

Office Market

Kentucky Commercial Real Estate Conference
October 28th, 2025



Office Market Panel:

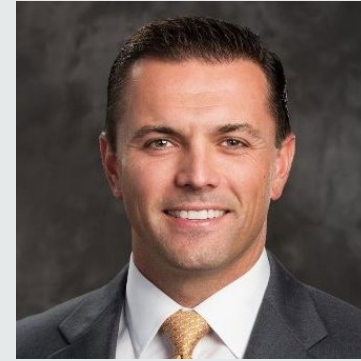


Doug Owen

JLL

Doug.Owen@jll.com

(502) 777-4724



Brent Dolen, CCIM

Cushman & Wakefield | Commercial Kentucky

Bdolen@commercialkentucky.com

(502) 719-3262



Peter Barr, CCIM, SIOR

Block + Lot Real Estate

peter@balrealestate.com

(859) 351-7924



Tony Fluhr, CCIM, SIOR

NTS Capital

Tfluhr@ntscapital.com

(502) 429-9820



Michael Somervell, CCIM

CBRE

Michael.somervell@cbre.com

(502) 412-7659

Agenda

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

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Louisville
Office Market
Summary

Q3 2025

Office Overview – Overall

Arrows indicate change from
previous quarter.

CBRE Research, Q3 2025

▲ 28.6%

**Overall CBD
Vacancy Rate**

▲ 19.4%

**Overall Suburban
Vacancy Rate**

▼ -342,184 SF

Net Absorption

▼ \$18.94 PSF

**Class A CBD Lease
Rate**

