



CINCINNATI, OH

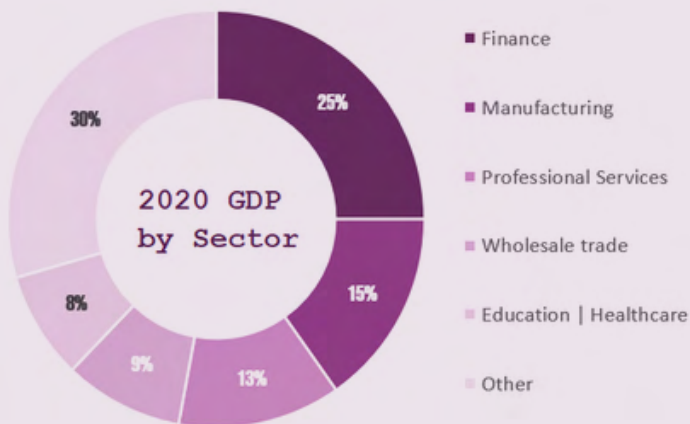
## PLUM LENDING MARKET SPOTLIGHT



PLUM LENDING MARKET SPOTLIGHTS ARE INTENDED TO GIVE INVESTORS AND BORROWERS A DETAILED OVERVIEW OF THE INFORMATION THAT IS ALLOWING PLUM TO PLACE COMMERCIAL REAL ESTATE DEBT IN GROWING MARKETS

# PLUM MARKET SPOTLIGHT - CINCINNATI, OH

- Cincinnati is the third largest city in Ohio, behind Columbus and Cleveland, with a 2020 U.S. Census population of 309,317 and 138,696 total households.
- The average age in Cincinnati is 32.4 years, compared to the Ohio average of 39.5 years.
- According to EMSI, as of May 2022, the Cincinnati MSA had an unemployment rate of 2.9% compared to the national average of 3.4%.
- In 2021, the Tax Foundation ranked Ohio as #1 in tax climate for new data centers/distribution and #3 in tax climate for capital-intensive manufacturers.
- SmartAsset named Cincinnati the best city in the U.S. for college graduates in 2021.
- According to Redfin, the median sale price of a home in Cincinnati was \$258,000 as of June 2022.
- The University of Cincinnati welcomes more than 28,000 full-time undergraduate students each year and has the #1 ranked Cooperative education program in the country.
- Cincinnati is the headquarters of several global companies, including Kroger, Macy's, P&G, and Fifth Third Bancorp.



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## Commercial Real Estate Trends

### Office:

- Office space absorption was negative in 2020 and 2021 due to COVID-19 but returned to positive in the second quarter of 2022.
- The 216,000 SF Textile Building in downtown Cincinnati is being converted from office space to a 282-unit apartment building with first-floor retail space.

### Multifamily:

- Vacancy rate for the Cincinnati MSA is near 4.6% as of July 2022, with asking rent growth slightly above 9.5% over the past 12 months.
- Cincinnati has an average rent of \$1,130 per unit, which is the lowest of Ohio's three major markets.

### Industrial:

- PwC ranked Cincinnati as the #1 city to buy industrial property in the United States as part of the 2022 Emerging Trends in Real Estate report.
- Cincinnati is among the nation's top logistics hubs, including Amazon's Prime Air Hub just south of the city center. The facility is adjacent to CVG Airport, opened in August 2021, and cost \$1.5 billion to build.
- Industrial vacancy is under 3% as of July 2022, and rent growth is over 10.5% year over year.

### Retail:

- Retail vacancy as of June 2022 was slightly above 6.0%, which has been fairly flat since March 2020.
- Rental rates for retail space average slightly below \$14.00 PSF, which is nearly 40% lower than the U.S. average.

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## Cincinnati Innovation District

- Announced in March 2020, the Cincinnati Innovation District is a partnership between JobsOhio, the University of Cincinnati, and Cincinnati Children's Hospital.
- The goal of the project, and the specific area designated within the city, is to build, retain, and attract talent to Ohio.
- JobsOhio is the state's economic development corporation and has committed to investing up to \$100 million to improve talent development and accelerate research initiatives.
- The district has the potential to develop more than 2 million square feet of mixed-use buildings that will provide space for offices, labs, retail, housing, and nightlife.

## Largest employers in the Cincinnati MSA:

- Kroger - 20,000
- Cincinnati Children's Hospital - 16,742
- Trihealth - 12,000
- University of Cincinnati - 10,530
- UC Health - 10,255

## Recent multifamily transactions:

- The Manhattan on the River, a 263-unit complex that is over 94% occupied, sold for \$69,500,000 in July 2021, or \$264,258 per unit. The property has an average rental rate of \$1,869 per unit.
- Overlook Apartment Homes, a 252-unit complex that is 100% occupied, sold for \$43,000,000 in October 2021, or \$170,634 per unit. The property has an average rental rate of \$1,332 per unit.
- Liberty Center Apartments, a 238-unit complex that is nearly 98% occupied, sold for \$45,800,000 in May 2021, or \$192,436 per unit. The property has an average rental rate of \$1,858 per unit.

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