

# Office Market

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Kentucky Commercial Real Estate Conference

November 6<sup>th</sup>, 2024

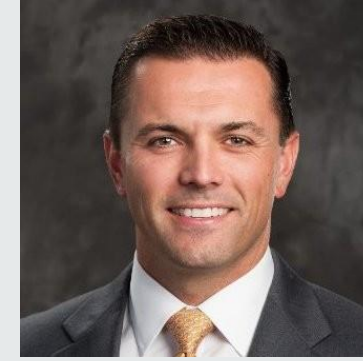


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# Office Market Panel:



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# Agenda

- 1 Louisville Office Market Summary
- 2 Suburban & Downtown Markets
- 3 Office Market Trends
- 4 Outlook
- 5 Q & A

# 1

## Louisville Office Market Summary

# Q3 2024

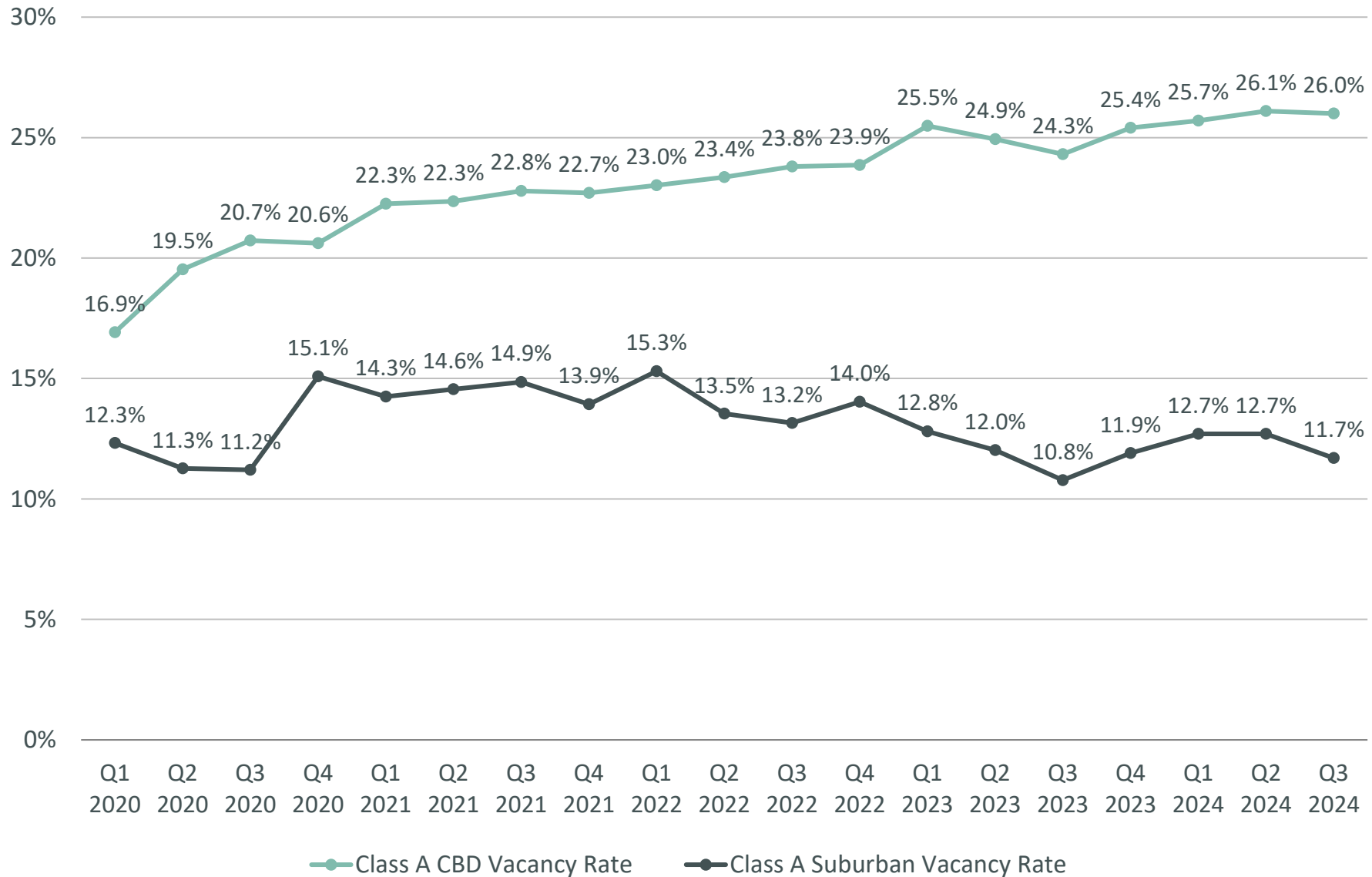
## Office Overview – Overall

▼ 25.5%	▼ 13.6%	▲ 114,564 SF
<b>Overall CBD Vacancy Rate</b>	<b>Overall Suburban Vacancy Rate</b>	<b>Net Absorption</b>
▲ \$18.90 PSF	▼ \$22.07 PSF	
<b>Class A CBD Lease Rate</b>	<b>Class A Suburban Lease Rate</b>	
-150,279 SF	1,680 SF	
<b>2023 Total Annual Net Absorption</b>	<b>2024 YTD Annual Net Absorption</b>	

Arrows indicate change from previous quarter.

