

FIGURES | CINCINNATI OFFICE | Q2 2026

CBD Drives Demand Amidst Leasing Momentum

▲ 20.8%

Vacancy Rate

▼ (87,971)

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$20.78

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

The Cincinnati office market reported 88,000 sq. ft. of negative net absorption in the second quarter, following the direct listing of Anthem Blue Cross Blue Shield’s 224,000 sq. ft. space in the Fields Ertel / Mason submarket.

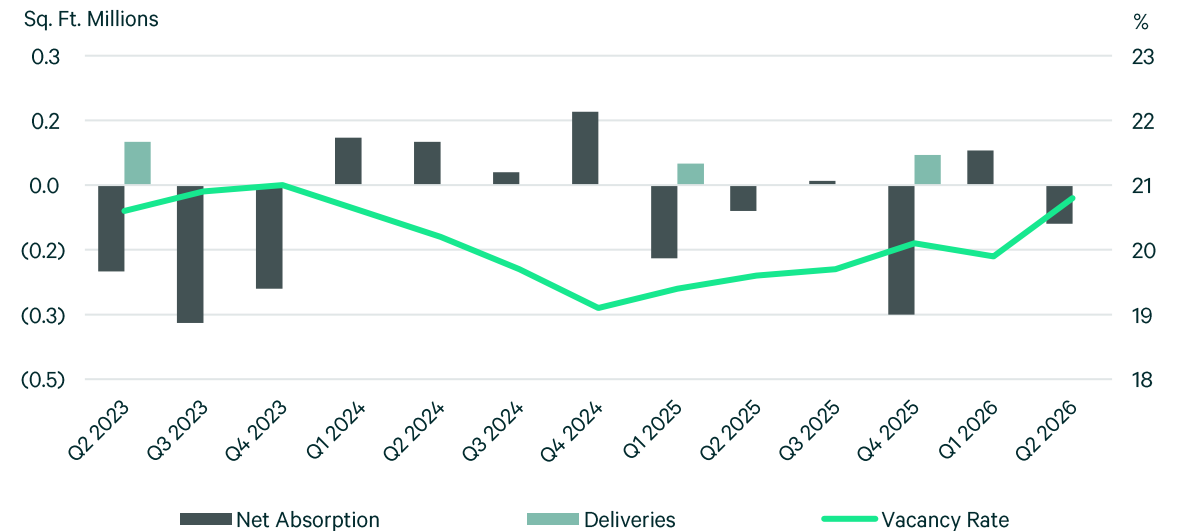
Despite negative market activity, the CBD submarket picked up momentum, recording 78,000 sq. ft. of positive net absorption and 106,000 sq. ft. of Class A leasing volume driven by a 58,000 sq. ft. new lease at Columbia Plaza and Divisions’ 19,000 sq. ft. new lease at Huntington Center.

The Prime subset continued to outperform all other assets, leading the market with a net absorption of positive 65,000 sq. ft. and a vacancy of 11.9%.

Vacancy across the market recorded an uptick to 20.8%, up 86 basis-points (bps) quarter-over-quarter.

As office construction remains at a halt and occupiers continue to seek high-quality spaces, it is expected that any future projects keep capital focused on repositioning existing assets rather than new ground-up construction.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, vacancy rates vary by property class, with overall vacancy at 21.6% for Class A, 20.0% for Class B, and 14.9% for Class C. On a quarter-over-quarter basis, vacancy rose by 130 bps in Class A, edged down 10 bps in Class B, and increased 40 bps in Class C. Year-over-year, Class A vacancy is up 250 bps, while Class B and Class C are down 70 bps and 480 bps, respectively. Over the last three years, since Q2 2023, vacancy has climbed 100 bps in Class A but declined 140 bps in Class B and 30 bps in Class C.

