

DETROIT, MI

2023 MARKET AT A GLANCE

Occupancy Rate

95.8%



DOWN 40 BPS YOY

Effective Rent

\$1,302



UP 3.4% YOY

Rent Share of Wallet

21.5%



UNCHANGED YOY

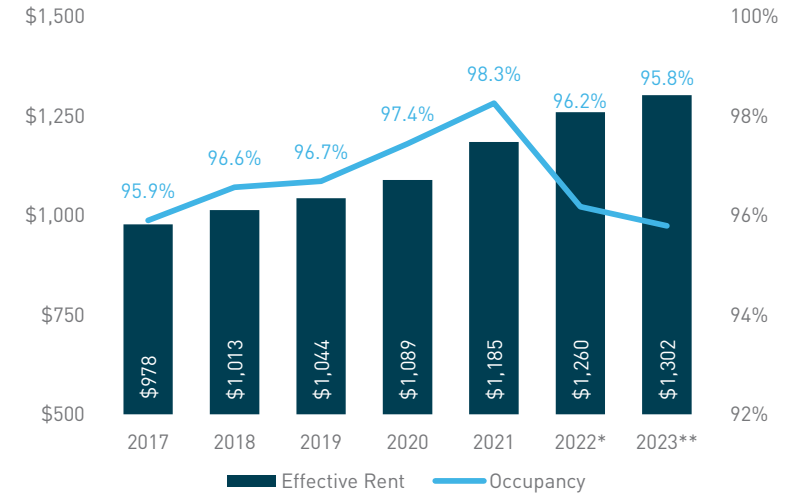
Manufacturers to Invest \$11.1b and Fill 9,200 Jobs to Reinforce Apartment Fundamentals

Job growth and the gradual return to a pre-pandemic work environment in the Detroit metro area are expected to reinforce apartment fundamentals in 2023. Rocket Companies Inc., Ford Motor Company, and DTE Energy are some of the local companies transitioning to a hybrid office/remote working arrangement with their employees. The return-to-office trend coincides with a concentration of apartment deliveries in 2023 near employment hubs in the urban core and suburbs in Oakland County. Of the 1,931 apartment units scheduled for completion in 2023, two-thirds of the apartments will come online in the Downtown/Midtown/Rivertown submarket and in the Troy/Rochester Hills submarket in Oakland County. The new, amenity-rich apartments in these submarkets will draw renters, resulting in robust leasing activity that supports the metrowide net absorption of 785 units. Apartment occupancy in the metro area is forecast to be 95.8% by year-end 2023, and average monthly effective rent is projected to rise 3.4% during the year. Continued improvement in apartment fundamentals is anticipated as major developments emerge and the manufacturing industry flourishes. In 2023, the first phase of the 171-acre Romulus Trade Center mixed-use development will support 1,100 jobs. Over the next several years, Ford Motor Company, General Motors Company, Magna International Inc., and Our Next Energy will invest a combined \$11.1 billion in new facilities, expansions, and retooling, resulting in an aggregate addition of over 9,200 jobs in the Detroit metro area.

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 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

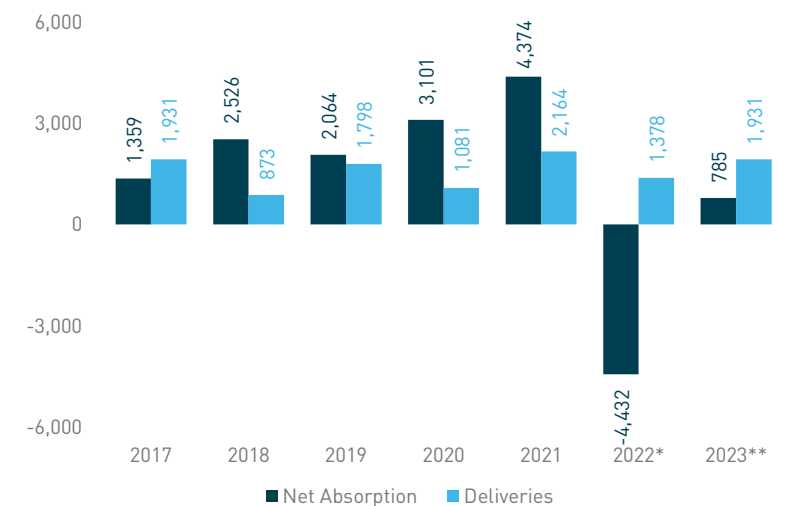
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

