



### MARKET AT A GLANCE



**OCCUPANCY RATE** **95.7%**  
Unchanged since 3Q16



**ASKING RENT** **\$912**  
Up **0.2%** since 3Q16

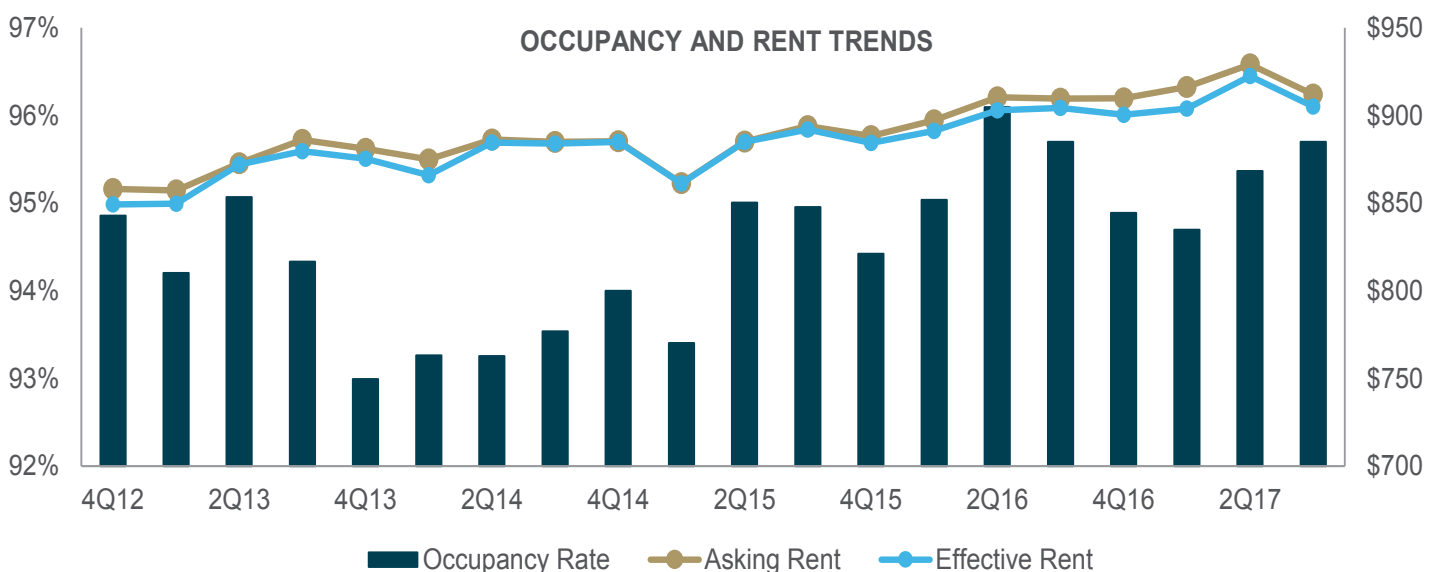


**CONCESSIONS** **0.8%**  
Up **10 bps** since 3Q16

### OCCUPANCY AND RENT TRENDS

## EDUCATION AND HEALTH SERVICES EMPLOYMENT LEAD OVERALL JOB GROWTH

In the last four quarters, multifamily completions in the Cleveland metro area were concentrated only in the Lakewood/Linndale/Brooklyn and East Cleveland/Cleveland Heights submarkets. The largest apartment community to be completed was the 11-story, 125-unit The Garfield apartment community in Cleveland. Builders delivered 649 units in the Lakewood/Linndale/Brooklyn submarket, which outpaced absorption by 23%. In the East Cleveland/Cleveland Heights submarket, 188 apartments came online. Apartment demand was robust in the submarket as net absorption totaled 617 units. The elevated leasing activity was fueled by ongoing progress within the Health-Tech Corridor and the first phase of development at the Opportunity Corridor, south of the main campus of the Cleveland Clinic. Metrowide, apartment occupancy was 95.7%, the same as one year ago. Operators increased asking rent 0.2% since the third quarter of 2016. By September, average asking rent was \$912 per month. During the same period, renter incentives rose 10 basis points to 0.8% of asking rent, resulting in effective rent reaching \$905 per month.



