



## LEXINGTON CENTRAL BUSINESS DISTRICT OFFICE MARKET (4<sup>th</sup> Quarter - 2020)

Coleman Group, LLC has prepared the enclosed Central Business District Office Market Study designed to track vacancy and rent levels of Central Business District office space in Lexington, Kentucky. Coleman Group has chosen 27 buildings containing 2,415,476 square feet of office space to represent the Central Business District. An overview of the Lexington area economy and demographics is included here to present the business climate in which these 27 buildings exist. Finally, Coleman Group, LLC has provided a summary of the vacancy and rent levels, as shown in the following table, to be used for comparison purposes for a specific property or properties.

- There is approximately 2,415,476 square feet (SF) of rentable class A and B office space in the Central Business District.
- Currently, 401,391 square feet are vacant indicating a vacancy rate of 16.62%.
- 20,475 square feet are available for sublease, which brings the total available square footage to 421,866. The combined vacancy rate is 17.47%.
- Since our last study, compiled in 4th quarter of 2018, the vacancy rate has increased from 16.53% in Q4 2019 to 16.62% in Q4 2020. Including sublease availability, the vacancy rate has increased from 16.99% in Q4 2019 to 17.47% in Q4 2020.

Analysis of Total S.F.			
Type	Total S.F.	Vacant S.F.	Vacancy Rate
Available	2,415,476	401,391	16.62%
Sublease Available		20,475	0.85%
<b>TOTAL</b>	<b>2,415,476</b>	<b>421,866</b>	<b>17.47%</b>

For the purposes of this study, the Central Business District office space surveyed is either Class A or Class B. Of the 27 buildings surveyed in the Central Business District, 12 are Class A office buildings. The remaining 15 used in this study are Class B office buildings. The average rent for Class A office buildings is \$20.65, within a range of \$14.95 - \$27.50 per square foot. The average quoted rent for the Class B office buildings is \$17.67, within a range of \$12.00 - \$21.00 per square foot. Extreme outliers have been excluded from average calculations.

As of the end of the fourth quarter 2020, the breakdown between Class A and Class B space is as follows:

Central Business District Class A & B			
Type	Total S.F.	Vacant S.F.	Vacancy Rate
<b>Class A</b>	1,816,266	291,772	16.06%
<b>Class B</b>	599,210	109,619	18.29%
<b>TOTAL</b>	<b>2,415,476</b>	<b>401,391</b>	<b>16.62%</b>

### Methods

Coleman Group, LLC gathered data for this Market Study via independently developed web-based surveys and telephone or email interviews of the listing agents, owners, and/or leasing contacts assigned to properties of interest. When the listing agent was unreachable, Coleman Group, LLC drew required data from CoStar.com, "the world leader for commercial real estate intelligence."

