NAI Isaac

LEXINGTON-FAYETTE CRE MARKET REPORT

MIDYEAR 2026

RETAIL | OFFICE | SUBURBAN | INDUSTRIAL

ABOUT US

REALIZING POTENTIAL

Delivering Results

NAI Isaac is a full-service commercial real estate brokerage, property management, and facilities services firm based in Lexington, Kentucky. Since 1987, we have provided comprehensive commercial real estate solutions to clients throughout Central Kentucky and beyond. Our professionals are relationship-driven, results-focused, and committed to delivering exceptional service.

Our brokerage team specializes in commercial leasing, investment sales, acquisitions and dispositions, tenant and landlord representation, development opportunities, receivership, and REO dispositions across retail, office, industrial, and mixed-use properties. Complementing our brokerage services, our property management professionals deliver comprehensive management and maintenance solutions, asset enhancement strategies, property marketing, financial reporting, and full-service accounting and rent collection. Through continued investment in industry-leading technology and the professional development of our team, we provide innovative solutions that create long-term value for our clients.

As the Central Kentucky affiliate of NAI Global, NAI Isaac connects local market expertise with one of the world's largest commercial real estate networks. With more than 325 offices across North America, Latin America, the Caribbean, Europe, Africa, and Asia Pacific, NAI Global provides clients with seamless access to local knowledge and global resources. Each affiliate is independently owned and united by a commitment to delivering exceptional service and results.

RETAIL

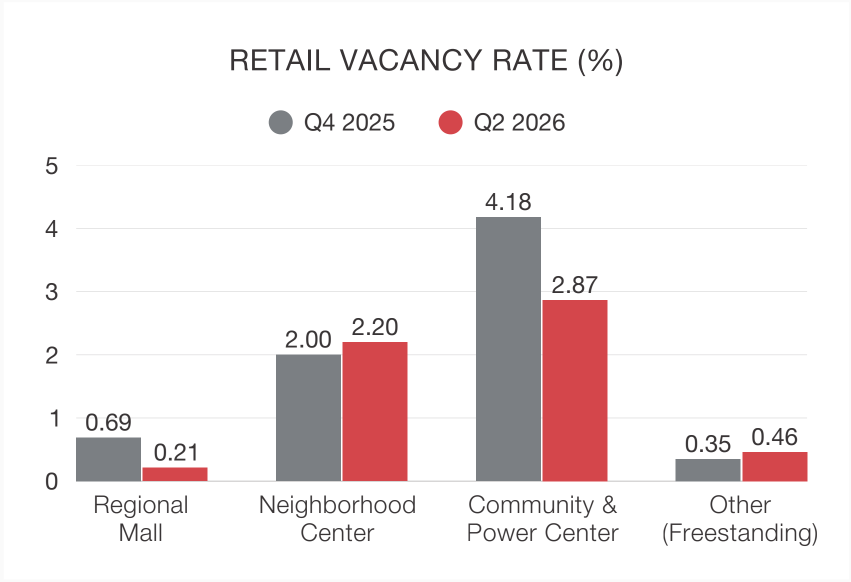
MIDYEAR 2026

The Lexington-Fayette retail market continued to attract interest from retailers and investors during the first half of 2026, reflecting ongoing demand for quality retail assets and well-located properties. The overall vacancy rate decreased to 1.74% from 1.99% at the end of 2025, with total available retail space decreasing by approximately 35,100 SF.

The decline in vacancy rates highlights continued market strength, supported by strong occupancy levels and sustained demand across key retail categories. Regional Malls along with Community and Power Centers experienced decreases in vacancy from 0.69% to 0.21% and from 4.18% to 2.87%, respectively. Neighborhood Centers remained stable, with a modest increase in vacancy from 2.00% to 2.20%, while Other (Freestanding) properties continued to maintain low vacancy levels, increasing slightly from 0.35% to 0.46%.

Overall, the Lexington-Fayette retail market remains well-positioned, supported by strong tenant demand, high occupancy levels, and limited availability across key retail categories. Continued interest from retailers and investors reinforces the market's attractiveness and long-term stability.