▲ \$22.06 PSF

**Class A Suburban
Lease Rate**

-188,403 SF

**2024 Total
Annual Net Absorption**

-595,248 SF

**2025 Year-to-date
Annual Net Absorption**

Overall Market Vacancy

CBRE Research, Q3 2025

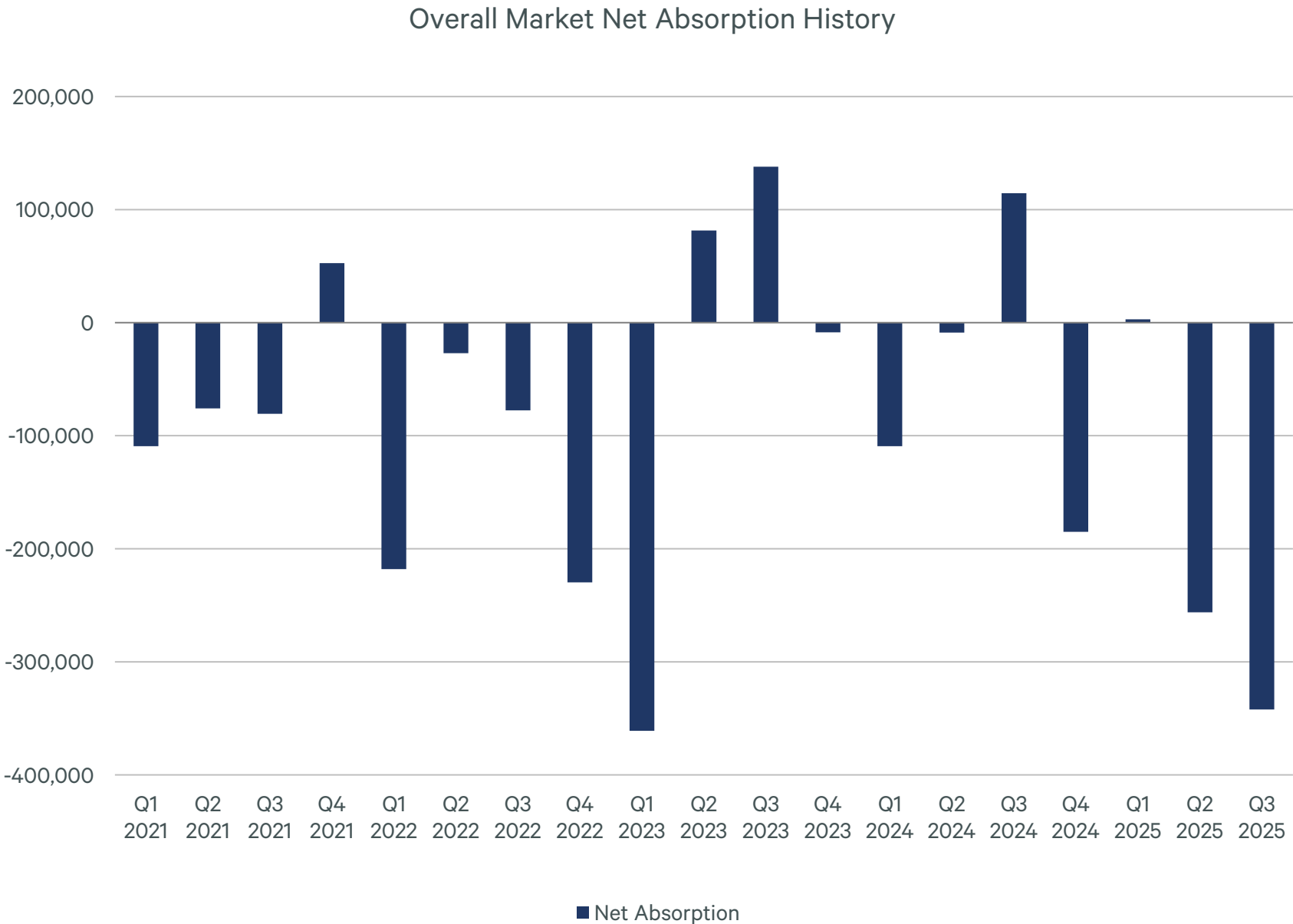
Overall Market Vacancy Rate History



Overall Market Net Absorption

Total change
Q1 2021-Q3 2025:
(1,699,328) SF

CBRE Research, Q3 2025



2025 YTD Largest Sale Transactions

Paragon Center I & II

6040 & 6060 Dutchmans Ln.

8/14/25



Purchase Price	\$25.27 M
Total Property SF	132,912 SF
Price/SF	\$190./SF
Occupancy Rate	100%

2701 Chestnut Station Court

7/1/25



Purchase Price	\$7.5 M
Total Property SF	41,250 SF
Price/SF	\$181/SF
Occupancy Rate	0%

Whitestone Building

605 & 607 W. Main St.

7/31/25



Purchase Price	\$3 M
Total Property SF	45,982 SF
Price/SF	\$65.24/ SF
Occupancy Rate	84%

12450 Lake Station Place

6/23/25



Purchase Price	\$5.225 M
Total Property SF	38,674 SF
Price/SF	\$130/SF
Occupancy Rate	83%

