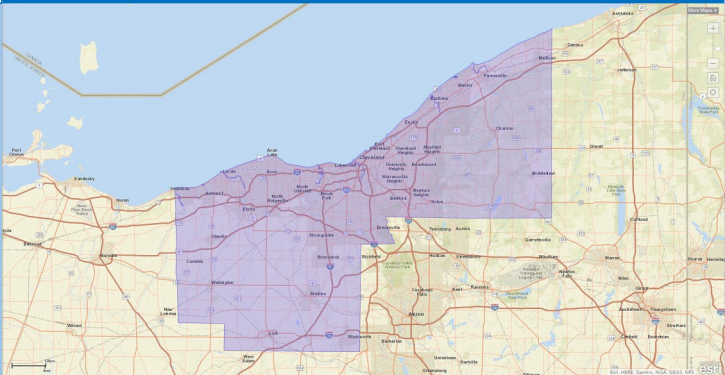
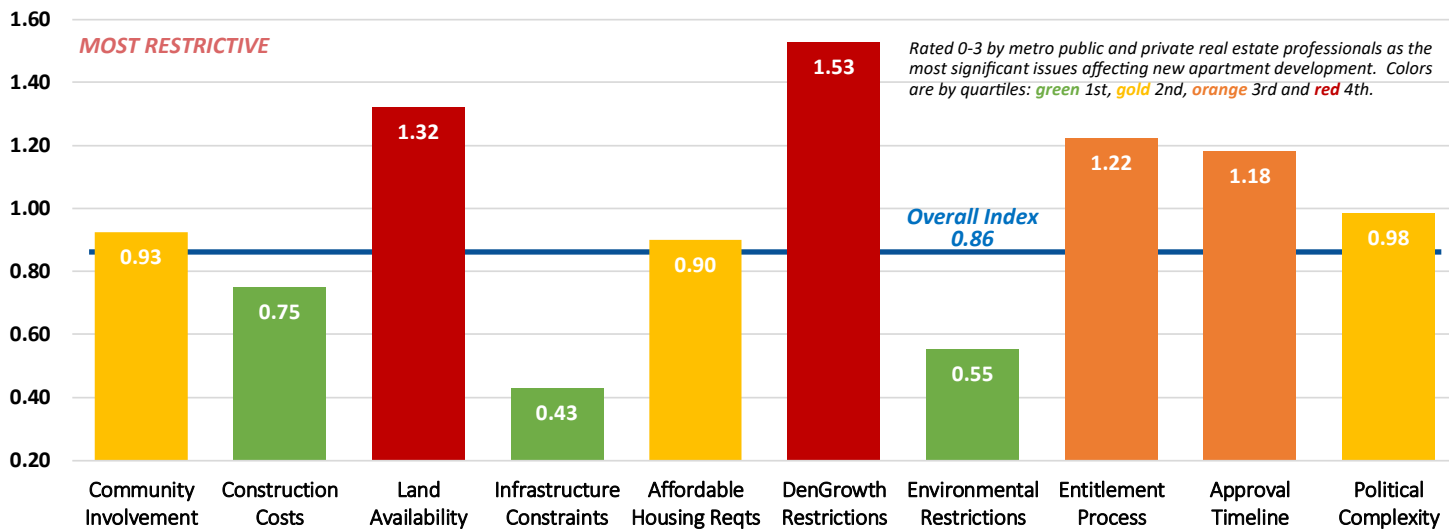


BARRIERS to APARTMENT CONSTRUCTION				CLEVELAND
BARRIERS RANKING <sup>1</sup>	NEW MF DEMAND <sup>2</sup>	HIGH RENT BURDEN <sup>3</sup>	STAR SHARE <sup>4</sup>	
7	4.0k	45%	46%	
MEDIAN RENTAL HOUSEHOLD INCOME			\$30,250	
INCOME REQUIRED FOR AVERAGE RENT <sup>5</sup>			\$35,200	

**MOST RESTRICTIVE APARTMENT CATEGORIES:** ➤ **DENSITY & GROWTH RESTRICTIONS**  
 ➤ **LAND AVAILABILITY**

The older Cleveland metro ranks better than most major markets on supply barriers with an overall index of 0.86, though overall apartment demand is the lowest of the larger national metros surveyed (Sioux Falls is lower). Respondents cite the expected land availability as most restrictive, mostly on heavy land use regulations, along with density restrictions driven by height and parking restrictions. Also cited as restrictive are land use regulations that burden the entitlement process and a generally lengthy approval timeline. Political complexity noted the heavy influence of local councils on the apartment development outcomes. Cleveland posts the lowest median rental incomes of major markets and these incomes are 14% below the requirement for average rents of \$880. A significant 46% of metro rental stock is seen as more affordable STAR units found in older, distressed neighborhoods.

### Barriers to Apartment Construction Subindices



#### BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

#### DEFINITIONS and NOTES:

- <sup>1</sup>**BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.
- <sup>2</sup>**NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).
- <sup>3</sup>**HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.
- <sup>4</sup>**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as *\*Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.
- <sup>5</sup>**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.

