



METRO DETROIT

2025 MID-YEAR

MULTIFAMILY REPORT

FRIEDMAN HQ

34975 W. Twelve Mile Rd.

Farmington Hills, MI 48331

888.848.1671

[friedmanrealestate.com](https://www.friedmanrealestate.com)



MARKET OVERVIEW (H1 2025)

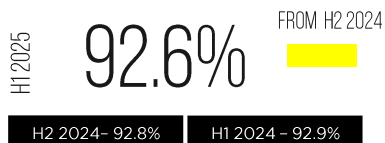
MARKET AT A GLANCE (H1 2025)



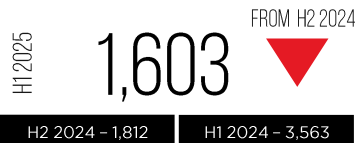
Market Size (Units)



Effective Rent Per Unit



Overall Occupancy



Half-Year Net Absorption



Half Year Sales Volume



Units Under Construction

Note: ▲ or ▼ or ■ indicates change compared to H2 2024

Note: H1 = Q1 & Q2 ; H2 = Q3 & Q4

In the first half of 2025, the Metro Detroit multifamily market continued to remain stable, supported by sustained rent growth, steady occupancy, and increased sales volume for the fourth consecutive half-year. Overall, positive net absorption and construction/development activity is concentrated in just four submarkets. Other ongoing trends include newly delivered communities from 2023 to 2025 still struggling to stabilize occupancy with a 29.2% vacancy rate as the development pipeline retreats from record levels to pre-COVID averages.

SUPPLY AND DEMAND: Occupancy held steady in H1 2025, but the overall market shows a continued gradual decline from peak levels in H2 2021 (96.0%). Net absorption slowed significantly, totaling just 1,603 units in H1 2025, well below the 3,563 units absorbed during the same period in 2024, but still exceeded H1 2025 deliveries (1,386 units). The H1 2025 deliveries is a 41% YOY decrease from units delivered in H1 2024 (2,365 units).

Notably, the Downtown Detroit submarket (437 units of positive net absorption | 117 units delivered) and Ann Arbor submarket (358 units of positive net absorption | 402 units delivered) had the highest positive net absorption. The only other submarkets with over 100 units of positive net absorption were Outer Detroit (255 units) and the I-275 Corridor (116 units). These four submarkets comprise 72.7% of the H1 2025 half-year net absorption.

