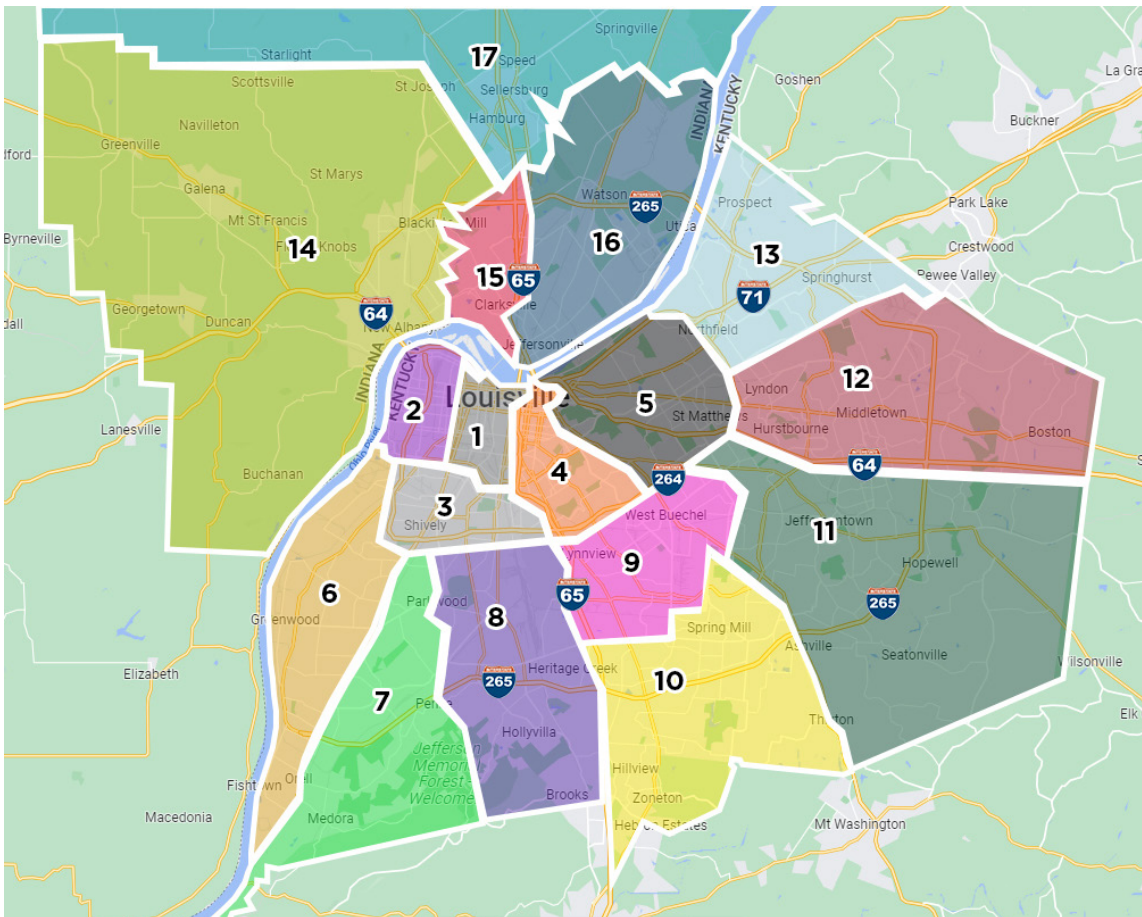


MARKET INSIGHT

LOUISVILLE, KENTUCKY MULTIFAMILY REPORT | FIRST QUARTER 2024



The Cushman & Wakefield | Commercial Kentucky Multifamily Research & Sales Team provides in-depth coverage of the Louisville Metropolitan Statistical Area. In addition to analyzing multifamily rent and sale trends, these reports examine employment data, key economic announcements, and development pipeline news.