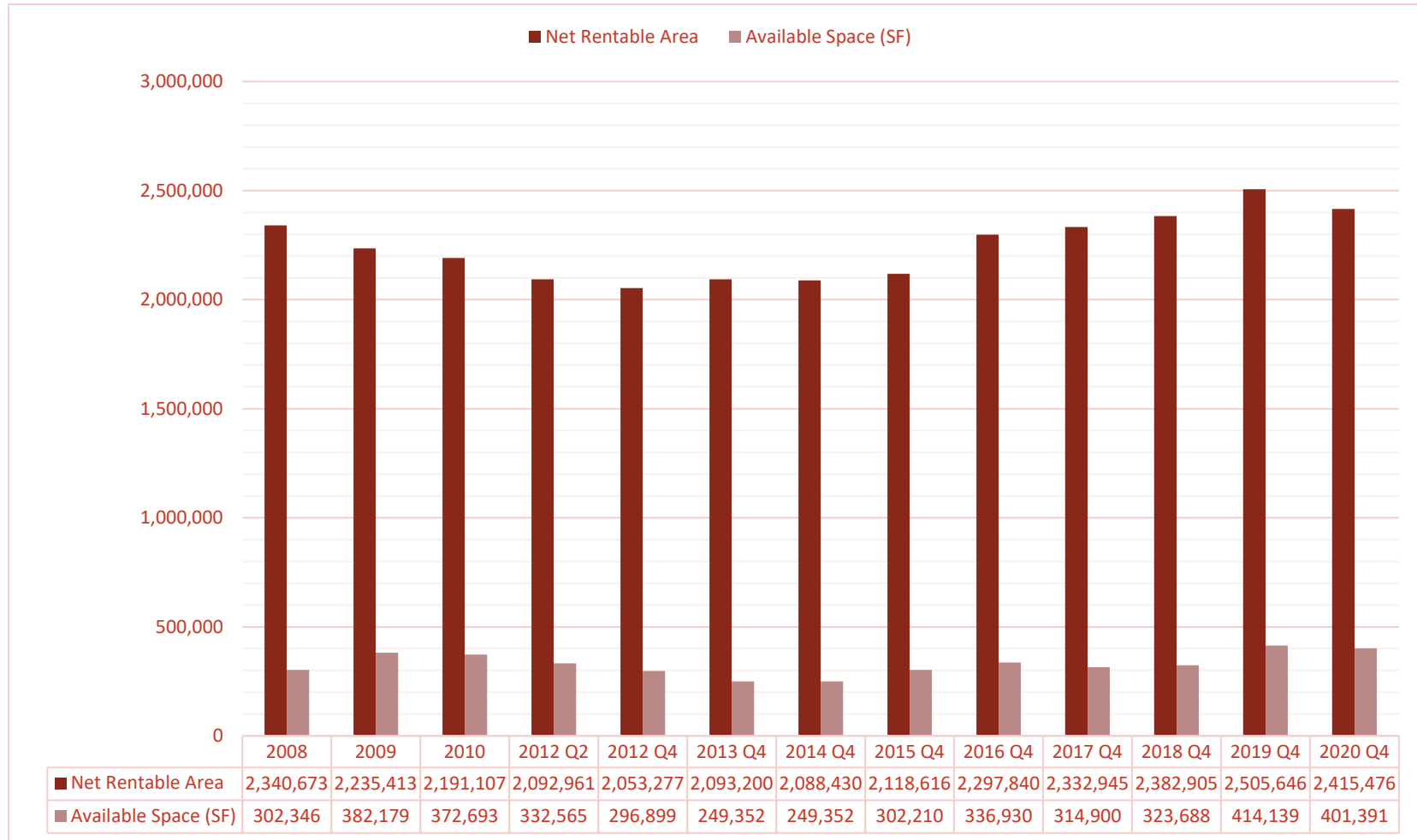
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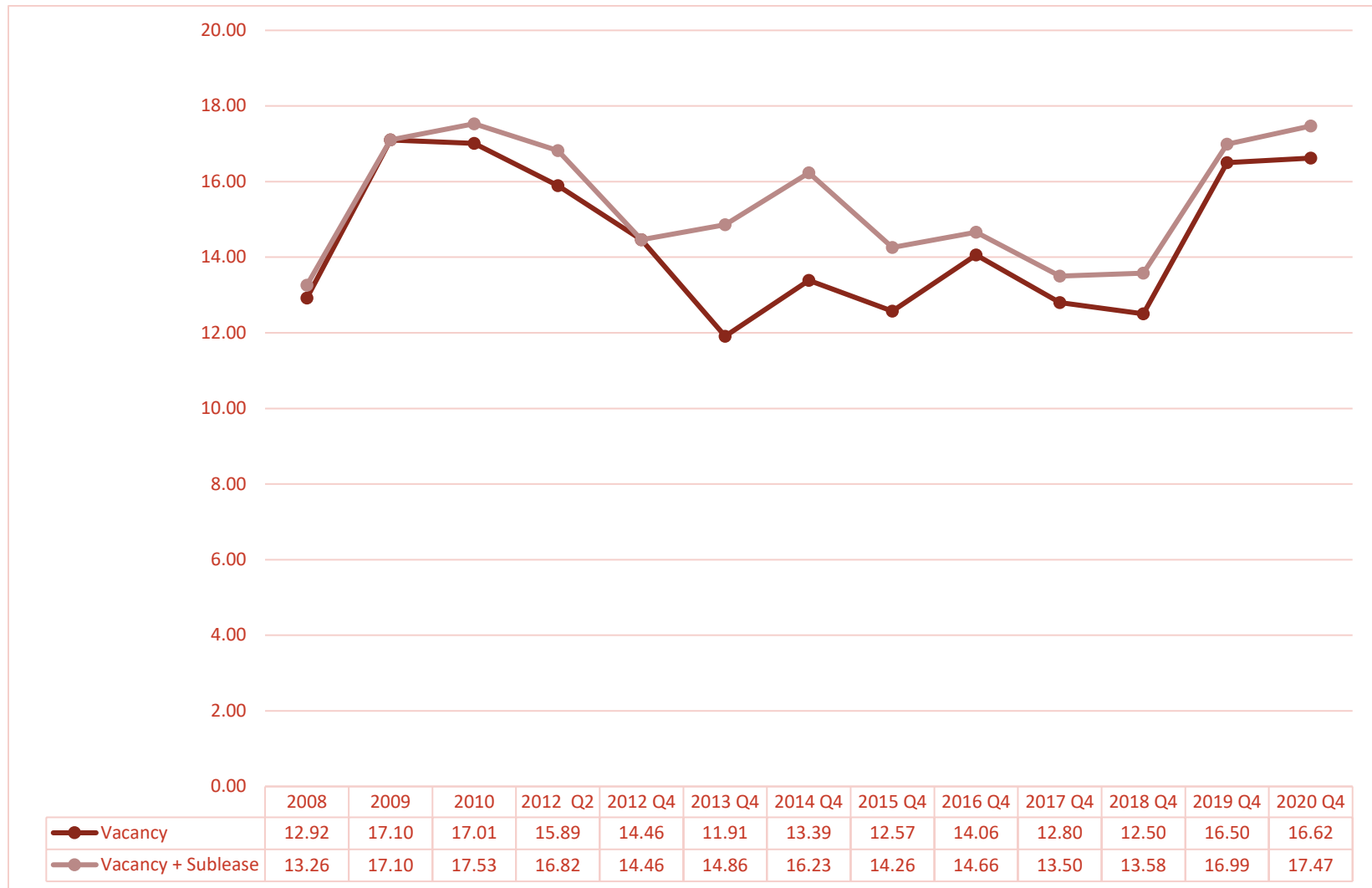
