

# VIEWPOINT



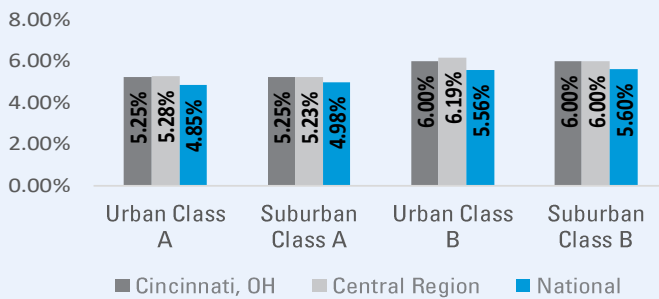
## 2023 CINCINNATI, OH MULTIFAMILY ANNUAL REPORT

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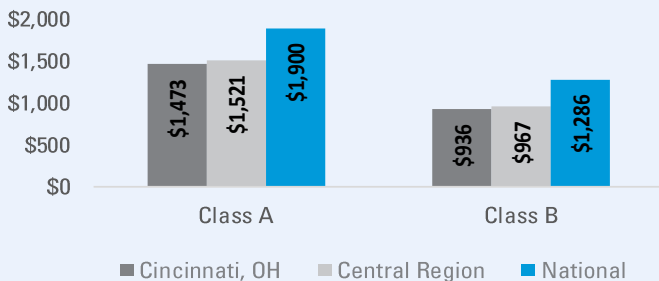
### Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▲	▼

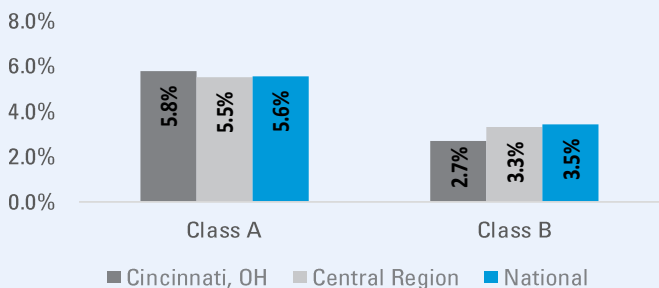
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



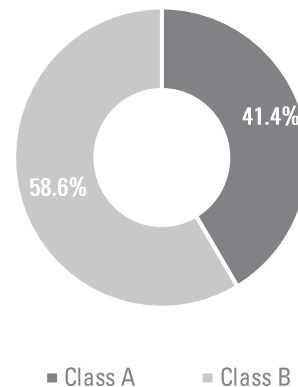
### Vacancy Rates (%)



### Cincinnati, OH Multifamily Market Overview

It was noted at the 2021 midyear mark that the Cincinnati multifamily real estate market had resumed its torrid pre-pandemic pace, with almost every economic measure pushing all-time highs. It was thought that this pace wouldn't continue, but that has not been the case, although with some changes, the trend has continued throughout 2022. The vacancy rate for 2022 stands at around 4.5% which has remained fairly steady from last year but likely will trend higher with the new supply coming online. Net absorption from the trailing twelve months stayed fairly strong at approximately 1,300 units, but down from the 3,065 units at the end of 2021. Current inventory is around 135,000 units. At the present time, approximately 6,200 total units are under construction in different phases of development around Greater Cincinnati. Transaction volume in the second half of 2022 stood at approximately 190+ deals, with a total sale volume of around \$125 million and an average cap rate of around 7.5%. With the significant increases in mortgage rates as a result of the Federal Reserve action to curb inflation, housing affordability has suffered, eliminating people from the home buying market, and causing them to turn to the multifamily market. This will likely result in further increases in rental rates, although it is doubtful, they will continue the torrid pace from last year of 25%. Further upward pressure on rents have been caused by increasing expenses landlords have had to deal with as well. Overall, the Greater Cincinnati multifamily market will still be attractive to potential investors.

### Distribution of Total Inventory



117,768 Units  
Multifamily Inventory

3.29% - 12 Mo. Proj.  
Construction/Inventory

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## Change In Value Next 12 Months



**+/- 0%**

Urban Class A

**+/- 0%**

Urban Class B



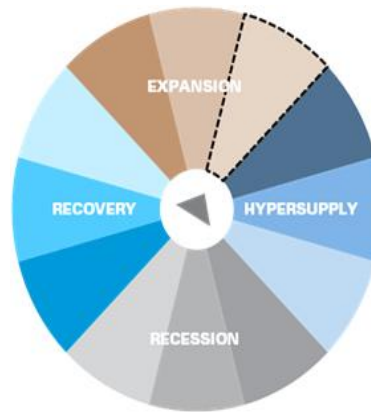
**+/- 0%**

Suburban Class A

**+/- 0%**

Suburban Class B

## Market Cycle: Expansion Stage 3



- Med/High Rental Rate Growth
- High Absorption
- Moderate/High Employment Growth
- Decreasing Vacancy Rates
- Moderate/High New Construction

## Forecasts

### Cincinnati, OH 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Construction (Units)	3,872			
Market Rent Change	+5.00%	+5.00%	+5.00%	+5.00%
Expense Rate Change	+5.00%	+5.00%	+5.00%	+5.00%
Years to Balance	In Balance			

### Cincinnati, OH 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+12.55%			
Change in Value	Increase 10%-14.9%	Increase 10%-14.9%	Increase 10%-14.9%	Increase 10%-14.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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