

# LOUISVILLE

Retail Q4 2022

CUSHMAN & WAKEFIELD

Commercial Kentucky

	YoY Chg	12-Mo. Forecast
<b>\$63.1K</b> Median HH Income	▲	▲
<b>0.2%</b> Population Growth	▼	▲
<b>3.3%</b> Unemployment Rate	▼	▲

Source: BLS (Economic Indicators are representative of specific county or MSA.)

## U.S. ECONOMIC INDICATORS Q4 2022

	YoY Chg	12-Mo. Forecast
<b>0.4%</b> GDP Growth	▲	▲
<b>8.5%</b> Consumer Spending Growth	▲	▲
<b>8.4%</b> Retail Sales Growth	▲	▲

Source: BLS, BOC, Moody's Analytics

## ECONOMIC OVERVIEW

Consumer spending slid 1.1% in the month of December, according to statistics released by the U.S. Commerce Department. Sales were down across the board, both in-store and online; with receipts falling for durable and non-durable consumer goods alike. Restaurant and bar receipts were down as well, a troubling sign given the holidays are typically the busiest time of the year for these establishments.

The data released by the Commerce Department provides further evidence that lingering high inflation – and corresponding interest rate increases by the Federal Reserve to combat higher prices – are negatively impacting consumer confidence and spending behavior.

## MARKET OVERVIEW

The retail real estate market in Louisville continued its steady run through the end of 2022, buoyed heavily by the strength of the eastern suburban submarkets. Rents along the dominant Shelbyville Road corridor are the highest in the city, with the most desirable locations on the route approaching \$50 per square foot.

Vacancy is extremely low in existing centers with few second generation options available for expanding retailers to consider. This in turn is creating new development opportunities outside of the I-265/Gene Snyder Freeway, long considered the outer boundary for commercial development in the suburbs. Publix is leading that charge further east into the suburbs, with their first Kentucky location under construction at Old Henry Road, as well as a planned site at the intersection of Brownsboro Road and Ballardsville Road scheduled to open in 2024.

Publix isn't the only new retailer making news locally, as Wawa has announced it intends to expand to Kentucky. New market launches for the Pennsylvania-headquartered company are scheduled for 2025, with the number of stores expected to be released later this year. The C-Store operator will be stepping into a market long dominated by locally-founded Thornton's, which was wholly acquired by BP in 2021.

Elsewhere in the market, retail growth continues to be driven by craft beer and distilled spirits brands. Atrium Brewing announced plans to expand to upmarket Norton Commons this year. The local brewery opened their flagship location in the Shelby Park neighborhood during the height of the COVID-19 pandemic in 2020 and have been on an upward trajectory ever since. Similarly, competitor Ten20 Craft Brewing announced their fourth location near the new Bolt & Tie development in nearby Clarksville, IN. Ten20 started in 2020 with a flagship store in the Butchertown neighborhood and expanded quickly with a 2nd location in suburban Anchorage in 2021 and a 3rd location in the centrally located Highlands neighborhood in 2022.

Downtown, Bardstown Bourbon Company is making its entry into the Louisville retail market with a new site under construction at the corner of Main & 8th Streets. The new location will offer a tasting room and gift shop along with retail bottle sales. Acquired by Chicago-based Pritzker Capital in February 2022, Bardstown Bourbon Company is the latest in a growing number of distilleries to open an experiential location on the Main Street "Urban Bourbon Trail".

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Finally, the controversial and long-litigated Top Golf expansion at Oxmoor Center opened to big crowds and rave reviews over the holidays. The development had been delayed for several years after concerned residents nearby the development waged a planning and zoning battle, ultimately decided by the Kentucky Court of Appeals. Construction is near completion on an adjacent, complimentary building where Puttshack, Condado Tacos and Cincinnati-based chicken restaurant The Eagle will open up shop, rounding out the development.

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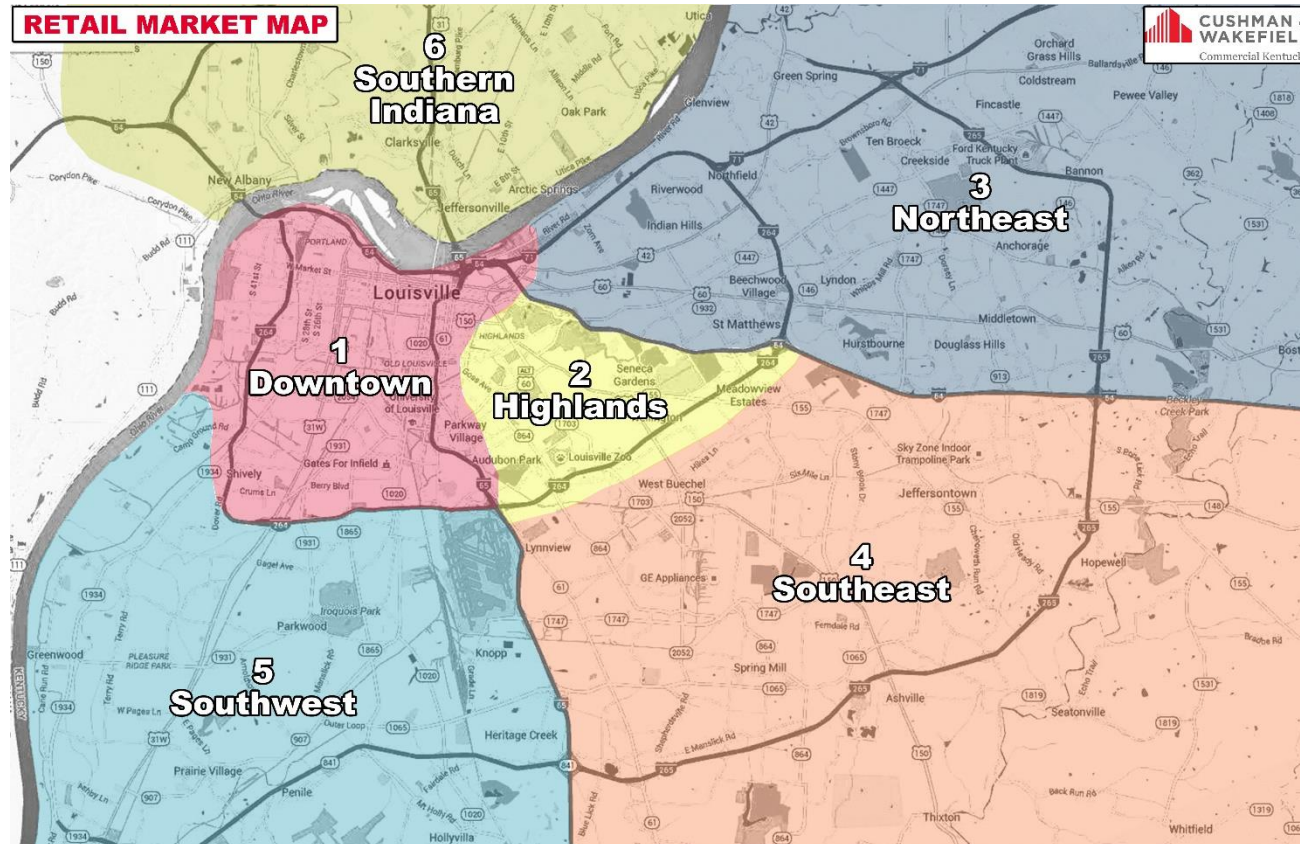
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