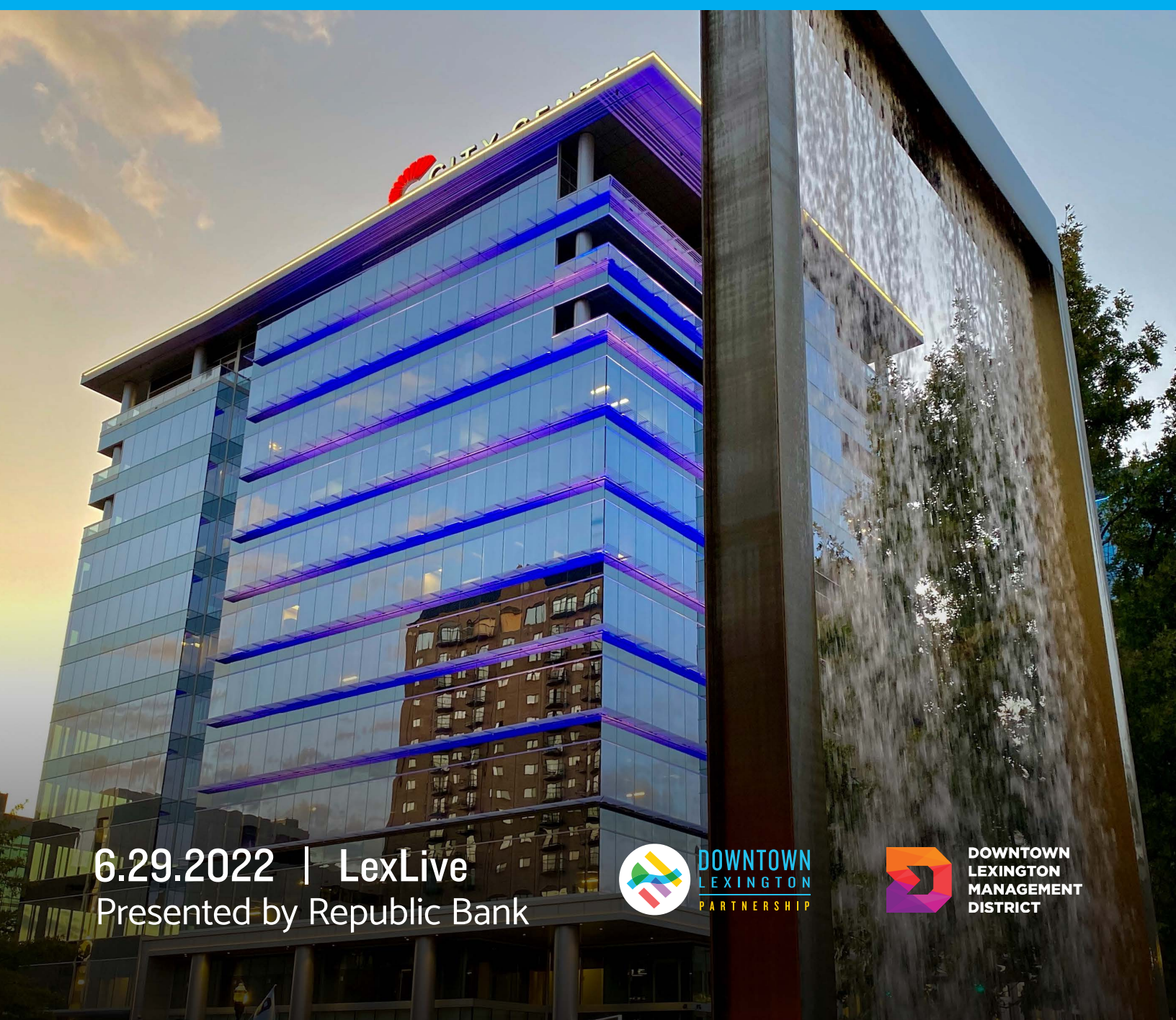


2022

STATE OF
DOWNTOWN REPORT

GROWING &
LOOKING TO
THE FUTURE



6.29.2022 | LexLive
Presented by Republic Bank



DOWNTOWN
LEXINGTON
PARTNERSHIP



DOWNTOWN
LEXINGTON
MANAGEMENT
DISTRICT

GROWING AND LOOKING TO THE FUTURE

Downtown Lexington Partnership (DLP) is excited to present the fourth annual State of Downtown Report sponsored by RW Baird and host the fourth State of Downtown Reception presented by Republic Bank at LexLive. The information contained in the report provides benchmarks and insight into the downtown's economic health as well as forecasting future economic trends. In addition, it provides an indication of the impact of DLP programs on making downtown successful.

Many thanks to DLP real estate committee members, contributors and sponsors for making the report and reception possible.

Sincerely,



A handwritten signature in black ink that reads "Terry Sweeney".

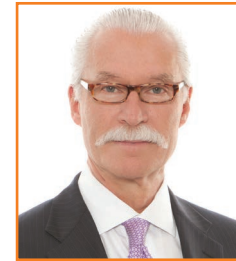
Terry Sweeney
President/CEO

Downtown Lexington Partnership



A handwritten signature in blue ink that reads "Jennifer Taylor".

Jennifer Taylor
Managing Consultant
FORVIS, LLP



A handwritten signature in black ink that reads "Jim Frazier".