IN THIS EDITION

- ▶ AREA 1: Central/Downtown
- ▶ AREA 2: Parkland/Shawnee
- ▶ AREA 3: Shively
- ▶ AREA 4: East/Downtown
- ▶ AREA 5: Crescent Hill/St. Matthews
- ▶ AREA 6: Pleasure Ridge Park
- ▶ AREA 7: South Louisville
- ▶ AREA 8: Beechmont/Fairdale
- ▶ AREA 9: Newburg/Buechel
- ▶ AREA 10: Okolona/Hillview
- ▶ AREA 11: Jeffersontown
- ▶ AREA 12: Douglas Hills/Lyndon
- ▶ AREA 13: Springhurst/Glenview
- ▶ AREA 14: New Albany, IN
- ▶ AREA 15: Clarksville, IN
- ▶ AREA 16: Jeffersonville, IN
- ▶ AREA 17: Charlestown/Sellersburg, IN



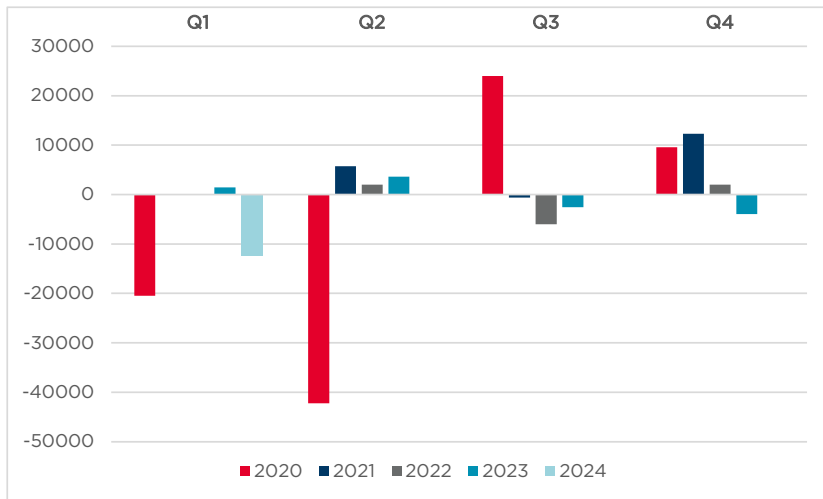
LOUISVILLE METRO AREA

EMPLOYMENT & UNEMPLOYMENT TRENDS

As of the end of March 2024, unemployment rates in the Louisville area increased from 3.3% at the end of the third quarter 2023 to 3.9% at the end of the first quarter 2024. **Louisville named no. 7 Best City to Move to in 2024 by Forbes Magazine.**

LOUISVILLE JOB GROWTH TRENDS

EMPLOYMENT IN THOUSANDS



Source: Bureau of Labor Statistics

JOB GROWTH & UNEMPLOYMENT RATE

-2.7
% YOY

Average Q1 employment decreased by 17,575 jobs.

+40
BPS YOY

Average Q1 unemployment increased to 3.9%.

ECONOMIC EXPANSION

The following are select announcements from first quarter 2024:

- ✓ **Angel's Envy**, a Kentucky-based bourbon whiskey, is planning an expansion in Downtown Louisville, across from its current facility. The new structure is expected to be two stories and take up the 2-acre lot. The brand is also planning to expand capacity by adding a 60,000 sf distilling, blending and bottling facility in Henry County.
- ✓ **GHK Truss**, a structural component manufacturer, announced plans to invest \$1M in their Clarksville, IN facility. The investment will include building updates as well as machinery and equipment upgrades. The investment is expected to add up to 15 new jobs to accommodate increased demand.
- ✓ **Corona Tools**, a manufacturer of professional and consumer tools, opened a new 244k sf warehouse in Riverport. The new distribution center will serve 60% of its total customers.
- ✓ **Canadian Solar**, a solar energy company, announced plans to invest \$800M in a new 5 GW Solar PV cell production facility in Southern Indiana. The investment is expected to create 1,200 skilled high-tech jobs. The facility is expected to be operational by the end of 2025.

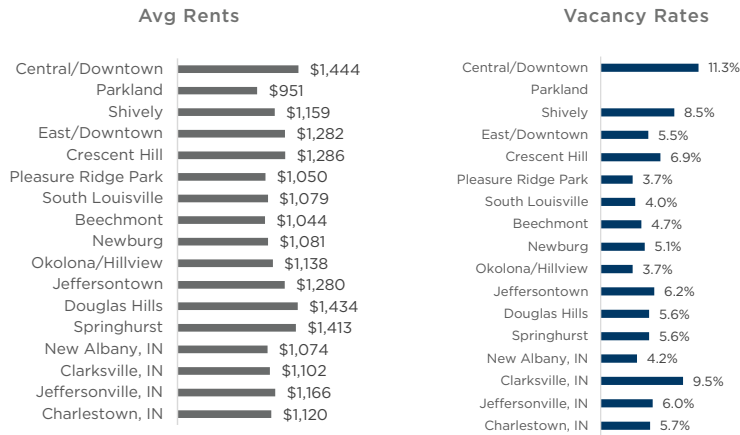
	Q1 2023	Q3 2023	Q1 2024
EMPLOYMENT (% Change)	5.4%	-0.5%	-1.9%
UNEMPLOYMENT RATE (%)	3.5%	3.3%	3.9%