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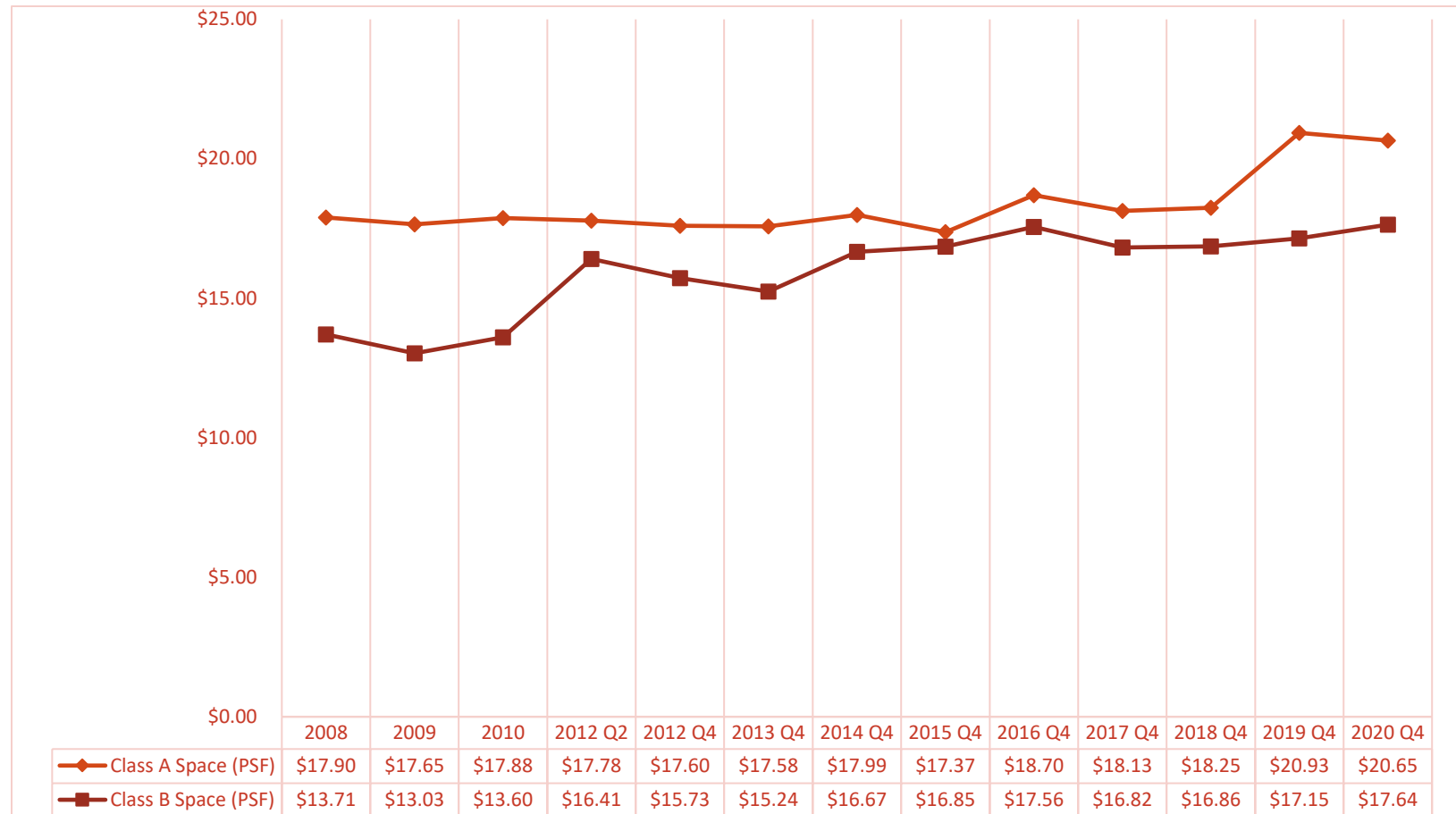
## Available Space Trend 2008 - 2020