Jim Frazier
Chair
Downtown Lexington
Management District

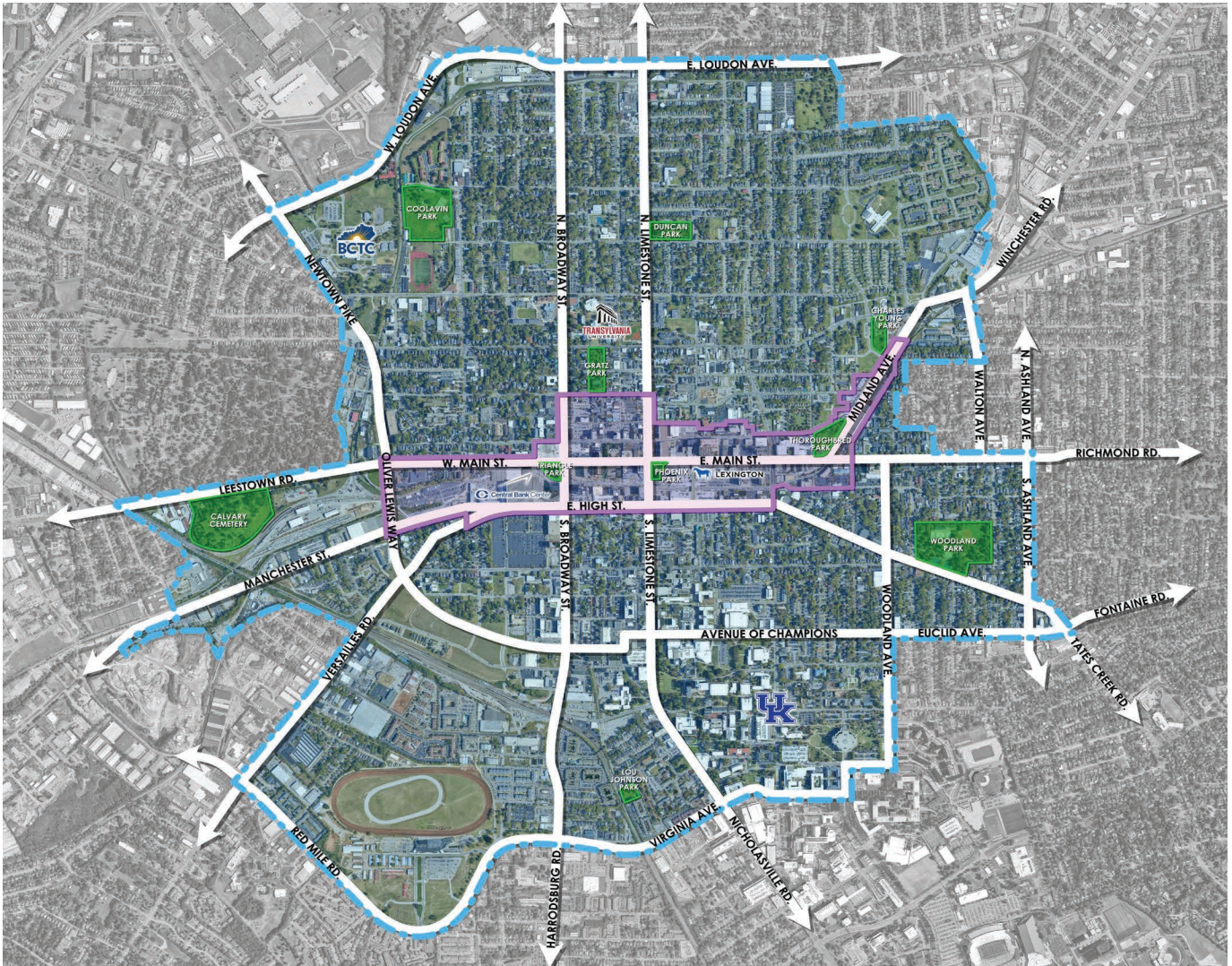
DLP REAL ESTATE COMMITTEE MEMBERS

- Brian Sipe, Central Bank Center
- Melody Flowers, University of Kentucky
- Woodford Webb, The Webb Companies
- Ryan Foster, Traditional Bank
- Becky Reinhold, Bluegrass Sotheby's Real Estate
- Mike Harris, Cowgill Inc.

- Stan Harvey, Lord Aeck Sargent
- Chad Needham, Needham Properties and Greyline Station
- Craig Turner, Red Draw
- Ross Boggess, The Webb Companies
- Braeden Finch, Field & Main Bank
- Laura Farnsworth, Downtown Lexington Partnership
- Terry Sweeney, Downtown Lexington Partnership

CONTRIBUTORS AND SOURCES

- Ross Boggess, The Webb Companies
- Downtown Lexington Partnership
- Fayette County PVA
- Ken Silvestri Real Estate
- LEXPARK
- Lextran
- Lexington Police Department
- Lexington-Fayette Urban County Government
- Loopnet.com
- The Coleman Group
- Transylvania University
- VisitLEX
- University of Kentucky
- U.S. Census Bureau
- Walkscore.com



DLP MISSION AREA BOUNDARY ——— DLMD BOUNDARY ——— PARKS ———

EXECUTIVE SUMMARY

Downtown made a strong comeback from the pandemic year of 2020, with a surge in most market segments, though still not back to pre-pandemic levels. Economic indicators showed strong growth in the customer base, including presence of office workers, visitors, students and people attending special events. The commercial real estate market showed strong sales, a stable office market, increased property values in the urban core, net growth in street level merchants and a strong pipeline of projects that will continue to transform downtown. Mobility and transit benchmarks rose across the board. E-scooter trips tripled in one-year, public transit ridership increased and on-street and off-street parking occupancies increased but did not return to pre-pandemic levels. Living and quality of life benchmarks were highlighted by strong for-sale and apartment markets driven by the critical mass of attractive amenities and neighborhoods.

CUSTOMER BASE

2021 RECAP

With the pandemic receding and travel and in-person events increasing, downtown visitation increased, providing more customers to support downtown businesses. In addition, the student population continued to increase. However, the actual presence of office workers and visitors remained below pre-pandemic levels as shown by Placer AI data. Nevertheless, there was more economic activity generated from the downtown customer base in 2021.

WORKERS AND RESIDENTS

The most recent and accurate census data shows that there are nearly 55,000 downtown workers and 33,000 residents. However, the presence of downtown workers was likely far less given the present trend of allowing remote workers and hybrid work arrangements.

Office Workers	
Downtown Number	54,480
% of County	20%

Residents	
Downtown Number	32,613
% of County	20.3%
Median Age	25

*ESRI data provided by LFUCG Dept. of Planning.

ADDITIONAL WORKER AND RESIDENT DATA

Placer.ai is an industry leader in accurate and reliable, location analytics. Placer.ai analyzes foot traffic by collecting geolocation and proximity data from devices that are enabled to share that information through partnerships in place with third-party mobile apps that provide location-based services.

Below is data collected for downtown showing total annual visits of people not living in downtown and who stay for at least one hour, capturing the presence of the people who come to work and play. The data shows that the presence of workers and visitors had reached a high of 7.1 million visits and 1.7 million unique visitors in 2018 and 2019 and then decreased significantly in 2020 due to the pandemic. In 2021, visits and unique visitors increased significantly but still lagged behind pre-pandemic levels.

Office Workers	2017	2018	2019	2020	2021
Visits	6.4m	7.1m	7.1m	3.5m	5.7m
Unique Visitors	1.3m	1.7m	1.7m	.929m	1.3m

FAST FACTS

893,675
Attendance at gated/
ticketed attractions

233,600
Attendance at special
events and festivals

59,000
Convention delegates

54,480
Workers

33,613
Residents

32,510
Number of college
students

STUDENTS

The total university student population grew for the fourth year in spite of strains from the pandemic, providing an important customer base for downtown. However, degrees awarded declined which could reflect student graduation challenges due to the pandemic. Nevertheless, the return of students to campus provided a positive economic impact in 2021.