Q1 2020 - Q3 2024

### Class A Vacancy Rate History

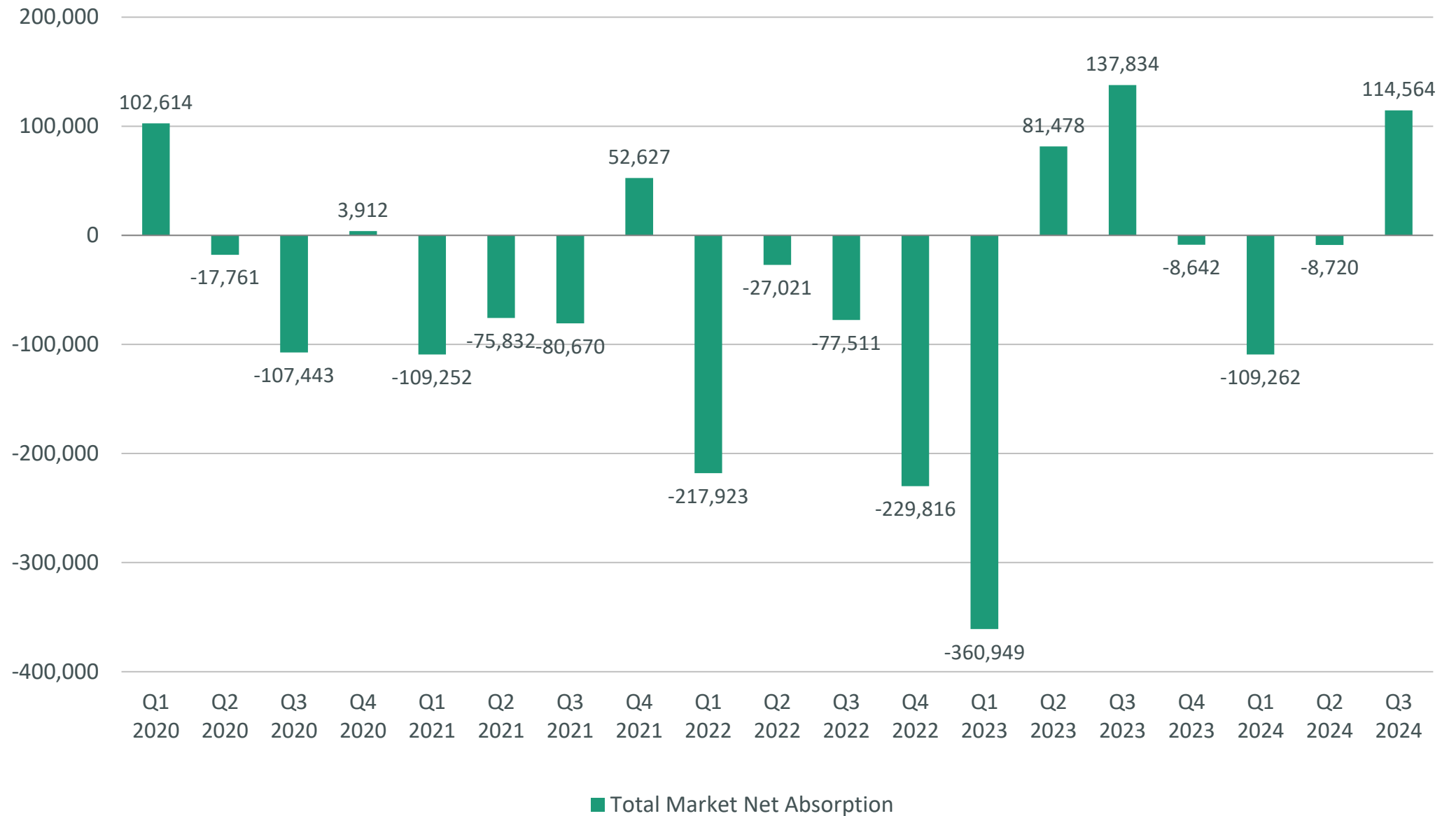


Source: CBRE Research, Q3 2023

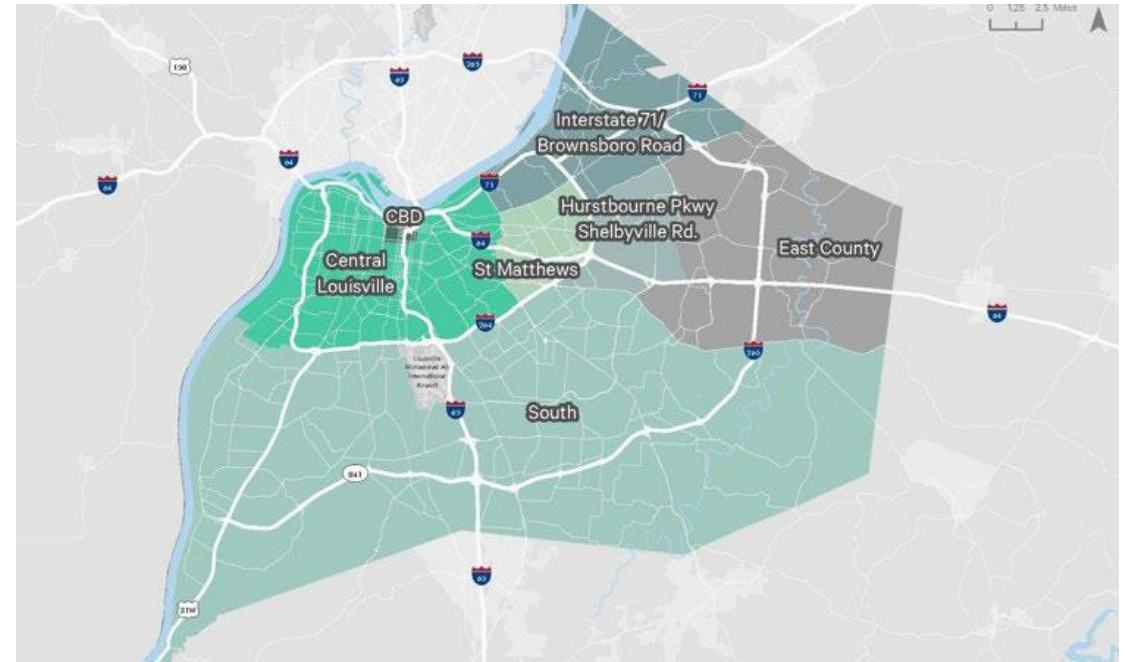
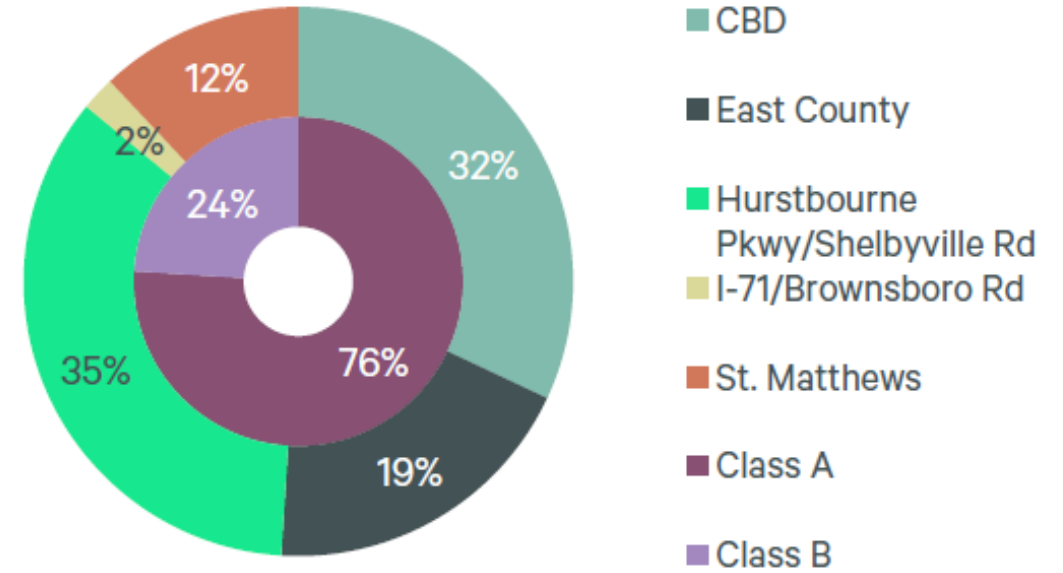
# Q1 2020 - Q3 2023

## Overall Market Net Absorption History

**Total:  
(937,773 SF)**



# Leasing Activity Q3 2024





# Louisville

vs.

# Peer Cities

	Overall	CBD	Suburban
Cincinnati	21.6%	21.2%	21.7%
Indianapolis	20.0%	20.0%	19.9%
St. Louis	22.7%	28.4%	
Columbus	22.0%	23.0%	21.0%
Memphis	16.1%	12.8%	
<b>Louisville</b>	<b>18.8%</b>	<b>25.5%</b>	<b>13.6%</b>

