

# MARKET INSIGHT

LEXINGTON, KENTUCKY MULTIFAMILY REPORT | SECOND QUARTER 2026

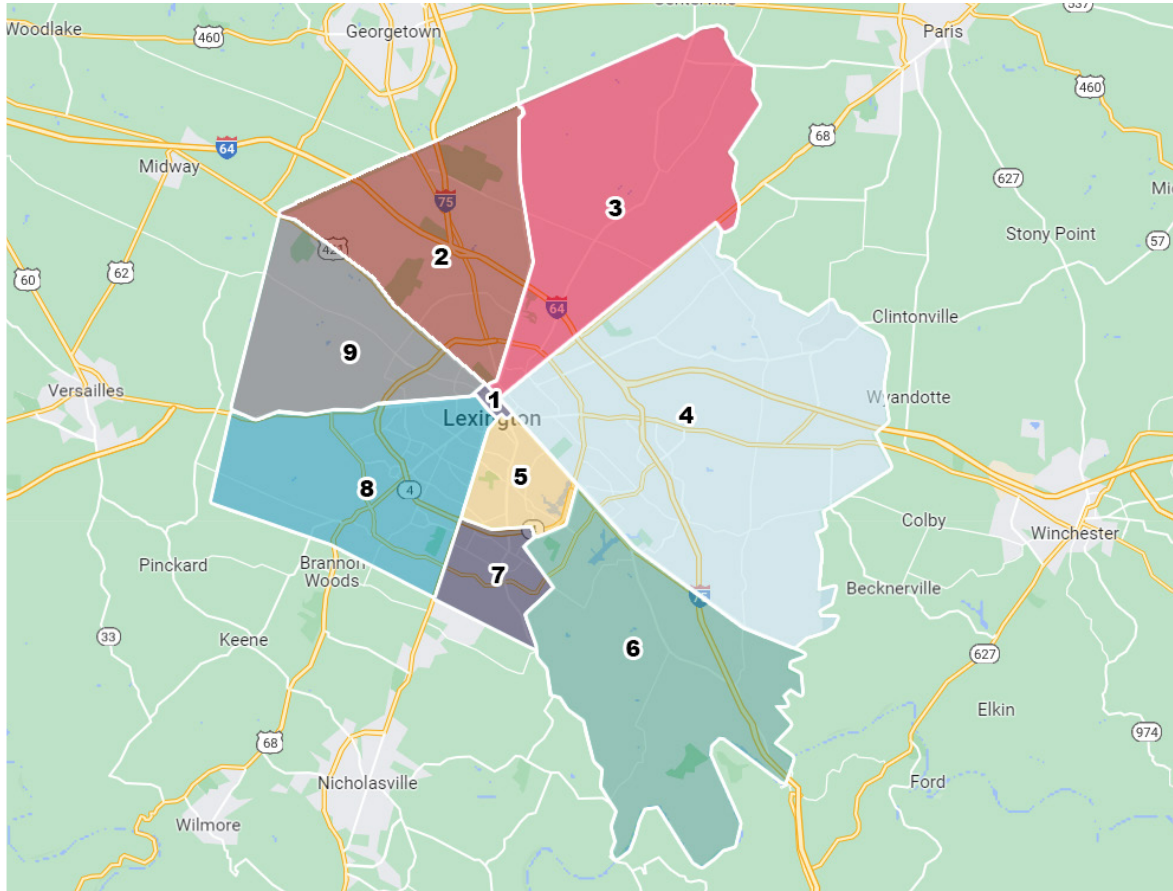


The Cushman & Wakefield | Commercial Kentucky Multifamily Research & Sales Team provides in-depth coverage of the Lexington Metropolitan Statistical Area. In addition to analyzing multifamily rent and sale trends, these reports examine employment data, key economic announcements, and development pipeline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

## IN THIS EDITION



- AREA 1: Downtown
- AREA 2: North
- AREA 3: Northeast
- AREA 4: East
- AREA 5: South Central
- AREA 6: Southeast
- AREA 7: South
- AREA 8: Southwest
- AREA 9: West





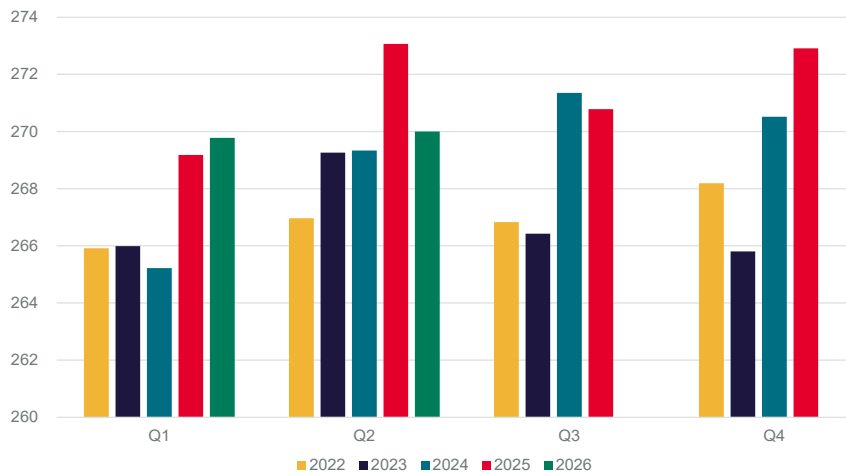
## LEXINGTON METRO AREA

### EMPLOYMENT & UNEMPLOYMENT TRENDS

The unemployment rate for the Lexington area in 2026 increased throughout the first half of the year settling at 4.0%. Despite the 110 basis-point (bps) increase from the fourth quarter of 2025, Lexington's unemployment rate continues to remain lower than the national average of 4.2%.

### LEXINGTON JOB GROWTH TRENDS

EMPLOYMENT IN THOUSANDS



Source: Bureau of Labor Statistics

### JOB GROWTH & UNEMPLOYMENT RATE

**-1.1%**

% YOY

Average Q2 **employment**  
decreased by 3,070 jobs.

**+110**

BPS YOY

Average Q2 **unemployment**  
increased to 4.0%.

Source: Bureau of Labor Statistics

### LEXINGTON ACCOLADES

Rankings for Lexington include:

- #1** Best Place to Live in Kentucky - U.S. News & World Report
- #2** 2024 Fastest Rent Growth - Apartment List
- #2** 2024 Best Run City in America - WalletHub
- #4** Top Metros Economic Development Activity - SiteSelection
- #6** 2024 Top Ten Cities for Renters - Forbes
- #8** Best Small Cities in the U.S. - Condé Nast Traveler

### ECONOMIC EXPANSION

Select announcements from the fourth quarter of 2025:

- ✓ **Space Tango**, a Lexington-based aerospace company, announced a \$7.4-million-dollar expansion of its **Greyline Station** location. The expansion is expected to create 25 high-paying jobs.
- ✓ **The Triple Crown Business Park**, a multi-county, 300-acre business park, in **Berea, KY** broke ground this March, and is anticipated to bring in 700 to 1,200 jobs over the next decade.
- ✓ A \$6-million investment from **ARMOR-IIMAK**, a thermal transfer ribbon manufacturer, was announced in May, adding 65 to the **Boone County** area.
- ✓ **Global Laser Enrichment (GLE)** announced a record-breaking \$1.76-billion investment to develop the **Puducuh Laser Enrichment Facility (PLEF)** creating 240 high-wage jobs.

|                              | Q4 2024 | Q2 2025 | Q4 2025 | Q2 2026 |
|------------------------------|---------|---------|---------|---------|
| <b>EMPLOYMENT (% Change)</b> | 0.4%    | 0.9%    | -0.1%   | -1.1%   |
| <b>UNEMPLOYMENT RATE (%)</b> | 4.1%    | 4.2%    | 2.9%    | 4.0%    |

Source: Bureau of Labor Statistics



## SUBMARKET OVERVIEW

Occupancy rates are currently sitting at 94.9%, which is down 30 basis points from the fourth quarter of 2025.

According to REIS, over the past twelve months, asking rents have increased 0.4% per unit. The second half of 2026 is expecting an increase of 1.0% with 2027 expecting a rise of 2.1%.

