METRO DETROIT
MULTIFAMILY REPORT
2026 MID-YEAR

FRIEDMAN HQ

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MARKET AT A GLANCE (H1 2026)

H1 2026: 362K ▲ FROM H2 2025

H2 2025 - 360K | H1 2025 - 357K

Market Size (Units)

H1 2026: $1,350 ▲ FROM H2 2025

H2 2025 - $1,327 | H1 2025 - $1,332

Effective Rent Per Unit

H1 2026: 92.8% ▲ FROM H2 2025

H2 2025 - 92.1% | H1 2025 - 92.6%

Overall Occupancy

H1 2026: 2,014 ▲ FROM H2 2025

H2 2025 - 164 | H1 2025 - 1,603

Half-Year Net Absorption

H1 2026: $469MM ▲ FROM H2 2025

H2 2025 - $219MM | H1 2025 - $298MM

Half Year Sales Volume

H1 2026: 7.5K ▲ FROM H2 2025

H2 2025 - 6K | H1 2025 - 4.1K

Units Under Construction

Note: ▲ or ▼ or ▬ indicates change compared to H2 2025

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

MARKET OVERVIEW (H1 2026)

In H1 2026, the Metro Detroit multifamily market remained stable, supported by high home prices, positive net absorption, and increases in rent growth and sales volume. Most positive net absorption and construction/development activity is concentrated in select submarkets (Ann Arbor, Southfield, Macomb, and Downtown Detroit). Other trends include a slight uptick in overall occupancy (92.8%) from 92.1% in H2 2025, and new communities (deliveries between 2023 and 2026) continuing to struggle to stabilize occupancy (16.5% vacancy) but improving over H2 2025 (23.9% vacancy), indicating a protracted recovery of high-end demand from new renters.

SUPPLY AND DEMAND: Occupancy measured 92.8% in H1 2026 compared to 92.1% in H2 2025 but is still well below peak levels from H2 2021 (96%). Net absorption saw an increase in H1 totaling 2,014 units, compared to only 164 in H2 2025 and 1,603 units in H1 2025. Units delivered during H1 2026 totaled approximately 856 units, while an additional 7,500 units remain under construction, representing a large construction backlog. Notably, net absorption outpaced new deliveries during the period, contributing to the increase in occupancy of newer builds, and suggesting that Metro Detroit's multifamily market continues to benefit from healthy underlying renter demand driven by elevated home prices and borrowing costs. 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, and inflated construction costs. Higher median home prices, coupled with higher interest rates, are keeping millennials as renters for longer all while Gen Z is still entering the market, helping drive demand for both recently delivered and existing multifamily inventory.

CONSTRUCTION & MARKET CONCENTRATION: Units under construction totaled approximately 7,500 units during H1 2026 compared to 4,100 units during H1 2025. Similar to recent years, development activity remains highly concentrated within select submarkets, particularly those benefiting from major employment centers, universities, walkable amenities, and long-term population growth drivers. Ann Arbor, Downtown Detroit, Southfield, and northern suburban communities continued attracting the majority of new investment activity. The two largest properties delivered in the Macomb (Marketplace Cove Apartments | 190 units) and Ann Arbor (Brightdawn Village Apartments | 120 units) submarkets are indicative of this trend. Overall, developers remained active despite elevated construction costs and financing challenges, reflecting confidence in the long-term fundamentals of these high-demand locations.

RENT GROWTH: Effective monthly rents averaged $1,350 during H1 2026, representing a 1.73% increase from H2 2025 and a 1.35% increase over H1 2025. This Rent growth, while positive, is below the 3%-5% YOY growth seen between 2023 and 2025. Rent growth has been tempered by an expanding development pipeline and increased competition from recently delivered units. Similar to trends observed throughout 2025, rent growth also varied considerably between submarkets, with Birmingham/Bloomfield (6.84% increase from H2 2025) and Farmington Hills (3.84% increase from H2 2025) leading the way.

