

FIGURES | CINCINNATI OFFICE | Q2 2025

Leasing activity remains steady; Class A rents increase



Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

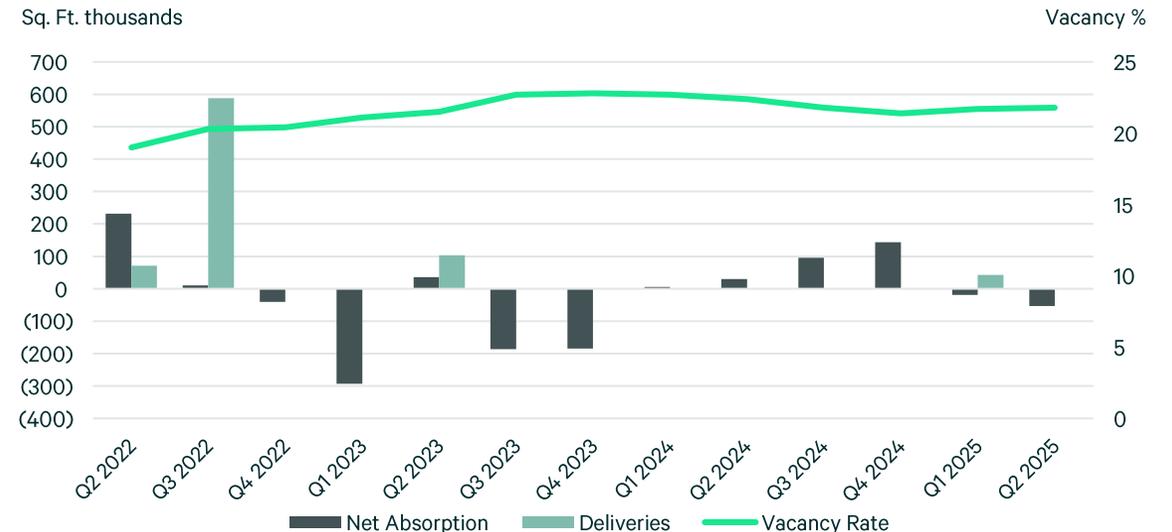
The Cincinnati Office market posted 52,914 sq. ft. of negative net absorption in Q2 2025, due to major move outs from CR Architecture and Bricker Graydon.

Leasing activity remained steady with 375,562 sq. ft. of total transaction volume in the second quarter of 2025. PricewaterhouseCoopers led leasing activity with a 30,173 sq. ft. renewal at 201 E 5th Street.

Saks Fifth Avenue building with 65,000 sq. ft. remains under renovation and is expected to be complete later this year. Relocating their headquarters from Norwood to the CBD, Paycor will occupy approximately 40,000 sq. ft. of office space on the second floor of the building upon completion.

The overall market average asking rate increased \$0.18 to \$20.44 per sq. ft. as tenants continue to demand high-quality assets.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

Vacancy

In Q2 2025 the overall office vacancy rate stood at 21.8%, up 10 basis points (bps) quarter-over-quarter. Despite the uptick in average vacancy quarter-over-quarter, both Class A and Class B assets recorded decreases year-over-year. Class A vacancy was 21.1% for a 60 bps decrease year-over-year and Class B had vacancy at 22.9% for a 90 bps decrease year-over-year. Suburban submarkets reported the lowest vacancy this quarter, with a combined vacancy rate of 21.2%. Several submarkets are beginning to show signs of health as West Chester reports the lowest vacancy at 8.3%, followed by Central at 10.7% and Kenwood at 11.2%.

Asking Rent

Average asking rate experienced an uptick this quarter from \$20.26 per sq. ft. in Q1 to \$20.44 per sq. ft. in Q2. Class A reported a 1.2% increase quarter-over-quarter at \$22.95 per sq. ft. while Class B reported a 0.3% increase quarter-over-quarter at \$16.49 per sq. ft. This highlights the financial pressure landlords are under to produce and maintain high-quality assets, supported by the continued demand of tenants for luxury space.

