Northern Kentucky Drives Positive Absorption with Sizeable New Deals

▶ 5.8%	▼ 143,124	▼ 511,539	▲ 1.7M	▶ $6.20
Vacancy Rate	SF Net Absorption	SF Construction Delivered	SF Under Construction	NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

Total leasing volume (including renewals) hit 4.3 million square feet (sq. ft.) during the fourth quarter, led by Stord Fulfillment signing two leases over 500,000 sq. ft. in the Northern Kentucky submarket with Link Industrial.

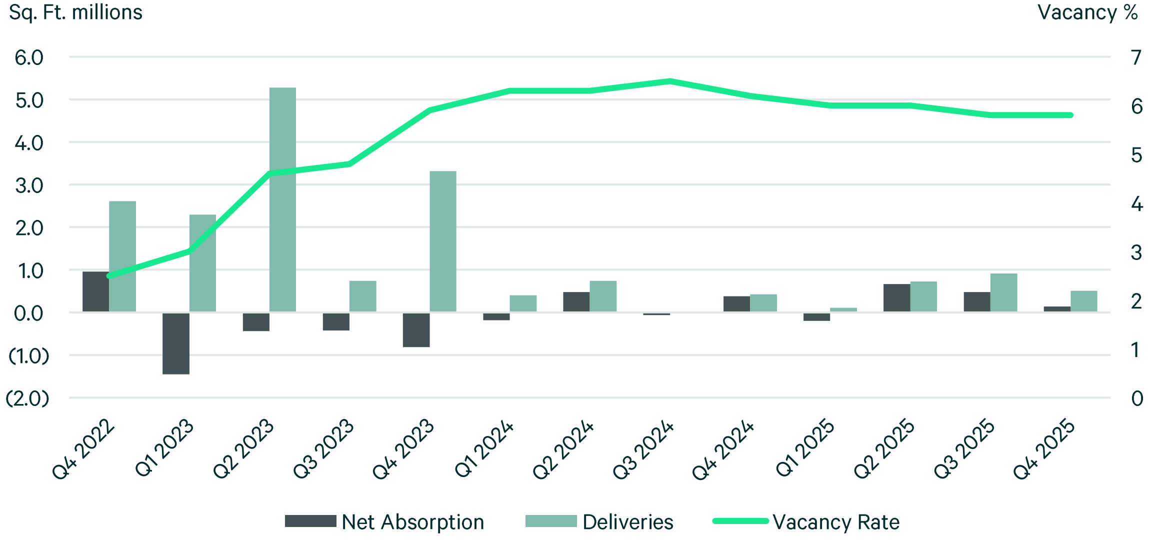
The Cincinnati industrial market posted 143,124 sq. ft. of positive absorption in the fourth quarter, ending 2025 with a year-to-date absorption of positive 1.1 million sq. ft.

Northern Kentucky led the quarter with 2.4 million sq. ft. of total leasing volume and 705,985 sq. ft. positive absorption. The second largest new deal of the quarter was Crane Logistic’s 264,000 sq. ft. lease with LBA in Florence, KY.

511,539 sq. ft. of construction delivered this quarter, including Niagara Bottling's 438,800 sq. ft. build-to-suit at 1731 Garvey Ave in the Northern Kentucky submarket. Under construction activity has remained reduced at around 1.7 million sq. ft with the addition of five new projects this quarter.

