



MULTIFAMILY REPORT

Cleveland Endures

April 2023

Rents Lead National Figures

Construction Starts Increase

Employment Improves Slightly

CLEVELAND MULTIFAMILY



Multifamily Performance Shifting

Cleveland's multifamily market started 2023 at a slower pace, with several metrics following a downward trend. Still, rent growth on a trailing three-month basis through February was 0.1%, above the U.S. rate by 20 basis points. The overall average was \$1,115, up 6.2% year-over-year, outpacing the U.S. figure by 140 basis points.

Unemployment was 4.9% as of February, according to preliminary data from the Bureau of Labor Statistics, 130 basis points higher than the U.S. rate. The job market expanded by 2.0% in 2022, with the metro adding 23,500 jobs. More than half of the new positions were in the leisure and hospitality sector, which expanded by 10.8%. The other sectors that recorded significant gains were manufacturing (up 5,300 jobs, or 3.4%) and education and health services (up 5,200 jobs, or 2.1%). MetroHealth, one of the city's largest health-care employers, announced it is on track to complete a \$1 billion transformation of its 52-acre campus on the West Side. Last year, the company opened a \$767 million inpatient center, a major milestone for the project.

Cleveland had 3,952 units under construction as of February, and an additional 17,800 units in the planning and permitting stages. In 2022, the market's inventory expanded by 1.2%, with 1,958 units added—more than double the volume in 2021.

Recent Cleveland Transactions

Tinkers Creek



City: Garfield Heights, Ohio
Buyer: DWCLE Holdings
Purchase Price: \$7 MM
Price per Unit: \$72,083

Pearl Village



City: Lorain, Ohio
Buyer: Green National
Purchase Price: \$5 MM
Price per Unit: \$60,000

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Tudor Scolca-Seuşan

Associate Editor