



MULTIFAMILY REPORT

Cleveland's Bright Spots

October 2022



Investment Activity Amps Up

Rent Growth Above US Average

Construction Pipeline Favors Lifestyle Assets

CLEVELAND MULTIFAMILY



Jobs Slowly Recovering, Investment Activity Up

Cleveland's multifamily market has experienced mixed results in 2022. Rents were up by 0.9% on a trailing three-month (T3) basis through August—to \$1,131, lagging the U.S. average of \$1,718. Rate development slowed nationwide, but Cleveland maintained 30 basis points above the national T3 figure. Year-over-year, however, the metro's rents increased by 9.5%, below the national 10.9% rate.

Unemployment clocked in at 4.7% as of August, down 130 basis points from January, according to preliminary data from the Bureau of Labor Statistics. Over the 12 months ending in June, Cleveland added 35,200 jobs—a 2.4% expansion—behind the U.S. rate by 230 basis points. Gains were led by leisure and hospitality (up 17,300 jobs, or 14.0%), followed by other services (up 4,900 jobs, or 9.9%) and manufacturing (3,600 jobs, or 2.4%). Cleveland's mayor announced new economic initiatives that will rely on the city's remaining \$310 million in ARPA funding. The first batch of spending will use 33% of these funds across 15 key proposals, of which \$50 million will be used for housing initiatives.

Cleveland had 3,898 units under construction as of August. Deliveries totaled 856 units, representing 0.5% of total stock and 80 basis points below the national average. Multifamily investment amped up, with transaction volume through August at \$369 million, just shy of 2021's total investment volume.

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Recent Cleveland Transactions

The Heritage at White Pond



City: Akron, Ohio
Buyer: Brown Gibbons Lang & Co.
Purchase Price: \$52 MM
Price per Unit: \$234,328

Pebblebrook



City: Kent, Ohio
Buyer: The Solomon Organization
Purchase Price: \$31 MM
Price per Unit: \$106,018

The Depot



City: Akron, Ohio
Buyer: Monarch Investment & Management Group
Purchase Price: \$28 MM
Price per Unit: \$144,567

Linden Lane



City: Cuyahoga Falls, Ohio
Buyer: The Solomon Organization
Purchase Price: \$19 MM
Price per Unit: \$131,296