

YoY Chg      12-Mo. Forecast

**4.9%**

Vacancy Rate



**1.9M**

Net Absorption, SF



**\$4.48**

Asking Rent, PSF



(Overall, All Property Classes)

### ECONOMIC INDICATORS Q3 2021

YoY Chg      12-Mo. Forecast

**1.1M**

Cincinnati Employment



**4.7%**

Cincinnati Unemployment Rate



**5.2%**

U.S. Unemployment Rate



Source: BLS, Moody's Analytics

### ECONOMY

The unemployment rate in Greater Cincinnati shifted significantly from 7.6% in Q3 2020 to just 4.7% as of Q3 2021. Local unemployment remained below the national rate of 5.2%.

According to the annual ranking by airline industry consultant Skytrax, the Cincinnati / Northern Kentucky International Airport (CVG) was recently named the Best Regional Airport in North America for 2021. The award is based on worldwide passenger satisfaction surveys over the past year and CVG received particularly high marks for cleanliness and airport staff. Over and above the Skytrax award, Amazon Air completed construction on its 800,000 square foot (sf) freight hub at CVG in Q3 2021.

### SUPPLY AND DEMAND: Construction deliveries accelerated significant positive absorption

Direct vacancy (excluding vacant subleases) in Greater Cincinnati was 4.6% in Q3 2021, which was slightly higher on a year-over-year basis (4.5%), but unchanged from the prior quarter. Including 730,000 sf of sublease vacancies, overall vacancy was 4.9% in Q3 2021. Modern bulk direct vacancy was 10.1%, while traditional bulk direct vacancy was 4.8%. Both figures were slightly lower than the prior year.

At 2.0 msf, Greater Cincinnati experienced its 41<sup>st</sup> consecutive quarter of positive direct net absorption Q3 2021. One of the largest drivers of absorption was new construction. More than 2.1 million square feet (msf) of new construction was delivered during the quarter and most of the new buildings were build-to-suit or pre-leased by tenants.

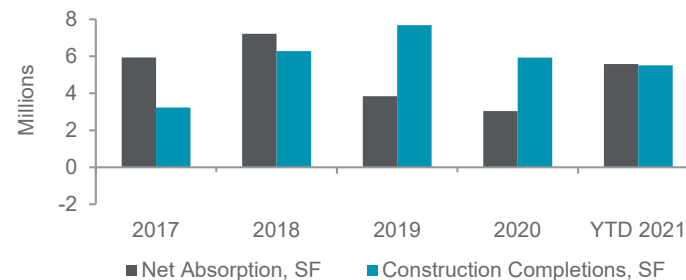
In addition to the completion of the 800,000-sf Amazon Air facility, the 840,000-sf modern bulk complex at 7900 Foundation Drive in Florence, KY also delivered. Diversey, a cleaning products conglomerate, pre-leased the entire building. Nearby, Monoprice moved into its newly-completed 165,000-sf building on Litton Lane. In the Northwest submarket, major deals of note include Hilco Vision, which moved into 246,000 sf at Fairfield Commerce Park #1 on Seward Road. Further south in West Chester, Storopack moved into 204,000 sf at West Chester Trade Center #6 on Brate Drive.

Gross leasing activity in Q3 2021 of 4.5 msf was higher than both Q2 2021 (2.7 msf) and Q1 2021 (3.0 msf). Leasing activity is comprised of new lease executions, which are an indicator of future positive net absorption once tenants take occupancy.

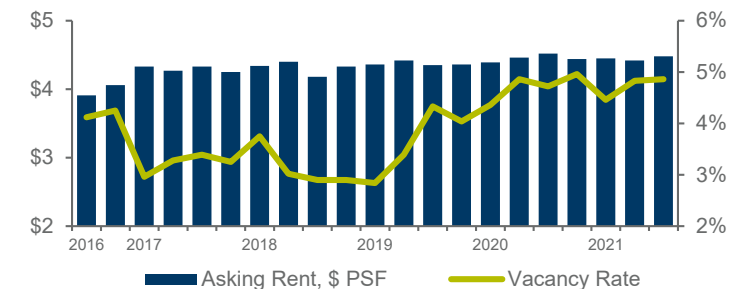
### PRICING: Asking rents remained stable

Across all categories, direct average asking rates were \$4.49 per square foot (psf) net in Q3 2021, which was slightly lower on a yearly basis. At \$4.37 psf net in Q3, average modern bulk asking rates were unchanged year-over-year.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# MARKETBEAT CINCINNATI



