



## MARKET AT A GLANCE



**OCCUPANCY RATE** **95.9%**  
Up 80 bps since 3Q18



**EFFECTIVE RENT** **\$932**  
Up 2.3% since 3Q18

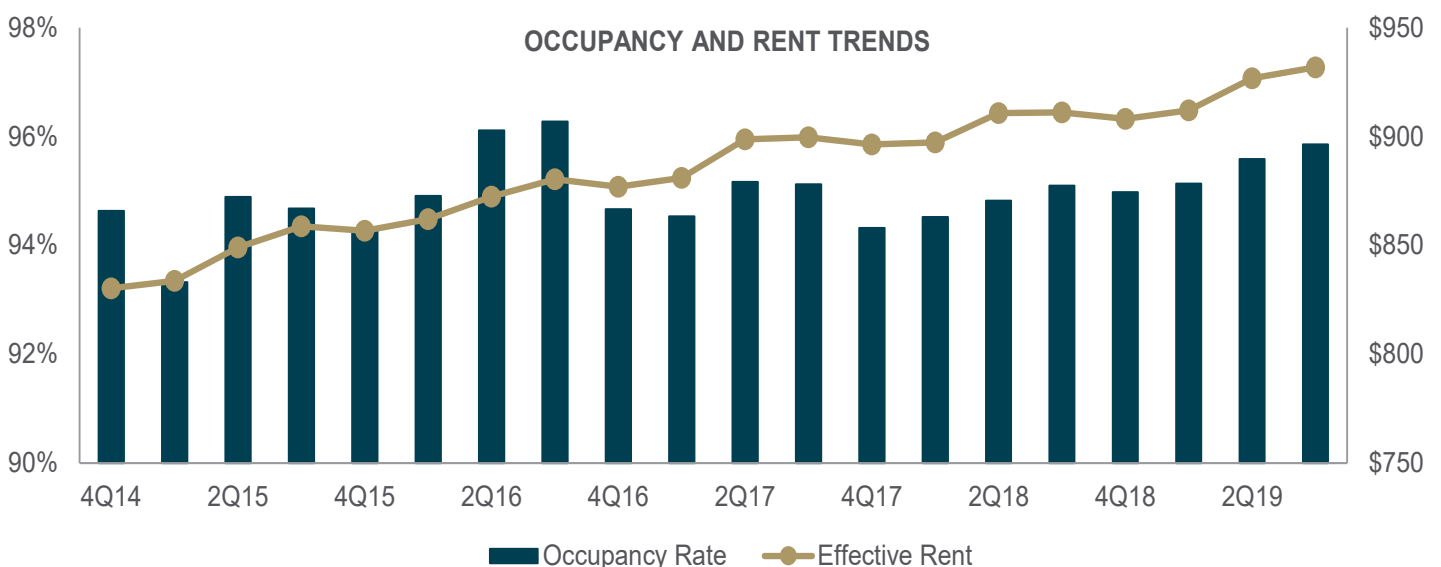


**TOTAL INVENTORY** **167,024**

## OCCUPANCY AND RENT TRENDS

### EFFECTIVE RENT RISES 2.3% ANNUALLY AMID BRISK APARTMENT DEMAND

While the leap from renting to homeownership remained small in the Cleveland metro area, many households on the move chose modern apartment communities and their desirable amenities over the pervasive supply of aging, single-family homes. Apartment leasing activity widely exceeded deliveries since September 2018, resulting in metrowide apartment occupancy of 95.9% in September 2019, an 80-basis-point annual increase. More than three-quarters of net absorption in the metro area occurred in the adjoining Central Cleveland, East Cleveland, and Beachwood/Mayfield submarkets. The demand was driven by new apartment inventory and the draw of key employment centers, particularly in Downtown Cleveland and University Heights. Effective rent averaged \$932 per month in the metro area in September 2019, a 2.3% year-over-year gain, compared to 1.3% annual rent growth one year prior. Builders completed 767 apartments since September 2018, 489 of which came online since the beginning of 2019. For the remainder of 2019, 232 units are scheduled for completion. In 2020, 1,158 new apartments are projected; nearly all this new stock will emerge in the Central Cleveland submarket.



