

# Detroit, Michigan

## Rental Real Estate Overview 2023

The city of Detroit is unique and diverse with a fascinating history. Unfortunately, though, many are familiar with Detroit's more modern reputation for crime as well as its economic struggles. There is so much more to Detroit than that, though! This city is truly on the brink of a comeback.

As businesses are returning and new restaurants are opening, Detroit is returning to life. Current and potential residents are being reminded of everything the beautiful city has to offer. This can present a golden opportunity for investors looking for affordable real estate with the potential for high returns as the city continues developing.

Keep on reading to discover more about the Motor City.

### About Detroit, MI

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The site that is now known as the city of Detroit was established in 1701 when a French military leader and trader built a fort along the waterway, connecting Lakes Erie and Huron. This spot was chosen due to the rich soil as well as the trading opportunities the region presented.

After Detroit was incorporated as a city in 1815, it began to quickly grow. In the years leading up to the Civil War, Detroit was the final U.S. stop on the Underground Railroad and played a vital role in helping slaves escape the slave trade in the south. Manufacturing became Detroit's main industry and stoves, furnaces, engines, and railroad cars were all made there.

The automobile industry boomed in Detroit when Henry Ford built his first car here in 1896. While the automobile was not a new invention at that time, the moving assembly line he designed for building cars was the first of its kind. With that invention the auto industry exploded in Detroit and, before long, it was affectionately known as “[Motor City](#)”.

Not only did Detroit contribute to the industrialization of America through automobiles, it also helped shape the music industry in the 20th century. Motown, the upstart record company, was founded by Berry Gordy Jr in Detroit in 1959 and became one of the most successful Black-owned businesses. The company shaped the style of soul music and introduced the world to the signature sounds of Marvin Gaye, Stevie Wonder, Michael Jackson, and many others.

Detroit remained a huge metropolis throughout the 1900s, reaching a population of nearly 1.85 million people. However, in the late 20th century, Detroit industries were devastated by recession. Economic struggles and issues with crime led to a significant population decline.

Today, Detroit is beginning to see the results of the decades of work put into the revitalization of the city. Unemployment is falling and exponential job growth is predicted in the coming years.



## CITY STATISTICS

### Population

**616,710** (city proper)  
**4,365,205** (greater area)

### Median Income

**\$22,122** /capita  
**\$36,140** /household

### Median Age

**35.3**

### Area

**138.7 sq mi.**

### Unemployment rate

**6.4%**

### GDP

**\$283.66 Billion**

### Highest Paying Jobs

Cardiologists, Pathologists,  
Orthopedic Surgeons,  
Ophthalmologists, Psychiatrists,  
Chief Executives, Obstetricians  
and Gynecologists

### Major employers

Ford Motor Company, Stellantis, General  
Motors, University of Michigan, Rocket  
Companies Inc., City of Detroit,  
Henry Ford Health System

## DETROIT REAL ESTATE MARKET STATISTICS

**274**

Neighborhoods

**2,686**

Homes for sale  
as of March 2023

**\$80,000**

Median List  
Price

**\$81,878**

Median Sold  
Price

**\$71**

Median Price per  
Square Foot

**100%**

Sale-to-List  
Price Ratio

**95**

Median Days  
on Market

**\$1,211**

Median Monthly  
Rent

**7.1%**

1-Year  
Appreciation Rate

**5.63**

Price-To-Rent  
Ratio

**12.4%**

Rental Vacancy  
Rate

**5%**

Homeowner Vacancy  
Rate

## MOST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
University West	\$1,165	\$801,478
Brush Park	\$1,653	\$649,200
University South	\$938	\$627,663
University	\$1,675	\$556,636
Jeffries East	\$959	\$555,833

## LEAST EXPENSIVE NEIGHBORHOODS

Neighborhood	Average Monthly Rent	Median Listing Price
Evergreen	\$1,534	\$15,487
Dexter Linwood	\$846	\$18,281
Burbank West	\$1,567	\$20,006
Rouge North	\$1,615	\$23,694
Tireman Southwest	\$1,429	\$24,173

## LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From accessing off-market deals, to building a team, to determining the right rental rates, buying properties in a new market can prove tough for any investor. That's why we launched Everest Brokerage.

Invest in [some of the best real estate markets](#) in the United States. Working with Everest's in-house brokerage team of investor-friendly real estate agents is the most efficient way to build a local team and grow your rental portfolio.

It's simple. Visit our website, pick your market, fill out the form, and a member of our team will get back to you within 24 hours.

Get started here  
TODAY!



