

# COMPREHENSIVE HOUSING MARKET ANALYSIS

## **Detroit-Dearborn-Livonia, Michigan**

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of January 1, 2024



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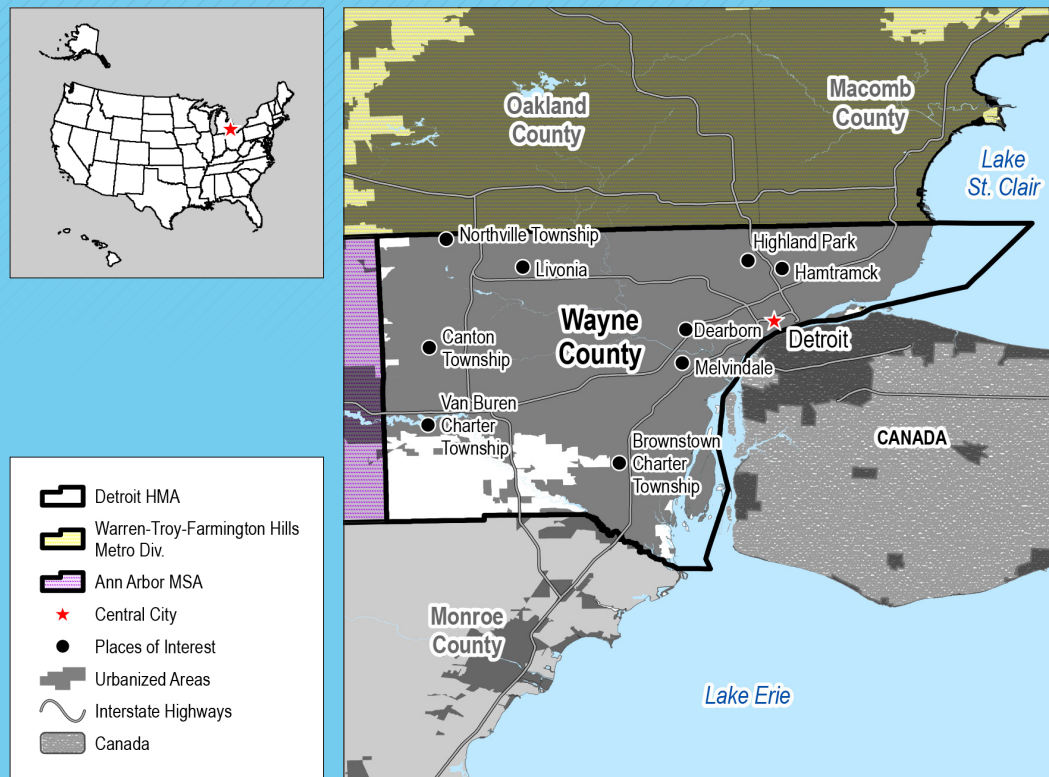
# Executive Summary

## Housing Market Area Description

The Detroit-Dearborn-Livonia Housing Market Area (hereafter, Detroit HMA) is coterminous with the metropolitan division of the same name and one of two metropolitan divisions that make the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area (MSA), the other being the Warren-Troy-Farmington Hills metropolitan division. The Detroit HMA is coterminous with Wayne County and includes 43 cities and townships. Detroit is the largest city in the HMA, with a population estimated at 620,400 as of July 1, 2022.

The current population of the HMA is estimated at 1.74 million.

The Gordie Howe International Bridge is currently under construction, connecting the city of Detroit with Windsor, Canada, and it is scheduled to open for vehicle and pedestrian traffic in the fall of 2025. The project is estimated to cost nearly \$5 billion and expected to create 2,500 jobs during construction and operation. The bridge will relieve traffic congestion on the Ambassador Bridge, across which more trucks transit between the United States and Canada than at any other crossing in the nation. The Gordie Howe International Bridge will be the third non-railroad border crossing in the HMA, along with the Ambassador Bridge and the Detroit-Windsor Tunnel.



## Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).


Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy

 **Stable:** During 2023, nonfarm payroll jobs rose year over year by 7,100, or 0.9 percent, following much faster growth of 4.2 percent during 2022.


Despite recent growth, nonfarm payroll jobs in the Detroit HMA are 1.0 percent below the 2019 average, before the COVID-19 pandemic. By contrast, jobs nationwide are currently 3.4 percent above the 2019 average. The professional and business services sector led job growth during the past year, overtaking the education and health services sector as the largest payroll sector in the HMA during 2020. The unemployment rate in the HMA averaged 4.3 percent during 2023, down from 4.6 percent during 2022. Nonfarm payrolls are expected to increase 1.1 percent annually during the 3-year forecast period.

Sales Market

 **Balanced:** Following a recent peak during 2021, new and regular resale home sales fell sharply during 2022 and 2023, although the average sales prices increased.

The sales vacancy rate in the HMA is estimated at 1.4 percent as of January 1, 2024, down slightly from 1.5 percent during April 2020 and from 2.9 percent during April 2010. The HMA had a 2.7-month supply of homes for sale during December 2023, down from 3.0 months during December 2022 (CoreLogic, Inc.). During 2023, total home sales declined 19 percent from a year earlier; whereas the national decline in total home sales was 24 percent (Zonda, with adjustments by the analyst). During the next 3 years, demand is expected for 2,550 new homes. The 320 homes currently under construction will meet a portion of that demand.

Rental Market

 **Soft:** The rental market in the Detroit HMA is currently soft, with a rental vacancy rate estimated at 9.0 percent, up from 8.7 percent during 2020.

Large numbers of new apartments have been built in the HMA in the past year. An estimated 1,600 new apartment units entered the market during 2023, but only 250 were absorbed, partly because the rate of population loss in the HMA has increased since 2020, when the COVID-19 pandemic began. Thus, the apartment vacancy rate rose from 9.0 percent during the fourth quarter of 2022 to 10.3 percent currently (CoStar Group). Demand in the HMA is estimated for 1,500 new rental units during the forecast period. The estimated 2,050 units under construction will exceed the forecast demand.

TABLE OF CONTENTS

Economic Conditions 4

Population and Households 10

Home Sales Market 14

Rental Market 19

Terminology Definitions and Notes 24

3-Year Housing Demand Forecast			
		Sales Units	Rental Units
Detroit-Dearborn-Livonia HMA	Total Demand	2,550	1,500
	Under Construction	320	2,050

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst



# Economic Conditions

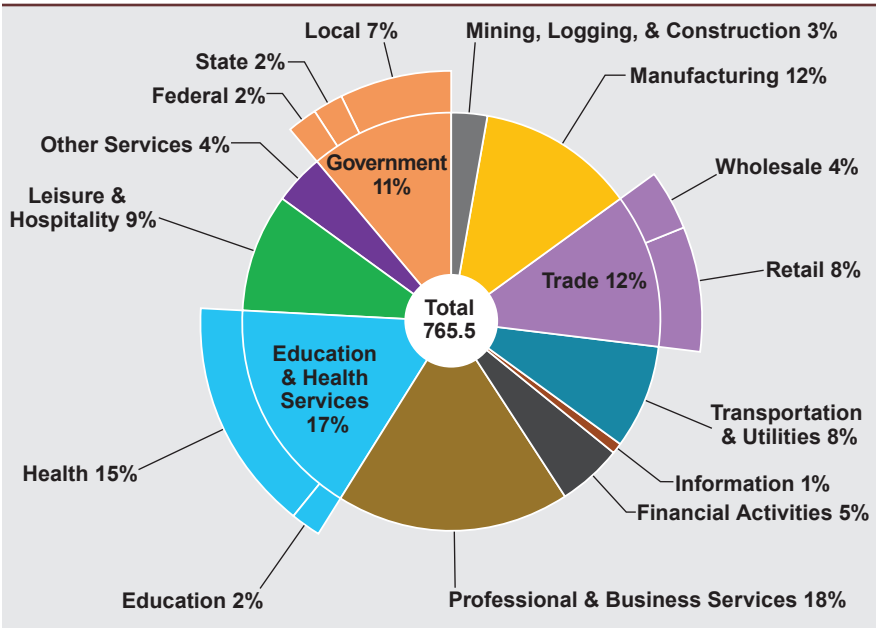
## Largest Sector: Professional and Business Services

Jobs in the professional and business services sector currently account for 18 percent of all nonfarm payrolls in the HMA, compared with 15 percent during 2010 (Figure 1).

## Primary Local Economic Factors

The Detroit HMA and the Detroit-Warren-Dearborn MSA have long been known as centers for automobile production. The three largest domestic automakers are headquartered in the MSA, with General Motors Company and Ford Motor Company located in the cities of Detroit and Dearborn,

Figure 1. Share of Nonfarm Payroll Jobs in the Detroit HMA, by Sector

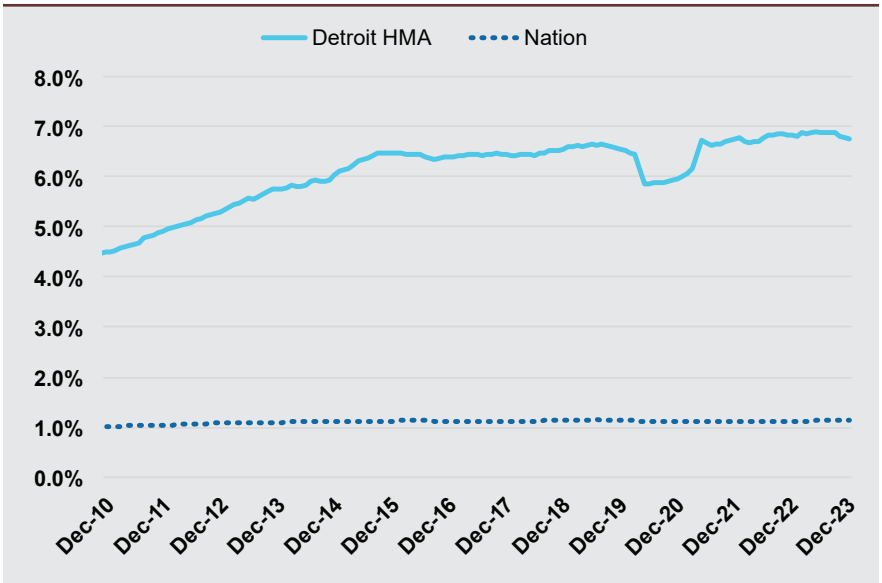


Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2023.  
Source: U.S. Bureau of Labor Statistics

respectively, both within the HMA. FCA US LLC, formerly known as the Chrysler Corporation, is headquartered in Auburn Hills in Oakland County in the Warren-Troy-Farmington Hills metropolitan division. Accordingly, the transportation equipment manufacturing industry in the HMA included 51,600 jobs during 2023, equivalent to nearly 7 percent of all jobs. By contrast, nationally, jobs in this industry provided 1 percent of total nonfarm payrolls during 2023 (Figure 2). During 2010, in the aftermath of the Great Recession, jobs in the transportation equipment manufacturing industry averaged 31,200 and contributed nearly 5 percent of nonfarm payrolls in the HMA. Since 2010, jobs in that industry have grown more than five times faster than total nonfarm payrolls.

