

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Bowling Green, KY

Core-Based Statistical Area Code:

14540

The Bowling Green, KY commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 40.0**

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is stronger than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is not as strong than nationally.

### I. Economic and Demographic

Economic	Bowling Green, KY			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	76	77	74	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	2	2	(2)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.8%	2.8%	-2.5%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.6%	4.1%	4.4%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,024	\$1,031	\$984	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.0%	1.9%	17.5%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-3.3%	3.4%	-1.6%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	0.8	1.1	1.1	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	180	179	177	331,501	328,330	326,838	
Population growth (%)	0.50%	1.18%	1.05%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Bowling Green, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.6%	3.2%	8.1%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	(172)	90	134	58,097	61,951	187,113	
Absorption of units in past 12 months	187	493	508	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.8%	7.1%	7.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$979	\$961	\$883	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	10.8%	11.0%	5.1%	11.4%	11.3%	2.4%	
Effective rent per unit	\$976	\$959	\$875	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.5%	12.2%	7.0%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.0%	10.7%	10.2%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	6,748	6,920	6,566	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	590	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	9.0%	2.2%	2.3%	2.5%	
Units under construction	484	484	-	774,864	744,997	732,144	
Units under construction, as % of inventory	7.2%	7.0%	-	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(3.2)	17.1	17.2	(15.9)	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$11	\$21	\$56	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$81,472	\$101,697	\$137,000	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.1%	6.1%	6.0%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Bowling Green, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.4%	3.5%	5.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	36,552	6,303	26,957	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	92,156	82,561	10,093	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	2.8%	2.5%	0.3%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$19.8	\$19.8	\$19.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.7%	3.4%	2.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.3)	(0.6)	(0.6)	1,153	1,161	(283)	Stronger office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,282,652	3,246,100	3,190,496	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	32,138	22,000	22,000	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	1.0%	0.7%	0.7%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	32,727	64,865	32,727	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.0%	2.0%	1.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$10	\$5	\$1	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$109	\$44	\$57	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	9.2%	9.3%	9.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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## Bowling Green, KY

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14540

### IV. Industrial

	Bowling Green, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	0.4%	0.4%	2.2%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	504,601	3,073	(48,345)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	1,341,635	788,689	295,924	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	6.9%	4.2%	1.6%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$6.3	\$6.1	\$5.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	13.2%	10.7%	5.7%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	19,508,136	19,003,534	18,166,500	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	1,008,000	500,000	(12,250)	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	5.2%	2.6%	-0.1%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	112,800	620,800	1,000,000	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.6%	3.3%	5.5%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$21	\$7	\$5	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$64	\$38	\$52	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.2%	7.1%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Bowling Green, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.1%	2.3%	3.6%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	20,344	63,259	(8,703)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	134,331	105,284	181,771	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.7%	1.3%	2.3%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$16.0	\$15.7	\$15.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.3%	4.0%	2.6%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.50	0.30	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	7,966,875	7,946,531	7,832,544	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	7,500	7,500	152,411	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.1%	1.9%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	28,500	28,500	7,500	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.4%	0.4%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$3	\$12	\$15	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$84	\$153	\$64	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.7%	7.7%	7.6%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	8.4	8.5	7.8	14,939	14,804	12,876	
Y/Y change ('000)	0.6	1.5	(0.7)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	11.0%	11.1%	10.5%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Clarksville, TN-KY

Core-Based Statistical Area Code:

17300

The Clarksville, TN-KY commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 60.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Clarksville, TN-KY			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	97	97	93	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	4	3	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.0%	2.8%	-1.1%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	4.2%	5.3%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$900	\$937	\$831	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	8.3%	16.1%	12.2%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-1.5%	1.3%	0.8%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	1.8	1.8	3.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	322	310	305	331,501	328,330	326,838	
Population growth (%)	3.83%	1.51%	1.93%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Clarksville, TN-KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.2%	4.4%	4.8%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	204	160	269	58,097	61,951	187,113	
Absorption of units in past 12 months	748	813	1,477	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	5.7%	6.3%	11.9%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,085	\$1,044	\$966	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	12.4%	10.3%	6.1%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,081	\$1,040	\$962	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	12.3%	10.9%	6.5%	12.2%	12.2%	1.8%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	13.8%	12.8%	13.3%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	13,173	12,969	12,425	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	703	639	1,048	387,022	391,271	417,342	
Net delivered units, as % of inventory	5.3%	4.9%	8.4%	2.2%	2.3%	2.5%	
Units under construction	629	506	833	774,864	744,997	732,144	
Units under construction, as % of inventory	4.8%	3.9%	6.7%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	5.3	4.1	(1.0)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$12	\$63	\$21	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$179,435	\$132,308	\$89,434	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.8%	5.8%	6.0%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Clarksville, TN-KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.3%	2.0%	3.0%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(13,981)	(34)	55,528	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	74,728	144,237	44,301	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.9%	3.6%	1.1%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$21.1	\$21.0	\$20.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	3.3%	4.1%	2.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.0	(0.2)	0.4	1,153	1,161	(283)	Stronger office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,956,886	3,970,867	3,882,158	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	47,892	86,142	38,250	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	1.2%	2.2%	1.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	2,200	-	47,892	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.1%	-	1.2%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$3	\$2	\$4	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$83	\$109	\$73	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.3%	8.3%	8.4%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Clarksville, TN-KY