## Vacancy Rate Trend 2008-2020



## Rental Rate Trend 2008-2020



# The Lexington Central Business District Market

The classification of office space is most often related to location, use of land, and description of the property. The Lexington Central Business District office market is office space that is in the heart of the downtown area with an easy connection to the interstate highways and thoroughfares. These locations rely on the highly populated center of the city with easy access to banks and the financial center of the city. The lack of on-site parking is the major disadvantage of downtown office space compared to suburban office space. Although there is adequate parking to serve the downtown office market, this is an additional expense to the tenant and its employees as well as an inconvenience. With the limited amount of parking available and the added expense of parking, the abundant parking in the suburban districts can be a determining factor in location decisions. This is especially important if the tenant does not need to be located in the Central Business District to adequately perform business activities. The convenience of being downtown is in many cases more important than the issue of adequate and convenient parking. The Central Business District is typically the major location, as stated before, for service industries such as banks, insurance companies, law firms, and accounting firms that rely on their downtown location for success.

## TRANSPORTATION

New Circle Road connects to US 421, US 25, US 27, US 60, and US 68. These arteries connect to Interstate 75 and 64, which join in the northeast portion and extend in a general northwest/southeast direction. New Circle Road (State Route 4) is one of the two highway “loop” systems that circle the inner city for easy access to the northern and eastern portions and Man O’ War Boulevard in the southern and southwestern portions. The major airport serving the Lexington area is Blue Grass Airport. The airport is located in the western portion of the metropolitan area and provides flights for commercial, private, and corporate passengers in addition to cargo shipments. Blue Grass Airport averages 42 daily flights and as such serves as the primary air transportation provider in Central Kentucky. In 2010, the airport served a little over one million passengers with 7 major airlines with non-stop service to 15 major hub cities and connecting service to hundreds of cities worldwide.



# Four Quadrants

The Central Business District office market area is separate from and the focal point to the *North* (between Leestown Road and Paris Pike), *South* (between Richmond Road and Nicholasville Road), *East* (between Paris Pike and Richmond Road), and *West* (between Nicholasville Road and Leestown Pike) quadrants of Lexington KY.

