

	YoY Chg	12-Mo. Forecast
<b>4.9%</b> Vacancy Rate	—	▼
<b>817K</b> Net Absorption, SF	▲	▲
<b>\$4.41</b> Asking Rent, PSF	▼	▲

(Overall, All Property Classes)

### ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>1.1M</b> Cincinnati Employment	▲	▲
<b>4.3%</b> Cincinnati Unemployment Rate	▼	▼
<b>5.9%</b> U.S. Unemployment Rate	▼	▼

Source: BLS, Moody's Analytics

### ECONOMY

The unemployment rate in Greater Cincinnati was greater than 11.0% in mid-2020, falling to just 4.3% in Q2 2021, significantly below the national rate of 5.9%.

According to the annual study of major U.S. cities from finance website SmartAsset.com, Cincinnati was chosen in 2021 as the best city for recent college graduates for the third consecutive year. Cincinnati also scored particularly well in key categories such as cost of living, unemployment rate, job listings on Indeed.com and positive customer review scores for local restaurants and bars.

### SUPPLY AND DEMAND: Modest net absorption continued positive gross leasing trend

Direct vacancy (excluding vacant subleases) in Greater Cincinnati was 4.7% in Q2 2021, essentially unchanged from the prior year, but 50 basis points (bps) higher than Q1. Despite the delivery of nearly 2.3 million square feet (msf) of speculative modern bulk distribution construction, vacant space only increased by 180,000 square feet (sf) on a year-over-year basis in modern bulk product. Including sublease vacancies, overall vacancy was 4.9% in Q2 2021.

Despite a relatively modest total of 602,000 sf, Greater Cincinnati experienced its 40<sup>th</sup> consecutive quarter of positive direct net absorption (excluding subleases) in Q2 2021. Thanks, in part, to five new vacancies greater than 100,000 sf, net absorption in Q2 was much lower than Q1 (2.5 msf), but modestly higher on a year-over-year basis (337,000 sf).

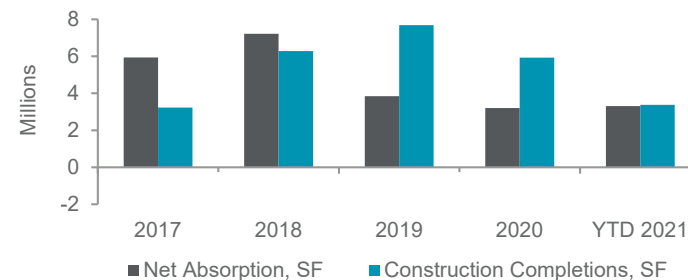
Four of the largest sources of net absorption involved leases that were signed in the first quarter but commenced in Q2. Saddle Creek Logistics moved into the recently-completed 544,000-sf Logistics Park 75 – Building 3B on Richard Knock Memorial Highway in Walton, KY, putting a second stamp of approval on this extended southern submarket. In the Northwest, DHL moved into 358,000 sf at 75 Logistics Center on Yankee Road in Middletown, OH. Honeywell moved into the 205,000-sf World Park #24 building on International Boulevard in West Chester. Nearby, PJ McNerney leased the entire 166,000 sf World Park #14 facility.

Despite the difference in net absorption, gross leasing activity was relatively similar in Q2 2021 (2.2 msf) and Q1 2021 (2.9 msf) creating a solid mid-year Gross Leasing Activity total greater than 5.0 msf. Leasing activity is comprised of new lease executions, which are an indicator of future positive net absorption once tenants take occupancy.

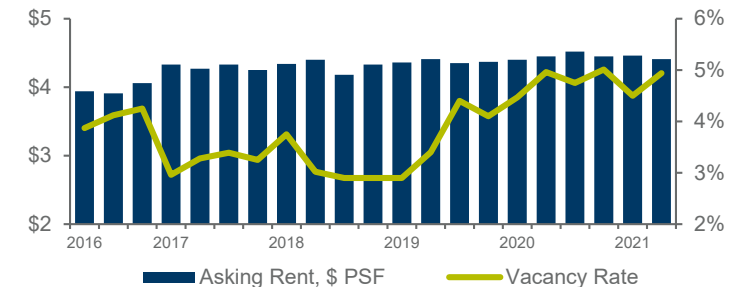
### PRICING: Asking rents remained stable