SALES AND INTEREST RATES: Total H1 2026 sales volume reached $469MM, compared to just $219MM in H2 2025. H1 2026 sales alone represent ±90% of the total transaction volume in 2025. Average sale price per unit in H1 2026 measured approximately $102K, an increase from the ±80K per unit seen in 2025. This increase in both transaction volume and pricing suggests that metro Detroit's return metrics are attracting outside investors desiring higher yield.

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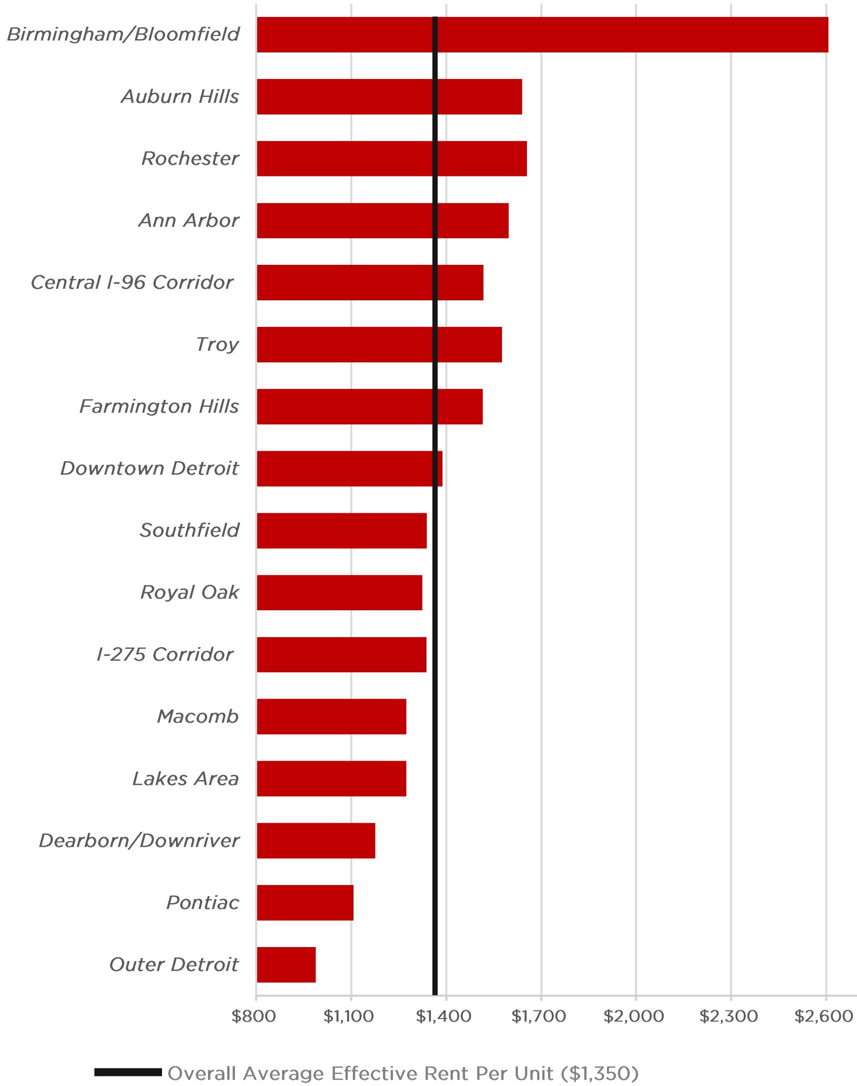
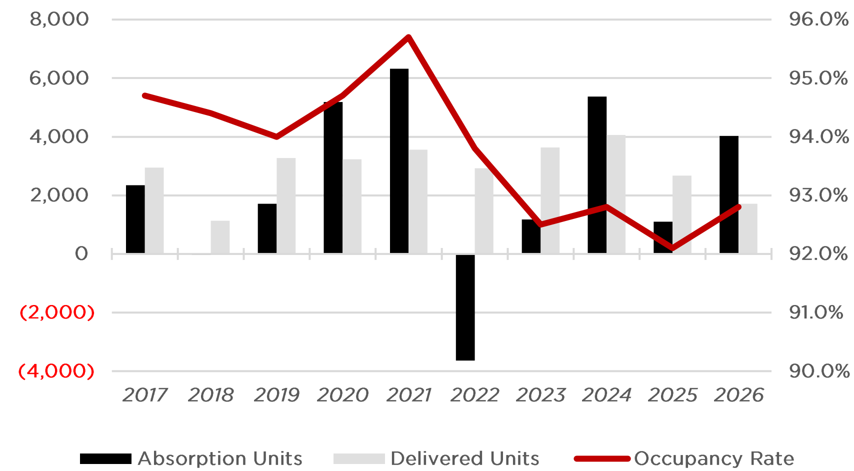
AVERAGE EFFECTIVE RENT BY SUBMARKET

