

CRE MARKET REPORT
LEXINGTON-FAYETTE COUNTY, KY

YEAREND 2024



NAI Isaac

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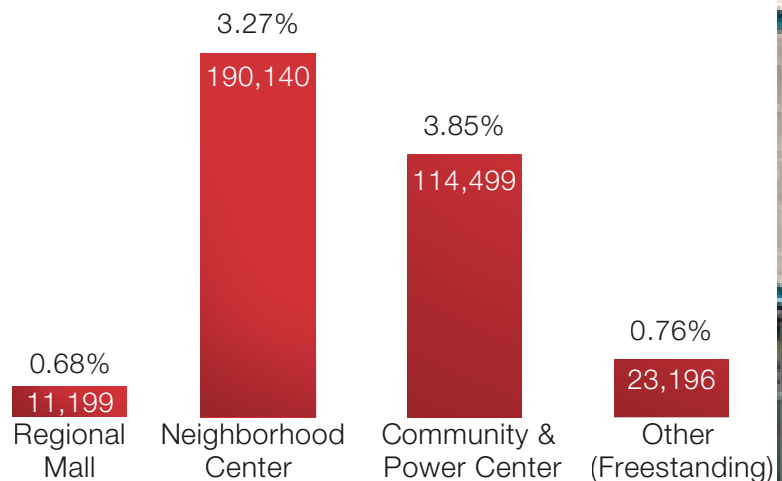
YEAREND 2024

RETAIL REPORT

The Lexington-Fayette Retail property market had a decline in vacancy rates from Q2 to Q4 in 2024, with the exception of Community and Power Center space. Overall vacancy in our Retail sample of 252 buildings totaled 2.51 percent, with 13,136,280 SF occupied and 339,034 SF vacant.

The Regional Mall vacancy rate totaled 0.68 percent with 11,199 SF vacant across 5 buildings. The Neighborhood Center vacancy rate totaled 3.27 percent, with 190,140 SF vacant, across 133 buildings. The Community and Power Center vacancy rate totaled 3.85 percent, with 114,499 SF vacant, across 33 buildings. The Other (Freestanding) vacancy rate totaled 0.76 percent, with 23,196 SF vacant, across 81 buildings.

RETAIL VACANCY (SF)
Q4 - 2024



RETAIL	# OF BUILDINGS	GLA (SF)	OCCUPIED SF	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Regional Mall	5	1,656,000	1,598,801	96.55%	11,199	0.68%
Neighborhood Center	133	5,819,119	5,628,979	96.73%	190,140	3.27%
Community & Power Center	33	2,976,103	2,861,604	96.15%	114,499	3.85%
Other (Freestanding)	81	3,070,092	3,046,896	99.24%	23,196	0.76%
TOTAL	252	13,521,314	13,136,280	97.15%	339,034	2.51%



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OFFICE REPORT

The Lexington-Fayette office market concluded 2024 with suburban Class A office space seeing a decrease in vacancy, in contrast to all other office space types, which experienced rising vacancy rates.

CBD Class A and B office space totaled 3,474,111 SF in a 50-building sample, with 3,069,565 SF occupied and 404,546 SF vacant, resulting in an overall 11.64 percent vacancy rate. Class A office space accounted for 1,881,897 SF, with 200,836 SF vacant, for an 11.73 percent vacancy rate across 13 buildings. Class B office space totaled 1,592,214 SF, with 183,710 SF vacant, yielding an 11.54 percent vacancy rate across 37 buildings.

Suburban Class A and B office space totaled 8,703,910 SF in a 242-building sample with 7,753,159 SF occupied, for a 10.92 percent vacancy rate. Class A office space made up 2,805,988 SF, with 165,684 SF vacant, yielding a 5.90 percent vacancy rate across 55 buildings. Class B office space accounted for 5,897,922 SF, with 785,067 SF vacant, resulting in a 13.31 percent vacancy rate across 187 buildings.

OFFICE - CBD VACANCY (SF) Q4 - 2024

11.73%

220,836

Class A

11.54%

183,710

Class B

OFFICE - SUBURBAN VACANCY (SF) Q4 - 2024

13.31%

785,067

Class B

5.90%

165,684

Class A

OFFICE - CBD	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	13	1,881,897	1,661,061	88.27%	200,836	11.73%
Class B	37	1,592,214	1,408,504	88.46%	183,710	11.54%
TOTAL	50	3,474,111	3,069,565	88.36%	404,546	11.64%

OFFICE - SUBURBAN	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Class A	55	2,805,988	2,640,304	94.10%	165,684	5.90%
Class B	187	5,897,922	5,112,855	86.69%	785,067	13.31%
TOTAL	242	8,703,910	7,753,159	89.08%	950,751	10.92%