# AT-A-GLANCE PROS AND CONS TO INVESTING IN DETROIT

When looking at any new real estate market, it's important to consider all aspects of investing in the area. Considerations like quality of life, overall affordability, and school choice will impact your long-term investment even if they aren't a direct factor in your buying decision.

Here are a few pros and cons of investing in Detroit, Michigan. These will have a different impact on you depending on your risk tolerance and investment strategy. Don't have an investment strategy yet? No worries - just [get in touch with our team](#) to put together a solid plan today.

## Pros of Detroit, Michigan

- Established racial and ethnic diversity
- Low cost of living
- Unique community atmosphere
- Nationally recognized food scene
- Multiple professional sports teams
- Many entertainment options
- Excellent higher education options

## Cons of Detroit, Michigan

- Harsh winters
- Reputation of danger
- High poverty rates
- Subpar public schools
- Poor public transportation
- High tax rates

# FIVE REASONS TO INVEST IN DETROIT REAL ESTATE

With all the uncertainty surrounding Detroit over the past two decades, you may wonder if it has much to offer you as an investor. Below are the top five reasons we think you should consider adding a Detroit property to your real estate portfolio.

1. Unique culture
2. Affordability
3. Growing economy
4. Diverse portfolio options
5. Landlord-friendly market





# 1.

## UNIQUE CULTURE

The culture in Detroit is difficult to summarize. Since the first years of its existence, the city has attracted people from all cultures, backgrounds, lifestyles, and ethnicities. The “melting-pot” of such a diverse array of people gives Detroit a one-of-a-kind feel. Below are some examples of the rich culture in Detroit.

Southwest Detroit is well known for its friendly communities and thriving businesses. Mexican culture is evident in this area of town, where colorful buildings and authentic restaurants line the street. According to locals, top eateries in Southwest Detroit include Taqueria El Rey and La Michoacana Ice Cream.

In the early 1900’s, approximately 90% of the population of Hamtramck was Polish. Today, it is one of the most ethnically diverse areas in Detroit, but its Polish roots are still evident throughout the city via street names, restaurants, and a substantial Polish-speaking population.

Detroit was one of the biggest contributors to the jazz and blues genre in the early 20th century. The Motown Museum was once the headquarters and recording studio for the Motown record label. The label produced music from artists including The Jackson Five, The Supremes, The Temptations, and Diana Ross, all of which either grew up or grew notable in Detroit.

Those are just a few examples of the rich history, culture, and community to discover in Detroit. In spite of the recent modernization of the city, the historic heartbeat of the city is still palpable.



## 2.

## AFFORDABILITY

Detroit offers a very low cost of living, making it an attractive location for individuals looking to get more value for their money. As the cost of living in the United States is sky-rocketing in general, people are relocating to the Motor City in higher and higher numbers. Expenses such as groceries and utilities are also significantly less than Michigan and US averages, however residents can expect to pay more for miscellaneous costs such as home or car insurance. Let's take a look at those [numbers](#):

Category	Comparison to Michigan Average	Comparison to US Average
Overall Cost of Living	2.8% less expensive	11.3% less expensive
Grocery	4.4% less expensive	11% less expensive
Health	3% less expensive	18.2% less expensive
Housing	47.7% less expensive	76.5% less expensive
Utilities	10.4% less expensive	10.3% less expensive
Miscellaneous	18.1% more expensive	14% more expensive

As noted above, housing costs are significantly less expensive in Detroit. The median cost for a home in Detroit is [\\$81,878](#), which is extremely low compared to the US average of [\\$467,700](#). The low real estate costs in Detroit provides an opportunity to invest in real estate in a major US city without the big financial commitment needed in many other locations.



### 3.

## GROWING ECONOMY

Detroit has had its share of economic struggles, including [declaration](#) of Chapter 9 bankruptcy in 2013, owing more than \$18 billion dollars in debt. The city began attracting new investors and raising consumption and property taxes on residents and, eighteen months later, at the end of [2014](#), Detroit exited bankruptcy. The last 10 years have definitely had their ups and downs, as Detroit has worked to rebuild its economy, but the progress has been astounding.

The COVID-19 pandemic was a significant set-back for Detroit, with the [unemployment rate](#) soaring from 8% in February 2020 to almost 40% in mid-2020. However, Detroit made quick progress in economic recovery after the pandemic, recouping 95% of its initial pandemic losses by March of 2022. Currently, the unemployment rate in Detroit is at [6.8%](#), which is lower than it has been for nearly 23 years.