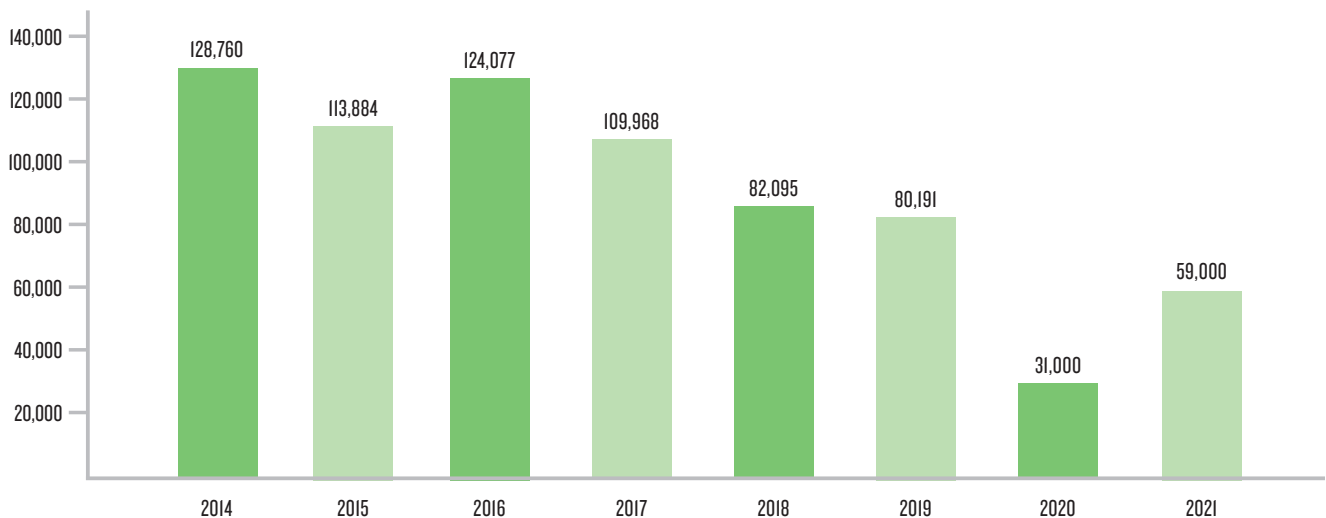
ENROLLMENT	2016	2017	2018	2019	2020	2021
University of Kentucky	29,781	29,465	30,277	30,545	31,110	31,536
Transylvania University	963	966	989	949	959	974

DEGREES AWARDED	2016	2017	2018	2019	2020	2021
University of Kentucky	6,638	6,715	7,099	7,317	7,446	7,193
Transylvania University	270	215	218	229	179	214



CONVENTIONS AND ATTRACTIONS

As the center of the Bluegrass Region’s convention market, downtown benefitted from a resurgence in conventions and meetings as restrictions were lifted and is an important generator of economic activity. In 2021, downtown still hosted 130 large-scale meetings bringing 59,000 convention delegates, up 28,000 more delegates than in the pandemic-plagued 2020. Significant growth of the trend should continue in 2022 with the opening of the \$300 million renovation and expansion of the Central Bank Center.



CUSTOMER BASE

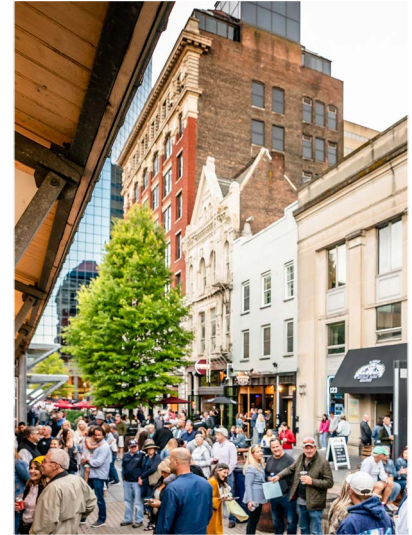
ATTRACTIONS

In 2021, attendance at ticketed and gated hospitality and cultural attractions increased to nearly 900,000 but did not eclipse 1.2 million+ as these attractions did pre-pandemic. Nevertheless, the 893,675 attendees provided a significant economic boost to downtown.

Attractions providing data include Lexington Opera House, Lexington Visitors Center, Mary Todd Lincoln House, Red Mile, and Rupp Arena.

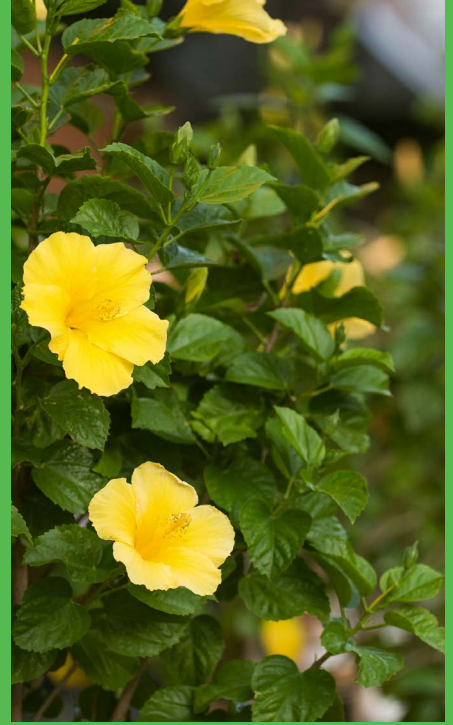
SPECIAL EVENTS AND FESTIVALS

Many festival and special events returned to in-person formats attracting significantly more people to downtown and providing an economic boost to the downtown economy after having few in-person events the previous year in the middle of pandemic. In 2021, Downtown Lexington Partnership and other event organizers hosted more than 168 event-days attracting nearly 314,000 + to downtown, a 47% increase compared to 2020 but still lagging behind 500,000+ pre-pandemic levels.



