CINCINNATI
MULTIFAMILY REPORT

THIRD QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE 96.5%

Down **70 bps** since 3Q19

EFFECTIVE RENT $1,004

Up **2.4%** since 3Q19

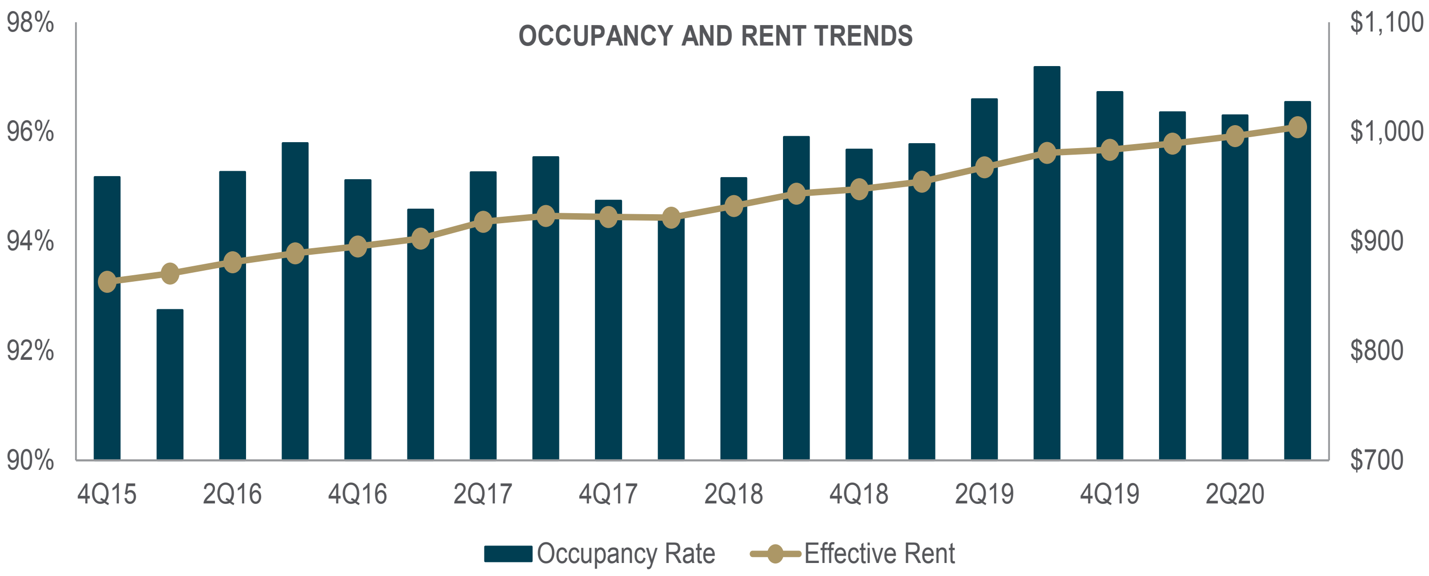
RENT PAYMENT TRACKER (Oct. 1-13) 90.7%

Up **70 bps** since Sept. 1-13

OCCUPANCY AND RENT TRENDS

APARTMENT DEMAND PERSISTS, SHIFTS TO SUBURBS

Greater Cincinnati residents displayed a preference for the suburbs amid the pandemic. Outside the urban core, apartment leasing activity was positive in every submarket during the third quarter. Net apartment absorption outpaced the 376 deliveries by a more than two-to-one ratio in the third quarter. This led to metrowide occupancy elevating 20 basis points from mid-2020 to 96.5% in the third quarter. Occupancy was highest in the West Cincinnati submarket after a 60-basis-point, quarter-over-quarter increase to 97.8% as many renters sought more affordable housing. Even with a 1.0% increase since mid-2020, the $773 average effective rent in the submarket was the lowest in the metro. Rent gains extended beyond the West Cincinnati submarket. At an average of $1,004 in the third quarter, monthly effective rent advanced 0.8% across the metro. For renters already under lease, 90.7% of apartment households made full or partial rent payments through October 13, a 70-basis-point monthly increase. The health of the apartment market was also reflected on the ownership side. In September, 2.4% of surveyed CMBS and Fannie Mae loans in the metro were in forbearance status, 10 basis points lower than similar tertiary markets.



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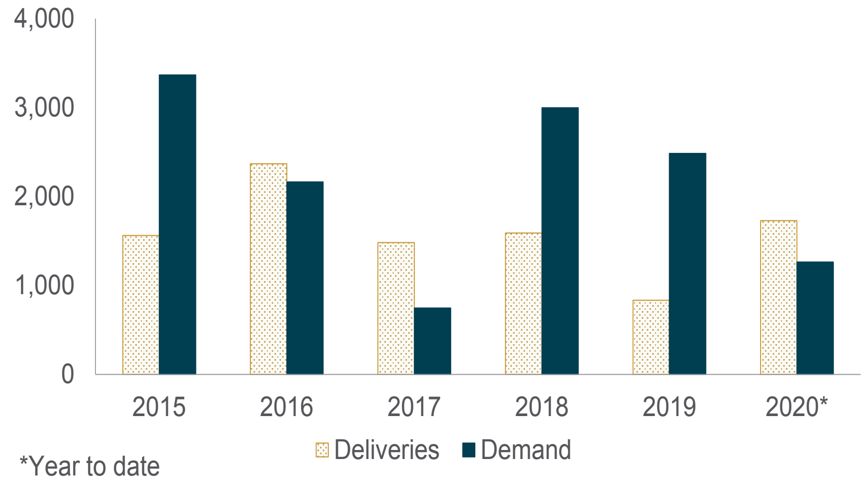
DELIVERIES AND DEMAND

DELIVERIES 1,729 Units YTD

NET ABSORPTION 1,263 Units YTD



*Year to date

ECONOMIC TRENDS

2019		2020
3.7%	**UNEMPLOYMENT*** **420 BPS** CHANGE	7.9%
1.1m	**EMPLOYMENT*** **-6.0%** CHANGE	1.0m
47.1k	**EXISTING SFH SALES**** **8.9%** CHANGE	51.3k
2.2m	**POPULATION**** **0.6%** CHANGE	2.2m
1.70%	**10-YEAR TREASURY**** **-100 BPS** CHANGE	0.68%

**August; **September*

SUBMARKET BREAKDOWN

	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
SUBMARKET NAME	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Boone County/Erlanger	96.7%	60	-80	$922	1.2%	3.4%	60	-80	0	0
Butler County	96.9%	80	0	$1,018	1.2%	3.6%	157	-118	0	0
Campbell/Kenton Counties	97.4%	0	-20	$924	0.4%	1.3%	42	820	38	872
Central Cincinnati	93.9%	-170	-380	$1,411	-2.3%	-1.9%	-228	-214	0	299
North Central Cincinnati	95.5%	-10	-120	$1,094	0.8%	1.2%	90	22	113	340
North Cincinnati	96.4%	50	-50	$947	2.5%	4.1%	66	-63	0	0
Northeast Cincinnati/Warren County	96.3%	70	-130	$1,215	1.3%	0.5%	312	343	207	564
Southeast Cincinnati	96.9%	40	-60	$937	2.0%	5.6%	88	-48	18	51
West Cincinnati	97.8%	60	80	$773	1.0%	4.3%	174	250	0	0
TOTALS	**96.5%**	**20**	**-70**	**$1,004**	**0.8%**	**2.4%**	**761**	**912**	**376**	**2,126**

Document sources: RealPage; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's; National Multifamily Housing Council

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