## Industrial Q3 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	37,105,585	4,772,902	12.9%	972,892	2,737,623	3,290,913	195,954	4,123,438	\$4.32
Northwest	30,515,186	2,154,904	7.1%	929,886	1,968,820	3,370,476	1,316,117	1,025,040	\$4.49
<b>MODERN BULK TOTALS</b>	<b>68,876,591</b>	<b>6,927,806</b>	<b>10.1%</b>	<b>1,902,778</b>	<b>4,706,443</b>	<b>6,661,389</b>	<b>1,512,071</b>	<b>5,148,478</b>	<b>\$4.37</b>
<b>TRADITIONAL (CLASS B)</b>									
Central	1,790,402	0	0.0%	0	39,000	39,000	0	0	N/A
Northeast	2,762,230	464,879	16.8%	98,093	46,733	0	0	0	\$3.95
Northern Kentucky	8,907,004	398,760	4.5%	257,139	284,272	796,279	0	0	\$3.86
Northwest	13,357,049	427,990	3.2%	62,586	311,019	747,421	0	0	\$4.02
<b>TRADITIONAL BULK TOTALS</b>	<b>26,816,685</b>	<b>1,291,629</b>	<b>4.8%</b>	<b>417,818</b>	<b>681,024</b>	<b>1,582,700</b>	<b>0</b>	<b>0</b>	<b>\$3.95</b>
<b>BULK DISTRIBUTION (M+T) TOTALS</b>	<b>95,693,276</b>	<b>8,219,435</b>	<b>8.6%</b>	<b>2,320,596</b>	<b>5,387,467</b>	<b>8,244,089</b>	<b>1,512,071</b>	<b>5,148,478</b>	<b>\$4.30</b>
<b>LIGHT INDUSTRIAL (W/D)</b>									
Central	25,746,459	539,415	2.1%	-52,199	151,165	98,185	60,000	46,000	\$4.98
Northeast	10,613,553	355,458	3.3%	-44,594	-82,490	63,431	0	0	\$4.93
Northern Kentucky	16,299,057	251,437	1.5%	24,500	-204,937	599,277	0	12,000	\$4.65
Northwest	34,161,280	580,382	1.7%	-61,402	114,205	283,405	65,753	151,000	\$5.65
<b>LIGHT INDUSTRIAL TOTALS</b>	<b>86,820,349</b>	<b>1,726,692</b>	<b>2.0%</b>	<b>-133,695</b>	<b>-22,057</b>	<b>1,044,298</b>	<b>125,753</b>	<b>209,000</b>	<b>\$5.19</b>
<b>WAREHOUSE / DISTRIBUTION TOTALS</b>	<b>182,519,910</b>	<b>11,165,656</b>	<b>6.1%</b>	<b>2,186,901</b>	<b>5,365,410</b>	<b>9,288,387</b>	<b>1,637,824</b>	<b>5,357,478</b>	<b>\$4.40</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.

# MARKETBEAT CINCINNATI



## Industrial Q3 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	43,667,932	1,220,986	2.8%	10,707	308,986	60,463	1,412,000	0	\$3.35
Northeast	15,020,296	11,363	0.1%	1,200	83,074	79,200	266,000	0	\$8.77
Northern Kentucky	16,267,836	514,720	3.2%	-202,254	-349,720	151,466	0	91,000	\$4.33
Northwest	33,221,871	225,257	0.7%	-15,738	89,027	40,533	553,366	0	\$5.04
<b>MANUFACTURING TOTALS</b>	<b>108,177,935</b>	<b>1,972,326</b>	<b>1.8%</b>	<b>-206,085</b>	<b>131,367</b>	<b>331,662</b>	<b>2,231,366</b>	<b>91,000</b>	<b>\$3.88</b>
<b>OFFICE SERVICE (OFFICE WAREHOUSE)</b>									
Central	1,091,730	133,139	12.2%	-17,957	-24,889	13,681	0	0	\$6.68
Northeast	2,259,839	175,671	7.8%	13,370	-11,212	85,839	0	0	\$7.42
Northern Kentucky	4,125,641	153,626	3.7%	-1,871	38,182	174,376	23,650	63,976	\$7.10
Northwest	6,811,468	481,794	7.1%	30,335	-44,670	253,113	0	0	\$6.32
<b>OFFICE SERVICE TOTALS</b>	<b>14,288,678</b>	<b>944,230</b>	<b>6.6%</b>	<b>23,877</b>	<b>-42,589</b>	<b>527,009</b>	<b>23,650</b>	<b>63,976</b>	<b>\$6.76</b>
<b>SUBMARKET TOTALS</b>									
Central	73,017,783	1,837,803	2.5%	-59,449	474,262	211,329	1,472,000	46,000	\$3.93
Northeast	31,190,478	1,007,371	3.2%	68,069	36,105	228,470	266,000	0	\$4.94
Northern Kentucky	82,705,123	6,411,951	7.8%	1,050,406	2,505,420	5,012,311	219,604	4,290,414	\$4.35
Northwest	118,073,139	4,825,087	4.1%	945,667	2,438,401	4,694,948	1,935,236	1,176,040	\$4.79
<b>CINCINNATI TOTALS</b>	<b>304,986,523</b>	<b>14,082,212</b>	<b>4.6%</b>	<b>2,004,693</b>	<b>5,454,188</b>	<b>10,147,058</b>	<b>3,892,840</b>	<b>5,512,454</b>	<b>\$4.49</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)

