

FIGURES | CINCINNATI INDUSTRIAL | Q2 2026

Positive Absorption Continues with Leasing Surge

▼ 4.0%
Vacancy Rate

▼ 2.7M
SF Net Absorption

▼ 281,308
SF Construction Delivered

▼ 583,209
SF Under Construction

▲ \$6.41
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

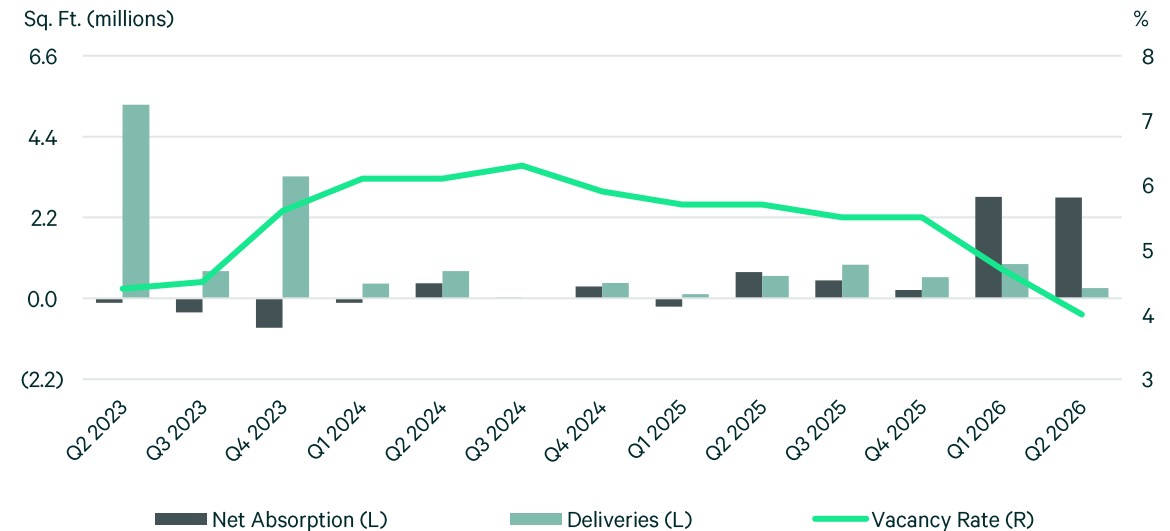
Strong positive net absorption continued with 2.7 million sq. ft. in Q2 (5.5 million sq. ft. YTD) led by Novolex Holdings' 897,000 sq. ft. new lease at 201 Richard Knock Highway in the Northern Kentucky submarket.

The Cincinnati industrial market recorded an uptick in leasing activity during the second quarter, totaling 7.4 million sq. ft., including Premium Guard's 710,400 sq. ft. new lease at 1100 Worldwide Boulevard.

281,000 sq. ft. of construction delivered in Q2, across Design Within Reach's 112,000 sq. ft. expansion in the Central submarket and the 89,000 sq. ft. Airpark Business Center in the Northern Kentucky submarket. Despite decreasing under construction volume, several sizeable projects are expected to break ground in the upcoming quarter.

The market continued to tighten as overall availability declined 100 basis-points (bps) quarter-over-quarter to 5.6% and vacancy declined 60 bps quarter-over-quarter to 4.0%

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Availability Rate

In Q2 2026, overall availability declined to 5.6%, down from 6.6% in Q1 2026, a 100 bps decrease quarter-over-quarter. Direct availability fell to 5.1%, a negative 90 bps shift over the same period, while sublease availability eased to 0.5%. Compared with Q2 2025, overall availability is lower by 160 bps year-over-year, with direct availability down 130 bps and sublease availability down 30 bps. Relative to Q2 2023, however, overall availability remains 40 bps higher, indicating slightly more space on the market than three years ago.

At the submarket level, Northeast posts the lowest availability at 2.8%, followed by Central at 3.1%, indicating particularly tight conditions in these areas. Northwest registers a 5.7% availability rate, sitting between the core markets and the more supply-heavy periphery. Northern Kentucky records the highest availability at 9.6%, underscoring a materially larger pool of space relative to the rest of the market.

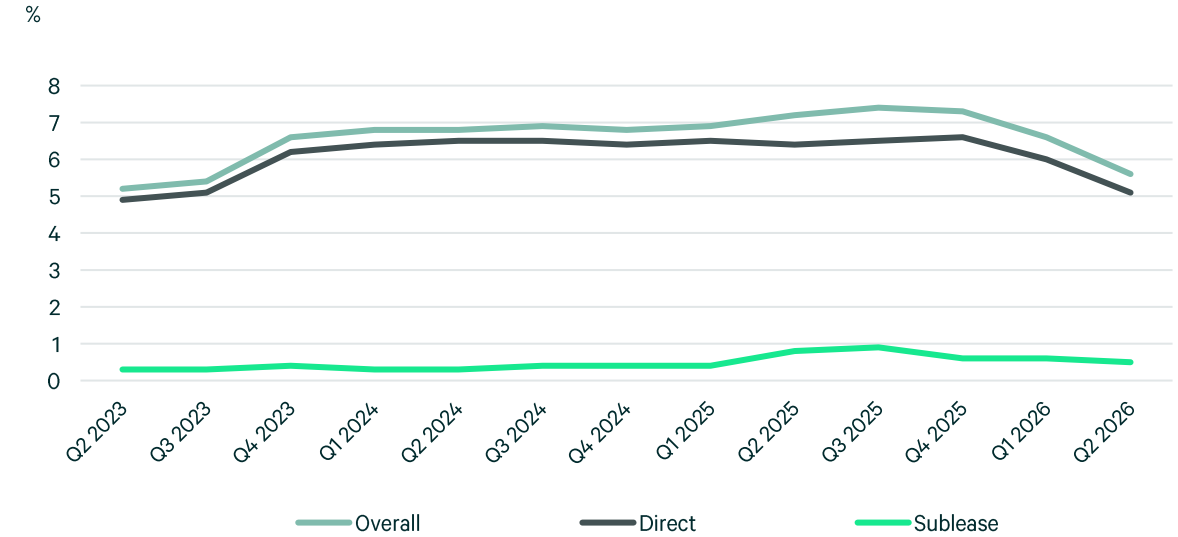
Sublease availability in Q2 2026 stands at 0.5%, down from 0.6% in Q1 2026, a negative 10 bps change quarter-over-quarter. Across the tracked submarkets, this equates to approximately 1.6 million sq. ft. of sublease space currently on the market.

Asking Rent

Average asking rent reached \$6.41 in Q2 2026, up 4.2% quarter-over-quarter and 1.4% year-over-year. Over the full period from Q2 2023 to Q2 2026, average asking rents held within a narrow mid-\$6.00 range, rising by \$0.16 from \$6.25, with the largest year-over-year decline of negative 2.7% in Q2 2024 at \$6.08 and the largest increase of 4.0% in Q2 2025 at \$6.32.

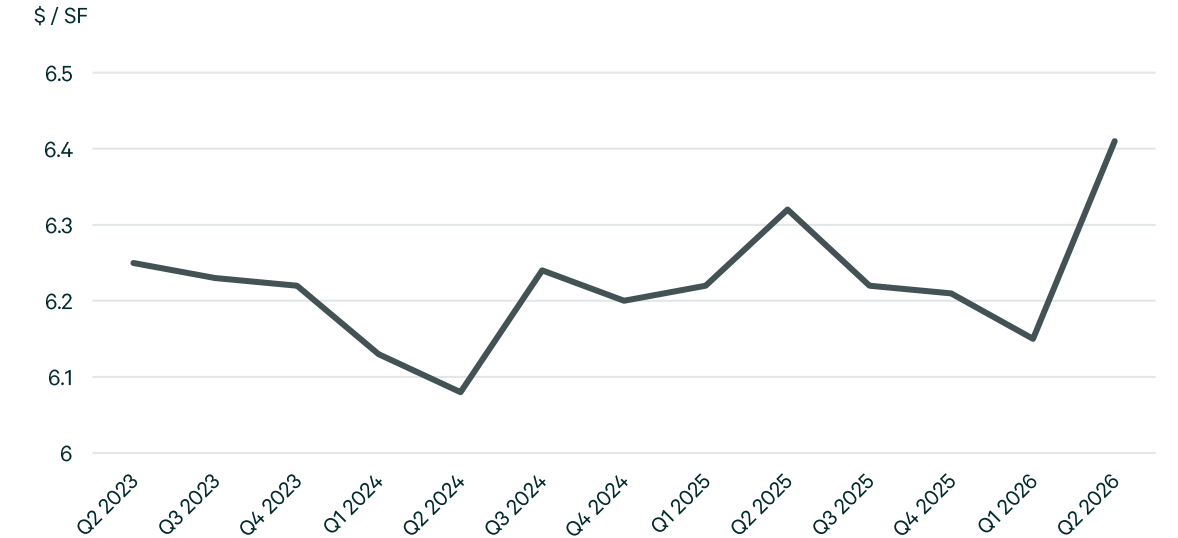
In Q2 2026, Central and Northeast posted the highest average asking lease rates at \$8.71 and \$6.43, respectively. Northern Kentucky and Northwest registered lower average asking lease rates of \$6.21 and \$5.97, resulting in a \$2.74 spread between the most and least expensive submarkets.

