

Yardi® Matrix

Slow and Steady Cleveland

Multifamily Report Winter 2018

Rent Growth
Remains Tepid

Deliveries Soften
Upscale Demand

Development Faces
Cycle High This Year

CLEVELAND MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

Contacts

Paul Fiorilla

Associate Director of Research

Paul.Fiorilla@Yardi.com

(800) 866-1124 x5764

Jack Kern

Director of Research and Publications

Jack.Kern@Yardi.com

(800) 866-1124 x2444

Author

Bogdan Odagescu

Senior Associate Editor

Demand Dampens Amid Building Surge

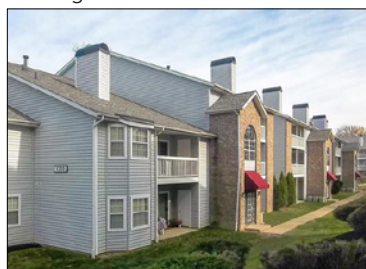
Although underperforming against the U.S. average, Cleveland-Akron's multifamily market remains stable, fueled by the revitalization of the city's core. Year-over-year rent growth started 2018 at 1.0%, heavily trailing the 2.8% national rate, as the metro's population continues to dwindle, despite downtown's continued growth.

Even though consistent gains in education and health services (6,300 jobs), manufacturing (2,000) and construction (1,800) have made up for losses in professional and business services (-4,600), leisure and hospitality (-2,300) and government (-1,800), Cleveland's economy is tough to pin down. Cleveland Clinic, which employs roughly 50,000 people and once again expanded last year, remains Northeast Ohio's main anchor. The metro has notable projects underway, including two Amazon facilities and the renovation of Quicken Loans Arena. At the same time, Cleveland has other large developments in the planning and permitting phases, such as Playhouse Square Foundation's 34-story high-rise and Stark Enterprises' \$540 million mixed-use project.

Some 1,700 units came online in the metro last year and about 2,000 are scheduled for delivery in 2018, which would mark a new cycle high. The construction surge of the last three years has tempered demand, especially at the higher end of the quality spectrum. However, we expect demand to remain steady, pushing rents up 2.0% in 2018.

Recent Cleveland Transactions

Barrington Place



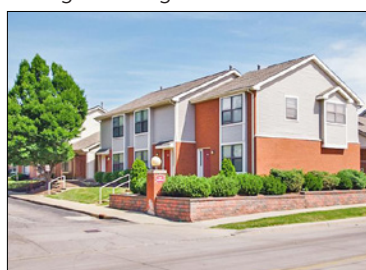
City: Westlake, Ohio
Buyer: APM Management
Purchase Price: \$20 MM
Price per Unit: \$119,715

Forest Ridge



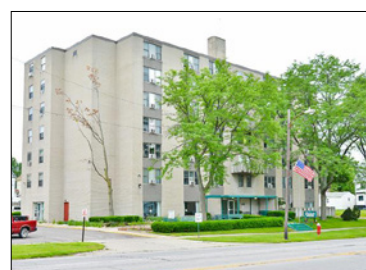
City: Parma, Ohio
Buyer: Anthony Kocis
Purchase Price: \$9 MM
Price per Unit: \$41,697

Lexington Village



City: Cleveland
Buyer: Millennia Housing Cos.
Purchase Price: \$6 MM
Price per Unit: \$21,524

Firelands Retirement Center



City: Lorain, Ohio
Buyer: Gibraltar Management
Purchase Price: \$2 MM
Price per Unit: \$26,429