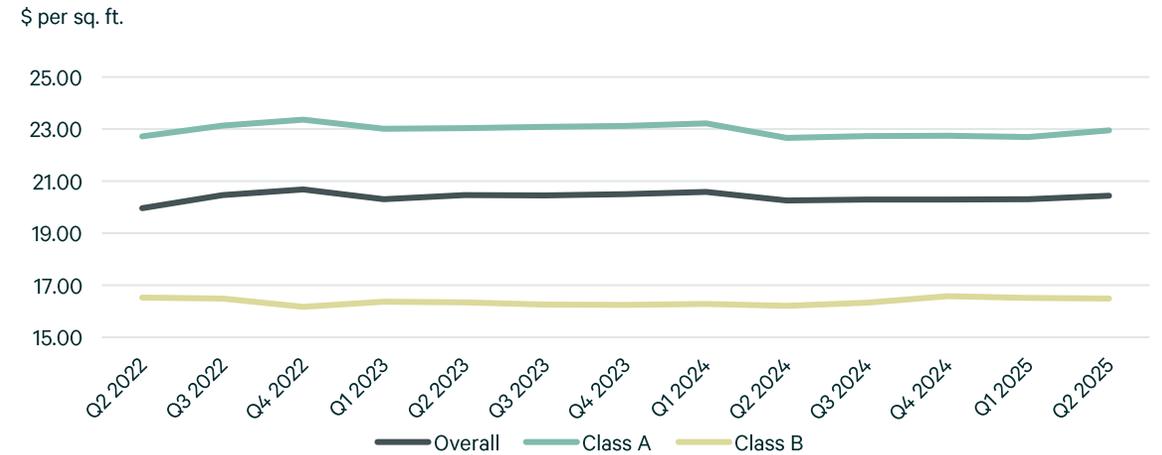
While the downtown index had the overall highest increase of 1.9% quarter-over-quarter, several high demand suburban submarkets recorded significant growth as well. The Central submarket increased 3.6% to \$21.66 per sq. ft. and the Blue Ash submarket increased 0.6% to \$20.55 per sq. ft.

FIGURE 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2025

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q2 2025

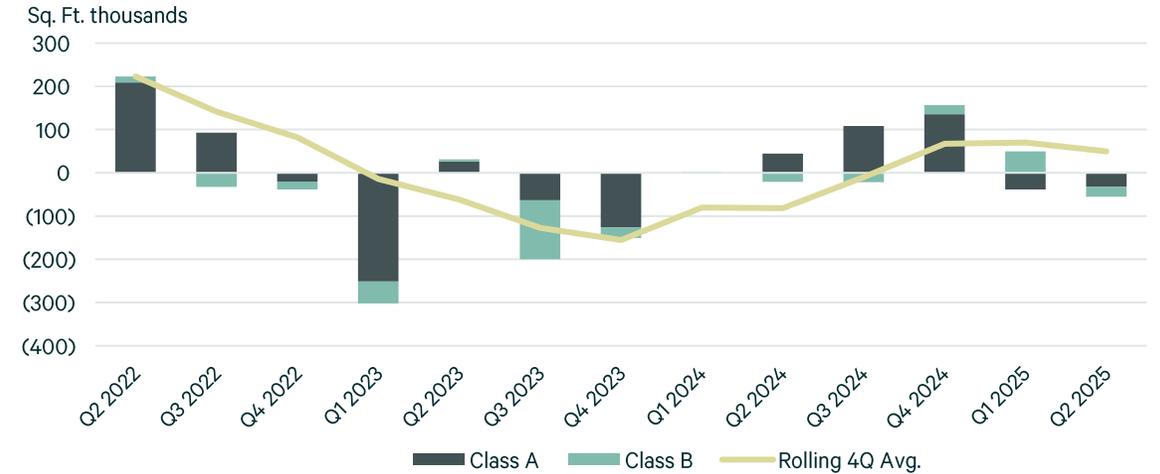
Net Absorption

The Cincinnati Office market posted 52,914 sq. ft. of negative net absorption in Q2 2025. Move-outs accounted for 158,092 sq. ft. of negative absorption this quarter, with the largest vacancies coming from CR Architecture moving out of 29,577 sq. ft. at 600 Vine Street and Bricker Graydon moving out of 15,000 sq. ft. at 2400 Chamber Center Drive. The tail end shifts of post pandemic right-sizing, as well as continued flight to quality movement, remain prevalent trends this quarter. Total move-ins accounted for 105,178 sq. ft. of positive net absorption, with activity mainly in the 5,000-10,000 sq. ft. range. Positive activity was led by CESO with their 8,693 sq. ft. move-in at 4445 Lake Forest Drive and Recovery Center of Ohio with their 6,584 sq. ft. move-in at 4460 Carver Woods Drive.