The Cincinnati industrial average asking lease rate remained stable at $6.20 per sq. ft. in Q4, up $0.02 per sq. ft. year-over-year.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy

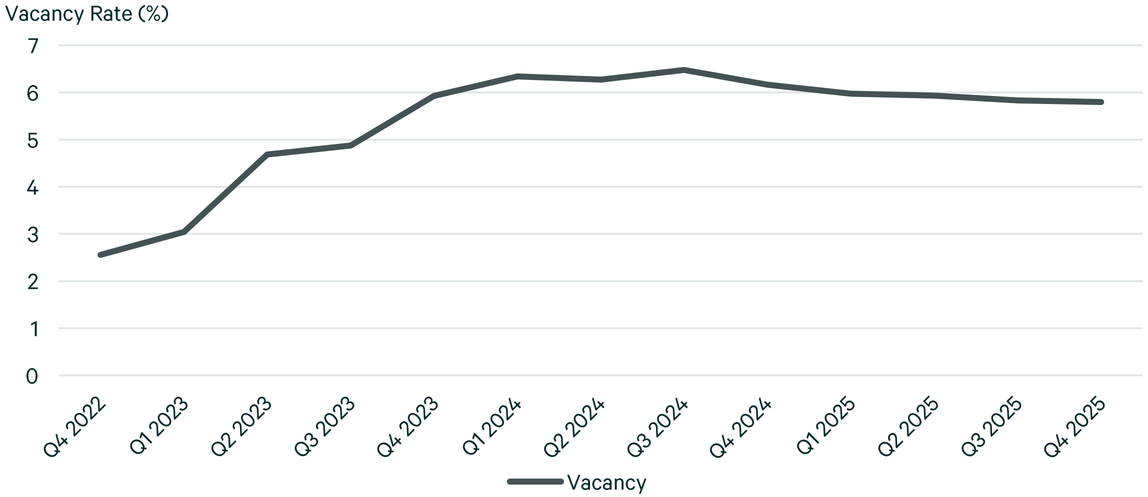


Source: CBRE Research, Q4 2025

Vacancy Rate

The Cincinnati industrial market's overall vacancy rate has floated at 5.8% for the second consecutive quarter, down 40 basis points (bps) year-over-year. Northern Cincinnati submarkets continue to grapple with tightening supply as they average a vacancy of 4%. The Central submarket recorded the lowest vacancy at 3.3%, followed by the Northeast at 4.1%, and the Northwest at 4.6%. Despite decreasing 20 bps quarter-over-quarter, the Northern Kentucky submarket continues to hold the highest vacancy at 10.4%

FIGURE 2: Vacancy Rates



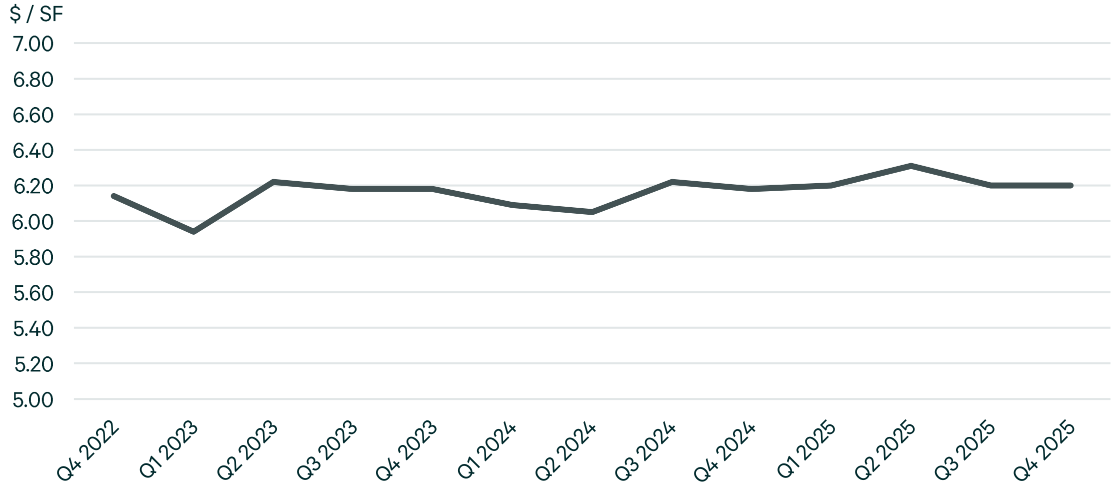
Source: CBRE Research, Q4 2025

Asking Rent

The Cincinnati industrial average asking lease rate remained stable at $6.20 per sq. ft. in Q4, up $0.02 per sq. ft. year-over-year. Office Warehouse held the highest rates at $7.51 per sq. ft. followed by Bulk at $6.21 per sq. ft. and Free Standing at $5.92 per sq. ft.