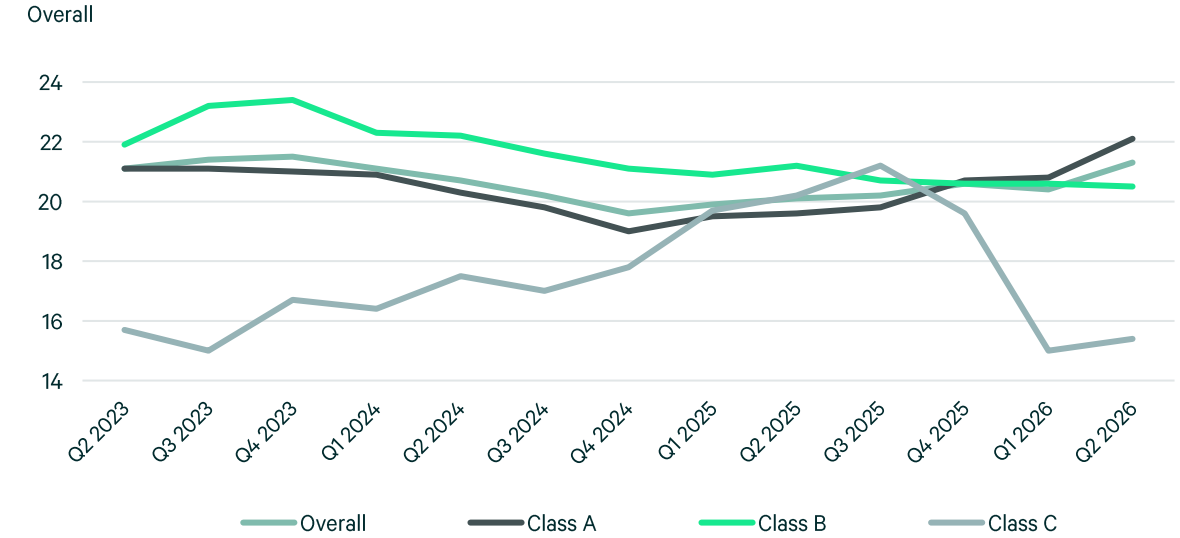
By submarket, West Chester posts the lowest overall vacancy at 7.2%, with 109,000 sq. ft. of direct vacancy. Central and Kenwood Submarket share the next lowest rate at 11.6%, with 295,000 sq. ft. and 171,000 sq. ft. of direct vacancy, respectively. Tri-County records the highest vacancy at 34.8%, with 1.2 million sq. ft. of direct vacant space, well above CBD at 24.1% and 2.4 million sq. ft.

Asking Rent

In Q2 2026, the overall market posted an average asking rent of \$20.78 per sq. ft., with Class A space at \$23.05 per sq. ft. Compared with Q1 2026, overall rents were essentially unchanged, edging down by \$0.01, while Class A increased by \$0.08; versus Q2 2025, the overall average rose by \$0.17 (about 0.8%) and Class A by \$0.09 (about 0.4%). From Q2 2023 to Q2 2026, the overall average moved from \$20.53 to \$20.78 and Class A from \$23.03 to \$23.05, with Class A consistently maintaining a premium of roughly \$2.20 to \$2.60 per sq. ft. over the broader market.

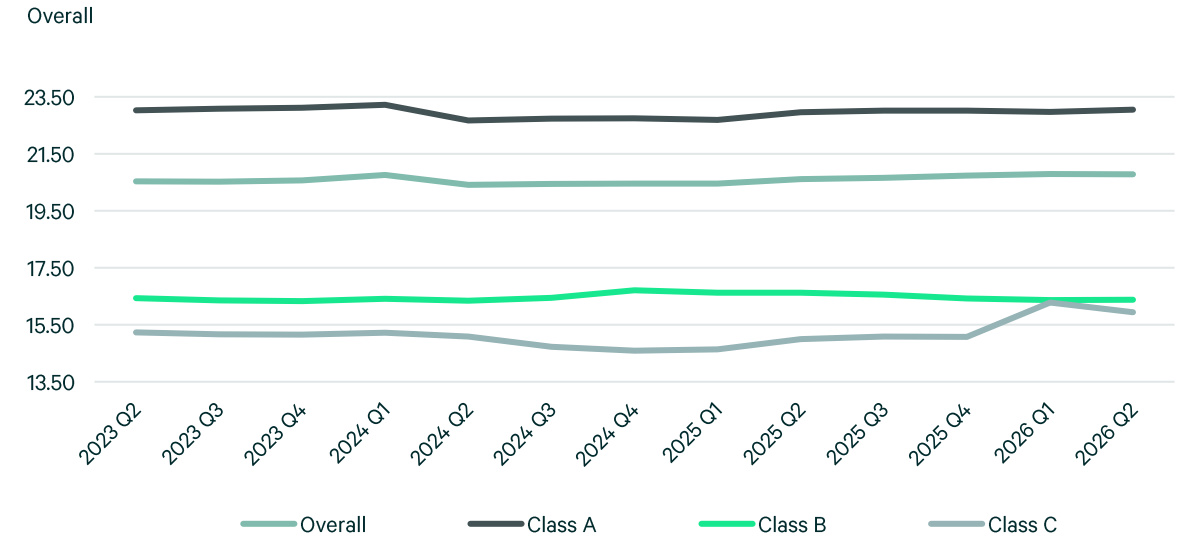
At the submarket level in Q2 2026, Kenwood Submarket and Central commanded the highest multi-class average asking rents at \$26.36 and \$20.93 per sq. ft., respectively, while East offered the lowest at \$14.99 per sq. ft. Northern Kentucky (\$20.36 per sq. ft.), West Chester (\$19.96 per sq. ft.), CBD (\$19.13 per sq. ft.), and Fields Ertel / Mason (\$19.08 per sq. ft.) clustered in the upper-teens to low-\$20.00 range, while Blue Ash (\$17.98 per sq. ft.), CBD Peripheral (\$17.47 per sq. ft.), and Tri-County (\$17.25 per sq. ft.) offered relatively lower-cost alternatives.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

In the second quarter of 2026 total office net absorption reached negative 88,000 sq. ft. across all property classes. Despite dipping into negative territory, this level remains well above the negative swings of 2025 where net absorption declined to negative 298,000 sq. ft. in Q4 and negative 168,000 sq. ft. in Q1. During Q2 2026, Class A contributed negative 58,000 sq. ft., Class B negative 12,000 sq. ft., and Class C negative 18,000 sq. ft.

At the submarket level, CBD posted the highest positive net absorption at 78,000 sq. ft., with Blue Ash following at 67,000 sq. ft. in Q2 2026. The Northern Kentucky, Central and Tri-County submarkets also recorded positive net absorption in the second quarter at 14,000 sq. ft., 6,000 sq. ft. and 4,000 sq. ft., respectively. Conversely, the Fields Ertel / Mason submarket recorded the most negative net absorption at negative 212,000 sq. ft., following the direct listing of Anthem Blue Cross Blue Shield’s 224,000 sq. ft. space in the Fields Ertel / Mason submarket

Construction Activity

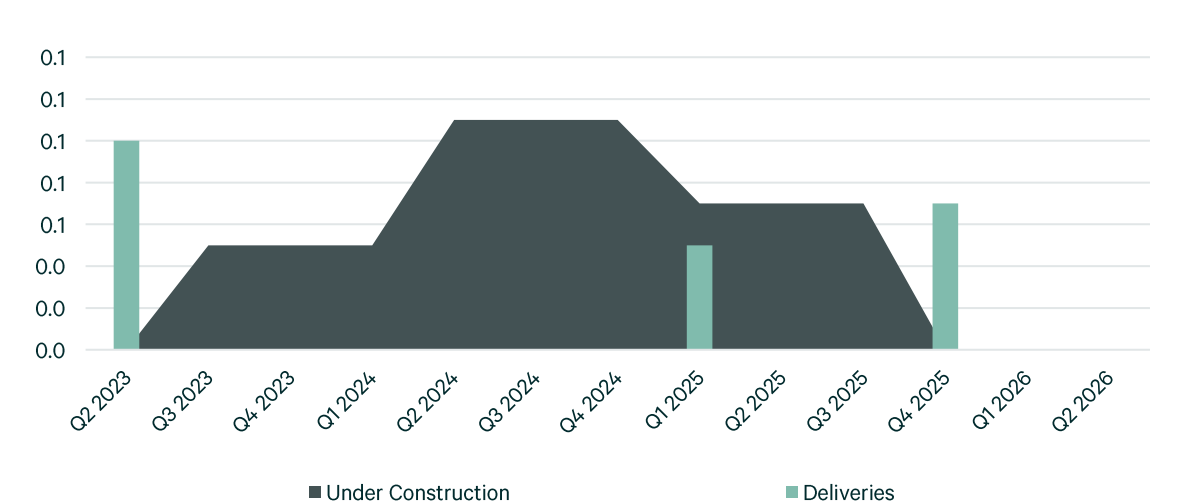
There was no construction activity this quarter, with no space under construction or delivered in Q2 2026. This is unchanged quarter-over-quarter from Q1 2026, while under construction volume is down 100.0% year-over-year from 65,000 sq. ft. in Q2 2025 to zero, and deliveries remained at zero in both periods. Over the last three years, 214,000 sq. ft. was delivered, with the pipeline peaking at 110,000 sq. ft. under construction between Q2 2024 and Q4 2024 before tapering off by the end of 2025.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity
Sq. Ft. Millions



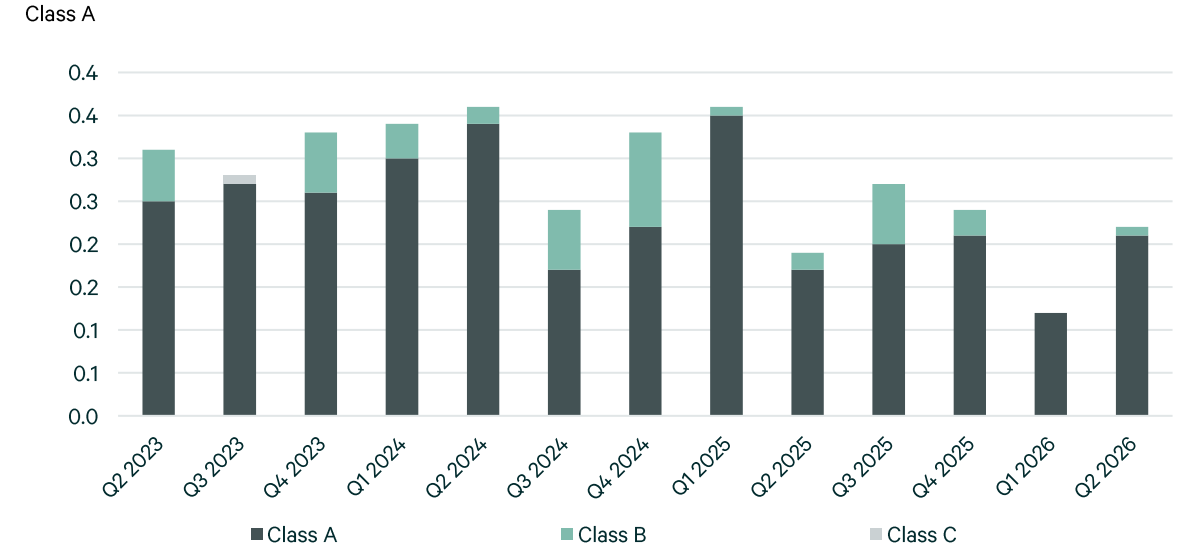
Source: CBRE Research, Q2 2026

Leasing Activity

Total leasing activity reached 218,000 sq. ft. in Q2 2026, with 851,000 sq ft. of deals completed over the last four quarters. This latest quarter represented a 78.7% increase in leasing volume quarter-over-quarter from 122,000 sq. ft. in Q1 2026 and a 12.9% gain year-over-year compared with 193,000 sq. ft. in Q2 2025. Activity was heavily concentrated in Class A product, which captured 95.0% of Q2 2026 leasing at 207,000 sq. ft., with Class B space accounting for the remaining 11,000 sq. ft.

In terms of submarkets, the CBD posted the highest Q2 2026 leasing with 106,000 sq. ft. of Class A space, closely followed by Blue Ash with 101,000 sq. ft. of Class A space. Northern Kentucky recorded 11,000 sq. ft. of Class B leasing activity, highlighting the widespread in leasing volumes across the market.

