VIEWPOINT

2025 DETROIT, MI MULTIFAMILY ANNUAL REPORT

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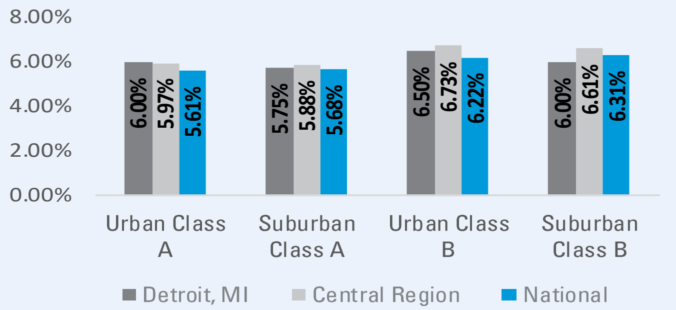
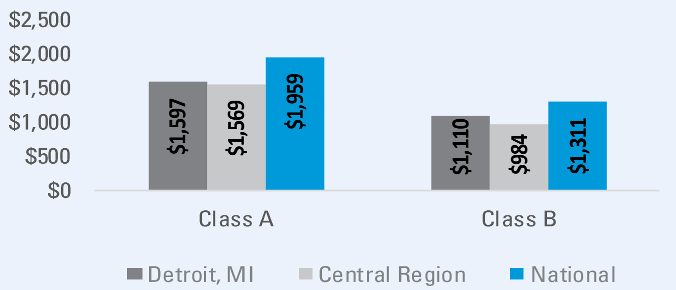
Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	◀▶	◀▶
Asking Rent ($/Unit)	▲	▲
Vacancy Rate (%)	▲	▼

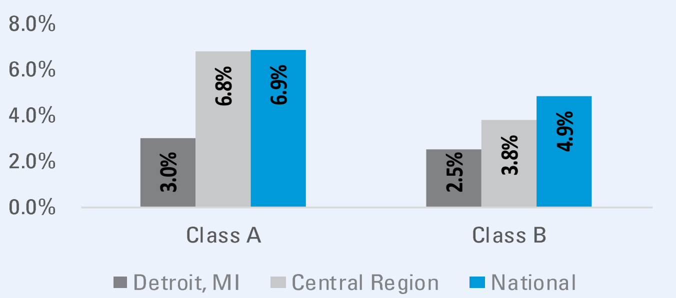
Going In Cap Rate Comparisons (%)



Asking Rents ($/Unit)



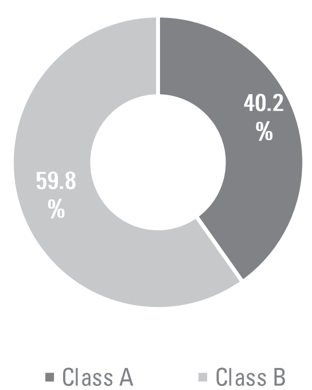
Vacancy Rates (%)



Detroit, MI Multifamily Market Overview

The overall fundamentals of the multifamily market in Metropolitan Detroit remains strong. Inventory is growing at a modest rate in relation to the nation and new units are being quickly absorbed. Vacancy rates among nearly all markets remain at or below 6%. Rental rates are increasing at more modest levels than prior years but do continue upward. Select Class B/C properties in outlying markets have experienced stagnant rent growth, but overall rents are projected to continue to grow. Home ownership continues to be out of reach for most as housing values remain high, and coupled with higher interest rates, has continued to fuel the demand for rental housing. Metro Detroit remains anchored by the automotive industry but is steadily diversifying its economic base. The region is experiencing growth in other industries such as trade, transportation, finance, healthcare, warehousing and distribution, and utilities. Furthermore, businesses are expanding auto-related enterprises such as autonomous driving, electric vehicles, and battery technology and production. Michigan is ranked 4th in the U.S. for high-tech employment, as well as No. 1 in the U.S. for foreign direct investment-related job growth over the past five years. The influx of foreign investment and workers drives demand for rental housing as many new residents migrating often initially rely on rental housing. Downtown Detroit continues to be the bellwether for Metro Detroit with vacancy levels in Class A properties are stable with several new projects experiencing strong absorption. The renovation of the Michigan Central Station by Ford Motor Company into their autonomous and electric vehicle headquarters is expected to bring nearly 2,000 employees to Downtown. There remains considerable demand for workforce and affordable housing throughout the region. Apartment owners continue to be concerned about rising operating expenses including real estate taxes, insurance, and payroll. Overall, the fundamentals of the Metro Detroit market remain balanced with rental rate increases in the near term expected to be lower than prior years and vacancy levels expected to remain stable.

Distribution of Total Inventory



227,037 Units
Multifamily Inventory

0.22% - 12 Mo. Proj.
Construction/Inventory

Integra Realty Resources - Detroit

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Change In Value Next 12 Months

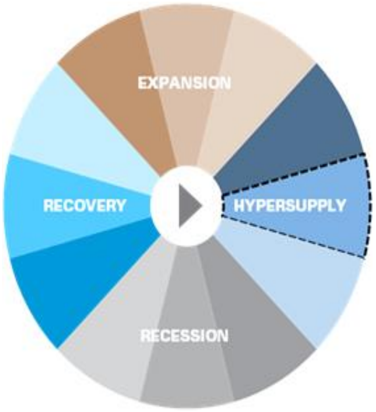
▲2%-2.9%
Urban Class A

▲2%-2.9%
Suburban Class A

▲2%-2.9%
Urban Class B

▲2%-2.9%
Suburban Class B

Market Cycle: Hypersupply Stage 2



- Med/Low Rental Rate Growth
- Moderate/Low Employment Growth
- Increasing Vacancy Rates
- Moderate/High New Construction
- Low/Negative Absorption

Forecasts

Detroit, MI 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps
Discount Rate	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps
Reversion Rate	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps	Decrease 1-24 bps
Construction (Units)	505			
Market Rent Change	+3.00%	+3.00%	+3.00%	+3.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

Detroit, MI 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+10.65%			
Change in Value	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%

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