The Northeast submarket had the highest asking rate, elevating to $6.34 per sq. ft. from $6.23 per sq. ft. in the previous quarter. The Central and Northern Kentucky submarket also reported increases from the previous quarter, up $0.10 per sq. ft. and $0.02 per sq. ft. respectively.

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)

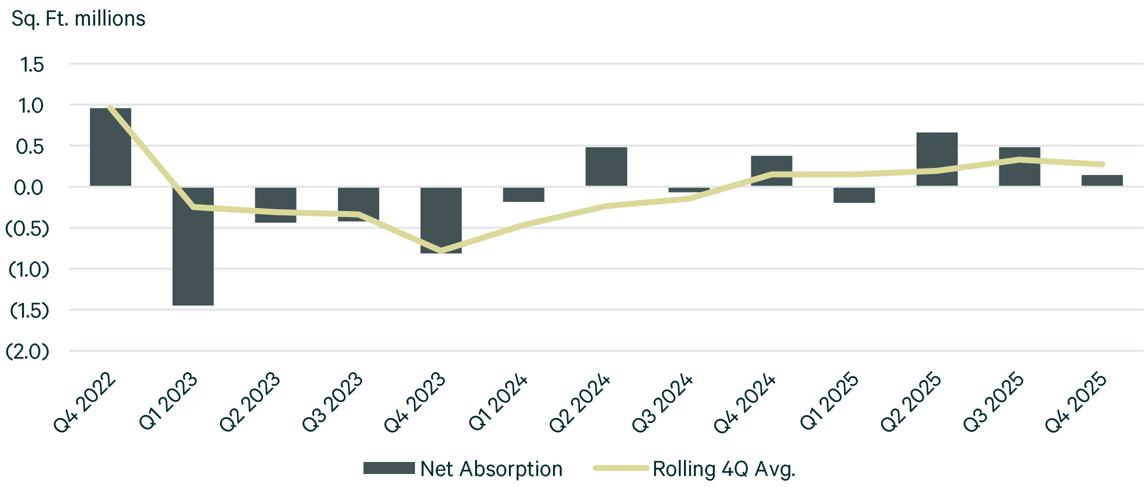


Source: CBRE Research, Q4 2025

Net Absorption

The Cincinnati industrial market posted 143,124 sq. ft. of positive absorption in the fourth quarter, ending 2025 with a year-to-date absorption of positive 1.1 million sq. ft. The Central submarket drove year-to-date activity with 1.2 million sq. ft. of positive absorption. In Q4 2025 Northern Kentucky had positive 705,985 sq. ft., up 15.8% year-over-year. Several sizeable deals drove this activity including Stord's new lease of 525,000 sq. ft. at 1405 Worldwide Boulevard and Crane's new lease of 264,000 sq. ft. at 5101 Renegade Way. Despite two sizeable new listings over 800,000 sq. ft. becoming available this quarter (1600 Donaldson Highway in Erlanger, KY – 898,560 Sq. Ft. and 3500 Salzman Road in Monroe, OH – 938,000 Sq. Ft.); absorption remained positive with over 2.3 million sq. ft. of space taken off the market.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

Construction Activity

There were two buildings delivered in Q4 totaling 511,539 sq. ft., up 20.9% year-over-year. Completed projects included Niagara Bottling's 438,800 sq. ft. build-to-suit at 1731 Garvey Ave in the Northern Kentucky submarket and Pacific Industries 72,739 sq. ft. addition at 550 Quality Boulevard in the Northwest submarket. Year-to-date, the Cincinnati industrial market has completed 14 projects contributing an additional 2.3 million sq. ft. into the inventory.

Under construction activity hovered around 1.7 million sq. ft. for the second consecutive quarter as a steady flow of new construction (additions and buil-to-suits) enters the pipeline. The Northern Kentucky submarket led new activity with sizeable build-to-suits including a 246,616 sq. ft. warehouse at 1685 Lakeland Park Drive and Dayton Freight Lines 86,000 sq. ft. distribution facility at Old Lexington Pike. Northern submarkets also broke ground on several projects including Givaudan Flavors' 100,000 sq. ft. build-to-suit at 2000 West Street in the Northeast submarket, Image Solutions' 50,000 sq. ft. Addition at 3750 Port Union Drive in the Northwest submarket, and Core & Main's 30,000 sq. ft. build-to-suit at 9411 Seward Road in the Northwest submarket.

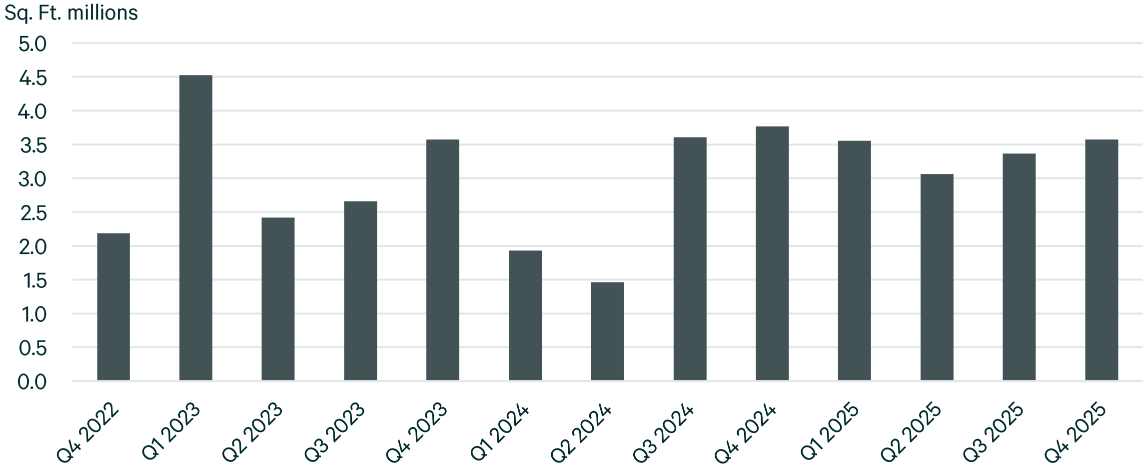
FIGURE 5: Construction Activity

Source: CBRE Research, Q4 2025

Leasing Activity

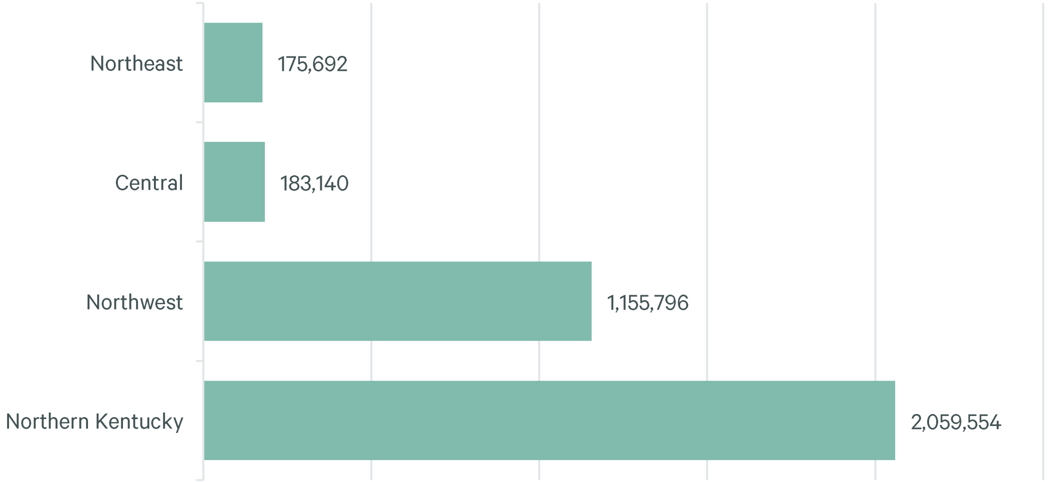
The Cincinnati Industrial market recorded 4.3 million sq. ft. of total transaction volume during the fourth quarter, up 13.2% quarter-over-quarter. 56.5% of activity occurred in the Northern Kentucky submarket, led by Stord Fulfillment with their 525,000 sq. ft new lease at 1405 Worldwide Boulevard and their 520,000 sq. ft. renewal at 1200 Worldwide Boulevard. The Northwest followed accounting for 30.2% of all sq. ft. leased, including Crescent Park Corp's renewal of 252,000 sq. ft. at 5232 Provident Drive, USPS' renewal of 230,160 sq. ft. at 12000 Northwest Boulevard, and Schneider Electric's new lease of 218,755 sq. ft. at 8200 Seward Road.

FIGURE 6: Leasing Activity Trend – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Stord Fulfillment	525,000	New Lease	1405 Worldwide Boulevard	Northern Kentucky