### Overall Market Vacancy Rate

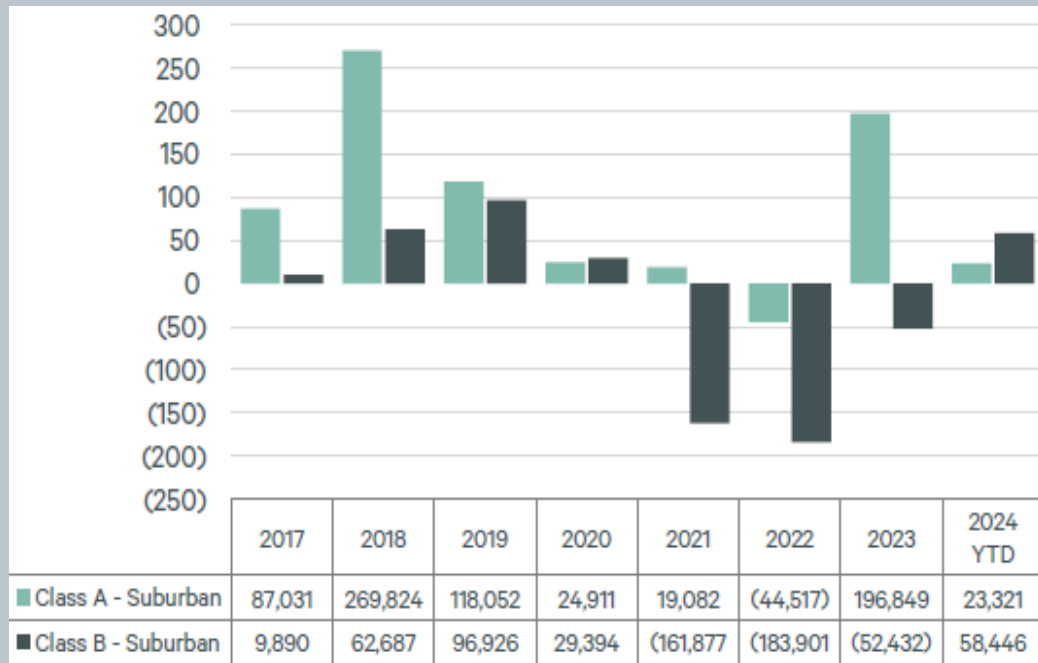


# 2

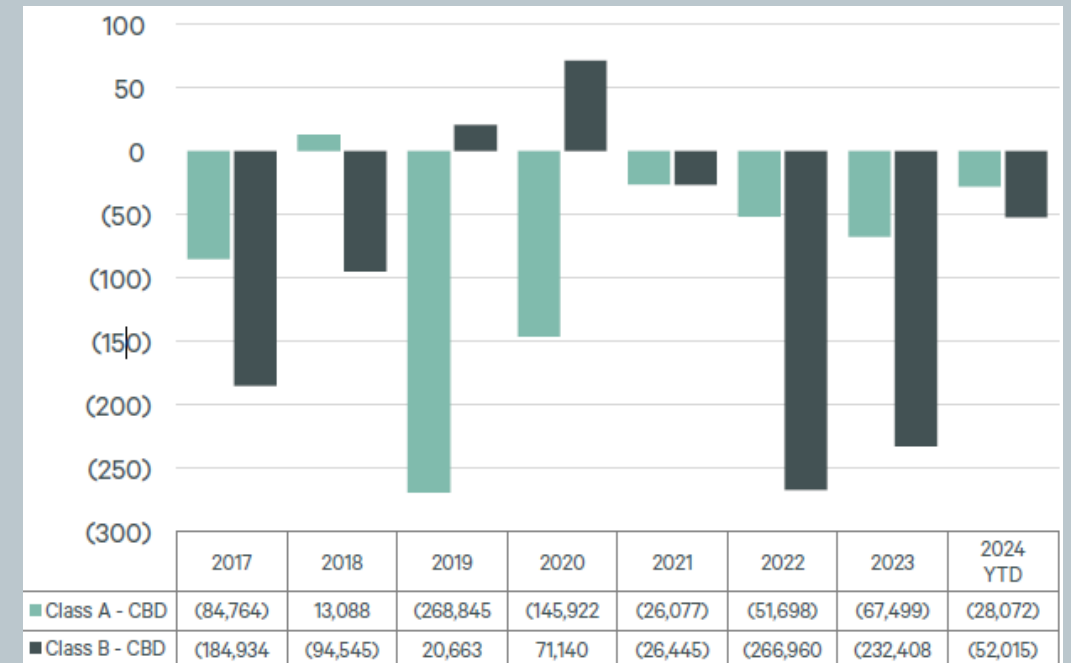
Downtown &  
Suburban  
Markets

# ANNUAL ABSORPTION

## Suburban Market 2024 YTD- 81,767 SF

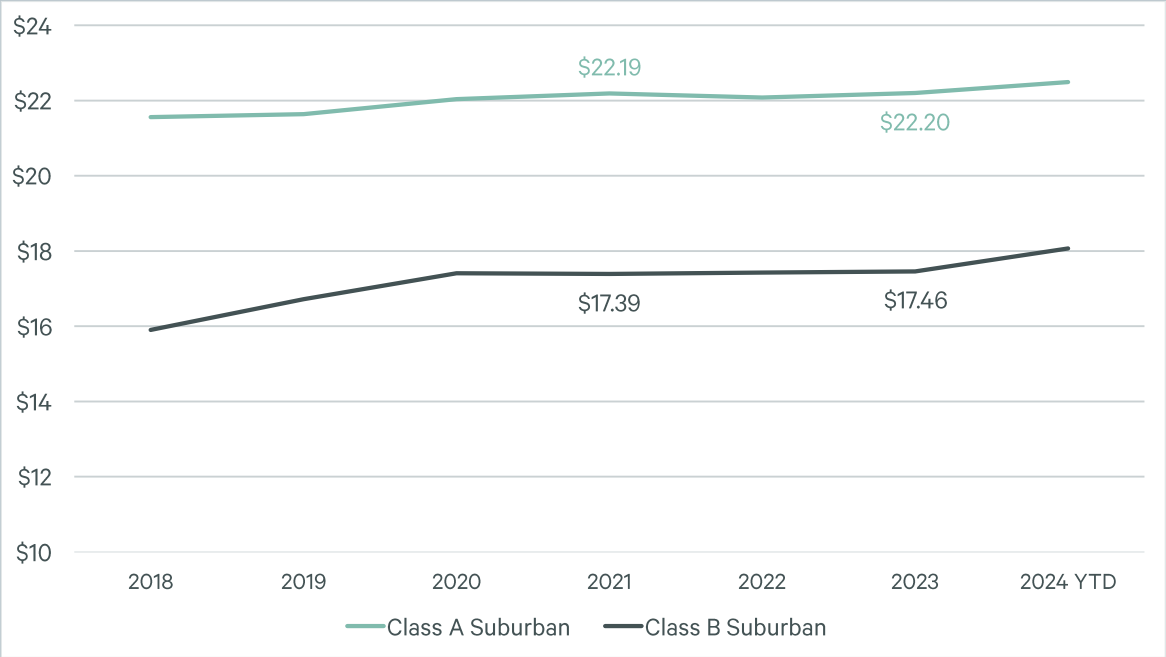


## Central Business District - "CBD" 2024 YTD- (80,087 SF)

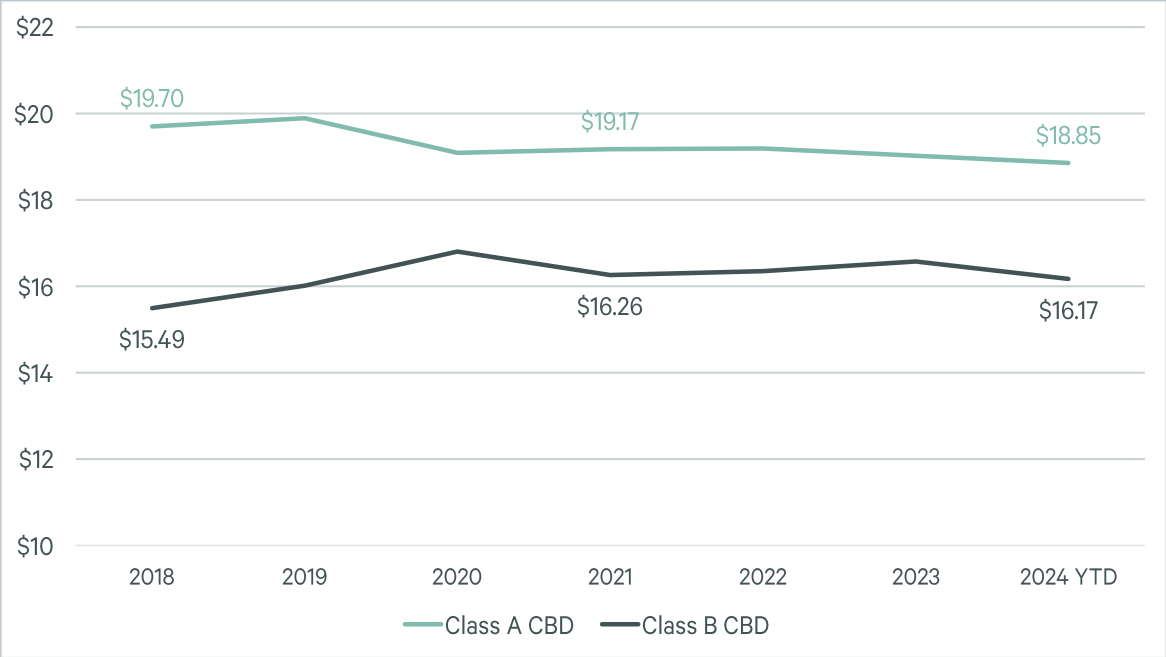


