

Offering Memorandum



PERMIT-READY MULTI-FAMILY REDEVELOPMENT 8 UNITS WITH EXPANSION POTENTIAL TO 16 UNITS

1780 East 89th Street
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kw CITYWIDE
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O F F E R I N G S U M M A R Y

Introducing a compelling investment opportunity in Cleveland's revitalizing E. 89th Street corridor: a solid brick, three-story 8-unit building with fully approved plans and zoning variances for expansion into a 16-unit complex. Situated on a double lot and positioned for high returns with tax incentives, low-interest loans, and historic tax credits, this shovel-ready development offers both immediate and long-term value. Investors have two acquisition paths—purchase the 8-unit building as-is or acquire the full turnkey redevelopment plan including architectural documents from LDA Architects.

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MARKET OVERVIEW

Healthcare Corridor Strength

The Cleveland Clinic and University Hospitals form one of the largest medical hubs in the world. These globally recognized institutions employ tens of thousands of healthcare professionals, attract patients internationally, and collaborate with Case Western Reserve University.

The result: **a steady, recession-resistant housing demand.**

Proven Stability

This corridor has long been a magnet for medical staff, students, and patients' families seeking both short- and long-term housing solutions. Unlike other markets, rental demand here is not tied to seasonal trends — it is fueled by consistent healthcare growth and research-driven expansion.

Why This Market?

This corridor offers a unique blend of stability, demand, and growth unmatched in other Cleveland neighborhoods.

Investing in a multi-unit residential property here means positioning capital in a market where:

- Demand is constant
- Tenant quality is high
- Returns are reliable

Simply put:

The medical corridor is Cleveland's most recession-proof rental market.

DEMAND DRIVERS

Cleveland Clinic Main Campus

- Ranked among the top hospitals worldwide
- Over 22,000 employees at this location alone
- Constant need for housing close to campus

University Hospitals

- Premier academic medical center with thousands of medical students, residents, and faculty
- Strong base of long-term renters seeking proximity

Case Western Reserve University

- Over 12,000 students and faculty located within walking distance of medical campuses
- Graduate and international students create a continuous pool of qualified tenants

Supporting Amenities

- Cleveland Museum of Art, Severance Hall, Botanical Gardens, and cultural district nearby
- Dining, entertainment, and retail all within reach — attractive to young professionals

I N V E S T M E N T H I G H L I G H T S

High Occupancy Rates

Consistent tenant demand from medical professionals, students, and patient families.

Premium Rental Market

Proximity to Cleveland Clinic and UH supports strong rental rates and low vacancy.

Appreciation Potential

Ongoing medical campus expansions and research funding create long-term value growth.

Recession-Resistant Sector

Healthcare-driven housing demand remains strong regardless of broader economic cycles.

Flexible Tenant Base

Mix of long-term medical staff leases and short-term furnished rental opportunities.

An exceptional value-add opportunity in Cleveland's emerging E. 89th Street corridor. This solid brick, eight-unit building (14,540 sq ft) sits on a double lot and comes fully permit-ready for an approved 16-unit expansion—plans crafted by LDA Architects and variances already in hand.

Why Investors Are Taking Notice

Shovel-Ready Upside: City-approved architectural drawings and zoning variances mean you can break ground almost immediately.

Strong Cash-Flow Potential

The stabilized 16-unit project carries a recent appraisal near \$3.6 million.

Attractive Incentives

Low-interest city loans, extended state historic credits and anticipated federal credits, plus a 15-year tax abatement, all bolster your return.

Land Assembly

Includes the neighboring parcel, with the option to secure a third lot for additional parking.

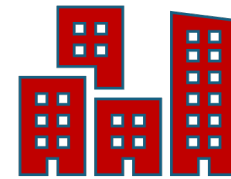
Prime Location

Convenient to downtown Cleveland, major highways, and growing retail corridors—ideal for attracting long-term tenants.

Don't miss this rare turnkey development play. Detailed financials, full plans, and incentive summaries available upon request. Serious inquiries only—schedule your site tour today.