DLP EVENTS	2018	2019	2020	2021	2021 FORMAT
DLP/DLMD Annual Meeting	400	400	400	150	Socially distant
Thursday Night Live	40,000	40,000	0	20,000	½ season
Mayfest Arts Fair	20,000	25,000	150	200	Virtual
State of Downtown	N/A	250	250	150	In-person
Tree Lighting	2,500	2,500	0	2,500	Virtual
Holiday Parade	12,000	15,000	2,500	12,000	Normal
Ice Rink	45,000	45,000	40,000	45,000	Normal

DOWNTOWN EVENTS	2018	2019	2020	2021	2021 FORMAT
Farmers Market	117,000	120,000	75,000	165,000	Full Season
Woodland Arts Fair	75,000	50,000	0	40,000	In-person
Night Market	32,000	24,000	2,000	0	Discontinued
Festival Latino de Lexington	30,000	30,000	0	0	Cancelled
PRIDE	15,000	50,000	0	0	Cancelled
Japan America Festival	12,000	12,000	0	0	Cancelled
Fourth of July Parade	10,000	10,000	0	0	Cancelled
Fourth of July Street Festival	15,000	15,000	0	0	Cancelled
Fourth of July Fireworks	35,000	35,000	25,000	20,000	Normal
Bluegrass 10K	3,500	3,800	363	2,100	Normal
Great American Pie Contest / Ice Cream Social	200	200	0	0	Cancelled
Patriotic Concert	10,000	1,000	0	0	Cancelled
Jefferson Street Soiree	6,500	6,500	0	0	Cancelled
Bourbon Chase Finish Line Celebration	6,500	6,500	0	6,500	In-person
Total	515,650	509,800	147,663	313,600	
Great American Pie Contest / Ice Cream Social	200	200	0	0	Cancelled
Patriotic Concert	10,000	1,000	0	0	Cancelled
Jefferson Street Soiree	6,500	6,500	0	0	Cancelled
Bourbon Chase Finish Line Celebration	6,500	6,500	0	6,500	In-person
Total	515,650	509,800	147,663	313,600	



OUTLOOK

With the pandemic largely behind us, 2022 promises to be a year of growth for Downtown. The customer base should significantly increase with more workers returning to their downtown office locations and hosting more conventions and meetings at Central Bank Center. Already in 2022 Central Bank Center has hosted events providing record revenue to the venue. Special events and festivals returned in 2021 and more should be back in 2022 in addition to some new events. Finally, the customer base will benefit from the steadily increasing college student population that should reach nearly 33,000 in 2022.



COMMERCIAL REAL ESTATE

2021 RECAP

Downtown commercial real estate continued to rebound and grow in 2021 as the pandemic receded. There were nearly \$70 million in commercial real estate sales, 26 new street level merchant, bar, hospitality and food service business opened and the value of real estate in the Downtown Lexington Management District grew by 4.4%. In addition, the new projects underway or announced increased to \$1.5 billion. At the same time the downtown office market remained stable and recorded an overall vacancy rate of 11.67%.

2021 COMMERCIAL SALES

Downtown's real estate market remained competitive with 84 sales worth \$69 million and an average transaction amount of \$824,000. The top ten transactions accounted for over \$34 million in sales similar to the \$33 million in 2020 and \$36 million in 2019.

Top 10 Downtown Commercial Transactions

ADDRESS	PRICE	TYPE
1158 MANCHESTER ST	10,000,000	Commercial
243 E MAIN ST	5,400,000	Commercial
840 ANGLIANA AVE	3,350,000	Commercial
521 E MAIN ST	2,600,000	Multi-Family
376 E MAIN ST	2,600,000	Commercial
123 E FOURTH ST	2,582,100	Multi-Family
201 E SIXTH ST	2,250,000	Multi-Family
540 E SECOND ST	2,200,000	Commercial
184 OLD PARK AVE	1,950,820	Multi-Family
270 S LIMESTONE	1,525,000	Commercial



FAST FACTS

\$4.4 BILLION
in completed and projects in the pipeline since 2015

\$502 MILLION
of property value within the Downtown Lexington Management District

3.3 Million
Square feet of Class A and B office space

26
New street-level merchant business

11.67%
Office vacancy

OFFICE MARKET

The Downtown office market has remained relatively stable since 2018 even as the market absorbed the 155,000 square feet of new space in City Center in 2019 and the effects of the pandemic in 2020. According to NAI Isaac, the 2021 vacancy rate for Class A and B space was 11.67% compared to 13.13% in 2019 and 11.12% in 2020. Downtown accounts for approximately 40% of the total office space in the market and recorded similar of vacancy rates as the suburban market.

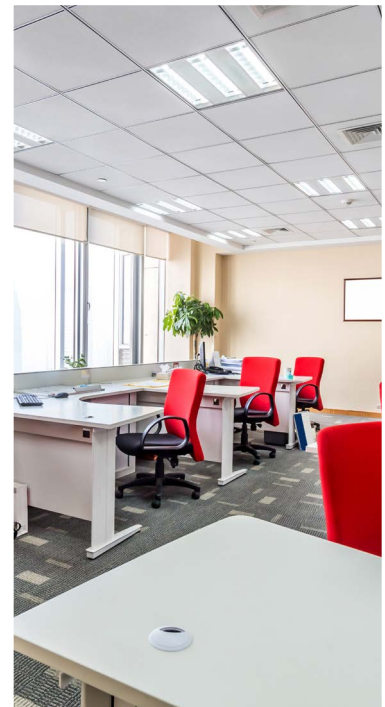
The vacancy rates reflect the amount of unleased space but don't necessarily reflect the actual number of office workers present. Nonetheless, a stable leasing environment bodes well for the near term and more workers returning to the office should help long term leasing rates remain stable as well.

Downtown CBD Office Market Trend

	2019	2020	2021
Number of Buildings Survey	51	51	51
Total Class A and B Square Feet	3,631,665	3,742,755	3,605,452
Vacant Class A and B Square Feet	476,757	416,118	420,842
Overall Vacancy rate	13.13%	11.12%	11.67%

Suburban Office Market Trend

	2019	2020	2021
Number of Buildings Survey	244	242	241
Total Class A and B Square Feet	9,060,000	8,832,373	8,747,390
Vacant Class A and B Square Feet	1,334,601	972,646	978,902
Overall Vacancy rate	14.73%	11.01%%	11.19%



*Note: Data provided by The Coleman Group. Office survey completed first quarter of 2021 and reflects data as of 4th Q 2020.

CORE DOWNTOWN



Downtown Lexington Management District anchors the downtown and through an annual property owner assessment, provides more than 11,000 hours of enhanced cleaning and safety services and invests significant dollars in economic, business support and art programs annually. These investments and programs have provided a high return on investment to property owners as seen in increasing property evaluations and vibrant street level mix. In 2021, the total property values grew by 4.4% over 2020 and have increased by more than \$96 million or 23.6% since 2015 when the district was first formed.