# Asking Lease Rate History

## Suburban Market



## Central Business District - "CBD"



## CBD Towers

# Current and Future Major Tenant Movements

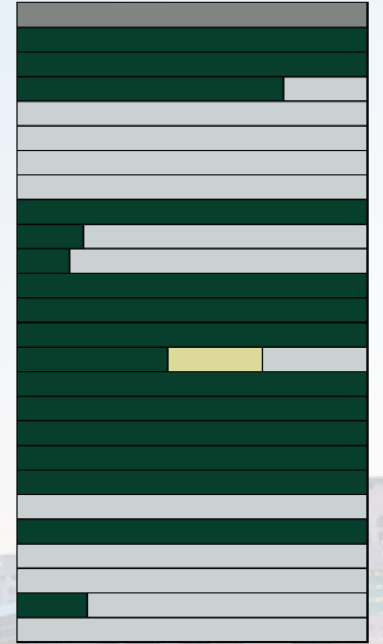
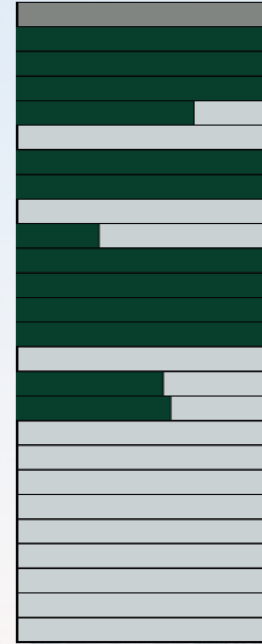
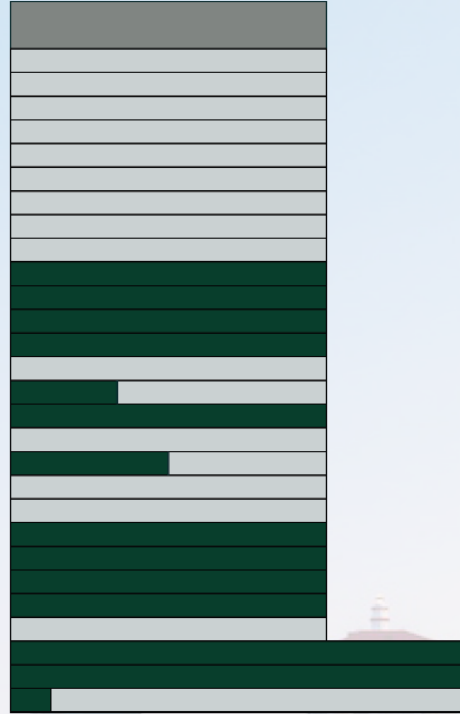
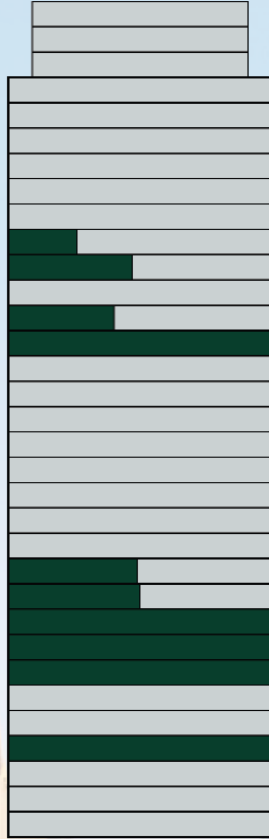
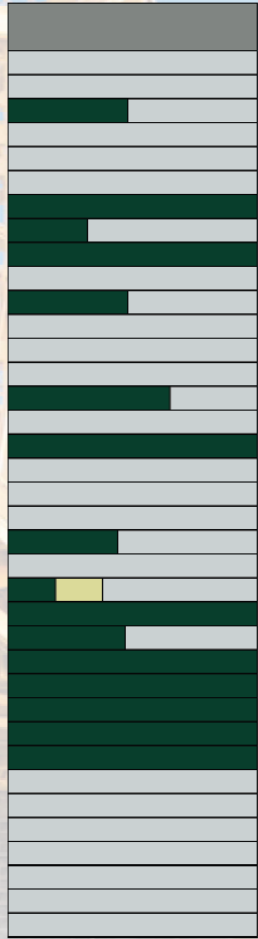
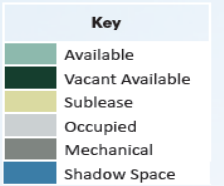
CBRE Research, Q3 2024

Tower	Tenant	Size (SF)	Class	Date
Meidinger Tower	Computershare	-97,978	A	Q4 2023
401 S Fourth St	Fifth Third Bank	-61,650	A	Mid 2025
LG&E Center	LG&E	-193,527*	A	2025
Humana Tower	Humana	-513,000	A	2025
		<b>TOTAL</b>		
		-866,155		

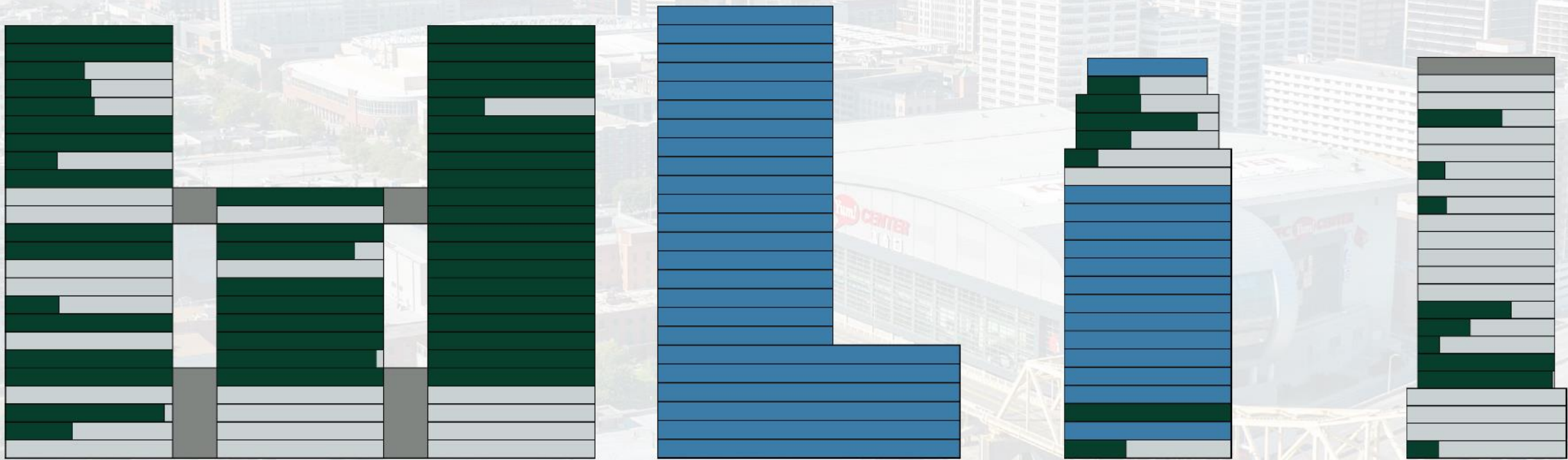
\*U.S. Army Corps of Engineers has announced they will relocate to LG&E Center, taking approx. 150,000 SF, timing is unknown

# Downtown Louisville SkyView

July 2024



PNC Tower	400 West Market	500W	401 South Fourth Street	Meidinger Tower
101 S. 5 <sup>th</sup> Street	400 W. Market Street	500 W. Jefferson Street	401 S. 4 <sup>th</sup> Street	462 S. 4 <sup>th</sup> Street
Rentable SF: 723,000 SF	Rentable SF: 633,650 SF	Rentable SF: 558,817 SF	Rentable SF: 346,213 SF	Rentable SF: 331,054 SF
Available: 203,543 SF	Available: 143,022 SF	Available: 244,363 SF	Available: 158,415 SF	Available: 197,783 SF
Asking Rate: \$18.00-\$23.00/SF Plus Electric	Asking Rate: \$19.00-\$22.00/SF Full Service	Asking Rate: \$17.00-\$22.00/SF Full Service	Asking Rate: \$17.50-\$21.00/SF Full Service	Asking Rate: \$16.50-\$19.50/SF Full Service
Owner: DB Mash Bill LLC	Owner: Louisville Trophy LLC	Owner: SomeraRoad	Owner: KennMar	Owner: In-Rel Properties



Waterfront Plaza	Humana Building	LG&E Center	One Riverfront Plaza
325 W. Main St.	500 W. Main Street	220 W. Main Street	401 W. Main Street
Rentable SF: 839,745 SF	Rentable SF: 525,000 SF	Rentable SF: 287,990 SF	Rentable SF: 291,016 SF
Available: 511,023 SF	Available: --	Available: 48,679 SF	Available: 53,535 SF
Asking Rate: \$16.00-\$16.50/SF Full Service	Asking Rate: N/A	Asking Rate: \$18.00-\$20.00/SF Full Service	Asking Rate: \$15.50/SF Full Service
Owner: Al J. Schneider Company	Owner: Humana, Inc.	Owner: 220 Main Street Fee LLC	Owner: Al J. Schneider Company

# 3

## Office Market Trends

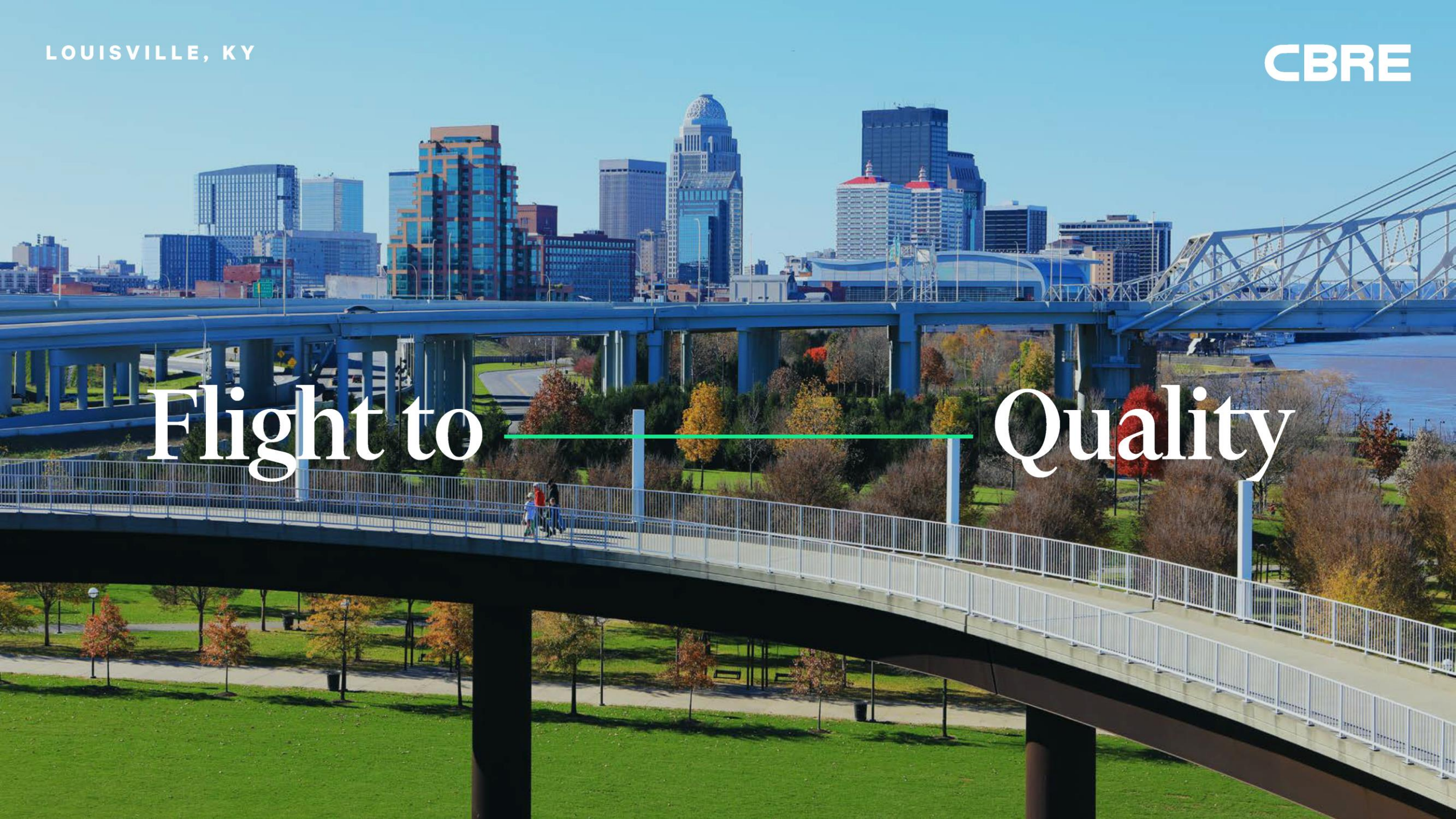


LOUISVILLE, KY

CBRE

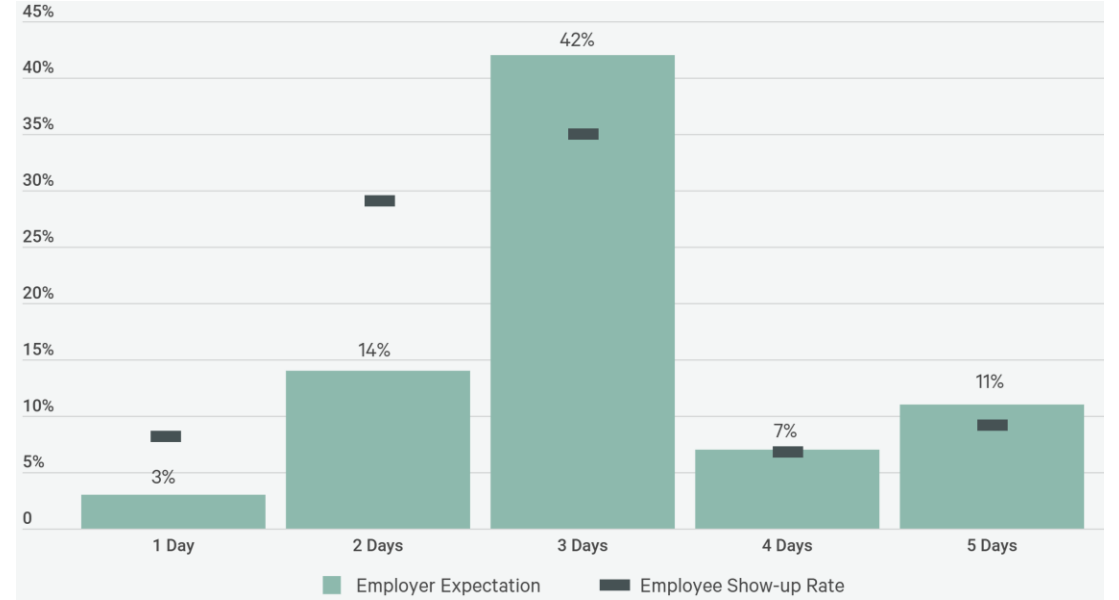
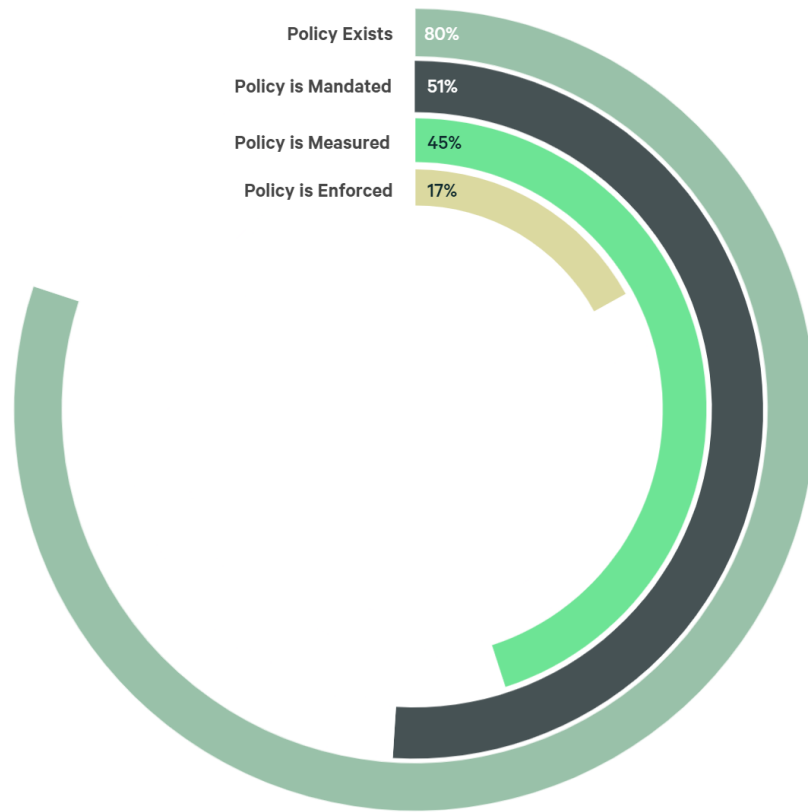
Flight to

Quality





# Office Attendance Policies



5

Outlook



6

Q & A

# Thank you

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