



MIDYEAR 2024

CRE MARKET REPORT

Lexington-Fayette County, KY

NaiIsaac

Commercial Real Estate Services, Worldwide.

771 Corporate Drive, Suite 500
Lexington, KY 40503

859-224-2000

www.naiisaac.com

MIDYEAR

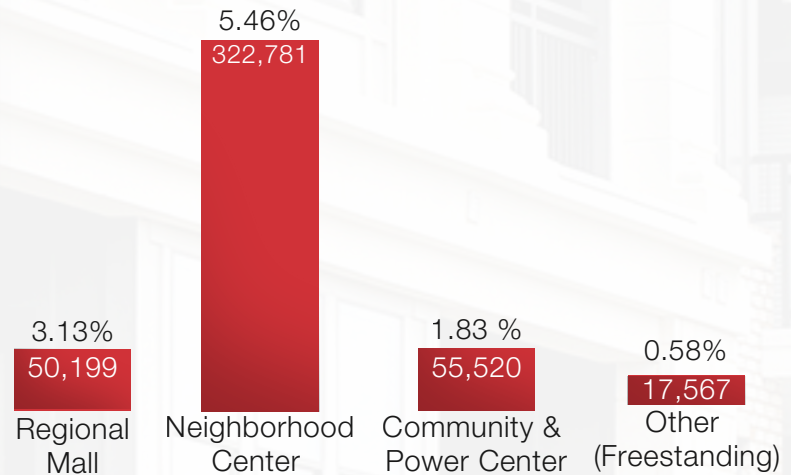
2024

Retail Report

The Lexington-Fayette Retail property market had a decline in vacancy rates during the first half of 2024 with the exception of Regional Mall space. Overall vacancy in our Retail sample of 253 buildings totaled 3.28 percent with 13,147,640 SF occupied and 446,067 SF vacant.

Regional Mall vacancy totaled 3.13 percent with 50,199 SF vacant. Neighborhood Center vacancy totaled 5.46 percent with 322,781 SF vacant. Community and Power Center vacancy totaled 1.83 percent with 55,520 SF vacant. Other Freestanding vacancy totaled 0.58 percent with 17,567 SF vacant.

RETAIL VACANCY (SF) Q2 - 2024



RETAIL	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Regional Mall	5	1,606,136	1,548,937	96.44%	50,199	3.13%
Neighborhood Center	132	5,912,922	5,590,141	94.54%	322,781	5.46%
Community & Power Center	34	3,040,745	2,985,225	98.17%	55,520	1.83%
Other (Freestanding)	82	3,040,904	3,023,337	99.42%	17,567	0.58%
TOTAL	253	13,600,707	13,147,640	96.67%	446,067	3.28%

[Click to View NAI Isaac Current Property Listings](#)

MIDYEAR

2024

Office Report

The Lexington-Fayette Office market concluded the first half of 2024 with over all declining vacancy rates in both the CBD and Suburban sectors.

CBD Class A and B Office space from the 51-building sample totaled 3,532,808 SF, with 3,260,880 SF occupied and 271,928 SF vacant, yielding a total vacancy rate of 7.70 percent in the CBD. Class A office space totaled 1,696,360 SF, with 1,540,102 SF occupied and 156,258 SF vacant, resulting in a Class A vacancy rate of 9.21 percent across 9 buildings. Class B office space totaled 1,836,448 SF, with 1,720,778 SF occupied and 115,670 SF vacant, resulting in a Class B vacancy rate of 6.3 percent across 42 buildings.

Suburban Class A and B Office space from the 240-building sample totaled 8,535,645 SF, with 7,494,571 SF occupied and 1,041,074 SF vacant, yielding a total vacancy rate of 12.2 percent in the suburban market. Class A office space totaled 2,444,592 SF, with 2,134,514 SF occupied and 310,078 SF vacant, resulting in a Class A vacancy rate of 12.68 percent across 53 buildings. Class B office space totaled 6,091,053 SF, with 5,360,057 SF occupied and 730,996 SF vacant, resulting in a Class B vacancy rate of 12 percent across 187 buildings.

