

HUD PD&R Housing Market Profiles

Detroit-Warren-Dearborn, Michigan



Quick Facts About Detroit

- Current sales market conditions: slightly tight
- Current apartment market conditions: balanced
- The Gordie Howe International Bridge, which links the city of Detroit with Windsor, Canada, is scheduled to open during 2025. The total development cost is nearly \$5 billion, and its construction and operation are expected to create 2,500 jobs. The new bridge will relieve congestion on the nearby Ambassador Bridge and facilitate the transport of automobile components, benefiting manufacturers in both countries. The Ambassador Bridge is currently the busiest international border crossing in North America in terms of trade volume (Bridge and Tunnel Operators Association).

Detroit, Michigan

By [Gabe Labovitz](#) | As of November 1, 2024

Overview

The Detroit-Warren-Dearborn, MI Metropolitan Statistical Area (hereafter, Detroit metropolitan area) includes Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne Counties in southeastern Michigan. Detroit is associated with the modern assembly line and historically known as the center of automobile production in the United States. The two largest domestic automobile manufacturers are headquartered in the metropolitan area, with Ford Motor Company in Dearborn and General Motors Company in Detroit. Stellantis N.V., which includes the former Chrysler Corporation, also maintains significant operations in the area. The three manufacturers are the largest employers in the area. Wayne County, which includes the city of Detroit, is the most populous county in the metropolitan area and in the state of Michigan. The six-county metropolitan area accounts for more than 43 percent of the population of Michigan. Following declines during the previous decade, the population increased from 2010 to 2020 because of economic recovery and expansion after the Great Recession. However, the population has decreased since 2020.

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The home sales market in the metropolitan area is currently slightly tight. Although home sales have fallen since 2021, the rate of decline is slowing, and average home sales prices are at record highs, partly because of continued low levels of inventory of homes available for sale. The apartment market in the metropolitan area is currently balanced, and many of the units completed since 2021 have been absorbed. Apartment market conditions are softer in the city of Detroit than in the suburban areas.

- As of November 1, 2024, the population of the metropolitan area was estimated at 4.33 million, representing an average decline of nearly 13,800, or 0.3 percent, annually since April 2020 (U.S. Census Bureau decennial census; current estimate by the analyst). By contrast, the population rose an average 0.2 percent annually during the previous decade.
- Only Lapeer and Livingston Counties are estimated to have increased population since 2020, with respective average growth of 0.2 and 0.4 percent annually. These counties are relatively rural and benefited from increased migration

during 2020 and 2021, when many households moved away from more densely populated areas. Livingston County has been the fastest growing county in the metropolitan area by population since 1990. It benefits from its location adjacent to the Lansing-East Lansing, Ann Arbor, and Flint metropolitan areas and attracts workers employed in the larger southern Michigan region outside the metropolitan area.

- The population in Wayne County, including the city of Detroit, has fallen an average of 12,850, or 0.7 percent, annually since 2020, partially because of increased net out-migration during 2020 and 2021. The population has fallen in Macomb and Oakland Counties, the next most populous counties in the metropolitan area, an annual average of 0.1 percent each since 2020. Despite recent population declines, Wayne, Oakland, and Macomb Counties currently contribute an estimated 40, 29, and 20 percent, respectively, of the metropolitan area population.

Economic Conditions

Although growth has slowed recently, economic conditions in the Detroit metropolitan area are stable, and nonfarm payrolls have increased year over year in most periods following the economic downturn resulting from the COVID-19 pandemic. During 2020, nonfarm payrolls fell 7.9 percent from a year earlier compared with smaller, respective declines of 6.2 and 5.9 percent in the HUD Great Lakes region and the

nation. In 2021, during the initial economic recovery, nonfarm payrolls grew 4.9 percent, faster than the respective 4.5- and 3.6-percent growth rates for the Great Lakes region and the nation. However, nonfarm payroll growth in the metropolitan area has averaged 1.2 percent annually since 2021, below the respective 1.7- and 2.2-percent annual growth rates in the Great Lakes region and the nation. As of the 3 months ending

