



MARKET AT A GLANCE



**OCCUPANCY RATE** **96.5%**  
Up 60 bps since 3Q18



**EFFECTIVE RENT** **\$962**  
Up 4.3% since 3Q18

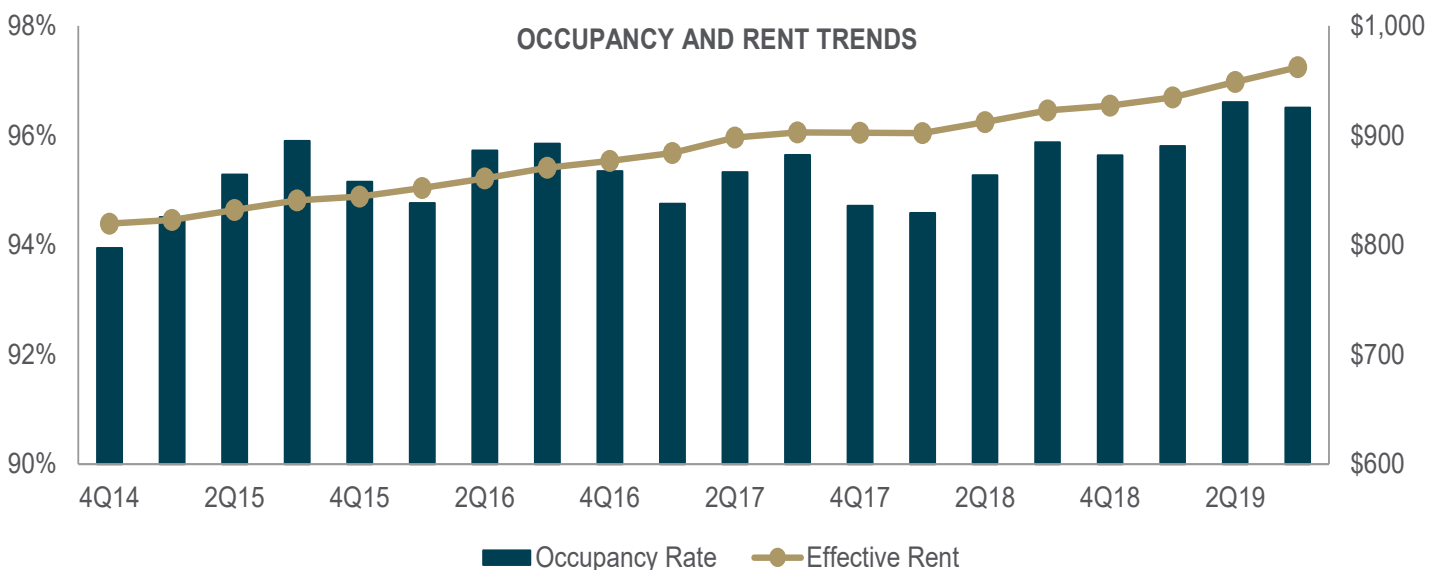


**TOTAL INVENTORY** **160,321**

OCCUPANCY AND RENT TRENDS

HEALTH CARE AND PROFESSIONAL HIRING RAMPS UP, RENT GROWS 4.3%

A growing population, increasingly diversified economy, and affordable cost of living continue to elevate Cincinnati as a market for multifamily development. Apartment units over the past few years have been introduced at a measured pace that has kept occupancy stable and rent growing; this trend continued into the third quarter of 2019. Developers brought 944 new apartment units online since September 2018, while renters absorbed 1,810 units over the same annual period. Occupancy improved 60 basis points to 96.5% as a result. Rent growth was buoyed by positive net migration, strong hiring in high-paying job sectors, and growing household incomes. Year over year, apartment operators increased effective rent 4.3%, up to \$962 per month. Demand for apartments was focused in the Central Cincinnati submarket, home to the metro's central business district and several major Fortune 500 employers, including American Financial and Proctor & Gamble Company. Year over year, 744 units were absorbed in the submarket compared to the 407 units delivered. The 259-unit, amenity-rich One41 Wellington apartment was among the largest developments that came online in the Central Cincinnati submarket during this period.



