

| | YoY Chg | 12-Mo. Forecast |
|-----------------------------------|---------|-----------------|
| 1.9% Vacancy Rate | ▼ | ▲ |
| 1.1M Net Absorption, SF | ▼ | ▲ |
| \$5.59 Asking Rent, PSF | ▲ | ▲ |

(Overall, All Property Classes)

(NOTE: Remainder of this report cites *Direct* statistics and not Overall statistics, which includes sublease vacancy.)

ECONOMIC INDICATORS Q3 2022

| | YoY Chg | 12-Mo. Forecast |
|---|---------|-----------------|
| 1.1M Cincinnati Employment | ▲ | ▲ |
| 3.3% Cincinnati Unemployment Rate | ▼ | ▲ |
| 3.5% U.S. Unemployment Rate | ▼ | ▲ |

Source: BLS, Moody's Analytics

ECONOMY

The unemployment rate in Greater Cincinnati fell by 100 basis points (bps) over the past year from 4.3% in Q3 2021 to just 3.3% as of Q3 2022. Local unemployment was even less than the national rate of 3.5%.

A long-planned transportation project in one of the area's largest office and industrial submarkets recently cleared a major hurdle as the Federal Highway Administration approved a new interchange along Interstate-75 in Liberty Township. With an estimated cost of \$40 million and a multi-year construction timeline, the new exit would be located halfway between Cincinnati and Dayton. The new Millikin Road exit would lighten congestion on the nearby Liberty Way/OH-129 and Monroe/OH-63 interchanges.

SUPPLY AND DEMAND: Vacancy at another record low

In successive quarters, direct vacancy (excluding vacant subleases) in Greater Cincinnati reached record-low levels. In Q3 2022, the vacancy rate was 1.8%, after a 1.9% vacancy rate in the prior quarter. On a year-over-year (YOY) basis, vacancy fell by more than 270 basis points (bps). With 247,000 square feet (sf) of sublease vacancies included, Q3 overall vacancy was 1.9%. Modern bulk distribution vacancy also reached its lowest point in more than five years at 2.5%.

Greater Cincinnati experienced its 45th consecutive quarter of positive direct net absorption Q3 2022 at 1.0 million square feet (msf), which pushed 2022 year-to-date absorption to 8.7 msf. For the same period in 2021, net absorption was less than 5.7 msf. More than 800,000 sf of new construction was delivered to the market in Q3, including three speculative bulk distribution buildings in the Northwest submarket. Outside of those deliveries, 9.2 msf was under construction across the region.

The majority of Q3 net absorption took place in the Northwest submarket. Cornerstone Brands moved into 325,000 sf at World Park Building #30 on Provident Drive. West Chester Trade Center - 8, a 301,000-sf bulk building completed in Q3, was fully pre-leased by three tenants. In the Northern Kentucky submarket, Givaudan took occupancy of 308,000 sf at Runway Logistics Center - 1. Following two extremely strong quarters totaling 8.2 msf, Q3 2022 leasing activity was only 1.7 msf. Leasing activity is comprised of new lease executions, indicating future positive net absorption once tenants take occupancy.

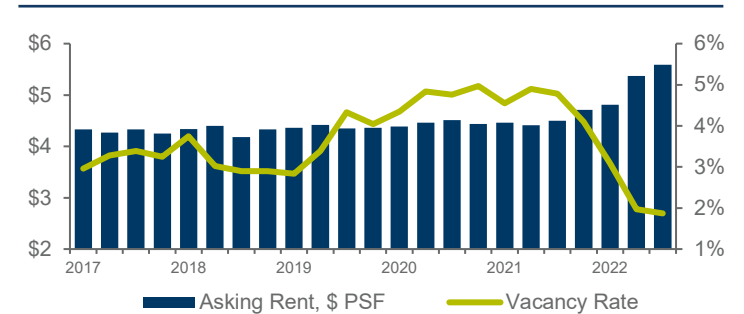
PRICING: Asking rents grew more than 20.0% yearly