Figure 2: Availability Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded net absorption of positive 2.7 million sq. ft., reflecting a significant return to positive demand. This total was slightly below Q1 2026, when net absorption was positive 2.8 million sq. ft. Net absorption in the first half of 2026 totaled 5.5 million sq. ft., a 384.5% increase from the 2025 YTD total net absorption of positive 1.1 million sq. ft.

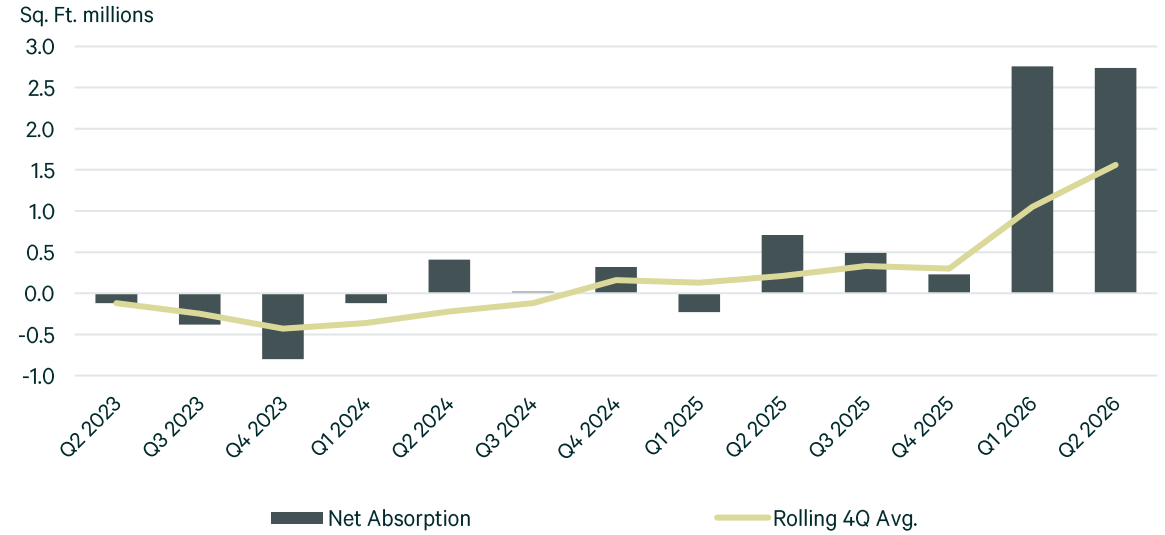
In Q2 2026, Northern Kentucky registered the highest performance, with net absorption of positive 1.9 million sq. ft., while the Northwest and Central followed with positive 781,000 sq. ft. net absorption and positive 72,000 sq. ft. net absorption, respectively. The Northeast was the only submarket to post negative net absorption, totaling 58,000 sq. ft.

Construction Activity

In Q2 2026, the market had 583,000 sq. ft. under construction, a 39.6% decline quarter-over-quarter and 77.4% decline year-over-year. Construction deliveries reached 281,000 sq. ft., across Design Within Reach's expansion in the Central submarket, Airpark Business Center in the Northern Kentucky submarket, Image Solutions' addition in the Northwest submarket, and Cincinnati Dayton Fire Protection's build-to-suit in the Northwest submarket.