Millpond Center, Lexington, KY



Retail	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	6,018,638	5,886,403	97.80%	132,235	2.20%
Community & Power Centers	32	3,248,931	3,155,554	97.13%	93,377	2.87%
Other (Freestanding)	82	3,085,425	3,071,110	99.54%	14,315	0.46%
Total	268	13,976,545	13,733,245	98.26%	243,300	1.74%

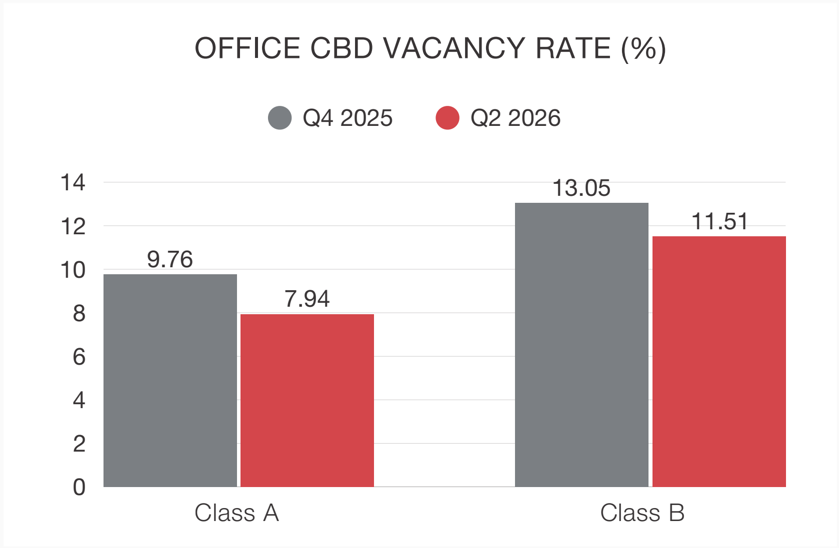
OFFICE
CBD
MIDYEAR 2026

The Lexington-Fayette Office CBD market continued to show positive momentum during the first half of 2026, reflecting higher occupancy levels and continued demand for prime location office properties. The overall vacancy rate decreased to 9.50% from 11.20% at the end of 2025, with total available office space declining by approximately 41,224 SF.

Both Class A and Class B CBD Office properties experienced decreases in vacancy during the first half of 2026. Class A properties saw vacancy decrease from 9.76% to 7.94%, representing the strongest performance within the Office CBD market. Class B CBD Office properties also experienced declines in vacancy, with rates decreasing from 13.05% to 11.51%.

Overall, the Lexington-Fayette Office CBD market continues to demonstrate declining vacancy via increased occupancy, with sustained demand for strategically located office space, highlighting the market's stability and ongoing appeal.

Chase Tower, Lexington, KY



Office CBD	Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	14	1,975,309	1,818,403	92.06%	156,906	7.94%
Class B	36	1,525,867	1,350,237	88.49%	175,630	11.51%
Total	50	3,501,176	3,168,640	90.50%	332,536	9.50%

OFFICE
SUBURBAN
MIDYEAR 2026

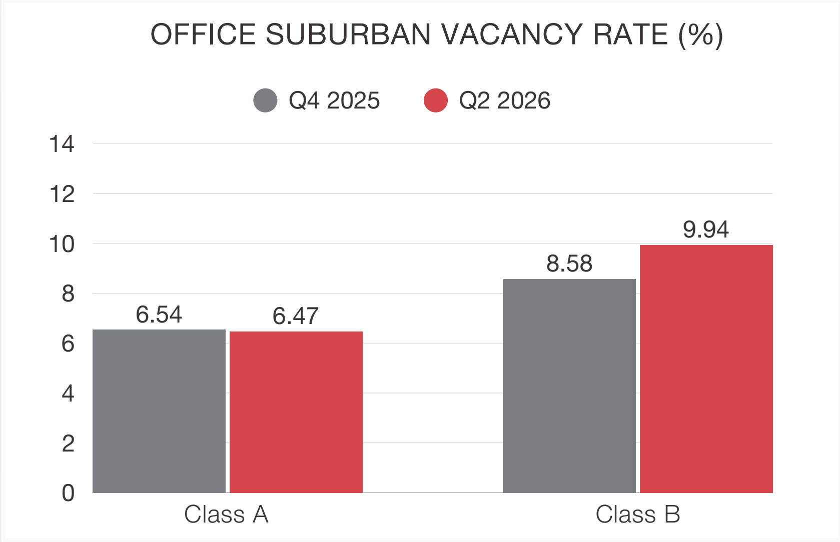
The Lexington-Fayette Suburban Office market continued being supported by strong occupancy levels and demand for quality office space, during the first half of 2026. The market consists of approximately 8.85 million SF across 244 buildings, with an overall vacancy rate of 8.80% and 779,064 SF of total available space.

