

Detroit, Michigan

Rental Real Estate Overview 2022

Increasing employment, rising incomes, and private investments have played a huge part in Detroit's rebirth over the last 7 years. While the Motor City still has a ways to go, the future of Detroit looks very promising, especially for rental property investors.

After filing for bankruptcy in 2013, Detroit has not only climbed out of an \$18 billion debt, but it is now issuing bonds [backed by its credit](#), exemplifying the Motor City's ability to bounce back from the nation's largest municipal debt in history.

Tax incentives, affordable housing, and urban revitalization efforts are all reasons why Detroit is continuing to see growth, making it an excellent market for investors looking to buy rental real estate properties.

Sellers are taking advantage of historically high home prices scoring big-time from top-dollar pricing from their homes, and buyers are benefitting from [historically low](#) mortgage rates, making it a better time than ever to invest in rental properties in Detroit.

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Evernest is here to help investors (like you) navigate the world of real estate investing and make informed investments in markets just like Detroit. This whitepaper outlines what rental property investors need to know about the Detroit real estate market in 2022.

Detroit Population Statistics

- Detroit has a [population](#) of **664,139**, with over 3.5 million people living in the [Detroit Metro Area](#) as of 2022.
- The median income [per capita](#) is **\$35,315**, \$2,000 higher than the state's average.
- The median income [per household](#) is **\$63,474**, almost \$6,000 higher than in Michigan.
- The [median age](#) of residents in the city of Detroit is **35 years old**
- The total [area](#) of Detroit is **138.7 square miles**
- The [unemployment rate](#) in Detroit is **3.8%**, lower than the national and state average.
- Detroit has a [GDP](#) of **\$237.09 billion**.

The [most common industries](#) for employment in Detroit are manufacturing, health-care, retail trade, accommodation & food services, educational services, and transportation & warehousing, with [new industries](#) moving to Detroit every year.

CITY STATISTICS

Detroit
664,139
Metro Area
3,521,000

Median Income
\$35,315/capita
\$63,474 /household

Median Age*
35 years

Area
138.7 sq miles

Unemployment rate
3.8%

GDP
\$237.09 billion

Top Employers
(see chart below)



TOP EMPLOYERS in Detroit, Michigan

Employer
DTE Energy
Ally Financial
Litch Holdings
Quicken Loans
General Motors
Arvin Innovation
Detroit Medical Center
Henry Ford Health System
American Axle & Manufacturing
Blue Cross Blue Shield of Michigan[1]

Detroit is (still) known as the automobile capital of the world, home to most of the U.S. auto industry headquarters. Automakers alone employ over 111,000 people in the Detroit metro area.

The rise of battery-powered cars, ridesharing, and environmental regulation are all [contributing](#) to technological innovation in Detroit's automobile sector.

Detroit, Michigan Real Estate Market Statistics

Detroit, Michigan, is divided into 144 distinct neighborhoods, divided amongst the different regions of Detroit.

- 17 neighborhoods in Downtown Detroit
- 20 neighborhoods in Midtown Detroit
- 10 Neighborhoods in the New Center of Detroit
- 11 Neighborhoods in the North End of Detroit
- 18 Neighborhoods in the Upper East Side of Detroit
- 19 Neighborhoods in the Lower East-side of Detroit
- 23 Neighborhoods in the Upper West Side of Detroit
- 14 Neighborhoods in the Southwest / Near Westside of Detroit

Other key Statistics

There are 2,068 homes for sale in Detroit as of [January 2022](#), with 6,420 homes available for sale in the Detroit metro area.

The median rent in Detroit is \$1,100 [for a three-bedroom home](#).

The median [list price](#) for homes in Detroit is \$75,000, with the median sold price at \$115,000, making the sale-to-list-price ratio 153%.

The median price per square foot of homes in Detroit is \$67, and the median amount of days that homes spend on the market is 81 as of [December 2021](#).