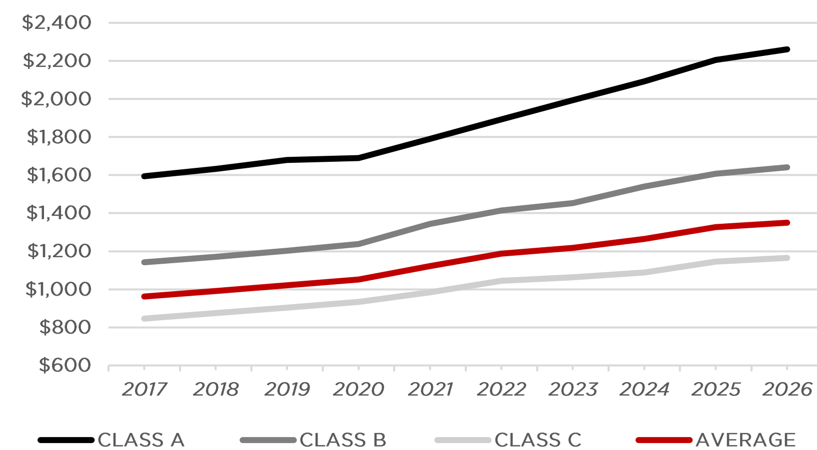


OCCUPANCY AND ABSORPTION



Note: 2026 Absorption and Delivered Units are annualized projections based on half year figures

AVERAGE EFFECTIVE RENT BY CLASS



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TOP SALE TRANSACTIONS (BASED ON SALES PRICE) (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	UNITS	SALE PRICE	PRICE/UNIT
**Ridgeline at Canton	Canton	I-275 Corridor	738	$120,000,000	$162,200
**Retreat at Farmington Hills	Farmington Hills	Farmington Hills	424	$80,100,000	$188,195
Zen City Center	Troy	Troy	286	$72,000,000	$251,748
**The Edge at Oakland	Auburn Hills	Auburn Hills	144	$27,500,000	$191,000
*Shoal Creek	Sterling Heights	Macomb	376	$25,040,000	$66,599
Park at Franklin Senior Living	Southfield	Southfield	348	$14,000,000	$40,230
The Meadows	Roseville	Macomb	124	$13,830,000	$111,492

Ridgeline at Canton
Garden Apartments – Canton, MI
Total Units: 738


Retreat at Farmington Hills
Garden Apartments – Farmington Hills, MI
Total Units: 424

