

INVESTMENT FORECAST

Multifamily
Cincinnati

IPA

INSTITUTIONAL
PROPERTY
ADVISORS

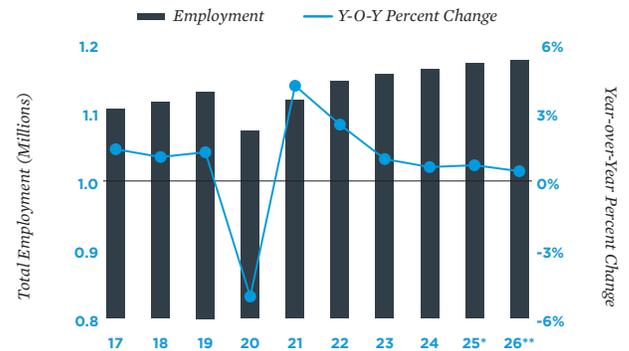
2026

Emerging Class A Strength May Translate to Investment Market

Evident divergence across tiers amid slower hiring. Net absorption outpaced completions in Cincinnati apartments over the past two years. As a result, the percentage of Class B/C units offering concessions fell sharply compared to the more modest decline noted in Class A in 2025. Additionally, while vacancy tightened across all segments, Class A remained above 4 percent compared with roughly 3 percent for lower-tier assets. These trends point to slower lease-up among newer properties, a dynamic that may persist, particularly in submarkets expecting the bulk of new supply, such as Northeast Cincinnati-Warren County and Southeast Cincinnati. It will likely drive another year of stronger rent growth across mid- and low-tier properties where inventory is more stable. Softer labor conditions, especially in traditional office-using sectors, may also temper Class A demand before a sharp drop in the development pipeline beginning in the fourth quarter of 2026 helps rebalance the upper end of the market over the longer term.

Strengthening fundamentals may reignite interest. Trades over \$10 million remained infrequent for the second straight year in 2025. Key transportation corridors in north Cincinnati, such as Ohio State Route 126 and Interstate 275, recorded slight upticks in these trades, driven primarily by Class B deals. Mid-tier properties in this area maintain vacancy below 4 percent heading into 2026, while rent growth has been the second strongest in the metro over the past three years. Trailing only West Cincinnati, this area will likely continue to draw larger investors. Northeast Cincinnati-Warren County also stands out. Despite the submarket being slated for a pickup in deliveries over the coming year, recent fundamental performance suggests the area is positioned to manage the incoming supply effectively. Class B vacancy tightened to around 2 percent in 2025, well below its long-term average of 4.4 percent. At the same time, Class A vacancy fell to its lowest level on record, fueling the metro's strongest rent growth in the segment. Metrowide, rent growth projected to rank among the top five major U.S. markets in 2026 may reinforce interest in the market's higher-end properties.

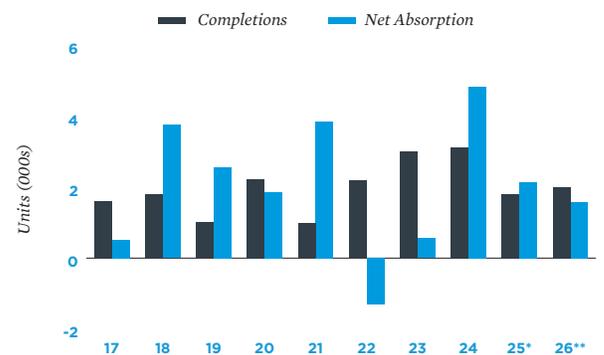
Employment Trends



Housing Affordability Gap



Supply and Demand



19.8%

2025 share of local population between 20 and 34 years old



34.3%

of local population hold bachelor's degree or higher*



\$302,500

2025 median home price*

* Estimate ** Forecast * Through 3Q
*2025: 25+ years old

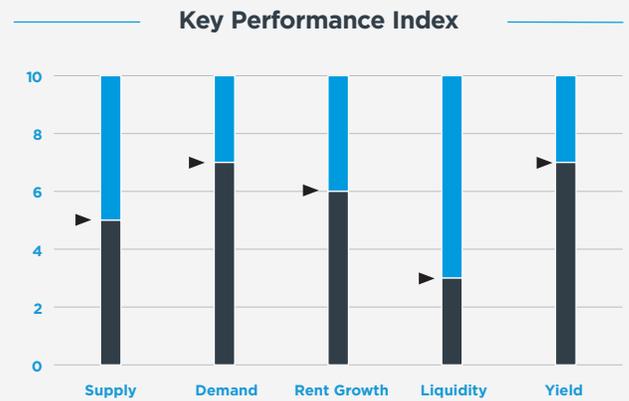
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

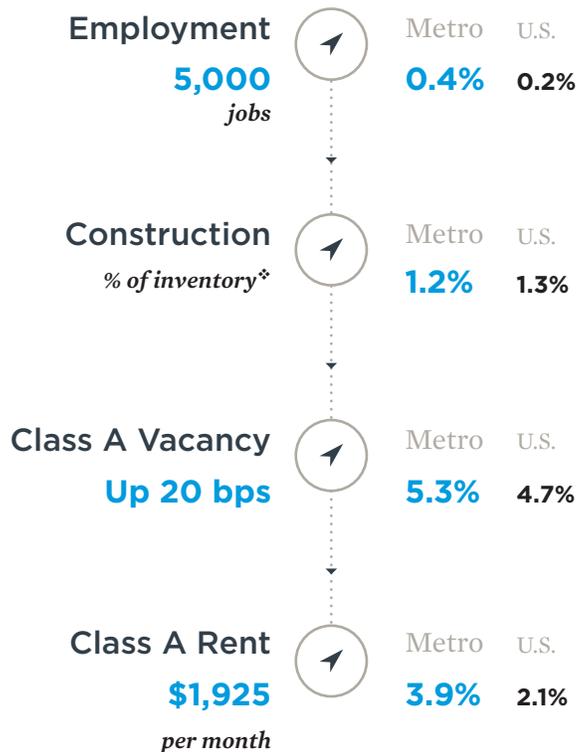
All three of the major markets in Ohio stand out in the KPI this year, with demand scores of 7. Only Chicago and San Francisco earn higher ratings in that field this year. Cincinnati's strong renter demand gauge, paired with a neutral supply score of 5, translates into an improved rent indicator of 6.

Cincinnati's yield KPI of 7 distinguishes it from the other major Ohio markets and from metros nationally. Only three other major markets share a comparably high score.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1-10 for five key metrics.



2026 INVESTMENT OUTLOOK



IPA Multifamily

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* Estimate ** Forecast
* Arrow reflects completions trend compared with 2025

Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics