CLEVELAND, OH

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)
94.6%
UNCHANGED YOY

EFFECTIVE RENT (Q4 2024)
$1,273
UP 3.1% YOY

RENT SHARE OF WALLET (Q4 2024)
21.3%
UNCHANGED YOY

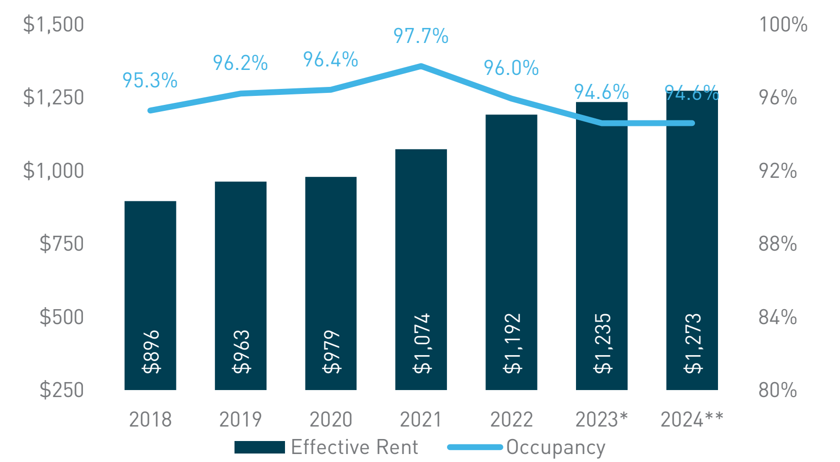
Tightening Homeownership Environment Underpins Rising Apartment Demand

A more competitive single-family housing environment will boost apartment demand and underpin healthy fundamentals in the Cleveland apartment market this year. With the rising cost of mortgages, homeowners were more prone to stay in place, with active listings in 2023 were less than half the pre-pandemic average. This trend is expected to continue this year, and combined with a projected decline in single-family completions, will leave the apartment market to provide housing options for new households. As a result, leasing activity is forecast to shift positive with more than 1,800 net units absorbed in 2024. The combined new and renewed leases will offset the more than 1,900 units scheduled to come online by year-end. Both apartment demand and deliveries will be focused on the urban core, with neighboring East Cleveland and Central Cleveland submarkets leading the market for both. As a result, Greater Cleveland apartment occupancy is projected to average 94.6% in the fourth quarter of 2024, the same average as one year prior. While unchanged, the projected fourth quarter 2024 occupancy mirrors the average in the decade leading up to the pandemic. Healthy occupancy amid 1.1% annual inventory growth will underpin apartment operators' confidence to advance monthly effective rent 3.1% in 2024. The rent increase will slightly exceed the projected rise in the median household income to keep the rent share of wallet at 21.3% in 2024. This figure showcases how Cleveland remains an affordable rental market in the Midwest.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