Note: *Indicates Part of Portfolio Sale
*Indicates Friedman Sale

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2026 MID-YEAR MULTIFAMILY REPORT - METRO DETROIT

SUBMARKET	# BLDGS	INVENTORY (UNITS)	H1 2026 NET ABS. (UNITS)	UNITS UNDER CONST	TOTAL VAC. (%)	OVERALL OCC. (%)	AVG. EFFECTIVE RENT PER UNIT				H1 2026 TOTAL SALES VOLUME	H1 2026 AVG. PRICE PER UNIT
							Overall	Class A	Class B	Class C		
Ann Arbor	685	44,912	166	1,932	7.5%	92.5%	$1,597	$2,996	$1,913	$1,317	$7,611,974	$205,729
Auburn Hills	33	6,197	15	86	5.3%	94.7%	$1,640	$3,209	$1,773	$1,459	$27,500,00	$190,972
Birmingham/Bloomfield	51	4,922	95	22	8.1%	91.9%	$2,607	$3,908	$2,895	$2,000	$2,100,00	$262,500
Central I-96 Corridor	123	20,959	204	65	6.2%	93.8%	$1,518	$2,709	$1,952	$1,087	$8,575,000	$82,452
Dearborn/Downriver	477	46,397	99	201	5.0%	95.0%	$1,176	$595	$1,443	$1,075	$4,094,000	$18,780
Downtown Detroit	306	17,655	251	1,149	9.9%	90.1%	$1,388	$1,960	$1,546	$1,095	$16,006,000	$24,362
Farmington Hills	75	12,573	124	0	5.7%	94.3%	$1,516	$1,132	$1,774	$1,396	80,100,000	$188,915
I-275 Corridor	281	31,484	180	724	4.7%	95.3%	$1,338	$2,228	$1,725	$1,161	$140,825,000	$134,503
Lakes Area	83	8,722	15	0	6.2%	93.8%	$1,274	$1,627	$1,461	$1,183	-	-
Macomb	554	62,689	147	850	6.9%	93.1%	$1,274	$1,699	$1,540	$1,135	$50,326,400	$78,268
Outer Detroit	998	48,527	198	615	11.8%	88.2%	$988	$1,937	$1,010	$943	$19,610,304	$55,396
Pontiac	103	7,868	108	0	5.4%	94.6%	$1,107	$3,640	$1,252	$949	$825,000	$75,000
Rochester	46	8,126	157	0	5.6%	94.4%	$1,655	$1,629	$1,939	$1,389	$3,870,000	$75,882
Royal Oak	388	16,844	126	60	7.9%	92.1%	$1,325	$2,331	$1,811	$1,114	$9,050,000	$145,968
Southfield	79	15,068	62	1,657	8.2%	91.8%	$1,339	-	$1,355	$1,331	$26,575,000	$48,143
Troy	48	8,350	73	0	6.0%	94.0%	$1,576	$1,835	$1,812	$1,439	$72,000,000	$251,748
TOTAL	4,361	362,485	2,014	7,496	7.2%	92.8%	$1,350	$2,261	$1,641	$1,165	$469,068,678	$102,016

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TOP MULTIFAMILY PROPERTIES DELIVERED (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	UNITS	DELIVERED	PROPERTY TYPE	AVG. ASKING RENT (PER UNIT)
Marketplace Cove Apartments	Sterling Heights	Macomb	190	Q2 2026	Low-Rise	$1,858
Brightdawn Village Apartments	Ann Arbor	Ann Arbor	120	Q2 2026	Garden	$2,869
28 N Apartments	Pontiac	Pontiac	110	Q1 2026	Hi-Rise	$1,429
Doctor Violet T Lewis Apartments	Detroit	Outer Detroit	105	Q1 2026	Mid-Rise	$835
North Corktown Apartments	Detrtoit	Outer Detroit	49	Q2 2026	Low-Rise	$1,201

Marketplace Cove Apartments
Low-Rise – Sterling Heights, MI
Total Units: 190

TOP MULTIFAMILY PROPERTIES UNDER CONSTRUCTION (H1 2026)

PROPERTY NAME	CITY	SUBMARKET	UNITS	DELIVERY	PROPERTY TYPE	RENT TYPE
Northland City Center	Southfield	Southfield	1,500	Q3 2026	Mid-Rise	Market
The Village of Ann Arbor	Ann Arbor	Ann Arbor	564	Q4 2027	Mid-Rise	Market
Fisher 21	Detroit	Downtown Detroit	433	Q4 2027	Mid-Rise	Market/Affordable
Five Corners	Ann Arbor	Ann Arbor	376	Q2 2028	Hi-Rise	Affordable
The Harlan	Ann Arbor	Ann Arbor	370	Q3 2026	Mid-Rise	Market

