



Commercial Real Estate Services, Worldwide.

# Yearend Lexington-Fayette County, KY CRE Market Report

# 2019

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## Yearend 2019 Industrial Report

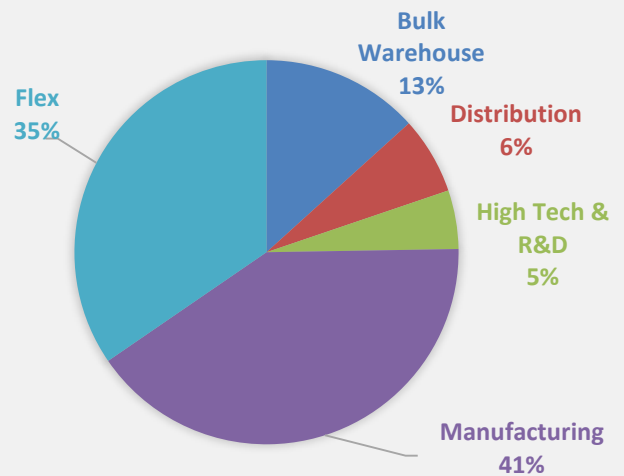
Lexington-Fayette County's Industrial property market continued to perform well during the second half of 2019. The vacancy rate in our sample remained low at 3.41 percent, ending Q4 at 643,203 SF of vacant space. Bulk Warehouse had the smallest overall vacancy rate at 0.95% while Manufacturing had the greatest at 8.94%. NAI Isaac expects vacancy rates in this market to remain steady in 2020.

This report filtered and sampled 414 properties from the Lexington-Fayette Industrial market, totaling 18,870,730 SF of Gross Leasable Area.

Source: CoStar Property®



SEGMENT SHARE OF TOTAL INDUSTRIAL VACANCY (%)



INDUSTRIAL	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Bulk Warehouse	184	8,986,435	8,900,955	99.05%	85,480	0.95%
Distribution	104	3,876,602	3,834,802	98.92%	41,800	1.08%
High Tech & R&D	23	422,260	390,456	92.47%	31,804	7.53%
Manufacturing	47	2,927,565	2,665,796	91.06%	261,769	8.94%
Flex	56	2,657,868	2,435,518	91.63%	222,350	8.37%
TOTAL	414	18,870,730	18,227,527	96.59%	643,203	3.41%



## Yearend 2019

### Office Report

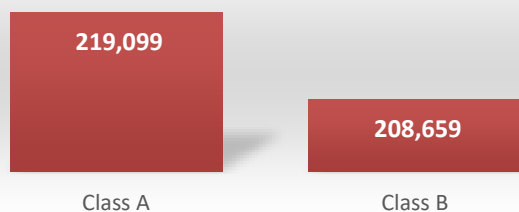
The Lexington-Fayette Office market ended the second half of 2019 on a positive note with overall vacancy rates decreasing across Class A and B properties.



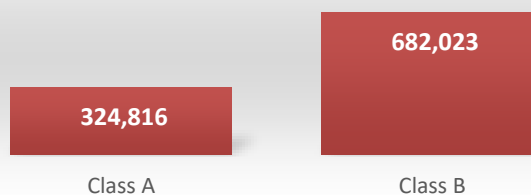
CBD Class A and B Office space from the 51 building sample totaled 3,676,865 SF with 3,249,107 SF occupied and 427,758 SF vacant, yielding a total vacancy of 11.63% percent in the CBD. Class A Office space totaled 1,780,079 SF with 1,560,980 SF occupied and 219,099 SF vacant, yielding a Class A vacancy of 12.31 percent across 9 buildings. Class B Office space totaled 1,896,786 SF with 1,688,127 SF occupied and 208,659 SF vacant, yielding a Class B vacancy of 11.00% percent across 42 buildings.

Suburban Class A and B Office space from the 242 building sample totaled 8,775,485 SF with 7,768,646 SF occupied and 1,006,839 SF vacant, yielding a total vacancy of 11.47 percent in the Suburban market. Class A Office space totaled 2,439,579 SF with 2,114,763 SF occupied and 324,816 SF vacant, yielding a Class A vacancy of 13.31 percent across 52 buildings. Class B Office space totals 6,335,906 SF with 5,653,883 SF occupied and 682,023 SF vacant, yielding a Class B vacancy of 10.76 percent across 190 buildings.