Source: Bureau of Labor Statistics



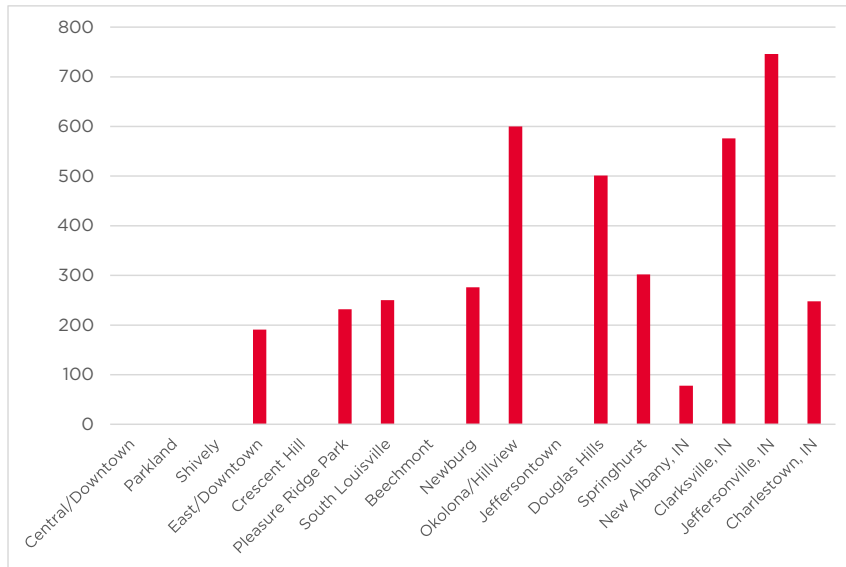
SUBMARKET OVERVIEW

RENTS & VACANCY BY SUBMARKET



Source: Yardi Matrix

UNDER CONSTRUCTION BY SUBMARKET



Source: Yardi Matrix, Cushman & Wakefield | Commercial Kentucky Research
Note: Submarkets are defined by Yardi Matrix Research

DEVELOPMENT / INVENTORY

In the last 12 months, 2,275 units were completed. Additionally, 4,000 units are currently under construction throughout the Metro area, with a significant portion in south Jefferson County and Southern Indiana. Announcements from Canadian Solar, Corona Tools, Angel's Envy, and GHK Truss will bring high paying jobs to the area driving demand for new multifamily units. There are over 5,000 units planned in the Louisville Metro area, with the majority of those concentrated in south Louisville as developers look to capitalize on 5,000 new jobs from Ford's BlueOval SK Battery Park located just south of Louisville in Elizabethtown.

DEMOGRAPHIC FUNDAMENTALS

From 2019 to 2024, the metro is projected to add 17,200 households, of which approximately 5,600 will be renters.

POPULATION



2000: 1,121,242
2010: 1,235,712
2016: 1,308,447
2021: 1,343,483

PERCENT RENTER HOUSEHOLDS



2000: 28.8%
2010: 32.1%
2016: 33.0%
2021: 32.7%

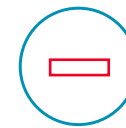
MEDIAN HOUSEHOLD INCOME



2000: \$40,928
2010: \$47,555
2016: \$57,685
2021: \$67,273

MULTIFAMILY FORECAST

The following are Cushman & Wakefield's projections over the near term:



