



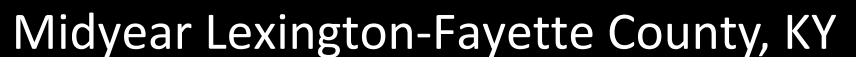
**NAI Isaac**



**2021**



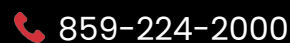
**CRE MARKET REPORT**



Midyear Lexington-Fayette County, KY



📍 771 Corporate Drive, Suite 500  
Lexington, KY 40503



☎ 859-224-2000



🌐 [www.naiisaac.com](http://www.naiisaac.com)

# Midyear 2021

## Office Report

The Lexington-Fayette Office market ended the first half of 2021 with overall vacancy rates remaining in demand across Class A and B properties.

CBD Class A and B Office space from the 51 building sample totaled 3,605,452 SF with 3,184,610 SF occupied and 420,842 SF vacant, yielding a total vacancy of 11.67 percent in the CBD. Class A Office space totaled 1,704,233 SF with 1,489,288 SF occupied and 214,945 SF vacant, yielding a Class A vacancy of 12.61 percent across 9 buildings. Class B Office space totaled 1,901,219 SF with 1,695,322 SF occupied and 205,897 SF vacant, yielding a Class B vacancy of 10.83 percent across 42 buildings.

Suburban Class A and B Office space from the 241 building sample totaled 8,747,390 SF with 7,768,488 SF occupied and 978,902 SF vacant, yielding a total vacancy of 11.19 percent in the Suburban market. Class A Office space totaled 2,533,965 SF with 2,134,946 SF occupied and 399,019 SF vacant, yielding a Class A vacancy of 15.75 percent across 53 buildings. Class B Office space totaled 6,213,425 SF with 5,633,542 SF occupied and 579,883 SF vacant, yielding a Class B vacancy of 9.33 percent across 188 buildings.

### OFFICE - CBD VACANCY Q2 - 2021

CLASS A

**214,945 SF**  
**12.61%**

CLASS B

**205,897 SF**  
**10.83%**

### OFFICE - SUBURBAN VACANCY Q2 - 2021

CLASS A

**399,019 SF**  
**15.75%**

CLASS B

**579,883 SF**  
**9.33%**

OFFICE CBD	# BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	9	1,704,233	1,489,288	87.39%	214,945	12.61%
Class B	42	1,901,219	1,695,322	89.17%	205,897	10.83%
<b>TOTAL</b>	<b>51</b>	<b>3,605,452</b>	<b>3,184,610</b>	<b>88.33%</b>	<b>420,842</b>	<b>11.67%</b>

OFFICE SUBURBAN	# BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	53	2,533,965	2,134,946	84.25%	399,019	15.75%
Class B	188	6,213,425	5,633,542	90.67%	579,883	9.33%
<b>TOTAL</b>	<b>241</b>	<b>8,747,390</b>	<b>7,768,488</b>	<b>88.81%</b>	<b>978,902</b>	<b>11.19%</b>

# Midyear 2021

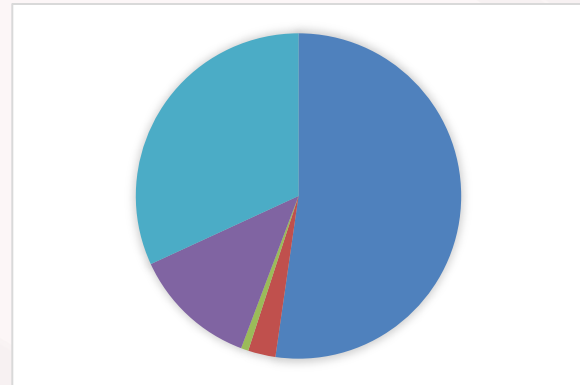
## Industrial Report

Lexington-Fayette County's Industrial property market remained in demand during the first half of 2021. The vacancy rate in our sample remained low at 2.85 percent, ending Q2 at 527,039 SF of vacant space. Distribution had the smallest overall vacancy rate at 0.38 percent while Flex Space had the greatest at 6.15 percent. NAI Isaac expects vacancy rates in this market to remain steady through 2021.

This report filtered and sampled 421 properties from the Lexington-Fayette Industrial market, totaling 18,469,747 SF of Gross Leasable Area.



