MARKETBEAT
CINCINNATI
OFFICE Q2 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
25.2% Vacancy Rate	▬	▼
189K Q2 Net Absorption, SF	▲	▲
$20.96 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2M Cincinnati Employment	▲	▲
4.7% Cincinnati Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMIC OVERVIEW

The unemployment rate in Greater Cincinnati increased on a year-over-year (YOY) basis to 4.7% as of Q2 2025. Local unemployment was higher than the national rate of 4.2%. As part of the recent state of Ohio operating budget negotiations, the fate of historic building preservation tax credits was uncertain. At the end of Q2, Ohio Governor Mike Dewine signed the $60 billion budget but vetoed any clauses that would eliminate or reduce funding for the popular program. Within Cincinnati's Central Business District (CBD), eleven projects will split a collective $17.0 million in state tax credits for 2025/2026 to redevelop from office use into multifamily or hotel buildings.

SUPPLY AND DEMAND

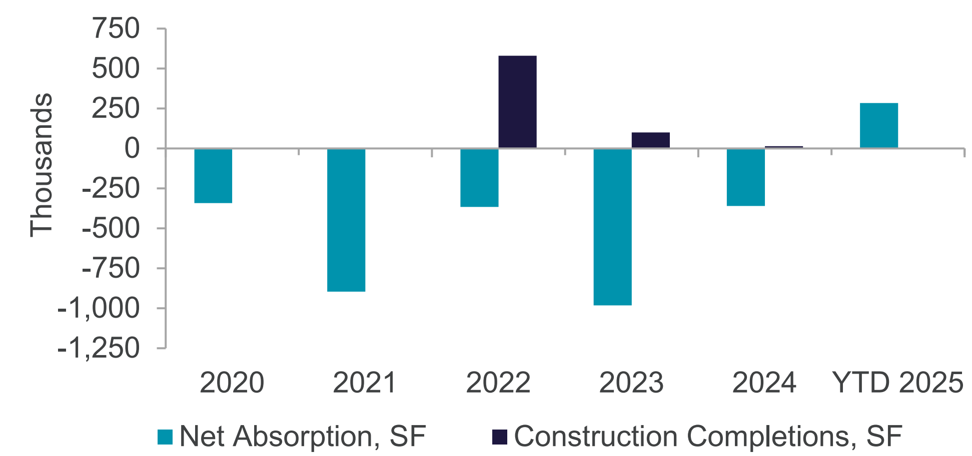
After reaching a peak level of 26.1% in Q4 2024, the overall vacancy rate fell to 25.2% in Q2 2025. Quarterly vacancy was virtually unchanged in all product categories on a YOY basis. No new construction has been delivered so far in 2025, but a 69,000-sf building in the CBD is expected to be complete later this year. Paycor will relocate to a portion of this building at 101 West Fifth Street.

In Q2, overall net absorption was positive in consecutive quarters for the first time in five years. Positive absorption of 96,000 sf in Q1 2025, was followed by 189,000 sf of net absorption in Q2. When compared to the prior year, first half net absorption shifted from negative 65,000 sf in 2024 to 285,000 sf in 2025. Healthcare was the most significant driver of Q2 net absorption. Cincinnati Children's Hospital Medical Center moved into a 64,000-sf portion of the newly-built Digital Futures II building near I-71 in Midtown. Bon Secours Mercy Heath leased its 51,000-sf new headquarters space at McAuley Place in Blue Ash. Nearby, Trustaff moved into 21,000 sf at the Class-A Landings I building on Carver Road. Apart from absorption, Q2 2025 leasing activity was 198,000 sf. Total leasing in 2025 was 451,000 sf, which was well below the first half levels of the past three years. Leasing activity is an indicator of future quarterly net absorption.