Stord Fulfillment	520,000	Renewal	1200 Worldwide Boulevard	Northern Kentucky
Crescent Park Corp.	252,000	Renewal	5232 Provident Drive	Northwest
Undisclosed	246,616	New Lease	1685 Lakeland Park Drive	Northern Kentucky
USPS	230,160	Renewal	12000 Northwest Boulevard	Northwest
Schneider Electric	218,755	New Lease	8200 Seward Road	Northwest
U.S. Autoforce	133,504	New Lease	3770 Symmes Road	Northwest
BR Printers	131,693	New Lease	1745 Arbor Tech Drive	Northern Kentucky
Patheon Pharmaceuticals	120,726	Renewal	4750 Lake Forest Drive	Northeast
Triseno	109,650	Renewal	7930 Kentucky Drive	Northern Kentucky

Source: CBRE Research, Q4 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	68,127,474	4.5	4.9	4.5	0.4	6.53	694,497	405,757	72,739	414,129
100,000-199,999 sq. ft.	60,405,169	5.2	7.2	6.7	0.6	6.29	(79,476)	(911,710)	0	203,500
200,000-299,999 sq. ft.	40,364,210	7.3	8.7	8.1	0.6	6.31	381,947	413,153	0	246,616
300,000-499,999 sq. ft.	45,013,741	3.6	5.4	4.8	0.6	6.08	265,136	1,559,969	438,800	0
500,000-749,999 sq. ft.	40,570,615	8.7	8.7	7.4	1.3	5.83	717,580	1,385,844	0	0
750,000 sq. ft.	47,297,589	6.8	11.4	10.9	0.4	6.15	(1,836,560)	(1,762,565)	0	800,000
Total	**301,778,798**	**5.8**	**7.5**	**6.9**	**0.6**	**6.20**	**143,124**	**1,090,448**	**511,539**	**1,664,245**

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	209,725,867	6.0	8.0	7.4	0.6	6.26	17,719	1,581,836	72,739	1,392,245
Manufacturing	82,454,202	3.7	4.5	3.9	0.6	5.64	68,351	(290,378)	438,800	30,000
R&D / Flex	2,640,241	3.2	7.5	7.5	0.0	8.96	(1,596)	(48,163)	0	103,500
Other Industrial	6,958,488	25.7	27.2	24.8	2.3	6.61	58,650	(152,847)	0	138,500
Total	**301,778,798**	**5.8**	**7.5**	**6.9**	**0.6**	**6.20**	**143,124**	**1,090,448**	**511,539**	**1,664,245**

