

MARKET AT A GLANCE



OCCUPANCY RATE

94.5%

Down **60 bps** since 1Q19



EFFECTIVE RENT

\$898

Up **1.5%** since 1Q19



DELIVERIES

847

Units YTD

MULTIFAMILY TRENDS

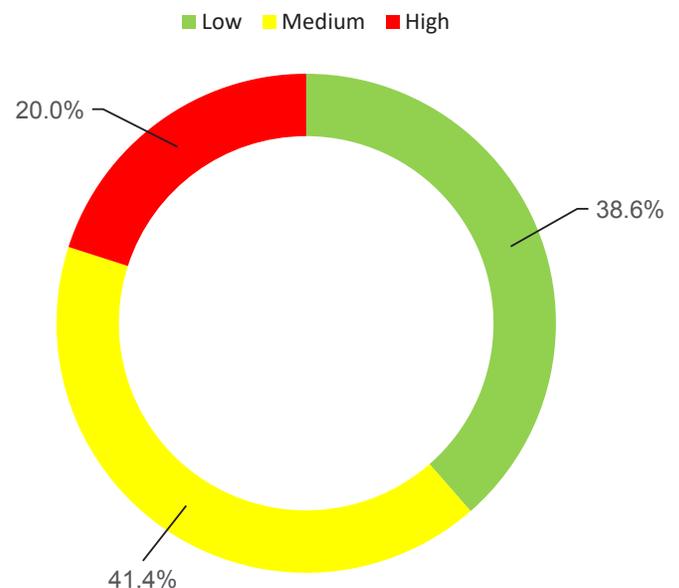
MANUFACTURING INDUSTRY BEGINS TO FEEL BRUNT OF ECONOMIC FALLOUT

The necessary response to prevent the spread of the COVID-19 virus in the Louisville metro area is creating hardships for the regional economy. The depth in which Louisville needs to recover is still to be determined, but its most exposed areas are already experiencing the ripple effects from strict stay-at-home orders. Small business employers, hotels, and restaurants were at the forefront of layoffs in the region, but the impact of the health crisis is beginning to spread to the health care and manufacturing industries. Baptist Health, one of the metro's largest employers, announced plans to begin furloughing its office personnel as well as reducing work schedules. Ford Motor Company, which was already in the process of a temporary shutdown at its two Louisville plants, has indefinitely ceased operations, leaving at least 13,000 hourly employees idle. Despite this, Greater Louisville's healthy trade and logistics industry, which accounts for 22% of the regional workforce, continues to anchor economic activity. With an array of developments in the pipeline, officials are optimistic about population growth and job opportunity in the future. For apartment operators, Governor Andy Beshear has paused eviction cases for the time being to aid residents with reduced wages. Over the long-term, 9,120 apartment units in the pipeline could generate supply-side pressure, negatively impacting occupancy across the metro.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	6.7%	4.7%
Health care & social assistance	15.3%	16.0%
Information	1.5%	2.2%
Transportation & warehousing	9.8%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	4.9%	4.7%
Total	38.6%	33.4%
MEDIUM		
Administrative & waste services	7.7%	7.4%
Educational services	1.2%	2.3%
Manufacturing	13.6%	10.1%
Mining, quarrying, & oil & gas extraction	0.1%	0.5%
Other services, except public administration	2.9%	3.6%
Professional & technical services	5.6%	7.5%
Retail trade	10.4%	12.2%
Total	41.4%	43.6%
HIGH		
Accommodation & food services	10.2%	11.1%
Arts, entertainment, & recreation	1.8%	1.9%
Construction	5.0%	6.1%
Management of companies & enterprises	1.5%	1.9%
Real estate & rental & leasing	1.4%	1.8%
Unclassified	0.0%	0.1%
Total	20.0%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

Document sources: Axiometrics; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's

© 2020 Berkadia Proprietary Holding LLC

Berkadia® is a trademark of Berkadia Proprietary Holding LLC.
Axiometrics® is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx