

MARKET VIEW

TOLEDO
APARTMENT

RK

ENDYEAR 2022

OVERVIEW

Apartment-rental market performing at an exceptionally high level

Downtown and UT area student housing markets bounce back

Rents are growing at historically high rates

Apartment sales up 400% over the prior year

The Toledo, Ohio apartment rental market has softened considerably from the red-hot pace of 2020 and 2021 according to the Reichle Klein Group year end survey of the market. Vacancies continued to increase in the second half of 2022 though at a slower rate than in the first half of the year. The overall market vacancy rate jumped from an arguably unsustainable 2.7% at the end of 2021 to 4.5% in December 2022. The Central Business District and most of the suburban submarkets and segments are outperforming the market average vacancy rate. Two suburban submarkets, North Toledo and Holland/Maumee are underperforming the overall market average considerably.

HOT TOPICS

QUICK STATS

Arrows indicate change from end year 2021 to mid year 2022

4.5%
vacancy

▲ ▲
Mid '22 End '22

\$944
average rental rate

▲ ▲
Mid '22 End '22

444 Units
new construction

▼ ▼
Mid '22 End '22

ENDYEAR 2022

Asking rents are generally increasing as well, though again, not at the rates achieved over the prior twelve to twenty-four months. The overall average asking rent increased from \$898 per unit at year end 2021 to stand at \$943 per unit in December 2022 or a rate of 3% over the second half and 5% over the full year. However, though not widespread, 2022 saw the return of concessions which have not been a feature of the market in years. Also, the number of properties reducing asking rents or holding them flat increased in the last survey.

It's not a subject we generally report on, but we also received comments from owners and site managers during our survey about the elevated number of evictions in 2022. In fact the number of evictions in 2022 was 55% higher than evictions in 2021. The load combined with the effect of renters pursuing federally funded assistance is resulting in longer than normal eviction timelines.

The number of units under construction is flat from mid-year 2022 and from the end of 2021. There were no full project deliveries in the second half of the year, though several projects under construction are being built in phases and in those cases early phase units are being offered for rent and are occupied.

Apartment sale transaction volume remains muted with few new offerings being brought to market. Buyer interest remains solid, but the increases in interest rates have created misalignments between sellers and buyers on value and pricing.

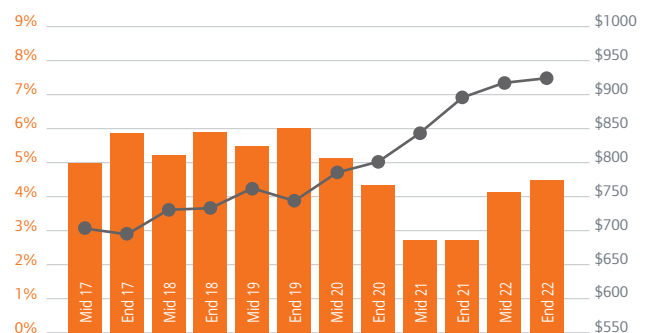
VACANCY RATE vs. RENTAL RATE



4.5%
vacancy rate



\$944
average rental rate



MARKET STATISTICS

CBD

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$1,185	755	\$1.57
2 Bed	\$1,281	1,095	\$1.17
3 Bed	\$1,071	1,666	\$0.64

Total # of Units: 1,522 Weighted Vacancy: 3.5%

West Toledo/Sylvania (1)

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$733	631	\$1.16
2 Bed	\$890	981	\$0.91
3 Bed	\$1,334	1,178	\$1.13

Total # of Units: 7,412 Weighted Vacancy: 4.5%

North Toledo

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$684	624	\$1.10
2 Bed	\$815	937	\$0.87
3 Bed	\$1,221	1,307	\$0.93

Total # of Units: 2,568 Weighted Vacancy: 6.0%

West Toledo/Sylvania (2)

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$698	690	\$1.01
2 Bed	\$1,540	1,175	\$1.31
3 Bed	\$2,035	1,519	\$1.34

Total # of Units: 1,001 Weighted Vacancy: 30.0%

South Toledo

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$630	620	\$1.02
2 Bed	\$827	967	\$0.85
3 Bed	\$1,035	1,226	\$0.84

Total # of Units: 4,617 Weighted Vacancy: 3.2%

Perrysburg/Northwood/Rossford (1)

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$765	708	\$1.08
2 Bed	\$880	964	\$0.91
3 Bed	\$889	1,160	\$0.77

Total # of Units: 1,684 Weighted Vacancy: 2.7%

East/Oregon/Walbridge

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$684	618	\$1.11
2 Bed	\$1,050	1,030	\$1.02
3 Bed	\$900	1,012	\$0.89

Total # of Units: 1,559 Weighted Vacancy: 2.8%

Perrysburg/Northwood/Rossford (2)

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$1,270	781	\$1.63
2 Bed	\$1,707	1,065	\$1.60
3 Bed	\$2,376	1,301	\$1.83

Total # of Units: 2,361 Weighted Vacancy: 3.9%

Holland/Maumee

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$740	684	\$1.08
2 Bed	\$1,047	1,004	\$1.04
3 Bed	\$1,157	1,163	\$1.00

Total # of Units: 4,468 Weighted Vacancy: 6.7%

Toledo Overall*

Unit Type	Avg. Rent	Square Feet	Rent/SF
1 Bed	\$792	679	\$1.17
2 Bed	\$1,031	1,024	\$1.01
3 Bed	\$1,267	1,281	\$0.99

