DETROIT
MULTIFAMILY REPORT

SECOND QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE 96.1%
Down **90 bps** since 2Q19

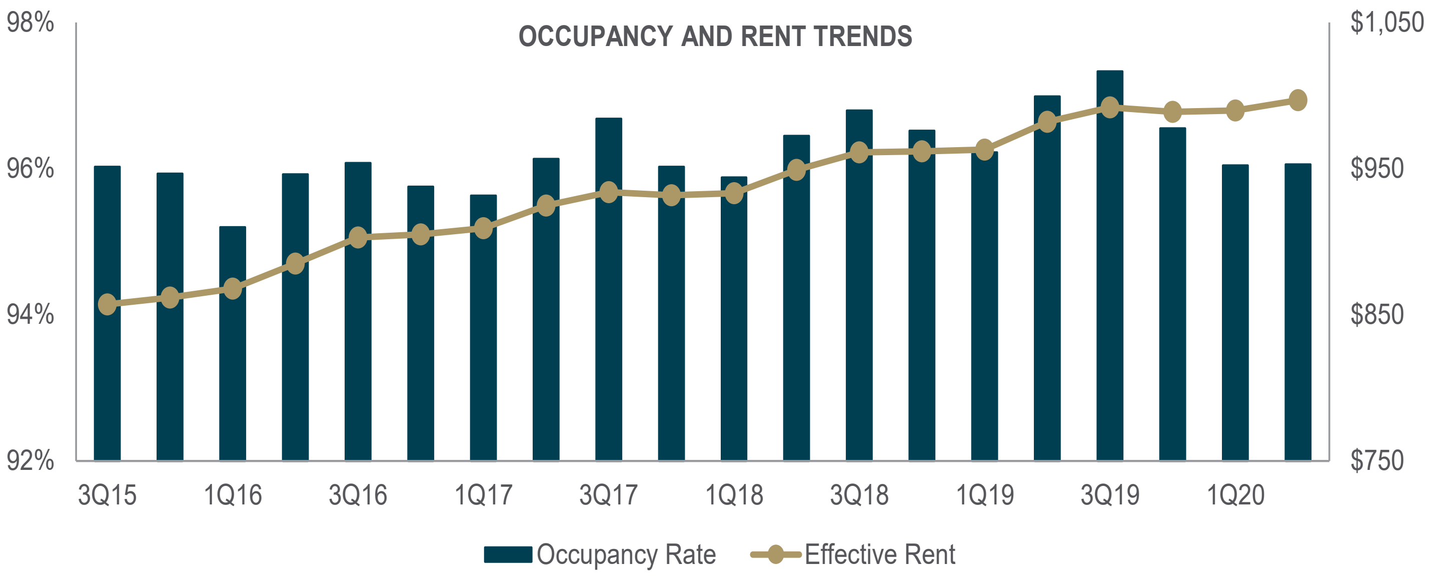
EFFECTIVE RENT $997
Up **1.5%** since 2Q19

RENT PAYMENT TRACKER (July 1-13) 90.6%
Down **60 bps** since June 1-13

OCCUPANCY AND RENT TRENDS

DETROIT'S 2Q 2020 APARTMENT FUNDAMENTALS STABLE AMID PANDEMIC

The apartment market in Detroit's inner core continued to draw renters in the second quarter of 2020, contrary to apartment demand that thinned in some other urban centers in the country. Professional and business services companies, less affected by the pandemic than businesses in most other job sectors in the metro, are prevalent in the Motor City's urban hub, and they have historically driven apartment demand nearby. Operators in the Downtown/Midtown/Rivertown submarket recorded net absorption of 295 apartments in the second quarter, helping drive up occupancy 80 basis points quarter over quarter to 94.3% in June. At the same time, effective rent increased 1.2%. Occupancy and rent trends in central Detroit mirrored the metro area. Metrowide apartment occupancy lifted 10 basis points from March 2020 to 96.1% in June, while average monthly effective rent advanced 0.7% to $997. Rent payments were mostly on time as 90.6% of renters partially or fully met their monthly lease obligation in the period from July 1 to July 13. From mid-2020 through year-end 2021, a wave of approximately 4,500 new apartments is anticipated metrowide, potentially generating downward pressure on occupancy and rent growth.



