

FIGURES | CINCINNATI INDUSTRIAL | Q1 2026

Sizeable Activity Drives Positive Absorption To Start The Year

▼ 5.1%

Vacancy Rate

▲ 2.8M

SF Net Absorption

▲ 926,500

SF Construction Delivered

▼ 852,197

SF Under Construction

▼ \$6.13

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

The Cincinnati industrial market posted 2.8 million sq. ft. of positive net absorption to start the year, nearly triple the 2025 YTD net absorption.

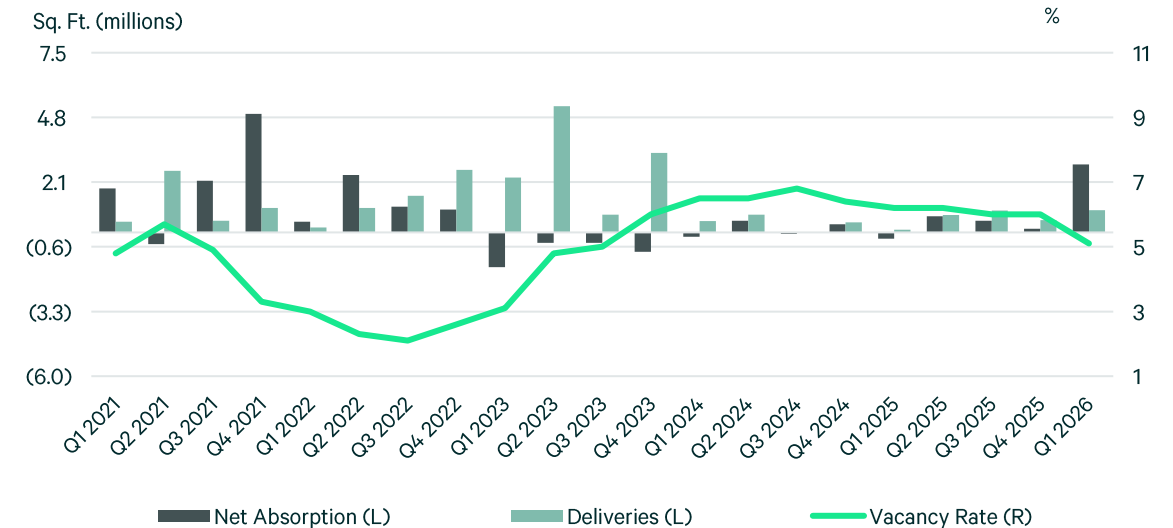
Following 1.5 million sq. ft. in user sales, including Walmart’s 1.2 million sq. ft. purchase of 760 Encore Drive, the Northeast submarket shifts to hold the lowest vacancy rate at 1.5%, down 266 bps quarter-over-quarter.

Overall sale volume has more than doubled quarter-over-quarter to 2.0 million sq. ft., bringing total transaction volume to 5.6 million sq. ft.

The market recorded 926,500 sq. ft. of construction deliveries in the first quarter, up 81.1% quarter-over-quarter, led by the completion of Hit Promotional Product’s 800,000 sq. ft. build-to-suit at 7995 Seward Road in the Northwest submarket.

Two new projects broke ground this quarter totaling 114,452 sq. ft., including Group Sale’s 71,840 sq. ft. addition at 412 South Cooper Avenue in the Northwest submarket and Rumpke’s 42,612 sq. ft. build-to-suit at Champions Way in the Central submarket.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy Rate

