

FIGURES | CINCINNATI INDUSTRIAL | Q2 2025

# Market rents hit new high with positive absorption continuing

▼ 5.9%

Vacancy Rate

▲ 1.0M

SF Net Absorption

▲ 725,000

SF Construction Delivered

▲ 2.3M

SF Under Construction

▲ \$6.31

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## SUMMARY

The Cincinnati Industrial market posted 1.0 million sq. ft. of positive net absorption in Q2 2025.

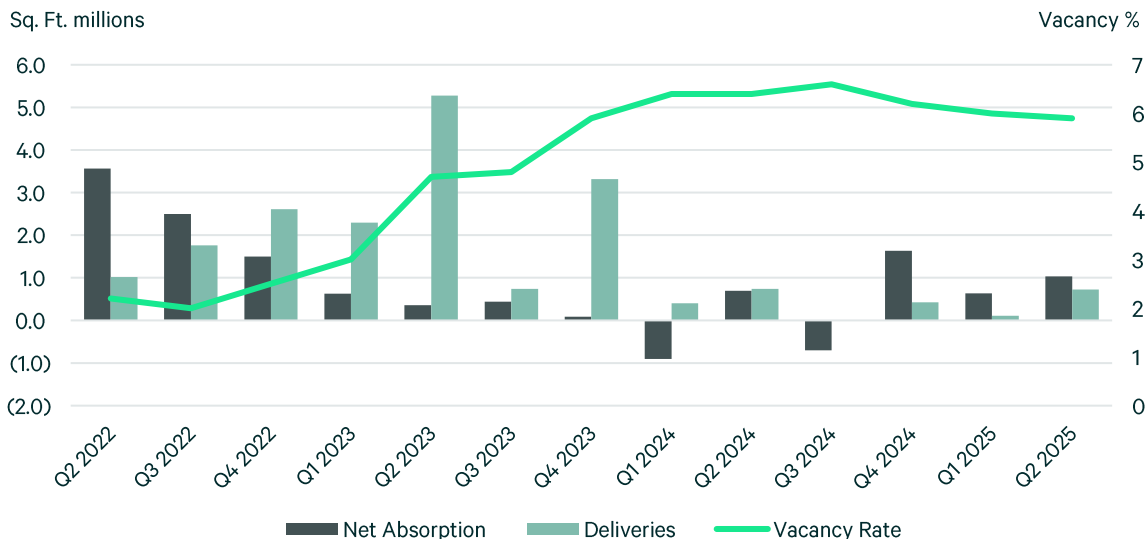
Vacancy decreased to 5.9% down 10 basis points (bps) quarter-over-quarter and direct availability was 6.7%, up 10 bps quarter-over-quarter.

The average asking rent reached its highest point over the past three years, recorded at \$6.31 per sq. ft. at the close of Q2 2025.

Leasing activity hit 2.9 million sq. ft. of total transaction volume, including the largest new deal of the year, a 533,676 sq. ft. bulk warehouse at 9981 Harrison Avenue in the Central submarket.

725,000 sq. ft. of construction delivered this quarter, including two speculative buildings at Logistics Park Airport West #1 and #2 with Ambrose for 246,000 sq. ft. and 260,000 sq. ft. Additionally, three new build-to-suit projects broke ground this quarter, including an 800,000 sq. ft. bulk warehouse at 7995 Seward Road for Hit Promo. Looking ahead, 654,560 sq. ft. is projected to deliver by the end of 2025.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