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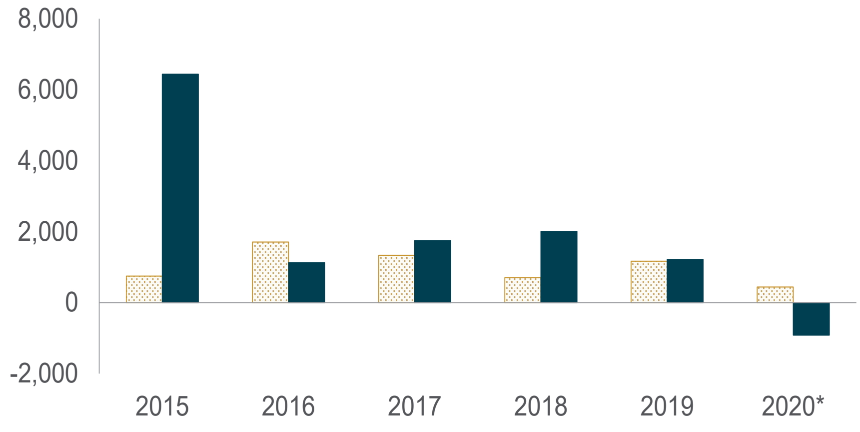
DELIVERIES AND DEMAND

DELIVERIES 440
Units YTD

NET ABSORPTION -914
Units YTD



*Year to date

ECONOMIC TRENDS

2019		2020
4.5%	UNEMPLOYMENT* **1,870 BPS** CHANGE	23.2%
2.0m	EMPLOYMENT** **-13.4%** CHANGE	1.8m
75.2k	EXISTING SFH SALES** **-36.2%** CHANGE	48.0k
4.3m	POPULATION** **-0.1%** CHANGE	4.3m
2.07%	10-YEAR TREASURY** **-130 BPS** CHANGE	0.73%

**May; **June*

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Clinton Township/St. Clair County	96.4%	50	-60	$920	1.6%	3.5%	122	15	0	169
Dearborn/Dearborn Heights	94.6%	-60	160	$1,131	0.4%	2.1%	-44	129	0	0
Detroit City	94.9%	-70	-260	$810	0.5%	0.9%	-281	-690	0	389
Downtown/Midtown/Rivertown	94.3%	80	-150	$1,318	1.2%	1.2%	295	-118	155	172
Farmington Hills/West Bloomfield	95.4%	-30	-140	$1,204	-0.4%	-4.1%	-50	-218	0	0
Novi/Livingston County	96.4%	-70	-140	$1,103	0.0%	3.0%	-92	-161	39	87
Pontiac/Waterford/Auburn Hills	97.2%	-20	-10	$957	0.4%	2.2%	72	131	117	158
Royal Oak/Oak Park	96.0%	30	-60	$997	0.7%	3.5%	44	-12	0	65
South Wayne County	96.6%	30	-60	$892	2.4%	5.9%	64	-151	0	0
Southfield	97.3%	90	-30	$1,063	-0.6%	0.0%	130	-48	0	0
Sterling Heights/Shelby Township	97.3%	70	-50	$1,008	1.1%	0.5%	108	2	0	74
Troy/Rochester Hills	96.8%	-50	-30	$1,153	-0.3%	-1.6%	-77	-44	0	0
Warren/Roseville	95.6%	10	-10	$838	0.0%	2.8%	15	-14	0	0
Westland/Canton/Livonia	96.6%	10	-100	$979	1.2%	1.9%	37	-270	0	0
TOTALS	**96.1%**	**10**	**-90**	**$997**	**0.7%**	**1.5%**	**343**	**-1,448**	**311**	**1,114**

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Document sources: Berkadia Research; RealPage; National Multifamily Housing Council; Federal Reserve Bank of St. Louis; Moody's

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