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Central	70,876,302	3.3	3.8	3.5	0.4	6.23	352,111	1,204,821	0	0
Northeast	62,393,112	4.1	5.4	5.1	0.3	6.34	(44,301)	132,264	0	256,000
Northern Kentucky	83,394,662	10.4	12.4	11.4	1.0	6.15	705,985	666,158	438,800	465,604
Northwest	85,114,722	4.6	7.2	6.5	0.7	6.21	(870,671)	(912,795)	72,739	942,641
Total	301,778,798	5.8	7.5	6.9	0.6	6.2	143,124	1,090,448	511,539	1,664,245

Economic Overview

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

Cincinnati, OH Employment Update

4.1%
Unemployment Rate

1.2M
Labor Force

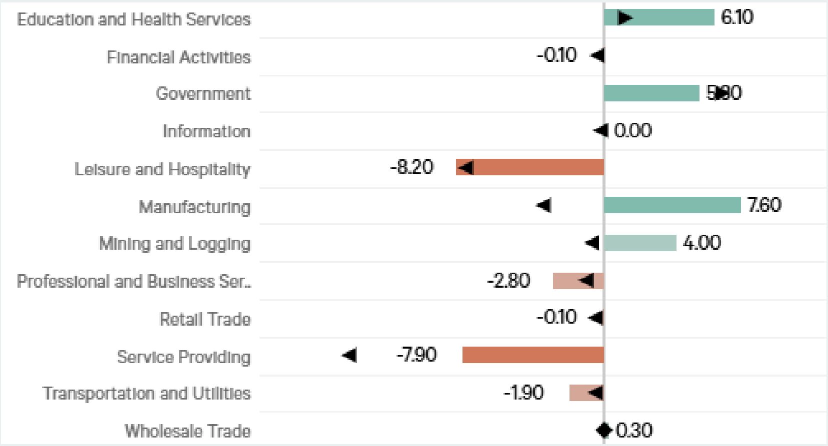
269.8K
Office Using Jobs

346.6K
Industrial Using Jobs

161.4K
Retail Using Jobs

Employment Change by Sector – Yearly + Monthly

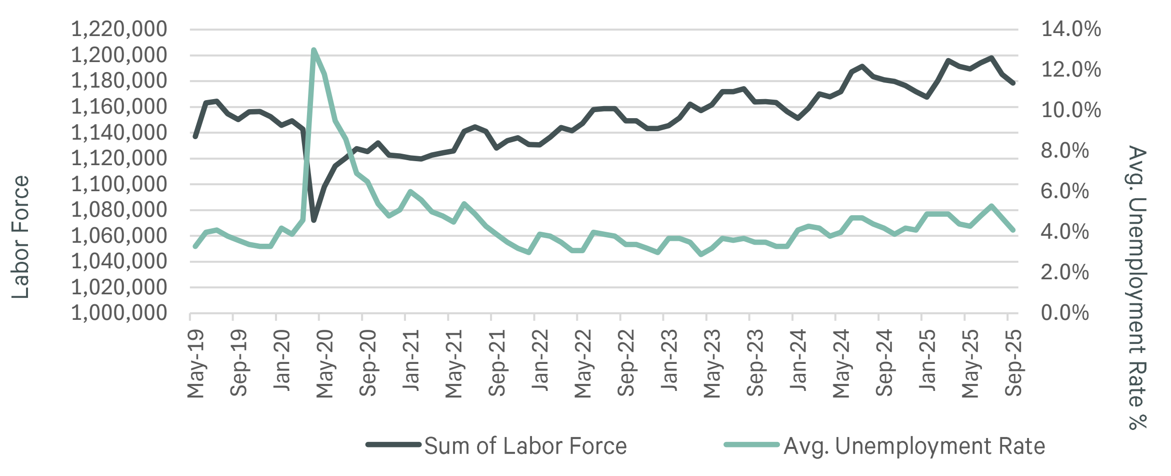
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, September 2025