Construction Activity

Only one project was under construction during the second quarter in the Cincinnati Office market. The former Saks Fifth Avenue building with 65,000 sq. ft. remains under renovation and is expected to be complete later this year. Relocating their headquarters from Norwood to the CBD, Paycor will occupy approximately 40,000 sq. ft. of office space on the second floor. As occupiers continue to seek high-quality spaces, it is expected that future projects keep capital focused on repositioning existing assets rather than new ground-up construction.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity

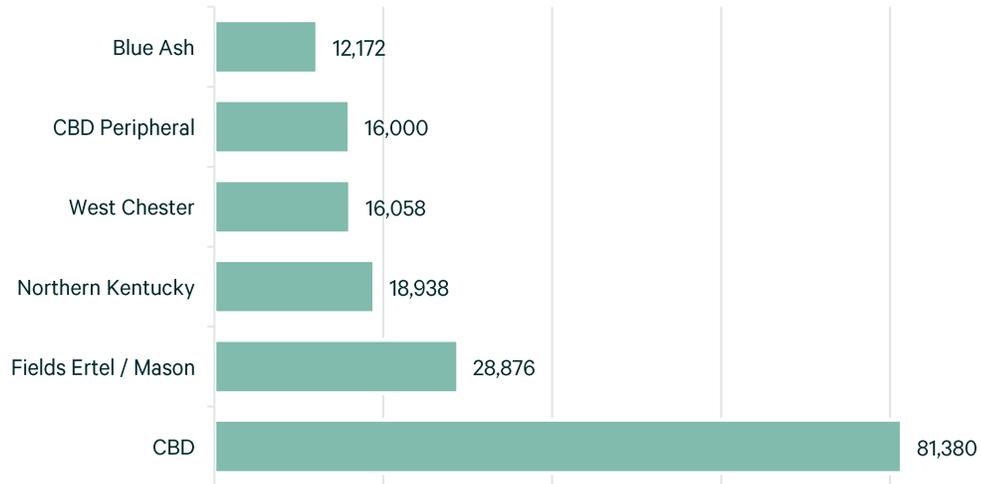


Source: CBRE Research, Q2 2025

Leasing Activity

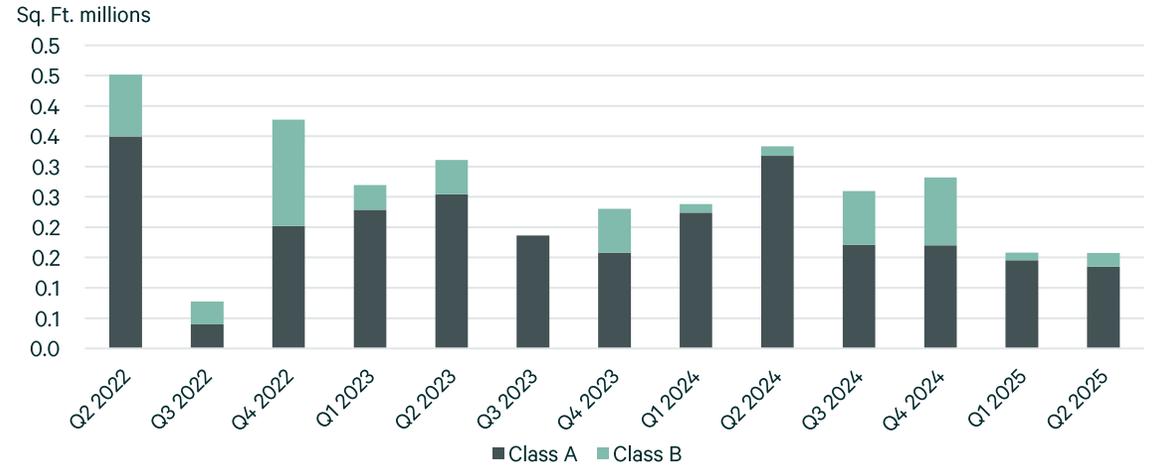
Leasing activity remained steady with 375,562 sq. ft. of total transaction volume in the second quarter of 2025. Class A office space accounted for 66.0% of all sq. ft. leased and 77.9% of all sq. ft. leased above 10,000 sq. ft. Tenants continued to gravitate towards high quality space, a part of their strategy to bring employees back to a collaborative work environment. The CBD submarket continued to produce the most activity this quarter comprising 30.9% of all sq. ft. leased, including PricewaterhouseCoopers' 30,173 sq. ft. renewal at 201 E 5th Street. Renewals accounted for 31.2% of all transactions this quarter and 51.2% of all sq. ft. leased above 10,000 sq. ft. signalling companies continued commitment to Cincinnati. Other sizeable renewals included Burgess & Niple with a 16,394 sq. ft. space at 525 Vine Street and Frost Brown Todd with a 16,058 sq. ft. space at 9277 Centre Pointe Drive. Class A buildings accounted for 54.5% of all new leases signed and new lease transactions made up 68.4% of all sq. ft. leased this quarter, including SHP Leading Design with a 22,336 sq. ft. space at 311 Elm Street.