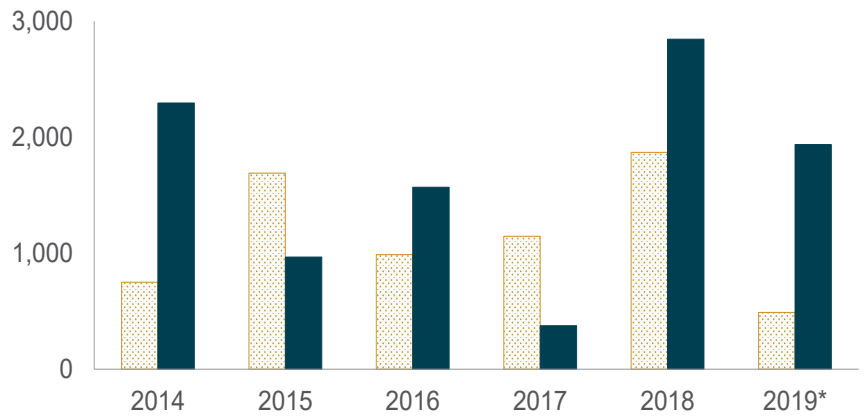
## DELIVERIES AND DEMAND



**DELIVERIES** 489  
Units YTD



**NET ABSORPTION** 1,937  
Units YTD



\*Year to date

■ Deliveries ■ Demand

## ECONOMIC TRENDS

2018 5.0% ..... **UNEMPLOYMENT\*** ..... 2019 4.3%  
-70 BPS CHANGE

2018 1.07m ..... **EMPLOYMENT\*** ..... 2019 1.08m  
0.6% CHANGE

2018 49.7k ..... **EXISTING SFH SALES\*\*** ..... 2019 50.0k  
0.6% CHANGE

2018 \$151.6k ..... **MEDIAN SFH PRICE\*\*** ..... 2019 \$168.1k  
10.9% CHANGE

2018 3.00% ..... **10-YEAR TREASURY\*\*** ..... 2019 1.70%  
-130 BPS CHANGE

\*July; \*\*September

Local annual job growth persisted through July 2019, though it slowed from employment expansion one year earlier as the monthly jobless rate fell 70 basis points to 4.3%. Employers hired 6,300 net workers since July 2018, a 0.6% annual increase, compared to 1.1% job growth in the prior 12 months. Professional and business services companies led hiring with 5,800 new jobs, a 3.7% year-over-year gain. In the education and health services segment, payrolls grew 1.1% with the addition of 2,300 workers. Layoffs in the manufacturing and the financial activities sectors partially offset overall growth. The Progressive Corporation's headquarters office in Mayfield Village was well on its way to hiring 2,000 new workers as of September 2019, but the company's brisk job growth did not make up for contraction in the financial activities sector, where 1,700 jobs were eliminated. The long-term outlook for the local economy remains positive, particularly as development underway in Downtown Cleveland and University Heights continues attracting businesses and residents.



# CLEVELAND

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Beachwood/Mayfield	93.5%	95.1%	2.1%	4.1%	\$984	\$1,024	-135	343	0	135
Central Cleveland	95.4%	95.7%	-0.3%	-0.9%	\$1,388	\$1,376	475	535	315	520
East Cleveland	93.0%	95.1%	-1.0%	2.4%	\$925	\$947	458	658	10	50
Euclid	95.6%	94.6%	2.0%	1.9%	\$703	\$717	-3	-106	0	0
Lake County	96.2%	96.0%	0.8%	2.3%	\$906	\$927	-118	-27	0	0
Parma/Middleburg Heights	96.0%	96.4%	0.5%	2.9%	\$809	\$832	10	55	0	0
Southeast Cleveland	93.6%	94.6%	1.8%	2.1%	\$757	\$773	83	128	0	0
Strongsville/North Royalton/Medina	97.0%	97.1%	1.9%	3.2%	\$874	\$902	-27	35	6	16
West Cleveland	95.8%	96.5%	2.2%	1.8%	\$839	\$854	51	209	0	46
Westlake/North Olmsted/Lorain County	96.1%	96.8%	1.8%	2.1%	\$935	\$954	-23	166	0	0
<b>TOTALS</b>	<b>95.1%</b>	<b>95.9%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>\$911</b>	<b>\$932</b>	<b>771</b>	<b>1,996</b>	<b>331</b>	<b>767</b>

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