

# MID YEAR 2025



## CRE MARKET REPORT LEXINGTON-FAYETTE COUNTY, KY

**NAI** Isaac



# RETAIL

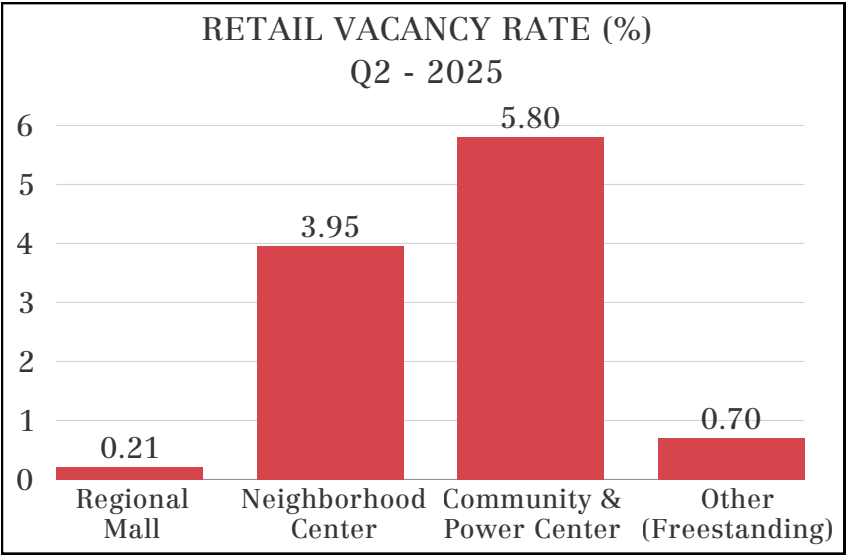
## MIDYEAR 2025

The Lexington-Fayette Retail property market experienced an overall increase in vacancy rates from Q4 2024 to Q2 2025. A breakdown by category shows that Regional Malls and Other (Freestanding) spaces saw declines in vacancy rates, while Neighborhood Centers and Community & Power Centers experienced increases.

The total vacancy rate across our Retail sample of 268 buildings stands at 3.18%, with 13,284,383 SF occupied and 436,991 SF vacant. Additional analysis can be found on page 6.



Tates Creek Centre, Lexington, KY



436,991
VACANT SF

3.18%
VACANCY RATE

RETAIL	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Regional Mall	5	1,623,551	1,620,178	99.79%	3,373	0.21%
Neighborhood Center	149	5,975,114	5,739,079	96.05%	236,035	3.95%
Community & Power Center	32	3,037,284	2,861,165	94.20%	176,119	5.80%
Other (Freestanding)	82	3,085,425	3,063,961	99.30%	21,464	0.70%
TOTAL	268	13,721,374	13,284,383	96.82%	436,991	3.18%

# OFFICE - CBD

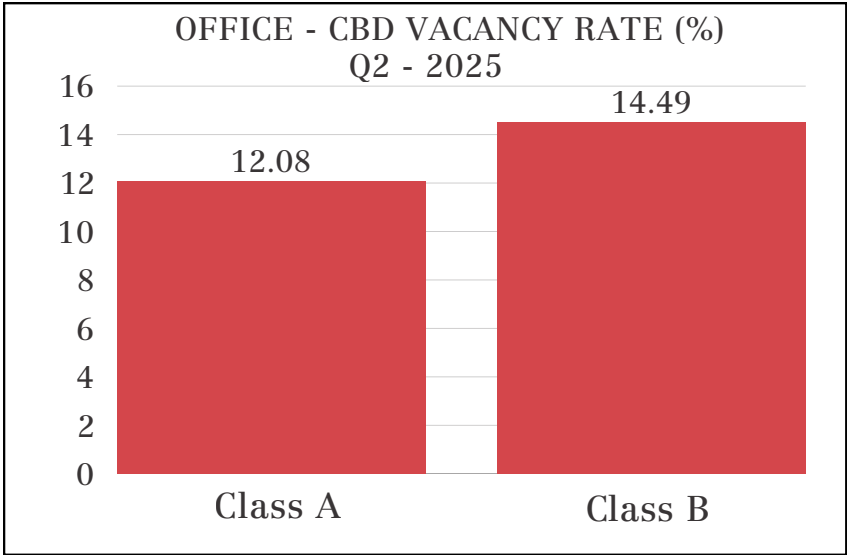
## MIDYEAR 2025

The Lexington-Fayette Office - CBD market concluded the first half of 2025 with both Class A and Class B seeing increases in vacancy rates from Q4 2024.

Office - CBD Class A and B space totaled 3,470,118 SF in a 50-building sample, with 3,014,049 SF occupied and 456,069 SF vacant. Overall Office - CBD had an 13.14 percent vacancy rate at the end of Q2 2025. Additional analysis can be found on page 7.



Chase Tower, Lexington, KY



456,069  
VACANT SF

13.14%  
VACANCY RATE

OFFICE - CBD	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	14	1,941,897	1,707,326	87.92%	234,571	12.08%
Class B	36	1,528,221	1,306,723	85.51%	221,498	14.49%
TOTAL	50	3,470,118	3,014,049	86.86%	456,069	13.14%



# OFFICE - SUBURBAN

## MIDYEAR 2025

The Lexington-Fayette Office - Suburban market concluded the first half of 2025 with a greater total vacancy rate than Q4 2024. While Class A saw an increase in vacancy rate, Class B saw a slight decline.

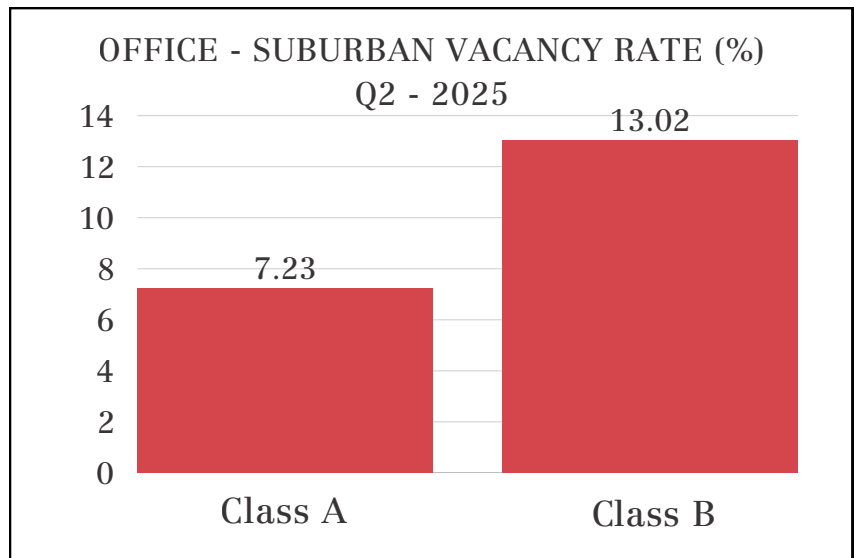
Suburban Class A and B office space totaled 8,803,832 SF in a 244-building sample with 7,826,016 SF occupied, for an 11.11 percent vacancy rate. Additional analysis can be found on page 7.



Corporate Plaza, Lexington, KY

**977,816**  
VACANT SF

**11.11%**  
VACANCY RATE



OFFICE - SUBURBAN	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	58	2,910,144	2,699,628	92.77%	210,516	7.23%
Class B	186	5,893,688	5,126,388	86.98%	767,300	13.02%
TOTAL	244	8,803,832	7,826,016	88.89%	977,816	11.11%



# INDUSTRIAL

## MIDYEAR 2025

Lexington-Fayette County's Industrial property market experienced an overall decrease in vacancy rate. While the Manufacturing sector did see a sizable increase, this is due to vacancy at one building.