Across all categories, direct average asking rates were \$4.43 per square foot (psf) net in Q2 2021, which was slightly lower on both a quarterly and yearly basis. At \$4.34 psf net in Q2, modern bulk asking rates increased by 1.2% on a yearly basis.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# MARKETBEAT CINCINNATI



## Industrial Q2 2021

### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR DIRECT NET ABSORPTION (SF)	YTD DIRECT NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	DIRECT AVERAGE ASKING RENT*
<b>BULK DISTRIBUTION (W/D)</b>									
<b>MODERN (CLASS A)</b>									
Central	721,260	0	0.0%	0	0	0	0	0	N/A
Northeast	534,560	0	0.0%	0	0	0	0	0	N/A
Northern Kentucky	35,300,187	4,245,402	12.0%	353,294	1,764,731	1,378,943	2,133,361	2,318,040	\$4.35
Northwest	30,372,186	3,582,182	11.8%	-16,115	943,162	1,619,574	143,000	882,040	\$4.34
<b>MODERN BULK TOTALS</b>	<b>66,928,193</b>	<b>7,827,584</b>	<b>11.7%</b>	<b>337,179</b>	<b>2,707,893</b>	<b>2,998,517</b>	<b>2,276,361</b>	<b>3,200,080</b>	<b>\$4.34</b>
<b>TRADITIONAL (CLASS B)</b>									
Central	1,787,902	0	0.0%	39,000	39,000	39,000	0	0	N/A
Northeast	2,762,230	562,972	20.4%	0	-51,360	0	0	0	\$3.95
Northern Kentucky	8,907,004	551,899	6.2%	200,000	27,133	426,000	0	0	\$4.03
Northwest	13,357,049	553,876	4.1%	196,031	185,133	730,395	0	0	\$4.11
<b>TRADITIONAL BULK TOTALS</b>	<b>26,814,185</b>	<b>1,668,747</b>	<b>6.2%</b>	<b>435,031</b>	<b>199,906</b>	<b>1,195,395</b>	<b>0</b>	<b>0</b>	<b>\$4.03</b>
<b>BULK DISTRIBUTION (M+T) TOTALS</b>	<b>93,742,378</b>	<b>9,496,331</b>	<b>10.1%</b>	<b>772,210</b>	<b>2,907,799</b>	<b>4,193,912</b>	<b>2,276,361</b>	<b>3,200,080</b>	<b>\$4.29</b>
<b>LIGHT INDUSTRIAL (W/D)</b>									
Central	25,694,103	488,918	1.9%	-44,726	203,364	98,185	50,000	46,000	\$4.65
Northeast	10,588,800	304,073	2.9%	-6,228	-14,605	34,034	0	0	\$5.11
Northern Kentucky	16,262,057	354,437	2.2%	-308,621	-304,437	253,112	12,000	0	\$5.03
Northwest	33,458,812	370,610	1.1%	309,197	137,007	139,481	119,000	45,000	\$5.84
<b>LIGHT INDUSTRIAL TOTALS</b>	<b>86,003,772</b>	<b>1,518,038</b>	<b>1.8%</b>	<b>-50,378</b>	<b>21,329</b>	<b>524,812</b>	<b>181,000</b>	<b>91,000</b>	<b>\$5.24</b>
<b>WAREHOUSE / DISTRIBUTION TOTALS</b>	<b>179,752,435</b>	<b>11,553,742</b>	<b>6.4%</b>	<b>721,832</b>	<b>2,929,128</b>	<b>4,718,724</b>	<b>2,457,361</b>	<b>3,291,080</b>	<b>\$4.37</b>

\*Rental rates reflect weighted net asking \$psf/year

STATISTICS CONTINUED ON THE NEXT PAGE

#### Explanation of Building Category Characteristics

- MODERN BULK DISTRIBUTION – Also known as “Class A.” Buildings generally constructed since 1994 which were designed for large-scale distributors, with ceiling clear heights of at least 28 feet.
- TRADITIONAL BULK DISTRIBUTION – Also known as “Class B.” Buildings generally constructed before 2000 which were designed for large-scale distributors, typically with ceiling clear heights of less than 28 feet.
- LIGHT INDUSTRIAL – Buildings constructed for warehousing, distribution or non-manufacturing uses, but cannot be classified as large-scale bulk distribution centers. Buildings vary greatly in size and age.
- WAREHOUSE / DISTRIBUTION (W/D) – Combined total of all Bulk Distribution and Light Industrial buildings.
- MANUFACTURING (MF) – Buildings constructed specifically for the production, research and development of goods. Buildings are typically single-tenant and vary greatly in size and age.
- OFFICE SERVICE (OS) – Also known as “flex” or “office warehouse.” Industrial buildings which are typically multi-tenant, with a heavy percentage of office space and ceiling clear heights of less than 22 feet.