Total # of Units: 27,192 Weighted Vacancy: 4.5%

University of Toledo

Average Per Bed: \$669

Total # of Units: 2,349 Weighted Vacancy: 1.7%

(1) Built prior to 2000

(2) Built post 2000

* Excludes University of Toledo student-housing properties

ENDYEAR 2022

Vacancy

CBD

3.5%

North Toledo

6.0%

South Toledo

3.2%

East/Oregon/Walbridge

2.8%

Holland/Maumee

6.7%

West Toledo/Sylvania (1)

4.5%

West Toledo/Sylvania (2)

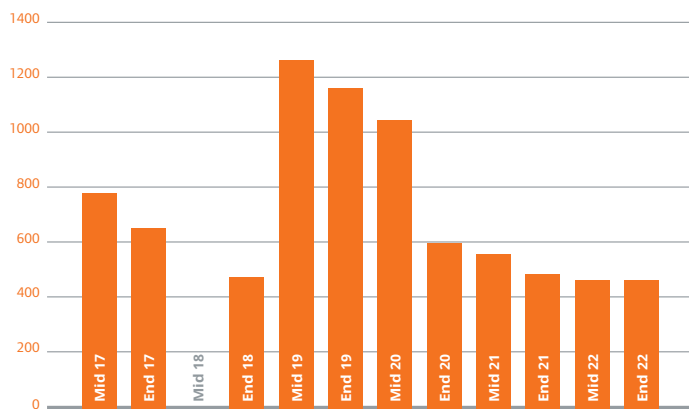
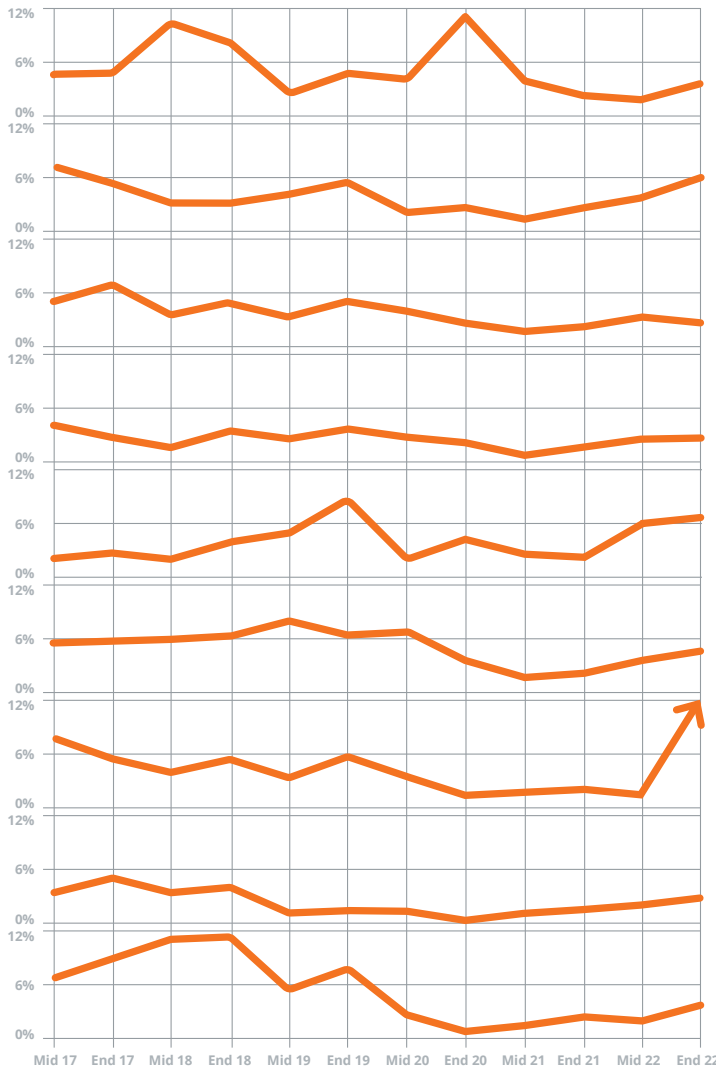
30.0%

Perrysburg/Northwood/Rossford (1)

2.7%

Perrysburg/Northwood/Rossford (2)

3.9%



Construction Activity

Units Under Construction

444

SUBMARKET MAP



OUR PURPOSE

**To make real estate work for
our clients and customers**

OUR VALUES

**Trust.
Service with a Warrior Spirit.
All in.**

RK

The Reichle Klein Apartment Group is:

Harlan Reichle, CCIM, SIOR
President & CEO
419.794.1122
hreichle@rkgcommercial.com

**Please contact us for more information
on the MarketView Reports.**

GLOSSARY OF TERMS

Average Asking Rental Rate: Rate determined by multiplying the asking rental rate for each unit by its available space, summing the products, then dividing by the sum of the available space for all buildings in the summary.

Market Coverage: Includes all market rate and mixed market affordable properties of 20 units or more.

Net Absorption: The change in occupied units from one period to the next.

Under Construction: Buildings which have begun construction as evidenced by site excavation or foundation work.

Vacancy Rate: Vacant units divided by the total number of units.

Normalization: Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Vacancy figures for those buildings have been adjusted in previous quarters.