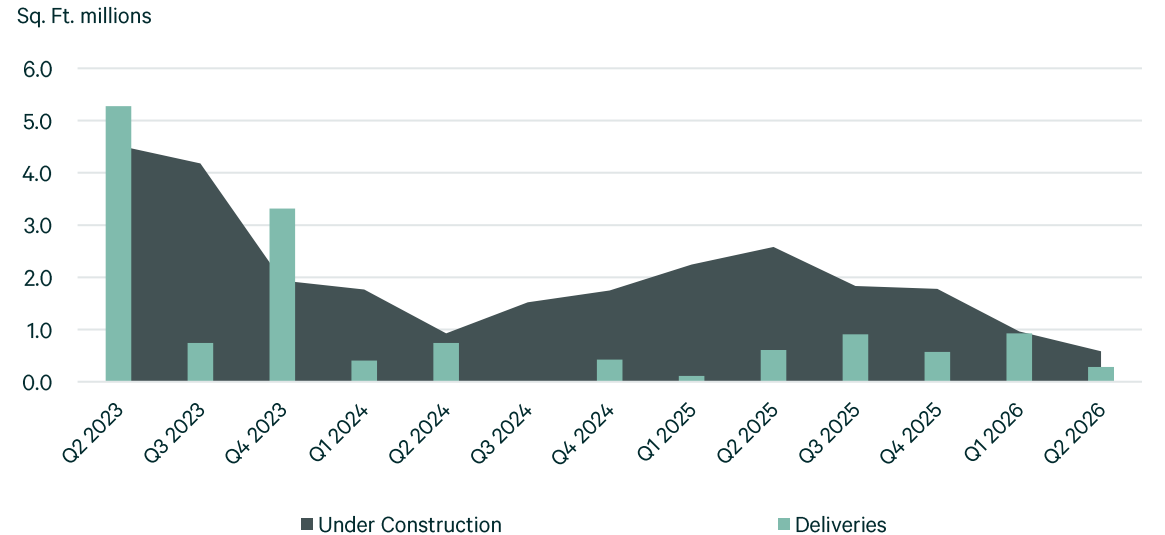
Northern Kentucky has the highest level of construction, with 333,000 sq. ft. underway across Lakeland Logistics Center Building C and Dayton Freight Lines build-to-suit, while Northeast follows with ArtiCure's 104,000 sq. ft addition at 7555 Innovation. Northwest and Central also have projects underway, totaling 72,000 sq. ft. and 43,000 sq. ft., respectively, including Group Sales addition and Rumpke build-to-suit, all of which are fully pre-leased and scheduled to deliver between Q3 2026 and Q1 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