Figure 6: Leasing Activity Trend (Total Activity over 10,000 sq. ft.)



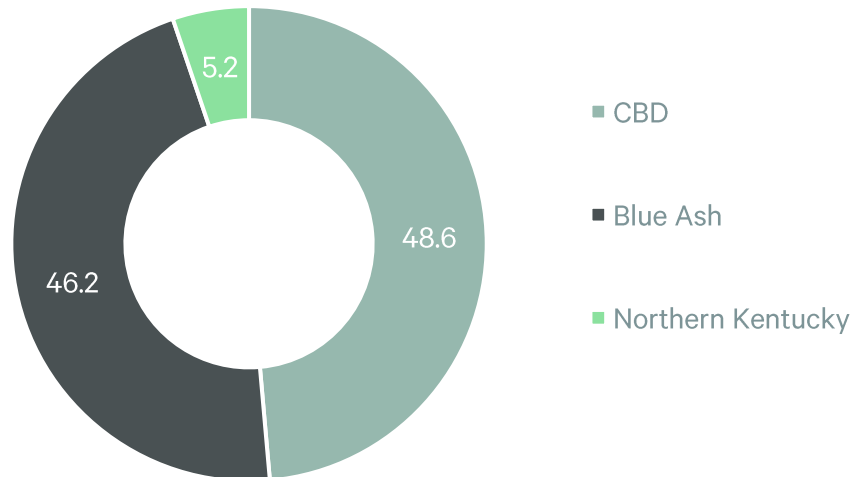
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	75,000	New Lease	1 Financial Way	Blue Ash
Confidential Tenant	58,000	New Lease	250 E 5th St	CBD
Divisions	19,000	New Lease	525 Vine St	CBD
Saatchi & Saatchi X	15,000	Renewal	235 W 12th St	CBD
SageSure	14,000	Renewal	5151 Pfeiffer Rd	Blue Ash
Axis Communications	14,000	Renewal	312 Walnut St	CBD
Confidential Tenant	12,000	New Lease	12500 Reed Hartman Hwy	Blue Ash
Walsh Kokosing	11,000	New Lease	1881 Dixie Hwy	Northern Kentucky

Source: CBRE Research, Q2 2026

Figure 7: Leasing by Submarket (% of Total Activity over 10,000 sq. ft.)



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	22.36M	21.6	27.0	24.9	2.1	23.05	(58,000)	(22,000)	-	-
Class B	10.77M	20.0	22.5	21.8	0.7	16.38	(12,000)	(16,000)	-	-
Class C	1.70M	14.9	16.6	16.6	-	15.94	(18,000)	32,000	-	-
Total	34.83M	20.8	25.1	23.5	1.6	20.78	(88,000)	(7,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	14.89M	19.6	25.3	23.9	1.5	22.72	(153,000)	(119,000)	-	-
Class B	8.59M	20.3	23.0	22.2	0.8	15.57	(7,000)	(14,000)	-	-
Class C	1.44M	13.9	15.3	15.3	-	16.45	(7,000)	43,000	-	-
Total	24.92M	19.5	24.0	22.8	1.2	19.81	(166,000)	(90,000)	-	-