### SEGMENT SHARE OF INDUSTRIAL VACANCY (%) Q2 2021



- Bulk Warehouse – 52%
- Flex – 32%
- Manufacturing – 12%
- Distribution – 3%
- High Tech & R&D – 1%

INDUSTRIAL	# BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Bulk Warehouse	185	8,594,166	8,318,673	96.79%	275,493	3.21%
Distribution	103	3,795,698	3,781,298	99.62%	14,400	0.38%
High Tech R&D	23	422,260	418,371	99.08%	3,889	0.92%
Manufacturing	47	2,927,565	2,862,286	97.77%	65,279	2.23%
Flex Space	63	2,730,058	2,562,080	93.85%	167,978	6.15%
<b>TOTAL</b>	<b>421</b>	<b>18,469,747</b>	<b>17,942,708</b>	<b>97.15%</b>	<b>527,039</b>	<b>2.85%</b>

# Midyear 2021

## Retail Report

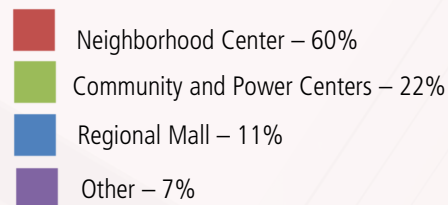
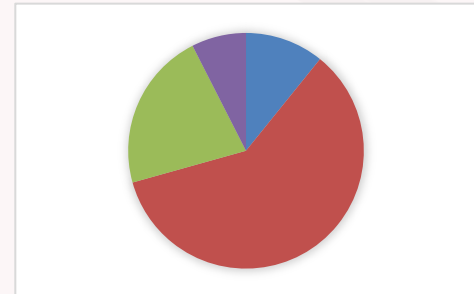
The Lexington-Fayette Retail property market experienced some positive movement during the first half of 2021. Overall vacancy in our Retail sample of 255 buildings totaled 5.99 percent with 13,442,352 SF occupied and 856,090 SF vacant from a Gross Leasable Area of 14,298,442 SF.

Drilling down, Regional Mall vacancy totaled 5.75 percent with 92,555 SF of space vacant within the market.

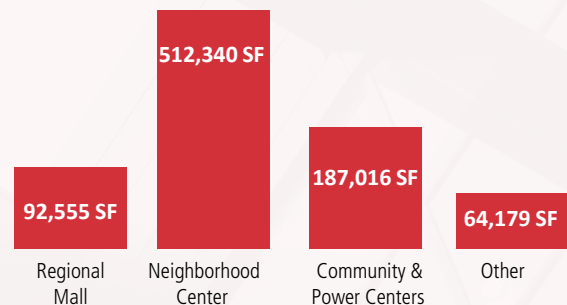
Neighborhood Center vacancy totaled 8.42 percent with 512,340 SF vacant within the market. Community and Power Center vacancy totaled 5.53 percent with 187,016 SF of measured vacancy.



### SEGMENT SHARE OF RETAIL VACANCY (%) Q2 - 2021



### RETAIL VACANCY(SF) Q2 - 2021



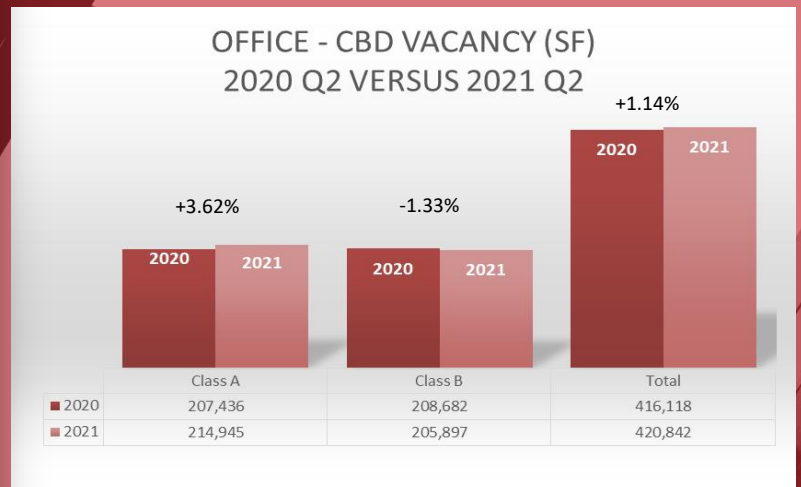
RETAIL	# BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Regional Mall	4	1,610,000	1,517,445	94.25%	92,555	5.75%
Neighborhood Center	132	6,087,149	5,574,809	91.58%	512,340	8.42%
Community & Power Center	34	3,383,458	3,196,442	94.47%	187,016	5.53%
Other	85	3,217,835	3,153,656	98.01%	64,179	1.99%
<b>TOTAL</b>	<b>255</b>	<b>14,298,442</b>	<b>13,442,352</b>	<b>94.01%</b>	<b>856,090</b>	<b>5.99%</b>

