



MULTIFAMILY REPORT

Cleveland Makes Strides

Fall 2021

Rent Growth Steadily Improving

Construction Activity Picks Up

Occupancy at Decade High

CLEVELAND MULTIFAMILY



Limited Inventory Boosts Rents, Occupancy

Cleveland's performance during the health crisis did not stand out in one direction or the other. Amid pandemic-induced hardships, the metro proved its resilience and continued attracting residents. Despite its population continuing a downward trend, the metro lost fewer residents than it did before the pandemic. This kept the multifamily market on track, with rents up 0.7% on a trailing three-month basis through August, to \$1,016. Meanwhile, occupancy increased to 95.9%, Cleveland's highest level during the past decade.

The unemployment rate improved to 5.9% in July, not far behind the 5.4% national rate. Yet, employment still contracted by 0.4% in the 12 months ending in June, while nationally, the rate expanded by 0.3%. Cleveland added 37,900 jobs across sectors over 12 months, with just one sector losing jobs—manufacturing, down by 0.5%, or 800 jobs. Leisure and hospitality recovered 17,600 jobs, but could see a slowdown as the summer travel season closes. Similarly, the trade, transportation and utilities sector—up 1,700 jobs—could see a pause in its recovery as the number of flights at Cleveland Hopkins International Airport starts declining.

Development activity was high as of August, with 3,884 units underway. However, deliveries softened, with just 315 units added to stock in the first eight months of 2021. Meanwhile, investors traded working-class assets for a total of \$118 million.

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Recent Cleveland Transactions

Hillwood II



City: Akron, Ohio
Buyer: Redwood Housing Partners
Purchase Price: \$11 MM
Price per Unit: \$44,792

Clifton Lake



City: Cleveland
Buyer: Freeland Ventures
Purchase Price: \$3 MM
Price per Unit: \$52,000