2015	2016	2017	2018	2019	2020	2021
\$406,522,100	\$423,612,700	\$433,350,300	\$452,729,800	\$477,760,400	\$481,666,700	\$502,651,400

COMMERCIAL REAL ESTATE

2021 DOWNTOWN STREET LEVEL MERCHANT, BAR, HOSPITALITY AND FOOD SERVICE BUSINESS OPENINGS AND CLOSINGS

Downtown's street level merchants, bars, hospitality and food service businesses continued to rebound from the effects of the pandemic. In 2021, there was a net growth of seven new businesses and street level occupancy remained high except for Triangle Center which has not found replacement tenants for West Coast Pizza, Starbucks and Sawyer's that closed during the pandemic. However, another indication of a reduced day time presence is the fact that a number of restaurants have not reopened for lunch or are open for lunch on limited number of days per week.

BUSINESS OPENINGS AND CLOSINGS BY YEAR

	2017	2018	2019	2020	2021	Total
Openings	27	38	26	31	26	148
Closings	18	11	17	29	19	94
Net Gain	9	27	9	2	7	54

2021 BUSINESS OPENINGS AND CLOSINGS

OPENINGS

- LexLive
- El Cid-National Ave.
- Ethereal Brewing - Cornerstone
- Rolling Oven - Cornerstone
- Miyako - Cornerstone
- Selma's Kitchen - Cornerstone
- Athenian Grill - Park Plaza
- Roulay

- Postmasters Pub
- Agave & Rye
- Frank & Dino's
- The Grove (Luna, Fable, Harveys
- Pour Decision
- Clark's Pump N Shop
- Bandido Taqueria Mexicana
- Bad Ass Coffee of Hawaii
- Clubhouse
- DV8 Kitchen

- The Goose
- Greyline Station Food Stalls (10 businesses)
- Julietta Market (11+ businesses)
- Kung Fu Tea & TTK Fried Chicken
- Manchester Coffee @ The Met
- Pita Pit
- Tropical Smoothie Café
- Pelo Lexington
- Sorella Gelateria

CLOSINGS

- Roulay
- Middle Fork
- Alumni Hall
- Common Grounds
- Greentree Tea Room

- Sunrise Bakery
- Lexington Level Up
- Mixed on Main
- Ranada's Kitchen
- Alfalfa's
- Belt Line Southern Grill + Gumbo
- Coffea

- Graze
- Sawyer's Downtown Bar & Grill
- Tomo
- West Main Crafting Co
- Athenian Grill-Chevy Chase
- J Galt Eyewear Alfalfa's

OUTLOOK

Commercials sales should continue to be steady, and the office market should remain stable provided workers continue to return to their downtown offices. Property values should continue to rise in the Downtown Lexington Management District. However, the biggest factor in driving growth will be the strong pipeline of new projects that are underway and others that areas in the development stages like the 14-acre High Street parking lot adjacent to Central Bank Center.

DOWNTOWN PROJECT PIPELINE

Since 2015 downtown's project pipeline has grown to nearly \$4.4 billion in investments including completed, underway and announced projects. These investments represent a broad range of institutional developers, such as the downtown universities, non-profits, private development projects, and public investment in infrastructure and parks. Future announced projects will continue to grow downtown and attract more people to live, work, play and invest.



The timeline shows a sampling of the \$4.4 billion projects since 2015 that have transformed downtown, University of Kentucky and Transylvania University as well as future projects that will continue to shape and revitalize downtown.



21C Hotel - \$41 Million

Renovation of the historic Fayette National Bank Building into an 88-room boutique hotel featuring a contemporary art museum with curated exhibits, cultural center, 7,000 square feet of exhibition, meeting and event space and Lockbox restaurant.



Gatton Business and Economics - \$65 million

Renovation and expansion project includes a three-story addition 65,727 sq. ft. addition to the 138,400 Gattton Building featuring an atrium, café and seating area, classrooms, and a 500-seat auditorium. The original 1963 building provides various types of space for faculty and students and classrooms in the 1991 addition were renovated and updated to include the latest technology. With the addition the building has a total of 204,127 sq. ft.



Red Mile - \$45 million

Renovation and 60,000 sq. ft. expansion project featuring 900+ gaming terminals in 138 themes, simulcast races on 175 HD televisions and live music and special events.



University Flats - \$74 million

University of Kentucky graduate, professional and post-doctoral on-campus housing.

DOWNTOWN PROJECT PIPELINE

SAMPLING OF NEW PROJECTS



Fayette County Courthouse - \$30 million

A complete interior and exterior renovation now housing a restaurant and bar, the Visitors Center, special event space and offices.



City Center - \$300 million

12-story office tower incorporating premium luxury condominiums in its top three floors. It also features a 205-room Marriott City Center and 100-room Residence Inn, retail spaces and a 700-space underground parking garage.



Transylvania University William T. Young Student Center - \$30 million

97,710 sq. ft. features a dining hall, conference and meeting rooms, fitness center, a bookstore and community outreach areas for student organizations.

2018

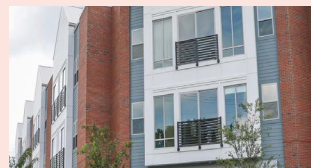
2019

2020



James Pepper Distillery - \$1.3 million

A multi-year renovation project of the historic James E. Pepper Distillery, a National Historic Landmark, which had been abandoned for over 50 years enabling distilling to begin once again.



The Met - \$24.5 million

75,000 sq. ft. mixed-use facility with 44 market rate band affordable apartments and 25,000 sq. ft. of retail space featuring food, finance and health care tenants and art installations.



Greyline Station - \$5 million

Renovation of the 65,000 sq. ft. former bus headquarters and maintenance hub contains more than 15 retail stores, restaurants, offices and Julietta Market. In addition, there is a radio studio and event space.



Gatton Student Center Phase I and Expansion - \$225 million

364,000 sq. ft. energetic and vibrant hub for student activities featuring many food-service options, a 1,000-seat Champions Kitchen, multiple ballrooms, a theater, student organization offices, Alumni Gym, campus bookstore, and the Cats Den.



Central Bank Center - \$300 million

Expansion and renovation of convention center and Rupp Arena including contemporary exhibit space, meeting rooms, flexible event space, and new ballroom. Rupp Arena had renovations and upgrades to the upper seating bowl, UK Hospitality club space and expanded concourses.



Town Branch Park - \$35 million

Nine acre urban park and open space featuring art installations, recreational lawn and water features and a great lawn and stage to host performances.



The Manchester - \$37.5 million

125 room boutique hotel located in the Distillery District featuring, roof top bar, cafe and salon.

2021

2022

THE FUTURE



Lex Live - \$70 million

90,000 sq. ft. entertainment center featuring 10 movie screens, three bars, a bowling alley, an arcade and meeting rooms.