T R A N S A C T I O N O V E R V I E W

- Multifamily property in Cleveland's emerging East 89th corridor
- 8-unit brick building with permit-ready expansion to 16 units
- Zoning:
 - MF-C / MF-E with variances approved
- Acquisition Options:
 - **Option A:**
 - Purchase existing 8-unit structure
 - Sale Price: \$250,000
 - **Option B:**
 - Purchase 8-unit building plus plans and entitlements to expand to 16 units
 - Sale Price: \$350,000



INVESTORS HAVE TWO ACQUISITION PATHS

Option A

Purchase Existing Structure the 8-unit building As-Is

- Three-story brick building, 14,540 sq/ft
- Built in the 1920s, currently vacant
- Full cosmetic renovation required
- Includes 1786 E. 89th parcel for parking
- Adjacent landbank lot available for acquisition
- Purchase existing 8-unit asset
- **Sale Price: \$250,000**



VALUE METRIC	AS-IS (8-UNIT)
Total Units	8
Net Rentable area (NRA)	10,268 Sf
Average Unit Size	1,272 Sf
Current Average rent/unit	\$1,259 / mo
Potential Gross Income	\$331,160 / yr
Vacancy & Credit Loss	4%
Effective Gross Income (PGI)	\$318,138 / yr
Total Operating Expenses	\$128,276 / yr
Net Operating Expenses	\$189,862 / yr
Overall Capitalization Rate (OAR)	6.25%
As-Is Market	\$230,000

INVESTORS HAVE TWO ACQUISITION PATHS:

Option B

Acquire the full-turnkey redevelopment plan including architectural documents from LDA Architects

- 16-units total
- 20,346 SF

Scope of Work

- Gut renovation of existing 8 units
- New construction for 8 additional units
- Approved structural and site plans

Permit Status

- Fully approved and ready for immediate build-out

Unit Mix

- 12 × 2BR / 2BA
- 2 × 2BR / 2.5BA
- 2 × 1BR / 1BA

Purchase 8-unit building plus plans and entitlements to expand to 16 units

INVESTORS HAVE TWO ACQUISITION PATHS:

Option B

VALUE METRIC	AMOUNT
Total Units	16
Potential Gross Income	\$366,144 / Year
Effective Gross Income (4% vacancy)	\$351,500 / Year
Operating Expenses	\$256,000 / Year
Net Operating Income (NOI)	\$95,500 / Year
Cap Rate Assumed	6.25%
Stabilized Value (no Abatement)	\$3.04 million
Stabilized Value (with Abatement)	\$3.63 million

Note: Profitability is significantly enhanced with the 15-year tax abatement

UNIT TYPES	NO. UNITS	% OF TOTAL	UNIT SIZE	PROJECTED RENTS			CONCLUDED MARKET RENT		
				Per Unit	Total \$/Mon.	Annually	Per Unit	Total \$/Mon.	Annually
1 BD / 1 BA	2	12.5%	911	\$750	\$1,500	\$18,000	\$1,200	\$2,400	\$28,800
2 BD / 2 BA	1	6.3%	1,233	\$1,100	\$1,100	\$13,200	\$1,680	\$1,580	\$20,160
2 BD / 2 BA	11	68.8%	1,295	\$1,350	\$14,850	\$178,200	\$1,750	\$19,250	\$231,000
2 BD / 2.5 BA	2	12.5%	1,523	\$1,350	\$2,700	\$32,400	\$1,900	\$3,800	\$45,600
TOTAL / AVG	16			\$1,259	\$20,150	\$241,800	\$1,696	\$27,130	\$323,560
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Rehabilitated to serve as a 16-unit apartment complex.

- Eight existing apartment units will be rehabilitated and retained.
 - The 3-bed, 1-bath plans will be adjusted to 2-bed, 2-bath configurations in the above-ground units.
 - Existing basement units will be adjusted to 2-bed, 2-1/2 and 1/2 bath layouts.
- A proposed addition to the rear of the structure will incorporate
 - 6 more 2-bed, 2-bath units (above ground)
 - 2 one-bed, one-bath basement units.
 - 4 total units will be located in the building or addition basement space.