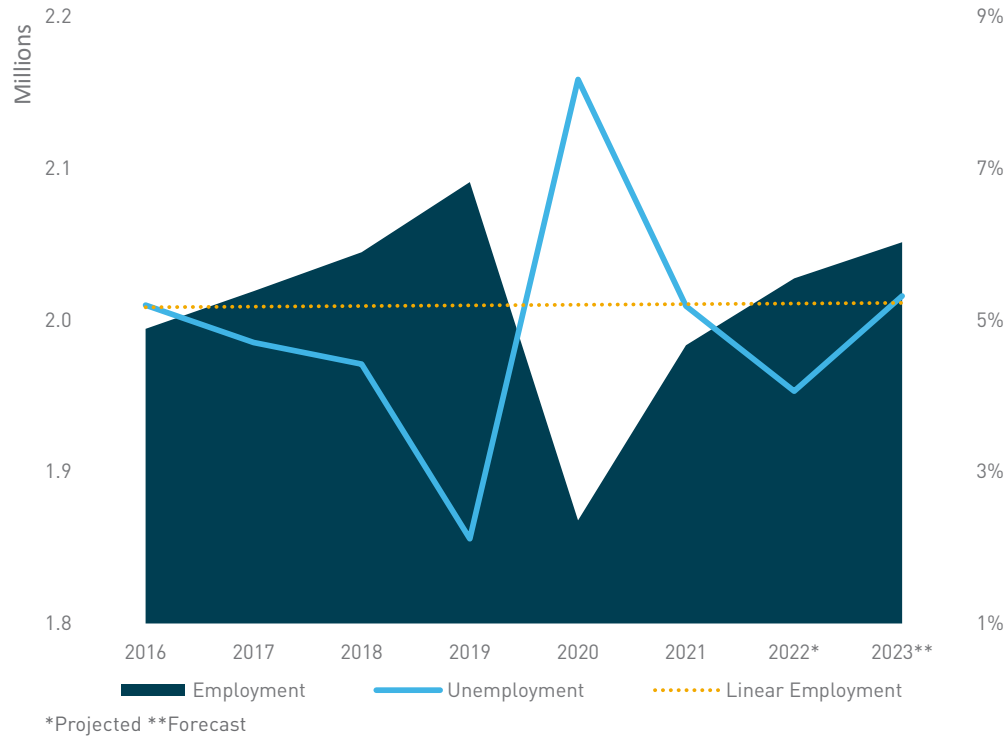
Absorption & Deliveries



*Projected **Forecast

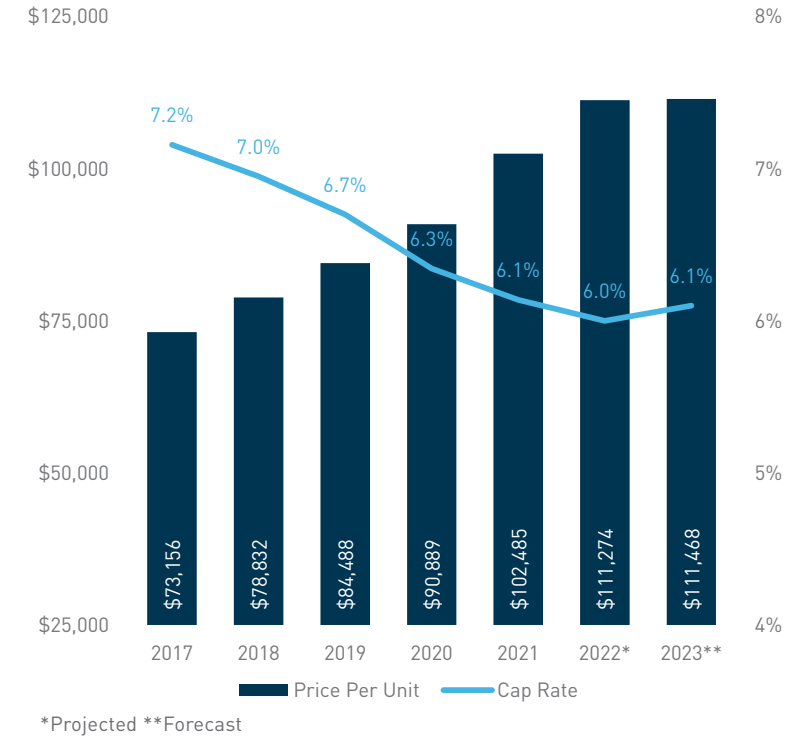
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>2,051,200</p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p>5.3%</p> <p>↑</p> <p>UP 120 BPS YOY</p>	<p>Median Household Income</p> <p>\$72,846</p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p>\$111,468</p> <p>↑</p> <p>UP 0.2% YOY</p>	<p>Cap Rate</p> <p>6.1%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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