## Availability Rate

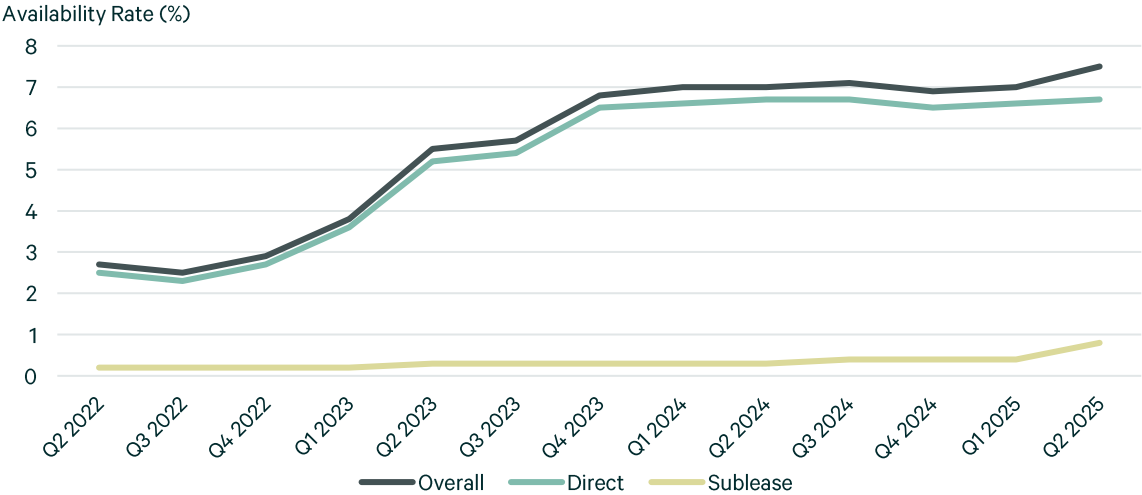
The Cincinnati Industrial market recorded an overall availability rate of 7.5%, up 50 bps quarter-over-quarter. Spaces with Manufacturing product type had the lowest availability rate at 4.6% followed by Distribution/Logistics spaces at an availability rate of 7.9%. On a submarket level, the Central submarket had the lowest availability rate at 4.6% and the Northern Kentucky submarket had the highest availability rate at 12.8%. With the completion of unleased speculative construction, direct available space recorded a 10 bps increase quarter-over-quarter for an availability rate of 6.7%. With imminent deliveries consisting mostly of build-to-suits, availability is expected to reduce over the next quarter as tenants occupy the newly developed space.

## Asking Rent

The average asking rent has reached its highest point over the past three years, recorded at \$6.31 per sq. ft. at the close of Q2 2025, up 1.8% (\$0.11) quarter-over-quarter, and up 4.3%, (\$0.26) year-over-year. This increase is largely due to higher rents in new construction properties. Several 50,000 sq. ft. speculative buildings are starting to record asking rents close to \$10.00 per sq. ft., and rear load speculative buildings are now typically priced at over \$7.00 per sq. ft.

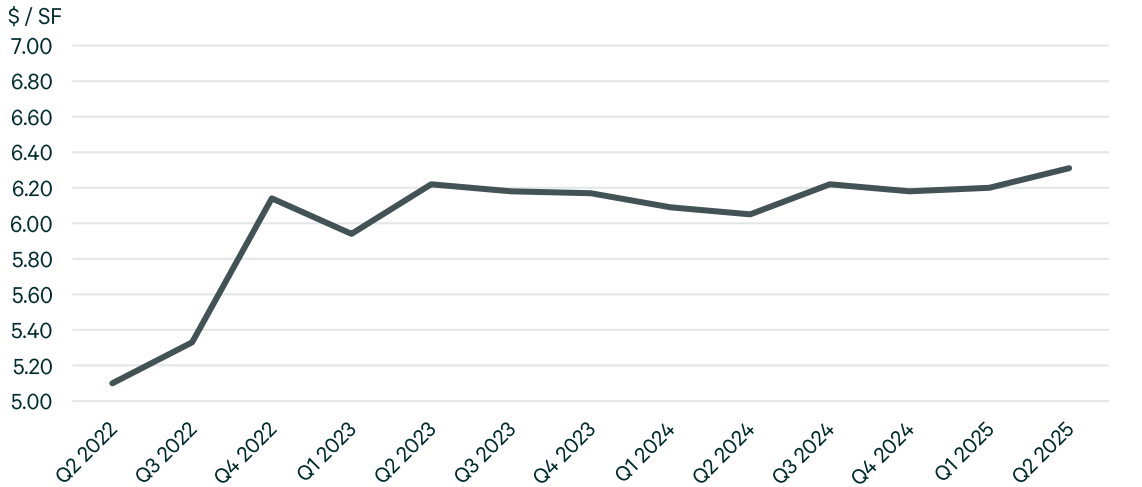
Across the submarkets, rents are highest in the Northwest at \$6.77 per sq. ft., followed by Central at \$6.32 per sq. ft. This aligns with the strong leasing velocity in those submarkets as well. R&D/Flex buildings are seeing highest rents at \$9.14 per sq. ft. while manufacturing asks the lowest rents at \$5.63 per sq. ft.

