



Commercial Real Estate Services, Worldwide.

# Midyear Lexington-Fayette County, KY CRE Market Report

# 2020

Cover Photo courtesy of  
The Webb Companies

771 Corporate Drive  
Suite 500  
Lexington, KY 40503  
859-224-2000

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

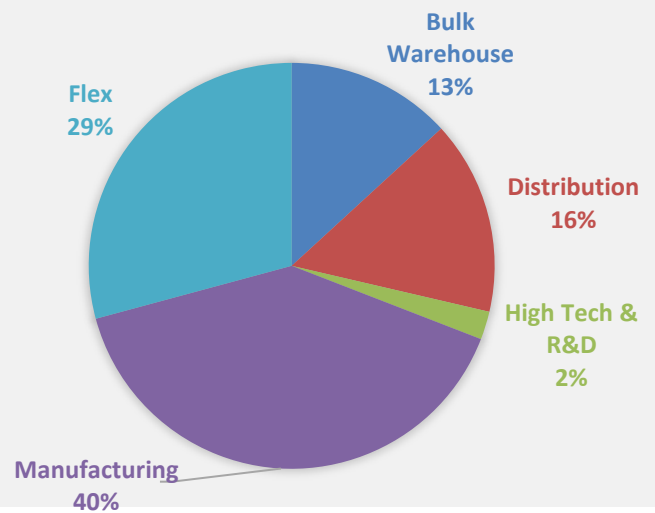
## Midyear 2020 Industrial Report



Lexington-Fayette County's Industrial property market remained steady during the first half of 2020. The vacancy rate in our sample remained low at 3.60 percent, ending Q2 at 678,233 SF of vacant space. Bulk Warehouse had the smallest overall vacancy rate at 0.99% while Manufacturing had the greatest at 9.25%. NAI Isaac expects vacancy rates in this market to remain steady in 2020.

This report filtered and sampled 421 properties from the Lexington-Fayette Industrial market, totaling 18,854,357 SF of Gross Leasable Area.

SEGMENT SHARE OF TOTAL INDUSTRIAL VACANCY (%)



Source: CoStar Property®

INDUSTRIAL	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Bulk Warehouse	184	8,986,435	8,896,830	99.01%	89,405	0.99%
Distribution	104	3,858,977	3,754,130	97.28%	104,847	2.72%
High Tech & R&D	23	422,260	407,043	96.40%	15,217	3.60%
Manufacturing	47	2,927,565	2,656,850	90.75%	270,715	9.25%
Flex	63	2,659,320	2,461,271	92.55%	198,049	7.45%
<b>TOTAL</b>	<b>421</b>	<b>18,854,357</b>	<b>18,176,124</b>	<b>96.40%</b>	<b>678,233</b>	<b>3.60%</b>



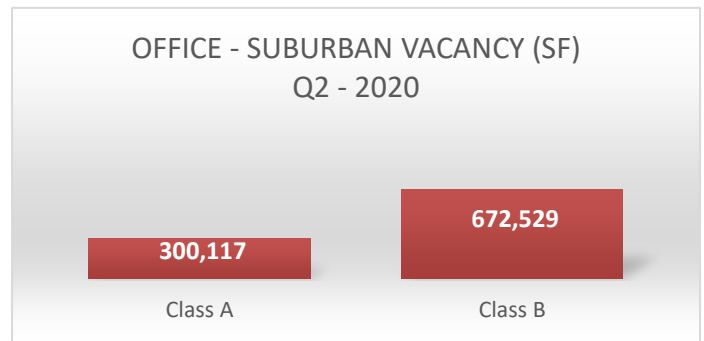
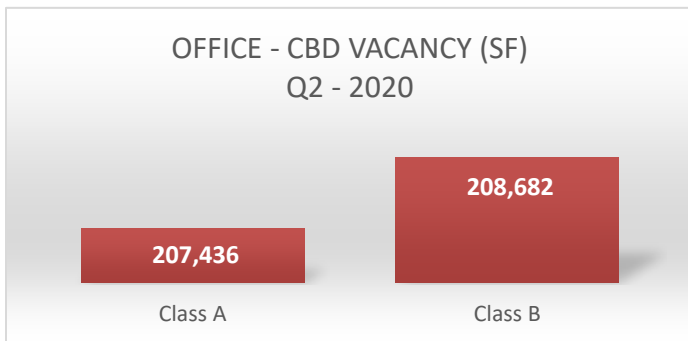
## Midyear 2020 Office Report



The Lexington-Fayette Office market ended the first half of 2020 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 3,742,755 SF with 3,326,637 SF occupied and 416,118 SF vacant, yielding a total vacancy of 11.12% percent in the CBD. Class A Office space totaled 1,836,895 SF with 1,629,459 SF occupied and 207,436 SF vacant, yielding a Class A vacancy of 11.29 percent across 9 buildings. Class B Office space totaled 1,905,860 SF with 1,697,178 SF occupied and 208,682 SF vacant, yielding a Class B vacancy of 10.95% percent across 42 buildings.

Suburban Class A and B Office space from the 242 building sample totaled 8,832,373 SF with 7,859,727 SF occupied and 972,646 SF vacant, yielding a total vacancy of 11.01 percent in the Suburban market. Class A Office space totaled 2,501,657 SF with 2,201,540 SF occupied and 300,117 SF vacant, yielding a Class A vacancy of 12.00 percent across 52 buildings. Class B Office space totaled 6,330,716 SF with 5,658,187 SF occupied and 672,529 SF vacant, yielding a Class B vacancy of 10.62 percent across 190 buildings.