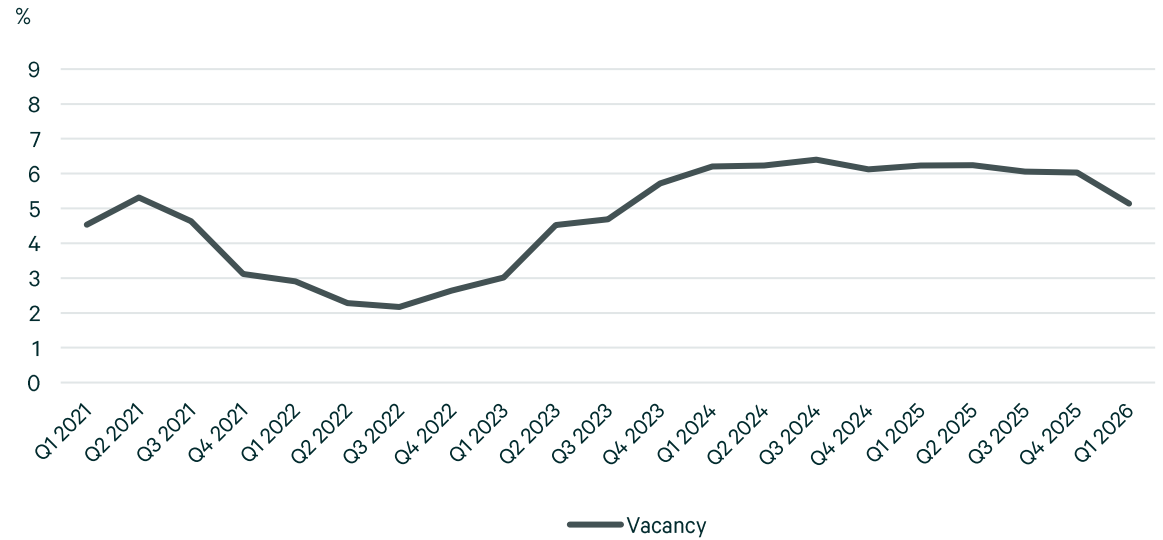
The market vacancy rate finished Q1 2026 at 5.1%, a 90 bps decrease quarter-over-quarter and a 109 bps decrease year-over-year. Following 1.5 million sq. ft. in user sales, the Northeast submarket shifts to hold the lowest vacancy rate at 1.5%, down 266 bps quarter-over-quarter. Supply in the Central and Northwest submarkets remain tightened at 3.4% and 4.0% respectively, while Northern Kentucky submarket continues to hold the highest vacancy rate at 10.4%.

Asking Rent

The overall market average asking rent was \$6.13 per sq. ft. per year in Q1 2026. This represented a 1.1% decline quarter-over-quarter and a 1.1% decrease year-over-year.

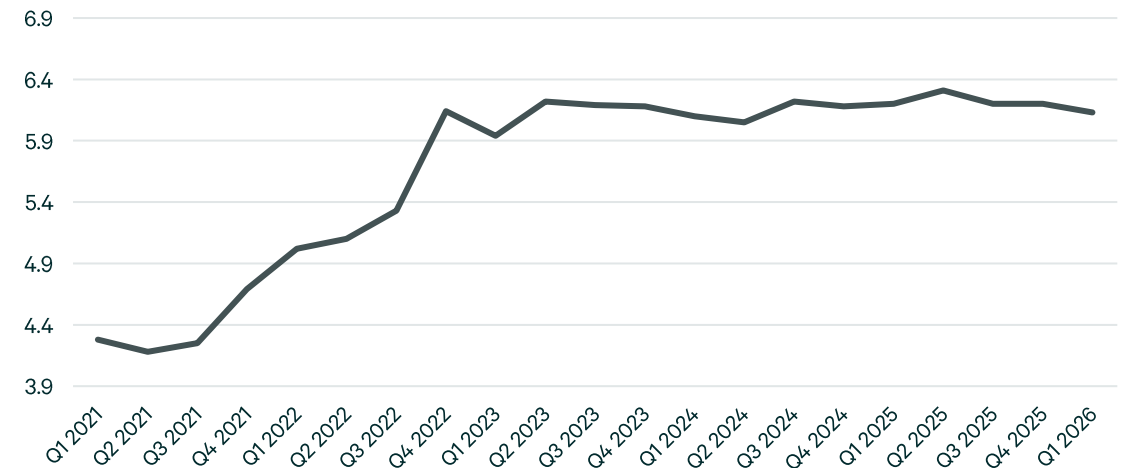
At the submarket level, Northwest recorded the highest average asking lease rate in Q1 2026 at \$6.33 per sq. ft., followed by Northeast at \$6.19 per sq. ft. Northern Kentucky and Central also posted positive average asking rents at \$6.09 and \$6.00 per sq. ft., respectively, resulting in a \$0.33 per sq. ft. spread between the highest and lowest submarkets.

Figure 2: Vacancy Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate \$ / SF



Source: CBRE Research, Q1 2026

Net Absorption

The Cincinnati industrial market posted 2.8 million sq. ft. of positive net absorption to start the year, nearly triple the 2025 YTD net absorption of 1.0 million sq. ft. This surge in activity elevated the rolling four-quarter average to 1.0 million sq. ft., up 771,484 sq. ft. from Q4 2025.

All four tracked submarkets posted positive net absorption in Q1 2026, with the Northeast registering the highest positive absorption at 1.6 million sq. ft. Walmart’s 1.2 million sq. ft. purchase of 760 Encore Drive in Turtlecreek Township, drove much of this activity. Dainty Foods purchased the 253,566 sq. ft. building located at 4225 Curliss Lane in Batavia. The Northwest, Central, and Northern Kentucky submarkets also recorded strong positive activity with 907,000 sq. ft., 323,000 sq. ft., and 38,000 sq. ft., respectively.

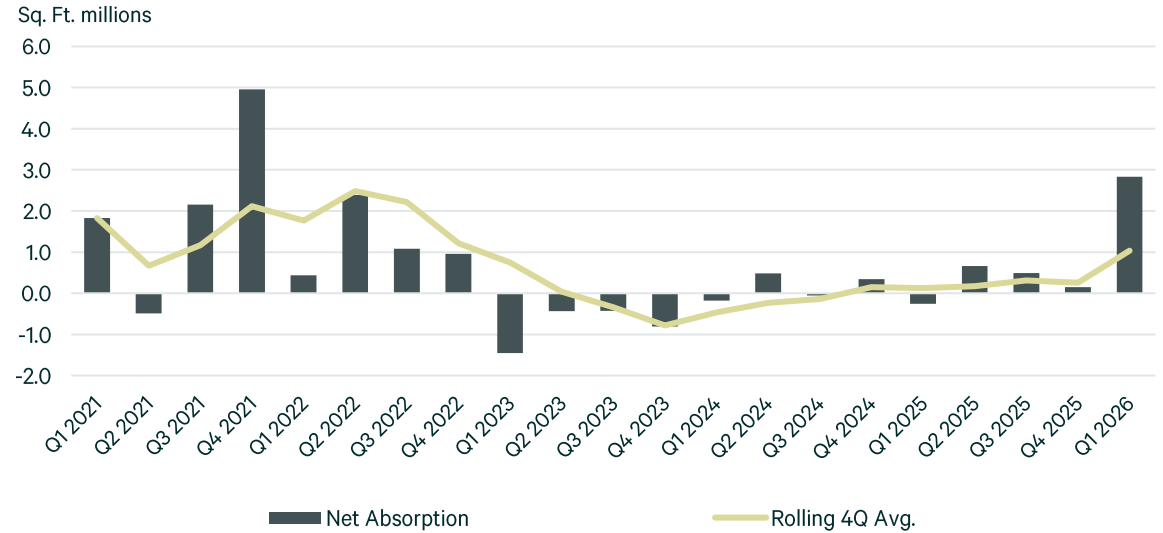
Other deals that contributed to positive net absorption include FCH/Steel & O’Brian’s 178,743 sq. ft. new lease at 9701 Windisch Road and CHEP’s 177,088 sq. ft. new lease at 630 Commerce Center Drive. OSH Cut leased 69,656 sq. ft. at the newly constructed 2424 Airwest Boulevard. in Burlington.

Construction Activity

In Q1 2026, the market recorded 926,500 sq. ft. of construction deliveries. Compared with Q4 2025, deliveries increased 81.1%, led by the completion of Hit Promotional Product’s 800,000 sq. ft. build-to-suit at 7995 Seward Road in the Northwest submarket. Other notable completions included, KOI Superior Walls 44,000 sq. ft. build-to-suit at 5468 Limaburg Road in the Northern Kentucky submarket and Core & Main’s 30,000 build-to-suit at 9411 Seward Rd in the Northwest submarket.

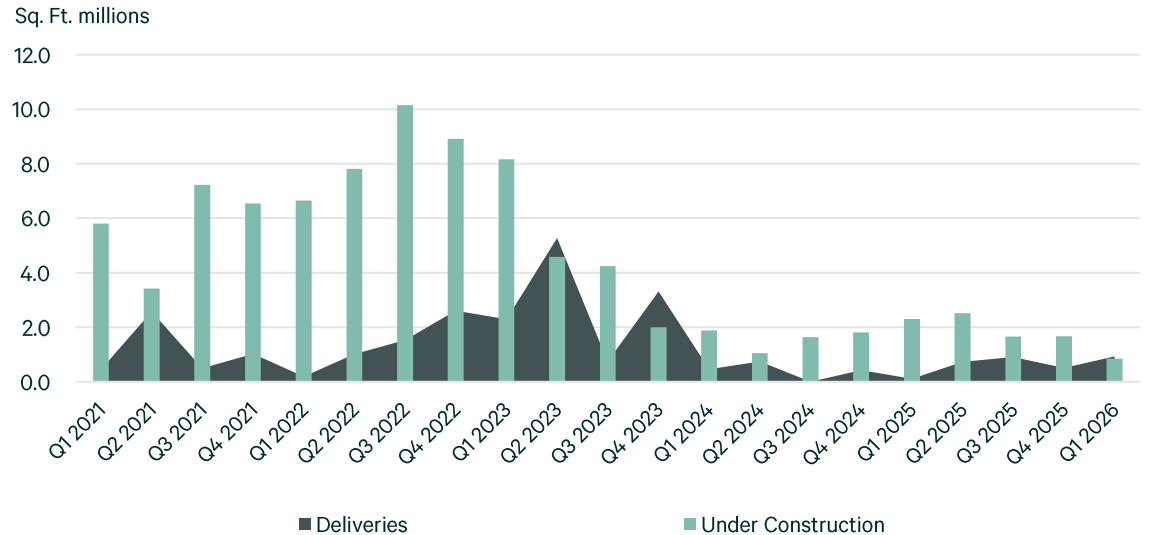
Across the market there were 852,197 sq. ft. under construction, all of which was 100% pre-leased. The Northern Kentucky submarket accounted for the highest under-construction volume at 421,604 sq. ft., followed by the Northeast submarket at 203,500 sq. ft., the Northwest submarket at 184,481 sq. ft., and the Central submarket at 42,612 sq. ft. During the first quarter, the largest project in the pipeline was Lakeland Logistics Center Building C in Northern Kentucky, a 247,000 sq. ft. Warehouse/Storage facility scheduled to deliver later this year. Two new projects broke ground this quarter totaling 114,452 sq. ft., including Group Sale’s 71,840 sq. ft. addition at 412 South Cooper Avenue in the Northwest submarket and Rumpke’s 42,612 sq. ft. build-to-suit at Champions Way in the Central submarket.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



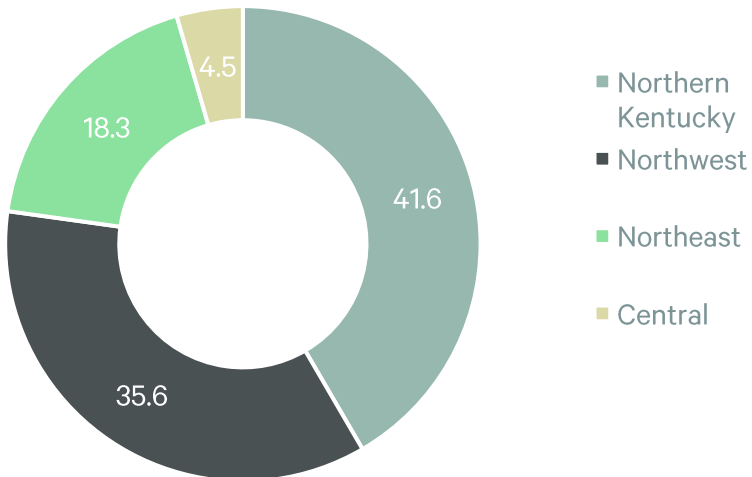
Source: CBRE Research, Q1 2026

Transaction Activity

At the close of Q1 2026, transaction volume among leases 10,000 sq. ft. and up totaled 3.6 million sq. ft., down 31.3% quarter-over-quarter. On a year-over-year basis, volume declined 8.5%, giving back a portion of the strong expansion recorded through 2025. Despite the slight decline in leasing activity, sale volume has more than doubled quarter-over-quarter to 2.0 million sq. ft. Activity consisted primarily of user sales, including the largest deal of the quarter for 1.2 million sq. ft. at 760 Encore Drive in the Northwest submarket.

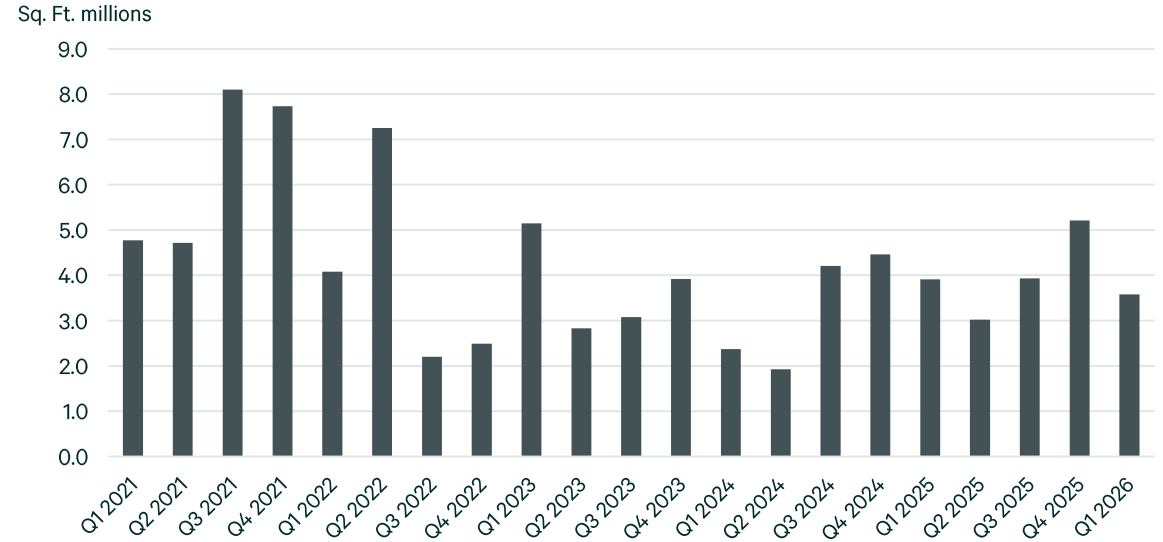
By submarket, Northern Kentucky recorded the highest leased area at 1.5 million sq. ft., driven by DecoMarche’s 328,046 sq. ft. new lease at 13015 Dixie Highway and Barkbox’s 316,800 sq. ft. renewal at 2350-2360 Progress Drive. The Northwest, Northeast, and Central submarkets also contributed notable activity at 1.3 million sq. ft., 654,000 sq. ft. and 162,000 sq. ft., respectively.

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity Trend – Leases 10,000 sq. ft. and up



Source: CBRE Research, Q1 2026

Figure 8: Key Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Walmart	1,183,475	User Sale	760 Encore Dr	Northwest
Exel Logistics	357,000	Renewal	Yankee Rd	Northwest
Deco Marche	328,046	New Lease	13015 Dixie Hwy	Northern Kentucky
Barkbox	316,800	Renewal	2350-2360 Progress Dr	Northern Kentucky
Odyssey Acquisitions	257,810	Investor Sale	119 Northeast Dr	Northwest
Dainty Foods	253,566	User Sale	4225 Curliss Ln	Central
PAC Worldwide	195,000	Renewal	575-599 Gateway Blvd	Northeast
Steel & O'Brien Manufacturing	179,000	New Lease	9701 Windisch Rd	Northeast

Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	67.10	4.5	5.3	5.1	0.3	6.64	(0.14)	(0.14)	127,000	402,000
100,000-199,999 sq. ft.	58.81	4.5	7.0	6.2	0.8	6.18	0.37	0.37	-	204,000
200,000-299,999 sq. ft.	39.22	5.8	7.8	7.0	0.7	6.15	0.53	0.53	-	247,000
300,000-499,999 sq. ft.	44.36	3.5	6.2	5.3	0.9	6.14	(0.24)	(0.24)	-	-
500,000-749,999 sq. ft.	37.58	9.4	8.5	7.1	1.4	5.84	0.33	0.33	-	-
750,000 sq. ft.	44.92	4.5	9.3	8.9	0.5	5.92	1.98	1.98	800,000	-
Total	292.00	5.1	7.2	6.4	0.7	6.13	2.83	2.83	927,000	852,000