FIGURE 7: Leasing by Submarket – 10,000 sq. ft. and up



Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
PricewaterhouseCoopers	30,173	Renewal	201 E 5th St	CBD
SHP Leading Design	22,326	New Lease	311 Elm St	CBD
Burgess & Niple	16,394	Renewal	525 Vine St	CBD
Frost Brown Todd	16,058	Renewal	9277 Centre Pointe Dr	West Chester
ePremium Insurance Agency	13,727	Renewal	4605 Duke Dr	Fields Ertel / Mason
McGladrey	12,487	Renewal	255 E 5th St	CBD

Source: CBRE Research, Q2 2025

Market Statistics by Index

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
SUBURBAN										
Class A	15,223,340	19.9	26.4	22.2	4.2	22.56	3,350	138,876	0	0
Class B	8,741,661	22.6	25.1	24.4	0.7	15.75	(15,582)	30,660	0	0
Class C	1,485,899	26.8	27.1	27.1	0.0	14.94	5,839	(24,721)	0	0
Total	25,450,900	21.2	26.0	23.2	2.8	19.51	(6,393)	144,815	0	0

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
DOWNTOWN										
Class A	7,425,068	23.4	28.3	24.0	4.3	23.54	(35,813)	(209,523)	0	65,000
Class B	2,175,715	24.4	24.2	24.2	0.0	19.15	(7,388)	(3,655)	0	0
Class C	265,067	11.6	15.2	15.2	0.0	14.37	(3,320)	(3,320)	0	0
Total	9,865,850	23.3	27.1	23.8	3.3	22.41	(46,521)	(216,498)	0	65,000

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
METRO										
Class A	22,648,408	21.1	27.1	22.8	4.3	22.95	(32,463)	(70,647)	0	65,000
Class B	10,917,376	22.9	24.9	24.4	0.5	16.49	(22,970)	27,005	0	0
Class C	1,750,966	24.5	25.3	25.3	0.0	14.88	2,519	(28,041)	0	0
Total	35,316,750	21.8	26.3	23.4	2.9	20.44	(52,914)	(71,683)	0	65,000

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Blue Ash	4,742,633	19.3	22.5	21.1	1.4	20.55	11,706	22,432	0	0
CBD	9,865,850	23.3	27.1	23.8	3.3	22.41	(46,521)	(216,498)	0	65,000
CBD Peripheral	1,804,612	33.0	35.2	34.2	1.0	20.0	(12,664)	(8,434)	0	0
Central	2,974,147	10.7	14.7	14.6	0.1	21.66	(1,987)	11,955	0	0
East	1,375,344	17.4	21.3	17.7	3.6	13.97	(9,981)	19,501	0	0
Fields Ertel / Mason	3,631,414	26.1	40.3	28.7	11.6	19.05	20,678	14,149	0	0
Kenwood Submarket	1,498,527	11.2	16.7	14.2	2.4	28.1	8,760	54,533	0	0
Northern Kentucky	4,362,367	18.8	21.6	20.5	1.0	20.53	(16,182)	26,743	0	0
Tri-County	3,551,153	35.8	38.0	36.9	1.1	16.54	3,861	18,503	0	0
West Chester	1,510,703	8.3	12.0	10.4	1.6	24.83	(10,584)	(14,567)	0	0
Total	35,316,750	21.8	26.3	23.4	2.9	20.44	(52,914)	(71,683)	0	65,000

Economic Overview

Policy announcements and the news cycle—not economic fundamentals—are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a more steady economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions this provides upside risk for hiring in coming quarters.

Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

Cincinnati, OH Employment Update

- ▼ 4.4% Unemployment Rate
- ▶ 1.2M Labor Force
- ▲ 270.5K Office Using Jobs
- ▲ 346.5K Industrial Using Jobs
- ▲ 161.4K Retail Using Jobs