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Downtown
& Suburban
Markets

Class A Vacancy

CBRE Research, Q3 2025

LOUISVILLE MARKET

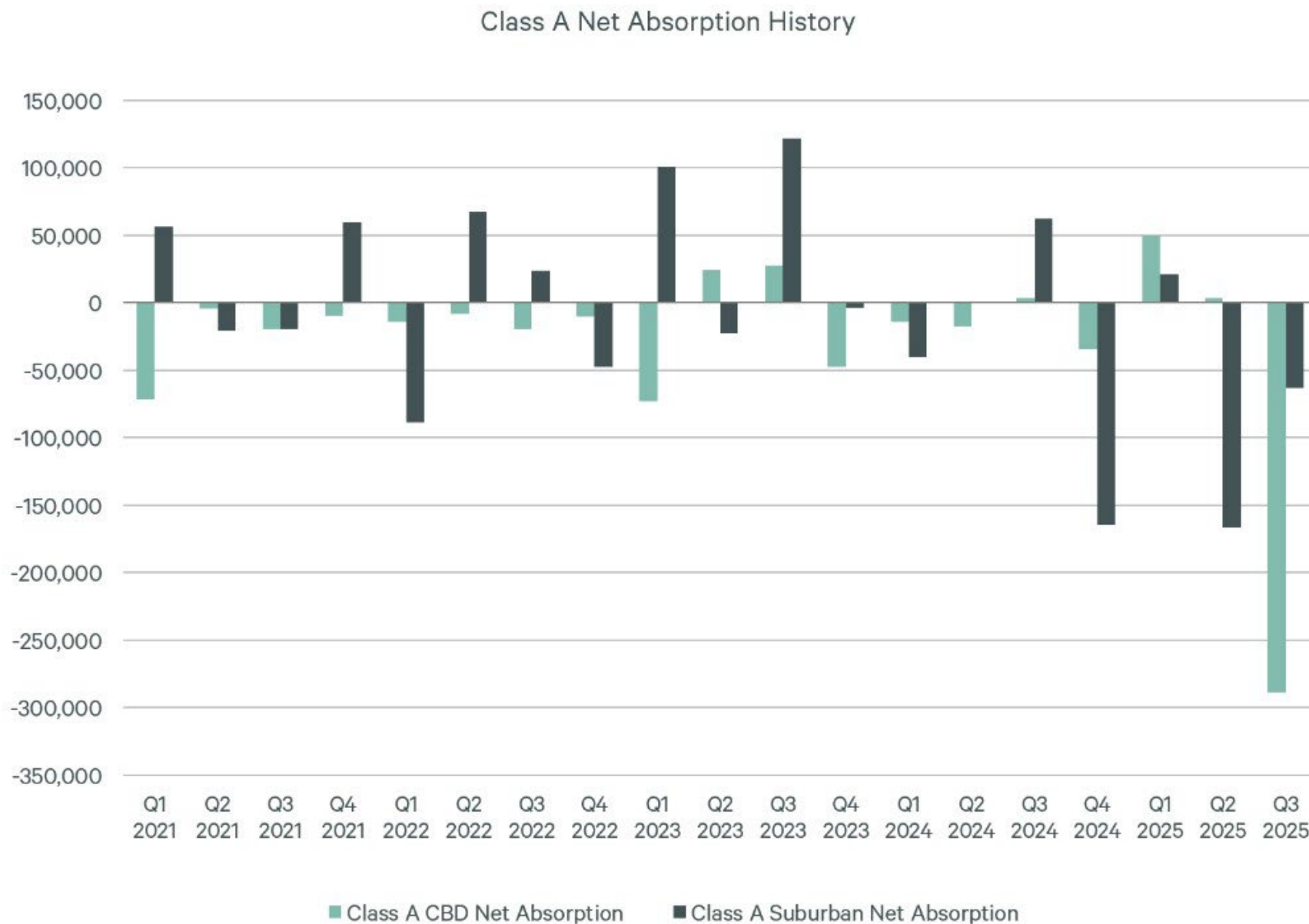
Class A Vacancy Rate History



Class A Net Absorption

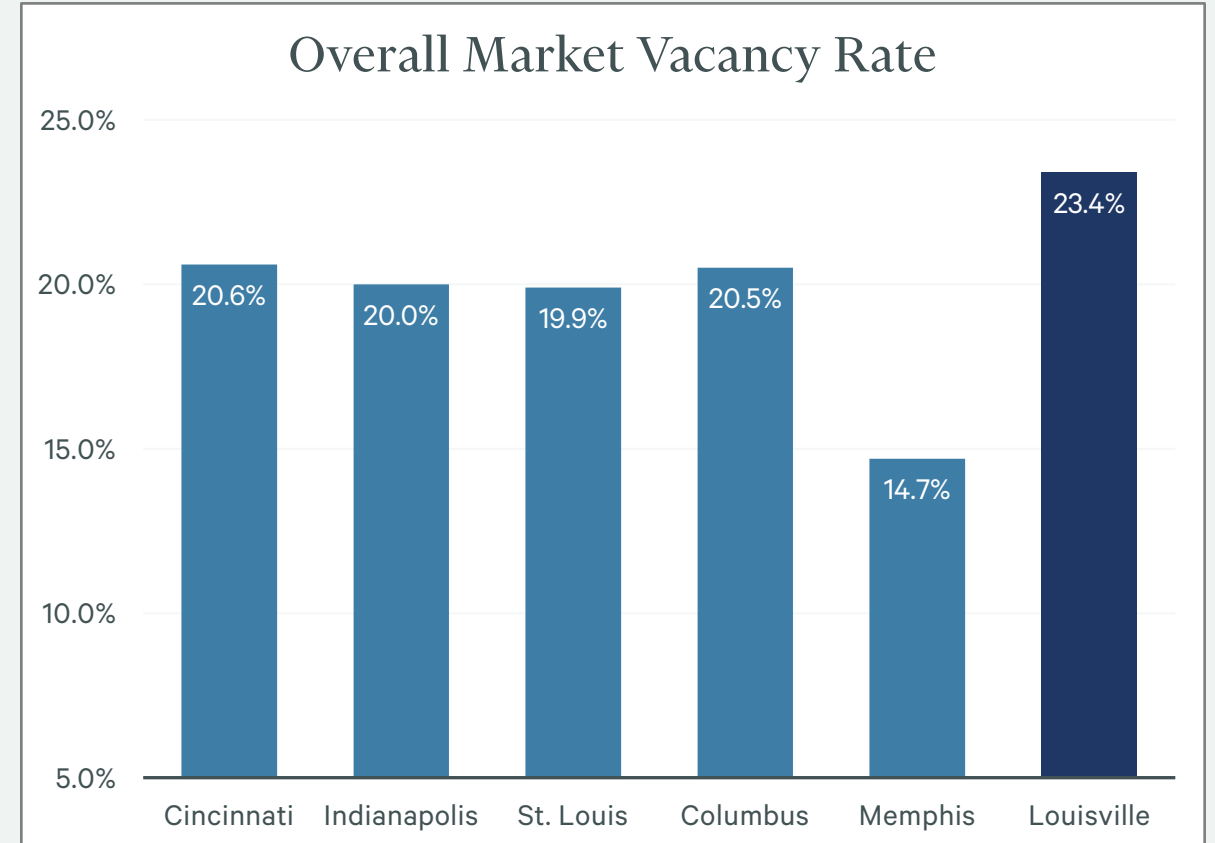
LOUISVILLE MARKET

CBRE Research, Q3 2025



Louisville vs. Peer Cities

	Overall	CBD	Suburban
Cincinnati	20.6%	22.6%	19.8%
Indianapolis	20.0%	19.6%	20.2%
St. Louis	19.9%	25.4%	17.9%
Columbus	20.5%	22.7%	19.5%
Memphis	14.7%	15.8%	N/A
Louisville	23.4%	28.6%	19.4%



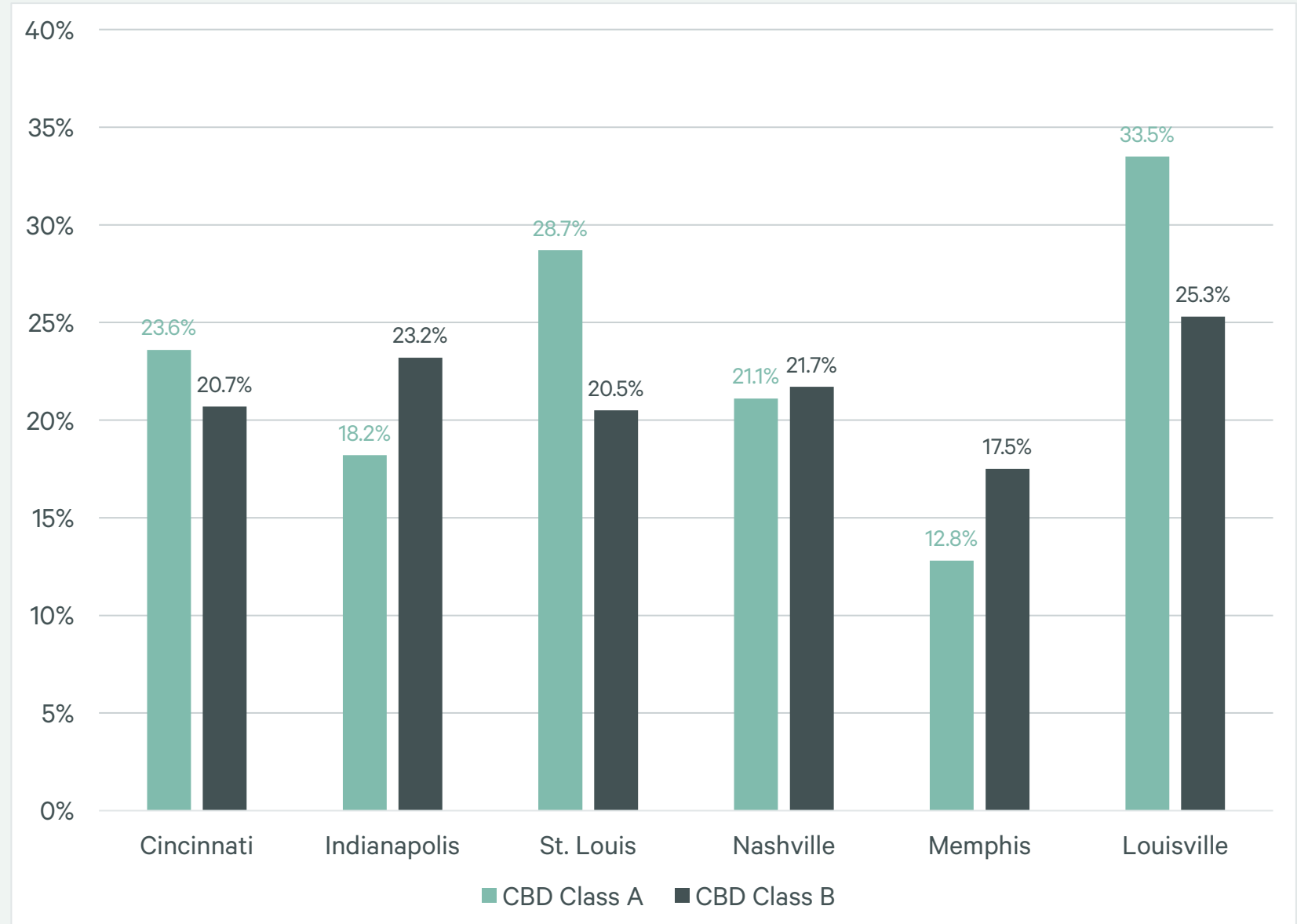
CBRE Research, Q3 2025

Memphis is Q2 2025

CBD Vacancy Rates

Regional Comparison

CBRE Research, Q3 2025
(Memphis is Q2 2025)



CBD Towers

Current and Future Major Tenant Movements

CBRE Research, Q3 2025

Tower	Tenant	Size (SF)	Class	Date
401 S Fourth St	Fifth Third Bank	-61,650	A	Q3 2025
LG&E Center	LG&E	-193,527	A	Q3 2025
LG&E Center	USACE	165,000	A	2026
Humana Tower	Humana	-513,000	A	2026
		TOTAL		
		-603,177		

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Lexington Office Market Summary



DOWNTOWN (CBD) OFFICE



TOTAL SQUARE FEET: +/- 4,425,000 SF

VACANT SQUARE FEET: +/- 481,000 SF

VACANCY RATE: 10.87%

SUBURBAN OFFICE

TOTAL SQUARE FEET: +/- 11,610,000 SF

VACANT SQUARE FEET: +/- 1,019,000 SF

VACANCY RATE: 8.78%

OVERALL OFFICE

TOTAL SQUARE FEET: +/- 16,035,000 SF

VACANT SQUARE FEET: +/- 1,500,000 SF

VACANCY RATE: 9.36%

LEASES SIGNED Q3 2024-Q3 2025

Frost Brown Todd, PLLC *Law Firm*

Central Business District

325 West Main Street, Lexington, KY 40507

+/- 15,500 SF

Morgan & Morgan, PLLC *Law Firm*

Central Business District

250 West Main Street, Lexington, KY 40507

+/- 23,200 SF

Dormakaba, Inc. *Security Engineers*

Suburban

2031 Georgetown Road, Lexington, KY 40511

+/- 25,200 SF

American Trust Retirement *Financial*

Advisors, Suburban

2525 Harrodsburg Road, Lexington, KY 40504

+/- 18,000 SF

MARKET MOVERS



PURCHASES Q3 2024-Q3 2025

**2333 Alexandria Drive,
Lexington, KY 40504**

Suburban

*\$2,650,000, Office Building
+/- 18,700 SF*

**881 Corporate Drive,
Lexington, KY 40503**

Suburban

*\$2,222,000, Medical Office Building
+/- 19,600 SF*

**2240 Gulfstream Drive,
Lexington, KY 40504**

Suburban

*\$2,550,000, Office Building
+/- 33,600 SF*

MARKET MOVERS



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Office Market Trends & Outlook