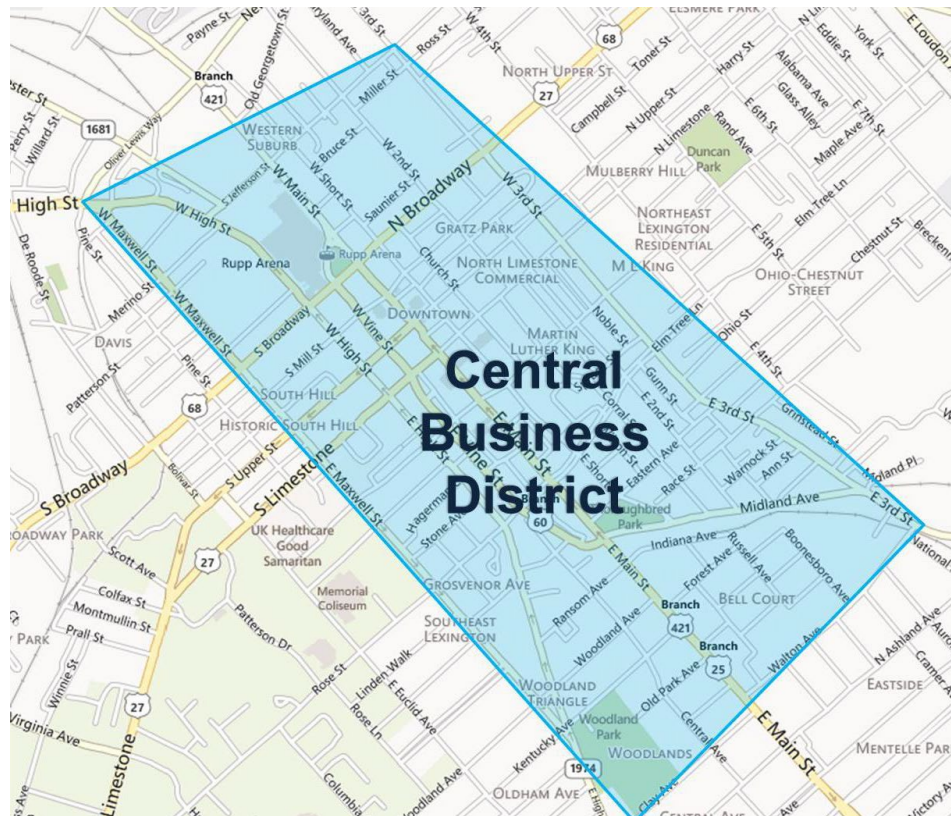
The Lexington CBD's boundaries (for the purposes of this study, some boundaries may differ based on local opinion):

North: Third St.

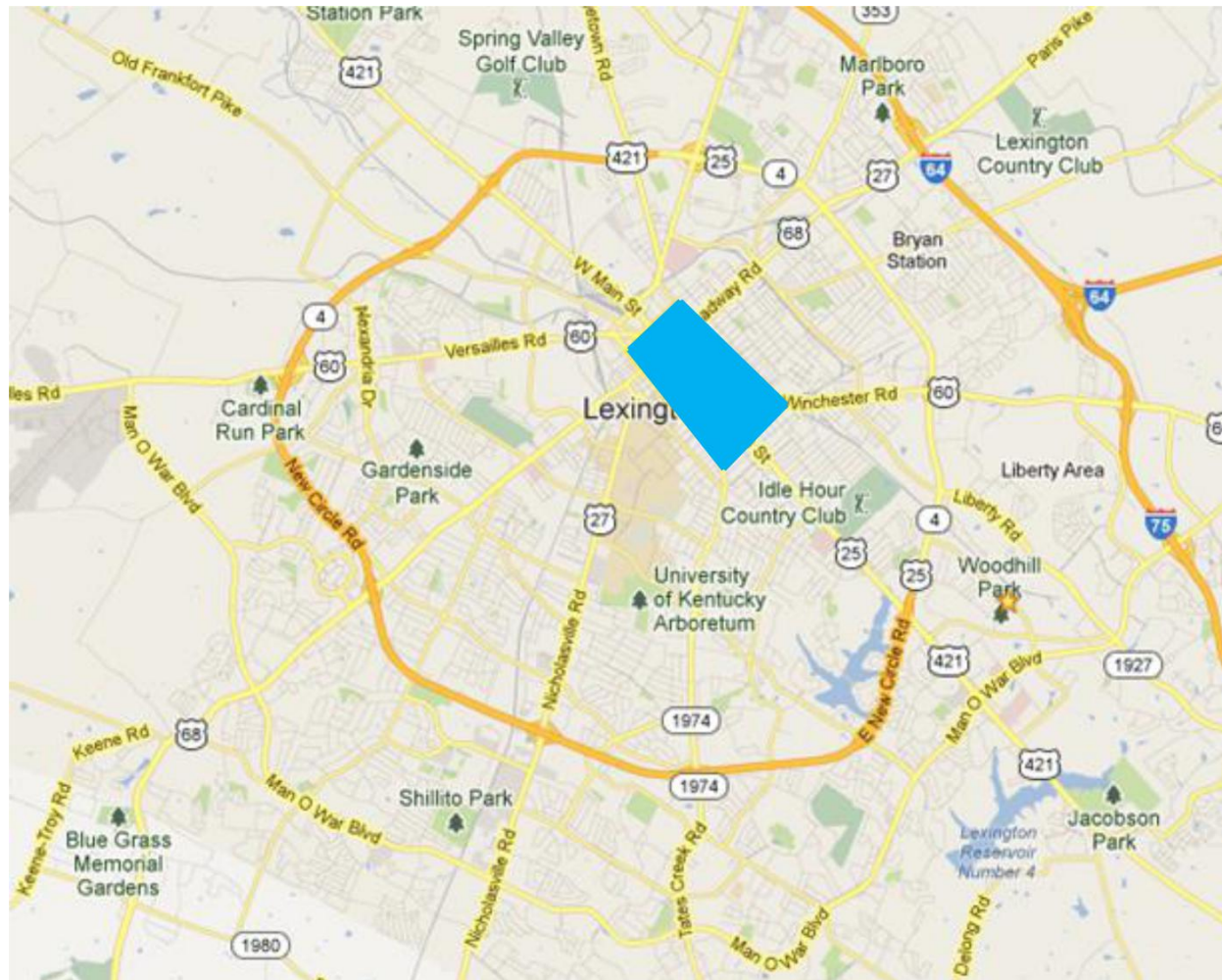
South: Maxwell St.