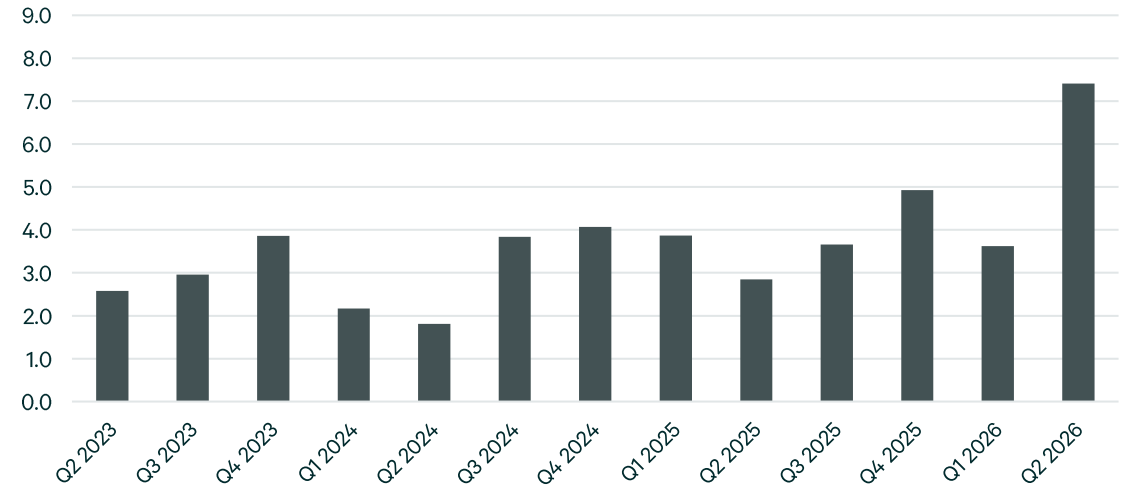
Source: CBRE Research, Q2 2026

Leasing Activity

Leasing activity totaled 7.4 million sq. ft. in Q2 2026, with 19.6 million sq. ft. of deals completed over the past four quarters. The latest quarter’s volume increased 104.6% quarter-over-quarter and 160% year-over-year, following a softer Q1 2026 when leasing dipped to 3.6 million sq. ft. and decreased by 26.5% sequentially. This surge also stands out against recent quarters, where quarterly volumes between Q2 2023 and Q1 2026 have averaged 3.4 million sq. ft.

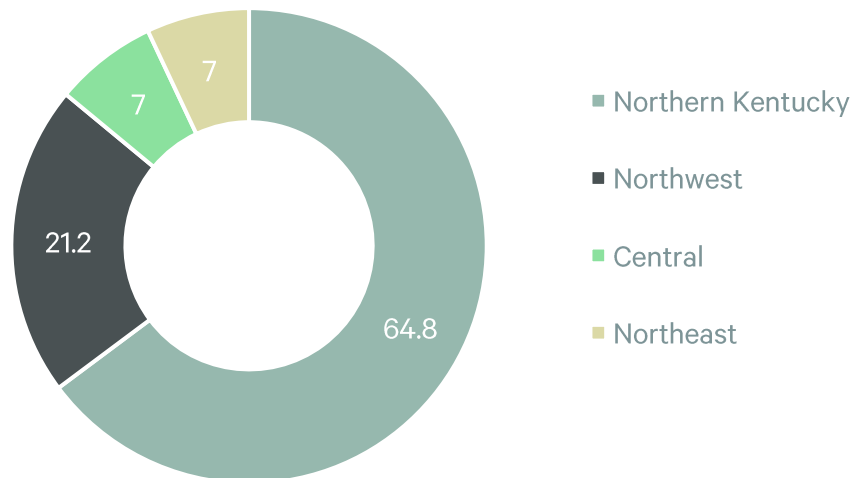
Northern Kentucky and Northwest posted the highest leasing activity, at 4.8 million sq. ft. and 1.6 million sq. ft., respectively. Central and Northeast also registered positive activity, with 523,000 sq. ft. and 517,000 sq. ft. leased. The gap between the highest and lowest submarkets is about 4.3 million sq. ft., underscoring the concentration of recent leasing in Northern Kentucky.

Figure 6: Leasing Activity Trend (Total Activity over 30,000 sq. ft.)
Sq. Ft. millions



Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity over 30,000 sq. ft.)



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Novolex Holdings	897,000	New Lease	201 Richard Knock Hwy	Northern Kentucky
Premium Guard	710,000	New Lease	1100 Worldwide Blvd	Northern Kentucky
UPS Supply Chain Solutions	613,000	Renewal	41 Logistics Blvd	Northern Kentucky
Atmus Filtration	604,000	Renewal	20 Logistics Blvd	Northern Kentucky
Confidential Tenant	400,000	New Lease	9271 Meridian Way	Northwest
Commonwealth	387,000	New Lease	1755-1765 Worldwide Blvd	Northern Kentucky
Steel & O'Brien Manufacturing	324,000	New Lease	5265 E Provident Dr	Northwest
Lyons Magnus	303,408	New Lease	505 Innovation Way	Northern Kentucky

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	206.77M	4.4	6.2	5.6	0.6	6.37	2.67M	3.82M	281,000	351,000
Manufacturing - General	76.39M	3.2	4.3	4.1	0.3	6.57	(303,000)	9,000	-	-
R&D/Flex	2.64M	1.7	2.8	2.0	0.8	9.58	84,000	107,000	-	104,000
Other Industrial	7.08M	3.1	4.4	2.1	2.3	4.50	290,000	1.56M	-	129,000
Total	292.87M	4.0	5.6	5.1	0.5	6.41	2.74M	5.50M	281,000	583,000