# Midyear 2021

## Trend Analysis

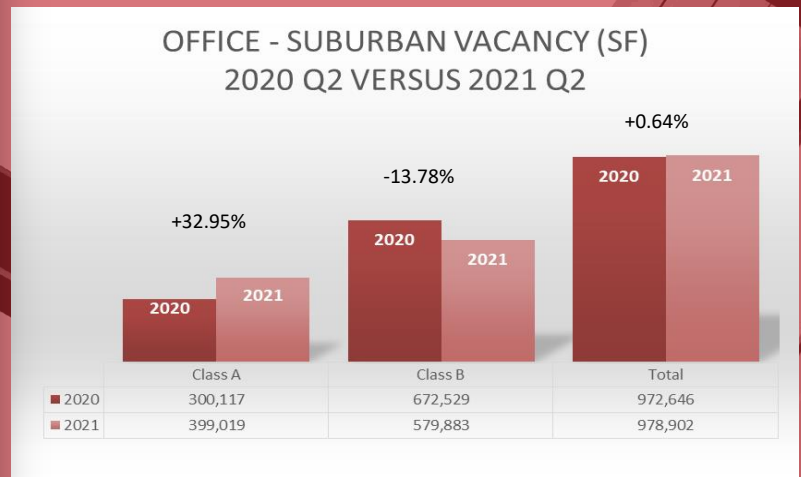
### Lexington-Fayette Office – CBD

Total Office – CBD vacancy SF increased slightly to 420,842 SF. Vacancy SF for Class A increased slightly for the year ending Q2 2021 at 214,945 SF. Class B vacancy SF decreased slightly, ending Q2 2021 at 205,897 SF.



### Lexington-Fayette Office – Suburban

Total Office – Suburban vacancy SF increased slightly to 978,902 SF. Vacancy SF for Class A Suburban Office increased for the year, ending Q2 2021 at 399,019 SF. Class B vacancy SF decreased, ending Q2 2021 at 579,883 SF.



### Lexington-Fayette Industrial

Total Industrial vacancy SF decreased to 527,039 SF. Vacancy SF for Bulk Warehouse increased for the year, ending Q2 2021 at 275,493 SF. Distribution SF vacancy decreased, ending Q2 2021 at 14,400 SF. High Tech & R&D vacancy SF ended Q2 2021 at 3,889 SF. Manufacturing vacancy SF decreased for the year, ending Q2 2021 at 65,279 SF. Flex vacancy SF decreased for the year, ending Q2 2021 at 167,978 SF.



### Lexington-Fayette Retail

Total Retail vacancy SF decreased for the year, ending Q2 2021 at 856,090 SF. Vacancy SF for Regional Mall space increased slightly for the year, ending Q2 2021 at 92,555 SF. Neighborhood Center vacancy SF increased for the year, ending Q2 2021 at 512,340 SF. Community and Power Centers vacancy SF decreased for the year, ending Q2 2021 at 187,016 SF.



# Demographics

## LEXINGTON, KY MARKET DEMOGRAPHICS

Demographic	2021 Summary	2026 Projection
Population	319,968	334,439
Households	134,093	140,497
Average Household Income	\$83,073	\$93,510
Median Age	35.90	36.60

## LEXINGTON, MSA MARKET DEMOGRAPHICS

Demographic	2021 Summary	2026 Projection
Population	610,286	641,225
Households	244,598	257,262
Average Household Income	\$80,490	\$90,342
Median Age	37.00	37.80



# OUR TEAM

## ABOUT US

# 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 skill, knowledge, dedication, and determination.

NAI agents 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). NAI Isaac is the only commercial real estate firm to achieve this designation in Central Kentucky, the firm's management team currently services over 3.4 million square feet of retail, office, and industrial space throughout the Commonwealth.

NAI Isaac is the Central Kentucky affiliate for NAI Global, a leading international commercial real estate brokerage firm. Members of NAI Global are local firms who have chosen, and been chosen, to be a part of the global network of more than 300 offices strategically located throughout North America, Latin America, the Caribbean, Europe, Africa, and Asia Pacific. Each affiliate is independently owned, and unwaveringly committed to excellence in the services they provide.

# OUR TEAM

ABOUT US

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Senior Vice President



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Vice President



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Assistant Vice President



**Jamie Adams, CCIM**  
Vice President



**Jim Holbrook**  
Assistant Vice President



**J.L. Cannady, CCIM**  
Assistant Vice President



**Zach Smith**  
Associate



**Julie Griffin Thompson**  
Associate








# 2021 CRE MARKET REPORT

Midyear Lexington-Fayette County, KY

**NAI** Isaac

Commercial Real Estate Services, Worldwide.

 771 Corporate Drive, Suite 500  859-224-2000  [www.naiisaac.com](http://www.naiisaac.com)  
Lexington, KY 40503