According to [Redfin.com](#), home prices in Detroit have increased 21.4% in the last year, and predictions show that prices will continue to rise.

The price-to-rent ratio in Detroit, Michigan, is currently 8.71, [indicating](#) that it is better to buy than to rent.

The vacancy rate for properties in Detroit is [19%](#), which is the lowest vacancy rate reported in Detroit since 2015.

Michigan had 415 foreclosure filings in 2021, meaning that [1 in every 11,075 homes](#) is up for foreclosure. Genesee, Macomb, Wayne, Ingham, and Shiawassee are the Michigan counties with the most foreclosures per housing unit.

DETROIT, MICHIGAN REAL ESTATE MARKET STATISTICS

144
Neighborhoods

Detroit: **2,068**
Metro Area: **6,461**
Homes for sale

\$75,000
Median List Price

\$115,000
Median Sold Price

\$67
Median Price per Square Foot

153%
Sale-to-List Price Ratio

81
Median Days on Market

\$1,100 for 3 bedrooms
Median Rent Price

21.4%
1-Year Appreciation Rate

8.71
Price-To-Rent Ratio

19%
Percentage Of Vacant Homes

1 in 11,075 homes
Foreclosure Rate

Metro Detroit regions with the FASTEST RENT INCREASES

City	1-Bedroom Rent	Y/Y%
Birmingham	\$1,800	20.0%
Detroit	\$1,030	19.8%
Ypsilanti	\$930	13.4%
Royal Oak	\$1,150	11.7%
Warren	\$860	8.9%
Ann Arbor	\$1,120	4.3%

10 MOST AFFORDABLE Detroit Neighborhoods

Neighborhood	Median Home Value
Romulus	\$73,100
Hamtramck	\$46,600
Lincoln Park	\$62,500
Melvindale	\$59,000
Hazel Park	\$54,700
Roseville	\$66,100
Southgate	\$88,200
Ecorse	\$50,200
Garden City	\$83,100
Eastpointe	\$62,500

LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From getting access to off-market deals to building a team to making offers, buying properties in a new market takes time and is difficult without knowing an expert (or two).

That's why we started Evernest Brokerage.

Now you can invest in [some of the hottest real estate markets](#) in the United States with a team of local experts every step of the way. Working with Evernest's in-house brokerage team of investor-friendly agents is the simplest way to build a local team and grow your rental portfolio.

Find and connect with an agent
in your market today



FIVE REASONS WHY DETROIT IS A GREAT PLACE TO BUY RENTALS

Low cost of living and high quality of life not only make Detroit a great place to live and work, but the Motor City is also a great place for savvy inventors to invest in rental real estate.

Here are our top five reasons why Detroit is a great place to buy rental property:



1.

HOUSING AFFORDABILITY

Real estate investors will be delighted to find out how affordable properties in Detroit are. While prices have [risen over the past decade](#), the median price for homes remains under \$100,000 in most areas, and savvy investors who buy at the right time can take advantage of the affordable homes on the market.

Buying the right property at the right time in Detroit can prove to be extremely profitable for investors in 2022.



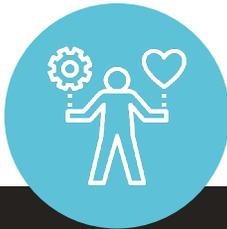


2.

HIGH DEMAND FOR SINGLE-FAMILY HOMES

The [Wall Street Journal](#) reports that the lack of credit among Detroit residents makes it difficult for many families to buy a home. Hence, homes for rent are in high demand, and the low price-to-rent ratio in Detroit means that it is a profitable time to own rental properties.

Although population numbers have declined in Detroit over the past several decades, the influx of development and urban revitalization is drawing [new residents](#), namely millennials, giving Detroit the 2nd highest growth rate of the 24-35 year old demographic in the country.



3.

