

Yardi® Matrix

Cleveland Delivers Spotty Growth

Multifamily Report Fall 2017

Completions Top 2016 Level

Occupancy Remains High

City Core Draws Residents

CLEVELAND MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

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Downtown Growth Drives Demand

Although underperforming in the current cycle, the Cleveland multifamily market is on sound footing, mainly due to the city's thriving core. Many central areas are also growing, but the suburbs continue to face the effects of the last downturn.

Anchored by The Cleveland Clinic and the Health-Tech Corridor, the metro's economy is slowly but steadily diversifying. Downtown Cleveland's rapid growth remains an economic driver, as young highly skilled workers are drawn by the city's overall affordability, cultural scene and growing number of live-work-play options. The downtown's population has grown by more than 75% since 2000, and nearly half of the core's residents are Millennials. By comparison, the entire Cuyahoga County contracted by more than 140,000 people within the same time span. Downtown is poised for further growth, as several large projects are on the drawing board, including the \$540 million NuCLEus mixed-use development, Playhouse Square Foundation's 34-story residential skyscraper and a \$140 million renovation of the Quicken Loans Arena.

Cleveland had 3,700 units underway as of September and is set to almost match the 2015 cycle high of completions. Although the population is contracting and new units are coming online, the occupancy rate in stabilized properties dropped by only 10 basis points year-over-year, to 95.3%. As job gains are bound to sustain demand, we expect Cleveland rents to appreciate by 1.7% in 2017.

Recent Cleveland Transactions

Remington



City: Westlake, Ohio
Buyer: Burton Carol Management
Purchase Price: \$28 MM
Price per Unit: \$98,468

Barrington Place



City: Westlake, Ohio
Buyer: APM Management
Purchase Price: \$20 MM
Price per Unit: \$119,715

Forest Ridge



City: Parma, Ohio
Buyer: Anthony Kocis
Purchase Price: \$9 MM
Price per Unit: \$41,697

Sherwood Village



City: Bedford, Ohio
Buyer: River Street Management
Purchase Price: \$6 MM
Price per Unit: \$31,888

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