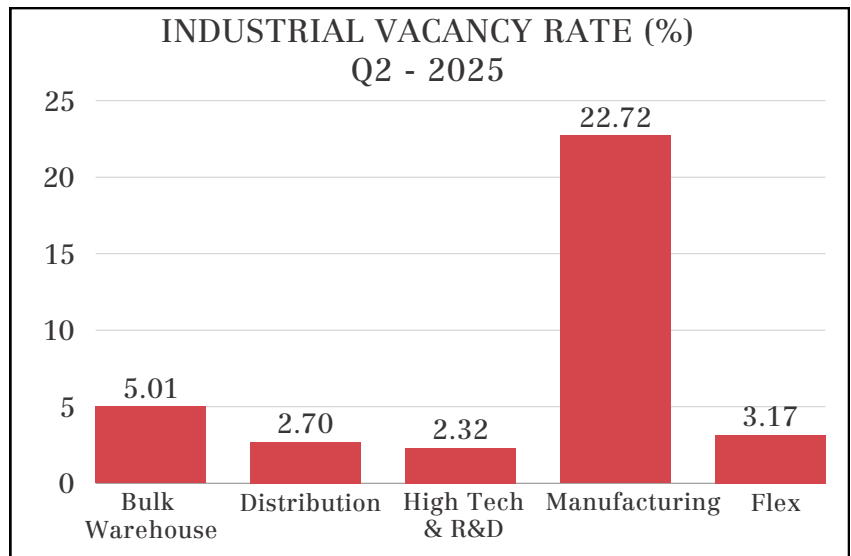
The Industrial vacancy rate in our 441-building sample totaled 6.82 percent, with 17,592,315 SF occupied and 1,287,911 SF vacant. Additional analysis can be found on page 8.



Lexington Business Center, Lexington, KY

**1,287,911**  
VACANT SF

**6.82%**  
VACANCY RATE



INDUSTRIAL	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Bulk Warehouse	191	8,723,772	8,358,323	94.99%	440,449	5.01%
Distribution	108	3,825,124	3,721,767	97.30%	103,357	2.70%
High Tech R&D	25	440,480	430,256	97.68%	10,224	2.32%
Manufacturing	46	2,810,931	2,172,392	77.28%	638,539	22.72%
Flex Space	71	3,004,919	2,909,577	96.83%	95,342	3.17%
<b>TOTAL</b>	<b>441</b>	<b>18,880,226</b>	<b>17,592,315</b>	<b>93.18%</b>	<b>1,287,911</b>	<b>6.82%</b>



# MIDYEAR 2025

## TREND ANALYSIS - RETAIL

2024-Q4

2025-Q2

RETAIL	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Regional Mall	0.68%	11,199	0.21%	3,373
Neighborhood Center	3.27%	190,140	3.95%	236,035
Community & Power Centers	3.85%	114,499	5.80%	176,119
Other (Freestanding)	0.76%	23,196	0.70%	21,464
Total	2.51%	339,034	3.18%	436,991

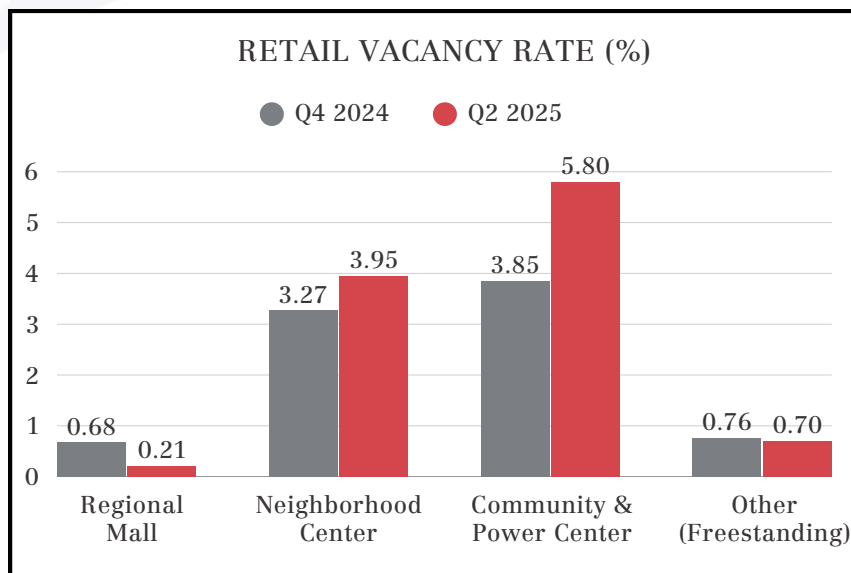
Regional Mall vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 at 3,373 SF.

Neighborhood Center vacancy SF increased from the end of 2024 to midyear of 2025; ending Q2 2025 at 236,035.

Community and Power Centers vacancy SF increased from the end of 2024 to midyear of 2025; ending Q2 2025 at 176,119 SF.

Other (freestanding) vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 at 21,464 SF.

Total Retail vacancy SF increased from the end of 2024 to midyear of 2025; ending Q2 2025 at 436,991 SF.





# MIDYEAR 2025

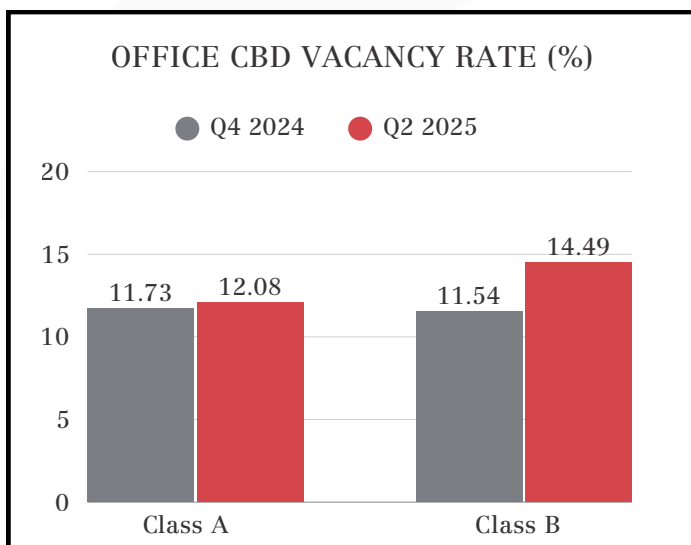
## TREND ANALYSIS - OFFICE

2024-Q4

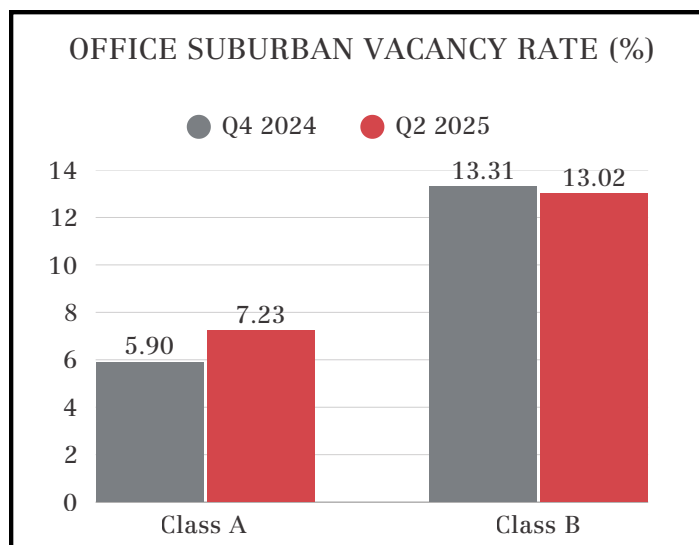
2025-Q2

OFFICE - CBD	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	11.73%	220,836	12.08%	234,571
Class B	11.54%	183,710	14.49%	221,498
Total	11.64%	404,546	13.14%	456,069

OFFICE - SUBURBAN	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	5.90%	165,684	7.23%	210,516
Class B	13.31%	785,067	13.02%	767,300
Total	10.92%	950,751	11.11%	977,816



Vacancy SF for both Office CBD Class A and Class B increased from the end of 2024 to midyear of 2025. Office CBD Class A ends Q2 2025 at 234,571 SF; Class B ends Q2 2025 at 221,498 SF.



Vacancy SF for Office Suburban Class A increased from the end of 2024 to midyear of 2025; ending Q2 2025 at 210,516 SF.

Office Suburban Class B decreased slightly from the end of 2024 to midyear of 2025; ending Q2 2025 at 767,300 SF.



# MIDYEAR 2025

## TREND ANALYSIS - INDUSTRIAL

2024-Q4

2025-Q2

INDUSTRIAL	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Bulk Warehouse	5.99%	521,799	5.01%	440,449
Distribution	13.97%	600,078	2.70%	103,357
High Tech & R&D	5.72%	25,196	2.32%	10,224
Manufacturing	0.0%	0	22.72%	638,539
Flex	18.23%	651,496	3.17%	95,342
Total	8.98%	1,798,569	6.82%	1,287,911

Bulk Warehouse vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 with 440,449 SF vacant.

