MARKET REPORT

Detroit Hotel Market Update: Why Investors Are Betting on Motown

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Billions of dollars in new development are reshaping Downtown Detroit and transforming its hotel market. From landmark mixed-use towers to a revitalized riverfront, the investment activity underway is generating new demand, attracting first-time visitors, and positioning Motown as a legitimate destination for both leisure and business travel.

Detroit's hotel market has emerged from a stretch of uncertainty with renewed momentum. Driven by a growing sports culture, strengthening corporate demand, and one of the most active development pipelines in the city's recent history, the market is transforming, with a compelling outlook through the end of the decade.

Recent Developments and Urban Reinvestment

Detroit's hotel market cannot be understood in isolation from the broader investment story unfolding across the city. Since 2023, billions of dollars in mixed-use, corporate, and institutional capital have been deployed in the urban core, generating demand across all hotel segments.

The most notable project of this cycle is Hudson's Detroit, a two-building, $1.4-billion development by Bedrock Detroit located at 1208 Woodward Avenue, comprising the 12-story Block Building and a 49-story mixed-use tower. The Block Building portion of the Hudson's complex was completed in October 2025. General Motors relocated its global headquarters to the Block Building in January 2026, adding a significant corporate anchor to one of the city's most prominent addresses and reinforcing Detroit's standing as a business travel destination. The Hudson’s tower reached its full height in April 2024, and the exterior was completed in August 2025, making it the first skyscraper over 500 feet built in Detroit this century. Once complete, the tower will include the Detroit EDITION Hotel, a five-star property, along with 97 luxury condominiums.

Michigan Central Station is another landmark project reshaping the market. Ford Motor Company invested more than $740 million in the restoration of the historic Beaux-Arts terminal, which reopened in June 2024. The station anchors Ford's Corktown campus and will include a 180-room NoMad Hotel, the brand's first U.S. location within the Hilton portfolio, expected to open in 2027.

The Gordie Howe International Bridge, connecting Southwest Detroit to Windsor, Ontario, is in its final testing and commissioning phase as of early 2026. Its opening will strengthen cross-border commerce and the city's infrastructure.

Beyond the near term, several proposed development initiatives signal continued momentum for Downtown Detroit. The most ambitious is the proposed $1.6-billion redevelopment of the Renaissance Center, a joint effort between Bedrock and General Motors that would demolish the two 39-story towers closest to the Detroit River to establish a new five-acre public park and convert the remaining towers into a mix of apartments, hotel rooms, and office space. The long-term vision includes creating a family-friendly entertainment district with restaurants, public spaces, retail, and waterfront amenities to make the space Detroit's answer to Chicago's Navy Pier or New York's Chelsea Piers. Construction is expected to begin around 2027. Complementing that effort, Music Hall Center for the Performing Arts is undergoing a $125-million expansion, with a new seven-story structure featuring a concert hall, recital hall, and recording studios anticipated for completion by the spring of 2027.

Although somewhat speculative, these projects reflect a city actively investing in its own future: reconnecting its iconic riverfront to the urban core, diversifying its cultural offerings, and laying the groundwork for sustained long-term growth.

The Supply Pipeline: Developer Confidence in Action

Detroit's near-term hotel pipeline is one of the more ambitious in the Midwest. Between now and 2028, over 1,200 new luxury and upper-upscale rooms are expected to open across four projects. The most significant near-term addition is the 600-room JW Marriott Detroit Water Square, currently under development on the site of the former Joe Louis Arena along the downtown riverfront. The property will be connected via skybridge to an expanded Huntington Place convention center, making it a key piece of the city's group and convention infrastructure. Delivery is targeted for January 2027.

The volume of new rooms coming online in this relatively short window will create some temporary occupancy pressure, which is not a cause for concern. The developers behind these projects are experienced operators making long-term commitments to the market, and the concentration of that investment in Downtown Detroit reflects a shared view that the city’s fundamentals support it.

How the City’s Sports Resurgence Is Shaping Hotel Performance

According to CoStar, Detroit's lodging numbers have consistently improved over the past three years. The gains have occurred across occupancy and ADR simultaneously, indicative of a market where rate and demand are growing together. Corporate relocations, infrastructure improvements, and the city’s flourishing sports calendar have all supported this growth.

Detroit's professional sports franchises have become a real and measurable contributor to hotel performance. The NFL’s Lions made a run to the NFC Championship Game in 2023, their deepest playoff appearance in more than 30 years. The next year, the team won back-to-back NFC North titles and posted a franchise-best 15-2 regular season. The NBA’s Pistons made the playoffs in 2025 for the first time since 2019, completing one of the more dramatic single-season turnarounds in recent NBA history. The NHL’s Red Wings and MLB’s Tigers help keep the event calendar active year-round. All four franchises performing well at the same time has not occurred in a long time, and it shows in the upward trends of the hotel data.

The 2024 NFL Draft was a strong demonstration of the city's event capacity. Held at Campus Martius Park and Hart Plaza,

it drew more than 775,000 attendees, a new record for the event, and generated an estimated $160 million in regional economic impact. April 2024 hotel performance reflected the effects directly, with occupancy and ADR both surging well above prior-year levels. Months tied to Lions and Pistons playoff runs show the same pattern, revealing the connection between major events and hotel performance: the market consistently performs well when the city is hosting events that attract visitors.

The sports calendar will continue to work in Detroit's favor going forward. The 2027 NCAA Men's Basketball Tournament Final Four is slated to be held at Little Caesars Arena, which will bring a major influx of visitors to the city and is expected to generate significant compression across the downtown market.

Looking Ahead

Detroit's hotel market is positioned well heading into the next phase of its development cycle. The addition of over 1,200 rooms in the coming years will require some adjustment, but we anticipate that the market will absorb the new supply well as the broader demand base continues to grow. Furthermore, GM's relocation to Hudson's Detroit has already added a corporate anchor to downtown, and we expect further business investment to follow as the city's profile continues to improve. The combination of infrastructure improvements, continued sports success, and a growing list of investors backing the market creates a strong foundation for demand growth.

Detroit is a city that developers are putting real money behind, and the hotel pipeline is the clearest evidence of that. We expect a short period of occupancy adjustment as new supply is absorbed, followed by stabilization at higher rate and quality levels. From here, the future of Motown looks optimistic.

HVS combines rigorous data analysis with local market expertise to deliver insights that move decisions forward. Our unique approach leverages primary, in-market interviews to capture real-time insights straight from local communities. This ensures our conclusions reflect current conditions and evolving trends. To explore the Detroit market further or discuss investment opportunities tailored to your goals, please contact Angela Lahti or Nico Cooper.