OFFICE - CBD VACANCY (SF) Q2 - 2024

9.21%

156,258

6.30%

115,670

Class A

Class B

OFFICE - SUBURBAN VACANCY (SF) Q2 - 2024

12%

730,996

12.68%

310,078

Class A

Class B

OFFICE - CBD	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	9	1,696,360	1,540,102	90.79%	156,258	9.21%
Class B	42	1,836,448	1,720,778	93.70%	115,670	6.3%
TOTAL	51	3,532,808	3,260,880	92.30%	271,928	7.7%

OFFICE SUBURBAN	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	53	2,444,592	2,134,514	87.32%	310,078	12.68%
Class B	187	6,091,053	5,360,057	88.00%	730,996	12%
TOTAL	240	8,535,645	7,494,571	87.80%	1,041,074	12.2%

[Click to View NAI Isaac Current Property Listings](#)

MIDYEAR

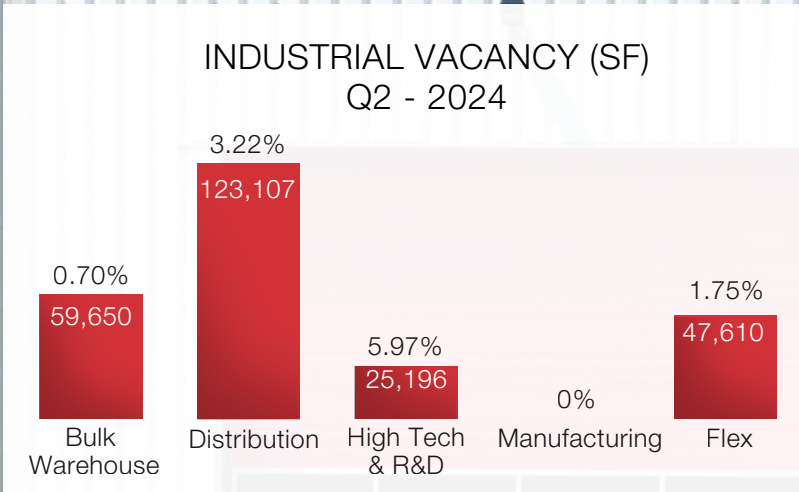
2024

Industrial Report

Lexington-Fayette County's Industrial property market experienced a noticeable decline in vacancy. The vacancy rate in our sample totaled 1.38 percent, ending Q2 with 255,563 SF of vacant space. At the end of 2023, the manufacturing sector had the highest overall vacancy rate at 24.71 percent; it now has the lowest vacancy rate at 0 percent.

2025 is predicted to significantly impact vacancy rates due to the expiration of a short-term lease for +/-688,000 SF in mid-2025, as well as the completion of two new industrial facilities, each approximately 502,480 SF, on Providence Parkway, expected in Q2 2025.

This report filtered and sampled 421 properties from the Lexington-Fayette Industrial market, totaling 18,479,375 SF of Gross Leasable Area.



INDUSTRIAL	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Bulk Warehouse	184	8,492,189	8,432,539	99.30%	59,650	0.70%
Distribution	104	3,753,083	3,704,976	98.72%	123,107	3.22%
High Tech R&D	23	421,786	396,590	94.03%	25,196	5.97%
Manufacturing	47	3,013,760	3,013,760	100%	0	0.0%
Flex Space	63	2,798,557	2,675,947	95.62%	47,610	1.75%
TOTAL	421	18,479,375	18,223,812	98.62%	255,563	1.38%

[Click to View NAI Isaac Current Property Listings](#)

Trend Analysis

Between Q4 2023 and Q2 2024 overall vacancy rates have been declining, with the only exceptions being Regional Mall Retail space, Suburban, Class A Office space, and Distribution Industrial Space.

