

Yardi® Matrix

Cleveland On the Rebound

Multifamily Report Winter 2019

Job Growth Accelerates

City Core Draws Development

Investors Eye Value-Add Properties

CLEVELAND MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Rent Growth Picks Up

Cleveland's core continues to drive the city's multifamily market, with most development and investor activity taking place within or close to downtown. With demographic contraction tempering and demand improving, rent growth is once again accelerating, at 2.2% year-over-year through October 2018.

After a lethargic 2017 and first half of 2018, job growth finally picked up during the past two quarters. Trade, transportation and utilities led growth by adding 9,200 positions year-over-year through September. The state's Department of Transportation is supporting a \$306 million investment in the city's infrastructure—an upcoming boulevard between Interstate 490 and East 105th Street near the Cleveland Clinic. The hospitality sector is also performing well, with medical tourism expanding, backed by the metro's reputable health-care system.

The metro had roughly 2,800 units under construction as of October. All multifamily projects completed in the first 10 months of the year cater to Lifestyle renters, a fact that is putting further pressure on working-class households. As long as job gains in Cleveland continue to sustain demand at current levels, the upcoming stock should be easily absorbed, despite an overall aging population and slow household formation.

Recent Cleveland Transactions

Crystal Tower



City: East Cleveland, Ohio
Buyer: Odin Properties
Purchase Price: \$7 MM
Price per Unit: \$24,757

The Crossing



City: Elyria, Ohio
Buyer: Cornerstone Managed Properties
Purchase Price: \$4 MM
Price per Unit: \$24,431

West Erie Terrace



City: Lorain, Ohio
Buyer: Watermark Partners
Purchase Price: \$2 MM
Price per Unit: \$31,667

Hill Chateau



City: Akron, Ohio
Buyer: Watermark Partners
Purchase Price: \$2 MM
Price per Unit: \$24,590