Town Branch Commons and Trail - \$39.5 million

Town Branch Commons is a winding park and trail system that runs through downtown with continuous bike and walking paths connecting new and existing parks including Town Branch Trail and Legacy Trail providing 22 miles of uninterrupted trail.



330 Newtown - \$41.5 million

108-unit affordable apartment development in the northeast part of downtown.



Lincoln Webb Development - \$350 million

Mixed-use development on Hight St. featuring 30,000 foot grocery, 630 residential units, 26,000 feet of office, 200 room hotel 4,000-seat entertainment venue.

MOBILITY & TRANSIT

2021 RECAP

Downtown's walkscore.com measures continue to be very strong. Other mobility and transit sectors rebounded from the pandemic with e-scooters showing the biggest gains exceeding pre-pandemic levels while public transit and parking made modest gains over 2020 levels. E-scooter trips more than doubled in just two years from around 109,000 trips in 2019, the first year in operation in the market and a year prior to the pandemic, to nearly 220,000 in 2021. Public transit ridership grew 5% as concerns regarding the pandemic subsided while parking occupancy made more substantial gains but were still far lower than pre-pandemic levels as the presence of downtown office workers has not returned to normal and there were still limited event and large public gatherings.

WALK SCORE

According to walkscore.com, Downtown Lexington scored high in all three categories. In 2021, Downtown's walk score increased slightly to 93 from 91 earning a rating of "a walker's paradise". The downtown bike score of 83 earned a rating of "very bikeable" and the transit score of 73 earned an "excellent" rating.

WALK SCORE	WALK	BIKE	TRANSIT
Downtown Lexington	93	83	73
Lexington/Fayette County	34	46	24
Downtown Greensboro	78	54	N/A
Downtown Nashville	86	66	65
Downtown Chattanooga	69	79	42
Downtown Durham	91	73	57
Downtown Cincinnati	97	60	N/A
Downtown Knoxville	83	64	59
Downtown Memphis	85	83	50
Downtown Louisville	92	82	63

Source: walkscore.com

FAST FACTS

219,588
e-scooter Trips

76,959
Lextran ridership at
downtown stops

8,863
Downtown on and off-
street parking spaces
managed by LexPark

93
Walk Score

80%
e-scooter trips during
UK school year

22
Miles of bike lanes and
trails

MICRO-MOBILITY

E-scooters impact on mobility was clearly demonstrated in 2021. Usage increased significantly as pandemic restrictions were lifted. In 2021, the number of e-scooter trips increased to nearly 220,000 trips from 55,922 in 2020, during the pandemic and from 108,982 in 2019, their initial year of operation. Bird and Spin were the companies providing e-scooters in the market with Bird accounting for 84% of the trips. The availability of e-scooters is important to University of Kentucky and downtown because they help people move within these dense areas without having to drive and find parking. As such, 96.5% of e-scooter trips originated and 94.7% trips ended in downtown area (Council District 1 and 3) and UK Campus. In addition, approximately 80% of the trips occurred during the UK school year.

E-SCOOTERS

	2019	2020	2021
Trips	108,982	55,922	219,588

MONTH	Bird	Spin	Total Trips
January	1,675	0	1,675
February	2,476	0	2,476
March	11,226	2,377	13,603
April	14,108	1,089	15,197
May	12,711	1,462	14,173
June	8,275	5,475	13,750
July	11,717	5,302	17,019
August	23,855	4,924	28,779
September	40,013	5,678	45,691
October	29,197	5,745	34,942
November	16,680	2,244	18,924
December	13,359	0	13,359
Total	185,292	34,296	219,588

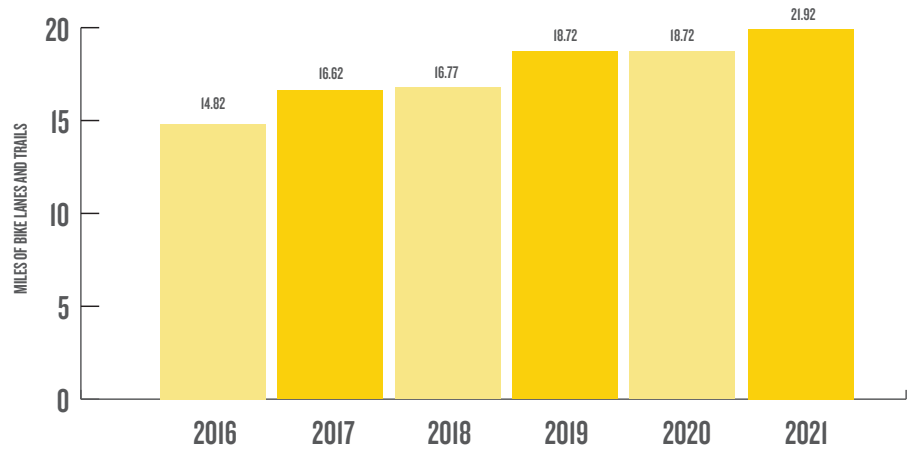
E-SCOOTER TRIP ORIGATION	2021 Trips	% of Total Trips
January	1,675	0.76%
February	2,476	1.34%
March	13,603	6.06%
April	15,197	7.61%
May	14,173	6.86%
June	13,750	4.47%
July	17,019	6.32%
August	28,779	12.87%
September	45,691	21.59%
October	34,942	15.76%
November	18,924	9.00%
December	13,359	7.21%
Total	219,588	
Total Trips	55,992	100.00%



MOBILITY & TRANSIT

BIKE LANES AND TRAILS

3.2 miles of bike lanes were added in 2021 bringing the total to nearly 22 miles bike lanes and trails in Lexington.



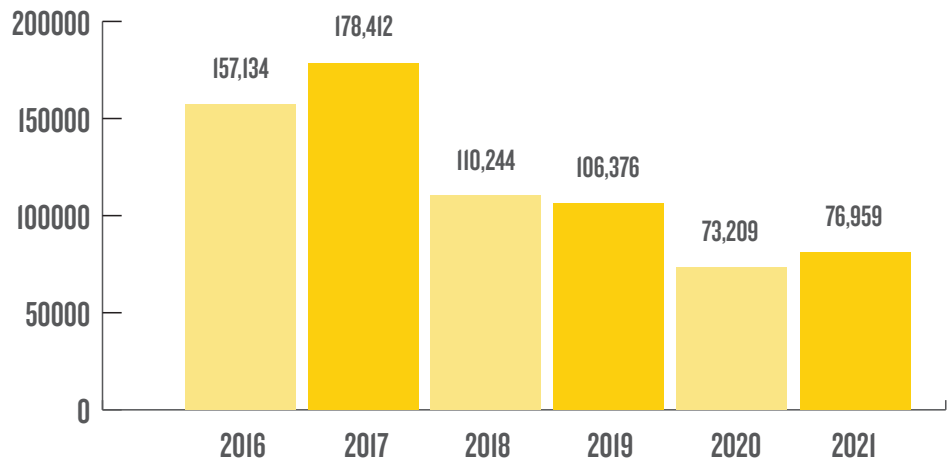
TRANSIT

Lextran is the public transit provider with a fleet that includes compressed natural gas, battery-electric, hybrid-electric, and diesel buses. Lextran operates 21 fixed routes, a door-to-door paratransit service and a vanpool/ridesharing program. Regular bus fare is \$1.00, and there are a variety of reduced fares and pass programs available to individuals who qualify. All buses are equipped with bike racks and are wheelchair accessible.

