

INVESTMENT FORECAST

Office
Cincinnati Metro Area

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Stabilizing Valuations Draw Investment Appeal as Select Submarkets Gain Traction

CBD maintains exceptionally low vacancy. While strengthening net absorption since 2022 supported a period of declining vacancy in Cincinnati's office market, that trend shifted in 2025 as leasing activity slowed. Looking ahead, the volume of square footage leased in late 2025 fell slightly short of levels from the same period in 2024, indicating demand was losing momentum heading into the new year. However, areas like the CBD – the nation's third-least vacant – remain well positioned amid a slim development pipeline. Limited deliveries will also continue benefiting eastern Cincinnati, particularly along Interstate 275, where vacancy in late 2025 reached its lowest point since 2017, driven mainly by sub-10,000-square-foot leasing in Class B/C spaces. Additionally, low- to mid-tier properties in infill pockets south of the river along Interstate 71 have benefited from steady leasing activity in recent quarters, positioning these areas to sustain asking rent growth exceeding the metrowide pace in 2026.

Urban core sales trends vary by quality tiers. Cincinnati's transaction activity in 2025 nearly matched 2024's level and the pre-pandemic 2015-2019 annual average. In the urban core, Class A trading could remain subdued amid rising vacancy. By contrast, Class B/C vacancy has fallen to its lowest level since at least 2007, potentially increasing investment appeal in these assets. Investors may also focus on the suburbs, where vacancy has been near its lowest level since early 2020. Strengthening fundamentals among mid- to high-end properties over 50,000 square feet in the area northeast of Reading may further spur investment appeal. Metrowide, the average price per square foot nearly held steady in 2025 after falling at the fourth-fastest rate among major markets between 2021 and 2024, suggesting buyers may have a shrinking window of discounted valuations.

2026 MARKET FORECAST

+0.4%



Employment: The metro is expected to add just 5,000 jobs in 2026, the slowest growth since 2010, excluding 2020. Traditional office-using employment will fall by 2,000 roles.

308,000
sq. ft.



Construction: This year's delivery slate nearly matches that of 2025, adding another modest 0.3 percent to inventory and marking the 10th consecutive year below the national growth benchmark.

+20 bps



Vacancy: Despite minimal deliveries, a late-2025 leasing slowdown is weighing on vacancy in 2026. Still, at 12.4 percent by year-end, the rate remains 70 basis points below its long-term mean.

-0.7%

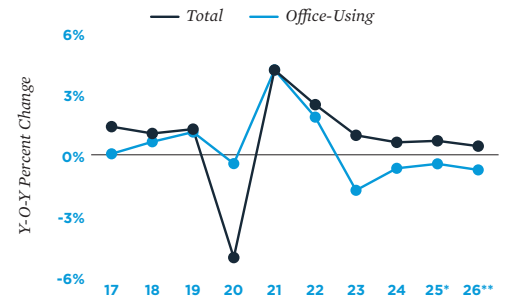


Rent: A second consecutive year of rising vacancy should shift the year-end average asking rate down to \$14.90 per square foot. The only other annual decline in the past decade occurred in 2021.

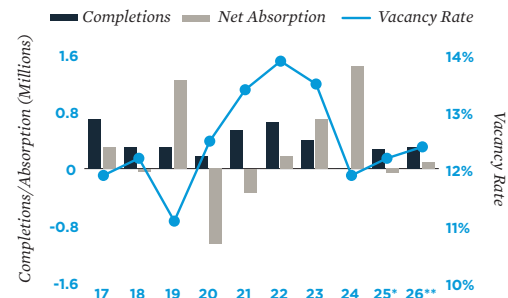
INVESTMENT:

A sizable amount of retail and industrial development around Cincinnati & Northern Kentucky International Airport could spur heightened office demand and investment appeal on that side of the river.

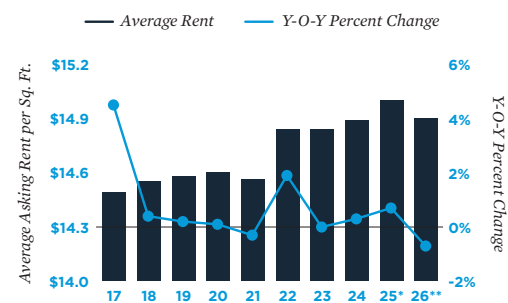
Employment Trends



Supply and Demand



Rent Trends



* Estimate ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

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Metrowide employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.