

FIGURES | CINCINNATI INDUSTRIAL | Q3 2026

Large Leasing Momentum Drives Continued Positive Absorption



Note: Arrows indicate change from previous quarter.

Market Overview

The Cincinnati industrial market recorded 2.97 million sq. ft. of positive net absorption in Q3 2026, marking the third consecutive quarter in which absorption surpassed 2.5 million sq. ft. (8.3 million sq. ft. YTD)

Leasing activity remained elevated this quarter, totaling 6.05 million sq. ft. and bringing year-to-date volume to 17.4 million sq. ft

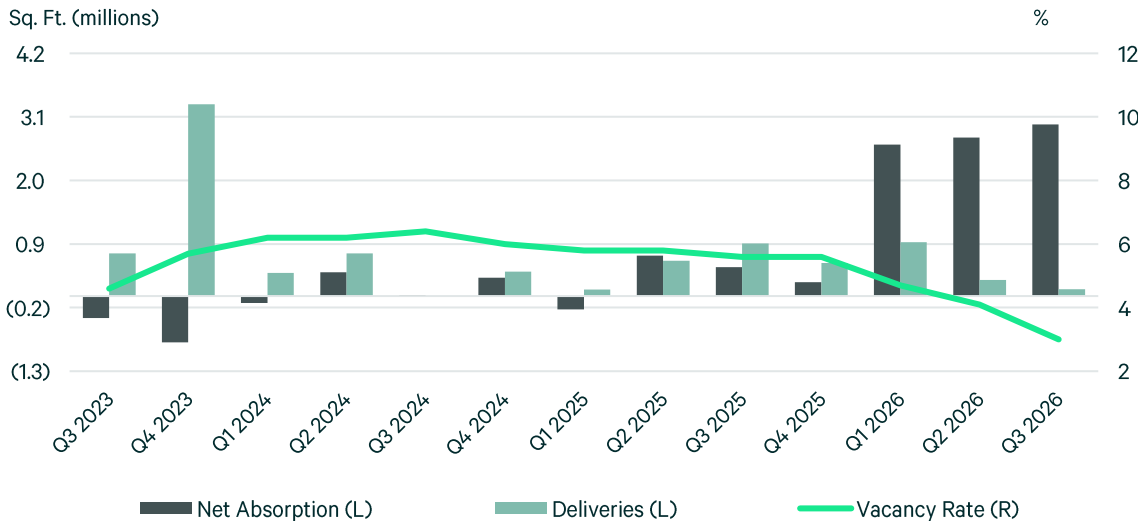
Overall availability declined 100 basis points quarter-over-quarter to 4.7%, as strong leasing activity continued to reduce available space across the Cincinnati industrial market.

Asking rents increased 1.7% quarter-over-quarter to \$7.35 per sq. ft amid tightening market conditions.

The Cincinnati industrial market recorded 1.65 million sq. ft. under construction led by Core5's 1.2 million sq. ft. speculative Encore Logistics Center Building 2 in the Northwest submarket.

Across the market, two build-to-suit projects delivered for a combined 119,000 sq. ft. added to inventory

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Availability Rate

Strong leasing activity continued to reduce available space across the Cincinnati industrial market in Q3 2026. Overall availability declined 100 basis points quarter-over-quarter to 4.7%, while direct availability fell 98 basis points to 4.2%. Compared with Q3 2025, overall availability decreased 280 basis points, as demand has outpaced new supply additions over the past year.

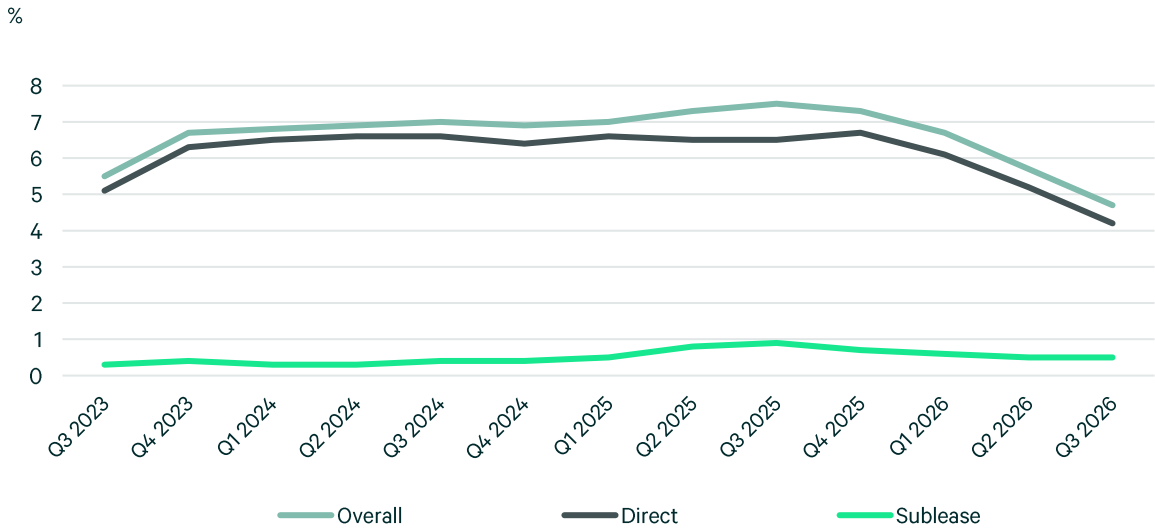
Availability remained particularly limited in the Northeast and Central submarkets, where rates stood at 2.8% and 3.4%, respectively. Northern Kentucky maintained the highest availability rate at 6.5%; however, the submarket also recorded the largest quarter-over-quarter decline, with availability falling 320 basis points from 9.7% in Q2 amid accelerated leasing activity.

Asking Rent

As market conditions tightened, asking rents continued to recover in Q3 2026. The average direct asking rate increased to \$7.35 per sq. ft., up 1.7% quarter-over-quarter and 4.3% year-over-year. Following a period of modest softening through early 2026, recent rent growth suggests landlords have regained pricing power amid declining availability and strong occupier demand.

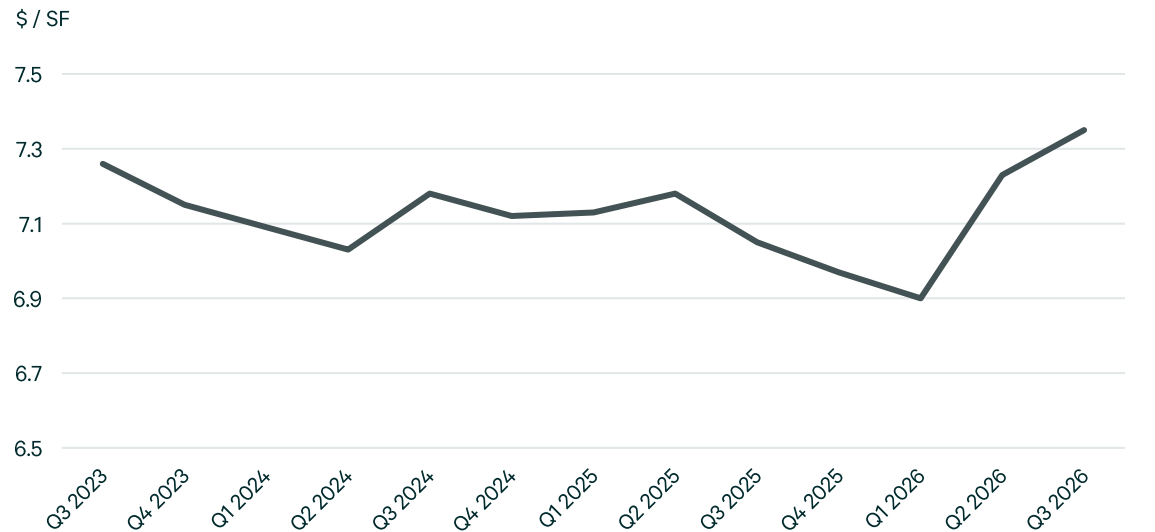
Central remained the market's highest-priced submarket at \$8.89 per sq. ft., while Northern Kentucky recorded the lowest average asking rent at \$6.61 per sq. ft.

Figure 2: Availability Rates



CBRE Research

Figure 3: Average Direct Asking Rate



CBRE Research

Net Absorption

The Cincinnati industrial market recorded 2.97 million sq. ft. of positive net absorption in Q3 2026, marking the third quarter in which absorption surpassed 2.5 million sq. ft. Demand remained strong, with net absorption increasing 8.1% quarter-over-quarter from 2.74 million sq. ft. in Q2 2026 and rising nearly 600% from 495,000 sq. ft. in Q3 2025.

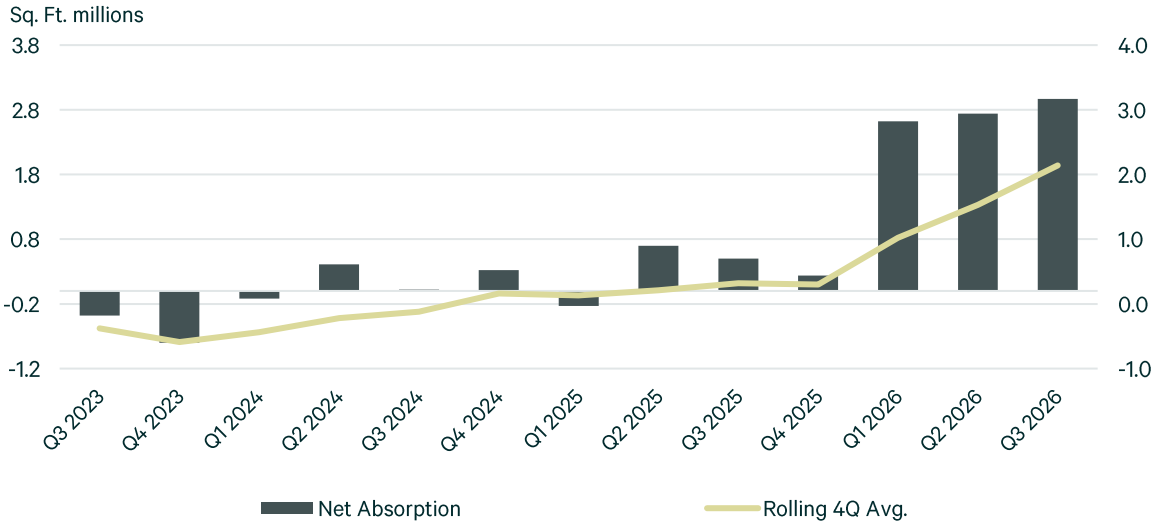
At the submarket level, Northern Kentucky drove absorption activity, posting 2.62 million sq. ft. of positive net absorption during the quarter. Northwest followed with 295,000 sq. ft., while Northeast added 193,000 sq. ft., bringing its year-to-date total to 1.60 million sq. ft. Central was the only submarket to record negative absorption, with occupancy declining by 140,000 sq. ft. in Q3 2026; however, the submarket remained modestly positive year-to-date with 255,000 sq. ft. of net absorption.

Construction Activity

The Cincinnati industrial market recorded 1.65 million sq. ft. under construction in Q3 2026. Two new projects helped drive under-construction volume up 183.5% quarter-over-quarter, including Core5's 1.2 million sq. ft. speculative Encore Logistics Center Building 2 in the Northwest submarket and Ohio Valley Electrical Services' 70,000 sq. ft. build-to-suit facility on Innovation Drive in the Northeast submarket. While the Northwest recorded the highest construction volume, with three projects totaling 1.29 million sq. ft., Northern Kentucky also maintained strong development activity, led by the 247,000 sq. ft. build-to-suit at Lakeland Logistics Center Building C.

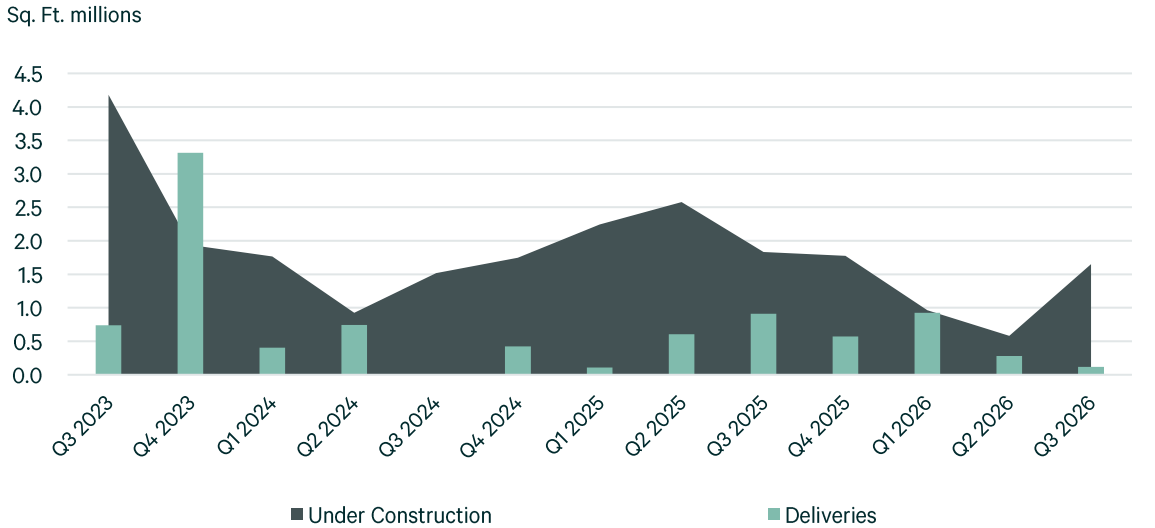
Across the market, two projects delivered for a combined 119,000 sq. ft. during the quarter, including Dayton Freight Lines' 86,000 sq. ft. build-to-suit facility on Old Lexington Pike in Northern Kentucky and Magnum Piering's expansion at 156 Circle Freeway Drive in the Northwest submarket.

Figure 4: Net Absorption Trend



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Figure 5: Construction Activity



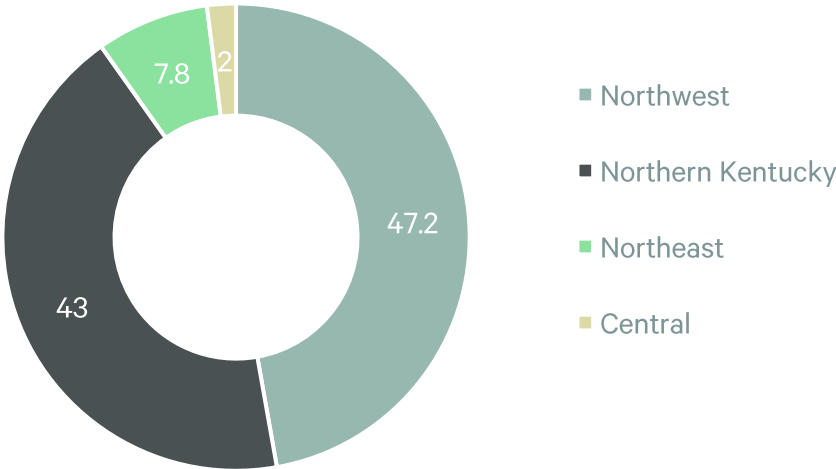
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Leasing Activity

Leasing activity remained elevated in Q3 2026, totaling 6.05 million sq. ft. and bringing year-to-date volume to 17.4 million sq. ft. Leasing demand continued to be concentrated among large-format users, with transactions exceeding 750,000 sq. ft. accounting for approximately 2.8 million sq. ft. of quarterly activity.

