




# 2020

## CRE MARKET REPORT

Yearend - Lexington, KY

 771 Corporate Drive, Suite 500  
Lexington, KY 40503

 859-224-2000

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

# Yearend 2020

## Office Report

The Lexington Office market ended the second half of 2020 with overall vacancy rates increasing slightly across Class A and B properties.

CBD Class A and B Office space from the 51 building sample totaled 3,604,417 SF with 3,130,498 SF occupied and 473,919 SF vacant, yielding a total vacancy of 13.15 percent in the CBD. Class A Office space totaled 1,695,487 SF with 1,461,315 SF occupied and 234,172 SF vacant, yielding a Class A vacancy of 13.81 percent across 9 buildings. Class B Office space totaled 1,908,930 SF with 1,669,183 SF occupied and 239,747 SF vacant, yielding a Class B vacancy of 12.56 percent across 42 buildings.

Suburban Class A and B Office space from the 240 building sample totaled 8,689,667 SF with 7,738,547 SF occupied and 951,120 SF vacant, yielding a total vacancy of 10.95 percent in the Suburban market. Class A Office space totaled 2,467,667 SF with 2,129,836 SF occupied and 337,831 SF vacant, yielding a Class A vacancy of 13.69 percent across 52 buildings. Class B Office space totaled 6,222,000 SF with 5,608,711 SF occupied and 613,289 SF vacant, yielding a Class B vacancy of 9.86 percent across 188 buildings.

### OFFICE - CBD VACANCY Q4 - 2020

234,172  
13.81%

CLASS A

239,747  
12.56%

CLASS B

### OFFICE - SUBURBAN VACANCY Q4 - 2020

337,831  
13.69%

CLASS A

613,289  
9.86%

CLASS B

OFFICE CBD	# BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	9	1,695,487	1,461,315	86.19%	234,172	13.81%
Class B	42	1,908,930	1,669,183	87.44%	239,747	12.56%
<b>TOTAL</b>	<b>51</b>	<b>3,604,417</b>	<b>3,130,498</b>	<b>86.85%</b>	<b>473,919</b>	<b>13.15%</b>

OFFICE SUBURBAN	# BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	52	2,467,667	2,129,836	86.31%	337,831	13.69%
Class B	188	6,222,000	5,608,711	90.14%	613,289	9.86%
<b>TOTAL</b>	<b>240</b>	<b>8,689,667</b>	<b>7,738,547</b>	<b>89.05%</b>	<b>951,120</b>	<b>10.95%</b>

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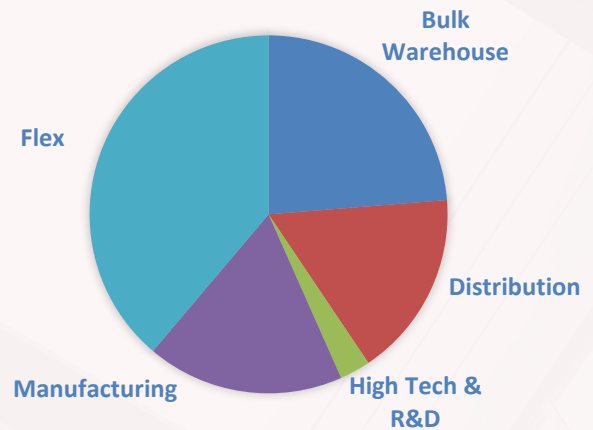
## Industrial Report

Lexington's Industrial property market remained steady during the second half of 2020. The vacancy rate in our sample remained low at 2.96 percent, ending Q4 at 548,203 SF of vacant space. Bulk Warehouse had the smallest overall vacancy rate at 1.51% while Flex Space had the greatest at 7.58%. Lexington has seen little new construction, contributing to low vacancy rates within this sector. NAI Isaac expects vacancy rates in this market to remain steady in 2021.

This report filtered and sampled 422 properties from the Lexington Industrial market, totaling 18,544,369 SF of Gross Leasable Area.