Source: CBRE Research, Q2 2026

Figure 11: Downtown Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	7.47M	25.7	30.4	26.9	3.4	23.52	95,000	97,000	-	-
Class B	2.18M	19.1	20.4	20.1	0.3	19.65	(5,000)	(2,000)	-	-
Class C	265,000	20.0	23.6	23.6	-	14.23	(11,000)	(11,000)	-	-
Total	9.92M	24.1	28.0	25.4	2.6	22.62	78,000	84,000	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Blue Ash	4.66M	15.8	19.7	18.9	0.8	20.69	24.31	67,000	112,000	-	-
CBD	9.92M	24.1	28.0	25.4	2.6	22.62	23.52	78,000	84,000	-	-
CBD Peripheral	1.80M	22.5	25.1	25.1	-	21.71	23.96	(13,000)	(20,000)	-	-
Central	2.55M	11.6	14.8	14.8	0.0	22.43	25.29	6,000	19,000	-	-
East	1.38M	18.6	23.1	20.7	2.4	15.41	17.16	(27,000)	(29,000)	-	-
Fields Ertel / Mason	3.63M	23.6	34.5	31.7	2.8	19.77	23.02	(212,000)	(237,000)	-	-
Kenwood Submarket	1.49M	11.6	13.3	12.3	1.0	27.84	31.45	(1,000)	53,000	-	-
Northern Kentucky	4.35M	18.0	21.4	20.8	0.6	20.79	21.06	14,000	41,000	-	-
Tri-County	3.55M	34.8	38.0	36.8	1.2	16.66	20.64	4,000	(15,000)	-	-
West Chester	1.52M	7.2	11.1	8.9	2.2	23.63	24.26	(5,000)	(14,000)	-	-
Total	34.83M	20.8	25.1	23.5	1.6	20.78	23.05	(88,000)	(7,000)	-	-

Source: CBRE Research, Q2 2026

Economic Overview

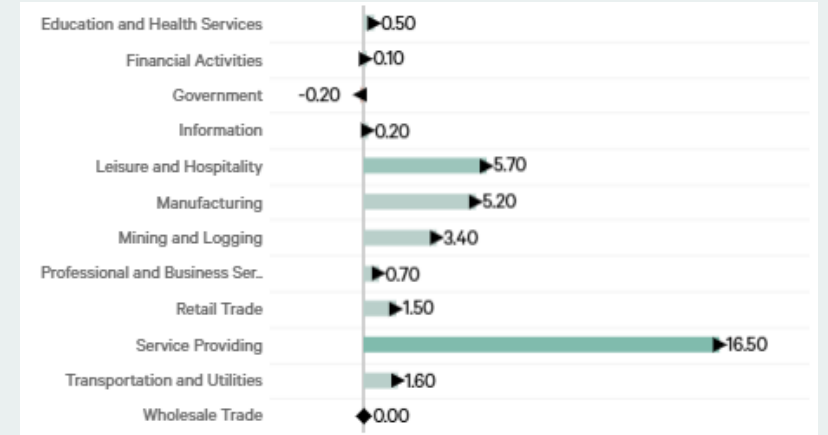
The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Cincinnati, OH Employment Update

- ▼ 3.1% Unemployment Rate
- ▶ 1.2M Labor Force
- ▲ 271.9K Office Using Jobs
- ▲ 347.8K Industrial Using Jobs
- ▲ 162.5K Retail Using Jobs

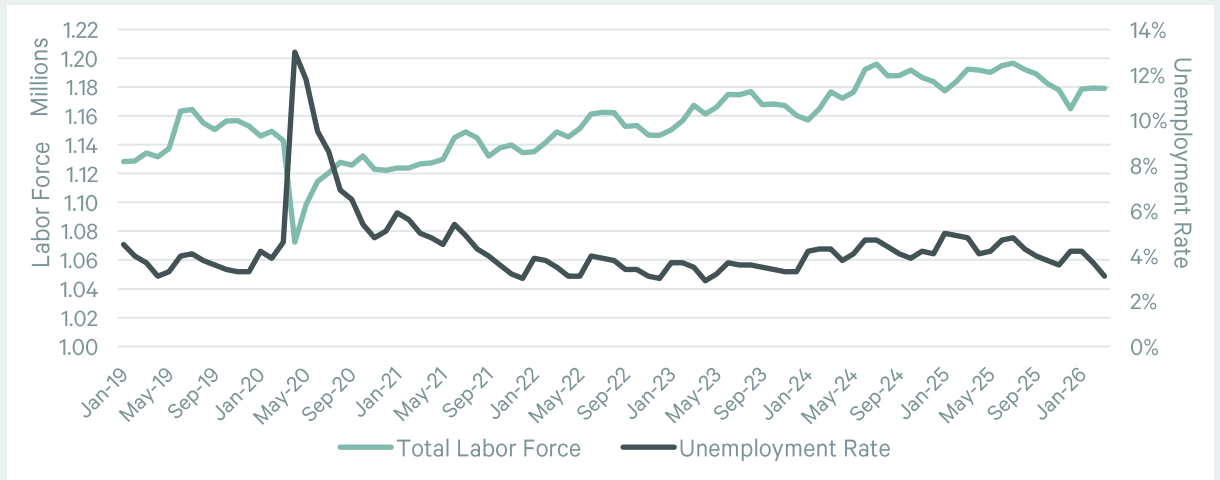
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, April 2026

