



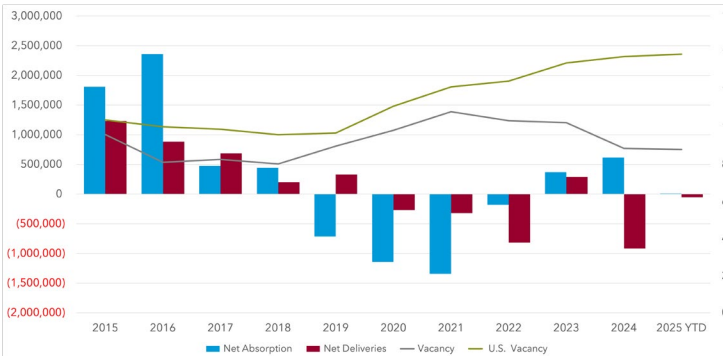
OFFICE MARKET OVERVIEW

GARY FISHER, *Vice President*

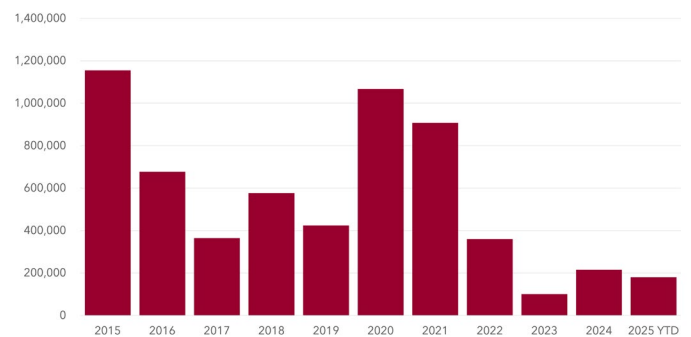
The market remains stable with 8.8% vacancy vs 13.8% national average. This stability since mid-2021 stems from little new construction, positive absorption. Our CBD's 10.7% vacancy ranks third lowest nationally. Reduced inventory of B/C properties (via apartment & hotel conversions) contributes to sub-9% vacancy in that segment. Relocations and consolidations drive leasing, with significant sublease opportunities available. Despite slowing to 1.4%, rent growth exceeds national averages, particularly in suburban areas. Construction remains at historic lows and is mostly in mixed-use projects. 180,000 sf is now underway, in Kenwood, Midtown and North Kentucky. The constrained pipeline favors existing buildings, suggesting continued market stability through 2025.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▼ 12 Mo. Net Absorption SF	499,811	615,732	807,435	714,934	890,997
▼ Vacancy Rate	8.77%	8.86%	9.04%	9.89%	10.09%
◀ ▶ Avg NNN Asking Rent PSF	\$20.46	\$20.46	\$20.38	\$20.30	\$20.18
▼ Sale Price PSF	\$99.55	\$99.69	\$97.52	\$98.63	\$97.59
▲ Cap Rate	11.70%	11.68%	11.81%	11.64%	11.60%
▼ Under Construction	180,300	215,300	173,455	98,455	104,455
▼ Inventory	103,522,963	103,578,153	103,686,398	104,387,665	104,495,557

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4680 Parkway Drive Mason, OH	128,352 SF	\$4,024,101 \$31.35 PSF	Neyer Properties, Inc. Harbert Management Corporation	Class A
4660 Duke Drive Mason, OH	78,253 SF	\$1,875,899 \$23.97 PSF	Neyer Properties, Inc. Harbert Management Corporation	Class B
5155 Financial Way Mason, OH	67,000 SF	\$6,000,000 \$89.55 PSF	Mira Precision Top Gun Sales Performance	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9997 Carver Road Blue Ash, OH	20,601 SF	VanTrust Real Estate LLC	Trustaff Management	Administrative and Support Services
9987 Carver Road Blue Ash, OH	17,162 SF	VanTrust Real Estate LLC	KSM Business Services	Professional, Scientific and Technical Services
221 E. 4th Street Cincinnati, OH	15,000 SF	IMC Real Estate	Port of Greater Cincinnati Development Authority	Public Administration

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com