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	24.90M	1.7	2.2	2.0	0.2	7.33	135,000	133,000	30,000	75,000
50K-99,999 SF	42.46M	2.9	4.3	3.9	0.4	9.42	241,000	101,000	139,000	158,000
100K-249,999 SF	82.04M	5.1	7.1	6.5	0.6	6.21	(117,000)	376,000	112,000	350,000
250K-499,999 SF	60.50M	3.3	4.6	4.1	0.5	6.21	698,000	863,000	-	-
500K-749,999 SF	37.58M	7.5	6.0	4.5	1.4	5.49	871,000	1.20M	-	-
750,000 SF +	45.39M	2.9	7.1	7.1	-	6.20	916,000	2.83M	-	-
Total	292.87M	4.0	5.6	5.1	0.5	6.41	2.74M	5.50M	281,000	583,000

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central	63.85M	2.4	3.1	2.8	0.3	8.71	72,000	395,000	112,000	43,000
Northeast	62.34M	1.2	2.8	2.4	0.4	6.43	(58,000)	1.50M	-	104,000
Northern Kentucky	82.66M	7.9	9.6	8.7	0.9	6.21	1.95M	1.99M	89,000	333,000
Northwest	84.02M	3.6	5.7	5.2	0.5	5.97	781,000	1.62M	80,000	104,000
Total	292.87M	4.0	5.6	5.1	0.5	6.41	2.74M	5.50M	281,000	583,000

Source: CBRE Research, Q2 2026

Economic Overview

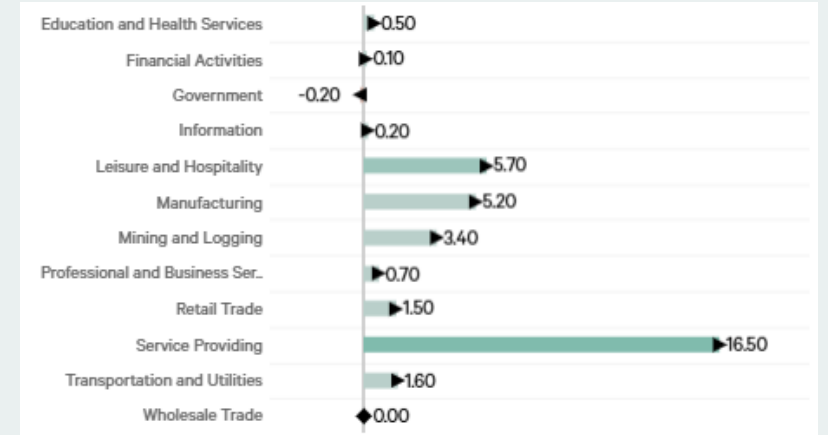
The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but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

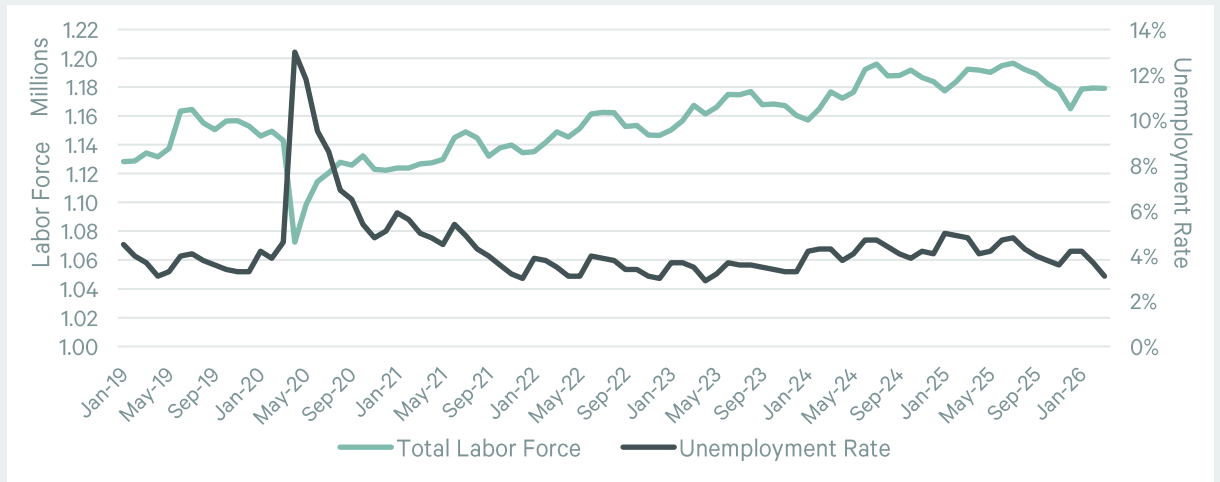
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, April 2026