West: Jefferson St.

East: Walton Ave.



The Central Business District is typically considered the core of the city where the major retail, financial, governmental, and professional service activities are concentrated. The following map gives a general location of the Central Business District (Highlighted in Blue) in Lexington, Kentucky:





*Although the sources of the information presented in this survey are considered accurate and reliable, Coleman Group, LLC makes no guarantee, warranty or representation of any kind expressed or implied concerning the data provided.*



Building Name Building Address	Company Contact Phone	NRA (S.F.)	Space Available (S.F.)	% Vacant	Quoted Rent (PSF)	Lease Type	Comments
<b>Community Bank Building</b> <b>100 East Vine Street</b>	Isa Mashni Coleman Group (859) 255-8855	79,689	1,800	2.3%	\$16.50	Base Year	
<b>PWM Building</b> <b>360 East Vine Street</b>	Carter Miller The Webb Companies (859) 253-0000	39,683	-	0.0%		Modified Gross	
<b>400 East Vine Street Building</b>	Jamie Schrader Schrader Commercial Properties (859) 288-5008	35,900	3,472	9.7%	\$18 - \$20.00	Modified Gross	
<b>Landrum and Shouse Building</b> <b>106 West Vine Street</b>	Jamie Schrader Schrader Commercial Properties (859) 288-5008	63,693	27,300	42.9%	\$18.00	Modified Gross	
<b>110 West Vine</b> <b>110 West Vine Street</b>	Bob Cole Coleman Group, LLC (859) 255-8855	42,573	-	0.0%		Base Year	Individual offices & conference room space available through Base 110, contact Tim Guthrie (859) 619-4479
<b>BB&amp;T Plaza</b> <b>200 West Vine Street</b>	Carter Miller The Webb Companies (859) 253-0000	91,458	35,874	39.2%	Negotiable	Modified Gross	The vacant space is not currently being marketed
<b>US Attorney's Building</b> <b>260 West Vine Street</b>	Isa Mashni Coleman Group, LLC (859) 255-8855	44,717	-	0.0%	Negotiable	Base Year	
<b>300 West Vine Building</b> <b>300 West Vine Street</b>	Scott Davidson Langley Properties (859) 253-2255	350,510	34,238	9.8%	Negotiable		Individual office suites for lease
<b>Vine Center</b> <b>333 West Vine Street</b>	Carter Miller The Webb Companies (859) 253-0000	242,024	50,978	21.1%	\$14.95 - \$20.95	Modified Gross	
<b>Old Vine Center</b> <b>400 Old Vine Street</b>	Zeff Maloney Blue Horse (859) 321-1749	29,000	-	0.0%	Negotiable	NNN	