Core-Based Statistical Area Code:

17300

### IV. Industrial

	Clarksville, TN-KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.1%	0.9%	2.7%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(926)	38,690	114,202	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	323,645	438,773	(225,281)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.7%	2.4%	-1.2%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$6.3	\$6.0	\$5.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	12.3%	9.9%	5.4%	11.0%	9.3%	5.5%	<i>Rents are rising faster than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	18,605,284	18,606,210	18,281,640	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	28,800	-	20,800	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.2%	-	0.1%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	371,000	399,800	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	2.0%	2.1%	-	3.5%	3.2%	2.4%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$22	\$24	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$47	\$41	\$63	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.6%	7.6%	7.5%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Clarksville, TN-KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.4%	2.3%	3.2%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	125,027	59,933	(97,829)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	258,103	35,247	65,704	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.8%	0.3%	0.5%	0.8%	0.7%	-0.2%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$15.3	\$15.1	\$14.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.4%	4.0%	2.3%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.50	0.40	0.10	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	14,002,538	13,877,511	13,744,435	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	15,369	20,087	147,643	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.1%	0.1%	1.1%	0.2%	0.2%	0.3%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	132,905	115,987	99,767	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.9%	0.8%	0.7%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$17	\$9	\$13	\$22,755	\$33,245	\$12,773	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$42	\$147	\$127	\$219	\$226	\$182	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.5%	7.5%	7.5%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>
<b>VI. Hotel/Lodging</b>							
Leisure and hospitality payroll workers ('000)	13.3	12.5	11.3	14,939	14,804	12,876	
Y/Y change ('000)	2.0	1.4	(0.3)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	13.7%	12.9%	12.1%	10.0%	9.8%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Elizabethtown-Fort Knox, KY

Core-Based Statistical Area Code: 21060

The Elizabethtown-Fort Knox, KY commercial real estate market is stronger compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\* 56.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is stronger than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Elizabethtown-Fort Knox, KY			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	53	54	53	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	0	(0)	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	0.4%	-0.2%	-5.2%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.3%	4.8%	4.8%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$722	\$709	\$753	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-4.1%	-10.9%	13.7%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.0%	3.1%	-1.2%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
<b>Demographic</b>							
Net domestic migration ('000)	0.0	0.2	2.3	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	156	154	153	331,501	328,330	326,838	
Population growth (%)	1.04%	0.38%	1.87%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Elizabethtown-Fort Knox, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.4%	5.3%	3.9%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	80	(37)	38	58,097	61,951	187,113	
Absorption of units in past 12 months	182	140	91	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.4%	3.5%	2.3%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$834	\$825	\$795	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.8%	6.5%	4.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$824	\$822	\$793	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	3.8%	6.4%	4.9%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.1%	13.3%	12.1%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Supply indicators</b>							
Inventory	4,095	4,015	3,913	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	168	168	91	387,022	391,271	417,342	
Net delivered units, as % of inventory	4.1%	4.2%	2.3%	2.2%	2.3%	2.5%	
Units under construction	-	-	168	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	4.3%	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	1.2	(0.6)	(31.9)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$3	\$1	\$16	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$39,938	\$96,875	\$111,111	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.9%	6.9%	6.8%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Elizabethtown-Fort Knox, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.5%	1.7%	1.9%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	8,369	(1,500)	51,180	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	15,003	57,814	4,115	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.4%	1.7%	0.1%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$14.8	\$14.8	\$14.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.6%	3.4%	2.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.2	0.4	0.3	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,357,780	3,349,411	3,342,777	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	11,000	11,000	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	0.3%	0.3%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$0	\$3	\$5	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$41	\$71	\$125	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.3%	9.4%	9.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Elizabethtown-Fort Knox, KY