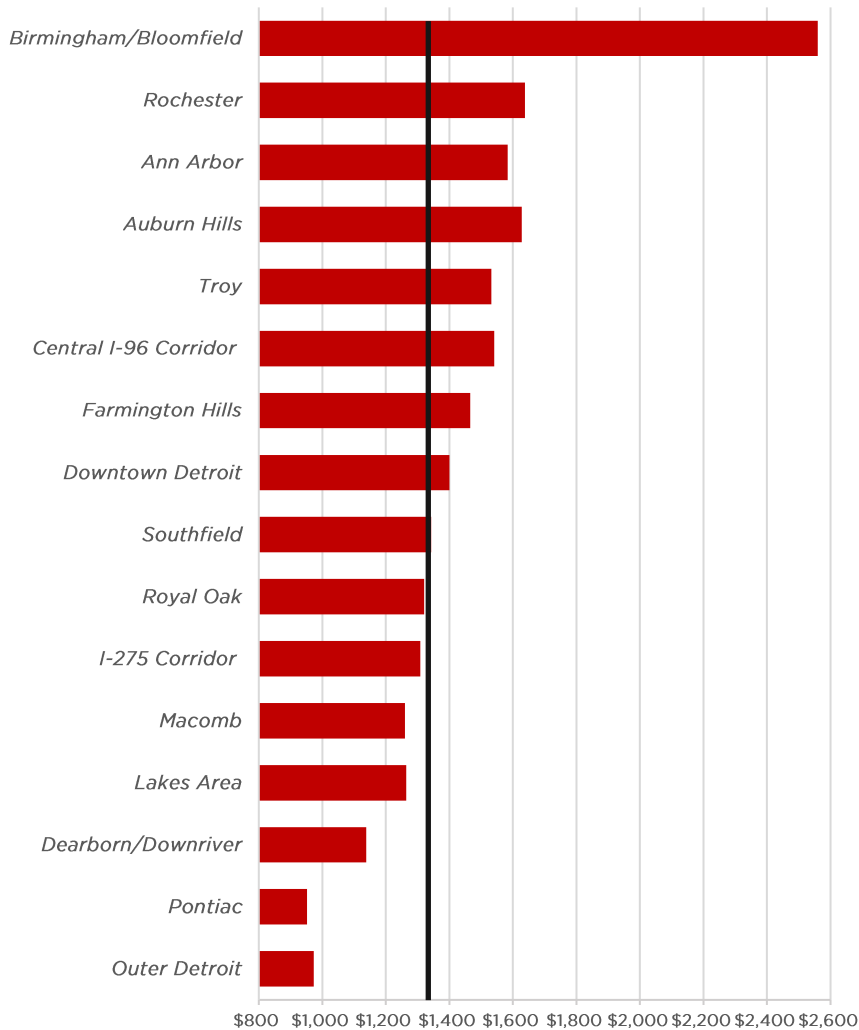
CONSTRUCTION SLOWDOWN & MARKET CONCENTRATION: Due to increased interest rates and development costs, both recent deliveries and units under construction (4.1K units) continue to decline from all-time high levels (8.3K in H1 2023). For reference, the current pipeline is the smallest since H1 2018 and remains below the pre-covid five-year average of 4.5K units. Over 76% of the units under construction are located in the Ann Arbor, Downtown Detroit, I-275 Corridor, and Outer Detroit submarkets, indicating that the current market is not conducive for areas lacking strong demand drivers, such as major employment hubs, newer amenities, universities, or experiential retail. The largest two properties delivered in the Ann Arbor (Haverhill on Clark | 295 units) and Birmingham/Bloomfield (Birmingham Pointe | 152 units) submarkets are indicative of this trend.

As single-family residential home prices remain near all-time high levels with elevated interest rate levels, consumers that may otherwise buy, will likely continue renting. Per the National Association of Realtors, the median home price rose from around \$300K before 2021 to \$435K in June 2025, driven by limited housing supply, pandemic-driven demand shifts, inflationary construction costs, and heightened investor activity. This will keep many millennials as renters for longer, while Gen Z enters the market and should help demand fundaments for the recently delivered/under construction multifamily inventory, especially in the Downtown Detroit and Ann Arbor submarkets.

SALES AND INTEREST RATES: Total sales volume (\$298MM) increased 30.6% YOY (\$228MM in H1 2024), but remains well below the all-time high level reached in H2 2021 (\$1.69B). This is largely due to the impact a sustained high interest rate environment has on values and financing as investors are forced into a negative leverage (cap rate < loan interest rate) situation.

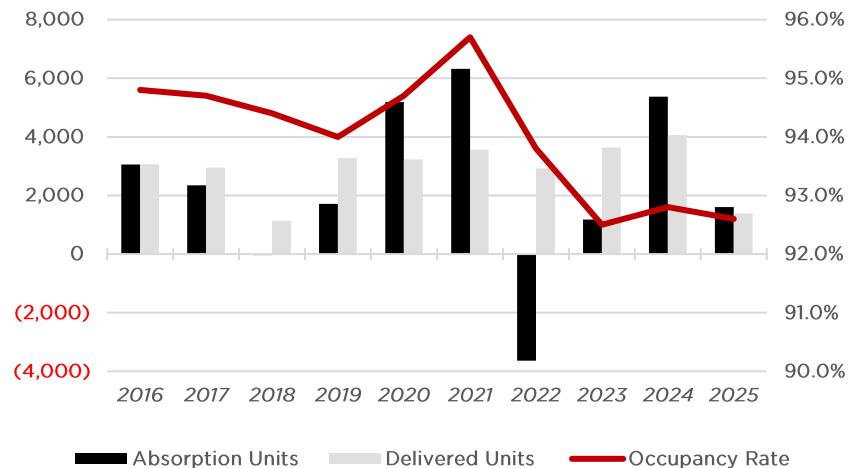
RENT GROWTH: Effective monthly rents increased 5.2% YOY to \$1,332 from H1 2024 (\$1,265), exceeding the pre-COVID five-year average growth rate of 3.3% and outpacing the increase seen from 2023 to 2024 (3.0% from H2 2023 to H2 2024). Unlike most years where rent growth is skewed by outliers, this was due to 15 of the 16 submarkets experiencing at least a 3% YOY increase in overall rent, with the exception of Pontiac.