During 2020, the professional and business services sector surpassed the education and health services sector as the largest nonfarm payroll sector in

Figure 2. Ratio of Transportation Equipment Manufacturing Industry Jobs to Overall Nonfarm Payrolls



Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics

the HMA. Within the professional and business services sector, two industries have increased strongly in the HMA. Since 2020, jobs in the administrative and support and waste management and remediation industry and the professional, scientific, and technical services industry increased by 4,100 and 1,600 jobs annually, respectively, with rates of growth averaging 2.7 and 9.3 percent, respectively. However, jobs in the management of companies and enterprises industry in the HMA have contracted slightly since 2020. The two growth industries in the sector differ significantly. The professional and technical services industry typically requires an advanced education and provides comparatively high salaries, averaging more than \$50 per hour during 2023 (wage data are national). By contrast, jobs in the administrative and support and waste management and remediation services industry are typically characterized by lower levels of education, and during 2023, the average wage was \$27 per hour.

Rocket Companies, Inc., the third largest employer in the HMA (Table 1), includes Rocket Mortgage, LLC, an online mortgage originator previously known as Rock Financial and as Quicken Loans. After moving approximately 1,700 employees into downtown Detroit in 2010, the company became Rocket Mortgage in 2015. In 2018, Rocket Mortgage was the largest mortgage lender in the nation before being surpassed during 2022 when United Wholesale

Table 1. Major Employers in the Detroit HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Ford Motor Company	Manufacturing	43,500
Stellantis N.V. (FCA US LLC)	Manufacturing	10,950
Rocket Companies, Inc.	Financial Activities	10,750
Henry Ford Health System	Education & Health Services	10,150
City of Detroit	Government	9,525
United States Government	Government	8,925
Corewell Health	Education & Health Services	6,800
Blue Cross/Blue Shield of Michigan	Financial Activities	6,000
Detroit Medical Center	Education & Health Services	5,875
Amazon.com, Inc.	Transportation & Utilities	5,325

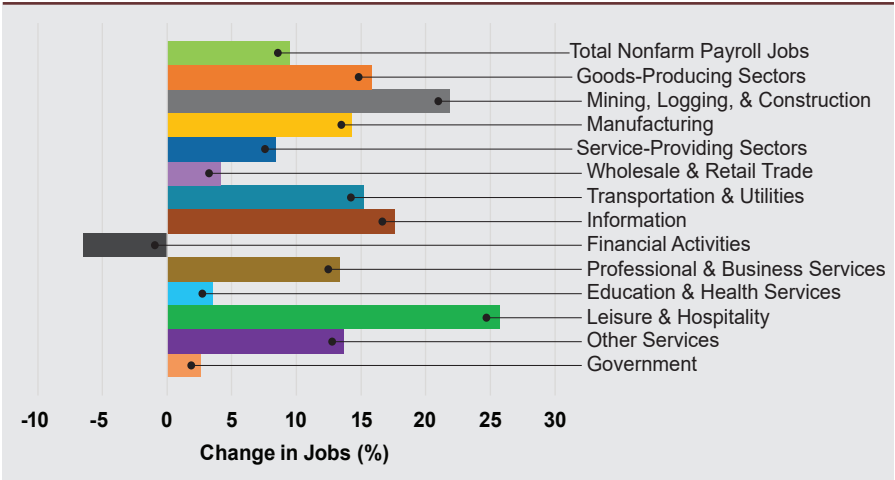
Note: Excludes local school districts.  
Source: *Crain's Detroit Business*, December 2023

Mortgage company, headquartered in Pontiac in the Warren-Troy-Farmington Hills metropolitan division, became the nation's largest mortgage originator. Employment in the financial activities sector increased almost every year from 2010 through 2021 before increased interest rates sharply curtailed home purchases and the refinancing of mortgage loans, causing jobs in the financial activities sector to decline during 2022 and 2023.

Current Conditions—Nonfarm Payrolls

After significant job losses during 2020 related to containment of the COVID-19 virus, overall job growth in the HMA has matched the 3.1-percent annual rate of job growth nationally. Jobs in the HMA recovered faster during 2021 and have since lagged behind the national growth rate; also, the decline in jobs in the HMA during 2020 was much steeper than the national rate. Job growth in the HMA since 2021 has been led by the leisure and hospitality sector (Figure 3). Despite this strong growth, the leisure and hospitality sector is 10,700 jobs, or 13 percent, below the 2019 average count of 79,600. The mining, logging, and construction sector has increased strongly because

Figure 3. Sector Growth in the Detroit HMA, 2021 to Current



Note: Current data are based on the 12-month averages ending December 2023.  
Source: U.S. Bureau of Labor Statistics



of relatively high levels of primarily residential construction. The financial activities sector is the only sector to have lost jobs overall since 2021.

Jobs in the Detroit HMA increased during 2023 by 7,100, or 0.9 percent, to 765,500, which remains below the 773,100 jobs averaged during 2019. By contrast, jobs grew 2.3 percent nationally during 2023. During 2023, job growth in the HMA was led by the professional and business services sector, which increased by 5,200 jobs, or 3.9 percent, followed by the education and health services sector, which added 2,800 jobs, or 2.3 percent (Table 2). The professional and business services sector is currently 8 percent above the average jobs count during 2019. The education and health services sector is 4 percent below that level. Four job sectors declined in the HMA during 2023. The financial activities sector had the steepest decrease, down by 2,700 jobs, or 6.4 percent, primarily because of contraction in the mortgage lending industry attributed to recent elevated mortgage interest rates. Rocket Mortgage has reduced staff during the past 2 years. Although job loss totals have not been publicized, the lender reported that most reductions occurred through attrition and employee buyouts, with minimal layoffs.

During 2021 and 2022, the economic recovery in the HMA was strong. Nonfarm payrolls rose by 29,500 jobs, or 4.1 percent, annually during that period, compared with 3.6-percent annual

**Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Detroit HMA, by Sector**

	2022	2023	Absolute Change	Percentage Change
<b>Total Nonfarm Payroll Jobs</b>	<b>758.4</b>	<b>765.5</b>	<b>7.1</b>	<b>0.9</b>
<b>Goods-Producing Sectors</b>	<b>115.9</b>	<b>116.9</b>	<b>1.0</b>	<b>0.9</b>
Mining, Logging, & Construction	23.9	25.0	1.1	4.6
Manufacturing	92.0	91.9	-0.1	-0.1
<b>Service-Providing Sectors</b>	<b>642.5</b>	<b>648.6</b>	<b>6.1</b>	<b>0.9</b>
Wholesale & Retail Trade	94.1	93.5	-0.6	-0.6
Transportation & Utilities	61.2	59.1	-2.1	-3.4
Information	8.0	8.1	0.1	1.3
Financial Activities	42.0	39.3	-2.7	-6.4
Professional & Business Services	133.8	139.0	5.2	3.9
Education & Health Services	123.6	126.4	2.8	2.3
Leisure & Hospitality	67.4	68.9	1.5	2.2
Other Services	27.3	27.6	0.3	1.1
Government	85.0	86.8	1.8	2.1

Notes: Based on 12-month averages through December 2022 and December 2023. Numbers may not add to totals due to rounding. Data are in thousands.  
Source: U.S. Bureau of Labor Statistics

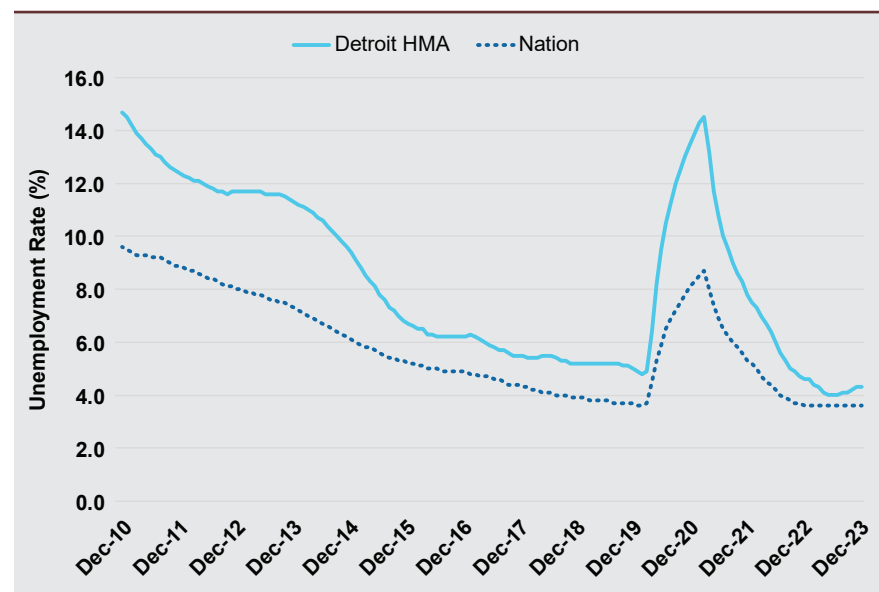
growth nationally. That 2-year period was one of the few recent periods when jobs increased faster in the HMA than nationally. In the HMA, manufacturing sector jobs increased strongly, adding 5,800 jobs, or 7.0 percent, annually. Transportation equipment manufacturing jobs increased by 5,100 annually during this 2-year period, accounting for 88 percent of overall job growth in the manufacturing sector. During 2021, FCA US LLC, a subsidiary of Stellantis N.V., opened a new plant in the far east side of the city of Detroit, adding more than 5,000 transportation equipment manufacturing jobs. A global shortage of computer chips used in automobiles led to production slowdowns, and purchasers of new cars found diminished inventory and long waits for the delivery of new vehicles, which constrained job growth in the transportation equipment manufacturing industry. This shortage has largely ended. Only the leisure and hospitality sector increased by more jobs than the manufacturing sector, adding an average of 6,300 jobs, or 10.9 percent, during 2021 and 2022. Despite this growth, current jobs in the two sectors are below the 2019 averages. Jobs in the financial activities sector were unchanged overall during this 2-year period, gaining 1,800 jobs during 2021 and declining by the same number during 2022; these job changes were in the mortgage lending industry.



## Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.3 percent during 2023, down from 4.6 percent a year earlier. The unemployment rate peaked recently at 14.5 percent during the 12 months ending March 2021, during the height of the COVID-19 pandemic, declining quickly thereafter. The unemployment rate averaged 15.0 percent during 2010 in the aftermath of the Great Recession and fell slowly to an average of 5.0 percent during 2019 (Figure 4).