RENTS



VACANCY



PIPELINE % GROWTH

Forecast is 12-month outlook

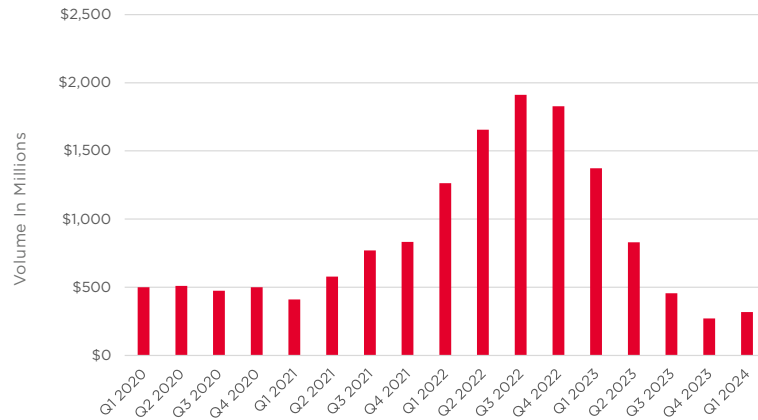


INVESTMENT ACTIVITY

Multifamily investment activity in the Louisville MSA remains slow. Only 444 units have sold since we last reported in Q3 2023.

The rise in the 10 Year Treasury Note and the rise in interest expenses have slowed apartment sales in Louisville. We expect a slow sales environment for properties needing new debt. Properties with assumable debt will generate explosive demand from buyers.

HISTORICAL SALES VOLUME



Source: Real Capital Analytics

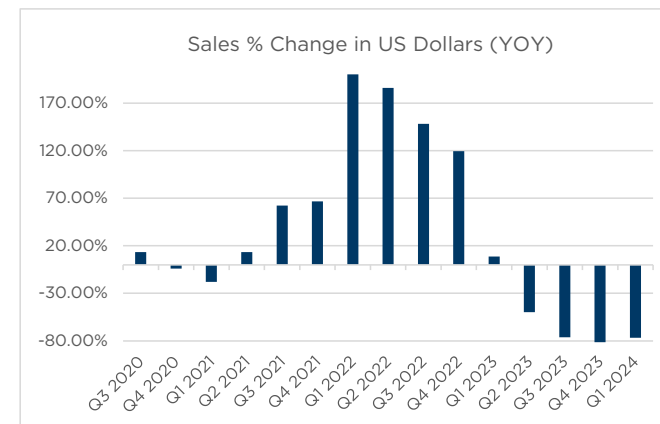
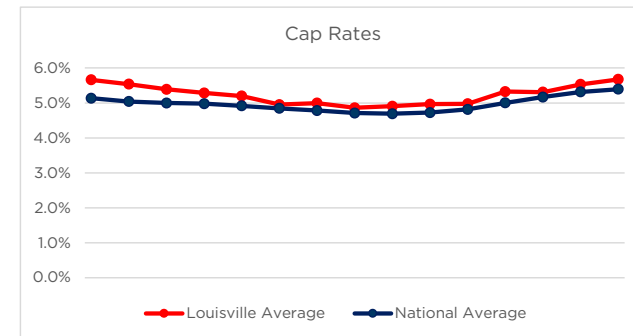
NOTABLE SALES

Class B – Glen Una Management purchased **Trifecta** (252 units) from Capstone Real Estate Investment for \$143k per unit. The property is located in central Louisville.

Class C – Indian Oaks Apartments I, LLC sold **Eleven Oaks Apartments** (192 units) to 11 Oaks, LLC for \$84k per unit. The property is located in south Louisville.



