

## What's Happening in ... Cincinnati?



Cincinnati is known for a combination of beautiful natural parks, rich culture and history, and some truly iconic buildings, including the Taft Museum of Art.

Since around 1820, Cincinnati has famously been called the “Queen City,” or “Queen of the West”, a title widely popularized in a poem by American poet Henry Wadsworth Longfellow.

In more recent years, the city has become known as a bustling hub for manufacturing, biosciences, and healthcare, and a thriving center for the financial sector. So, how have things been going in this Midwest metro over the last two years?

### Investment and Innovation

According to economics platform Capital Analytics, Cincinnati's been “on a roll.” From 2021 to August 2022, the Greater Cincinnati region saw more than \$1.1 billion of investment funding flowing in.

Some big deals coming to the area this year include:

- An additional facility for Nestlé Purina, adding to their recently built \$550 million plant,
- An additional \$150 million investment into office space by healthcare giant Medpace, and
- Increased funding for infrastructure to bolster Cincinnati's growing logistics and shipping industries.

There's also funding flowing out of the Queen City to invigorate the rest of the Ohio economy, with the announcement of massive expansion plans by Cincinnati-based electric vehicle infrastructure specialists, EdgeEnergy.

Capital Analytics adds that Cincinnati had a ‘busy 2022’ with multiple new investment announcements and that it's “no surprise that 2023 is anticipated to be more of the same, with the seeds planted over the past two years coming to fruition.”

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### CRE in Cincinnati

As might be expected, all of the above translates into a robust commercial real estate (CRE) outlook for the city. Cincinnati was featured as one of Crexi's "8 cities with Highest Industrial Demand" in 2022, and the proptech platform noted that the city is "prime for industrial real estate investment due to its diverse economy, lack of supply relative to demand, and increasing leasing activity and new construction."

Cincinnati also stood out as a "top 10 rent growth leader" in a recent Apartments.com report. The analysis notes that "new supply additions have been less of a concern" in Midwestern multifamily markets, contributing to the 6.4% Year-over-Year rent growth seen in Cincinnati multifamily.

With that said, recent numbers from Realtor.com's 2023 Housing Forecast show that the area is likely to undergo a retraction in line with the rest of the US, though both sales growth and price growth are expected to remain positive.

### 2023 Outlook

Looking ahead, the Queen City finds itself mostly "in the middle" when it comes to the ratings in PwC/Urban Land Institute's 2023 Emerging Trends in Real Estate Report. 'Emerging Trends' classifies Cincinnati as a market with "select investment development/redevelopment opportunities" and notes it as one of 2023's "reinventing markets," stating:

"Reinventing markets are eastern and midwestern cities seeking to modernize their economic base. Many were manufacturing centers and are now moving to a more sustainable mix of education, health care, and technology."

Worth noting is that, according to CoStar Analytics, some of those "select opportunities" are in a sector that's struggled elsewhere over the past few years: office space. Costar's data shows that Cincinnati's office sector had a bumper Q4 2022, led largely by investments into medical office.