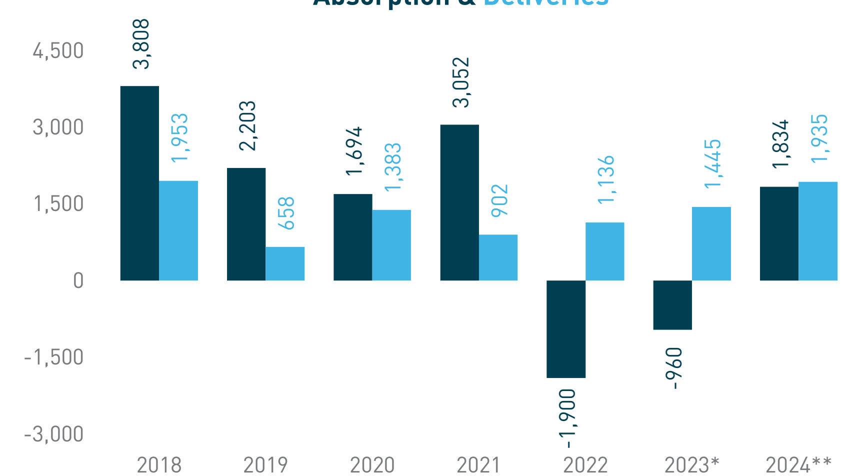


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

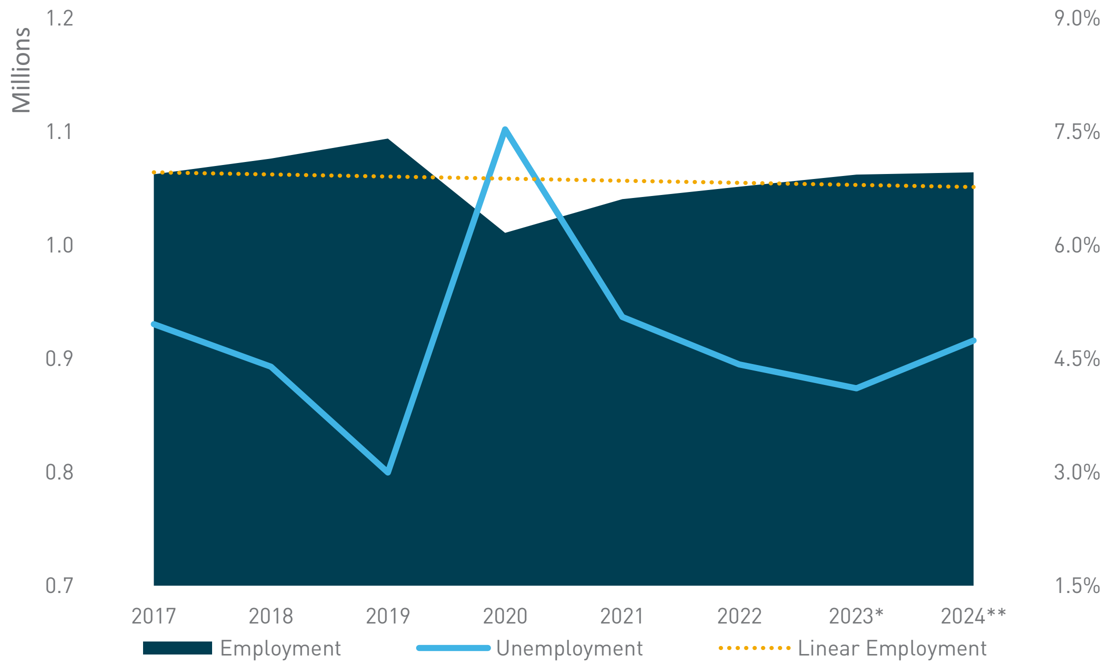
*Projected **Forecast

CLEVELAND, OH

BERKADIA

EMPLOYMENT TRENDS

Market Employment Trends

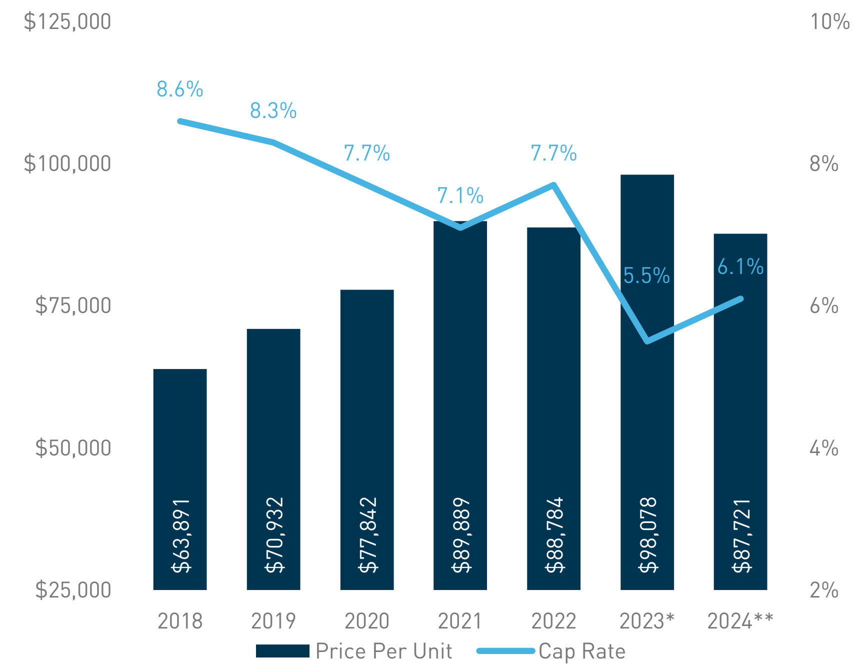


Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,064,300	4.7%	$71,663	$87,721	6.1%
UP 0.2% YOY	UP 60 BPS YOY	UP 3.0% YOY	DOWN 10.6% YOY	UP 60 BPS YOY