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Deliveries (SF)	Current Quarter Net Absorption (MSF)	Under Construction (SF)
Distribution/Logistics	206.60	5.7	8.0	7.4	0.6	6.22	1.16	844,000	1.16	620,000
Manufacturing - General	75.60	3.7	4.7	3.9	0.8	5.68	0.31	30,000	0.31	-
R&D/Flex	2.64	3.1	7.4	6.6	0.8	8.69	0.02	-	0.02	104,000
Other Industrial	7.16	6.2	8.7	6.4	2.3	6.01	1.33	53,000	1.33	129,000
Total	292.00	5.1	7.2	6.4	0.7	6.13	2.83	927,000	2.83	852,000

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Deliveries (SF)	Current Quarter Net Absorption (MSF)	Under Construction (SF)
Central	63.54	3.4	3.9	3.5	0.4	6.00	0.32	-	0.32	43,000
Northeast	61.60	1.5	3.1	2.7	0.4	6.19	1.56	53,000	1.56	204,000
Northern Kentucky	82.51	10.4	12.6	11.6	1.0	6.09	0.04	44,000	0.04	422,000
Northwest	84.35	4.0	7.3	6.4	0.9	6.33	0.91	830,000	0.91	184,000
Total	292.00	5.1	7.2	6.4	0.7	6.13	2.83	927,000	2.83	852,000

Source: CBRE Research, Q1 2026

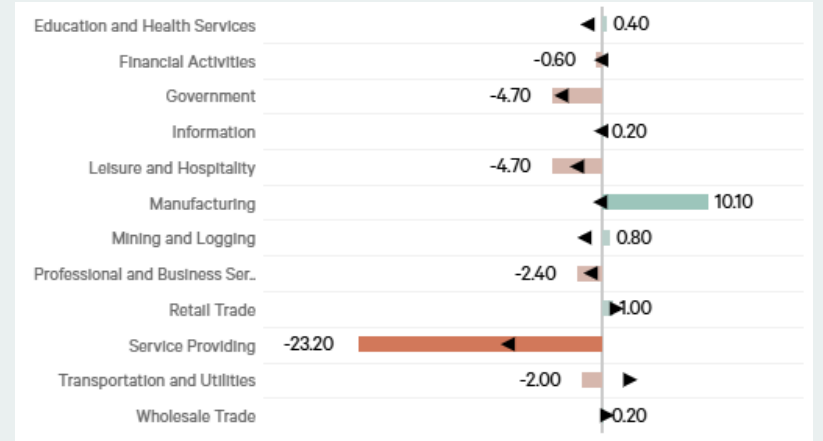
Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

Cincinnati, OH Employment Update

- ▼ 3.6% Unemployment Rate
- ▼ 1.2M Labor Force
- ▼ 269.6K Office Using Jobs
- ▲ 353.6K Industrial Using Jobs
- ▲ 165.3K Retail Using Jobs

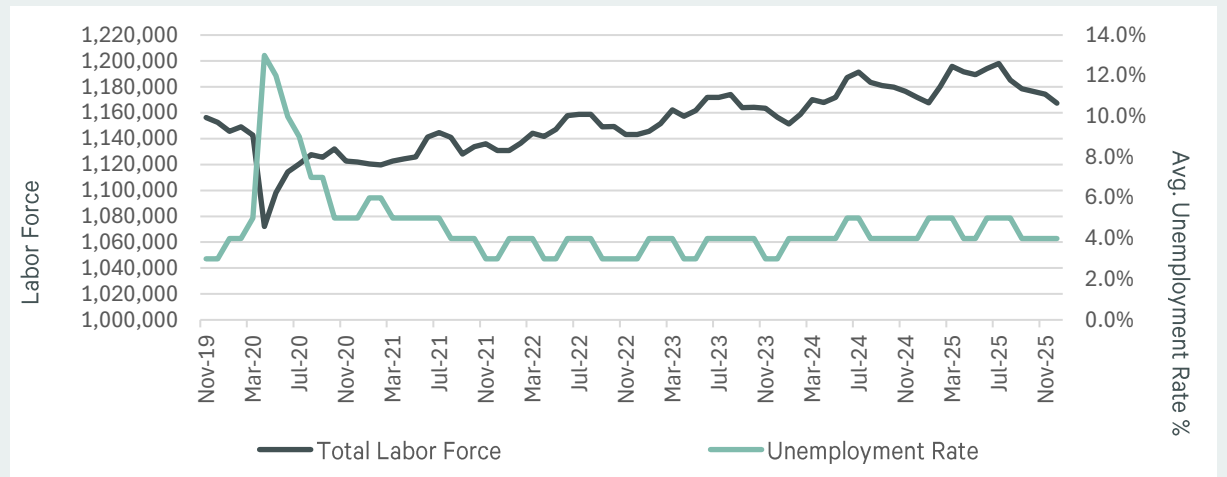
Employment Change by Sector – Yearly + Monthly
 Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, December 2025