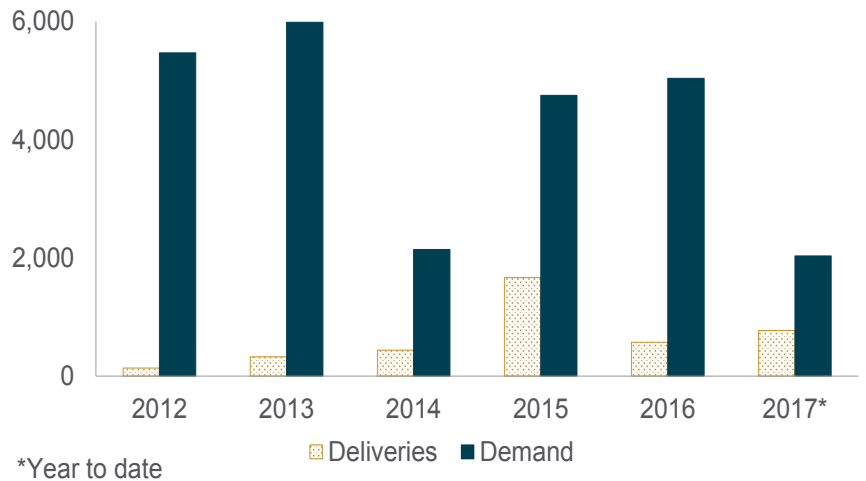
## DELIVERIES AND DEMAND



**DELIVERIES** 771  
Units YTD



**NET ABSORPTION** 2,034  
Units YTD



## ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
5.4% ..... **90 BPS CHANGE** ..... 6.3%

2016 **EMPLOYMENT\*** 2017  
1.06m ..... **0.9% CHANGE** ..... 1.07m

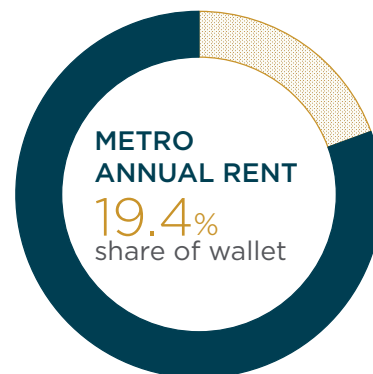
2016 **EXISTING SFH SALES\*\*** 2017  
46.8k ..... **-10.7% CHANGE** ..... 41.8k

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$128.3k ..... **7.2% CHANGE** ..... \$137.5k

2016 **10-YEAR TREASURY\*\*** 2017  
1.63% ..... **60 BPS CHANGE** ..... 2.20%

Businesses and institutions in the Cleveland metro area added 9,100 workers to payrolls in the last 12 months, expanding employment 0.9% through August of this year. The greatest increase occurred in the education and health services sector, where 7,300 workers were recruited, a 3.6% annual gain. The health services subsector was supported by 500 newly created jobs following the opening of the Cleveland Clinic Richard E. Jacobs Health Center in Avon. Expansion that was present in four job sectors was partially offset by layoffs in the professional and business services, the trade, transportation, and utilities, the information, and the government sectors. The potential long-term advancement in technical and health care employment is substantial in the central core of the Cleveland metro area. Much of this will be attributed to the continued infusion of capital and the subsequent expansion of businesses and institutions in the corridor between Downtown Cleveland and University Circle.

\*August; \*\*September



# CLEVELAND

MULTIFAMILY REPORT

## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Beachwood	95.3%	92.8%	-1.4%	-2.1%	\$1,756	\$1,720	328	-155	0	0
Bedford/Garfield Heights/Bedford Heights	94.3%	94.4%	-0.2%	1.1%	\$746	\$754	23	12	0	0
Cuyahoga County/Other	97.3%	97.0%	-6.7%	-2.8%	\$910	\$884	4	-6	0	0
East Cleveland/Cleveland Heights	93.6%	95.0%	0.6%	1.1%	\$1,166	\$1,179	-53	617	76	188
Euclid/West Lake County	93.8%	93.6%	-3.6%	-0.3%	\$835	\$832	-68	-48	0	0
Lake County/Other	95.1%	96.1%	0.4%	4.3%	\$943	\$983	-20	145	8	87
Lakewood/Linndale/Brooklyn	96.1%	95.8%	8.5%	-1.3%	\$1,148	\$1,133	203	528	256	649
Lorain County	95.5%	95.7%	1.0%	0.0%	\$1,062	\$1,062	-39	26	0	0
Lyndhurst/Mayfield/Richmond Heights	95.2%	94.4%	2.5%	1.9%	\$814	\$830	17	-68	0	0
Medina County	96.3%	96.8%	7.4%	3.2%	\$880	\$908	-24	31	0	0
North Olmsted/Fairview Park	98.4%	96.8%	-6.4%	-3.4%	\$1,049	\$1,013	41	-202	0	0
North Royalton/Brecksville	97.7%	97.4%	1.5%	-0.9%	\$843	\$835	-28	-18	0	0
Parma/Independence	94.5%	95.3%	1.2%	0.9%	\$799	\$807	-45	71	0	0
Strongsville/Berea/Brook Park	96.7%	96.9%	1.1%	0.7%	\$894	\$900	-56	18	0	0
<b>TOTALS</b>	<b>95.7%</b>	<b>95.7%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>\$910</b>	<b>\$912</b>	<b>283</b>	<b>951</b>	<b>340</b>	<b>924</b>



**CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

ALBUQUERQUE, NM

AMBLER, PA

ATLANTA, GA

AUSTIN, TX

BAKERSFIELD, CA

BATON ROUGE, LA

BETHESDA, MD

BIRMINGHAM, AL

BOCA RATON, FL

BOSTON, MA

CAMAS, WA

CHARLESTON, SC

CHATTANOOGA, TN

CHICAGO, IL

CLEARWATER, FL

CLEVELAND, OH

COLORADO SPRINGS, CO

DALLAS, TX

DENVER, CO

DETROIT, MI

EL SEGUNDO, CA

FRESNO, CA

HOUSTON, TX

IRVINE, CA

JACKSONVILLE, FL

KANSAS CITY, MO

LAS VEGAS, NV

LENOX, MA

LOS ANGELES, CA

MARBLEHEAD, MA

MIAMI, FL

MIDVALE, UT

MURRIETA, CA

NASHVILLE, TN

NEW YORK, NY

NEWPORT NEWS, VA

ORLANDO, FL

PASADENA, CA

PHILADELPHIA, PA

PHOENIX, AZ

PORTLAND, OR

RALEIGH, NC

RICHMOND, VA

SACRAMENTO, CA

SALT LAKE CITY, UT

SAN ANTONIO, TX

SAN DIEGO, CA

SAN FRANCISCO, CA

SCOTTSDALE, AZ

SEATTLE, WA

SHREWSBURY, NJ

ST. LOUIS, MO

TACOMA, WA

TAMPA, FL

TEMECULA, CA

TEMPE, AZ

TUCSON, AZ

WOODLAND HILLS, CA

HYDERABAD - INDIA\*

*\*Back Office Support*

a Berkshire Hathaway and Leucadia National company