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Growth in the goods-producing sectors accounted for most of the job gains in the Detroit metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	October 2023 (Thousands)	October 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	2,043.7	2,052.7	9.0	0.4
Goods-Producing Sectors	340.4	349.3	8.9	2.6
Mining, Logging, & Construction	88.8	96.3	7.5	8.4
Manufacturing	251.6	253.0	1.4	0.6
Service-Providing Sectors	1,703.3	1,703.4	0.1	0.0
Wholesale & Retail Trade	286.3	285.6	-0.7	-0.2
Transportation & Utilities	100.2	101.8	1.6	1.6
Information	30.3	29.2	-1.1	-3.6
Financial Activities	126.1	125.1	-1.0	-0.8
Professional & Business Services	387.9	382.5	-5.4	-1.4
Education & Health Services	318.9	322.1	3.2	1.0
Leisure & Hospitality	190.4	189.6	-0.8	-0.4
Other Services	76.1	76.8	0.7	0.9
Government	187.1	190.5	3.4	1.8
Unemployment Rate	4.0%	4.5%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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October 2024, nonfarm payrolls were only 0.2 percent above the average during the 3 months ending October 2019, before the pandemic, compared with respective increased rates of 1.6 and 5.0 percent for the Great Lakes region and the nation. During the past year, nonfarm payrolls in the goods-producing sectors increased, although declines occurred in five of nine service-providing sectors.

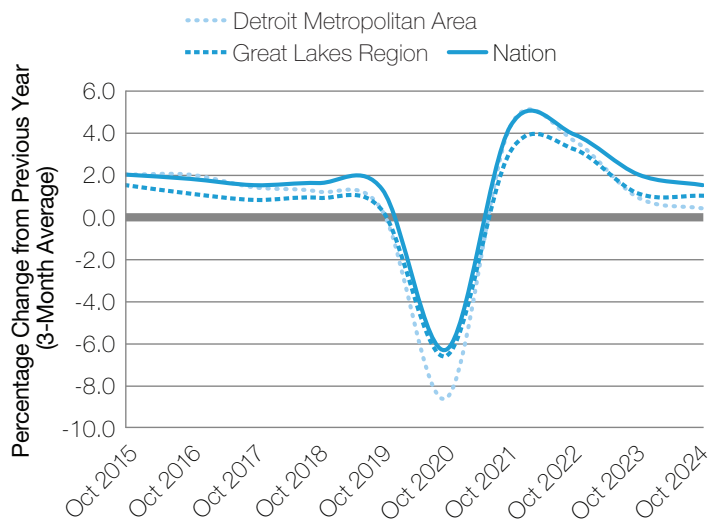
As of the 3 months ending October 2024—

- Nonfarm payrolls in the metropolitan area averaged 2.05 million, an increase of 9,000 jobs, or 0.4 percent, from a year ago compared with a gain of 18,800 jobs, or 0.9 percent, during the previous 12-month period. The goods-producing sectors, which account for only 17 percent of all jobs in the metropolitan area, contributed nearly all the growth during the past year.
- The mining, logging, and construction sector led job growth, adding the most jobs and expanding the fastest, increasing by 7,500 jobs, or 8.4 percent, from a year ago. Jobs in the sector were almost entirely within the construction subsector. Growth also occurred in the government and the education and health services sectors, which added 3,400 and 3,200 jobs, or respective increases of 1.8 and 1.0 percent.
- Declines occurred in the professional and business services, the information, and the financial activities sectors, decreasing 1.4, 3.6, and 0.8 percent, respectively, for a combined loss of 7,500 jobs. In the information sector, Accenture closed its technology office with 83 employees in downtown Detroit in December 2023.
- The unemployment rate in the metropolitan area averaged 4.5 percent, up from 4.0 percent a year earlier but below the 10.3-percent rate during the 3 months ending October 2020. The unemployment rate in the metropolitan area is typically higher than the national rate, which averaged 4.1 percent during the 3 months ending October 2024, up from 3.7 percent a year earlier.