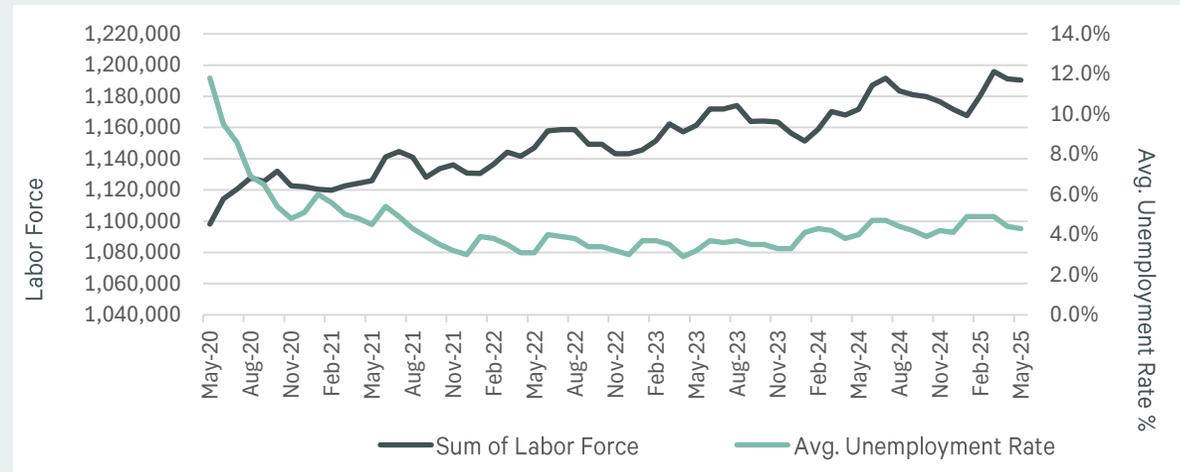
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, May 2025

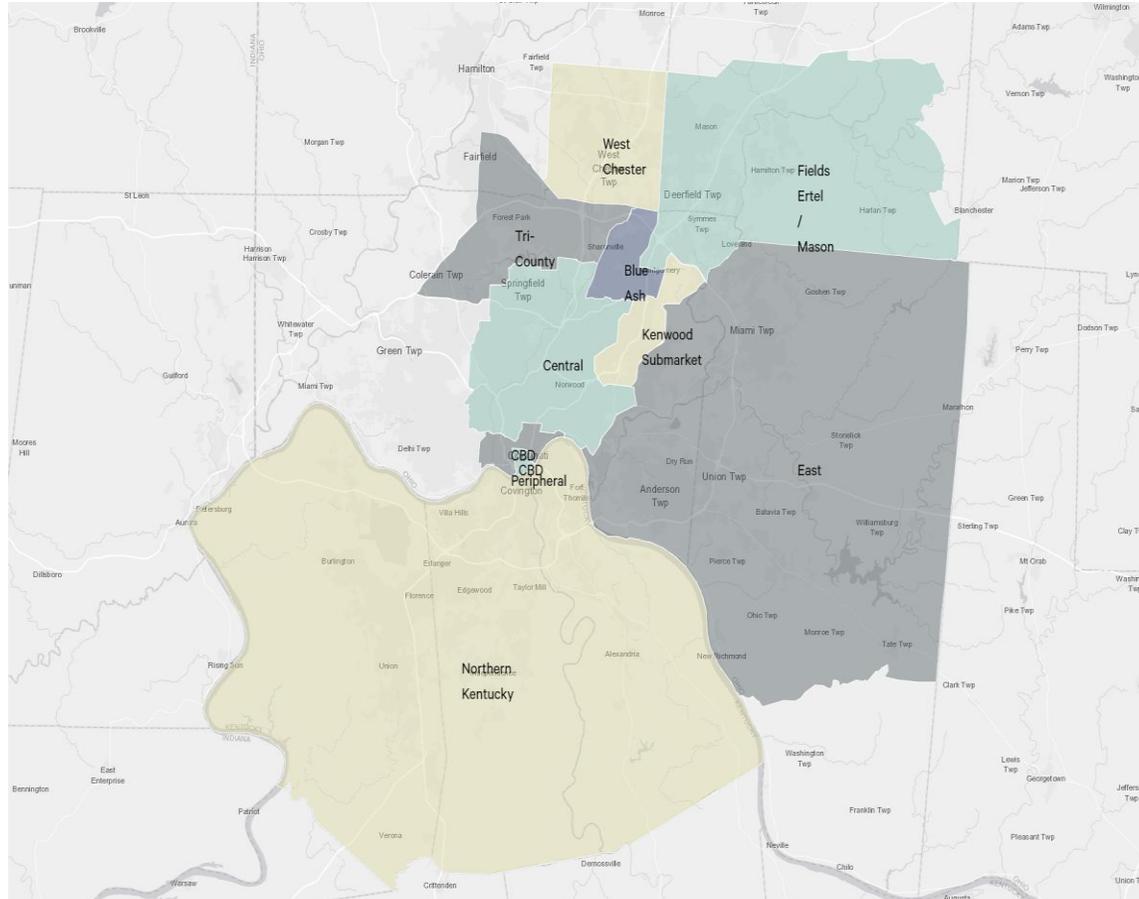
Note: Arrows indicate month-over-month change.

Cincinnati, OH Unemployment Rate and Labor Force Trends



Source: US BLS, May 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 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.

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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