Class A Suburban Office properties remained steady, garnering a 93.53% occupancy rate across 58 buildings and 2.91 million SF of inventory. This in a decrease of 19,320 SF of available space.

Class B properties represent the largest segment of the Suburban Office Sector, totaling approximately 5.94 million SF across 186 buildings, with a current occupancy rate of 90.06%. While Class B properties account for the majority of available office space, overall occupancy remains strong, reflecting continued tenant demand.

Collectively, the Lexington-Fayette Suburban Office market remains supported by strong occupancy levels and continued demand for quality office environments. The sector continues to attract businesses seeking functional, accessible office locations that support long-term operational needs and growth potential.

151 N Eagle Creek Drive, Lexington, KY



Office Suburban	Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Class A	58	2,910,376	2,722,098	93.53%	188,278	6.47%
Class B	186	5,941,756	5,350,970	90.06%	590,786	9.94%
Total	244	8,852,132	8,073,068	91.20%	779,064	8.80%

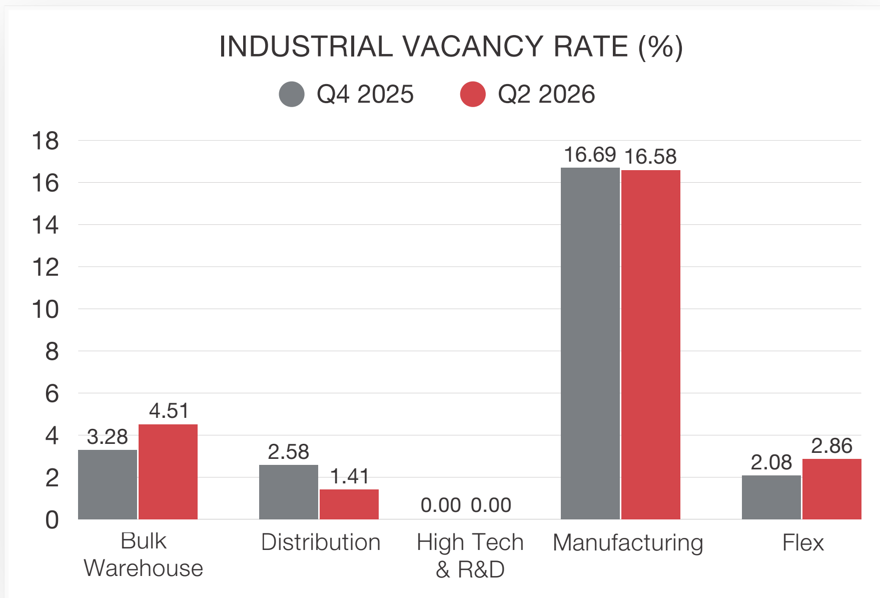
INDUSTRIAL
MIDYEAR 2026

The Lexington-Fayette industrial market experienced an increase of 85,723 SF in vacant space during the first half of 2026, driven primarily by an increase in available bulk warehouse space. Continued demand across key industrial segments has supported steady market performance, while the overall vacancy rate increased 9.2% to 5.32%, compared with 4.87% at the end of 2025.

Distribution properties experienced the highest rate of occupancy increase, with vacancy decreasing from 2.58% to 1.41%, while High Tech & R&D properties maintained full occupancy. Manufacturing properties remained stable, with vacancy decreasing slightly (.66%) from 16.69% to 16.58%. Bulk Warehouse and Flex properties both experienced increases in available space, contributing to higher vacancy rates of 4.51% and 2.86%, respectively.

Interest in quality industrial assets within the Lexington-Fayette market remains high. Demand is demonstrated by strong occupancy across several industrial categories. While available space increased during the period, market fundamentals remain supported by demand for well-located industrial properties and functional space that meets evolving business needs. Additional space is expected to become available at Turner Commons Way and Providence Business Center.