Jobs in the manufacturing sector and the transportation equipment manufacturing industry are highly concentrated in the metropolitan area because of the large automakers. During the 3 months ending October 2024, jobs in the manufacturing sector represented 12 percent of all nonfarm payrolls in the metropolitan area, and transportation equipment

manufacturing jobs represented 6 percent of all nonfarm payrolls; corresponding national figures were 8 and 1 percent, respectively. Payrolls in the transportation equipment industry have risen an average 1.8 percent annually since 2020. A United Auto Workers union strike against General Motors Company, Ford Motor Company, and Stellantis N.V. began in September 2023 and lasted approximately 6 weeks. The strike reduced annualized gross domestic product growth nationally by an estimated respective 0.1 and 0.5 percentage points in the third and fourth quarters of 2023 (Board of Governors of the Federal Reserve System, *FEDS Notes*). Since 2020, the three automakers have invested heavily in electric vehicle (EV) production, but fluctuating EV sales and competition from domestic and foreign EV producers have hindered job growth in the transportation equipment manufacturing industry.

Job growth in the Detroit metropolitan area has trailed job growth in the nation since 2021.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Detroit Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Ford Motor Company	Manufacturing	47,750
Stellantis N.V.	Manufacturing	35,800
General Motors Company	Manufacturing	29,550

Note: Excludes local school districts.

Sources: *Crain's Detroit Business*, December 2023; estimates by the analyst



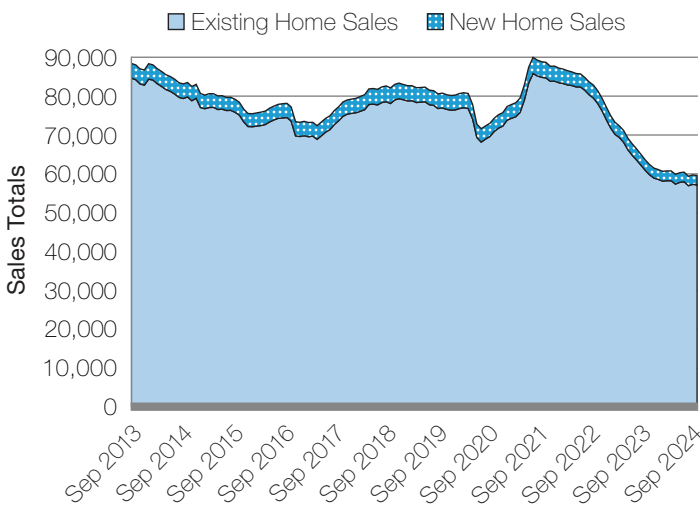
Sales Market Conditions

The home sales market in the Detroit metropolitan area is currently slightly tight and has generally tightened since 2020, when conditions were balanced. The home sales vacancy rate is estimated at 1.1 percent, down from 1.3 percent in April 2020. Home sales have fallen from a recent peak during early 2021, but the year-over-year rate of decline slowed during 2024. During the 12 months ending September 2024, 58,700 new and existing homes sold in the metropolitan area, nearly 6 percent fewer than during the previous year, when sales declined more than 23 percent annually (Zonda, with adjustments by the analyst). Despite decreasing sales, the average home price was \$296,000 during the 12 months ending September 2024, or 8 percent above the price a year earlier, following a 2-percent increase from the previous 12 months. By comparison, home sales nationally were 6 percent below the previous year during the 12 months ending September 2024, slower than the 26-percent decline from the previous period. The average home price in the nation was \$473,300, or 5 percent above the average price a year earlier, which was a 2-percent increase from the previous period. The decline in home sales since 2021 is due to rising mortgage interest rates and a limited inventory of homes for sale. The rate of home loans in the metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned status as of August 2024 was 0.8 percent, unchanged from a year earlier and below the national rate of 1.0 percent.

During the 12 months ending September 2024 —

- Existing home sales, which make up 96 percent of all sales in the metropolitan area, fell by 3,175, or 5 percent, from a

Home sales in the Detroit metropolitan area peaked recently in 2021 and have declined since.