The automobile industry is still the largest industry in Detroit. The Detroit area has the [highest concentration](#) of automotive and mobility supply chains, topping any other area in the world. Massive organizations such as General Motors (GM), Ford Motor Company, and Stellantis have

headquarters in the Detroit region and provide thousands of jobs.

Other top industries in Detroit include:

- Defense
- Logistics
- Healthcare
- Information Technology

According to a recent [University of Michigan](#) study, Detroit's resilience in recovery from the pandemic is predicted to transfer into continued growth. Average wage in Detroit is expected to climb [4.3%](#) in the next year and economists predict wage increases to outpace inflation in 2024-2027. According to the study, despite residual inflation and the possibility of a national recession, Detroit is expected to avoid the worst effects of a national economic slowdown.



## 4.

## DIVERSE PORTFOLIO OPTIONS

The real estate market in Detroit is incredibly diverse and has something to offer to every type of investor. Whether you are interested in adding luxury homes, rental properties, fix-and-flips, or commercial real estate to your portfolio, you will discover opportunities in Detroit.

The people of Detroit pride themselves on being a “melting pot” with residents from dozens of ethnicities. The diverse cultural and ethnic influence throughout the years is evident throughout the city, even in its architecture and real estate.

The city’s rich history and cultural influence means you will see a wide range of classic architecture [styles](#) including:

- Mid-century Vernacular
- Italianate
- Gothic Revival
- Eastlake
- Queen Anne
- Mediterranean

However, if you are looking for something newer, Detroit also features a wide [range](#) of modern architecture in the new builds and renovations taking place throughout the city.



## 5.

## LANDLORD-FRIENDLY MARKET

Detroit has been attracting landlords in recent years because of the growing job market and effective revitalization efforts. Low-cost output and high [rental yields](#) have been drawing real estate investors in droves. But that's not all...

Michigan is typically considered a landlord-friendly state which is another reason Detroit is an excellent option for investors looking into rental property. Detroit does not have rent control laws, meaning a landlord can raise rent as they see fit. The eviction process is also easier for a landlord, with few regulations re-

garding late fees or grace periods as well as court-assisted evictions.

In Detroit, [44%](#) of housing units are renter-occupied; however, there is a dearth of quality landlords and good management services. With high-quality property management and excellent units, your rental properties will quickly stand out from the competition.

Detroit was a highly popular city in the past and will likely become increasingly popular in the coming years. Investors currently have the opportunity to buy at low prices with the potential for high returns.

# DETROIT REAL ESTATE PREDICTIONS

Although we can't know for sure what the future will look like for the Detroit real estate market, below are our predictions.

## **Real estate in Detroit will continue to appreciate.**

According to data from [Neighborhoodscout](#), real estate in Detroit has increased 89.7% in the last decade, placing the city in the top 30% of all cities for real estate appreciation. Home values in Detroit are [predicted](#) to increase at least another 2% within the next year.

## **Real estate in Detroit will remain affordable in comparison to other metropolitan cities.**

With a median home price of [\\$81,878](#), the Detroit real estate market is remarkably affordable. There is still plenty of room for price increases in the future while continuing to remain relatively affordable.

## **Detroit's economy will continue to grow.**

In 2022 alone, over [8,000 jobs](#) were added in Detroit establishments. While not as pronounced as the last year, [experts](#) predict job growth in Detroit to continue with 2,200 new jobs in 2023 and an average of 2,700 new jobs per year in 2024-2027.

# INVEST WITH EVERNEST

whole world fears a recession. With every news source calling for a “collapse” of some sort or predicting “another bubble,” how can you sort through the fluff and find the most valuable markets for your money?

That’s why it’s crucial to have a team surrounding you as you build wealth and make investment decisions. Knowledgeable investment teams can help you avoid the common mistakes most investors make (and give you the extra boost of confidence to know you’re making a smart investment decision, *even in the most unpredictable markets.*)

Here at [Evernest](#), we’ve been investing in markets all across the United States since 2008. And not only that—we’ve also been [analyzing and sharing our information](#) about these opportunity-filled markets, in good times and bad, for other investors to study.

Our local team can be your eyes and ears in the Detroit real estate world, saving you hours of time (and a few headaches as well). We’ll connect you with investor-friendly real estate agents and advisors to make your wealth-building journey smooth and successful.

**Ready to invest with the help of a qualified team?**

**Let’s talk.**

**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. All you have to do is fill out this [form](#) and one of our agents will reach out within 24 hours.

*Make the best investments in the most attractive markets  
with Evernest.....in good times and bad.*

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