Northland City Center
Mid-Rise – Southfield, MI
Total Units: 1,500

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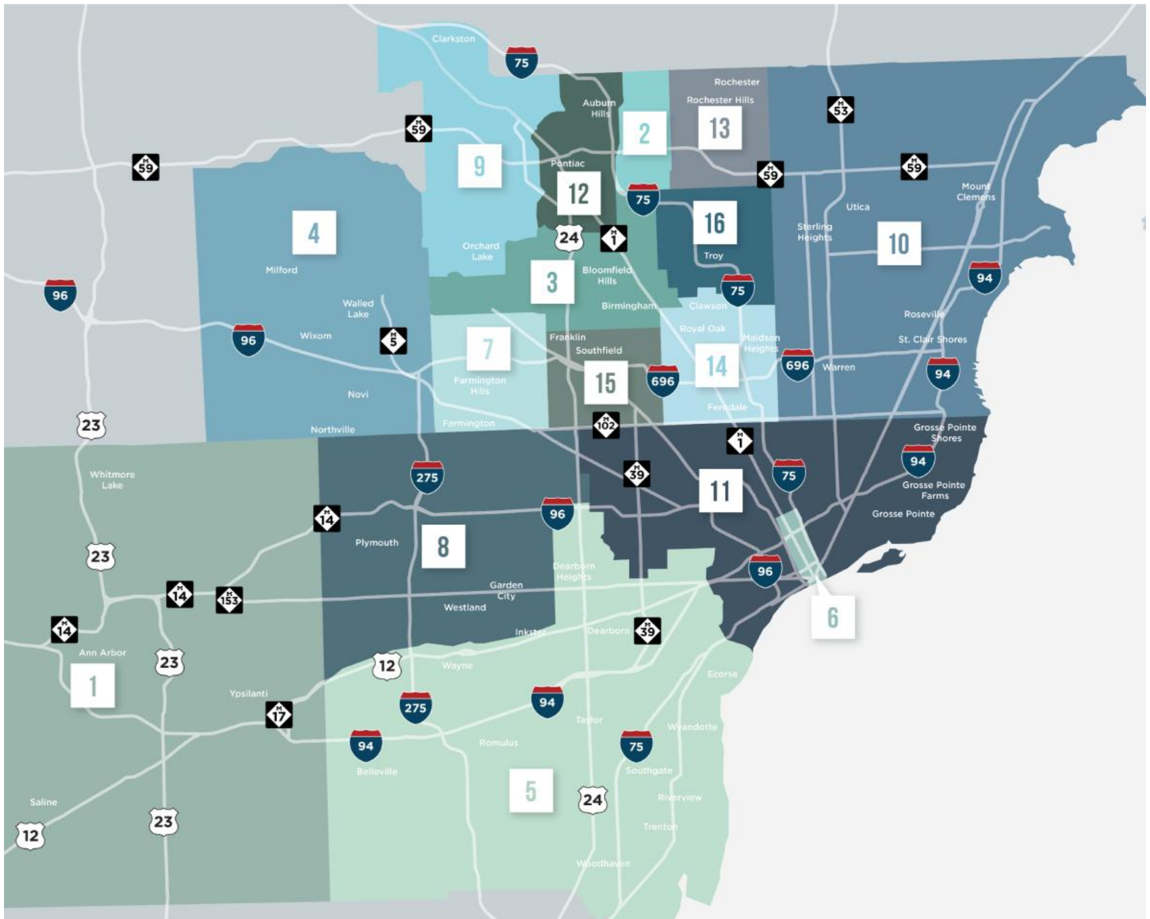
MULTIFAMILY SUBMARKET MAP



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 2026 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.

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