**Figure 4. 12-Month Average Unemployment Rate in the Detroit HMA and the Nation**

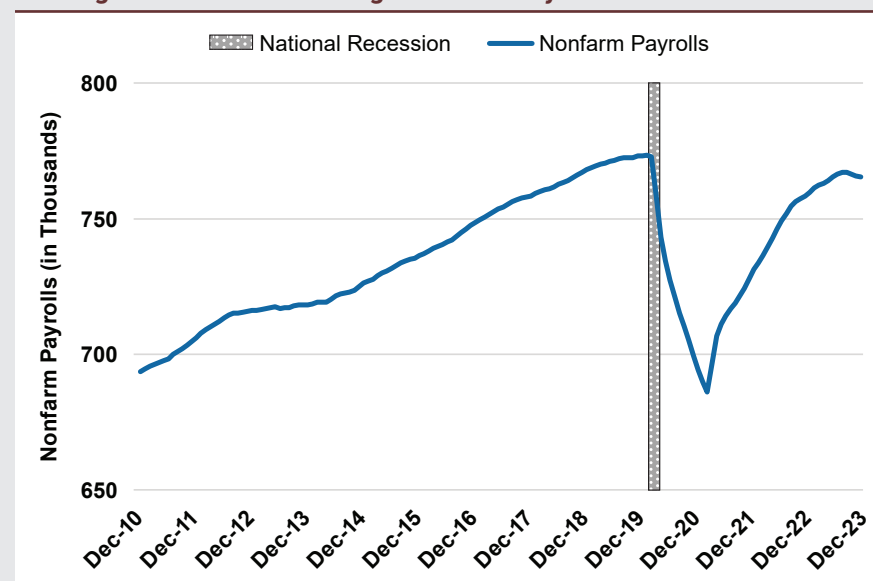


Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics

## Economic Periods of Significance 2011 Through 2014—Job Growth Resumes

Jobs began to increase again from 2011 through 2014 after the Great Recession. Job growth in the HMA commenced during 2010, and from 2011 through 2014, nonfarm payrolls in the HMA rose by an average of 8,000 jobs, or 1.1 percent, annually (Figure 5). By comparison, jobs grew nationwide at an average of 1.6 percent annually during this period. In the HMA, manufacturing jobs recovered strongly, averaging growth of 3,800 jobs, or 5.1 percent, annually. Employment in the transportation equipment manufacturing industry increased by 3,100 jobs annually during this period, contributing 82 percent of overall manufacturing job growth in the HMA. During this period, the professional and business services sector also added an average of 3,800 jobs, or 3.4 percent, annually. Those jobs were more than offset by a decline in government sector jobs, which fell by an average of 4,000, or 4.1 percent, annually. Jobs at local governments in the

**Figure 5. 12-Month Average Nonfarm Payrolls in the Detroit HMA**



Note: 12-month moving average.  
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research



HMA, still impacted by decreased tax revenue during the Great Recession, fell by an average of 3,000 jobs, or 4.8 percent, annually.

### 2015 Through 2019—Job Growth Accelerates

Starting in 2015, a 5-year period of faster job growth occurred in the HMA. Payrolls increased by an average of 9,600, or 1.3 percent, annually, trailing the national rate, which averaged 1.7 percent annually during this period. Jobs in the manufacturing sector continued to grow, but at a slower pace than during the previous period, increasing by an average of 2,000, or 2.3 percent, annually. Jobs in the transportation equipment manufacturing industry increased by 1,400 annually on average, contributing 70 percent of overall manufacturing sector growth. The largest gain and fastest growth in the HMA during this period occurred in the transportation and utilities sector, partly because the growth of online shopping and product delivery transformed the way people bought goods. Jobs in the transportation and utilities sector increased by an average of 2,500, or 5.6 percent annually. During this period, jobs in the wholesale and retail trade sector only increased by an average of 100, or 0.1 percent, annually. The information and the other services sectors declined during this period by respective averages of 200 and 400 jobs, or 2.0 percent and 1.2 percent, annually. Despite this 9-year period of job growth from 2010 through 2019, nonfarm payrolls did not surpass the level of 781,200

jobs averaged during 2007, before the Great Recession, and payrolls remained well below the previous peak of 891,700 jobs in 2000. During 2019, nonfarm payrolls in the HMA averaged 773,100.

### 2020—A Sharp, but Brief, Recession

The World Health Organization officially declared the COVID-19 virus a global pandemic during March 2020. Efforts to limit interpersonal contact led to widespread economic dislocations. In the HMA, jobs declined by 73,700, or 9.5 percent; nationally, the decline was 5.8 percent. All job sectors declined in the HMA except the financial activities sector, which increased by 1,500 jobs, or 3.7 percent. Jobs in this sector had been growing since 2010. The growth during 2020 was supported by increased mortgage lending, and low mortgage interest rates contributed to relatively strong home sales during 2020 and 2021. The leisure and hospitality sector, which includes many jobs involving interpersonal interaction, decreased by 24,800 jobs, or 31.2 percent. Jobs in the manufacturing sector declined by 14,400, or 15.2 percent, and 62 percent of those jobs were lost in the transportation equipment manufacturing industry when consumers cut back on automobile purchases. The education and health services sector contracted by 9,800 jobs, or 7.4 percent, because health care providers cut back on most elective procedures to allocate resources for the care of COVID-19 patients.

## Commuting Patterns

Among HMA residents with jobs, an estimated 58 percent work in the HMA, and 42 percent commute to work outside of Wayne County (U.S. Census Bureau OnTheMap, based on 2021 5-year American Community Survey [ACS] data). Among jobs in the Detroit HMA the pattern is similar, with 56 percent of HMA jobs held by residents of the HMA and 44 percent of jobs in the HMA held by residents who live outside of the HMA. Because the HMA is one of two metropolitan divisions that make up the larger Detroit MSA, economic

linkages between the two geographies are common, and most workers who live or work outside of the HMA likely commute to and from the other five counties in the MSA, primarily Macomb and Oakland counties, which are the two most-populous counties in the Warren-Troy-Farmington Hills metropolitan division. In addition, Washtenaw County is adjacent to the HMA to the west. That county includes the city of Ann Arbor and the University of Michigan main campus, and it is also a jobs center.





## Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 1.1 percent and surpass the 2019 average. The manufacturing sector is expected to grow, with multiple transportation equipment manufacturers planning to invest in the HMA. German-based electric vehicle (EV) charging company EcoG GmbH is investing more than \$14 million to create a North American headquarters in the new Detroit Mobility and Innovation Corridor, which will result in an estimated 45 new jobs. USA Fortescue Piquette LLC is building an EV battery assembly plant that is expected to be operational in early 2025 and reach full capacity during 2030, creating up to 600 manufacturing and engineering jobs. Henry Ford Health, the fourth largest employer in the HMA, announced a \$3 billion expansion that will include a new 400-room hospital, a medical research facility in partnership with Michigan State University, and residential and recreational facilities. The project is expected to begin construction in May 2024 and be complete in 2027, creating an estimated 2,150 construction jobs and 740 permanent jobs.

The abandoned 1913 Michigan Central railroad station building is being renovated into the centerpiece of the newly formed Detroit Mobility and Innovation Corridor, with lab, office, and production space focused on urban transportation solutions and an emphasis on encouraging and expanding start-up businesses. As of January 1, 2024, the site includes approximately 80 firms and 450 workers. The corridor covers more than 30 acres and includes more than 1.2 million square feet of commercial space. The project was led by Ford Motor Company, in collaboration with Google, the state of Michigan, and the city of Detroit. Ford Motor Company purchased the site in 2018 and has invested approximately \$800 million in the renovation. The Michigan Central Station building is planned to open to the public in June 2024. The University of Michigan, with a main campus in the city of Ann Arbor in Washtenaw County, announced the development of the \$250 million University of Michigan Center for Innovation, to be built in the Midtown area of Detroit beginning in 2024. In addition to academic programs, the center will support community development and engagement, with the goal of increasing jobs in the city of Detroit.



# Population and Households

## Current Population: 1.74 Million

From 2010 to 2020, the population in the Detroit HMA remained nearly stable following a large population loss during the previous decade, but population declines have resumed since 2020.

## Population Trends

As of January 1, 2024, the population of the Detroit HMA is estimated at 1.74 million, reflecting an average decline of 14,750, or 0.8 percent, annually since April 1, 2020 (Table 3). As of July 1, 2022, the population in the city of Detroit accounted for 35.3 percent of the population of the HMA, down from more than 39 percent during 2010 (U.S. Census Bureau population estimates as of July 1). Other large communities in the HMA include the cities of Dearborn and Livonia, which contained 6.1 and 5.3 percent of the HMA population during 2022, respectively.

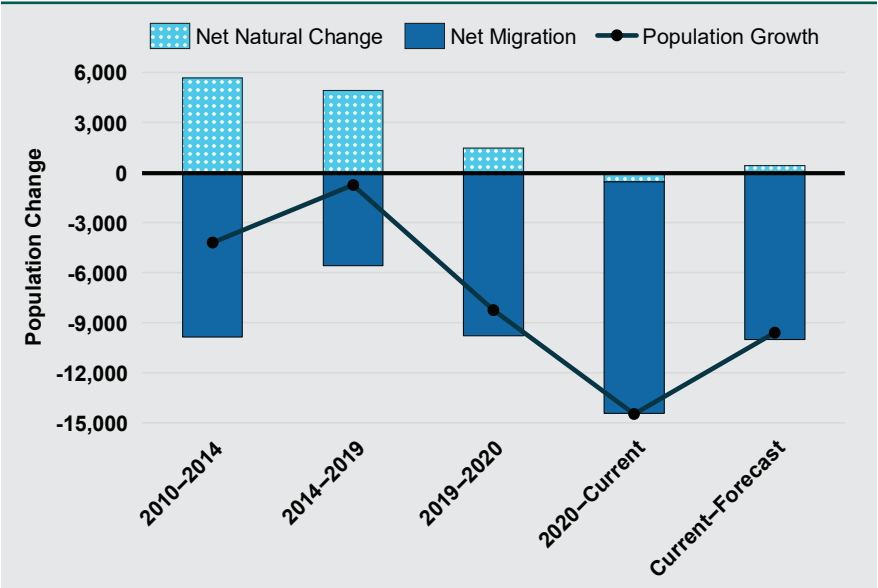
From 2010 to 2020, the population of the Detroit HMA fell by 2,700, or 0.1 percent, annually, following declines averaging 23,550, or 1.2 percent, annually from 2000 to 2010. The last decade in which the population of the Detroit HMA increased was from 1960 to 1970, when the population grew by 450. From 2010 to 2014, during the recovery following the Great Recession, the population in the Detroit HMA fell by an average of 4,200, or 0.2 percent, annually (Figure 6). Net natural increase averaged 5,700 people, which was insufficient to offset net out-migration averaging 9,900 people annually. During this period, job growth in the HMA was 1.0 percent annually, compared with annual growth of 1.6 percent nationally. Despite modest job growth in the HMA, economic opportunities were generally greater elsewhere, contributing to net out-migration. From 2014 to 2019, payroll jobs rose 1.3 percent annually in the HMA, below the national rate of job growth, which averaged 1.7 percent annually, and the population in the HMA was relatively stable during this period. Net out-migration decreased to an average of 5,625 people annually and was nearly offset by net natural increase of 4,900 people annually. With the onset of the COVID-19 pandemic during 2020, population losses increased, averaging

