



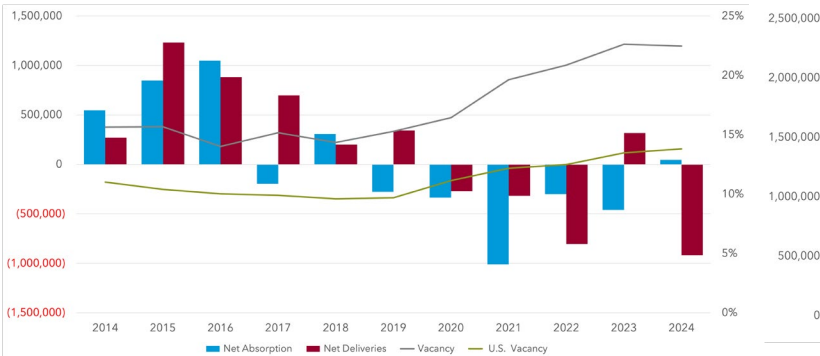
OFFICE MARKET OVERVIEW

DAN MCDONALD, *Senior Vice President, Principal*

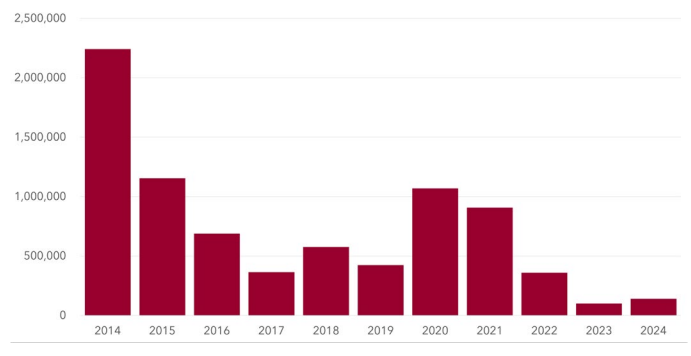
Cincinnati's office market is showing signs of recovery, with the regional vacancy rate decreasing from 17.6% in late 2023 to 15.5% by mid-2024. Gains were driven by suburban markets, with 130,000 SF of absorption, primarily by smaller businesses. CBD recovery lags, despite Kroger's 88,000 SF sublease at Atrium II. Over 4.5 million SF of office space has been repurposed in the last decade, enhancing the urban core's appeal. The CBD is transforming into a live-work-play hub, bolstered by the Convention Center expansion, "Eatertainment" attractions, and the "Joe Burrow effect." Challenges remain for Class A space, but suburban growth and urban revitalization offer optimism.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	95,155	(156,656)	19,634	88,436	210,280
▼ Vacancy Rate	22.48%	22.78%	22.28%	22.35%	22.62%
▲ Avg NNN Asking Rent PSF	\$23.57	\$23.50	\$23.45	\$23.38	\$23.24
▼ Sale Price PSF	\$100	\$102	\$104	\$103	\$105
▲ Cap Rate	11.77%	11.70%	11.62%	11.58%	11.44%
▲ Under Construction	140,300	98,455	98,455	104,455	100,700
◀ ▶ Inventory	31,818,451	31,818,451	31,818,451	31,818,451	31,818,451

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7125 Industrial Road Florence, KY	167,939 SF	\$3,250,000 \$19.35 PSF	Camco Chemical Office Properties Income Trust	Class B
10200 Anderson Way Cincinnati, OH	100,000 SF	\$8,000,000 \$80.00 PSF	Cincinnati Classical Academy Belcan	Class B
7505 Sussex Drive Florence, KY	25,000 SF	\$1,050,000 \$42.00 PSF	Undisclosed Eggleston Incorporated	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4605 Duke Drive Mason, OH	13,727 SF	Harbert Management Corporation	E Premium Insurance	Finance and Insurance
4605 Duke Drive Mason, OH	8,975 SF	Harbert Management Corporation	Workday	Professional, Scientific, and Technical Services
4445 W. Lake Forest Drive Blue Ash, OH	8,550 SF	Apollo Management Holdings, L.P.	CDK Global	Services

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