AVERAGE EFFECTIVE RENT BY SUBMARKET

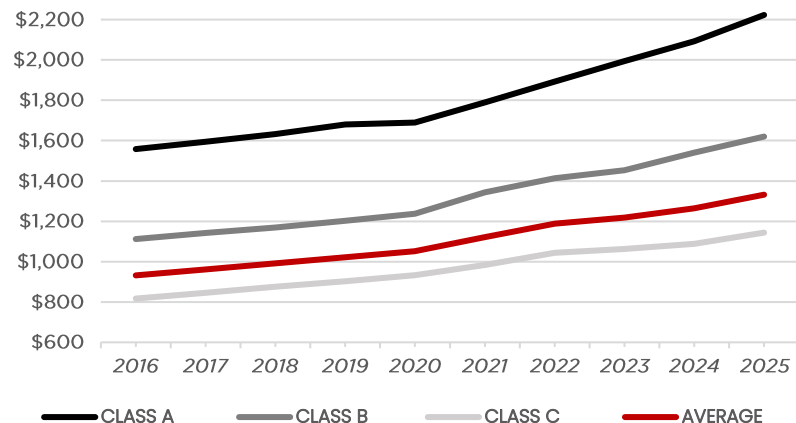


— Average Effective Rent Per Unit (\$1,332)

OCCUPANCY AND ABSORPTION



AVERAGE EFFECTIVE RENT BY CLASS



TOP SALE TRANSACTIONS (BASED ON SALES PRICE)

PROPERTY NAME	CITY	SUBMARKET	UNITS	SALE PRICE	PRICE/UNIT
The Waverly on the Lake	Belleville	Dearborn/Downriver	1,046	\$83,750,000	\$80,067
The Haven at Grosse Pointe	Harper Woods	Outer Detroit	408	\$50,000,000	\$122,549
Symphony Park Portfolio	Various	I-275 Corridor & Macomb	543	\$33,244,000	\$62,255
Bainbridge Park Apartments	Canton	I-275 Corridor	192	\$29,100,000	\$71,323
South Glen Apartments	Brownstown	Dearborn/Downriver	159	\$16,950,000	\$106,604
Park at Frankling Senior Living	Southfield	Southfield	348	\$15,000,000	\$43,103
Regents Apartments	Westland	I-275 Corridor	128	\$12,900,000	\$100,781

Note: Bold indicates a Friedman transaction.