Table 3. Detroit HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast
	Population	1,793,561	1,738,000
	Average Annual Change	-2,700	-14,750
	Percentage Change	-0.1	-0.8
Household Quick Facts	2020	Current	Forecast
	Households	709,400	702,600
	Average Annual Change	670	-1,825
	Percentage Change	0.1	-0.3

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2024) to January 1, 2027. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the Detroit HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2024) to January 1, 2027. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

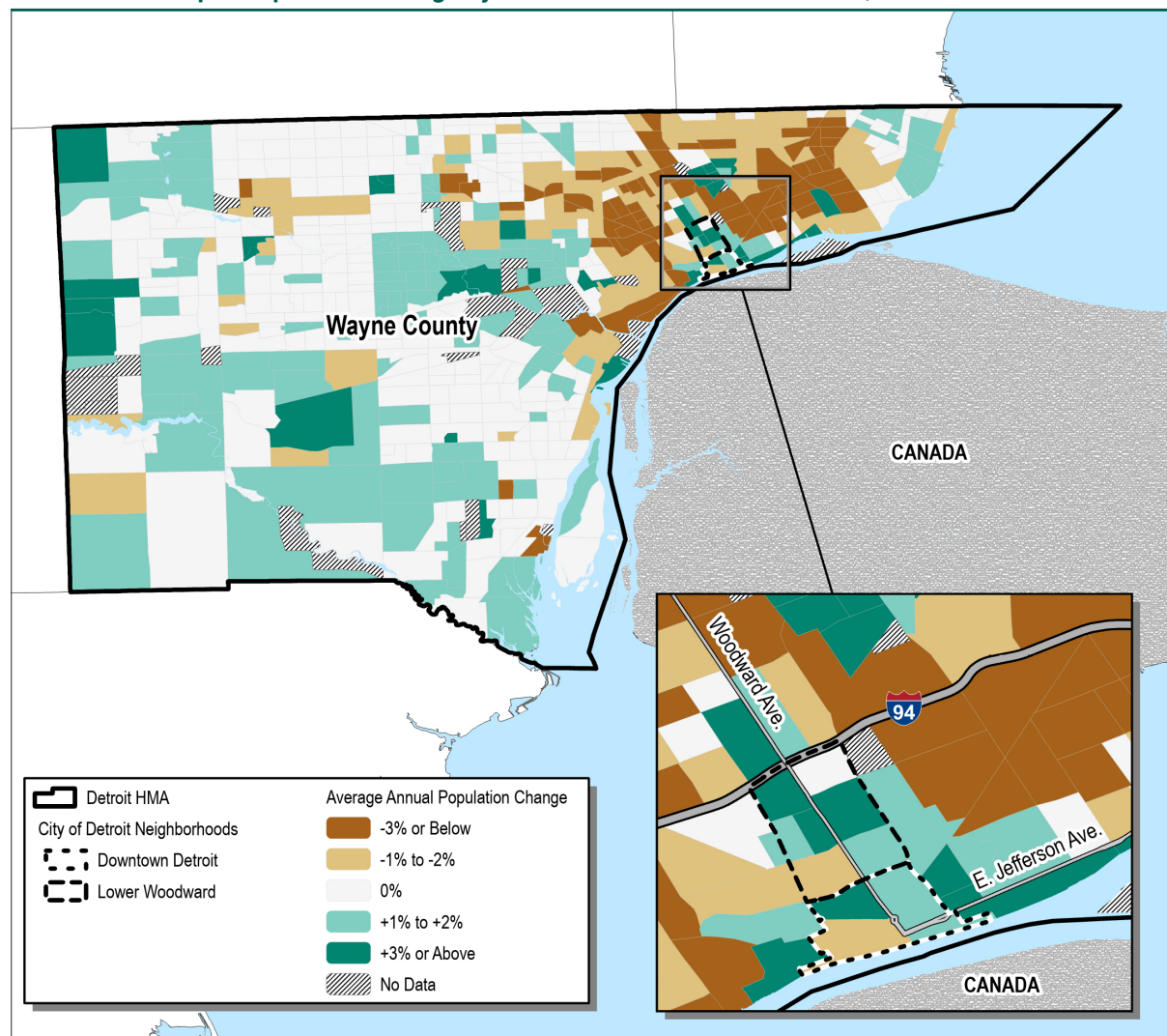
14,500 people, or 0.8 percent, annually since 2020. Net natural decline and net out-migration averaged 600 and 13,900 people annually, respectively. The net natural decline was partly attributable to excess deaths caused by COVID-19.



## Geographic Trends

As of July 1, 2022, the population of the city of Detroit was estimated at 620,400 and had declined an average of 1.3 percent annually from 2020 to 2022. The city of Detroit was the fifth most populous city in the United States as recently as 1970; by the 2020 decennial Census, it was the 29th most populous. From 2010 to 2020, the population in the city of Detroit fell on average by 1.1 percent annually, compared with 2.8 percent during the previous decade. Within the city, however, growth occurred in some local areas from 2010 to 2020, including downtown Detroit and areas northwest of downtown along Woodward Avenue, including the Lower Woodward neighborhood. North of this is the New Center area, where Wayne State University and the state of Michigan have a significant jobs presence (Map 1). The QLINE, which opened during 2017, offers streetcar service along Woodward Avenue, between downtown Detroit and the New Center area. Additional population growth occurred along Jefferson Avenue, extending northeast from downtown. Since 2020, the rate of population decline in the city of Detroit is estimated to have accelerated because of the impacts of the COVID-19 pandemic and the movement of households away from densely populated cities. In Wayne County, excluding the city of Detroit, the population was estimated at 1.14 million as

**Map 1. Population Change by Census Tract in the Detroit HMA, 2010 to 2020**



Source: 2010 and 2020 Decennial Census, with adjustments by the analyst

of July 1, 2022, having fallen an average of 0.7 percent annually from 2020 to 2022. By contrast, from 2010 to 2020, the population in the 42 cities and townships that make up the area rose an average of 0.4 percent annually, following no change during the previous decade. From 2010 to 2020, the fastest-growing community in the HMA was the city of Hamtramck, where the population rose an average of 2.4 percent annually. Other areas with population growth from 2010 to 2020 include the city of Melvindale, immediately southwest of the city of Detroit, where the population rose 1.8 percent annually on average, and the city of Dearborn, also southwest of the city of Detroit, where the population rose 1.1 percent annually, on average. Population growth from 2010 to 2020 has occurred in cities that are close to Detroit, in contrast to the pattern during the previous decade when the fastest-growing communities were located closer to the southern and western edges of the county with available land for suburban development. Northville, Brownstown, and Van Buren Charter Townships grew at average rates of 3.1, 2.9, and 2.0 percent annually from 2000 to 2010, but growth slowed to rates of 1.1, 0.8, and 0.5 percent, respectively, annually from 2010 to 2020. Even with the slower rates of growth, the communities on the periphery of the HMA continue to add population at rates well above the HMA average.

Although the city of Hamtramck had the fastest rate of population growth from 2010 to 2020,

from 2000 to 2010, the population in Hamtramck fell 0.2 percent annually, on average. Hamtramck is a small city, approximately 2 square miles in size, and it is almost entirely surrounded by the city of Detroit. Hamtramck had long been a city dominated by Polish-American residents, but from 2010 to 2020, significant immigration from Yemen and Bangladesh occurred.

## Migration Trends

Most domestic migration into and out of the HMA from 2016 through 2020 was between adjacent counties (Table 4). People moving out of the HMA predominately moved to Oakland, Macomb, and Livingston Counties (the Warren-Troy-Farmington Hills metropolitan division), to Washtenaw County (the Ann Arbor MSA), and to Monroe County (the Monroe MSA). The most-chosen county for domestic out-migration outside of Michigan was Collier County, Florida, mainly by retirees. Among domestic migration into the HMA, Oakland, Macomb, and Washtenaw counties again contribute the largest portion, and Ingham County (the Lansing MSA) had the fifth most movers. Cook County, Illinois, which includes the city of Chicago, was the county outside of Michigan that contributed the most migrants to the HMA.

The HMA has strong international in-migration but it is not sufficient to offset domestic net out-migration. Besides Yemen and Bangladesh, other significant sources of in-migration to the HMA are India, Iraq, Canada, Mexico, and Lebanon. International migrants are drawn to the HMA for employment and education

**Table 4. County-to-County Migration Flows in the Detroit HMA, 2016–20**

Into the HMA	
Oakland County, Michigan	13,518
Macomb County, Michigan	7,434
Washtenaw County, Michigan	5,459
Monroe County, Michigan	1,454
Ingham County, Michigan	1,103
Out of the HMA	
Oakland County, Michigan	12,642
Macomb County, Michigan	9,377
Washtenaw County, Michigan	6,351
Monroe County, Michigan	1,872
Livingston County, Michigan	1,665