Lexington Business Center, Lexington, KY



Industrial	Buildings	GLA (SF)	Occupied (SF)	Occupancy Rate	Vacant (SF)	Vacancy Rate
Bulk Warehouse	191	8,814,372	8,416,416	95.49%	397,956	4.51%
Distribution	108	3,824,870	3,770,795	98.59%	54,075	1.41%
High Tech & R&D	25	440,480	440,480	100.00%	0	0.00%
Manufacturing	46	2,807,931	2,342,331	83.42%	465,600	16.58%
Flex	71	2,978,283	2,893,028	97.14%	85,255	2.86%
Total	441	18,865,936	17,863,050	94.68%	1,002,886	5.32%

DATA ANALYSIS

DEMOGRAPHICS

LEXINGTON, KY MARKET DEMOGRAPHICS

Demographic	2026 Summary	2031 Projection
Population	329,534	334,963
Households	140,723	144,459
Average Household Income	$114,933	$131,894
Median Age	36.5	37.8

LEXINGTON, MSA* MARKET DEMOGRAPHICS

Demographic	2026 Summary	2031 Projection
Population	535,122	547,506
Households	221,024	228,204
Average Household Income	$111,478	$127,250
Median Age	36.6	38.8

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

DATA ANALYSIS

SECTOR ANALYSIS

Retail	Q4 2025 Vacancy Rate (%)	Q4 2025 Vacant (SF)	Q2 2026 Vacancy Rate (%)	Q2 2026 Vacant (SF)
Regional Mall	0.69%	11,199	0.21%	3,373
Neighborhood Center	2.00%	120,638	2.20%	132,235
Community and Power Centers	4.18%	125,721	2.87%	93,377
Other (Freestanding)	0.35%	10,844	0.46%	14,315
Total	1.99%	278,402	1.74%	243,300

Office - CBD	Q4 2025 Vacancy Rate (%)	Q4 2025 Vacant (SF)	Q2 2026 Vacancy Rate (%)	Q2 2026 Vacant (SF)
Class A	9.76%	176,226	7.94%	156,906
Class B	13.05%	197,534	11.51%	175,630
Total	11.20%	373,760	9.50%	332,536

Office - Suburban	Q4 2025 Vacancy Rate (%)	Q4 2025 Vacant (SF)	Q2 2026 Vacancy Rate (%)	Q2 2026 Vacant (SF)
Class A	6.54%	183,403	6.47%	188,278
Class B	8.58%	509,463	9.94%	590,786
Total	7.91%	692,866	8.80%	779,064

Industrial	Q4 2025 Vacancy Rate (%)	Q4 2025 Vacant (SF)	Q2 2026 Vacancy Rate (%)	Q2 2026 Vacant (SF)
Bulk Warehouse	3.28%	288,299	4.51%	397,956
Distribution	2.58%	98,730	1.41%	54,075
High Tech & R&D	0.00%	0	0.00%	0
Manufacturing	16.69%	468,600	16.58%	465,600
Flex	2.08%	61,534	2.86%	85,255
Total	4.87%	917,163	5.32%	1,002,886

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

Jamie Adams,
SIOR, CCIM
Vice President

J.L. Cannady, CCIM
Vice President

John P. Miller
Assistant
Vice President

Jim Holbrook
Assistant
Vice President

Zach Smith, CCIM
Senior Associate

Max Darby
Associate

Jordan Smith, MRED
Associate

Dillon Domé
Associate

OPERATIONS TEAM

Melanie Johnson
Assistant Vice President,
Brokerage Operations
Administration

Lucy Houp
Assistant Vice President,
Property Marketing

Paige Caudill
Operations Assistant II

Alia Moore
Operations Assistant I

ABOUT US

PROPERTY MANAGEMENT

Anne Kilcoyne, CPM
Assistant Vice President, Property Management

Joe Cornelius
Senior Property Manager

Shannon Barlow
Senior Property Manager

Maria Sarabia
Property Manager

Michael Neal
Property Manager

Natalie Mallet
Property Manager

Shannelle Hooten
Commercial Property Manager Assistant

FINANCE

Callie Avant
Accountant II

Blake Grillon
Accountant I

FACILITIES

Yojanes Coca
Senior Maintenance Tech

Dave Gaston
Maintenance Tech

NAI Isaac's property management team currently manages over 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.

AMO®

LOCAL EXPERTISE
Global Reach

NAI Isaac   NAI Global

1.1+
BILLION SF OF PROPERTY MANAGED

5,800+
LOCAL MARKET LEADERS

325+
OFFICES WORLDWIDE

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771 CORPORATE DR, SUITE 500 | LEXINGTON, KY 40503
WWW.NAIISAAC.COM | 859.224.2000