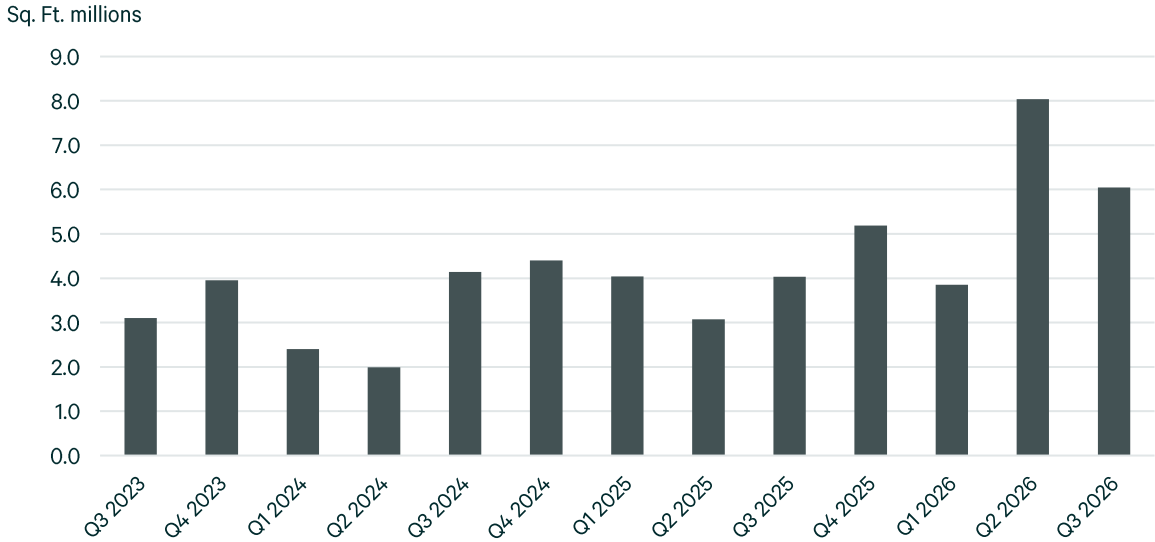
The Northwest submarket made up most of the leasing quarter’s leasing volume with 2.86 million sq. ft., including TREW Automation’s 938,000 sq. ft. new lease at 3500 Salzman Road. Northern Kentucky closely trailed with 2.60 million sq. ft. leased, followed by the Northeast and Central submarkets with 470,000 sq. ft. and 122,000 sq. ft., respectively.

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



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Figure 6: Leasing Activity Trend



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Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	994,000	Renewal	100 Exploration Dr	Northwest
TREW Automation	938,000	New Lease	3500 Salzman Rd	Northwest
Confidential Tenant	891,000	New Lease	Confidential	Northern Kentucky
Confidential Tenant	745,000	New Lease	Confidential	Northern Kentucky
Crescent Park Corp.	400,000	New Lease	110 Mercantile Drive	Northwest
Quanta Services Management	234,000	New Lease	2939-2975 Crescentville Rd	Northeast
Unistructural Support Systems	216,000	New Lease	400 Kenton Lands Rd	Northern Kentucky
Seko Logistics	176,000	New Lease	1155 Worldwide Blvd	Northern Kentucky

Source: CBRE Research, Q3 2026

Investment Sale Activity

Industrial investment sale volume in the Cincinnati market totaled \$206.17 million in Q3 2026, down 17.0% quarter-over-quarter from \$248.31 million in Q2 2026 and up 146.0% year-over-year from \$83.80 million in Q3 2025. Year-to-date 2026 volume through Q3 2026 was \$653.61 million, based on quarterly totals of \$199.13 million in Q1 2026 and \$248.31 million in Q2 2026.

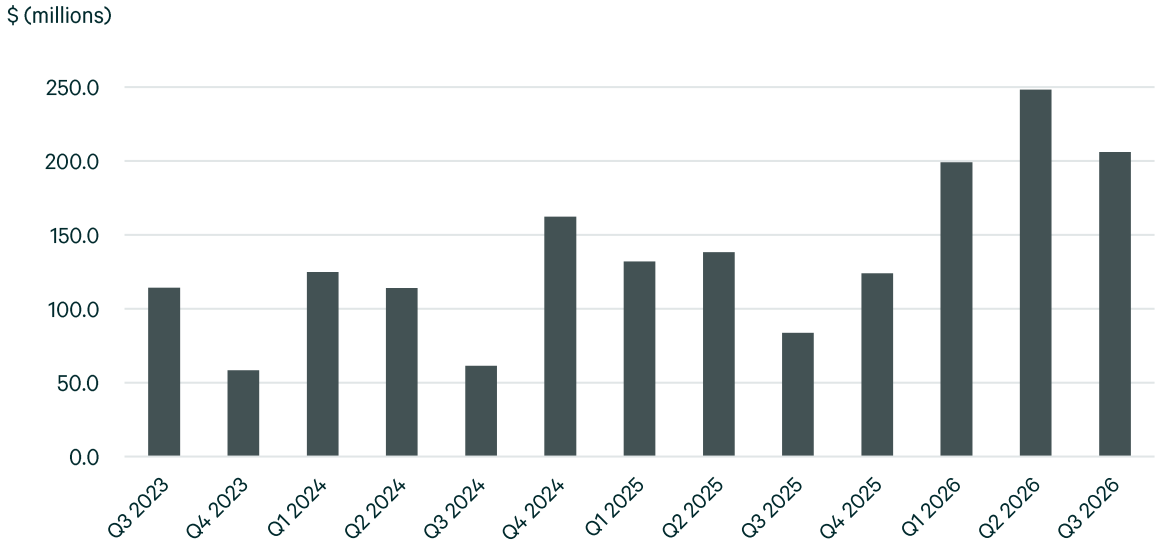
Buyer composition in Q3 2026 consisted of private buyers at 76.2% of volume and user/other buyers at 23.8%, with institutional, public and cross-border buyers each accounting for 0.0%. The largest Q3 2026 industrial transaction was the 3500 Salzman Road facility, which InSite Real Estate acquired for \$59.70 million, or \$50.60 per sq. ft. on 938,000 sq. ft. The second-largest sale was the Distribution Warehouse in Northern Kentucky, sold for \$41.10 million and \$332.60 per sq. ft. on 123,769 sq. ft. Top sales also included 375 Distribution Circle at \$29.10 million and \$89.95 per sq. ft. on 322,941 sq. ft., 8655 Jacquemin Drive at \$21.10 million and \$114.98 per sq. ft. on 183,508 sq. ft., Cornell Park at \$14.80 million and \$100.50 per sq. ft. on 147,269 sq. ft., and 9635 Windisch Road at \$11.80 million with building size and price per sq. ft. undisclosed.

Figure 10: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
3500 Salzman Road	Northwest	InSite Real Estate	\$56M	938,000	\$59.70
Confidential	Northern Kentucky	Confidential	\$41.1M	123,769	\$332.60
375 Distribution Circle	Northwest	Sealy Distribution Circle LLC	\$29.1M	322,941	\$89.95
8655 Jacquemin Drive	Northwest	SparrowHawk RE	\$21.1M	183,508	\$114.98
Cornell Park	Northeast	Denholtz Associates	\$14.8M	147,269	\$100.50
9635 Windisch Rd	Northeast	CIN LTL LLC	\$11.8M	-	-