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

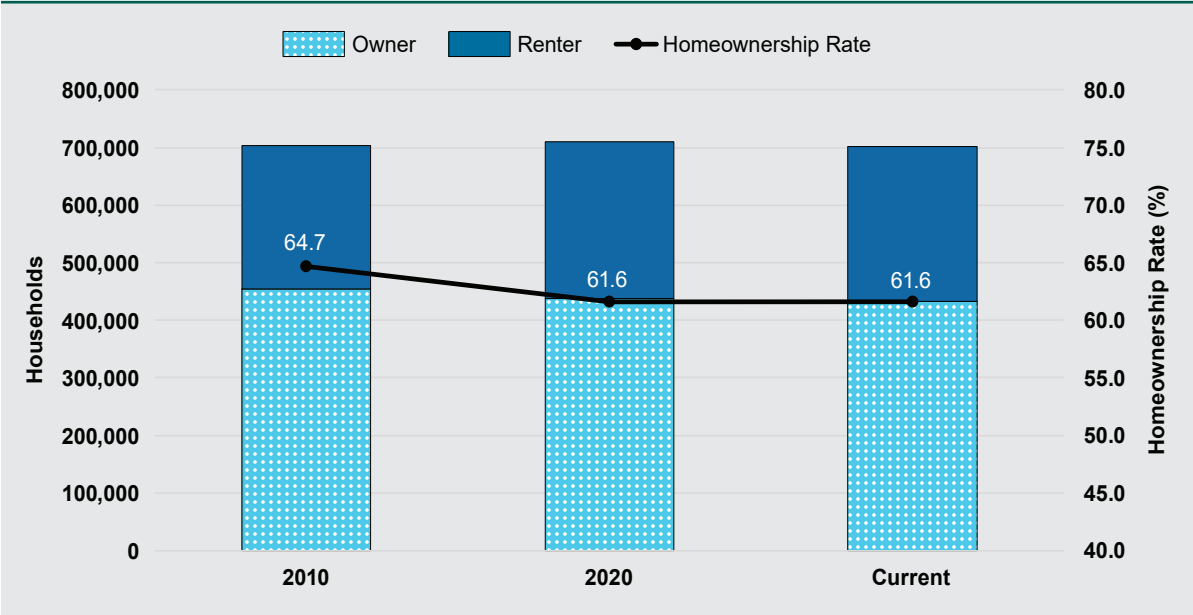


opportunities, with many attending Wayne State University in Detroit and the University of Michigan, which has a satellite campus in the city of Dearborn. International migration into the HMA averaged 4,475 people annually from 2010 to 2015, rose to 6,025 people annually from 2015 to 2016, and then declined to a recent low average of 1,450 people annually from 2019 to 2020—a result of tightened immigration policies enacted during 2016 and 2017 and the onset of the COVID-19 pandemic during 2020. International in-migration rose to 4,100 people from 2021 to 2022.

### Household Trends

As of January 1, 2024, an estimated 702,600 households reside in the Detroit HMA, representing a decline of 1,825 households, or 0.3 percent, annually since 2020. By comparison, from 2010 to 2020, households increased slightly in the HMA by an average of 670, or 0.1 percent, annually. Households in the HMA increase faster or contract more slowly than the population because of a falling average household size. During 2022, an estimated 35 percent of all households in the HMA were single-person households, up from 33 percent during 2010 (ACS 1-year data). Currently, the homeownership rate in the HMA is estimated at 61.6 percent, unchanged from 2020 but well below the 64.7-percent rate during 2010 (Figure 7). Since 2020, when the population declined faster

Figure 7. Households by Tenure and Homeownership Rate in the Detroit HMA



Note: The current date is January 1, 2024.  
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

than during the previous decade, owner households in the HMA are estimated to have fallen 0.3 percent annually, compared with renter household declines averaging 0.2 percent annually.

### Forecast

During the next 3 years, the rates of population and household decline in the HMA are expected to slow slightly from the rates since 2020. The population in the HMA is expected to contract by 9,625, or 0.6 percent, annually, to reach 1.71 million as of January 1, 2027. Households are expected to fall by 1,400, or 0.2 percent, annually, and reach 698,400 in the same period. Several suburban communities and neighborhoods within the city of Detroit are expected to continue to increase in population and households during the next 3 years, partly offsetting the declines.

# Home Sales Market

## Market Conditions: Balanced

Although the number of home sales have fallen sharply from recent high levels during 2022, average home sales prices are at near-record highs, and the inventory of homes for sale in the HMA is very low.

## Current Conditions

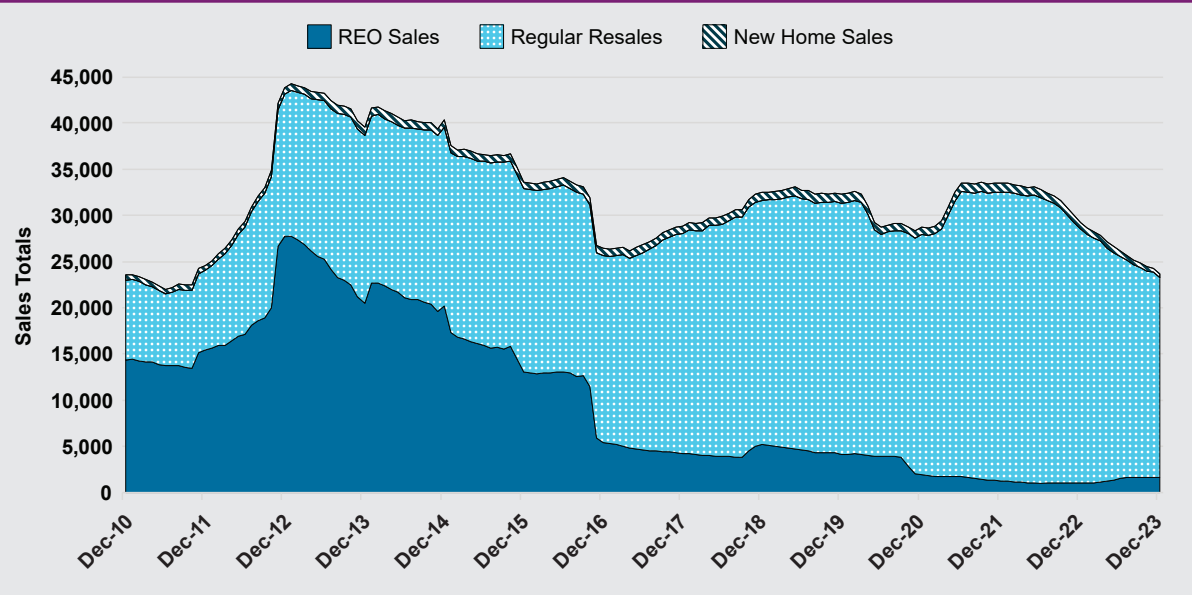
The sales market in the Detroit HMA is currently balanced, with an overall sales vacancy rate of 1.4 percent (Table 5), down from 1.5 percent in 2020. By comparison, during 2010, when conditions in the HMA were soft, the sales housing vacancy rate was 2.9 percent. Following 33,500 total home sales during 2021, sales declined during 2022 and 2023 by 4,900, or 16 percent, annually on average (Figure 8; Zonda). During the same period, the average sales price in the HMA for real estate owned, regular resale, and new homes rose 2 percent annually on average, and the current average home sales price of \$198,600 is a near-record high. Increasing home sales prices and higher mortgage interest rates, which averaged 3.0 percent during 2021 and 6.8 percent during 2023 for a 30-year fixed-rate mortgage, combined to make homebuying less affordable (Freddie Mac). Higher mortgage interest rates also deterred existing homeowners from listing their homes for sale if a subsequent home purchase would need to be financed at a considerably higher interest rate. As a result,

Table 5. Home Sales Quick Facts in the Detroit HMA

Home Sales Quick Facts	Detroit HMA		Nation
	Vacancy Rate	1.4%	NA
	Months of Inventory	2.7	2.8
	Total Home Sales	23,700	4,541,000
	1-Year Change	-19%	-24%
	New Home Sales Price	\$476,800	\$505,900
	1-Year Change	2%	1%
	Regular Resales Price	\$199,300	\$450,100
	1-Year Change	3%	3%
	Mortgage Delinquency Rate	1.3%	1.0%

NA = data not available.  
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.  
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—Zonda

Figure 8. 12-Month Sales Totals by Type in the Detroit HMA



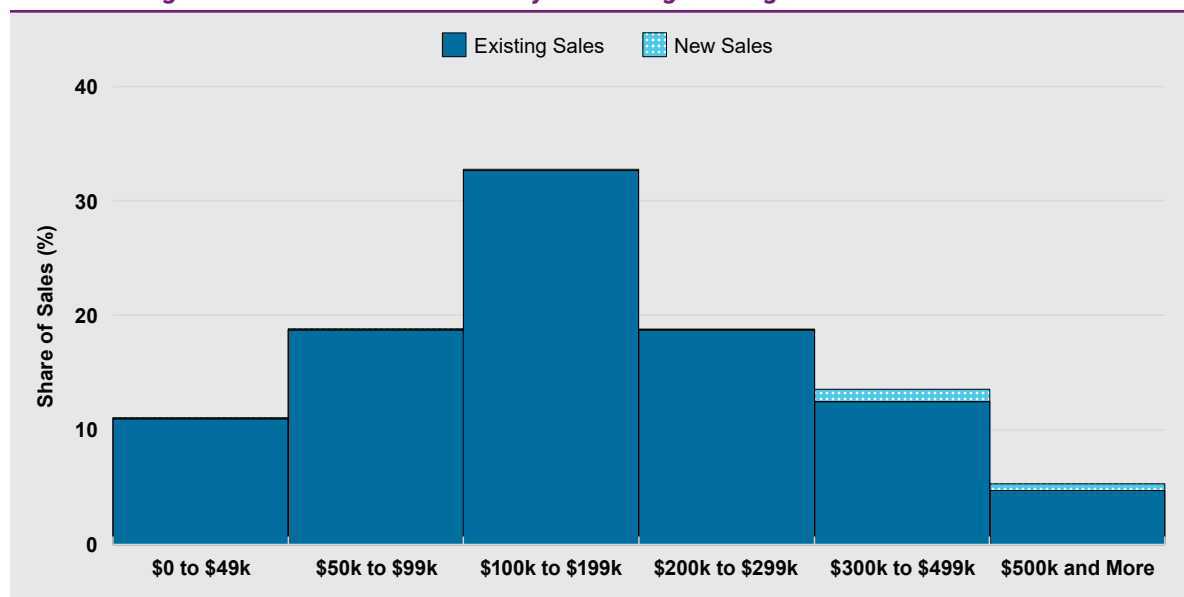
REO = real estate owned.  
Source: Zonda

the active inventory of homes for sale during December 2023 was 4,150, 16 percent fewer homes than were available a year earlier, and the supply of homes for sale was 2.7 months, down from 3.0 months of inventory a year earlier (CoreLogic, Inc.). Nationally, the available inventory was 2.8 months of supply during December 2023, up from 2.2 months a year earlier. The recent low level of homes for sale in the HMA was during March 2021, when 2,875 homes were available for sale, representing a 1.6-month supply. Figure 9 shows the share of home sales by purchase type and price during 2023. Homes priced between \$100,000 and \$199,000 predominate in the market, although new home sales, which contribute a relatively small share of home purchases, are most commonly purchased at \$300,000 and more.