CAP RATES & TRANSACTION VOLUME

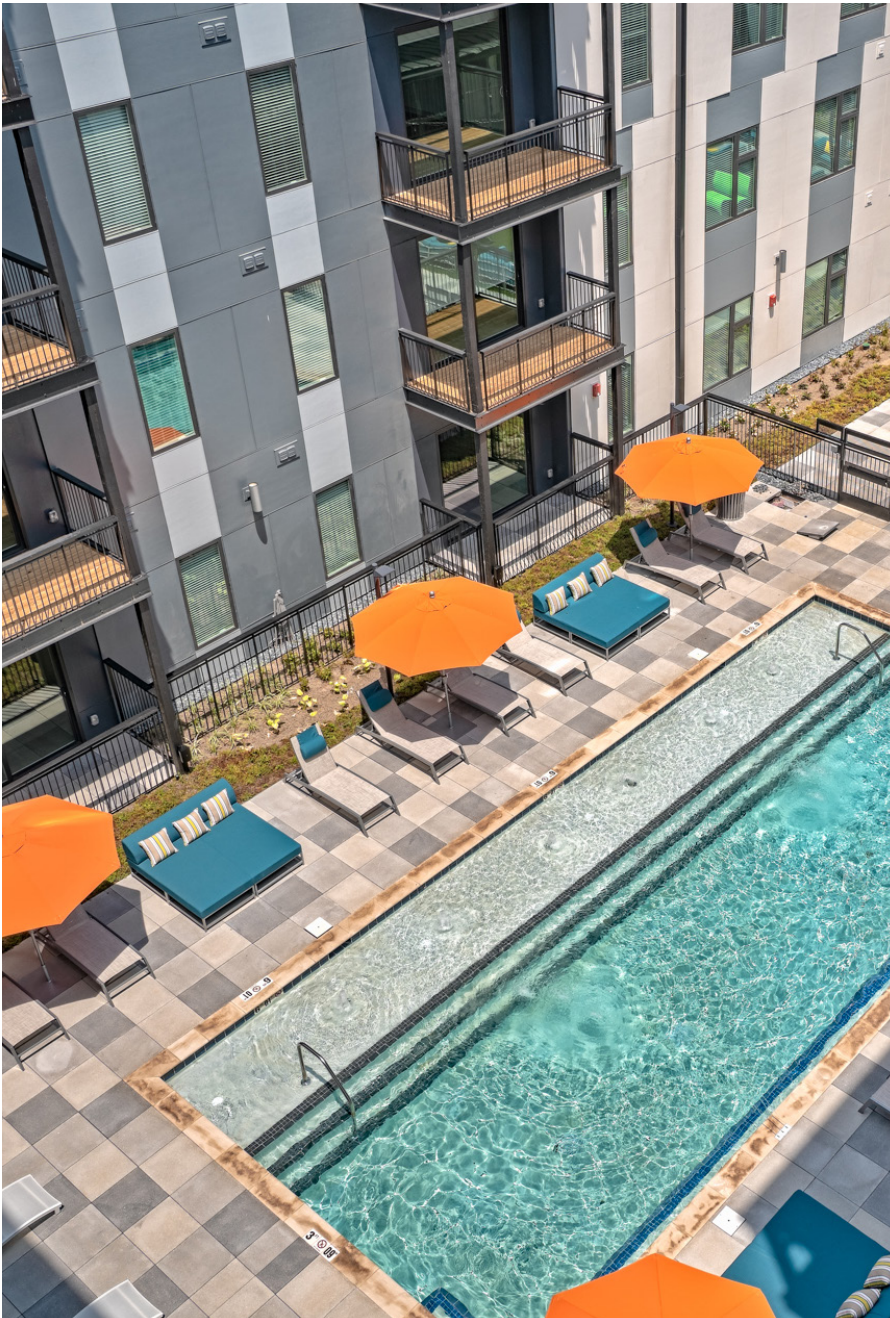


Source: Real Capital Analytics



SELECT MULTIFAMILY LOUISVILLE MARKET NEWS

- **Denton Floyd** is planning a new luxury apartment complex in Clarksville, IN. The project, known as **The George**, is a mixed use project that will include 192 luxury apartment homes with over 10,000 sf of Class A retail space. Construction is expected to begin in September 2024 and open in September 2026.
- **Weyland Ventures** completed the first phase of the \$16M **Painters Row** redevelopment. The new 71-unit building offers mostly one-bedroom and studio units with eight, two-bedroom feature lofts.
- **Form G** hosted a soft opening of their new Southern Indiana development, **The Bend**, a 312-unit apartment complex. Construction is expected to be complete in early 2024.
- Lexington developer, **Patrick Madden**, has proposed a \$100M, 90-acre mixed-use development off Beulah Church Road. The development will feature 288 multi-family apartments units, 184 townhouses, and 50 single-family lots along with retail, restaurant and grocery store space. The first phase of the project is expected to break ground at the end of summer 2024 with the entire project being completed by the end of 2026.
- **Chenoweth Woods Apartments**, located in east Louisville, is set to renovate 99 residential units across three buildings, a \$6.2M investment. The complex is owned by **Fairstead**, a national real estate company. The renovating will include upgrades to individual units, as well as the facility's management office and community room. A new business center and library for residents will be added.
- The **One Park** project, a \$1.4B multi-use development at Lexington Road and Grinstead Drive, received preliminary tax increment financing approval from the Kentucky Economic Development Finance Authority. Construction of the development is expected to begin in 2025 and be completed in 2028. The development is expected to include 600-700 apartment units. The developer is **Jefferson Development Group**, led by Kevin Cogan.



About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.



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