## Industrial Q2 2021

## MARKET STATISTICS - CONTINUED

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	DIRECT VACANCY RATE	CURRENT QTR DIRECT NET ABSORPTION (SF)	YTD DIRECT NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	DIRECT AVERAGE ASKING RENT*
<b>MANUFACTURING</b>									
Central	43,693,130	1,210,627	2.8%	-12,744	92,417	0	1,380,000	0	\$3.29
Northeast	15,008,011	12,563	0.1%	3,874	81,874	78,000	266,000	0	\$8.88
Northern Kentucky	16,267,836	211,216	1.3%	-21000	-46216	50,216	0	0	\$5.50
Northwest	33,142,944	143,856	0.4%	0	105,428	0	350,000	26,000	\$4.74
<b>MANUFACTURING TOTALS</b>	<b>108,111,921</b>	<b>1,578,262</b>	<b>1.5%</b>	<b>-29,870</b>	<b>233,503</b>	<b>128,216</b>	<b>1,996,000</b>	<b>26,000</b>	<b>\$3.59</b>
<b>OFFICE SERVICE (OFFICE WAREHOUSE)</b>									
Central	1,091,730	116,682	10.7%	4,030	-8,432	11,300	0	0	\$6.35
Northeast	2,259,839	174,104	7.7%	-27,402	-8,745	49,916	0	0	\$7.41
Northern Kentucky	4,125,641	152,475	3.7%	-21,100	39,333	108,907	23,650	63,976	\$6.72
Northwest	7,031,568	502,023	7.1%	-45,051	-64,899	134,472	0	0	\$6.55
<b>OFFICE SERVICE TOTALS</b>	<b>14,508,778</b>	<b>945,284</b>	<b>6.5%</b>	<b>-89,523</b>	<b>-42,743</b>	<b>304,595</b>	<b>23,650</b>	<b>63,976</b>	<b>\$6.75</b>
<b>SUBMARKET TOTALS</b>									
Central	72,988,125	1,760,490	2.4%	-14,440	326,349	148,485	1,430,000	46,000	\$3.74
Northeast	31,153,440	1,053,712	3.4%	-29,756	7,164	161,950	266,000	0	\$4.89
Northern Kentucky	80,862,725	5,619,429	6.9%	202,573	1,480,544	2,217,178	2,169,011	2,382,016	\$4.39
Northwest	117,368,844	5,643,657	4.8%	444,062	1,305,831	2,623,922	612,000	953,040	\$4.55
<b>CINCINNATI TOTALS</b>	<b>302,373,134</b>	<b>14,077,288</b>	<b>4.7%</b>	<b>602,439</b>	<b>3,119,888</b>	<b>5,151,535</b>	<b>4,477,011</b>	<b>3,381,056</b>	<b>\$4.43</b>

\*Rental rates reflect weighted net asking \$psf/year

**JARRETT HICKS**

Associate Director of Research

+1 513 322-3802

[jarrett.hicks@cushwake.com](mailto:jarrett.hicks@cushwake.com)