## REO Properties and Seriously Delinquent Mortgages

During 2023, real estate owned (REO) home sales in the HMA rose nearly 57 percent from a year earlier to 1,650 (Zonda, with adjustments by the analyst). Despite this increase, REO sales remain relatively low when compared with the previous decade. During 2011 and 2012, REO sales rose an average of 39 percent annually to reach 27,700 home sales during 2012, accounting for 63 percent of all existing home sales in the HMA. By comparison, the REO share of existing sales during 2012 was 18 percent nationally,

**Figure 9. Share of Overall Sales by Price Range During 2023 in the Detroit HMA**



Note: New and existing sales include single-family homes, townhomes, and condominiums.

Source: Zonda

41 percent for the state of Michigan, and more than 81 percent in the city of Detroit. From 2013 through 2016, the decline in REO sales was steep, falling 20 percent annually on average to 5,400 sales during 2016. The large number of REO home sales early in the previous decade were due to a combination of investors renting the properties and to households purchasing them as their primary residences, with investor purchases more common in the city of Detroit. Many of these homes were subsequently demolished when continued population declines made the properties unsuccessful as investments. Since 2010, an estimated 44,800 residential units have been demolished in the HMA, and more than 91 percent of those demolitions were in the city of Detroit (Southeast Michigan Council of Governments).

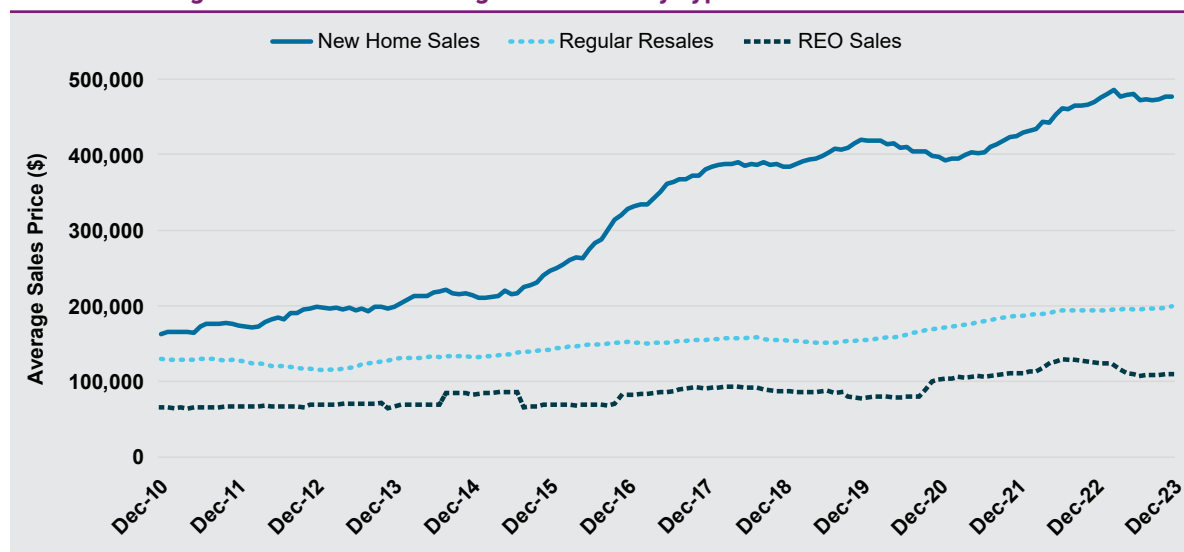
Seriously delinquent mortgages in the HMA represented 1.3 percent of home loans as of December 2023, down from 1.5 percent a year earlier but higher than the national rate of 1.0 percent. The rate in the HMA was 13.2 percent during December 2010 and fell steadily to 1.5 percent during December 2019. The rate subsequently rose to 4.3 percent during August 2020 after the onset of the COVID-19 pandemic, when many mortgages were in forbearance.

## New and Regular Resale Home Sales

After falling sharply during 2020, new and regular resale home sales recovered strongly during 2021. Mortgage interest rates were low, and households were adjusting to new remote learning and working situations, which spurred homebuying. A combination of declining population and higher homebuying costs have contributed to a decline of home sales in the HMA since 2021.

New home sales are a relatively small component of the sales housing market in the Detroit HMA. During 2023, less than 2 percent of all home sales were new homes. By contrast, during 2023, nearly 13 percent of all home sales nationally were new. From 2022 through 2023, new home sales in the HMA fell 35 percent annually on average to approximately 425 sales during 2023. The average new home sales price during 2023 was \$476,800, nearly 2 percent above the average sales price a year earlier but down slightly from the record-high \$485,200 during the 12 months ending March 2023 (Figure 10). New home sales are primarily in the suburban areas of the HMA, particularly in locations with increasing populations, where 400 new homes were sold at an average price of \$463,100. By contrast, in the city of Detroit, only 25 new homes were sold, but the average sales price was \$704,200. Given the limited number of new home sales in

Figure 10. 12-Month Average Sales Price by Type of Sale in the Detroit HMA



REO = real estate owned.  
Source: Zonda

the city during 2023, two cash purchases for \$1.45 million each at eXchange in downtown Detroit in July 2023 partly skewed the average new home sales price.

New home sales rose an average of 5 percent annually from 2013 through 2019 before falling 18 percent during 2020 due to impacts from the COVID-19 pandemic. New home sales recovered during 2021, increasing 27 percent compared with sales during 2020 to 990, the highest annual new sales count since before 2010. Average new home sales prices rose 11 percent annually from 2013 through 2019 and subsequently declined 5 percent during 2020 when new sales fell. Prices have since recovered, increasing 6 percent annually to the current high level.

REO properties accounted for most home sales from 2010 through 2014, but regular resale home sales have accounted for most sales in the HMA since 2015. During 2023, regular resales totaled 21,600, 21 percent fewer than during 2022, when sales declined 12 percent compared with 2021. The average home sales price for a regular resale home during 2023 reached a new peak of \$199,300, nearly 3 percent higher than the average of \$193,800 during 2022. Regular resale home sales average prices rose 9 percent during 2021 and 4 percent during 2022.



During 2010, regular resale home sales averaged 8,700 before increasing an average of 28 percent annually from 2011 through 2013 as sales demand recovered following the Great Recession. From 2014 through 2019, regular resale home sales rose an average of 7 percent annually because relatively strong economic growth led to improved population trends in the HMA. During 2020, the COVID-19 pandemic caused a decline in regular resale home sales, which fell 4 percent to 26,000. Prices for regular resale homes declined more than 5 percent annually during 2011 and 2012, but they increased an average of 4 percent annually from 2013 through 2019. Although regular resale home sales fell during 2020, the average sales price rose nearly 10 percent to \$170,400.

## Condominium Sales

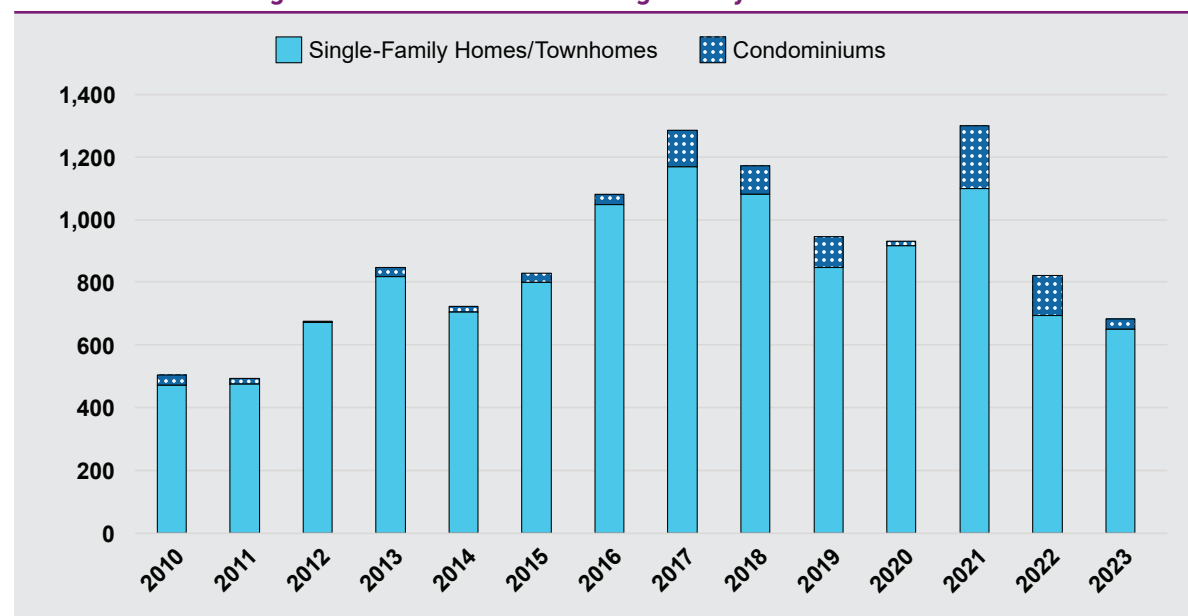
Condominium sales in the HMA account for approximately 10 percent of overall home sales. Average sales prices for condominium units are typically 20 to 30 percent higher than the average sales prices for single-family homes because they are often more recently constructed units, and the multifamily developments often include more amenities. During 2023, condominium sales decreased 17 percent from a year earlier to 2,325, similar to the 19-percent decline in total home sales. The average sales price for a condominium during 2023 was \$281,300, nearly 3 percent above the average sales price a year earlier. By comparison, among all home sales in the HMA,

the average home sales price was unchanged during 2023. As with new and regular resale home sales, condominium sales peaked during 2021 when 3,675 condominiums were sold, the highest number since before 2010.

## Sales Construction

Homebuilding activity in the Detroit HMA, as measured by the number building permits issued for owner units, is at generally higher levels than during 2010 and 2011, but has declined in the past 2 years. The number of single-family homes, townhomes, and condominiums permitted was 680 during 2023, down from 820 homes permitted during 2022 (preliminary data, with adjustments by the analyst). Homebuilding reached a recent high during 2021, when 1,300 homes were permitted, because builders responded to the low inventory of homes for sale and the stronger demand for new homes compared with 2020. From 2010 through 2014, an average of 650 homes were permitted annually, and sales housing demand in the HMA was only starting to recover from significant declines caused by the Great Recession (Figure 11).

**Figure 11. Annual Sales Permitting Activity in the Detroit HMA**



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

From 2015 through 2020, homes permitted increased to an average of 1,050 annually. The majority of homes built for owner occupancy in the HMA are in the suburban areas outside of the city of Detroit. Since 2010, an estimated 96 percent of all owner housing built has been in suburban locations in the HMA. The city of Detroit has relatively fewer areas of land suitable for large-scale, single-family housing development, and most single-family permitting in the city is infill or replacement housing.