Core-Based Statistical Area Code: 21060

### IV. Industrial

	Elizabethtown-Fort Knox, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.3%	2.5%	2.4%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	1,563,000	(90,145)	9,500	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	1,551,925	(1,575)	(113,850)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	18.8%	0.0%	-1.7%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$6.5	\$6.2	\$5.8	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	12.4%	10.2%	5.8%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	8,246,699	6,683,699	6,694,774	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	1,500,000	-	18,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	18.2%	-	0.3%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	5,100	1,500,000	1,500,000	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.1%	22.4%	22.4%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$51	\$3	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$27	\$56	\$61	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	7.6%	7.4%	7.4%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Elizabethtown-Fort Knox, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.6%	1.5%	2.2%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(5,350)	41,900	135,123	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	82,391	222,864	88,530	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.0%	2.6%	1.0%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$14.7	\$14.4	\$13.9	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.7%	4.4%	2.5%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.30	(0.10)	(0.10)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	8,567,929	8,573,279	8,485,538	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	26,593	106,593	91,214	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.3%	1.2%	1.1%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	24,981	22,222	15,426	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.3%	0.3%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$6	\$11	\$6	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$134	\$102	\$92	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.5%	7.4%	7.8%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	5.5	5.6	5.4	14,939	14,804	12,876	
Y/Y change ('000)	0.1	0.7	(0.5)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	10.4%	10.4%	10.2%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Huntington-Ashland, WV-KY-OH

Core-Based Statistical Area Code: 26580

The Huntington-Ashland, WV-KY-OH commercial real estate market is not as strong compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index\* 32.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Huntington-Ashland, WV-KY-OH			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	131	131	127	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	3	3	(6)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.5%	2.0%	-4.7%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.0%	4.6%	5.7%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$910	\$877	\$802	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	13.5%	7.0%	-2.0%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-2.7%	1.2%	5.4%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	(1.0)	(2.2)	(1.7)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	359	356	359	331,501	328,330	326,838	
Population growth (%)	0.79%	-0.86%	-0.81%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Huntington-Ashland, WV-KY-OH			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.2%	4.2%	4.9%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	(1)	(33)	59	58,097	61,951	187,113	
Absorption of units in past 12 months	59	119	84	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.7%	1.5%	1.0%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$799	\$782	\$766	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.3%	2.5%	1.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$796	\$779	\$763	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.2%	2.5%	1.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	10.1%	10.2%	11.0%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	8,132	8,133	8,073	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$12	\$1	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$50,311	\$181,094	\$59,375	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	7.7%	7.7%	7.6%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Huntington-Ashland, WV-KY-OH			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.7%	1.6%	3.1%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(12,262)	(253)	(69,469)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	152,725	95,518	(157,118)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.4%	0.9%	-1.4%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$16.1	\$16.0	\$15.8	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.6%	1.3%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.8	0.5	(0.1)	1,153	1,161	(283)	Slower office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	11,023,382	11,035,644	10,870,657	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	2,700	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	0.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$4	\$3	\$3	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$49	\$51	\$69	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.5%	9.5%	9.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Huntington-Ashland, WV-KY-OH

Core-Based Statistical Area Code:

26580

### IV. Industrial

	Huntington-Ashland, WV-KY-OH			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.8%	4.0%	3.7%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	371,273	2,879	158,863	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	286,067	73,657	(106,056)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	0.9%	0.2%	-0.3%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$5.9	\$5.8	\$5.5	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.9%	5.9%	3.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	30,705,116	30,333,844	30,419,048	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	30,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	0.1%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	150,000	150,000	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.5%	0.5%	-	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$14	\$5	\$0	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$20	\$47	\$29	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	9.2%	9.1%	9.0%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Huntington-Ashland, WV-KY-OH			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.4%	2.4%	2.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	282	48,930	55,587	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	112,265	167,570	153,199	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	0.6%	0.5%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$11.6	\$11.5	\$11.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.1%	2.5%	1.2%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.30	0.30	(0.10)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	29,409,112	29,408,832	29,296,848	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	29,967	20,965	-9,482	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.1%	0.0%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	10,400	19,402	25,400	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.1%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$25	\$17	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$59	\$212	\$103	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	8.3%	8.3%	8.5%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	13.7	14.1	12.9	14,939	14,804	12,876	
Y/Y change ('000)	0.8	1.6	(1.3)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	10.5%	10.7%	10.1%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at  
<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>





# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Lexington-Fayette, KY

Core-Based Statistical Area Code: 30460

The Lexington-Fayette, KY commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\* 40.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Lexington-Fayette, KY			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	276	279	267	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	9	10	(11)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.4%	3.7%	-3.9%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.2%	3.7%	4.1%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$936	\$964	\$946	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-1.1%	0.9%	6.7%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.4%	1.2%	2.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.6	0.1	0.9	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	517	518	515	331,501	328,330	326,838	
Population growth (%)	-0.13%	0.50%	0.61%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Lexington-Fayette, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.3%	4.4%	5.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	42	(57)	363	58,097	61,951	187,113	
Absorption of units in past 12 months	648	969	1,789	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.8%	2.8%	5.2%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,005	\$976	\$904	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	11.3%	10.2%	4.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$999	\$972	\$899	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.1%	10.7%	5.6%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	12.3%	11.6%	10.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	35,148	35,106	34,501	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	373	681	719	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.1%	1.9%	2.1%	2.2%	2.3%	2.5%	
Units under construction	475	475	588	774,864	744,997	732,144	
Units under construction, as % of inventory	1.4%	1.4%	1.7%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	24.1	14.5	(15.2)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$69	\$242	\$93	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$111,827	\$129,348	\$93,456	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.1%	6.0%	6.1%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Lexington-Fayette, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	7.5%	7.5%	6.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	35,946	(155,127)	63,765	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(95,213)	(67,394)	(8,721)	5,610,472	(41,726,112)	(119,807,672)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.5%	-0.3%	0.0%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$17.8	\$17.7	\$17.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.1%	2.5%	-0.4%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	1.3	0.2	(2.2)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	19,936,824	19,900,878	20,032,036	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	51,000	29,049	18,049	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.3%	0.1%	0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	40,000	51,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	0.2%	0.3%	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$19	\$35	\$22	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$34	\$79	\$96	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.4%	9.4%	9.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Lexington-Fayette, KY

Core-Based Statistical Area Code:

30460

### IV. Industrial

	Lexington-Fayette, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.4%	2.0%	4.1%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(729,267)	578,184	(252,862)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	788,516	1,264,921	(465,252)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.4%	2.2%	-0.8%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$7.1	\$6.9	\$6.3	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	12.3%	9.7%	5.5%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	57,028,904	57,758,172	56,240,388	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	369,573	309,258	116,092	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.6%	0.5%	0.2%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	513,191	580,506	223,213	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.9%	1.0%	0.4%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$43	\$30	\$8	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$17	\$26	\$30	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	7.7%	7.7%	7.6%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Lexington-Fayette, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.9%	4.2%	4.3%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	118,721	39,472	(14,620)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	124,747	(8,594)	(97,189)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	0.0%	-0.3%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$17.5	\$17.1	\$16.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.3%	3.9%	2.6%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.40	(1.00)	(0.60)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	30,947,928	30,829,206	30,823,180	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-9,227	11,306	136,622	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.0%	0.0%	0.4%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	26,990	26,990	54,979	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.1%	0.1%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$31	\$45	\$20	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$163	\$125	\$180	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.4%	7.4%	7.5%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	30.3	30.4	25.9	14,939	14,804	12,876	
Y/Y change ('000)	4.4	6.7	(4.3)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	11.0%	10.9%	9.7%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Louisville-Jefferson County, KY-IN