QUALITY OF LIFE/ LOW COST OF LIVING

Part of attracting so many millennials to Detroit and its metro area is the high quality of life and low cost of living.

[Forbes](#) ranks Detroit as one of the top cities for business and career growth in the U.S., **establishing the cost of living as 11% lower than the national average.**

Detroit's cost of living is [lower than the national average](#), taking into account rent, food, entertainment, and other necessities. With inflation on the rise, the cost of living has increased slightly, but Detroit's cost of living remains lower than that of most big cities in the country.

With all of the new industries moving to Detroit, there has never been a better time to become a part of the ever-growing Motor City.



4.

TAX INCENTIVES

Detroit offers businesses a variety of [tax incentives and discounts](#) for many different companies. These incentives are beginning to:

- Increase employment across the board
- Foster improvement in a less developed metro area
- Stimulate economic growth throughout the entire region
- Further development in the areas of technology and research

Some examples of tax incentives/abasements throughout the Detroit areas includes:

1. rehabilitation of obsolete commercial property
2. private, industrial, and commercial rehabilitation projects
3. incentives for development and new construction projects

Providing tax incentives to companies is obviously a great way to spark development and redevelopment in a region because companies are always looking for ways to save money. Tax incentives allow business owners to invest money back into the business while stimulating the local economy at the same time.



5.

THRIVING JOB MARKET

With all of the incentives inspiring more companies to bring business operations to Detroit, an [influx of jobs](#) has come to the region.

Companies such as,

- Google
- Pinterest
- Microsoft
- Accenture
- Whole Foods
- Ford Motor Co.

...are just a few of the companies that have built offices in Detroit, and have added thousands more jobs to the workforce.



AVERAGE SALARIES in Detroit, Michigan

Job	Range	Average
Software Engineer	\$64k-\$100k	\$79,356
Mechanical Engineer	\$64k-\$100k	\$78,982
Project Manager (unspecified)	\$47k-\$113k	\$72,578
Operations Manager	\$41k-\$120k	\$71,096
Software Developer	\$52k-\$88k	\$70,751
Electrical Engineer	\$60k-\$108k	\$77,549
Account Manager	\$44k-\$105k	\$63,332

In addition to the tax incentives and cheap commercial property, bringing operations to Detroit is attractive to businesses because of the large pool of young talent available in the area.[2]

DETROIT WORKFORCE DEMOGRAPHIC STATISTICS

Age 25-54
64.8%

Age 55+
21.7%

Age 14-24
13.5%

51%/Female
49%/Male

White
69.9%

Black/
African American
22.4%

Asian
3.9%

Other race
1.4%

DETROIT REAL ESTATE MARKET PREDICTIONS

Here is our top three predictions for the Detroit rental market throughout 2022:

1. DETROIT WILL CONTINUE TO REBUILD

Detroit has seen tremendous growth since declaring bankruptcy in 2013, and all signs point to continued growth throughout the region.

The Detroit Land Bank Authority (DLBA) has placed the [Nuisance Abatement](#) Program, which files lawsuits against vacant and otherwise neglected properties. The act files complaints to the owners of the property, and if the complaints are not resolved, then the DLBA screens the property to determine if the property should be rehabilitated, sold, or demolished.

Typically, these properties pose risks for the surrounding areas because of safety concerns and the potential for illegal activity within or around abandoned properties. Through the Nuisance Abatement Program, rehabilitating or demolishing problematic properties is raising the value of the neighboring properties, making areas safer, and helping to bring more investment and development to Detroit. [1]

One major project set to [open in 2022](#) is the Joe Louis Greenway, which is a 27.5-mile-long path around metro Detroit, which will be open for walking, biking, and hiking. The project will cost as much as \$210 million.

Another major project opening in 2022 is [Dreamtroit](#), which is a mixed-use development with 81 apartments and 38,000 square feet of available commercial space. The land was previously used as a car factory built in 1908 and will have coffee shops, bars, and event spaces. The project is projected to cost \$24.6 million.

