



MULTIFAMILY REPORT

Cleveland Rentals Solid

October 2023

Investment Volume Slows Down

Development Activity Tapering

Rent Growth Outpaces US

CLEVELAND MULTIFAMILY



Rental Sector Outperforms U.S.

Cleveland's multifamily market experienced mixed results in 2023 through August. Rents were up 0.3% on a trailing three-month basis, to \$1,156, lagging the U.S. average of \$1,728. Rate development moderated nationwide, after remaining 30 to 40 basis points above the national average since April 2023, with June recording the best performance, up 0.8% on a three-month basis.

Year-over-year, unemployment in Cleveland clocked in at 3.5% in July, after reaching 4.4% in June, according to preliminary data from the Bureau of Labor Statistics. The national figure was also 3.5%. Over the 12 months ending in June, Cleveland added 14,700 jobs, a 1.1% expansion and 165 basis points behind the U.S. average. Employment growth showed signs of recovery after decreasing during the spring months. Gains were led by the education and health services sector, which added 11,400 jobs, up 4.6% year-over-year through May, followed by other services with 3,600 jobs, up 7.1%, and mining, logging and construction with a 4.2% year-over-year growth rate, or 2,400 new positions.

Cleveland had 4,150 units under construction as of August. Deliveries totaled 947 units, representing 0.6% of total stock, 60 basis points below the national average. Multifamily investment interest decreased, with transaction volume through August at \$73 million and no sales recorded within the Lifestyle segment.

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Recent Cleveland Transactions

Fir Hill Towers



City: Akron, Ohio
Buyer: Green Harvest Capital
Purchase Price: \$24 MM
Price per Unit: \$95,617

Gold Zone Valley



City: Akron, Ohio
Buyer: Gold Zone Rentals
Purchase Price: \$18.3 MM
Price per Unit: \$97,420

Park Place Suites



City: Akron, Ohio
Buyer: Reynolds Asset
Management
Purchase Price: \$6.5 MM
Price per Unit: \$51,269

Concord Place



City: Akron, Ohio
Buyer: Ryan P. Sommers
Purchase Price: \$5.8 MM
Price per Unit: \$64,066