Building Name Building Address	Company Contact Phone	NRA (S.F.)	Space Available (S.F.)	% Vacant	Quoted Rent (PSF)	Lease Type	Comments
<b>The Lions Building</b> 155 East Main Street	Todd Stockwell (859) 223-3400	27,283	5,558	20.4%	\$16.00	Gross	1 available sublease for 1800 S.F. Excludes interior janitorial
<b>Barrister Hall</b> 163 East Main Street	Joe Rosenberg Private Ownership (859) 255-6877	29,644	-	0.0%			
<b>Meyers Building</b> 175 East Main Street	Will Bockoven and Chris Wirth OnPoint CPM (502) 230-1170	41,682*	*	*	*	*	Data Gathered from Website – *not factored into data results
<b>Chase Tower</b> 201 East Main Street	Paul Ray Smith NAI Isaac (859) 244-2000	239,213	18,651	7.8%	Negotiable	Base Year	Full 4 <sup>th</sup> floor (12,837 sf) + 5 <sup>th</sup> floor suite (1,190 sf) + 5 <sup>th</sup> floor shell space (4,624 sf)
<b>249 East Main</b> 249 East Main Street	Clay Angelucci Block + Lot (859) 309-0099	46,936	6,940	14.8%	\$17.50 - \$20.00	Modified Gross	
<b>300 East Main</b> 300 East Main Street	Matt Stone SVN Stone Commercial Real Estate (859) 351-5444	23,656	2,953	12.5%	\$16.50	Gross	23,656 S.F. for sale at \$1,825,000
<b>PNC Tower</b> 301 East Main Street	Isa Mashni Coleman Group, LLC (859) 255-8855	126,143	42,383	33.6%	\$16.50	Base Year	
<b>Goodwin Square</b> 444 East Main Street	Jamie Schrader Schrader Commercial Properties (859) 288-5008	45,692	474	1.0%	\$19.50	Modified Gross	Data Gathered from Website, executive office space available
<b>Raymond James Building</b> 489 East Main Street	Carter Miller The Webb Companies (859) 253-0000	12,757	-	0.0%			
<b>The Offices at City Center</b> 100 West Main Street	Carter Miller The Webb Companies (859) 253-0000	154,984	46,616	30.1%	\$27.50	Modified Gross	NAI Isaac sublease space available up to 7,100 S.F.

Building Name Building Address	Company Contact Phone	NRA (S.F.)	Space Available (S.F.)	% Vacant	Quoted Rent (PSF)	Lease Type	Comments
<b>Lexington Financial Center</b> <b>250 West Main Street</b>	Carter Miller The Webb Companies (859) 253-0000	357,361	53,818	15.1%	\$20.95		SVN Stone has sublease space available up to 11,575 S.F.
<b>Lexington Court Square</b> <b>296 West Main Street</b>	Clay Angelucci Block + Lot (859) 309-0099	40,700	3,358	8.3%	\$16.50	Modified Net	
<b>Triangle Center</b> <b>325 West Main Street</b>	Steve Bean Haymaker & Bean (859) 685-3027	107,000	23,282	21.8%	\$15.00 - \$21.00	Base Year	
<b>West Main Place</b> <b>565-585 West Main Street</b>	Carter Miller The Webb Companies (859) 253-0000	19,317	2,636	13.6%	\$12.00	NNN	
<b>The 465 Building</b> <b>465 East High Street</b>	Todd Stockwell (859) 223-3400	24,285	1,864	7.7%	\$16.00	Gross	Excludes interior janitorial
<b>Traditional Bank Building</b> <b>163 West Short Street</b>	Ted Mims Private Ownership (859) 621-6467	35,000	-	0.0%			
<b>Security Trust Building</b> <b>271 West Short Street</b>	Isa Mashni & Ashton Cole Coleman Group (859) 255-8855	62,919	12,109	19.2%	\$16.50-\$20.50	Full Service	1,600 S.F. (1 <sup>st</sup> Floor) Available at \$20.50, Modified Gross
<b>535 West Second</b> <b>535 West Second Street</b>	Jamie Schrader Schrader Commercial Properties (859) 288-5008	43,339	27,087	62.5%	Negotiable	Modified Gross	
<b>TOTALS FOR CENTRAL BUSINESS DISTRICT:</b>		<b>TOTAL NRA</b> <b>2,415,476</b>	<b>TOTAL SPACE AVAILABLE</b> <b>401,391</b>	<b>TOTAL % VACANT</b> <b>16.62%</b>	<b>TOTAL AVAILABLE FOR SUBLEASE</b> <b>20,475</b>		<b>% VACANT INCLUDING SUBLEASE</b> <b>17.47%</b>