**94.9%**

**Average Occupancy**

decrease of 0.3% from 12/2025

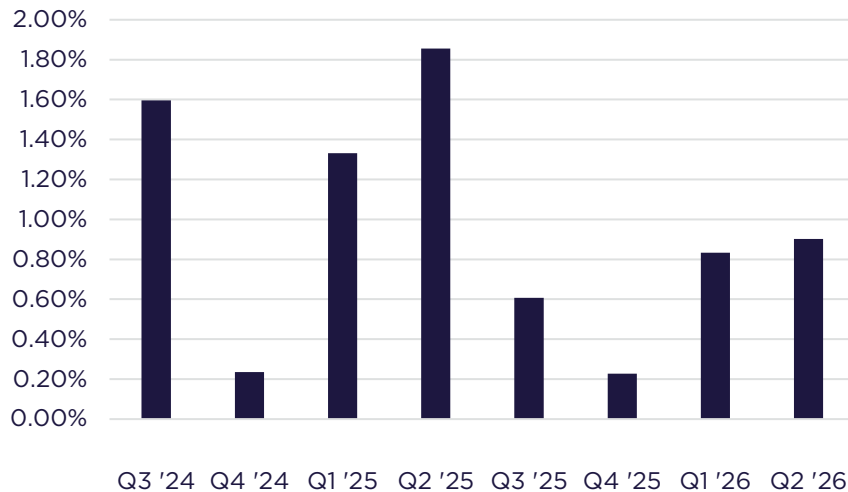
**1.7%**

**Average Rental Rate increase**

from 12/2025

## HISTORICAL METRO RENT GROWTH RATES

Regional mean rents for 1 BR units are at \$1,576/mo. and \$1,786/mo. for 2 BR units. Lexington mean rents for 1 BR units are at \$948/mo. and 2 BR units are at \$1,182/mo. The overall average rental rate for the market is \$1,343/mo. up 2.0% from \$1,317/mo. in Q2 2025.



## DEVELOPMENT / INVENTORY

101 units were completed in the last 12 months in the Lexington area. An additional 2,503 units are under construction and 2,662 are planned throughout the Metro Lexington area. The Southwest submarket leads planned development with 1,173 units planned and the North submarket leads under construction development with 1,300 units.

According to the 2024 Kentucky Housing Supply Gap conducted by KHC and Bowen National Research, Fayette County shows an overall rental supply gap of 14,423 rental units with a projected rental supply gap of 17,933 units by 2029.

## DEMOGRAPHIC FUNDAMENTALS

### POPULATION



2000: 408,469  
2010: 472,099  
2018: 512,516  
2024: 533,366

### PERCENT RENTER HOUSEHOLDS



2000: 37.5%  
2010: 39.7%  
2018: 41.1%  
2024: 44.0%

### MEDIAN HOUSEHOLD INCOME



2000: \$40,642  
2010: \$47,432  
2018: \$55,150  
2024: \$69,989

## MULTIFAMILY FORECAST

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



**RENTS**



**VACANCY**



**PIPELINE % GROWTH**

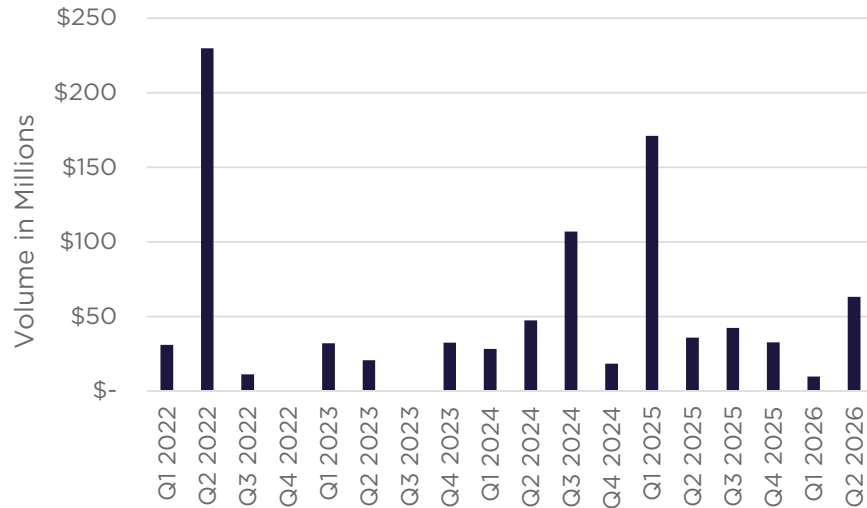
Forecast is 12-month outlook



## INVESTMENT ACTIVITY

Multifamily investment activity in the Lexington MSA logged only 122 units sold in Q1, but added a healthy 527 units in the Q2 overall continuing a moderate activity pace. Year-to-date (YTD) investment sales equate to \$72,787,500, encompassing a total of 649 units.