SUBMARKET	# BLDGS	INVENTORY (UNITS)	NET ABS. (UNITS)	UNITS DELIVERED	UNITS UNDER CONST	TOTAL VAC. (%)	OVERALL OCC. (%)	AVG. EFFECTIVE RENT PER UNIT				TOTAL SALES VOLUME	AVG. PRICE PER UNIT
								Overall	Class A	Class B	Class C		
Ann Arbor	663	44,087	358	402	920	7.50%	92.50%	\$1,584	\$2,920	\$1,917	\$1,305	\$6,130,000	\$266,522
Auburn Hills	32	6,011	53	-	-	5.00%	95.00%	\$1,628	\$2,549	\$1,732	\$1,270	-	-
Birmingham/Bloomfield	50	4,916	92	176	22	10.50%	89.50%	\$2,560	\$3,716	\$2,807	\$2,088	\$750,000	\$125,000
Central I-96 Corridor	123	20,743	61	117	284	6.50%	93.50%	\$1,541	\$2,248	\$2,033	\$1,052	\$1,910,000	\$100,526
Dearborn/Downriver	453	45,133	25	136	358	5.40%	94.60%	\$1,138	-	\$1,407	\$1,033	\$100,910,000	\$83,328
Downtown Detroit	300	17,273	437	117	956	11.20%	88.80%	\$1,400	\$2,087	\$1,484	\$1,079	\$1,865,000	\$7,551
Farmington Hills	72	12,415	68	117	-	7.30%	92.70%	\$1,466	\$1,662	\$1,376	\$970	-	-
I-275 Corridor	279	31,612	116	-	638	5.30%	94.70%	\$1,309	\$2,602	\$1,777	\$1,147	\$61,034,000	\$107,077
Lakes Area	81	8,587	2	-	-	6.80%	93.20%	\$1,264	\$1,518	\$1,354	\$1,212	\$620,000	\$124,000
Macomb	545	62,147	89	-	203	6.80%	93.20%	\$1,260	\$1,725	\$1,525	\$1,111	\$48,935,000	\$63,801
Outer Detroit	977	48,452	255	93	671	0.60%	99.40%	\$973	\$2,035	\$991	\$916	\$70,144,000	\$66,550
Pontiac	103	7,787	15	124	-	5.50%	94.50%	\$952	\$3,579	\$1,285	\$952	-	-
Rochester	44	8,100	70	-	-	7.40%	92.60%	\$1,638	\$2,001	\$1,593	\$1,361	-	-
Royal Oak	389	16,752	1	104	7	7.00%	93.00%	\$1,321	\$2,343	\$1,783	\$1,102	\$6,175,000	\$181,618
Southfield	78	14,936	(19)	-	85	8.70%	91.30%	\$1,343	-	\$1,344	\$1,343	-	-
Troy	47	8,287	(20)	-	-	7.30%	92.70%	\$1,532	\$1,993	\$1,767	\$1,395	-	-
TOTAL	4,236	357,238	1,603	1,386	4,144	7.40%	92.60%	\$1,332	\$2,223	\$1,620	\$1,144	\$298,473,000	\$80,237

TOP MULTIFAMILY PROPERTIES DELIVERED (H1 2025)

PROPERTY NAME	CITY	SUBMARKET	UNITS	DELIVERED	PROPERTY TYPE	AVG. ASKING RENT (PER UNIT)
Haverhill on Clark	Ypsilanti	Ann Arbor	295	Q2 2025	Mid-Rise	\$1,403
Birmingham Pointe	Birmingham	Birmingham/ Bloomfield	152	Q1 2025	Mid-Rise	\$5,725
Taylor Crossing Senior Apartments	Auburn Hills	Auburn Hills	124	Q1 2025	Mid-Rise	\$1,660
Rose Senior Living	Farmington Hills	Farmington Hills	117	Q1 2025	Low-Rise	\$6,095
Residences at Sakura Novi	Novi	Central I-96 Corridor	117	Q2 2025	Townhome	\$2,872