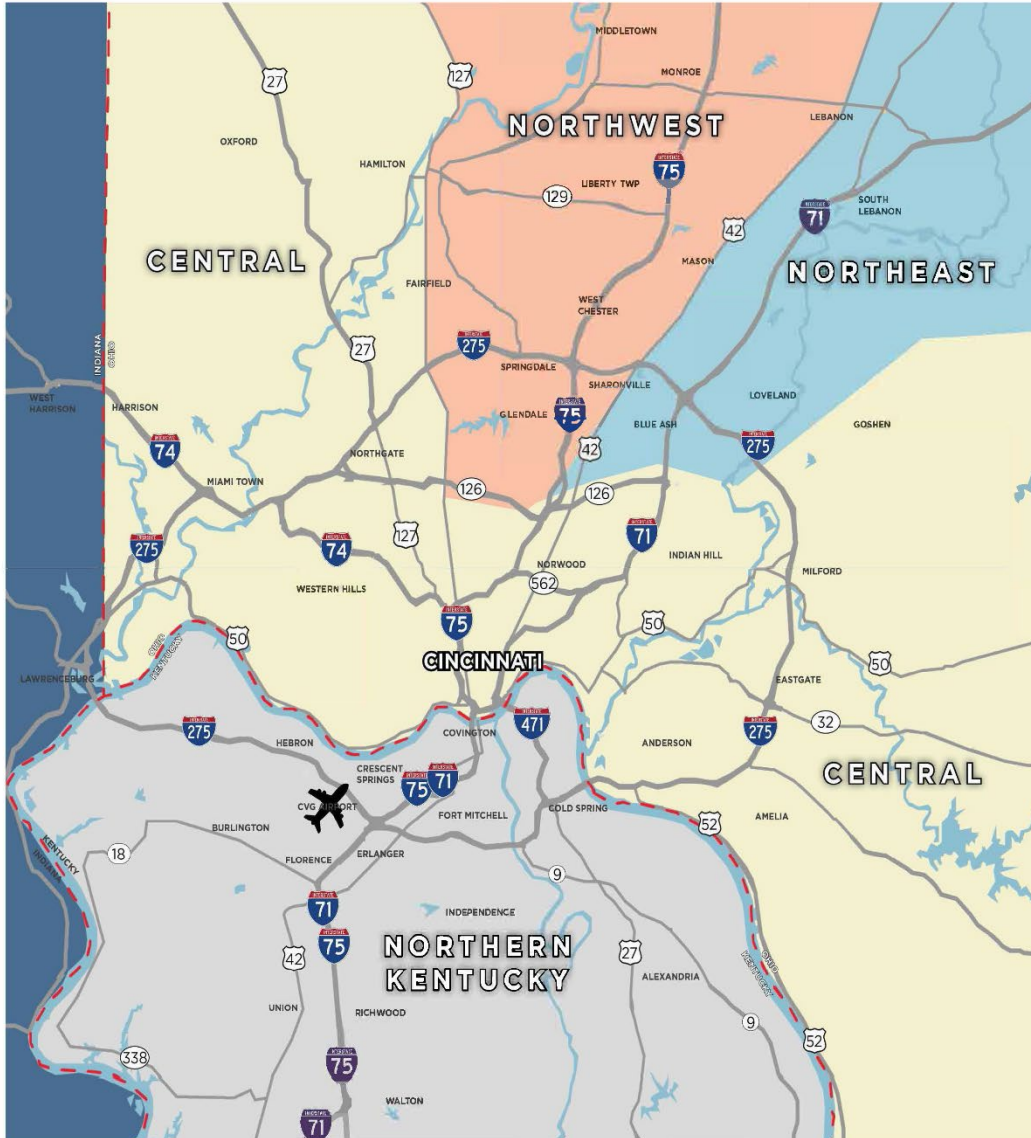
**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)

INDUSTRIAL SUBMARKETS



NORTHEAST SUBMARKET	
<b>Total Size:</b>	<b>31.2 MSF</b>
Vacancy Rate	3.4%
Under Construction (SF)	266,000
YTD Absorption (SF)	7,164
Direct Avg. Asking Rent	\$4.89

NORTHWEST SUBMARKET	
<b>Total Size:</b>	<b>117.4 MSF</b>
Vacancy Rate	4.8%
Under Construction (SF)	612,000
YTD Absorption (SF)	1,305,831
Direct Avg. Asking Rent	\$4.55

CENTRAL SUBMARKET	
<b>Total Size:</b>	<b>73.0 MSF</b>
Vacancy Rate	2.4%
Under Construction (SF)	1,430,000
YTD Absorption (SF)	326,349
Direct Avg. Asking Rent	\$3.74

N. KENTUCKY SUBMARKET	
<b>Total Size:</b>	<b>80.9 MSF</b>
Vacancy Rate	6.9%
Under Construction (SF)	2,169,011
YTD Absorption (SF)	1,480,544
Direct Avg. Asking Rent	\$4.39

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

*©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.*

[cushmanwakefield.com](http://cushmanwakefield.com)