Since 2010, the largest proportion of sales housing units permitted in the HMA have been in Canton Charter Township, with nearly 30 percent of new home construction, followed by Brownstown and Van Buren Charter Townships, which each contributed 10 percent of the total permitting in the HMA. Canton and Van Buren Charter Townships are along the western edge of the HMA, adjacent to the Ann Arbor MSA, and proximate to Interstates 275 and 94, allowing efficient access to the larger Detroit-Warren-Dearborn MSA and nearby MSAs. Brownstown Charter Township is located approximately 8 miles south of downtown Detroit and served by Interstate 75 and Michigan Route 24, offering efficient travel access throughout southeast Michigan.

The Residences at Lafayette West condominium community is located in the Lafayette Park neighborhood, less than 1 mile north of Downtown Detroit and walkable to downtown employment and cultural amenities. The development includes 88 units, which began pre-sales during 2022 and occupancy during

2023. Currently, one- and two-bedroom units are offered, with starting prices ranging from \$234,000 to \$642,000. In Canton Charter Township, the Park Creek community is under construction approximately 3 miles from Interstate 275. The single-family home development offers six models with two to four bedrooms, and prices start at \$392,000. Currently, 67 sites with houses under construction or completed have been sold, six lots are available, and six completed homes are available for immediate occupancy.

Forecast

Demand is estimated for 2,550 new homes during the next 3 years (Table 6). Similar to the past 13 years, most of the demand for new homes will be in suburban locations within the HMA, particularly those with recent population growth, and demand is expected to increase during the second and third years as mortgage interest rates fall modestly. The 320 homes under construction in the HMA will meet a portion of the forecast demand during the first year.

Table 6. Demand for New Sales Units in the Detroit HMA During the Forecast Period

Sales Units	
Demand	2,550 Units
Under Construction	320 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst

# Rental Market

## Market Conditions: Soft

New apartment production in the Detroit HMA, which has increased strongly since 2014, had been largely absorbed in the market through 2019, after which declining population trends have contributed to current soft conditions.

## Current Conditions and Recent Trends

The overall rental market in the Detroit HMA, including apartments, single-family homes, and other units available for rent, is soft. The estimated 9.0-percent vacancy rate is up from 8.7 percent in April 2020 (Table 7). By comparison, the rental vacancy rate was 14.5 percent in the HMA during April 2010 because of the effects of the Great Recession. Relatively large numbers of apartments completed in the HMA since 2014 have been largely absorbed, but the increase in net out-migration that began during 2020 contributed to a current surplus of units in the HMA, and rental and apartment vacancy rates have increased as a result.

The percentage of renter households residing in structures with five or more units, typically apartment properties, has increased since 2010, reaching 40 percent during 2022, a rate that is still below the national average of 47 percent. By contrast, in the HMA, renter households in single-family homes were 47 percent of the overall rental market, unchanged from 2010 and well above the national rate of 31 percent. Rental units in buildings with two to four units per

Table 7. Rental Market Quick Facts in the Detroit HMA

Rental Market Quick Facts	2020 (%)		Current (%)	
	Rental Vacancy Rate		8.7	
	2010 (%)		2022 (%)	
	Occupied Rental Units by Structure			
	Single-Family Attached & Detached		47	
	Multifamily (2–4 Units)		14	
	Multifamily (5+ Units)		38	
	Other (Including Mobile Homes)		2	

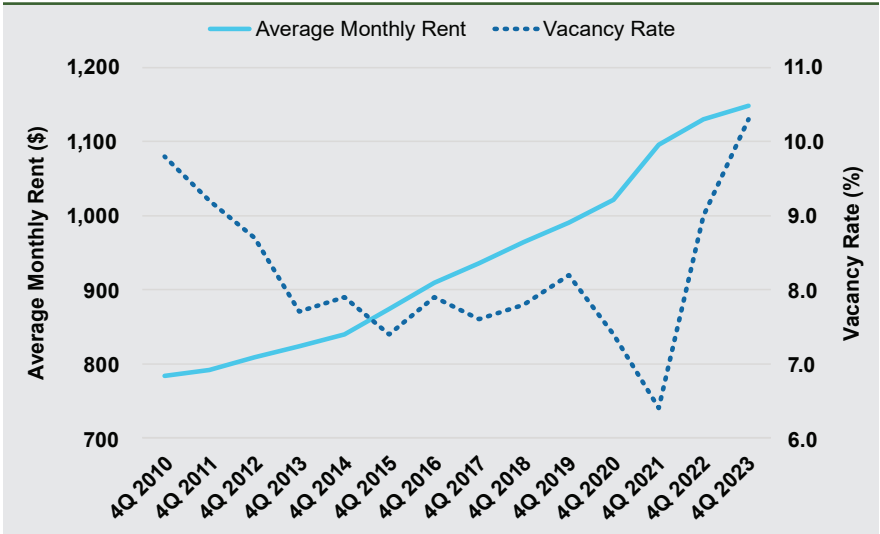
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.  
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2022 American Community Survey 1-year data

structure in the HMA have declined in relative terms. As of December 2023, the estimated vacancy rate for professionally managed, single-family homes for rent in the HMA was 8.1 percent, up from 8.0 percent a year earlier (CoreLogic, Inc.). This rate peaked during June 2015, reaching 11.8 percent, but has fallen since. Average rents for single-family homes for rent were \$1,332, \$1,542, \$1,760, and \$2,370 for one-, two-, three-, and four-bedroom units, respectively, during December 2023, reflecting year-over-year declines of 1 percent for one- and two-bedroom units and increases of 3 percent and 9 percent for three- and four-bedroom units, respectively.

## Apartment Market Conditions

The apartment market in the Detroit HMA is also soft. As of the fourth quarter of 2023, the average apartment vacancy rate in the HMA was 10.3 percent, up from 9.0 percent a year earlier and the highest rate since 2010 (CoStar Group). By comparison, the average fourth quarter apartment vacancy rate reached a recent low of 6.4 percent in 2021, during the initial recovery from the COVID-19 pandemic (Figure 12).

Figure 12. Apartment Rents and Vacancy Rates in the Detroit HMA



4Q = fourth quarter.  
Source: CoStar Group



High levels of apartment construction in the HMA since 2014 did not cause major increases in the apartment vacancy rate, with absorption keeping pace with the growth in supply. The period from 2015 to 2019 included comparatively strong economic growth, and the apartment vacancy rate in the HMA remained relatively stable between 7.4 and 8.2 percent. A temporary decline in units permitted during 2019 led to modestly fewer units delivered during 2020 and 2021, coinciding with the COVID-19 pandemic, which led to stronger demand, and the apartment vacancy rate fell sharply during 2021. Since 2021, high levels of new units entering the market, coupled with a declining population, have contributed to the apartment vacancy rate reaching the highest level since before 2010.

Softening of the apartment market has not led to declining rents in the HMA, although rent growth is slowing. During the fourth quarter of 2023, the average asking rent was \$1,148, up 2 percent from the previous year. Average asking rent growth has typically been between 1 and 3 percent in the HMA but reached 4-percent average increases between 2015 and 2017, when economic and population growth were relatively stronger. More recently, average asking rents increased 7 percent during 2021 as the economy in the HMA started to recover from the COVID-19 pandemic slowdown.

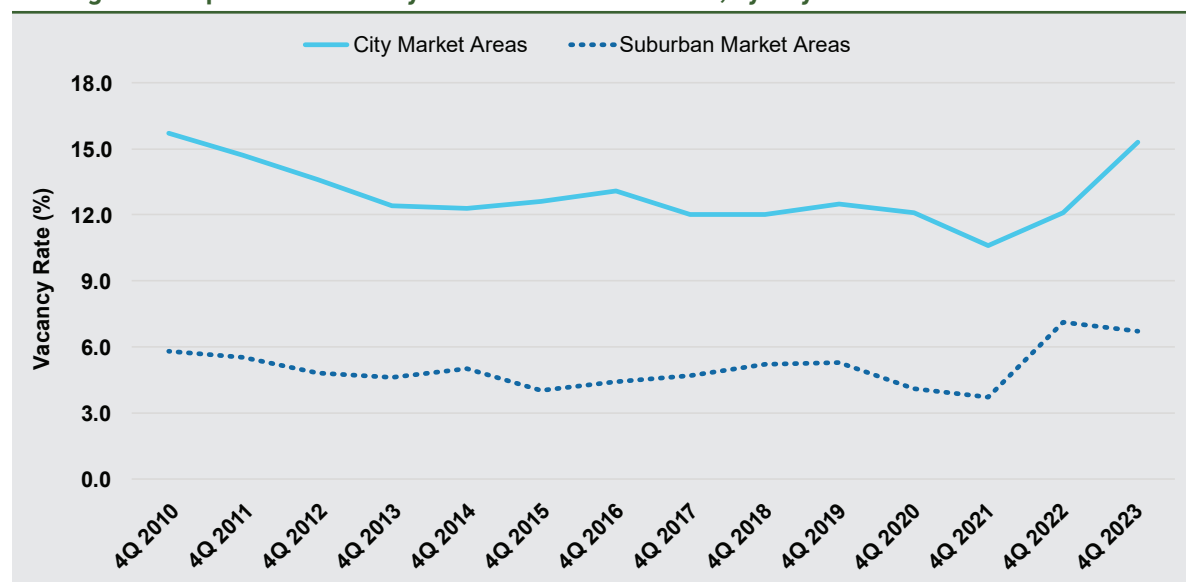
## Apartment Market Conditions by Geography

Among the 12 CoStar Group-defined market areas in the HMA, 7 encompass the cities of Detroit,

Hamtramck, and Highland Park, and 5 encompass the rest of the HMA. Vacancy trends have been similar since 2010, but the vacancy rates among city market areas are significantly higher than for the suburban market areas. During the fourth quarter of 2023, the apartment vacancy rate in the city of Detroit was 15.3 percent, up from 12.1 percent a year earlier, and the rate in the combined suburban market areas was 6.7 percent, down from 7.1 percent a year earlier (Figure 13). Weaker population trends in the city compared with the suburban communities and a large number of older apartments in the city contribute to an excess supply of vacant units. Since 2010, nearly 41,000 units have been demolished in the city of Detroit, and approximately 65 percent of those were from the rental stock (Southeast Michigan Council of Governments). Many of the demolished units were uninhabitable, but others, while poorer quality, were still available in the rental market, and removing them from the apartment market keeps the vacancy rate from increasing further.