LexTran operates 21 bus stops including a transit center in downtown. More people began to use public transit as we emerged out of the pandemic. Lextran ridership increased 5% in 2021 to 76,959 and they expect ridership to continue to rise in 2022.



LEXTRAN RIDERSHIP AT DOWNTOWN STOPS



PARKING

In 2021, the total supply of on and off-street parking spaces decreased to 9,625 largely due to the collapse and current rebuilding of the BB&T parking garage, eliminating 242 spaces. There were a total of 6,292 privately managed off-street spaces in garages and lots. The remaining 2,070 garage spaces and 1,263 publicly metered spaces were managed by LEXPARK. On-street meter occupancy increased 3% from 2020, signaling a gradual increase in transient parking activity as the pandemic began to subside. The transient off-street occupancy in LEXPARK garages recorded greater occupancy gains but still lag behind pre-pandemic levels with occupancy levels hovering around 50%.

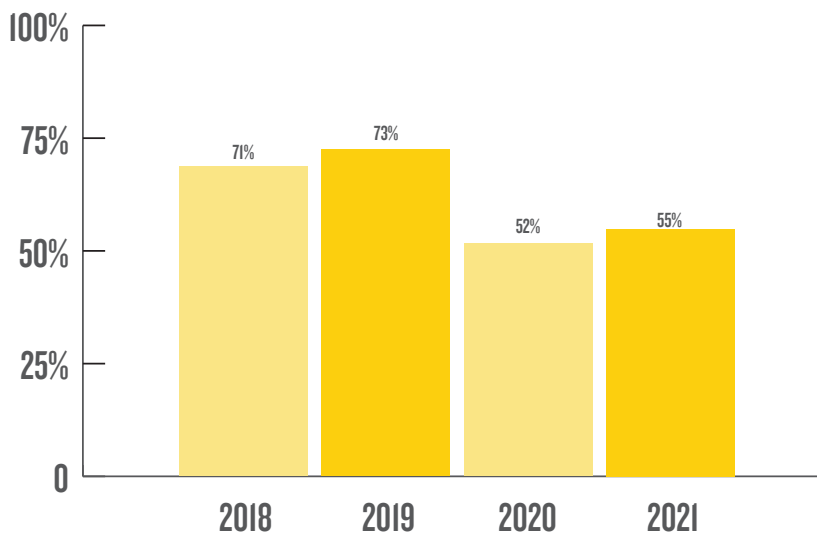


FACILITY NAME	2018	2019	2020	2021
Rupp Arena - High St. Parking Lot	1,720	1,720	1,720	1,720
South Hill LLC Upper Lot	83	83	83	83
South Hill LLC Lower Lot	23	23	23	23
Central Bank Annex Garage	607	607	607	607
Central Bank Lower Garage	275	275	275	275
BB&T Garage	242	242	242	0
Former Unemployment Bldg. Lot	63	63	63	63
Transit Center Garage	777	777	777	777
Vine Center Hilton Hotel Garage	465	465	465	465
LFC Garage	575	575	575	575
City Center Garage	N/A	701	701	701
Library Garage	422	422	421	421
The Helix Garage	389	389	389	389
Victorian Square Garage	381	381	381	381
Billboard Lot	78	78	78	78
Strand Lot	84	84	84	84
Chase Tower Lot	404	404	404	404
Tucker Lot	16	16	16	16
Short Street Lot	182	182	182	182
Market Lot	91	91	91	91
Upper Street Lot	102	102	102	102
Christ Church Cathedral Lot	57	57	57	57
Government Lot	19	19	19	19
Courthouse Lot	524	524	524	524
Carrol Lot	50	50	50	50
First Baptist Church Lot	41	41	41	41
Calvary Baptist Church Lot	130	130	130	130
First Presbyterian Church Lot	104	104	104	104
Total Spaces	7,904	8,605	8,604	8,362
Leased Monthly Parking Spaces	7,644	8,315	8,314	8,162
Available Monthly Parking Spaces	260	290	290	343
Number of Metered Spaces	1,273	1,262	1,259	1,263
Total Downtown Spaces	9,177	9,867	9,863	9,625

LEXPARK OCCUPANCY RATES (M-F, 8:00 A.M. – 5:00 P.M.)

OCCUPANCY MONDAY - FRIDAY 8 A.M.- 5P.M.	2018	2019	2020	2021
Victorian Square Garage	79%	80%	26%	54%
Transit Center Garage	94%	95%	20%	49%
Courthouse Garage	73%	74%	26%	40%
Helix Garage	87%	88%	32%	54%

DOWNTOWN CORE ON-STREET METERS



APARTMENT MARKET

Downtown continued to have a strong rental market composed of 3,965 market rate apartments, affordable housing apartments and student housing units. Each apartment segment recorded high occupancy rates that equal or exceeded 95% even as new developments came online in the last 24 months. Additional new projects in the pipeline will add to the rental supply but the market demand appears to be strong enough to absorb these new units.

TYPE	TOTAL UNITS	OCCUPANCY RATE	AVERAGE RENT	AVERAGE RENT PER SF
Market Rent	1,731	98%	\$996	\$1.42
Affordable	601	99%	\$694	\$1.03
Student	1,603	95%	\$1,390	\$1.55

OUTLOOK

Walk and bike scores should increase in 2022 and beyond with 3.2 miles of new bike lanes and as the \$30 million Town Branch Commons and Trail is completed later this year bringing Lexington's total to 22 miles of new multi-modal paths making walking and biking downtown more attractive. With 2022 looking to be a more normal year free from the effects of the pandemic, other mobility and transit indicators should continue to rebound. E-scooter usage will continue to grow and Bird will be introducing up to 75 electric assist bikes to the market providing customers another means of non-car transit. With more office workers likely to return to more traditional office hours and more businesses are open, both public transit and parking indicators should also continue to rise, though will still not return to pre-pandemic levels as some office workers will continue to work remotely. However, more conventions, meeting and special events will bring significantly more people to downtown especially given the completion of the \$300 million Central Bank Center renovation and expansion.