Core-Based Statistical Area Code: 31140

The Louisville-Jefferson County, KY-IN commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 52.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is stronger than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Louisville-Jefferson County, KY-IN			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	664	676	652	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	12	19	(17)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	1.9%	2.9%	-2.5%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	3.9%	4.5%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$981	\$969	\$913	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	7.5%	4.6%	5.8%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-2.7%	1.9%	1.6%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	0.0	(0.3)	(0.9)	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	1,285	1,266	1,263	331,501	328,330	326,838	
Population growth (%)	1.49%	0.27%	0.20%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Louisville-Jefferson County, KY-IN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.3%	5.6%	7.2%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	397	341	952	58,097	61,951	187,113	
Absorption of units in past 12 months	3,219	3,774	3,337	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.1%	4.8%	4.4%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,041	\$1,014	\$959	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	8.6%	7.0%	2.9%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,034	\$1,007	\$947	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	9.2%	7.7%	2.8%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	12.1%	12.0%	11.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	78,890	78,493	75,701	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	1,752	2,045	1,929	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.2%	2.6%	2.5%	2.2%	2.3%	2.5%	
Units under construction	3,719	2,420	2,415	774,864	744,997	732,144	
Units under construction, as % of inventory	4.7%	3.1%	3.2%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	7.0	9.3	(8.6)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$182	\$381	\$47	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$145,325	\$140,182	\$89,558	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.8%	5.9%	5.9%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Louisville-Jefferson County, KY-IN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.6%	6.4%	6.4%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(26,632)	215,678	(523,230)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	50,859	(445,739)	(303,593)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.1%	-0.8%	-0.5%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$18.2	\$18.2	\$18.0	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.3%	1.0%	0.7%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	5.7	3.5	1.2	1,153	1,161	(283)	Stronger office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	56,217,588	56,244,220	56,166,728	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	187,249	110,659	112,036	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.3%	0.2%	0.2%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	330,112	388,712	371,664	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.6%	0.7%	0.7%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$89	\$60	\$49	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$144	\$140	\$199	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.1%	9.6%	9.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Louisville-Jefferson County, KY-IN

Core-Based Statistical Area Code: 31140

### IV. Industrial

	Louisville-Jefferson County, KY-IN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.3%	3.7%	4.5%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,517,246	1,741,894	617,753	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	8,383,015	7,483,522	3,474,970	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.6%	3.2%	1.6%	3.1%	3.1%	1.6%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$5.7	\$5.5	\$5.1	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	11.7%	10.0%	5.9%	11.0%	9.3%	5.5%	<i>Rents are rising faster than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	232,283,136	230,765,888	223,900,128	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	5,666,431	5,646,204	3,736,967	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	2.4%	2.4%	1.7%	1.9%	1.8%	1.8%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	9,361,199	8,165,344	6,774,945	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	4.0%	3.5%	3.0%	3.5%	3.2%	2.4%	<i>More delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$40	\$818	\$223	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$49	\$87	\$68	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.2%	7.2%	7.2%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Louisville-Jefferson County, KY-IN			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.0%	2.7%	3.5%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(4,579)	174,859	(29,669)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	520,162	495,072	(35,592)	94,035,968	73,627,144	(22,757,808)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.6%	0.6%	0.0%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$15.6	\$15.3	\$14.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	7.5%	5.2%	1.4%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.70	(1.10)	(1.10)	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	81,570,016	81,574,600	81,049,856	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	84,319	-81,608	350,697	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.1%	-0.1%	0.4%	0.2%	0.2%	0.3%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	412,096	248,104	94,270	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.5%	0.3%	0.1%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$92	\$127	\$52	\$22,755	\$33,245	\$12,773	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$164	\$129	\$94	\$219	\$226	\$182	<i>Prices are rising faster nationally</i>
Market cap rate	7.9%	7.9%	8.0%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	62.3	61.6	55.8	14,939	14,804	12,876	
Y/Y change ('000)	6.5	9.9	(10.8)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.4%	9.1%	8.6%	10.0%	9.8%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Owensboro, KY

Core-Based Statistical Area Code:

36980

The Owensboro, KY commercial real estate market is stronger compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\*

56.0

Overall economic conditions are stronger than nationally.

The apartment property market is not as strong than nationally.

The office property market is stronger than nationally.

The industrial property market is stronger than nationally.

The retail property market is stronger than nationally.

The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Owensboro, KY			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	52	52	51	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	1	1	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.3%	2.5%	-2.3%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.4%	4.2%	4.4%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,005	\$1,024	\$977	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	2.9%	-6.0%	16.2%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.8%	-0.4%	-1.8%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic	0.1	0.3	0.1	0	0	0	Area is experiencing net domestic in-migration
Net domestic migration ('000)	121	119	119	331,501	328,330	326,838	
Population ('000)	1.73%	0.47%	0.32%	0.97%	0.46%	0.53%	Population is growing faster than nationally
Population growth (%)							