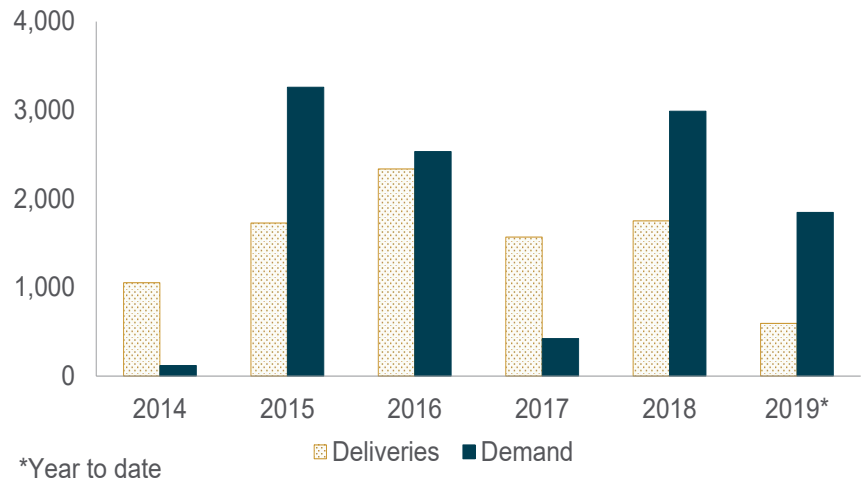
## DELIVERIES AND DEMAND



**DELIVERIES** 594  
Units YTD



**NET ABSORPTION** 1,847  
Units YTD



## ECONOMIC TRENDS

2018 **UNEMPLOYMENT\*** 2019  
4.0% ..... **-40 BPS** ..... 3.6%  
CHANGE

2018 **EMPLOYMENT\*** 2019  
1.11m ..... **1.7%** ..... 1.13m  
CHANGE

2018 **EXISTING SFH SALES\*\*** 2019  
47.8k ..... **-5.0%** ..... 45.4k  
CHANGE

2018 **MEDIAN SFH PRICE\*\*** 2019  
\$172.6k ..... **6.7%** ..... \$184.2k  
CHANGE

2018 **10-YEAR TREASURY\*\*** 2019  
3.00% ..... **-130 BPS** ..... 1.70%  
CHANGE

Unemployment fell and hiring accelerated year over year in Greater Cincinnati through July 2019. Employers in the metro expanded their payrolls with 19,200 new hires, an annual gain of 1.7% that also outpaced the previous year, when hiring increased 1.4%. Education and health services sector employers hired 5,100 new workers annually since July 2018, a 3.1% increase. UC Health filled 240 positions since July 2018, hiring that was driven in part due to a planned \$22 million expansion to surgical care at the hospital system's Ridgeway Tower. Payrolls in the professional and business services sector were expanded by 2.8%, as employers brought on 4,800 new employees to their payrolls. Leisure and hospitality employers also added 4,800 new hires, a gain of 3.8% year over year, thanks to a string of hotel openings. These included the new TownPlace Suites by Marriott hotel and multiple downtown hotel renovation projects. Strong hiring across the metro impacted monthly unemployment which fell 40 basis points year over year to 3.6% in July 2019.

\*July; \*\*September



# CINCINNATI

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Boone County/Erlanger	96.7%	96.8%	2.1%	3.2%	\$833	\$859	31	14	0	0
Butler County	95.4%	96.1%	2.8%	4.1%	\$938	\$977	-100	214	0	82
Campbell/Kenton Counties	96.0%	96.9%	1.8%	7.6%	\$875	\$942	59	164	32	32
Central Cincinnati	93.8%	96.6%	0.1%	2.7%	\$1,381	\$1,419	-72	744	46	407
North Central Cincinnati	95.9%	96.8%	2.9%	2.3%	\$1,011	\$1,034	213	246	21	140
North Cincinnati	96.6%	97.0%	2.2%	4.6%	\$854	\$893	-46	51	0	0
Northeast Cincinnati/Warren County	96.3%	96.9%	3.7%	3.9%	\$1,136	\$1,181	31	294	0	204
Southeast Cincinnati	96.5%	97.1%	3.4%	5.6%	\$808	\$853	57	177	0	79
West Cincinnati	95.8%	95.5%	0.1%	4.7%	\$698	\$731	-237	-95	0	0
<b>TOTALS</b>	<b>95.9%</b>	<b>96.5%</b>	<b>2.2%</b>	<b>4.3%</b>	<b>\$923</b>	<b>\$962</b>	<b>-65</b>	<b>1,810</b>	<b>99</b>	<b>944</b>

# **BERKADIA®**

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