

# CINCINNATI, OHIO

## APARTMENT CONSTRUCTION RAMPES UP WITH DEMAND TO FOLLOW IN 2021

Persistent economic development in Central Cincinnati and one of the nation's tightest single-family home markets supported continued rent growth and a bevy of new apartment construction in 2020 and 2021 for the Cincinnati multifamily industry. Developers brought 2,165 units online in 2020, more than doubling deliveries from the previous year. This trend occurred amid an annual drop in apartment demand caused by COVID-19. Apartment operators increased concessions, but effective rent still rose 2.2% to \$1,018 over the past 12 months. Multiple factors are stoking long-term optimism for multifamily in Cincinnati: apartment demand metrowide is expected to ramp up over the next 12 months in concert with new office and retail development in the Central Cincinnati and Northeast Cincinnati/Warren County submarkets. Likewise, effective rent is expected to increase, up 1.6% to \$1,034 by the end of 2021. Occupancy is projected to drop 40 basis points this year to 95.8% due to supply-side pressure but will continue to exceed the five-year annual average. In the Central Cincinnati submarket, the metro's central business district is humming with historic office redevelopments that have succeeded in attracting relocating companies across multiple industries, including several law firms encouraged by pandemic conditions to seek out cost-effective space in a rapidly modernizing urban environment. Further enhancing the appeal of the submarket to potential renters are projects like an \$80 million-mixed-use development planned in the Over-The-Rhine neighborhood that will incorporate modern amenities like built-in coworking environments and public art galleries.



### 2021 MARKET AT A GLANCE



#### OCCUPANCY RATE

95.8%

Down 40 bps YOY



#### EFFECTIVE RENT

\$1,034

Up 1.6% YOY

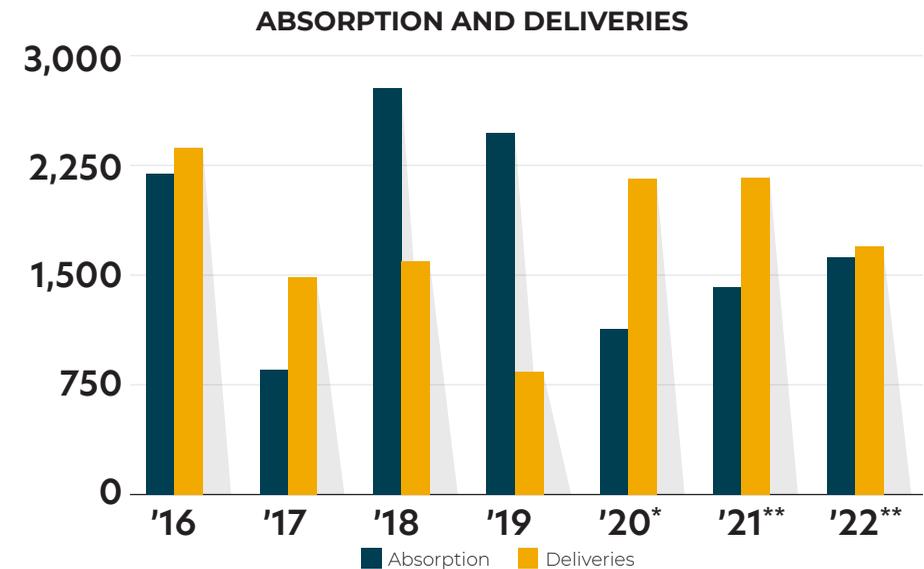
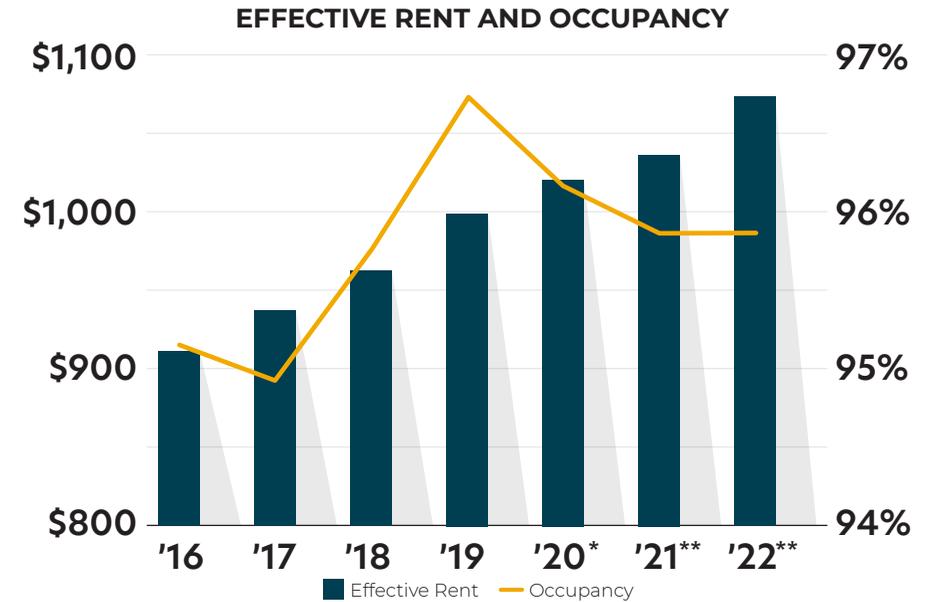