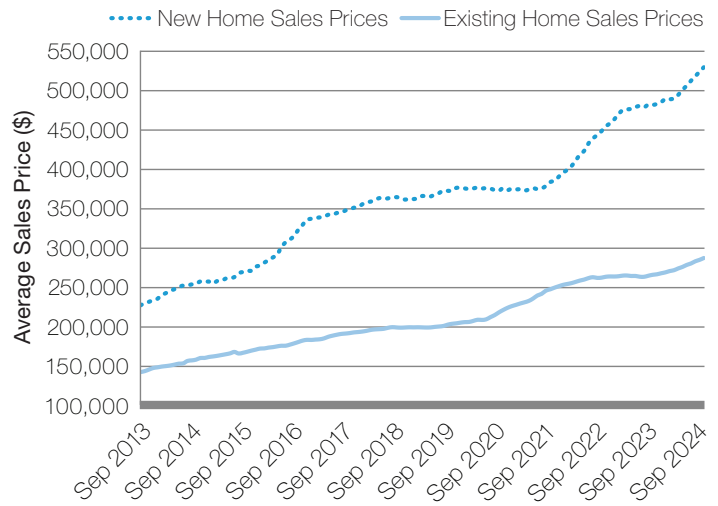
Note: Sales are for single-family homes, townhomes, and condominiums. Source: Zonda

year earlier to 56,300 homes, following a decline of 18,350 homes, or 24 percent, a year earlier. The most recent peak for existing home sales was during the 12 months ending June 2021, when 85,600 homes sold.

- New home sales totaled 2,375, a decline of nearly 10 percent from a year earlier, when new home sales were nearly 21 percent fewer than during the previous year. New home sales were at the lowest level in a 12-month period since 2011, but prices have continued to rise at a relatively rapid rate.

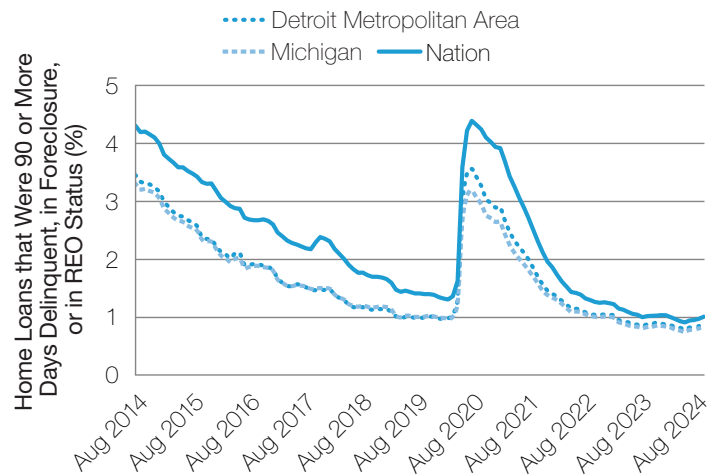
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Sales prices for new and existing homes are at record-high levels in the Detroit metropolitan area.



Note: Prices are for single-family homes, townhomes, and condominiums. Source: Zonda

As of August 2024, the rate of seriously delinquent home loans and REO properties in the Detroit metropolitan area fell to the lowest level in more than 10 years.



REO = real estate owned. Source: CoreLogic, Inc.



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- The average price for an existing home was \$286,800, 8 percent above the average price a year earlier, a 1-percent increase from the previous year. By comparison, existing home prices rose nearly 9 percent annually on average from 2020 through 2022.
- The average new home price was \$529,100, nearly 10 percent above the average price a year earlier and 7 percent higher than the previous year. By comparison, prices for a new home fell 1 percent nationally during the 12 months ending September 2024 to \$504,100.
- The inventory of active home listings was 9,750 in August 2024, down by 310 homes from August 2023. However, because of the decline in sales, the 2.4 months of supply was unchanged from a year earlier. By comparison, the 3.5 months of supply in the nation was up from 2.4 months a year earlier (CoreLogic, Inc.). In the metropolitan area, the active monthly inventory of homes for sale has risen from a low of 6,775 homes during March 2024 but is still well below the September 2019 level of 17,350 homes.

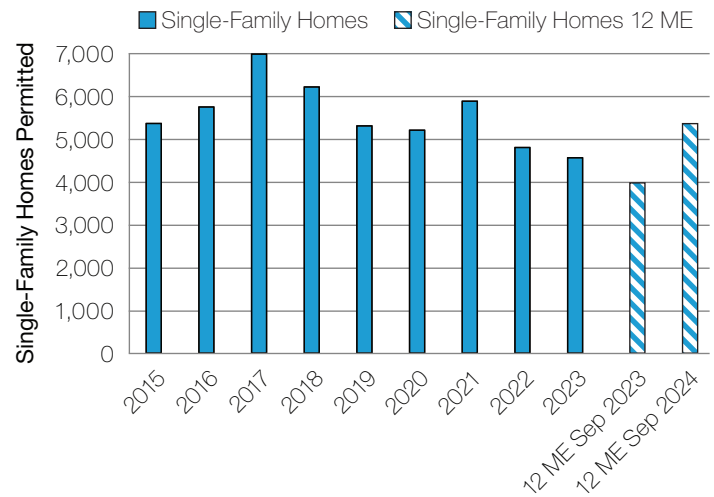
Home construction activity—as measured by the number of single-family homes, townhomes, and condominiums permitted—fell from 2021 through 2023 before increasing during 2024.

- The number of homes permitted during the 12 months ending October 2024 totaled 5,350, nearly 35 percent more than during the previous 12-month period (preliminary data, with adjustments by the analyst). Permitting reached a recent high of 5,875 homes during 2021 before falling an average of 8 percent annually to 4,550 homes during 2023.
- Since 2020, single-family home permitting in Oakland and Macomb Counties has represented 38 and 22 percent, respectively, of the metropolitan area total. Wayne County

accounted for an additional 18 percent of single-family homes permitted, with a combined 22 percent in Lapeer, Livingston, and St. Clair Counties. Compared with the period from 2015 through 2020, the proportion of homes permitted fell in Oakland and Macomb Counties, rose slightly in Wayne County, and more than doubled in Lapeer, Livingston, and St. Clair Counties.

- Broadmoor is a new home development outside the city of Howell in Livingston County. The community offers seven home plans ranging from 1,533 to 2,781 square feet, with three or four bedrooms. Prices range from \$399,990 to \$484,995.

Permitting of sales units in the Detroit metropolitan area fell from a recent high during 2021 but increased during the past 12 months.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Apartment Market Conditions

The apartment market in the Detroit metropolitan area is currently balanced, improving from slightly soft conditions a year ago. The apartment vacancy rate was 7.3 percent during the third quarter of 2024, down from 7.8 percent a year earlier but up from the recent low of 4.6 percent during the third quarter of 2021 (CoStar Group). Since 2021, weaker population and household growth and a surge in new apartment construction, much of which has been near downtown Detroit, contributed to softening conditions. However, the current estimated supply of units under construction has receded to the lowest level since 2015, and the absorption of new units allowed apartment vacancies to decline during the past year. Approximately 37 percent of renter households in the metropolitan area lived in single-family homes in 2023, compared with 31 percent of

renter households nationally. The proportion was 45 percent in Wayne County and 30 percent in the five suburban counties (2023 American Community Survey 1-year data). During 2019, 41 percent of renter households in the metropolitan area lived in single-family homes, compared with 33 percent in the nation.

As of the third quarter of 2024—

- The average apartment rent in the metropolitan area rose nearly 4 percent annually to \$1,323, faster than the 1-percent gain a year earlier, when apartment market conditions were slightly soft. During the third quarters of 2021 and 2022, the average apartment rent rose 7 and 5 percent, respectively, following 3-percent average increases during the third quarters from 2017 through 2020.

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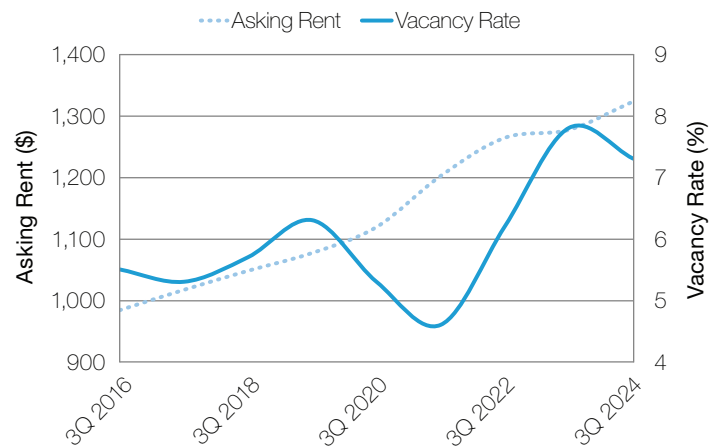
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- The average apartment rent rose 1 percent nationally to \$1,735 during the third quarter of 2024, unchanged from the rate of increase a year earlier. The average apartment rent in the nation is higher than the average rents in all but one of the 23 CoStar Group-defined submarket areas in the metropolitan area.
- Among the CoStar Group-defined submarket areas, the Birmingham/Bloomfield market area in central Oakland County had the highest average rent at \$2,129, a 2-percent increase from a year earlier. The Downtown Detroit market area had the next highest average rent at \$1,690, or 1 percent above the average a year earlier.
- The fastest rate of rent growth during the past year was in the Southfield submarket area in southern Oakland County, where the rent rose 6 percent to \$1,351. At the same time, the vacancy rate fell from 9.1 to 7.3 percent.
- The submarkets with the highest apartment vacancy rates were all in the city of Detroit, where population declines contributed to softening apartment market conditions, with vacancy rates ranging from 10.3 percent in the Midtown Detroit submarket to 17.5 percent in the Downtown Detroit submarket. Nearly 1,000 new apartment units are under construction in the city of Detroit, including 580 units in the Downtown Detroit submarket. By comparison, the pipeline of units under construction in the city was nearly 1,700 a year earlier, down from 2,350 units as of the third quarter of 2022.