LOUISVILLE, KY

CBRE

Flight to

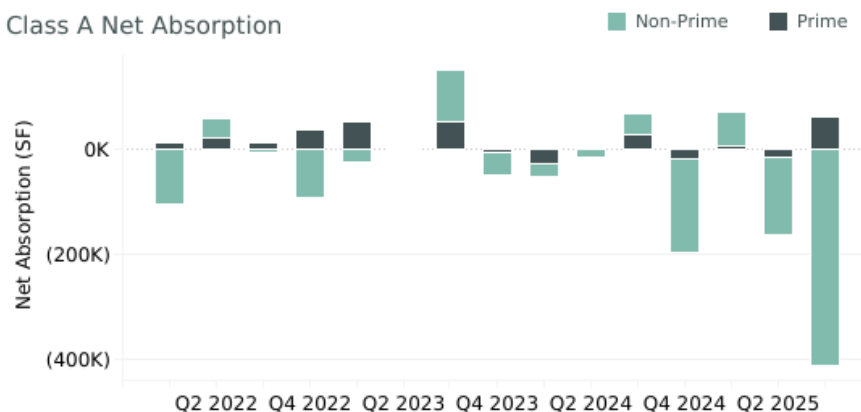
Quality

Class A Office Snapshot - Louisville

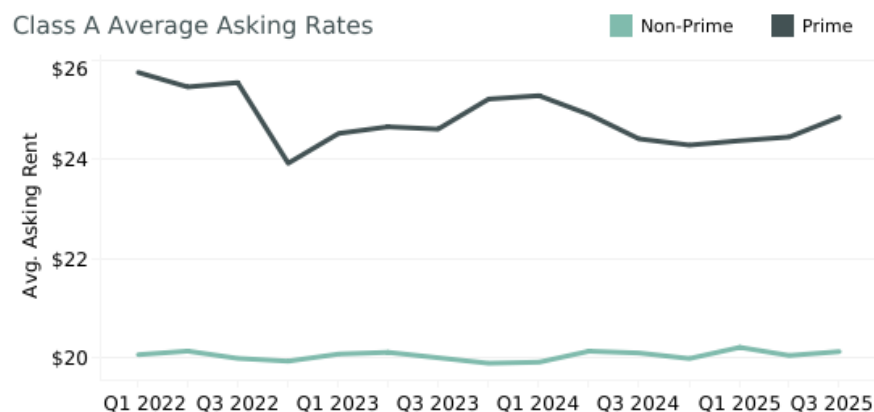
Class A Market Statistics - Q3 2025

		Number of Records	NRA	Vacancy Rate - Direct	Availability Rate - Direct	Sublease Rate	Net Absorption	Net Absorption - YTD	Avg. Asking Rent
Louisville	Prime	20	2,110,240	7.4%	8.1%	2.4%	61,788	52,019	\$24.85
	Non-Pr..	81	8,733,349	29.3%	28.6%	1.2%	(413,176)	(495,195)	\$20.12
Grand Total		101	10,843,589	25.0%	24.6%	1.5%	(351,388)	(443,176)	\$20.44