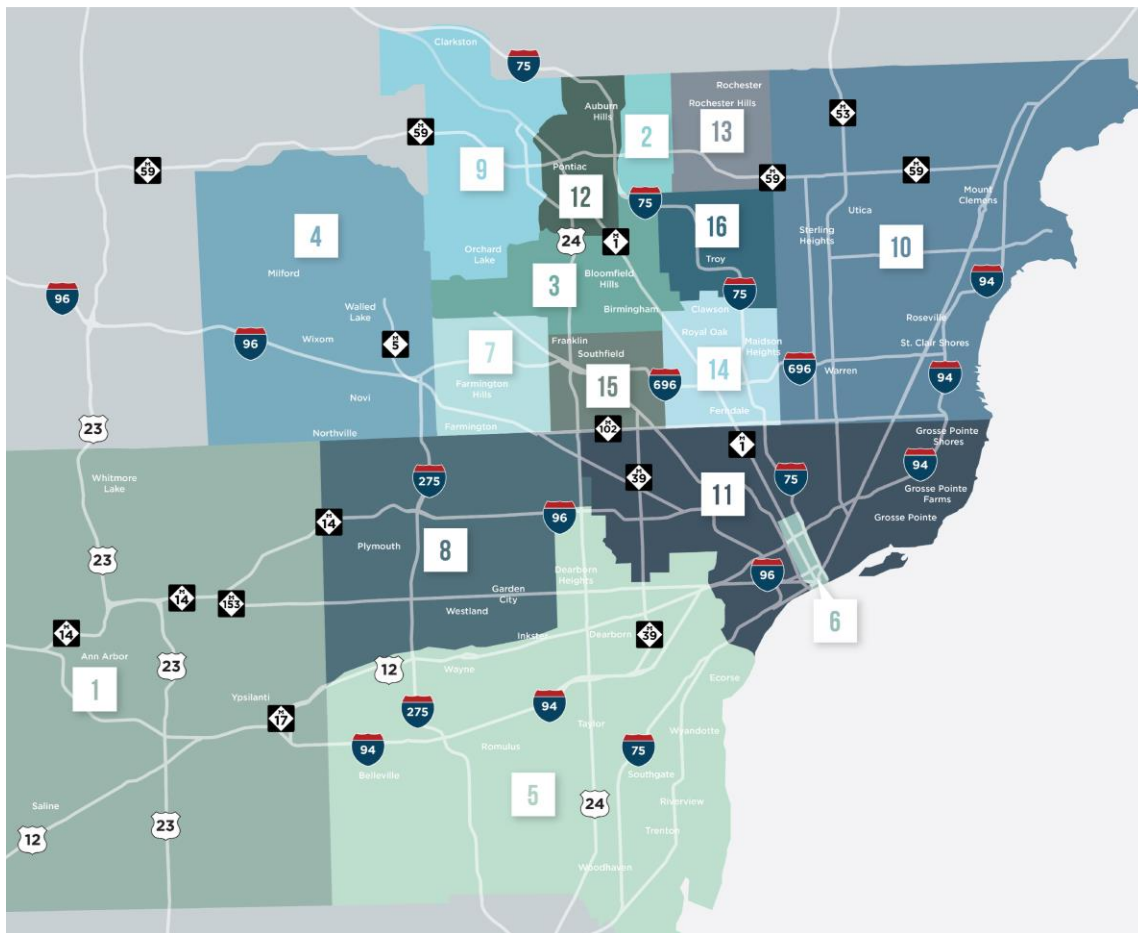


TOP MULTIFAMILY PROPERTIES UNDER CONSTRUCTION (H1 2025)

PROPERTY NAME	CITY	SUBMARKET	UNITS	DELIVERY	PROPERTY TYPE	RENT TYPE
The Harlan	Ann Arbor	Ann Arbor	370	Q4 2026	Mid-Rise	Market
The Downs	Northville	I-275 Corridor	358	Q3 2026	Low-Rise	Market
The Leland House Apartments	Detroit	Downtown Detroit	340	Q1 2026	Hi-Rise	Market/Affordable
Willowcrest	Ypsilanti	Ann Arbor	300	Q1 2026	Low-Rise	Market
Spring at Five & Main	Commerce Twp	Central I-96 Corridor	284	Q3 2025	Low-Rise	Market
Springs at Willow Creek	Canton	I-275 Corridor	280	Q3 2025	Townhome	Market



MULTIFAMILY SUBMARKET MAP



- | | | | |
|---|-----------------------|----|---------------|
| 1 | ANN ARBOR | 9 | LAKES AREA |
| 2 | AUBURN HILLS | 10 | MACOMB |
| 3 | BIRMINGHAM/BLOOMFIELD | 11 | OUTER DETROIT |
| 4 | CENTRAL I-96 CORRIDOR | 12 | PONTIAC |
| 5 | DEARBORN/DOWNRIVER | 13 | ROCHESTER |
| 6 | DOWNTOWN DETROIT | 14 | ROYAL OAK |
| 7 | FARMINGTON HILLS | 15 | SOUTHFIELD |
| 8 | I-275 CORRIDOR | 16 | TROY |

Friedman Research separates the Metro Detroit multifamily submarkets in the manner shown to better reflect the way users, tenants, and brokers view our market. We believe this provides a more accurate statistical picture of each submarket which allows our clients to make better informed decisions.

Friedman's 2025 Mid-Year Multifamily Market Report provides our clients with a snapshot of pertinent market data and information to help them make informed commercial real estate decisions. The information contained in this report is gathered from multiple sources believed to be reliable.