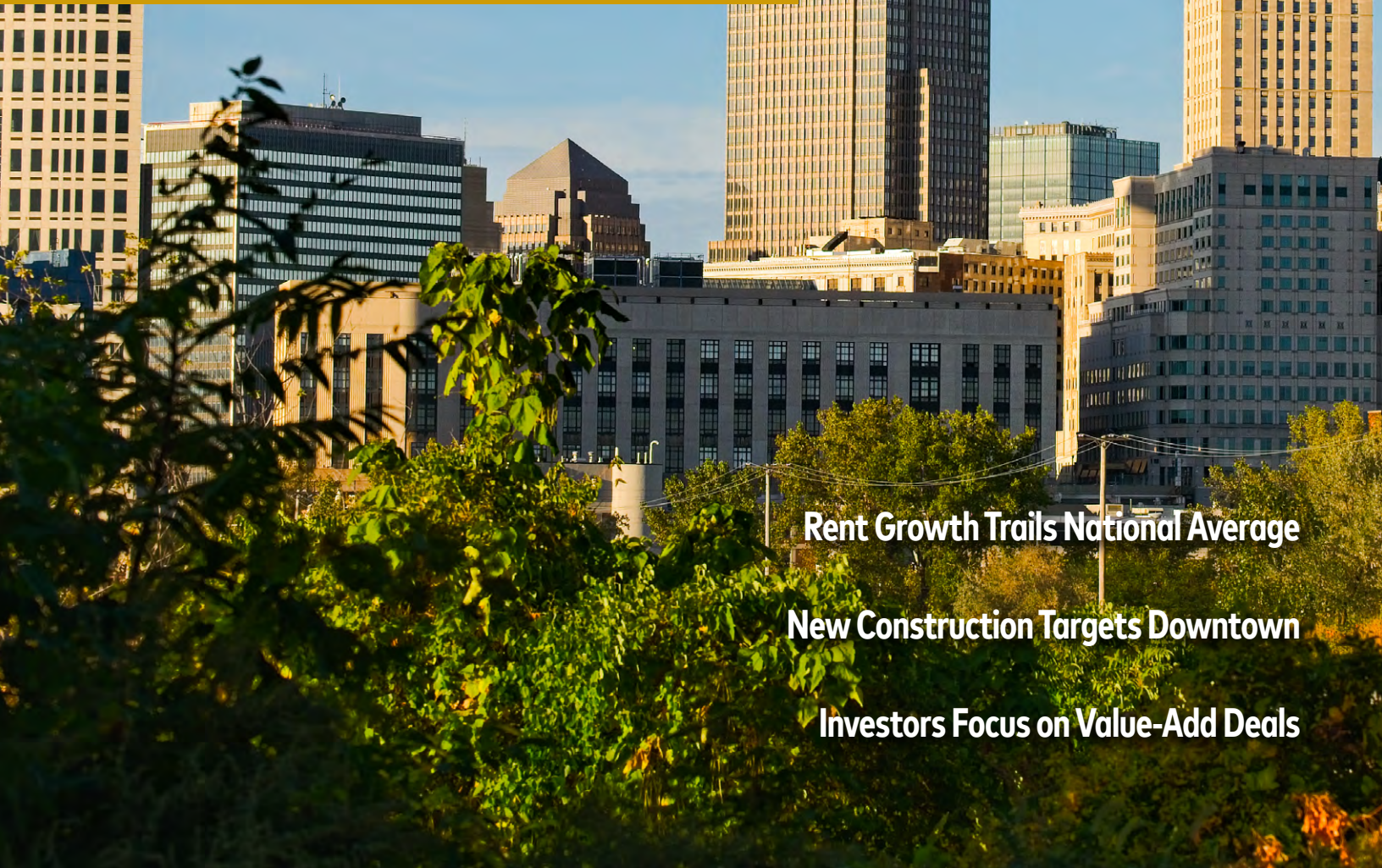


# Yardi<sup>®</sup> Matrix

## MULTIFAMILY REPORT

# Cleveland's Core Drives Growth

Winter 2020



**Rent Growth Trails National Average**

**New Construction Targets Downtown**

**Investors Focus on Value-Add Deals**

# CLEVELAND MULTIFAMILY

## Yardi® Matrix

### Downtown In The Spotlight

Cleveland's multifamily market remained relatively stable going into 2019's last quarter, with demand continuing to outpace supply. The metro's population decline has been decelerating in recent years as downtown Cleveland's revival continues.

Employment growth in the 12 months ending in September was led by professional and business services, with the addition of 7,700 jobs. Boosted by a booming medical community, education and health services added 6,300 positions. On the city's West Side, MetroHealth System is building a \$1 billion hospital, while University Hospitals is investing \$200 million in the second phase of the University Hospitals Ahuja Medical Center in Beachwood. Meanwhile, the Ohio Tax Credit Authority is drawing employers from a variety of industries including Amazon, which announced the creation of 1,500 full-time jobs at its upcoming distribution center in Akron.

Drawn by the market's improving fundamentals, investors pushed the total transaction volume in 2019 through November to \$262 million, above the annual cycle peak recorded in 2018. Developers also completed 892 units, while another 3,000 were under construction. Most of the new development targets downtown Cleveland; the area ranks as the largest jobs hub in Ohio and is expected to see a population increase from 17,500 to 30,000 residents by 2030.

### Market Analysis | Winter 2020

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#### Recent Cleveland Transactions

##### Colony Club Apartments & Townhomes



City: Bedford, Ohio  
Buyer: GSH Group  
Purchase Price: \$38 MM  
Price per Unit: \$64,061

##### The Drake



City: Cleveland  
Buyer: AJH Management  
Purchase Price: \$36 MM  
Price per Unit: \$36,999

##### Butternut Ridge



City: North Olmsted, Ohio  
Buyer: KC Venture Group  
Purchase Price: \$33 MM  
Price per Unit: \$126,278

##### The Avenue District



City: Cleveland  
Buyer: Geis Cos.  
Purchase Price: \$15 MM  
Price per Unit: \$261,781