Downtown Cleveland Alliance℠

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Downtown Cleveland Alliance reports continued growth and opportunities in Downtown Cleveland's office market

Q2 Market Update provides look at Downtown office, housing, hospitality markets

DOWNTOWN CLEVELAND – Downtown Cleveland Alliance (DCA) today released the Downtown Cleveland Market Update for the second quarter of 2016, which reveals a comprehensive overview of Downtown Cleveland office, retail, hospitality and housing trends.

Overall, the report indicates the opportunities that exist in expanding and filling underutilized office space. Two trends that are continuing to propel the Downtown office market include the conversion of these underused office spaces into residential housing; and businesses relocating and expanding in Downtown to better recruit and retain top talent.

Employment growth both in Downtown Cleveland and throughout the city continues to contribute to Downtown's attractiveness. A report released in Q2 2016 by Cleveland State University's Levin College of Urban Affairs shows that between 2011 and 2014, downtown employment increased 3 percent and throughout Cleveland, 23,300 jobs were added in 2015 alone, the biggest increase in a single year since 1997.

While Downtown continues to attract jobs and employers, like New York Life and its 200 employees, there is still work to be done to capitalize on the opportunity for growth in Downtown Cleveland and to remain competitive nationally. Downtown Cleveland's Class A vacancy rate of 16.1 percent ranks 10 out of 13 peer downtowns across the nation, showing there are ample opportunities for businesses interested in improving talent recruitment to relocate into Downtown Cleveland.

In addition, this quarter included the opening of two new downtown hotels, The Drury Plaza Hotel and The Hilton Cleveland Downtown. Both hotels were open for the Cavs playoff run and the championship parade. Despite the addition of more than 700 new hotel rooms this quarter, hotel occupancy stayed strong at 76.9 percent for the month of June and the average daily rate for a downtown hotel room rose to $158.46.

Additional highlights from Q2 2016 include:

- New York Life announced it is moving into Downtown's 200 Public Square from a western suburb
- Class A office vacancy dropped to 16.1 percent (from 16.8%)
- Apartment occupancy at 96 percent (up from 95%)
- Monica Potter Home, J3 Clothing, Hidden Closet and other retailers opened in The Arcade during the RNC
- The Hilton Cleveland Downtown and Drury Plaza Hotels officially opened
- The Water Taxi and Coastal Taco opened on the East Bank of the Flats

- Nuevo Mod Mex opened in North Coast Harbor

For additional highlights, an electronic version of the Downtown Cleveland Q1 2016 Market Update is available here.

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About Downtown Cleveland Alliance:
Downtown Cleveland Alliance (DCA) is a not-for-profit organization dedicated to building a dynamic Downtown. By working with property owners and neighborhood based partners, DCA is able to provide economic development opportunities, business attraction and retention efforts, the Clean & Safe Ambassador Program, as well as strategic marketing initiatives for Downtown Cleveland. In 2014, DCA unveiled Step Up Downtown, a vision and tactical plan that sets the course for the future of Downtown Cleveland. The five-year strategy is available to read here.