HISTORICAL SALES VOLUME



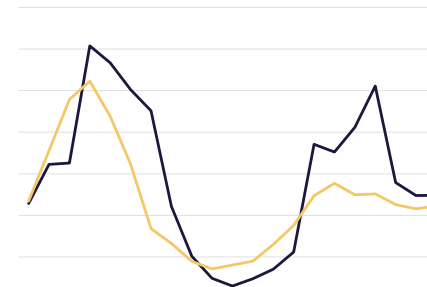
Source: Cushman & Wakefield / Commercial Kentucky Research



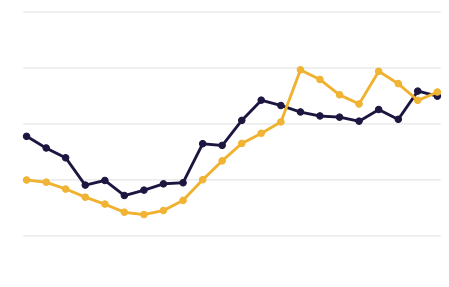
## PRICING & CAP RATES 2021-CURRENT

■ LEXINGTON AVERAGE ■ NATIONAL AVERAGE

CHANGE IN SALES (YOY)  
LEXINGTON



AVERAGE CAP RATE



Source: Real Capital Analytics

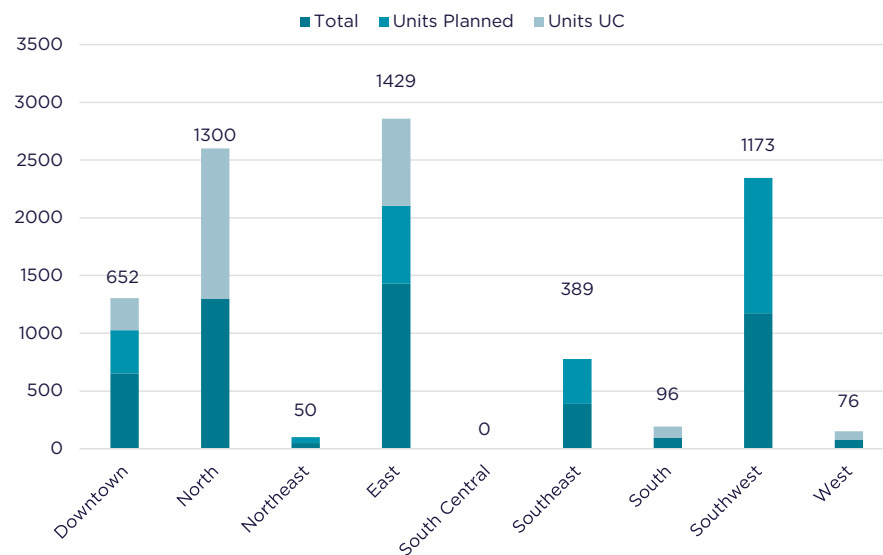




## SUBMARKET OVERVIEW



### UNITS PLANNED/UNDER CONSTRUCTION BY SUBMARKET



Source: Yardi Matrix

## SELECT MSA NEWS

- The Railyard, a \$7.5-million mixed-use residential and retail development, broke ground in December. The project will feature 32 apartment units and two 1,500-square-foot retail spaces. Completion is expected by the end of 2026.
- Approval for campus housing near the Pralltown area allowed the 491-unit complex to move forward. The project, proposed by developer Subtext, will be eight stories high and house retail space on the ground floor.
- Plans for a proposed 288-unit multifamily development on the former Patchen Wilkes Farm has been approved. The complex is expected to include a clubhouse, pool, and gym, and will sit adjacent to an under-construction Kroger.
- Subtext and Clarion Partners are preparing to break ground on a student housing development next to the University of Kentucky. VERVE Lexington, a 784-bed student development, will be offering one to four bedroom layouts and are expeting completion by the summer of 2028.

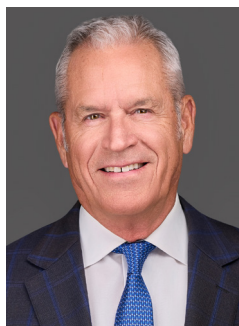


## About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 50,000 employees in approximately 60 countries help occupiers and investors optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$9.4 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. For over 100 years, we've been taking our clients' ideas and putting them into action. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.



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