Suburban apartment rents are generally higher than those in city of Detroit market areas, with the exception of the Downtown Detroit market area, where the current average asking rent of \$1,601 is the highest among the 12 CoStar-defined market areas in the HMA. The Jefferson and the Midtown Detroit market areas in the city of Detroit included current average rents of \$1,208 and \$1,205, respectively. All

**Figure 13. Apartment Vacancy Rates in the Detroit HMA, by City and Suburban Market Areas**



4Q = fourth quarter.  
Source: CoStar Group



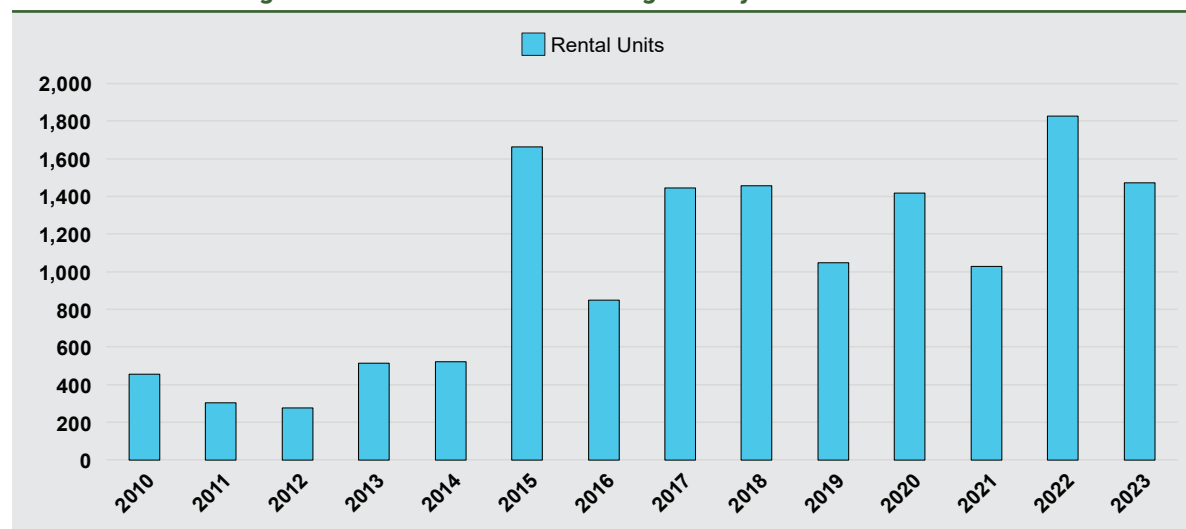


other rents in the city of Detroit market areas were lower, ranging from \$735 in the West Side Detroit market area to \$819 in the East Side Detroit market area during the fourth quarter of 2023. By contrast, rents in the suburban areas of the HMA ranged from a low of \$1,055 in the Downriver market area to \$1,278 in the Plymouth/Livonia market area. New apartment construction since 2010 has been largely concentrated in the Downtown Detroit and Midtown Detroit market areas, where the rents are relatively high and significant employment opportunities are located.

## Rental Construction

From 2010 through 2014, rental permitting averaged 410 units annually (Figure 14). During this time, the economy in the HMA was just emerging from the Great Recession, and the population was declining. New apartment construction increased strongly thereafter, with 1,675 units permitted during 2015, and an average of 1,200 units were permitted annually from 2016 through 2021. During 2022, in response to strong apartment market conditions during 2021, a recent peak of 1,825 apartment units were permitted. Permitting declined nearly 20 percent to 1,475 units during 2023 (preliminary data, with adjustments by the analyst). Since 2010, nearly 71 percent of all apartment units permitted in the HMA have been in the city of Detroit. Nearly all of those units have been in the Downtown or Midtown market areas of the city, close to major employers, the QLINE

**Figure 14. Annual Rental Permitting Activity in the Detroit HMA**



Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

streetcar, and significant cultural amenities. Among apartments built in the suburban areas of the HMA, nearly 44 percent were in Canton Charter Township.

In the Corktown neighborhood of Detroit, Perennial Corktown opened in the fall of 2023, approximately one-half mile from the Detroit Mobility and Innovation Corridor. The property includes 188 units in a seven-story building, with studio, one-bedroom, and two-bedroom units, and starting rents are \$1,650, \$1,975, and \$3,500, respectively. In Canton Charter Township in suburban Wayne County, Berkshire Apartments opened during the summer of 2023 and includes 172 apartment units, each with two bedrooms, two bathrooms, and attached two-car garages. Rents range from \$2,499 to \$2,799.

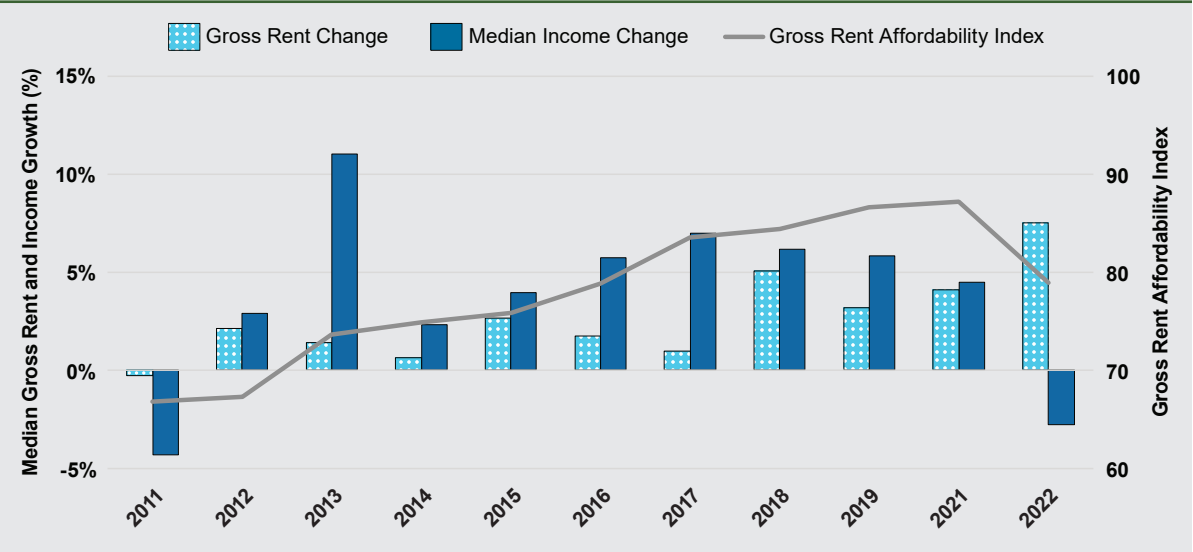
## Housing Affordability: Rental

Rental housing in the Detroit HMA is generally more affordable compared with the nation, and the average apartment rent of \$1,148 in the HMA is well below the national average asking rent of \$1,668 (CoStar Group). Nonetheless, renter affordability has fallen recently, and significant numbers of households in the HMA face difficulty in affording their rent. From 2012 through 2021, overall renter affordability increased

because median renter household incomes rose faster than gross rent, sharply faster in some years (Figure 15). However, since 2017, growth in renter household incomes slowed before declining from 2021 to 2022, and gross rents have risen at faster rates. As a result, the Gross Rent Affordability Index fell for the first time since 2011. As a large supply of new apartments enters the market in the HMA, soft apartment market conditions may lead to slower rent increases or declining rents, which may contribute to increased affordability.

The relative poverty of residents is a factor affecting renter affordability in the HMA. During 2022, the poverty rate among individuals was 21.2 percent for the Detroit HMA, compared with 12.6 percent nationally (2022 ACS 1-year estimates). For the city of Detroit, the poverty rate for individuals was 33.8 percent, and the rate was 14.5 percent in the remainder of the HMA. Note that for all geographies referenced, the rate of persons in poverty rose from the rates during 2019, and the rates rose faster in the HMA than nationally. This trend is reflected in data showing cost burden for renter households (Table 8). From 2016 to 2020, nearly 27 percent of renter households in the HMA were severely cost-burdened, paying more than 50 percent of household income for housing costs, well above the 22-percent rate nationally. For those

Figure 15. Detroit HMA Gross Rent Affordability Index



Notes: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available.  
Source: American Community Survey 1-year data

Table 8. Percentage of Cost-Burdened Renter Households, by Income, in the Detroit HMA During 2020

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	Detroit HMA	Nation	Detroit HMA	Nation
Renter Households with Income <50% HAMFI	25.7	27.1	47.9	47.9
Total Renter Households	20.0	21.6	26.5	22.0

CHAS = Comprehensive Housing Affordability Strategy. HAMFI = HUD Area Median Family Income.  
Sources: Consolidated Planning/CHAS Data; 2020 American Community Survey 5-year estimates

renter households in the HMA facing less significant cost burdens, and for those renter households with incomes below 50 percent of the area median income, the incidences of cost burden are more closely aligned with national averages. During 2023, the growth in renter households receiving federal housing



assistance in the HMA was well below the growth of households receiving assistance nationally (Table 9).

Forecast

During the 3-year forecast period, demand is estimated for 1,500 new rental units in the HMA, but an estimated 2,050 new units are under construction (Table 10). For this reason, the overall rental and apartment markets are not expected to improve from currently soft conditions during the forecast period. To avoid contributing to further softening in the market, builders should consider not planning for additional units to enter the market until after the 3-year forecast period to allow the current excess supply and units under construction to be absorbed.

Table 9. Picture of Subsidized Households in the Detroit HMA During 2023

	Detroit HMA	HMA Change Since 2010	National Total	National Change Since 2010
Total Assisted Households (2023)	37,901	0.9%	4,569,973	3.2%
Total Housing Voucher Households (2023)	17,700	12.8%	2,404,197	17.9%
Average HCV Tenant Monthly Contribution	\$383	-14.0%	\$450	-1.2%
Average Monthly HUD Subsidy	\$775	-10.8%	\$1,068	9.2%

HCV = housing choice voucher.  
Note: Dollar changes are inflation-adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).  
Source: HUD Picture of Subsidized Households

Table 10. Demand for New Rental Units in the Detroit HMA During the Forecast Period

Rental Units	
Demand	1,500 Units
Under Construction	2,050 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst



# Terminology Definitions and Notes

## A. Definitions

<b>Apartment Vacancy Rate/ Average Monthly Rent</b>	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.
<b>Building Permits</b>	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.
<b>Cost-Burdened</b>	Spending more than 30 percent of household income on housing costs. Moderate to high-cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
<b>Demand</b>	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
<b>Existing Home Sales</b>	Include regular resales and REO sales.
<b>Forecast Period</b>	January 1, 2024–January 1, 2027—Estimates by the analyst.
<b>Home Sales/ Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.





<b>Net Natural Decline</b>	Resident deaths are greater than resident births.
<b>Net Natural Increase</b>	Resident births are greater than resident deaths.
<b>Regular Resales</b>	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
<b>Rental Market/ Rental Vacancy Rate</b>	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
<b>Seriously Delinquent Mortgages</b>	Mortgages 90 or more days delinquent or in foreclosure.

#### B. Notes on Geography

1.	The metropolitan division 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.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2020 Census.

#### C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
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2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

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