#### RENT SHARE OF WALLET

18.1%

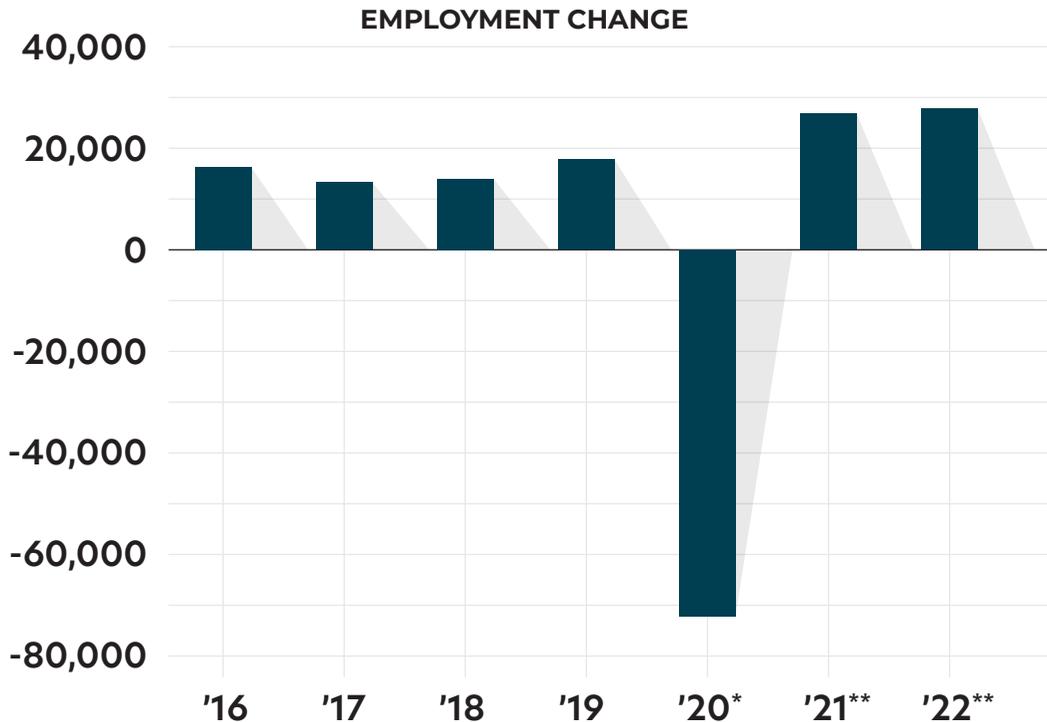
Up 30 bps YOY

### MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. \*Numbers for 2020 are projected values; \*\*2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

## EMPLOYMENT TRENDS



| 2019      | YOY CHANGE | 2020*     | YOY CHANGE | 2021**    |
|-----------|------------|-----------|------------|-----------|
| 1,131,500 | -6.4%      | 1,059,200 | 2.5%       | 1,085,900 |

| 2019 | YOY CHANGE | 2020 | YOY CHANGE | 2021 |
|------|------------|------|------------|------|
| 2.9% | 390 BPS    | 6.8% | -80 BPS    | 6.0% |

| 2019      | YOY CHANGE | 2020      | YOY CHANGE | 2021      |
|-----------|------------|-----------|------------|-----------|
| 2,204,000 | 0.6%       | 2,217,400 | 0.6%       | 2,230,400 |

| 2019    | YOY CHANGE | 2020    | YOY CHANGE | 2021    |
|---------|------------|---------|------------|---------|
| 872,700 | 0.9%       | 880,200 | 0.7%       | 886,800 |

| 2019     | YOY CHANGE | 2020     | YOY CHANGE | 2021     |
|----------|------------|----------|------------|----------|
| \$66,367 | 3.3%       | \$68,542 | -0.2%      | \$68,421 |

## SALES TRENDS

| 2019     | YOY CHANGE | 2020*    |
|----------|------------|----------|
| \$70,301 | -8.4%      | \$64,422 |

| 2019 | YOY CHANGE | 2020 |
|------|------------|------|
| 6.8% | 80 BPS     | 7.6% |



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