LIVING & QUALITY OF LIFE

RECAP

Post-pandemic trends indicate that more working adults are choosing where they live with greater emphasis on areas that provide a high quality of life. Accordingly, Downtown Lexington should continue to attract more people to live because of its density of quality-of-life amenities. For this reason, there continues to be strong demand in the for-sale and apartment markets. Perhaps the only threat to this trend is recent uptick in certain crimes.

DOWNTOWN SALES OF SINGLE-FAMILY HOMES AND CONDOMINIUMS

According to the Fayette County Property Valuation office, the 2021 top 10 residential sales totaled \$18.9 million, an average price of \$1.89 million while the top 50 sales total \$43.6 million, an average of \$872,420. Both these sets of sales data are significantly higher than 2020 data with the top 10 sales totaling \$12.6 million and the top 50 sales generating \$29 million respectively. Much of the increase in sales prices are resulting from new downtown condominium projects.



FAST FACTS

83
Acres of park space

75+
Restaurants/Bars
in the Core

42
Downtown LFUCG
public art pieces

38
Art galleries and artist
studios

35+
Retail and Boutique
Shops in the Core

24
Cultural Venues

12
Distilleries and Brew-
eries

10+
Coffee Shops

2
Groceries

DOWNTOWN RENTAL MARKET

Downtown enjoys a robust rental market composed of 3,853 market rate apartments, affordable housing apartments and student housing units with a combined 94.72% occupancy rate and ranging from efficiency to four-bedroom units providing a broad continuum of rental options. While there have been new projects that have recently come on the market, each market segment has high occupancy rates showing the strength of demand for downtown living, the ability to absorb new development and the relative shortage of downtown rental units.

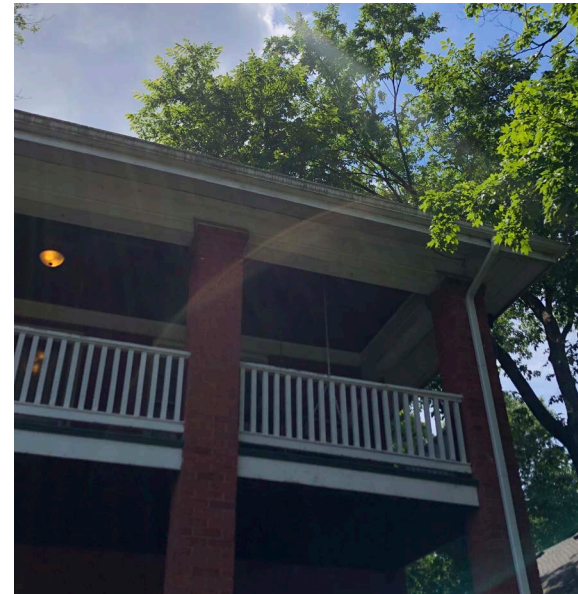
Market Rate Apartments

Total Units	Occupancy Rate	Average Rent	Average Rent Per Sq Ft
2,009	96.31%	\$831.41	\$1.30



Affordable Housing Apartments

Total Units	Occupancy Rate	Average Rent	Average Rent Per Sq Ft
547	97.93%	\$653.55	\$0.94



Student Housing

Total Units	Occupancy Rate	Average Rent	Average Rent Per Sq Ft
1,297	90.91%	\$1,969	\$2.01



LIVING & QUALITY OF LIFE

CRIME RATE

Downtown's safe environment creates the foundation for a vibrant, clean and successful urban core. In 2021, as the pandemic has receded more people were coming downtown to go to events, restaurants and bars. As that activity increased, crime increased to a level similar to pre-pandemic years. Of note was an increase of violent crime related to weekend late nights. Fortunately, the police department is working with downtown partners to address these security issues. However, downtown's crime rate remains low.



CRIME	2016	2017	2018	2019	2020	2021
AGGRAVATED ASSAULT	12	15	17	23	17	23
ALL OTHER LARCENY	132	143	118	114	79	116
ALL OTHER OFFENSES	0	0	0	0	1	0
ARSON	0	1	3	1	2	0
BURGLARY/BREAKING & ENTERING	21	14	30	16	19	10
FORCIBLE RAPE	12	15	30	7	14	11
MOTOR VEHICLE THEFT	21	29	27	16	11	19
MURDER AND NONNEGLIGENT MAN-SLAUGHTER	1	0	0	0	1	3
PURSE-SNATCHING	2	1	2	2	1	1
ROBBERY	13	21	24	5	13	7
SHOPLIFTING	3	11	14	7	6	7
STATUTORY RAPE	3	2	4	2	0	2
THEFT FROM A BUILDING	3	0	2	0	0	2
THEFT FROM MOTOR VEHICLE	55	41	81	36	32	34
THEFT OF MOTOR VEHICLE PARTS OR ACCESSORIES	3	1	0	0	0	7
Total	281	294	352	229	196	243

Source: Lex PD NIBRES Part I Crime report

OUTLOOK

With the opening of Town Branch Commons and Trail set for 2022 and Town Branch Park projected to open by 2025, downtown should become more walkable and bikeable while also providing additional quality park space. New apartment and for-sale projects in the pipeline should increase downtown's residential population and continue to increase downtown vibrancy and quality of life. However, maintaining a high level of public safety will also play a major factor in downtown's future success.



ACKNOWLEDGEMENTS

Thanks to the many individuals and organizations that provided information to make this report possible.

Ross Boggess, The Webb Companies
Downtown Lexington Partnership
Fayette County PVA
Ken Silvestri Real Estate
LEXPARK

Lextran
Lexington Police Department
Lexington-Fayette Urban County Government
Loopnet.com
NAI Isaac

Transylvania University
VisitLEX
University of Kentucky
U.S. Census Bureau
Walkscore.com



BAIRD

**Private Wealth
Management**

Discover the Best of Both Worlds

With industry-recognized expertise in wealth management, equity research, asset management and more, we have all the capabilities you'd expect from a big Wall Street firm. But because we're independent and employee-owned, you can be sure we answer only to you.

Visit bairdwealth.com and discover the difference Baird has been making for clients since 1919.

Baird

300 W. Vine Street, Suite 1100
Lexington, KY 40507
859-255-9681 . 800-944-2663

3120 Wall Street, Suite 310
Lexington, KY 40513
859-219-4260 . 877-294-0196

Discover the *Baird Difference*

f in t @

©2022 Robert W. Baird & Co. Incorporated. Member SIPC. MC-887204.