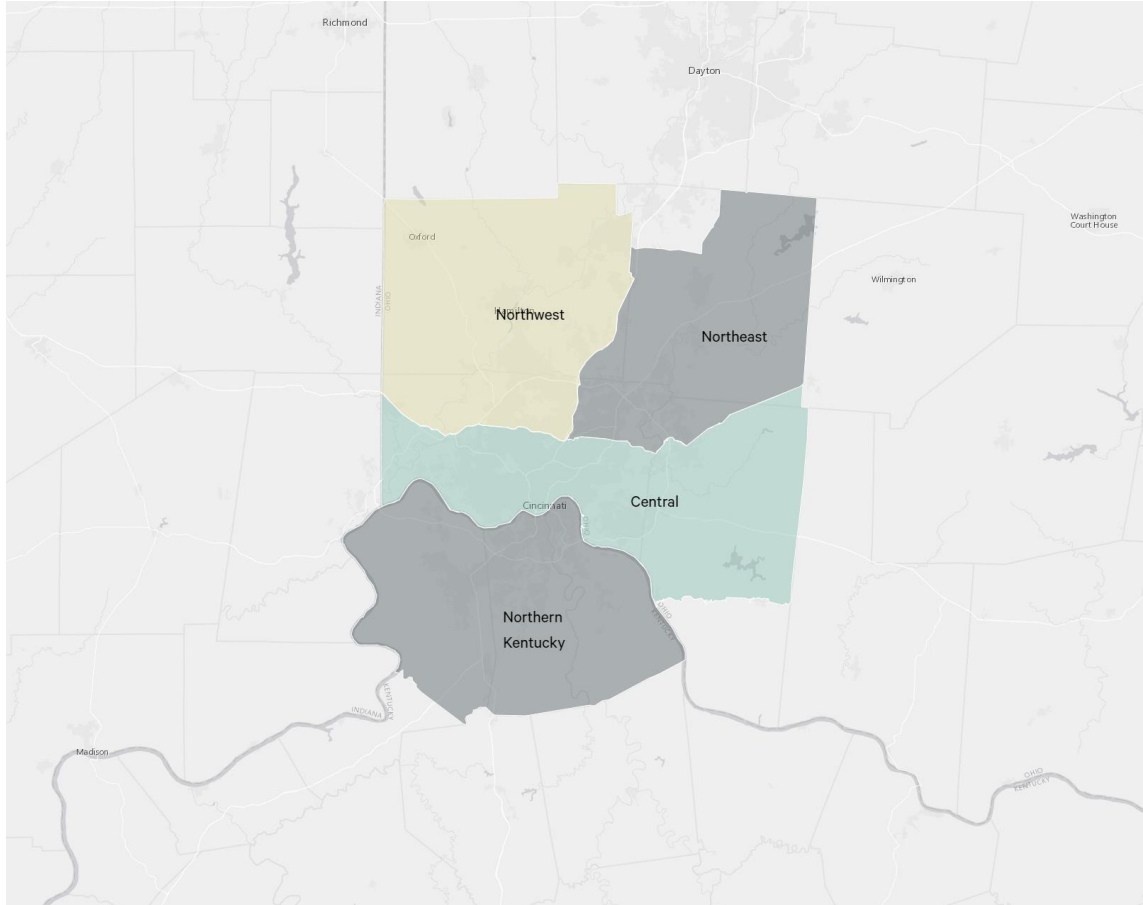
Note: Arrows indicate month-over-month change.

Cincinnati, OH Unemployment Rate and Labor Force Trends



Source: US BLS, December 2025

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 Available 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.

Survey Criteria

Includes all industrial; buildings 30,000 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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