OFFICE - CBD	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	9	1,836,895	1,629,459	88.71%	207,436	11.29%
Class B	42	1,905,860	1,697,178	89.05%	208,682	10.95%
<b>Total</b>	<b>51</b>	<b>3,742,755</b>	<b>3,326,637</b>	<b>8.88%</b>	<b>416,118</b>	<b>11.12%</b>

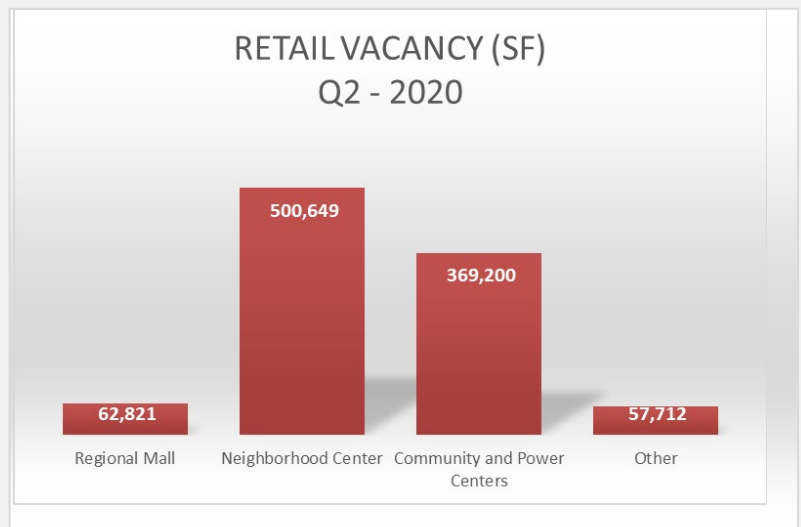
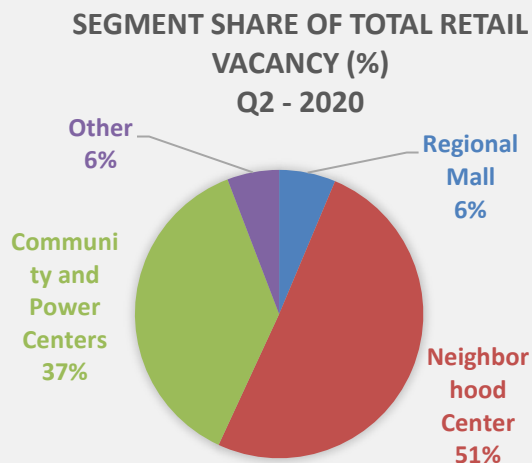
OFFICE - SUBURBAN	# Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	52	2,501,657	2,201,540	88.00%	300,117	12.00%
Class B	190	6,330,716	5,658,187	89.38%	672,529	10.62%
<b>Total</b>	<b>242</b>	<b>8,832,373</b>	<b>7,859,727</b>	<b>88.99%</b>	<b>972,646</b>	<b>11.01%</b>

## Midyear 2020 Retail Report



The Lexington-Fayette Retail property market remained steady during the first half of 2020. Overall vacancy in our Retail sample of 254 buildings totaled 7.02 percent with 13,127,271 SF occupied and 990,382 SF vacant from a Gross Leasable Area of 14,117,653 SF.

Drilling down, Regional Mall vacancy totaled 3.87 percent with 62,821 SF of space vacant within the market. Neighborhood Center vacancy totaled 8.35 percent with 500,649 SF vacant within the market. Community and Power Center vacancy totaled 11.27 percent with 369,200 SF of measured vacancy.



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	5,495,532	91.65%	500,649	8.35%
Community & Power Center	34	3,276,963	2,907,763	88.73%	369,200	11.27%
Other	86	3,221,492	3,163,780	98.21%	57,712	1.79%
<b>Total</b>	<b>254</b>	<b>14,117,653</b>	<b>13,127,271</b>	<b>92..98%</b>	<b>990,382</b>	<b>7.02%</b>

# Midyear 2020

## Lexington, KY Market Demographics

Demographic	2020 Summary	2024 Projection
Population	323,152	354,318
Households	134,299	141,143
Average Household Income	\$79,535	\$96,616
Median Age	35.50	36.20

Source: STDB, 2019

## Lexington MSA Market Demographics

Demographic	2020 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





## 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 3.2 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 375 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.



# Brokerage Team



Al Isaac  
President



Paul Ray Smith  
Executive Vice  
President



Bruce R. Isaac,  
SIOR, CCIM  
Senior Vice President



Jim Kemper  
Vice President



Chad Voelkert  
Vice President



John P. Miller  
Assistant Vice  
President



Jamie Adams, CCIM  
Vice President



Jim Holbrook  
Assistant Vice  
President



J.L. Cannady, CCIM  
Senior Associate



Joe Cornelius  
Associate



Zach Smith  
Associate

## Questions Regarding this Report or Commercial Real Estate?

### Contact:

Paul Ray Smith, Executive Vice President: 859-422-4401  
Bruce Isaac, SIOR, CCIM, Senior Vice President: 859-422-4403  
Jim Kemper, Vice President: 859-422-4407

# Midyear 2020

## Market Report

The world's largest commercial real estate network.

Over 6,000 professionals in more than 375 offices worldwide.

All actively managed to work wherever you do.

Around the world, around the corner!

The information contained in this report has been obtained from third-party sources that are deemed reliable. NAI Isaac has not independently verified the information's accuracy and makes no representations, guarantees, or express or implied warranties regarding the accuracy of the information. Data sources are continually revised and updated, causing both historical and forecast information, data and analysis to change as new information is added. Third-party data source: CoStar Group and Web Data.