Across all categories, direct average asking rates were \$5.57 per square foot (psf) net in Q3 2022, which was a 24.0% YOY increase. The unusually high asking rate increase reflected the continued low amount of vacant space in the market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT CINCINNATI



Industrial Q3 2022

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* |
|--|--------------------|--------------------|---------------------|--|--------------------------------|---------------------------|-------------------------|-----------------------------------|-----------------------------|
| BULK DISTRIBUTION (W/D) | | | | | | | | | |
| MODERN (CLASS A) | | | | | | | | | |
| Central | 721,260 | 0 | 0.0% | 0 | 0 | 0 | 533,676 | 0 | N/A |
| Northeast | 534,560 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | N/A |
| Northern Kentucky | 37,493,153 | 383,700 | 1.0% | 307,515 | 4,364,161 | 3,349,805 | 3,951,909 | 195,954 | N/A |
| Northwest | 31,831,790 | 1,396,465 | 4.4% | 758,458 | 1,913,160 | 2,544,791 | 2,084,736 | 1,316,533 | \$5.78 |
| MODERN BULK TOTALS | 70,580,763 | 1,780,165 | 2.5% | 1,065,973 | 6,277,321 | 5,894,596 | 6,570,321 | 1,512,487 | \$5.78 |
| TRADITIONAL (CLASS B) | | | | | | | | | |
| Central | 1,790,402 | 0 | 0.0% | 0 | 0 | 106,829 | 0 | 0 | N/A |
| Northeast | 2,762,230 | 0 | 0.0% | 0 | 354,794 | 354,794 | 0 | 0 | N/A |
| Northern Kentucky | 8,907,004 | 38,619 | 0.4% | 34,400 | 245,001 | 374,015 | 0 | 0 | N/A |
| Northwest | 13,343,049 | 267,209 | 2.0% | 0 | 119,027 | 684,243 | 0 | 0 | \$4.14 |
| TRADITIONAL BULK TOTALS | 26,802,685 | 305,828 | 1.1% | 34,400 | 718,822 | 1,519,881 | 0 | 0 | \$4.14 |
| BULK DISTRIBUTION (M+T) TOTALS | 97,383,448 | 2,085,993 | 2.1% | 1,100,373 | 6,996,143 | 7,414,477 | 6,570,321 | 1,512,487 | \$5.32 |
| LIGHT INDUSTRIAL (W/D) | | | | | | | | | |
| Central | 26,119,577 | 316,162 | 1.2% | -56,167 | 123,626 | 191,561 | 195,000 | 60,000 | \$6.42 |
| Northeast | 10,622,295 | 63,873 | 0.6% | -14,785 | 291,585 | 267,686 | 277,000 | 0 | \$7.65 |
| Northern Kentucky | 16,398,046 | 294,124 | 1.8% | -215,729 | 60,811 | 245,806 | 0 | 26,800 | \$5.72 |
| Northwest | 34,568,886 | 475,109 | 1.4% | 267,038 | 142,181 | 346,119 | 147,500 | 66,753 | \$6.32 |
| LIGHT INDUSTRIAL TOTALS | 87,708,804 | 1,149,268 | 1.3% | -19,643 | 618,203 | 1,051,172 | 619,500 | 153,553 | \$6.24 |
| WAREHOUSE / DISTRIBUTION TOTALS | 185,120,797 | 3,235,261 | 1.7% | 1,080,730 | 7,614,346 | 8,465,649 | 7,189,821 | 1,666,040 | \$5.84 |

*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.

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* |
|--|--------------------|--------------------|---------------------|--|--------------------------------|---------------------------|-------------------------|-----------------------------------|-----------------------------|
| MANUFACTURING | | | | | | | | | |
| Central | 43,840,015 | 967,587 | 2.2% | 13,718 | 333,756 | 252,746 | 1,346,000 | 32,000 | \$3.66 |
| Northeast | 15,249,753 | 106,707 | 0.7% | -93,998 | 134,656 | 74,780 | 0 | 230,000 | \$4.44 |
| Northern Kentucky | 16,334,003 | 343,930 | 2.1% | -9,150 | 214,790 | 101,250 | 0 | 0 | \$4.37 |
| Northwest | 33,843,929 | 185,993 | 0.5% | 51,305 | 158,883 | 152,120 | 665,390 | 200,356 | \$5.60 |
| MANUFACTURING TOTALS | 109,267,700 | 1,604,217 | 1.5% | -38,125 | 842,085 | 580,896 | 2,011,390 | 462,356 | \$4.24 |
| OFFICE SERVICE (OFFICE WAREHOUSE) | | | | | | | | | |
| Central | 1,094,936 | 103,317 | 9.4% | 4,873 | 55,163 | 53,912 | 0 | 0 | \$8.56 |
| Northeast | 2,260,074 | 97,518 | 4.3% | -11,488 | 61,861 | 119,162 | 0 | 0 | \$7.59 |
| Northern Kentucky | 4,149,291 | 94,920 | 2.3% | 37,097 | 34,113 | 191,380 | 0 | 0 | \$6.93 |
| Northwest | 6,814,616 | 388,812 | 5.7% | -38,373 | 109,392 | 438,876 | 0 | 0 | \$7.27 |
| OFFICE SERVICE TOTALS | 14,318,917 | 684,567 | 4.8% | -7,891 | 260,529 | 803,330 | 0 | 0 | \$7.52 |
| SUBMARKET TOTALS | | | | | | | | | |
| Central | 73,566,190 | 1,387,066 | 1.9% | -37,576 | 512,545 | 605,048 | 2,074,676 | 92,000 | \$5.10 |
| Northeast | 31,428,912 | 268,098 | 0.9% | -120,271 | 842,896 | 816,422 | 277,000 | 230,000 | \$6.23 |
| Northern Kentucky | 83,310,042 | 1,155,293 | 1.4% | 154,133 | 4,918,876 | 4,262,256 | 3,951,909 | 222,754 | \$5.14 |
| Northwest | 120,402,270 | 2,713,588 | 2.3% | 1,038,428 | 2,442,643 | 4,166,149 | 2,897,626 | 1,583,642 | \$5.93 |
| CINCINNATI TOTALS | 308,707,414 | 5,524,045 | 1.8% | 1,034,714 | 8,716,960 | 9,849,875 | 9,201,211 | 2,128,396 | \$5.57 |