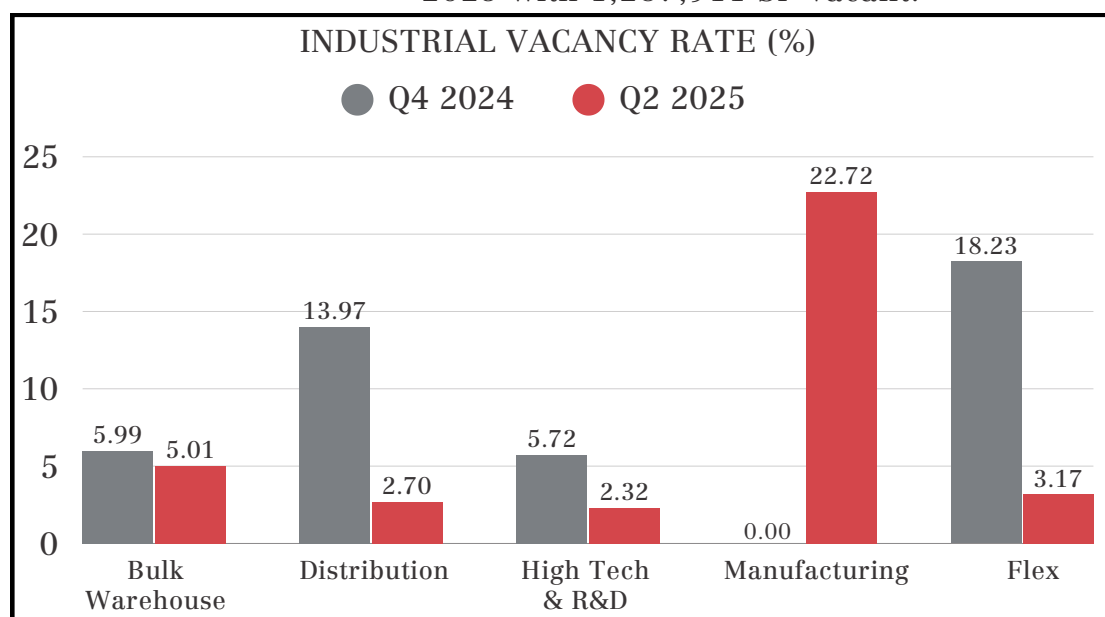
Distribution vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 with 103,357 SF vacant.

High Tech & R&D vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 with 10,224 SF vacant.

Manufacturing vacancy SF increased from the end of 2024 to midyear of 2025; ending Q2 2025 with 638,539 SF vacant - comprised of one building.

Flex vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 with 95,342 SF vacant.

Total Industrial vacancy SF decreased from the end of 2024 to midyear of 2025; ending Q2 2025 with 1,287,911 SF vacant.





# MIDYEAR 2025

## DEMOGRAPHICS

### LEXINGTON, KY MARKET DEMOGRAPHICS

Demographic	2025 Summary	2030 Projection
Population	325,983	329,989
Households	138,190	140,887
Average Household Income	\$102,715	\$114,683
Median Age	36.4	37.6

### LEXINGTON, MSA\* MARKET DEMOGRAPHICS

Demographic	2025 Summary	2030 Projection
Population	528,409	538,503
Households	217,242	223,084
Average Household Income	\$101,485	\$112,513
Median Age	37.6	38.7

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

# 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 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 specializes 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 keep our competitive edge through investments in industry-leading technology and the development of our human resources.

NAI Isaac's property management team currently manages over 4.4 million square feet of retail, office, and industrial space throughout the Commonwealth of Kentucky. NAI Isaac earned the Accredited Management Organization (AMO)® designation from the Institute of Real Estate Management (IREM)® in 2017. We are the only commercial real estate company to achieve this prestigious designation in Central Kentucky.

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.



# 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, CCIM  
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



Natalie Hicks  
Property Manager



Shannelle Hooten  
Commercial Property  
Manager Assistant

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# OUR TEAM

## ABOUT US

### OPERATIONS & MARKETING



**Melanie Johnson**  
Assistant Vice President,  
Brokerage Operations  
Administration



**Lucy Houpp**  
Assistant Vice President,  
Property Marketing



**Paige Caudill**  
Operations Administrative  
Assistant II



**Alia Moore**  
Operations Assistant I

### FINANCE



**Callie Avant**  
Accountant II



**Yojanes Coca**  
Senior Maintenance  
Tech



**Dave Gaston**  
Maintenance Tech

# 1.1+

BILLION SF OF  
PROPERTY MANAGED

# 5,800+

LOCAL MARKET  
LEADERS

# 325+

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NAI Isaac is a part of NAI Global, this 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.



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