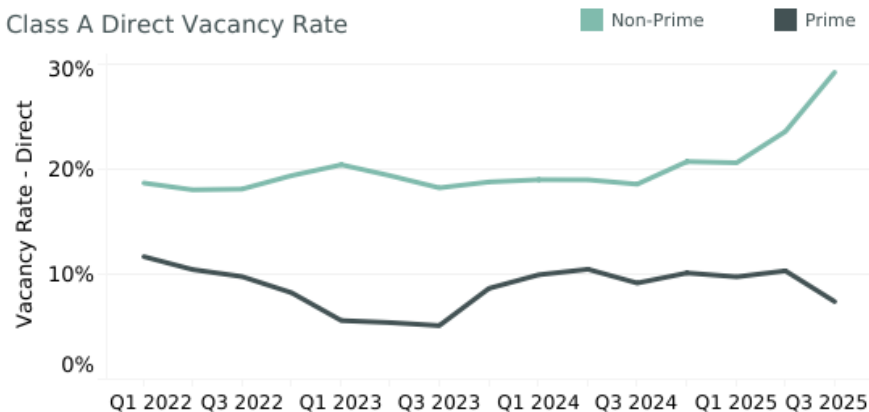
Class A Net Absorption



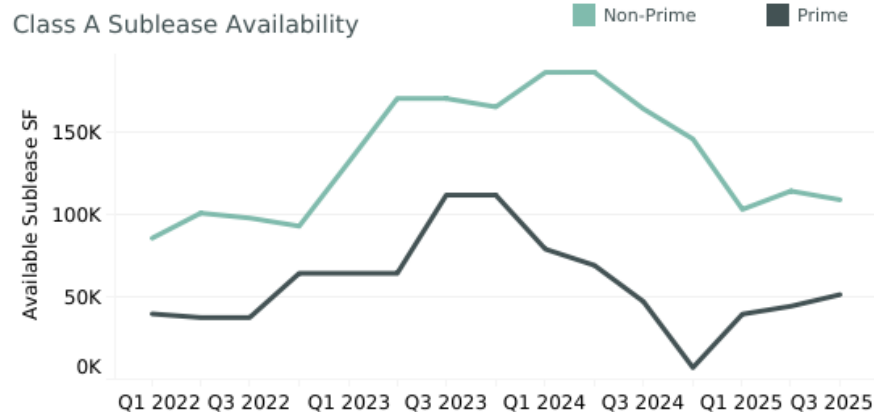
Class A Average Asking Rates



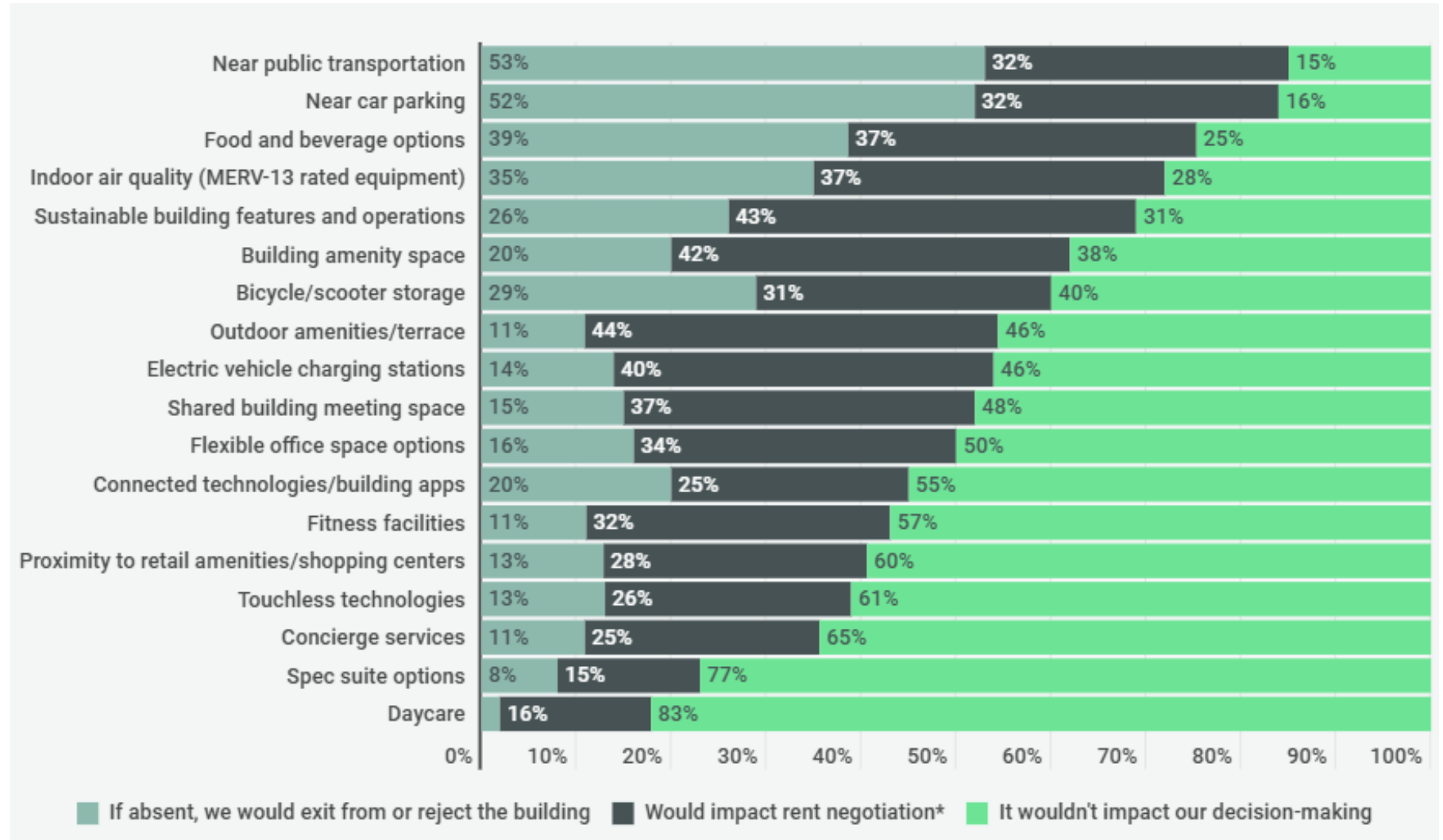
Class A Direct Vacancy Rate



Class A Sublease Availability



Impact of Amenities on Building Selection





Medical Office Trends





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Q & A

Thank you

FOR MORE
INFORMATION:

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JLL
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