

# LOUISVILLE, KY

## 2022 MARKET AT A GLANCE

### Occupancy Rate

95.7%



DOWN 30 BPS YOY

### Effective Rent

\$1,022



UP 3.7% YOY

### Rent Share of Wallet

18.5%



UP 10 BPS YOY

## Urban Core Capital Infusion to Support Nearby Apartment Demand

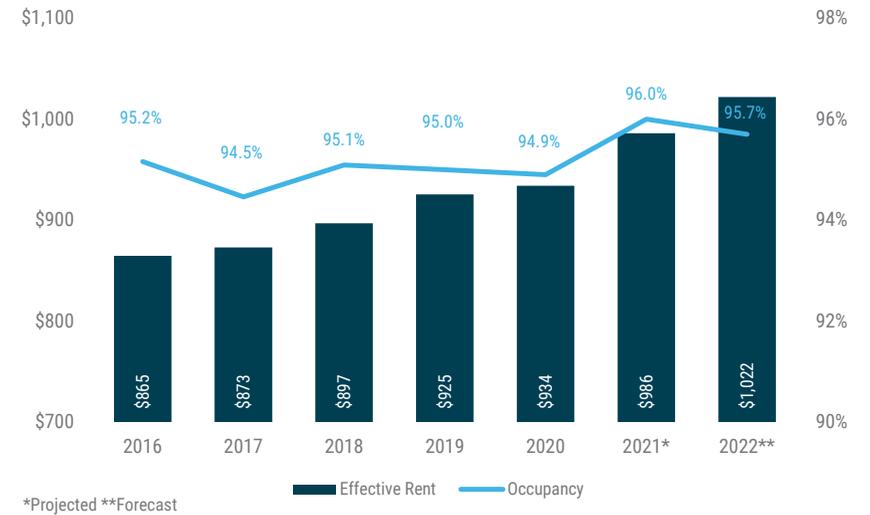
In the years following the Great Recession, multifamily developers noted the thousands of new residents moving to the Louisville metro area because of its growing and diversifying economy. Consequently, these developers ramped up apartment construction to meet anticipated demand, resulting in nearly 12,000 units delivered from 2015 to 2021. This trend will continue in 2022, as 2,198 units are placed into service among 13 apartment communities that come to completion in the metro area. More than 90% of the new apartment stock will be in the submarkets surrounding the urban core. Over the coming years, current and new residents in these near-inner-core areas will have convenient access to jobs and be able to enjoy numerous new shopping, dining, and entertainment destinations in Downtown Louisville, as more than \$300 million of developments underway in the urban center are scheduled for completion in 2022. The new multifamily communities will support leasing activity in 2022, keeping metrowide apartment occupancy above the five-year average. Additionally, the University of Louisville is a perpetual driver of apartment demand, with 17,000 students needing off-campus housing each year. Apartment demand across the metro is expected to keep rent moving upward in 2022. Following 5.6% effective rent growth during 2021, average effective rent is projected to rise 3.7% in 2022 to \$1,022 per month. The metro's healthy apartment fundamentals will be underpinned by sustained economic recovery following the pandemic. Local payrolls are projected to expand 2.4% during 2022 with the creation and the restoration of 15,800 jobs.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

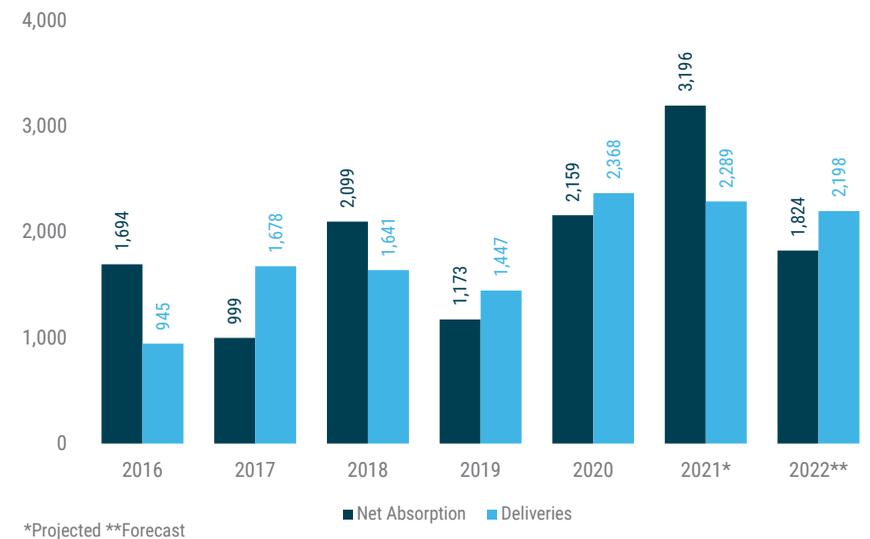
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy

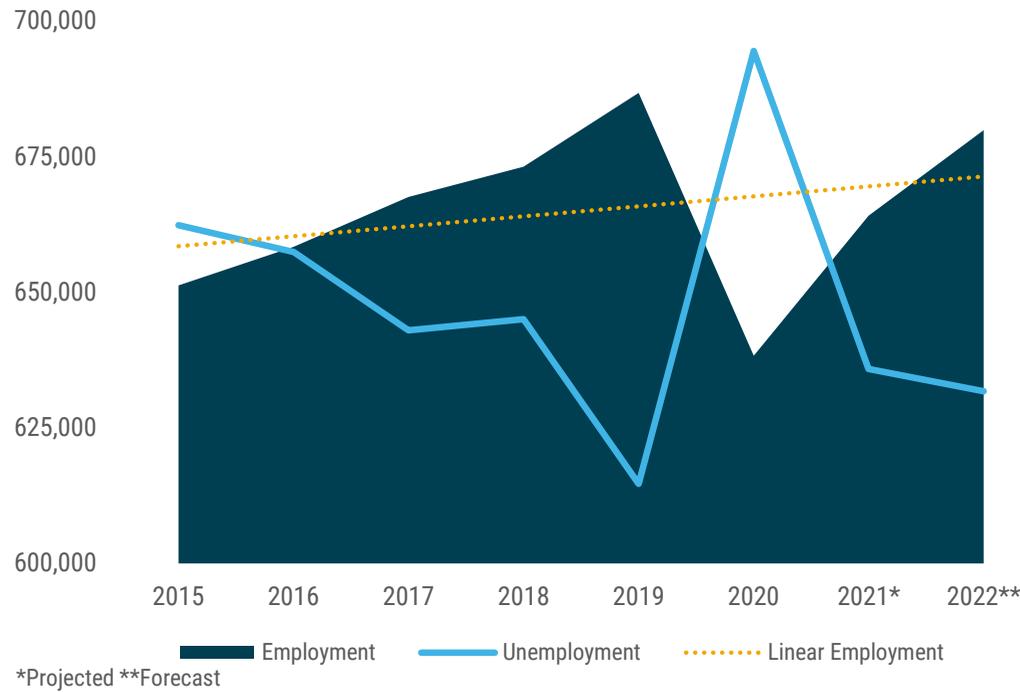


### Absorption & Deliveries



## EMPLOYMENT TRENDS

### Market Employment Trends



## SALES TRENDS

### Price Per Unit & Cap Rate



### Employment

679,900



UP 2.4% YOY

### Unemployment

3.3%



DOWN 10 BPS YOY

### Median Household Income

\$66,324



UP 3.3% YOY

### Price Per Unit

\$119,610



UP 8.0% YOY

### Cap Rate

6.1%



UP 10 BPS YOY