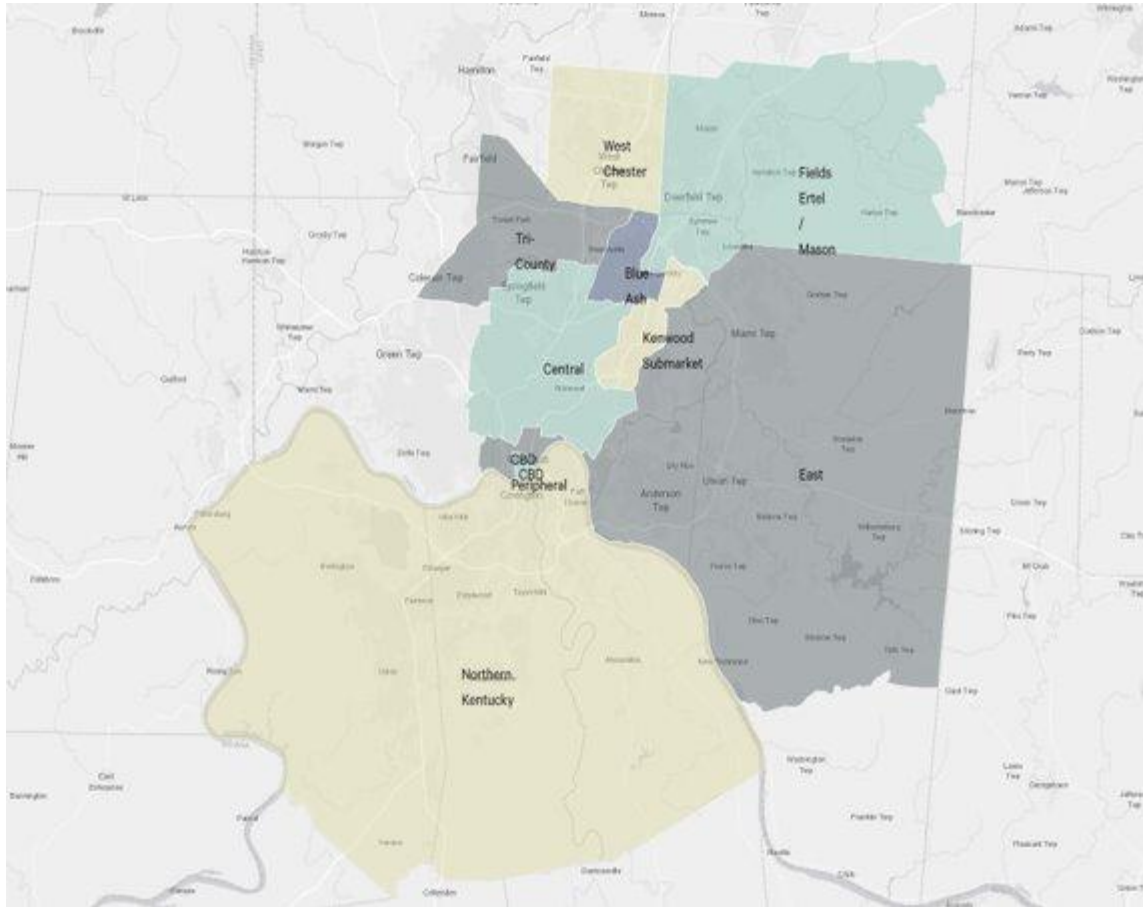
Note: Arrows indicate month-over-month change.

Cincinnati, OH Unemployment Rate and Labor Force Trends



Source: US BLS, April 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all office buildings 10,000 sq. ft. and greater in size in Greater Cincinnati. Buildings which have begun construction as evidenced by site excavation or foundation work.

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