FIGURE 2: Availability Rates



Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

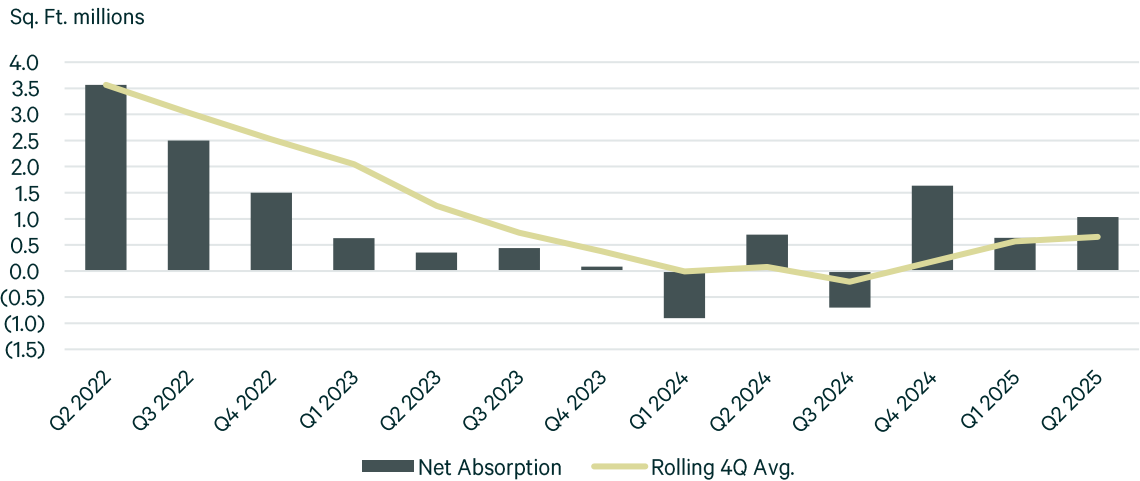
## Net Absorption

Despite recent economic uncertainty surrounding tariffs, absorption held steady, recording a strong 1.0 million sq. ft. of positive net absorption in the second quarter of the year. This marks the third consecutive quarter of positive net absorption for the Cincinnati Industrial market. A confidential new company to the market has leased the largest space of the year at 533,676 sq. ft. in Hillwood’s Harrison, Ohio speculative warehouse. Tasharina had the second largest absorption with their move-in to a 214,664 sq. ft. space at 2030 Meridian Place in Hebron, Kentucky. Other sizeable move-ins included iDrive Fulfilment to a 134,018 sq. ft. space at 3770 Symmes Road with Brennan and Standard Aero expanding 121,981 sq. ft. at 11550 Mosteller Road in Sharonville with Plymouth. Thermo Fisher had the largest vacancy this quarter from moving out of 225,560 sq. ft. at 7381 Empire Drive. Three of the four submarkets recorded positive activity this quarter, led with the Central submarket at 535,769 sq. ft. of positive net absorption.

## Construction Activity

Construction activity began to pick up this quarter, as projects under construction increased by 300,000 sq. ft. quarter-over-quarter from 2.0 million sq. ft. in Q1 to 2.3 million sq. ft. in Q2. Completions also recorded accelerated activity, increasing by 615,000 sq. ft. quarter-over-quarter for a total of 725,000 sq. ft projects completed. Over half the projects completed this quarter were speculative, including Ambrose’s Airpark West I & II for 260,000 sq. ft. at 2440 Airwest Boulevard and 246,000 sq. ft. at 2424 Airwest Boulevard. Mane, Inc. completed construction on their 100,000 sq. ft. build-to-suit at 10311 Chester Road in the Northwest submarket. Three new build-to-suit projects broke ground this quarter, including an 800,000 sq. ft. bulk warehouse at 7995 Seward Road for Hit Promo.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity

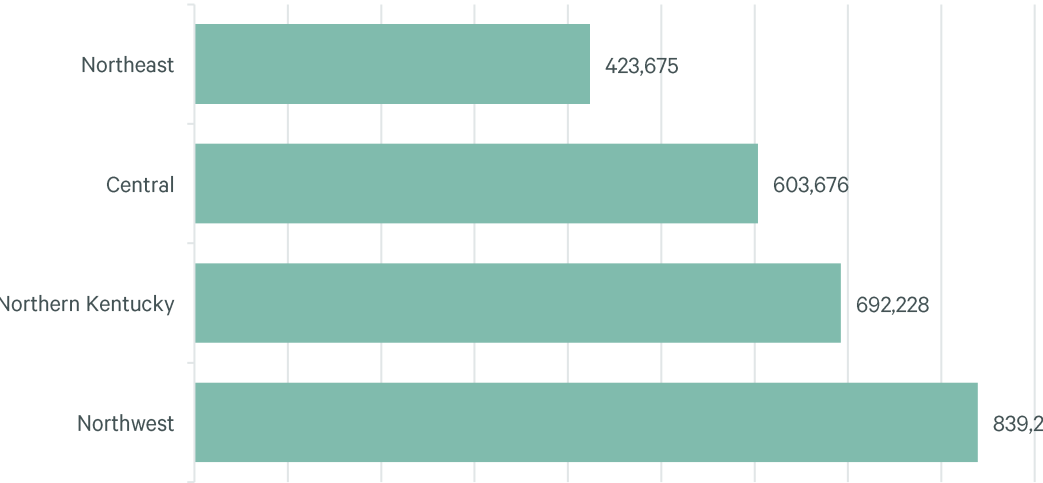


Source: CBRE Research, Q2 2025

### Leasing Activity

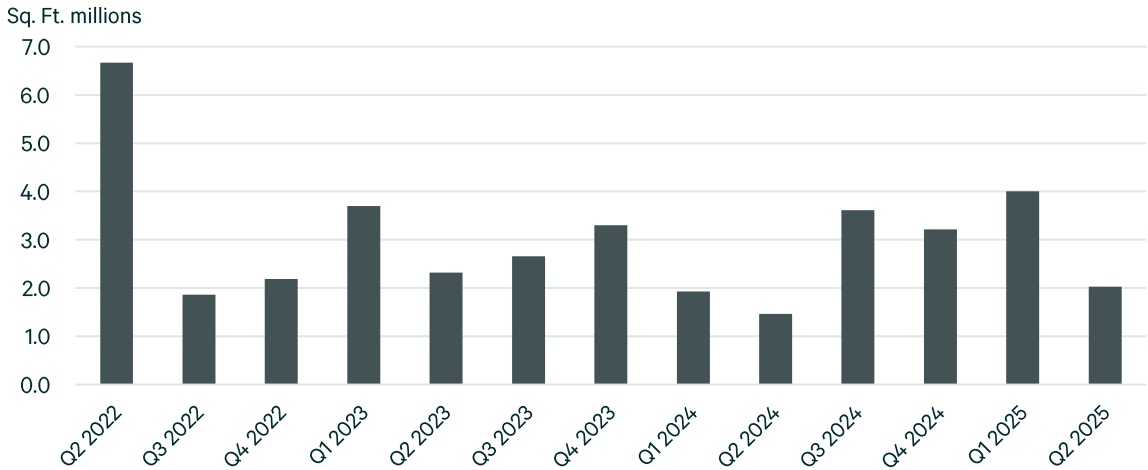
Leasing activity held steady in the second quarter of 2025 with a strong 2.9 million sq. ft. of total transaction volume. There was over 1.7 million sq. ft. of new leases signed this quarter, which accounted for 57.6% of total sq. ft. leased, demonstrating the still evident demand for industrial space. Some sizeable new leases included Airgas with a 187,238 sq. ft. space at 1125 Strategic Parkway and Let’s Get Checked signed a 109,166 sq. ft. lease in NorthPoint’s Fairfield Trade Center. There was 1.0 million sq. ft. of renewal leases signed this quarter, including Sun Chemical with a 354,371 sq. ft. space at 2245-2255 Progress Dr and Texas Pipe and Supply Co. with a 175,966 sq. ft. space at 4520 LeSaint Court signaling a commitment to the Cincinnati market. On a submarket level, 29% of leasing activity was recorded in the Northwest submarket with over 839,214 sq. ft., closely followed by the Central submarket with 719,776 sq. ft. leased.

FIGURE 7: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	533,676	New Lease	9981 Harrison Ave	Central
Sun Chemical	354,371	Renewal	2245-2255 Progress Dr	Northern Kentucky
Tasharina	214,664	New Lease	2030 Meridian Pl	Northern Kentucky
Airgas	187,238	New Lease	1125 Strategic Pkwy	Northwest
Texas Pipe and Supply Co.	175,966	Renewal	4520 LeSaint Ct	Northwest
iDrive Fulfillment	134,018	New Lease	3770 Symmes Road	Northwest
Standard Aero	121,981	New Lease	11550 Mosteller Rd	Northeast
Piqua Steel Co.	121,344	Renewal	11015-11093 Kenwood Rd	Northeast
Lets Get Checked	109,166	New Lease	8407 Firebird Dr	Northwest
Gibraltar Industries	105,000	User Sale	7108 Shona Dr	Central

Source: CBRE Research, Q2 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.	68,621,815	4.6	5.6	5.3	0.3	6.52	116,465	(20,102)	0	348,368
100,000-199,999 sq. ft.	60,948,353	4.3	6.9	5.8	1.1	6.70	107,485	424,297	220,000	104,000
200,000-299,999 sq. ft.	40,769,310	7.5	9.9	8.7	1.2	6.35	(55,091)	(74,173)	505,000	208,000
300,000-499,999 sq. ft.	44,572,941	4.3	6.2	4.7	1.5	6.14	338,747	798,476	0	885,360
500,000-749,999 sq. ft.	40,570,615	9.5	10.4	10.3	0.1	6.10	525,227	538,427	0	0
750,000 sq. ft.	47,359,589	6.9	7.5	7.0	0.4	6.21	0	0	0	800,000
Total	302,842,623	6.2	7.7	7.0	0.8	6.31	1,032,833	1,666,925	725,000	2,345,728

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	208,893,455	6.2	7.9	7.1	0.8	6.38	1,179,910	1,955,666	505,000	1,380,348
Manufacturing	83,730,595	3.5	4.6	4.0	0.5	5.63	-394,273	-507,474	0	0
R&D / Flex	2,544,241	5.7	10.1	9.6	0.5	9.14	3,306	3,306	0	0
Other Industrial	7,674,332	25.6	26.4	24.8	1.6	6.58	243,890	215,427	220,000	965,380
Total	302,842,623	5.9	7.5	6.7	0.8	6.31	1,032,833	1,666,925	725,000	2,345,728

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	71,918,240	3.9	4.6	4.1	0.5	6.32	535,769	563,067	0	0
Northeast	62,483,327	5.2	6.5	6.0	0.5	6.4	333,469	130,251	120,000	0
Northern Kentucky	83,139,563	10.9	12.8	12.0	0.8	6.17	(145,412)	306,484	505,000	859,788
Northwest	85,301,493	3.3	5.3	4.2	1.1	6.77	309,007	667,123	100,000	1,485,940
Total	302,842,623	5.9	7.5	6.7	0.8	6.31	1,032,833	1,666,925	725,000	2,345,728

## 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

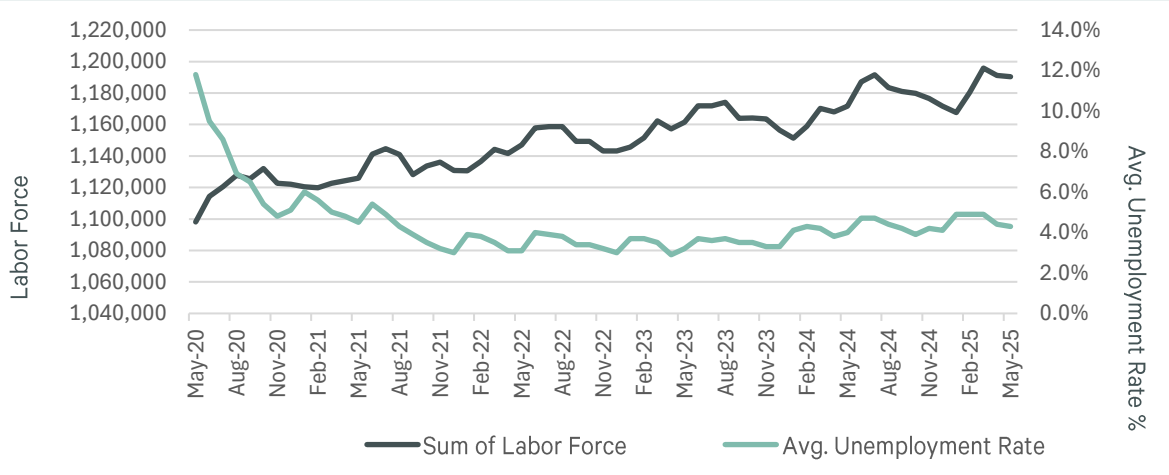
Employment Change by Sector – Yearly + Monthly  
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, May 2025