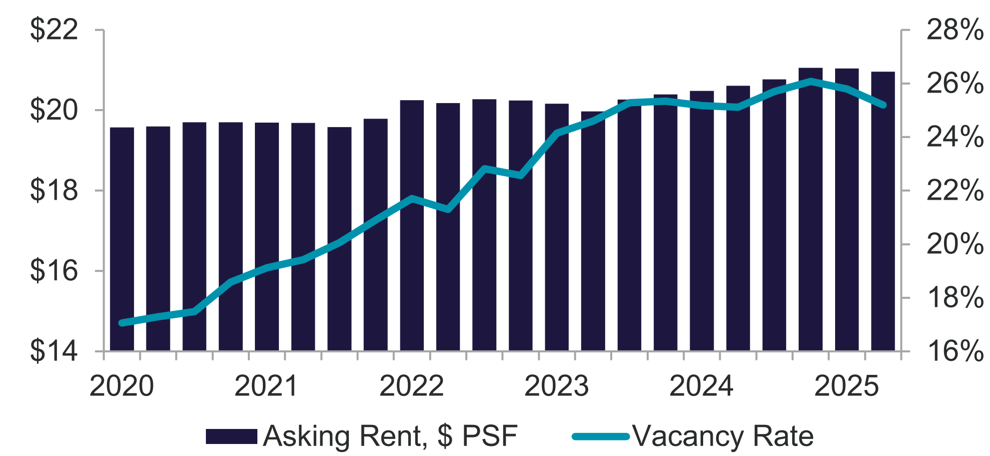
PRICING

Across all categories, overall gross average asking rental rates were $20.96 per square foot (psf) in Q2 2025, which was a 1.7% YOY increase. Similarly, Class-A asking rates increased by 1.4% from the prior year to $23.30 in Q2 2025.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CENTRAL BUS. DISTRICT TOTAL	10,740,115	346,029	2,258,838	24.3%	24,173	19,932	154,043	69,161	$21.98	$23.27
CBD – CLASS A	6,840,381	346,029	1,489,769	26.8%	16,806	16,163	104,145	69,161	$23.27	$23.27
CBD – CLASS B	3,899,734	0	769,069	19.7%	7,367	3,769	49,898	0	$18.55	N/A
Blue Ash	4,432,215	39,953	895,499	21.1%	83,194	93,547	105,424	0	$22.12	$25.37
Kenwood	1,425,516	36,343	155,647	13.5%	11,053	17,554	30,332	0	$28.89	$32.09
Mason/Montgomery	2,939,948	302,160	919,375	41.5%	39,101	7,653	31,517	0	$18.98	$19.94
Midtown	3,988,724	18,656	870,132	22.3%	56,354	133,196	50,194	0	$20.24	$29.01
Northern Kentucky	4,004,690	45,796	895,119	23.5%	10,289	20,600	39,619	0	$22.94	$24.44
Tri-County/Sharonville	2,595,966	0	1,120,010	43.1%	1,602	-34	10,304	0	$16.54	$20.23
West Chester	1,506,083	2,055	167,245	11.2%	-3,693	-1,496	9,372	0	$22.75	$23.65
East	1,062,311	35,883	207,750	22.9%	-33,974	-8,679	18,212	0	$14.81	$18.42
West	436,929	0	39,284	9.0%	775	2,791	2,791	0	$11.29	N/A
SUBURBAN TOTAL	22,392,382	480,846	5,270,061	25.7%	164,701	265,132	297,765	0	$20.39	$23.33
SUBURBAN - CLASS A	13,769,545	440,676	3,146,232	26.0%	165,851	234,959	194,996	0	$23.33	$23.33
SUBURBAN - CLASS B	8,622,837	40,170	2,123,829	25.1%	-1,150	30,173	102,769	0	$16.37	N/A
CINCINNATI – CLASS A	20,609,926	786,705	4,636,001	26.3%	182,657	251,122	299,141	69,161	$23.30	$23.30
CINCINNATI – CLASS B	12,522,571	40,170	2,892,898	23.4%	6,217	33,942	152,667	0	$16.95	N/A
CINCINNATI TOTALS	**33,132,497**	**826,875**	**7,528,899**	**25.2%**	**188,874**	**285,064**	**451,808**	**69,161**	**$20.96**	**$23.30**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q2 2025