### II. Multifamily

Demand indicators	Owensboro, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.1%	1.4%	3.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	6	14	(17)	58,097	61,951	187,113	
Absorption of units in past 12 months	36	13	36	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.1%	0.8%	2.2%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$770	\$749	\$720	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.0%	4.9%	2.9%	11.4%	11.3%	2.4%	
Effective rent per unit	\$768	\$746	\$714	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.5%	5.3%	2.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	8.8%	8.4%	8.4%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators	1,683	1,678	1,649	17,251,546	17,194,020	16,685,925	
Inventory	-	-	-	387,022	391,271	417,342	
Net delivered units in past 12 months	-	-	-	2.2%	2.3%	2.5%	
Net delivered units, as % of inventory	-	-	-	774,864	744,997	732,144	
Units under construction	-	-	-	4.5%	4.3%	4.4%	
Units under construction, as % of inventory	-	-	-	17.1	17.2	(15.9)	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)							
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions	-	\$4	\$26	\$50,395	\$113,844	\$30,199	
Total investment acquisitions (in million \$)	-	\$13,190	\$80,230	\$220,078	\$227,367	\$137,676	
Transaction sales price per unit	6.7%	6.7%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally
Market cap rate							

### III. Office

Demand indicators	Owensboro, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.5%	4.5%	5.7%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(2,280)	19,885	11,160	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	45,856	59,296	24,149	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.3%	1.7%	0.7%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$20.9	\$20.9	\$20.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.6%	3.3%	3.8%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.0	(0.2)	(0.3)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators	3,473,664	3,475,944	3,427,808	7,256,351,232	7,252,931,072	7,250,434,560	
Inventory in sq. ft.	3,000	3,000	-	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered over 12 months, in sq.ft.	0.1%	0.1%	-	0.8%	0.8%	0.7%	
Net delivered units, as % of inventory	10,500	10,500	3,000	143,665,184	143,194,512	153,944,000	Construction activity is slower than nationally
Under construction in sq.ft.	0.3%	0.3%	0.1%	2.0%	2.0%	2.1%	
Under construction, as % of inventory							
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions	\$1	\$0	\$4	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Total investment acquisitions (in million \$)	\$325	\$103	\$97	\$324	\$295	\$325	Prices are rising faster nationally
Transaction sale price per sq.ft.	9.4%	9.5%	9.7%	7.0%	7.0%	7.0%	Cap rates are higher than nationally
Market cap rate							

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Owensboro, KY

Core-Based Statistical Area Code:

36980

### IV. Industrial

	Owensboro, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	1.6%	1.9%	6.1%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	22,780	260,880	307,497	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	368,291	653,008	(136,299)	521,957,216	515,712,512	267,819,536	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	4.6%	8.2%	-1.8%	3.1%	3.1%	1.6%	
Market rent per sq.ft.	\$5.4	\$5.2	\$4.8	\$10.2	\$9.9	\$9.2	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	12.6%	8.9%	4.9%	11.0%	9.3%	5.5%	
<b>Supply indicators</b>							
Inventory in sq. ft.	7,994,922	7,972,142	7,626,631	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	8,700	8,700	-	316,015,277	299,570,240	290,668,397	<i>Less deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.1%	0.1%	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	8,700	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	0.1%	3.5%	3.2%	2.4%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$12	\$5	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$52	\$39	\$40	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.6%	7.6%	7.6%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Owensboro, KY			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	4.2%	4.2%	8.8%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	3,614	4,439	52,414	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	414,089	462,889	82,140	94,035,968	73,627,144	(22,757,808)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	5.0%	5.6%	1.0%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$15.6	\$15.3	\$14.5	\$22.9	\$22.6	\$22.0	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	7.6%	3.6%	-0.4%	3.9%	3.1%	1.1%	
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.00	0.00	0.00	570.90	382.90	(187.70)	
<b>Supply indicators</b>							
Inventory in sq. ft.	8,256,775	8,253,161	7,842,686	11,256,099,840	11,231,675,392	11,161,937,920	<i>Relatively more units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	16,045	23,195	13,716	19,624,738	21,905,704	37,703,262	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.2%	0.3%	0.2%	0.2%	0.2%	0.3%	
Under construction in sq.ft.	-	-	16,045	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.2%	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$24	\$20	\$12	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$44	\$89	\$218	\$219	\$226	\$182	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.2%	7.3%	7.6%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	4.8	4.8	4.6	14,939	14,804	12,876	
Y/Y change ('000)	0.2	0.5	(0.3)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.2%	9.2%	9.0%	10.0%	9.8%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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