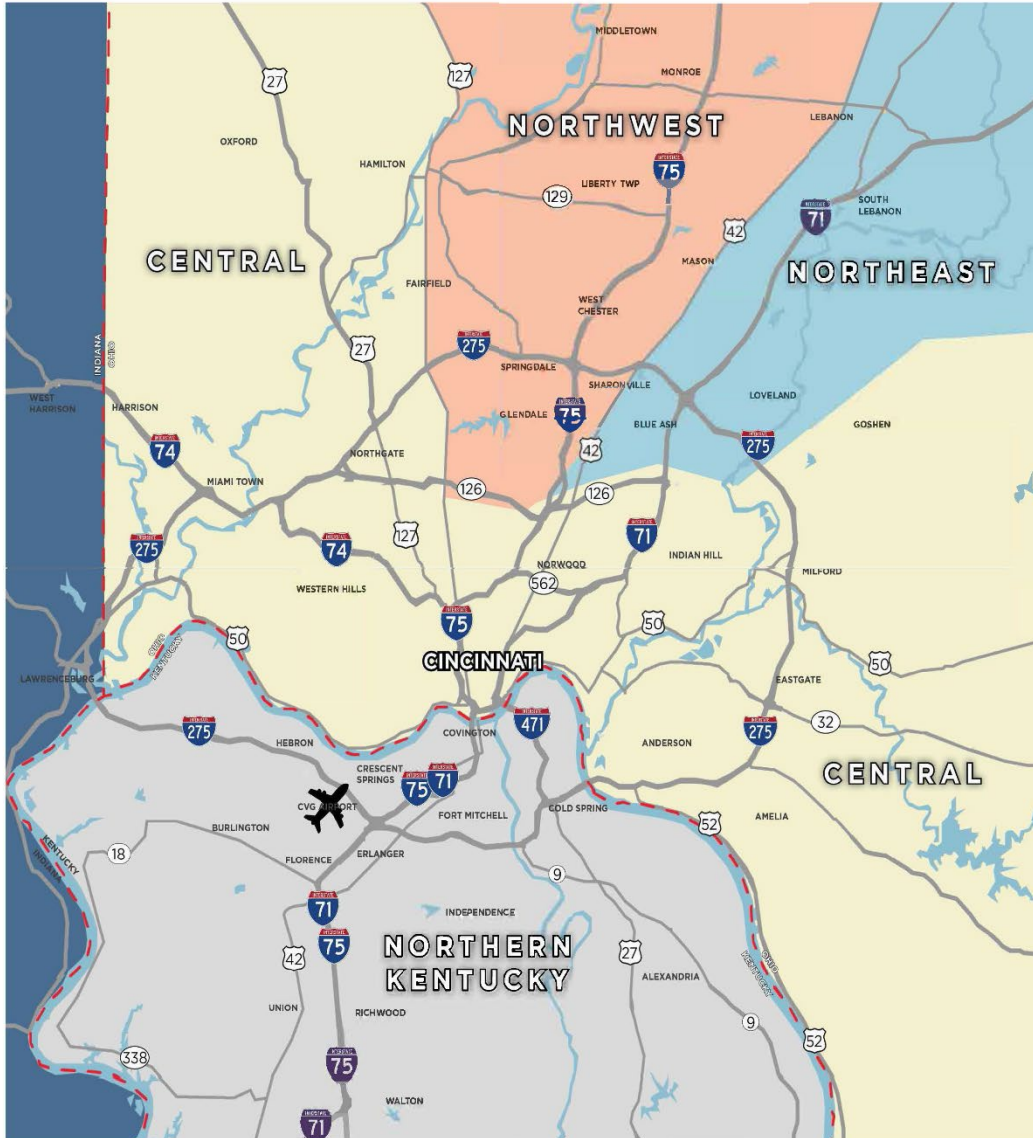
#### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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	3.2%
Under Construction (SF)	266,000
YTD Absorption (SF)	36,105
Direct Avg. Asking Rent	\$4.94

**NORTHWEST SUBMARKET**

<b>Total Size:</b>	<b>118.1 MSF</b>
Vacancy Rate	4.1%
Under Construction (SF)	1,935,236
YTD Absorption (SF)	2,438,401
Direct Avg. Asking Rent	\$4.79

**CENTRAL SUBMARKET**

<b>Total Size:</b>	<b>73.0 MSF</b>
Vacancy Rate	2.5%
Under Construction (SF)	1,472,000
YTD Absorption (SF)	474,262
Direct Avg. Asking Rent	\$3.93

**N. KENTUCKY SUBMARKET**

<b>Total Size:</b>	<b>82.7 MSF</b>
Vacancy Rate	7.8%
Under Construction (SF)	219,604
YTD Absorption (SF)	2,505,420
Direct Avg. Asking Rent	\$4.35

**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)