



MULTIFAMILY REPORT

Resilience In Cleveland

April 2024

Job Market Maintains Momentum

Construction Pipeline Remains Healthy

RBN Segment Fuels Rent Growth

CLEVELAND MULTIFAMILY



Transactions, Jobs On Upswing

Cleveland's multifamily market reflected an oscillating performance. Rent growth was 0.1% on a trailing three-month basis through February, while the U.S. rate posted a decline. Year-over-year, the metro's average rate was up 3.5%, settling at \$1,159, still well below the U.S. average. Cleveland's occupancy rate neared the national level, clocking in at 94.5% as of January.

In February, the unemployment rate was at 4.3%, according to preliminary data from the Bureau of Labor Statistics. The figure was 60 basis points higher than the U.S. average. The metro closed 2023 with 29,000 jobs added, amounting to a 1.6% expansion. The education and health services sector led job gains. Work was underway on the Case Western Reserve University's new, \$300 million Interdisciplinary Science and Engineering Building. The 189,000-square-foot building will replace Yost Hall and is expected to come online in the fall of 2026.

Cleveland had 4,488 units under construction as of February and an additional 16,200 units in the planning and permitting stages. Yardi Matrix expects the metro's footprint to increase by 1,371 units by the end of the year. During the first two months of the year, only three RBN properties traded for a combined \$60 million. If this trend continues, this year's transaction volume will likely surpass 2023's \$129 million.

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Recent Cleveland Transactions

The Lakes of Aurora



City: Aurora, Ohio
Buyer: The Solomon Organization
Purchase Price: \$42 MM
Price per Unit: \$177,898

Surfside Towers



City: Eastlake, Ohio
Buyer: RHM Real Estate Group
Purchase Price: \$16 MM
Price per Unit: \$65,274