### SEGMENT SHARE OF INDUSTRIAL VACANCY (%) Q4 2020



- Flex – 7.58%
- Bulk Warehouse – 1.51%
- Distribution – 2.43%
- Manufacturing – 3.34%
- High Tech & R&D – 3.60%

INDUSTRIAL	# BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Bulk Warehouse	185	8,590,136	8,460,079	98.49%	130,057	1.51%
Distribution	103	3,795,598	3,703,184	97.57%	92,414	2.43%
High Tech R&D	23	422,260	407,043	96.40%	15,217	3.60%
Manufacturing	47	2,927,565	2,829,908	96.66%	97,657	3.34%
Flex Space	64	2,808,810	2,595,952	92.42%	212,858	7.58%
<b>TOTAL</b>	<b>422</b>	<b>18,544,369</b>	<b>17,996,166</b>	<b>97.04%</b>	<b>548,203</b>	<b>2.96%</b>



# Yearend 2020

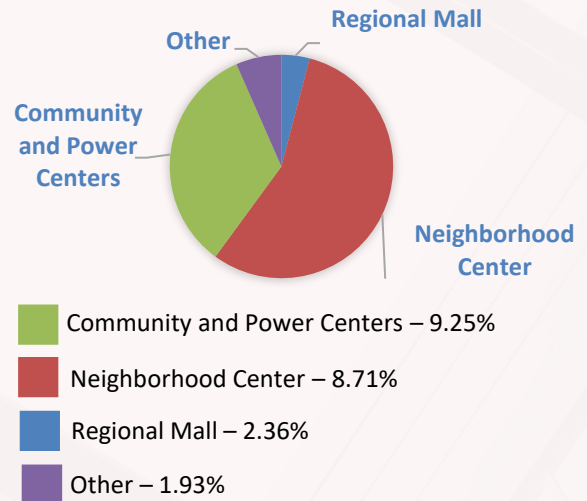
## Retail Report

The Lexington Retail property market remained steady during the second half of 2020. Overall vacancy in our Retail sample of 255 buildings totaled 6.59 percent with 13,303,011 SF occupied and 938,908 SF vacant from a Gross Leasable Area of 14,241,919 SF.

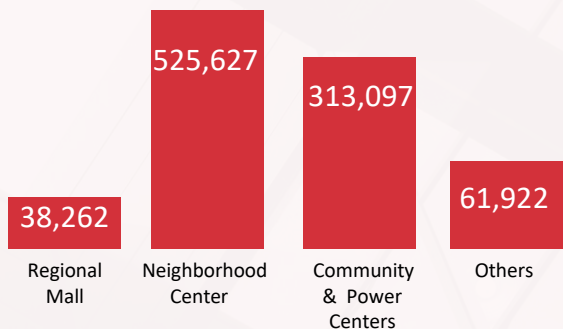
Drilling down, Regional Mall vacancy totaled 2.36 percent with 38,262 SF of space vacant within the market. Neighborhood Center vacancy totaled 8.71 percent with 525,627 SF vacant within the market. Community and Power Center vacancy totaled 9.25 percent with 313,097 SF of measured vacancy.



### SEGMENT SHARE OF RETAIL VACANCY (%) Q4 - 2020



### RETAIL VACANCY(SF) Q4 - 2020



INDUSTRIAL	# BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Regional Mall	4	1,623,017	1,584,755	97.64%	38,262	2.36%
Neighborhood Center	132	6,032,648	5,507,021	91.29%	525,627	8.71%
Community & Power Center	34	3,383,458	3,070,361	90.75%	313,097	9.25%
Other	85	3,202,796	3,140,874	98.07%	61,922	1.93%
<b>TOTAL</b>	<b>255</b>	<b>14,241,919</b>	<b>13,303,011</b>	<b>93.41%</b>	<b>938,908</b>	<b>6.59%</b>

# Yearend

2020

# Demographics

## 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

## 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





# 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 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.

# OUR TEAM

About Us

# Brokerage Team



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Assistant Vice President



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



**Joe Cornelius**  
Associate



**Zach Smith**  
Associate



**Julie Griffin Thompson**  
Associate






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