OFFICE - CBD VACANCY (SF)



OFFICE - SUBURBAN VACANCY (SF)



OFFICE - CBD	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	9	1,780,079	1,560,980	87.69%	219,099	12.31%
Class B	42	1,896,786	1,688,127	89.00%	208,659	11.00%
Total	51	3,676,865	3,249,107	88.37%	427,758	11.63%

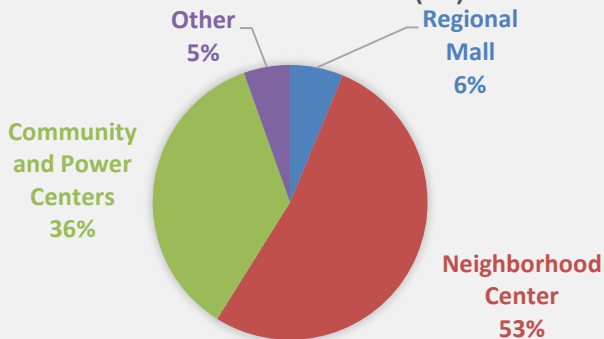
OFFICE - SUBURBAN	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	52	2,439,579	2,114,763	86.69%	324,816	13.31%
Class B	190	6,335,906	5,653,883	89.24%	682,023	10.76%
Total	242	8,775,485	7,768,646	88.53%	1,006,839	11.47%



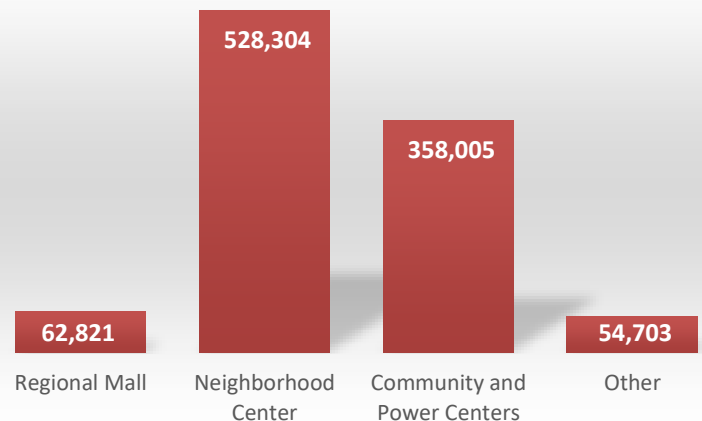
The Lexington-Fayette Retail property market remained steady during the second half of 2019. Overall vacancy in our Retail sample of 256 Retail buildings totaled 7.12 percent with 13,088,772 SF occupied and 1,003,833 SF vacant from a Gross Leasable Area of 14,092,605 SF.

Drilling down, Regional Mall vacancy totaled 3.87 percent with 62,821 SF of space vacant within the market. Neighborhood Center vacancy totaled 8.96 percent with 528,304 SF vacant within the market. Community and Power Center vacancy totaled 10.80 percent with 358,005 SF of measured vacancy.

SEGMENT SHARE OF TOTAL  
RETAIL VACANCY (%)



RETAIL VACANCY (SF)



RETAIL	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Regional Mall	4	1,623,017	1,560,196	96.13%	62,821	3.87%
Neighborhood Center	130	5,898,389	5,370,085	91.04%	528,304	8.96%
Community & Power Center	34	3,313,681	2,955,676	89.20%	358,005	10.80%
Other	88	3,257,518	3,202,815	98.32%	54,703	1.68%
Total	256	14,092,605	13,088,772	92.88%	1,003,833	7.12%

# Yearend 2019

## Lexington, KY Market Demographics

Demographic	2019 Summary	2024 Projection
Population	325,520	342,744
Households	134,299	141,143
Average Household Income	\$83,225	\$96,616
Median Age	35.50	36.20

Source: STDB, 2019

## Lexington MSA Market Demographics

Demographic	2019 Summary	2024 Projection
Population	574,015	604,743
Households	230,554	242,407
Average Household Income	\$81,232	\$93,857
Median Age	37.20	37.90

Source: STDB, 2019



Source: Commerce Lexington





## About NAI Isaac

NAI Isaac is a Lexington, Kentucky-based firm providing a full range of commercial real estate services to clients throughout Central Kentucky and beyond. NAI Isaac professionals are relationship-oriented, performance-driven and service-focused. Our satisfied clients include developers, private investors, corporations, institutions, non-profits, and REITs. We maintain long-term client relationships through unequalled skill, knowledge and dedication.

NAI experts offer a range of expertise that allow us to successfully address any real estate opportunity or challenge. Our experienced brokerage team specializes in commercial leasing, acquisition or disposition of commercial properties (retail, office industrial, and mixed-use), and investment and development opportunities. NAI Isaac also offers comprehensive property management, operations management, asset improvement projects, maintenance and upkeep, rent collections, receivership, and REO dispositions.

NAI Isaac has been designated an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM). The only commercial real estate firm to achieve this designation in Central Kentucky, the firm's management team currently manages over 2.8 million square feet of retail, office and industrial space throughout the Commonwealth.

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## Market Report

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