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

JARRETT HICKS

Associate Director of Research

+1 513 322-3802

jarrett.hicks@cushwake.com

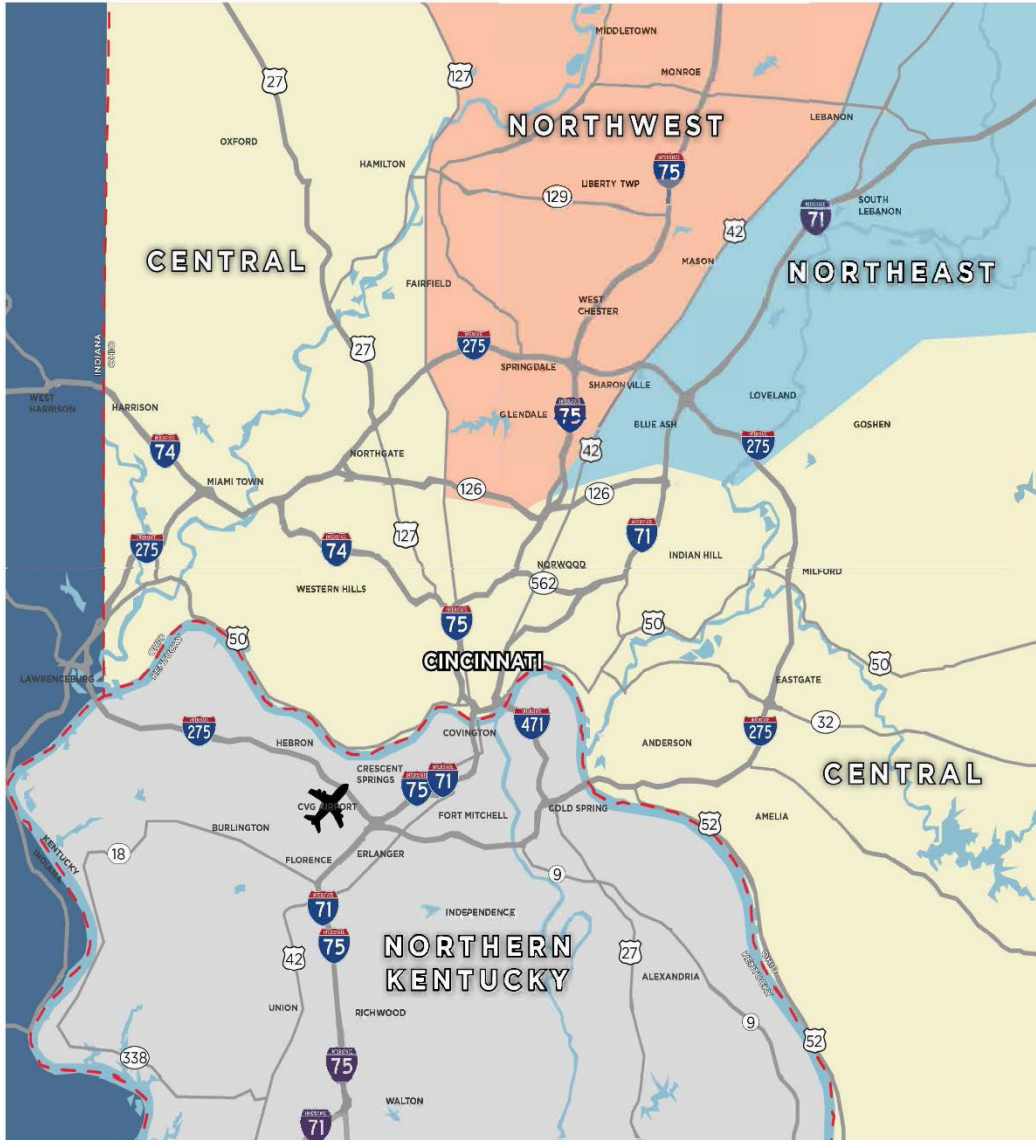
A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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 over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2022 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

INDUSTRIAL SUBMARKETS



| NORTHEAST SUBMARKET | |
|-------------------------|-----------------|
| Total Size: | 31.4 MSF |
| Vacancy Rate | 0.9% |
| Under Construction (SF) | 277,000 |
| YTD Absorption (SF) | 842,896 |
| Direct Avg. Asking Rent | \$6.23 |

| NORTHWEST SUBMARKET | |
|-------------------------|------------------|
| Total Size: | 120.4 MSF |
| Vacancy Rate | 2.3% |
| Under Construction (SF) | 2,897,626 |
| YTD Absorption (SF) | 2,442,643 |
| Direct Avg. Asking Rent | \$5.93 |

| CENTRAL SUBMARKET | |
|-------------------------|-----------------|
| Total Size: | 73.6 MSF |
| Vacancy Rate | 1.9% |
| Under Construction (SF) | 2,074,676 |
| YTD Absorption (SF) | 512,545 |
| Direct Avg. Asking Rent | \$5.10 |

| N. KENTUCKY SUBMARKET | |
|-------------------------|-----------------|
| Total Size: | 83.3 MSF |
| Vacancy Rate | 1.4% |
| Under Construction (SF) | 3,951,909 |
| YTD Absorption (SF) | 4,918,876 |
| Direct Avg. Asking Rent | \$5.14 |

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 over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2022 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