2. TOURISM WILL CONTINUE TO THRIVE

Detroit is rich in culture, architecture, and urban revitalization, and because of this, it has become a popular tourism destination in recent years.

From festivals and concerts to museums, parks, and cruises, Detroit offers tourists [many experiences](#) to choose from.

Some of Detroit's top destinations include:

- Detroit Institute of Arts
- Henry Ford Museum of American Innovation
- Detroit Zoo
- Motown Museum
- Detroit Indoor Skydiving
- Detroit Riverfront
- The Guardian Building

The mix of old and new attractions attracted [14 million visitors](#) in 2019, making short-term rental properties a smart investment near some of Detroit's popular destinations, as well as driving the local economy and raising the value of Detroit's properties.

While 2020 saw the emergence of COVID-19 bring a pause to the tourism industry worldwide, Detroit began to see pre-pandemic levels return in 2021. In June and July, Detroit saw hotel occupancy at the same levels that they were in 2019 ([64.4%](#)), which indicates that with vaccinations and immunity, Detroit will see its tourism industry bounce back.

3. DETROIT WILL RESEMBLE ANOTHER SILICON VALLEY

While San Jose was the birthplace of many tech giants today, many tech companies are relocating to Detroit. Key factors already discussed such as tax incentives, affordable commercial real estate, and a large pool of millennial workers are all just part of the reason new and existing tech companies are making Detroit [the new silicon valley](#).

Amazon is just one major company that recently opened a fulfillment center in Detroit, bringing [3,500](#) jobs. Detroit is full of millennial professionals in the technology space, so finding talent in Detroit has been easy for Amazon.[1]

Microsoft has recently relocated its regional headquarters to downtown Detroit, employing about 500 at the campus.

Google has also expanded both its Detroit and Ann Arbor offices and is opening a facility in Detroit for manufacturing its self-driving vehicles, under the project name Waymo.

Additionally, Detroit's location in the middle of the country makes it a great location for commerce of all types, which is why Motor City could very well become the new Silicon Valley in the near future.



INVESTING HAS ITS RISKS

With any investment, there is always the possibility of risk. Some of the risks involved can be poor location, negative cash flow, dwindling inventory, and problematic tenants when it comes to real estate.

Luckily, Detroit, Michigan, is an excellent location for real estate investing. The property is affordable, the region grows, and Michigan is located in a great location for commerce.

However, without risk, there is no reward. Plenty of investors make poor choices regarding investments and waste time and money, but luckily Evernest is here to help you avoid common mistakes in real estate investment.

Taking the chance with real estate investment can be daunting, but having a team of educated professionals around you is the best way to set yourself up for success, and the experts at Evernest are here to help you every step of the way.



INVEST WITH EVERNEST

If you are an investor looking for rental properties with the potential for solid returns, Detroit is a great market to consider.

Buying or selling real estate is one of the most important decisions you will make as an investor looking to build wealth. Building a team that you trust continues to be vital to the success of your investing journey. A stellar team is well-informed about critical factors that affect your specific market areas, such as changes in market conditions, market forecasts, con-

sumer attitudes, best locations, timing, and interest rates.

EVERNEST has what you're looking for in a team with extensive experience investing in single & multi-family, cash-flow rental properties. Since 2008, our team has remained dedicated to providing investors & owners with the best in-house rental property services around. Evernest can offer investor-friendly brokerage services, white-glove property management, and in-house maintenance for all our customers.



READY TO INVEST WITH OUR TEAM?

Let's talk. Fill out this form [here](#).

Are you an investor not just limited to Detroit or Michigan?? You can invest in [some of the best real estate markets](#) in the United States by working with Evernest's in-house Brokerage team of investor-friendly Real Estate Agents.

WWW.EVERNEST.CO

Evernest is here to help you make the smartest investments in the most attractive markets.

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