

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Cincinnati, OH-KY-IN

Core-Based Statistical Area Code: 17140

The Cincinnati, OH-KY-IN commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 32.0**

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Cincinnati, OH-KY-IN			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	1,105	1,098	1,065	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	39	39	(70)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	3.6%	3.7%	-6.2%	4.1%	4.0%	-6.0%	Job creation is weaker than nationally
Unemployment rate (%)	4.1%	4.8%	4.9%	4.2%	4.7%	6.7%	Unemployment rate is lower than nationally
Average weekly wages	\$1,022	\$989	\$957	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.1%	3.5%	2.7%	4.8%	4.5%	6.7%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.6%	3.7%	1.6%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$66,825	\$62,743	\$61,653	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.1	1.1	0.7	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	2,233	2,225	2,214	331,501	328,330	326,838	
Population growth (%)	0.34%	0.49%	0.42%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	3.8%	3.9%	5.8%	4.6%	4.6%	6.6%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	390	573	544	78,063	189,629	94,740	
Absorption of units in past 12 months	2,964	3,118	2,614	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	2.3%	2.5%	2.1%	4.2%	4.3%	2.3%	The area has lower absorption than nationally
Market asking rent per unit	\$1,040	\$1,029	\$963	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	8.0%	7.2%	2.6%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,036	\$1,026	\$955	\$1,534	\$1,523	\$1,367	Rents are rising more slowly than nationally
Effective rent per unit, y/y % chg	8.5%	7.7%	2.2%	12.2%	11.6%	-0.1%	
Rent as a percent of 2-person annual wage income	11.7%	11.9%	11.5%	16.3%	16.3%	15.2%	Renting is more affordable than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	126,879	126,490	123,925	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	364	395	2,677	369,993	387,542	434,591	
Net delivered units, as % of inventory	0.3%	0.3%	2.2%	2.2%	2.3%	2.6%	
Units under construction	4,810	4,970	2,705	681,402	692,701	687,551	
Units under construction, as % of inventory	3.8%	3.9%	2.2%	4.0%	4.1%	4.2%	Construction is weaker than nationally
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	106.3	99.5	(26.2)	16.2	14.7	(21.3)	More jobs per delivered units than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$69	\$68	\$56	\$86,764	\$63,211	\$47,522	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$125,625	\$85,319	\$150,678	\$235,199	\$231,697	\$212,033	Prices are not rising as fast than nationally
Market cap rate	6.9%	7.0%	6.9%	5.2%	5.2%	5.3%	Cap rates are higher than nationally

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	10.0%	10.1%	9.2%	12.2%	10.1%	9.2%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(100,782)	(448,600)	42,746	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(1,082,414)	(938,886)	126,830	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-1.1%	-1.0%	0.1%	-0.5%	-1.2%	-1.0%	The area has lower absorption than nationally
Market rent per sq.ft.	\$19.5	\$19.4	\$19.4	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	0.7%	1.5%	0.5%	0.1%	-0.3%	-1.5%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	12.1	20.3	(6.4)	1,134	1,092	(870)	Slower office job creation than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	94,123,464	94,224,248	95,050,672	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	(268,840)	(32,824)	(93,734)	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-0.3%	0.0%	-0.1%	0.8%	0.8%	0.6%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	775,891	775,891	875,443	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.8%	0.8%	0.9%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$99	\$69	\$66	\$28,031	\$29,974	\$21,646	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$94	\$98	\$84	\$305	\$306	\$301	Prices are rising faster nationally
Market cap rate	9.3%	9.3%	9.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

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### IV. Industrial

	Cincinnati, OH-KY-IN			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.4%	5.2%	5.9%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	3,422,804	2,380,692	823,630	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	8,271,474	5,672,300	900,811	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	2.6%	1.8%	0.3%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$5.9	\$5.6	\$5.4	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	9.1%	5.2%	2.9%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	322,880,288	319,457,504	314,608,832	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	3,635,851	4,190,719	3,653,682	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.1%	1.3%	1.2%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	3,012,933	3,601,767	5,097,334	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.9%	1.1%	1.6%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$321	\$169	\$215	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$66	\$55	\$53	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.5%	7.5%	7.4%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Cincinnati, OH-KY-IN			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	5.5%	6.0%	5.8%	4.6%	4.8%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	253,243	26,834	(208,157)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(133,419)	(594,819)	(586,675)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-0.1%	-0.5%	-0.5%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$14.1	\$13.8	\$13.2	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	6.3%	5.2%	0.8%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	8.00	3.60	(3.20)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	125,515,136	125,261,888	125,648,552	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-561,646	-135,555	35,821	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	-0.4%	-0.1%	0.0%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	124,031	139,211	212,383	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.2%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$122	\$98	\$66	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$131	\$93	\$105	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	8.2%	8.3%	8.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Cincinnati, OH-KY-IN			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	107.9	112.4	95.0	15,362	15,397	12,896	
Y/Y change ('000)	11.3	7.3	(30.8)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.8%	10.2%	8.9%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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