RETAIL	2023-Q4	2023-Q4	2024-Q2	2024-Q2
	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Regional Mall	2.41%	38,373	3.13%	50,199
Neighborhood Center	6.78%	393,639	5.46%	322,781
Community and Power Centers	4.07%	123,605	1.83%	55,520
Other (Freestanding)	2.19%	66,397	0.58%	17,567
Total	4.62%	622,014	3.28%	446,067

OFFICE - CBD	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	11.6%	196,808	9.21%	156,258
Class B	7.56%	138,951	6.3%	115,670
Total	9.5%	335,759	7.7%	271,928

OFFICE - SUBURBAN	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	10.35%	259,190	12.68%	310,078
Class B	15.11%	918,843	12%	730,996
Total	13.72%	1,178,033	12.2%	1,041,074

INDUSTRIAL	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Bulk Warehouse	1.81%	154,400	0.70%	59,650
Distribution	3.06%	114,591	3.22%	123,107
High Tech & R&D	15.05%	68,644	5.97%	25,196
Manufacturing	24.71%	744,591	0%	0
Flex	7.97%	68,655	1.75%	47,610
Total	9.15%	1,150,881	1.38%	255,563

[Click to View NAI Isaac Current Property Listings](#)

Demographics

LEXINGTON, KY MARKET DEMOGRAPHICS

Demographic	2024 Summary	2029 Projection
Population	324,981	327,854
Households	136,900	139,115
Average Household Income	\$102,744	\$119,242
Median Age	35.8	37.2

LEXINGTON, MSA* MARKET DEMOGRAPHICS

Demographic	2024 Summary	2029 Projection
Population	526,223	534,989
Households	214,745	219,917
Average Household Income	\$101,208	\$116,820
Median Age	37.1	38.3

*Lexington, KY MSA includes Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford Counties.

[Click to View NAI Isaac Current Property Listings](#)

Our Team

About Us

NAI Isaac

NAI Isaac is a full-service commercial real estate brokerage, property management, and facilities services company based in Lexington, Kentucky. NAI Isaac provides an array 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 small and medium-sized businesses, large corporations, developers, private investors, institutions, non-profits, and REITs. We maintain our long-term client relationships with unmatched skill, knowledge, and dedication.

NAI Isaac offers a range of expertise that allows us to address any real estate opportunity or challenge successfully. Our experienced brokerage team specializes in commercial leasing, acquisition, and disposition of commercial properties (retail, office, industrial, and mixed-use), investment and development opportunities, receivership, and REO dispositions. Our experienced staff and management team specialize in comprehensive property management and maintenance solutions, asset improvement and management strategies, property marketing and analytics, and full-service accounting and rent collection operations. We maintain our competitive edge through investments in industry-leading technology and the development of our human resources.

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 4.2 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 that have chosen, and been chosen, to be part of the global network of more than 325 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.

[Click to View NAI Isaac Current Property Listings](#)

Our Team

About Us

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,
SIOR, CCIM
Vice President



Jim Holbrook
Assistant
Vice President



J.L. Cannady, CCIM
Vice President



Zach Smith
Senior Associate



Max Darby
Associate



Jordan Smith, MRED
Associate

Our Team

About Us

PROPERTY MANAGERS



Anne Kilcoyne, CPM
Assistant Vice President,
Property Management



Joe Cornelius
Senior Property
Manager



Shannon Barlow
Senior Property
Manager



Jim Holbrook
Property Manager



Jonathan Keller
Property Manager



Laura Black
Property Manager



Jennifer Pennington
Property Manager

FACILITIES TEAM



Yojanes Coca
Senior Maintenance Tech



Dave Gaston
Maintenance Tech

FINANCE TEAM



Callie Avant
Accountant II



Marisa Folino
Accountant I

Our Team

About Us

OPERATIONS & MARKETING TEAM



Melanie Johnson
Assistant Vice President,
Brokerage Operations
Administration



Lucy Houpp
Assistant Vice President,
Property Marketing



Suzanne Crockett
Teamwork & Compliance
Manager



Paige Caudill
Operations Administrative
Assistant II



Shannelle Hooten
Operations Administrative
Assistant I



Commercial Real Estate Services, Worldwide.

NAI Isaac is part of NAI Global.

That means we are part of a global commercial real estate network, spanning 325+ offices with over 5,800 professionals worldwide.

We can show your property to agents around the globe. More exposure means more prospective tenants.

Let NAI Isaac showcase your property on a global stage.

Follow NAI Isaac:



771 Corporate Drive, Suite 500 | Lexington, KY 40503 | 859.224.2000 | www.naiisaac.com