	2.5%	\$1,186	\$1,215	153	868	85	820
Farmington Hills	96.8%	97.2%	8.0%	6.7%	\$1,098	\$1,172	31	54	0	0
Livingston County	97.5%	97.6%	-3.5%	5.7%	\$948	\$1,002	-12	5	0	0
Livonia	97.0%	97.0%	-1.1%	-5.1%	\$1,172	\$1,112	-29	0	0	0
Macomb County	95.8%	95.6%	1.4%	-0.4%	\$875	\$871	151	74	24	183
Macomb County / Other	93.2%	92.8%	-	6.4%	\$1,100	\$1,170	-59	-5	0	0
Midtown/West Detroit	96.5%	96.2%	-1.2%	6.1%	\$666	\$707	239	148	42	292
Novi	97.6%	97.1%	1.3%	1.2%	\$967	\$978	-52	-63	0	0
Oak Park/Royal Oak	95.5%	96.2%	3.1%	4.3%	\$924	\$963	-28	221	0	136
Oakland County / Other	95.6%	95.9%	1.6%	5.8%	\$930	\$984	-114	11	0	0
Pontiac/Waterford	97.5%	97.6%	2.9%	1.3%	\$966	\$978	102	278	0	247
Southfield	96.0%	96.1%	-3.7%	4.1%	\$953	\$992	-75	15	0	0
St. Clair County	91.2%	94.4%	9.0%	6.2%	\$724	\$769	-124	166	0	0
Troy	96.6%	96.6%	8.5%	5.5%	\$1,175	\$1,240	74	0	0	0
Wayne County/Other	95.5%	95.8%	4.2%	3.8%	\$768	\$798	36	118	18	94
Westland	96.6%	96.8%	9.5%	1.6%	\$848	\$862	93	129	93	93
<b>TOTALS</b>	<b>96.2%</b>	<b>96.4%</b>	<b>2.4%</b>	<b>2.9%</b>	<b>\$950</b>	<b>\$978</b>	<b>492</b>	<b>2,134</b>	<b>262</b>	<b>1,865</b>



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