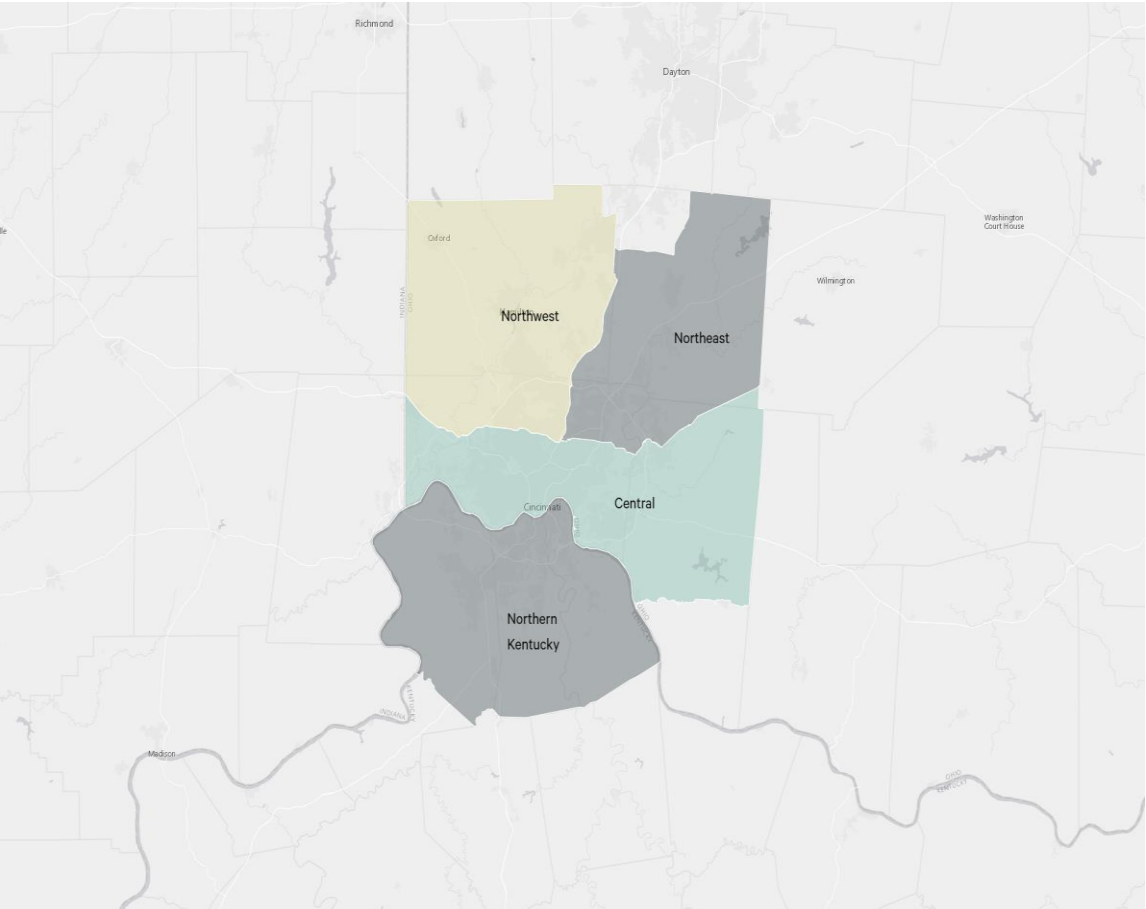
Note: Arrows indicate month-over-month change.

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. 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 s q. 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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