Rental construction activity, as measured by the number of rental units permitted, rose during the past 12 months but is relatively low compared with permitting from 2015 through 2019.

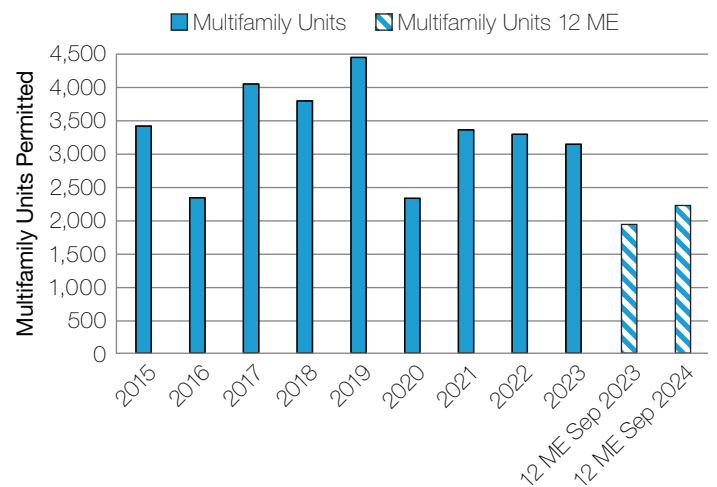
- During the 12 months ending September 2024, approximately 2,225 rental units were permitted, an increase of nearly 15 percent from the previous 12 months (preliminary data and estimates by the analyst). The most recent peak of rental permitting occurred during 2019, when nearly 4,500 rental units were permitted.
- Rental permitting fell sharply during 2020 to 2,325 units, a decline of nearly 48 percent from 2019. The population in the Detroit area declined during 2020 for the first time in a decade and has continued to decline since, albeit at slower annual rates.
- From 2015 through 2020, approximately 40 percent of new multifamily units permitted were in Wayne County, 31 percent in Oakland County, 24 percent in Macomb County, and a combined 5 percent in Lapeer, Livingston, and St. Clair Counties. Since 2020, the share of multifamily permitting in Wayne County rose to 45 percent but fell in Oakland and Macomb Counties to 26 and 14 percent, respectively, and nearly tripled in Lapeer, Livingston, and St. Clair Counties, rising to 15 percent.

The apartment vacancy rate in the Detroit metropolitan area has fallen during the past year, whereas the average apartment rent is at a record high.



3Q = third quarter.
Source: CoStar Group

Rental housing construction activity in the Detroit metropolitan area has slowed since 2019, keeping the apartment market from softening significantly.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

- The Residences at Water Square in downtown Detroit includes 496 units, primarily studio and one-bedroom units, and began leasing in early 2024. The property is nearly 60-percent occupied, with monthly rents starting at \$1,600 for studios and \$2,575 for one-bedroom units.
- The Residences at Sakura Novi in Oakland County is a mixed-use development with retail, office, and residential spaces. The 117 two- and three-bedroom apartments have proposed respective starting rents of \$2,500 and \$2,950. Completion is expected in 2025.



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes regular resales and real estate owned sales.
Great Recession	The Great Recession occurred nationally from December 2007 to June 2009.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The HUD Great Lakes region includes Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.