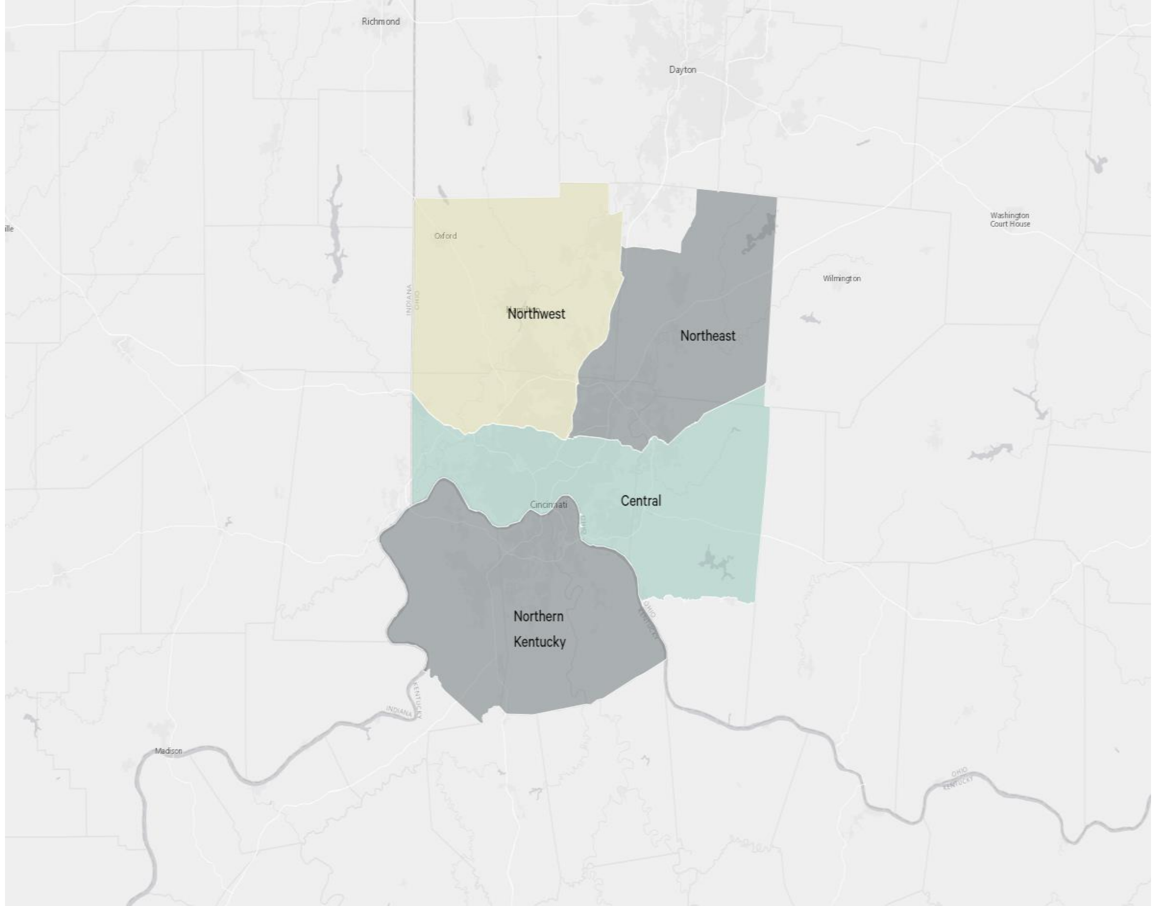
Note: Arrows indicate month-over-month change.

Cincinnati, OH Unemployment Rate and Labor Force Trends



Source: US BLS, September 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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