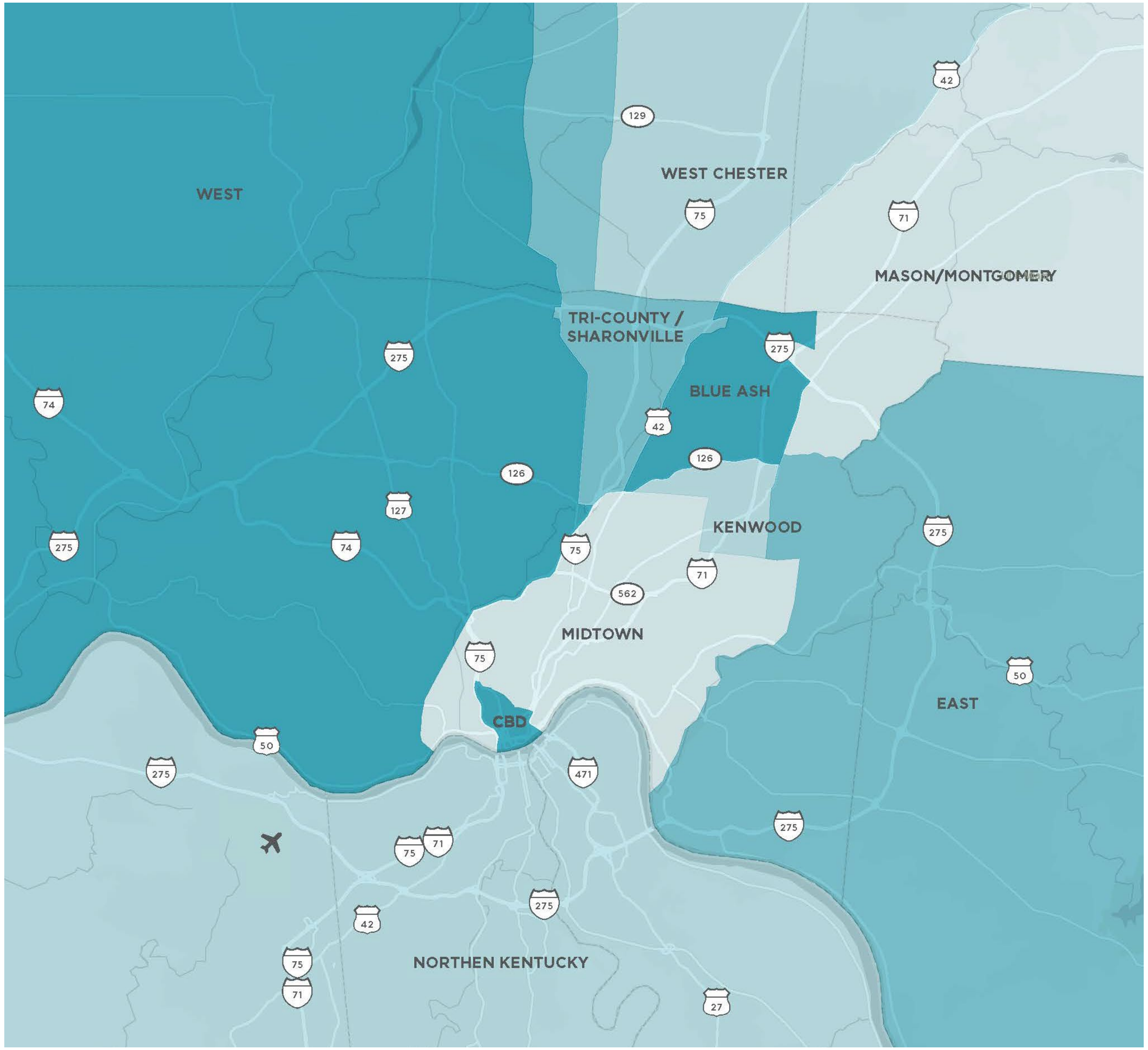
PROPERTY	SUBMARKET	TENANT	SF	TYPE
6871 Steger Drive	Midtown	Oakmont Education LLC	30,881	New Lease
125 Court Street E	Central Business District	Ohio Industrial Commission	24,000	Renewal*
311 Elm Street	Central Business District	SHP Architecture and Design	22,526	New Lease
300 Dave Cowens Drive	Northern Kentucky	Integrity Express Logistics	18,993	New Lease
5901-5905 Galbraith Road E	Kenwood	General Mills	12,728	New Lease
895 Central Avenue	Central Business District	KeyBank	10,497	Renewal*

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
6871 Steger Drive	Midtown	CSJ Holdings / RGW Development	30,881	$3.0M / $97
8111 Cheviot Road	West	Meierjohan Building Group / William & Barbara Schwenning Tr.	19,149	$2.2M / $115

OFFICE SUBMARKETS



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