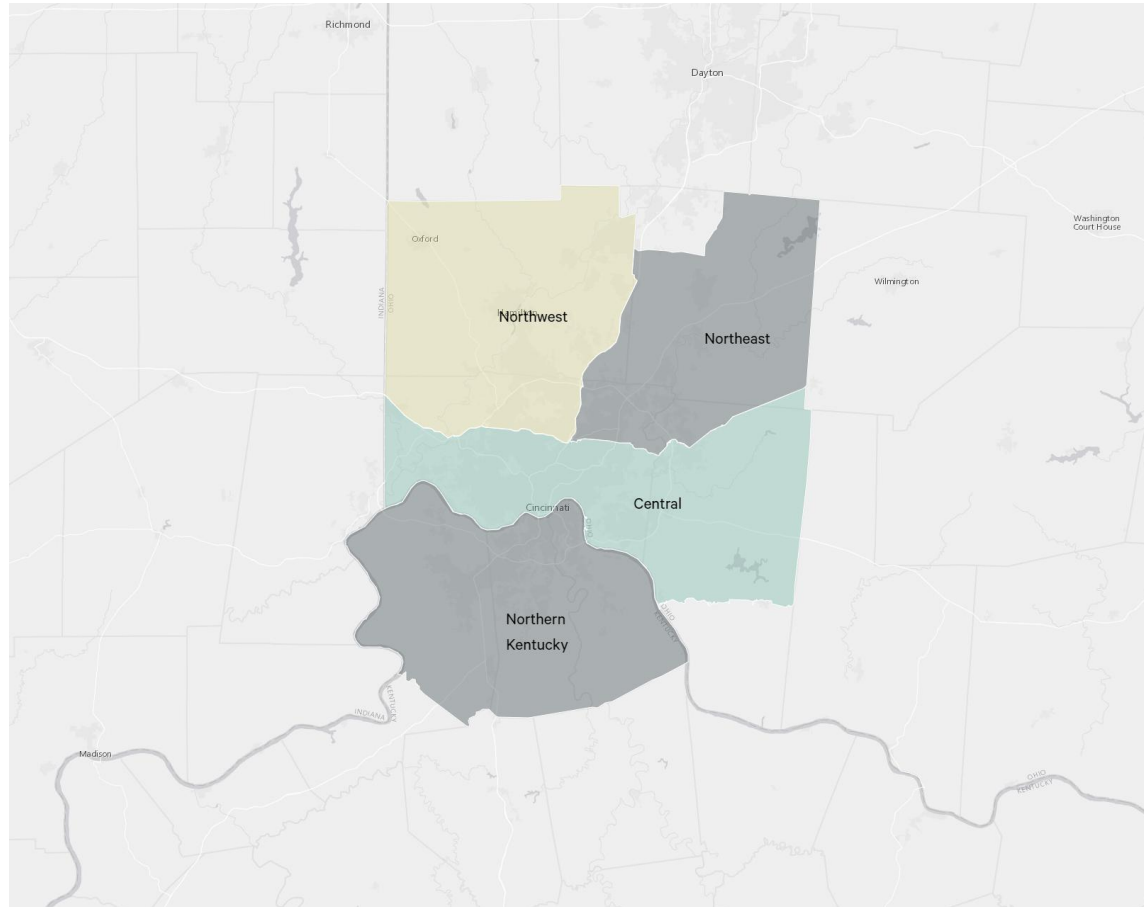
Note: Arrows indicate month-over-month change.

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 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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