MSCI Real Capital Analytics

Figure 9: Quarterly Sales Volume



MSCI Real Capital Analytics

Figure 11: Buyer Composition



MSCI Real Capital Analytics

Market Statistics by Product Type

Figure 12

Product Type	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)
Distribution/Logistics	203.53M	3.0	4.9	4.5	0.5	7.39	2.65M	6.45M	33,000	318,000
Manufacturing - General	75.72M	3.3	4.1	3.8	0.3	7.30	200,000	209,000	-	-
R&D/Flex	2.64M	1.3	2.4	1.5	0.8	10.98	2,000	109,000	-	104,000
Other Industrial	7.35M	1.9	4.7	2.5	2.2	4.50	110,000	1.56M	86,000	1.23M
Total	289.25M	3.0	4.7	4.2	0.5	7.35	2.97M	8.33M	119,000	1.65M

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 13

Size Range	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)
Below 50K SF	24.70M	1.5	2.2	1.9	0.2	7.99	79,000	176,000	33,000	43,000
50K-99,999 SF	41.69M	3.2	4.4	4.0	0.4	9.88	220,000	221,000	86,000	142,000
100K-249,999 SF	81.21M	4.9	6.3	5.8	0.5	7.34	635,000	1.01M	-	350,000
250K-499,999 SF	60.32M	3.0	4.6	4.3	0.3	7.00	(11,000)	853,000	-	-
500K-749,999 SF	37.59M	2.5	5.3	3.9	1.4	7.01	213,000	1.41M	-	-
750,000 SF +	43.74M	0.7	3.2	2.9	0.2	6.04	1.83M	4.66M	-	1.12M
Total	289.25M	3.0	4.7	4.2	0.5	7.35	2.97M	8.33M	119,000	1.65M

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 14

Submarket	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)
Central	63.25M	2.7	3.4	3.1	0.3	8.89	(140,000)	255,000	-	43,000
Northeast	61.01M	1.3	2.8	2.3	0.5	7.46	193,000	1.60M	-	1.29M
Northern Kentucky	81.87M	4.3	6.5	5.8	0.8	6.61	2.62M	4.57M	86,000	247,000
Northwest	83.12M	3.2	5.3	4.9	0.4	7.87	295,000	1.91M	33,000	72,000
Total	289.25M	3.0	4.7	4.2	0.5	7.35	2.97M	8.33M	119,000	1.65M

Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Cincinnati, OH Employment Update

- ▼ 3.6%
Unemployment Rate
- ▶ 1.2M
Labor Force
- ▼ 275.2K
Office Using Jobs
- ▲ 653.4K
Industrial Using Jobs
- ▼ 161.1K
Retail Using Jobs

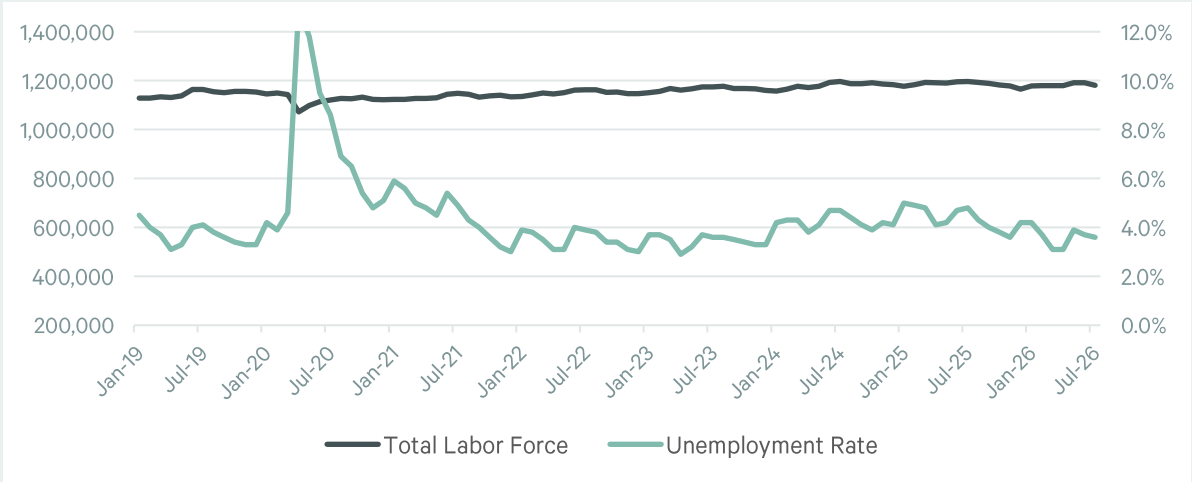
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, August 2026