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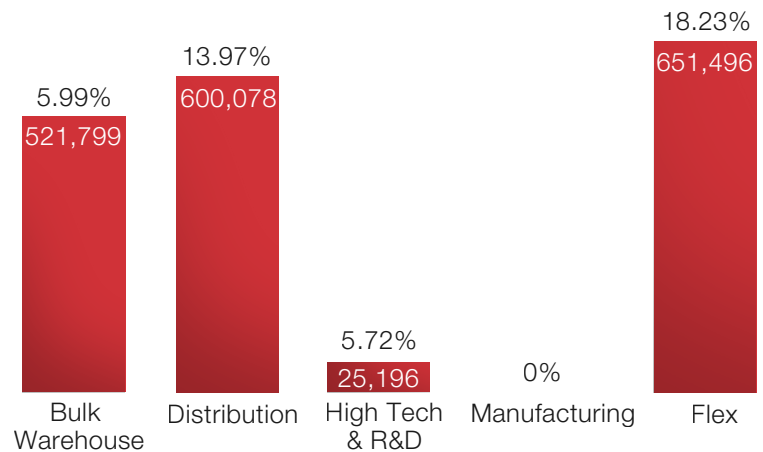
INDUSTRIAL REPORT

Lexington-Fayette County's Industrial property market experienced a noticeable rise in vacancy. The vacancy rate in our sample totaled 8.98 percent, ending Q4 with 1,798,569 SF of vacant space. Looking back at the end of Q2 2024, the vacancy rate was 1.38 percent.

The rise in Industrial vacancy rates can be attributed to new construction. The Lexington-Fayette area has seen the addition of more than 1,000,000 SF on Providence Parkway alone.

This report filtered and sampled 433 properties from the Lexington-Fayette Industrial market, totaling 20,034,395 SF of Gross Leasable Area (GLA).

INDUSTRIAL VACANCY (SF)
Q4 - 2024



INDUSTRIAL	# OF BUILDINGS	GLA (SF)	OCCUPIED (SF)	OCCUPANCY RATE	VACANT (SF)	VACANCY RATE
Bulk Warehouse	187	8,711,608	8,189,809	94.01%	521,799	5.99%
Distribution	105	4,294,143	3,694,065	86.03%	600,078	13.97%
High Tech R&D	25	440,480	415,284	94.28%	25,196	5.72%
Manufacturing	47	3,013,760	3,013,760	100%	0	0.00%
Flex Space	69	3,574,404	2,922,908	81.77%	651,496	18.23%
TOTAL	433	20,034,395	18,235,826	91.02%	1,798,569	8.98%



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TREND ANALYSIS

Between Q2 and Q4 in 2024 vacancy rates varied across property sectors. The retail market saw a slight decline in vacancy, while the industrial market experienced a significant rise. The office market showed mixed trends, with suburban Class A office space seeing a decrease in vacancy, while CBD office spaces remained relatively stable.

2024-Q2

RETAIL	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Regional Mall	3.13%	50,199	0.68%	11,199
Neighborhood Center	5.46%	322,78	3.27%	190,140
Community and Power Centers	1.83%	55,520	3.85%	114,499
Other (Freestanding)	0.58%	17,567	0.76%	23,196
Total	3.28%	446,067	2.51%	339,034

2024-Q4

OFFICE - CBD	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	9.21%	156,258	11.73%	220,836
Class B	6.3%	115,670	11.54%	183,710
Total	7.7%	271,928	11.64%	404,546

OFFICE - SUBURBAN	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Class A	12.68%	310,078	5.90%	165,684
Class B	12.0%	730,996	13.31%	785,067
Total	12.2%	1,041,074	10.92%	950,751

INDUSTRIAL	Vacancy Rate (%)	Vacant (SF)	Vacancy Rate (%)	Vacant (SF)
Bulk Warehouse	0.70%	59,650	5.99%	521,799
Distribution	3.22%	123,107	13.97%	600,078
High Tech & R&D	5.97%	25,196	5.72%	25,196
Manufacturing	0.0%	0	0.0%	0
Flex	1.75%	47,610	18.23%	651,496
Total	1.38%	255,563	8.98%	1,798,569

YEAREND 2024

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.



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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.



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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
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Jim Holbrook
Assistant
Vice President



J.L. Cannady, CCIM
Vice President



Zach Smith, CCIM
Senior Associate



Max Darby
Associate



Jordan Smith, MRED
Associate

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PROPERTY MANAGERS



Anne Kilcoyne, CPM
Assistant Vice President,
Property Management



Joe Cornelius
Senior Property
Manager



Shannon Barlow
Senior Property
Manager



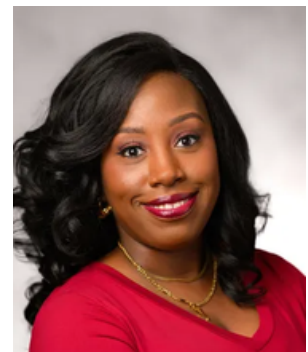
Jim Holbrook
Property Manager



Jennifer Pennington
Property Manager



Tabatha Davis
Assistant Property
Manager



Shannelle Hooten
Commercial Property
Management Assistant

FACILITIES



Yojanee Coca
Senior Maintenance Tech



Dave Gaston
Maintenance Tech

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Melanie Johnson
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Brokerage Operations
Administration



Lucy Houpp
Assistant Vice President,
Property Marketing



Alia Moore
Operations Assistant I



Paige Caudill
Operations Assistant II

FINANCE



Callie Avant
Accountant II



Marisa Folino
Accountant I

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1.1+

BILLION SF OF
PROPERTY MANAGED

5,800+

REAL ESTATE
PROFESSIONALS

325+

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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.



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