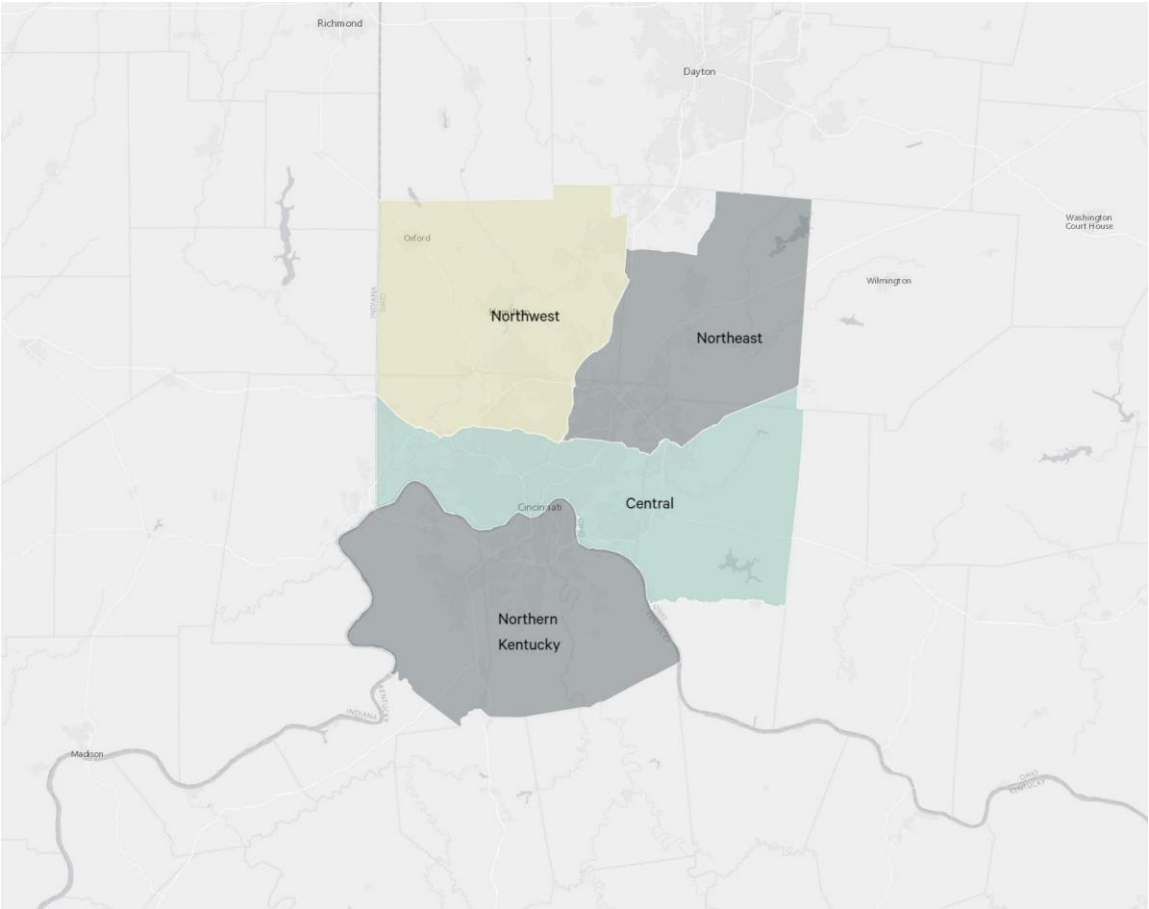
Note: Arrows indicate month-over-month change.

Cincinnati, OH Unemployment Rate and Labor Force Trends



Source: US BLS, August 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 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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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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