

# LOUISVILLE, KY

## 2023 MARKET AT A GLANCE

Occupancy Rate

95.1%



DOWN 60 BPS YOY

Effective Rent

\$1,179



UP 3.7% YOY

Rent Share of Wallet

20.8%



UNCHANGED YOY

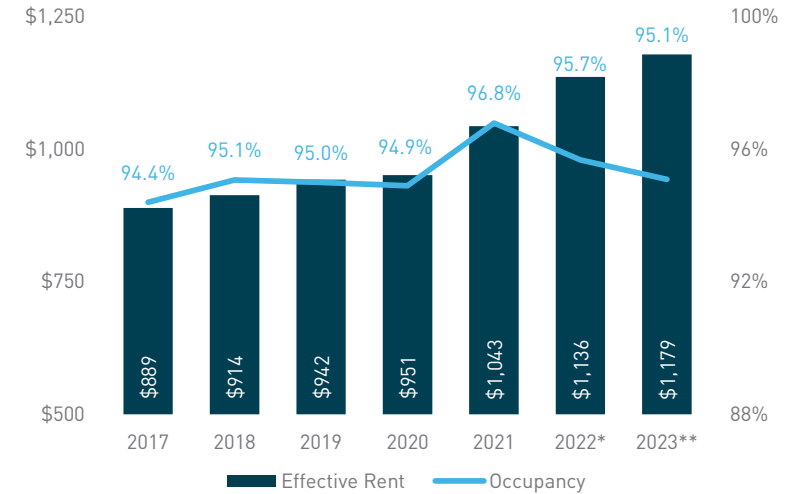
## Resilient Louisville Apartment Market Expected in 2023

Sustained housing demand is strengthening developers' confidence in the Louisville apartment market. Construction is scheduled to complete on nearly 1,600 units over the next four quarters. The latest additions follow approximately 17,200 units to come online over the prior decade, representing more than 20% apartment inventory growth. At the same time, the occupancy rate averaged 95.0%. The Louisville apartment market is expected to outperform the 10-year average as the occupancy rate is forecast to settle at 95.1% in the fourth quarter of 2023. While down year over year, persistent positive net absorption should keep the occupancy rate healthy. Contributing to the enduring apartment demand is the increasing barrier of entry to homeownership as well as the median household income of renters averaging less than half of homeowners. Even with the income disparity, many renters still target new Class A product as each community averaged 10 units absorbed per month in 2022, on par with the pre-pandemic average. This preference for new product will support metro-high net absorption in the Southwest Louisville submarket, which will also top all other submarkets for deliveries over the next four quarters. The Southwest Louisville submarket includes Downtown Louisville as well as major employers like the UofL Health system, contributing to the apartment development and demand in the past and the near-term. More than 450 units are scheduled to come online in the submarket in 2024, part of more than 1,900 deliveries on pace to be completed metrowide next year.

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 2022 are projected values. 2023 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.

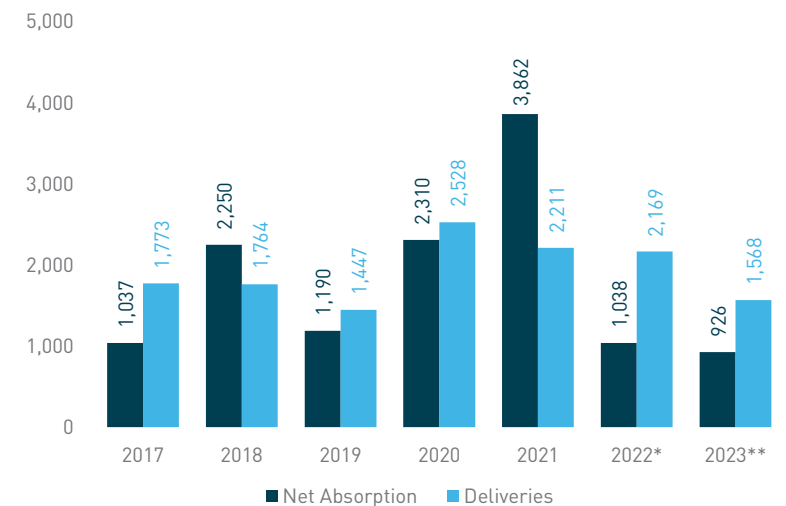
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

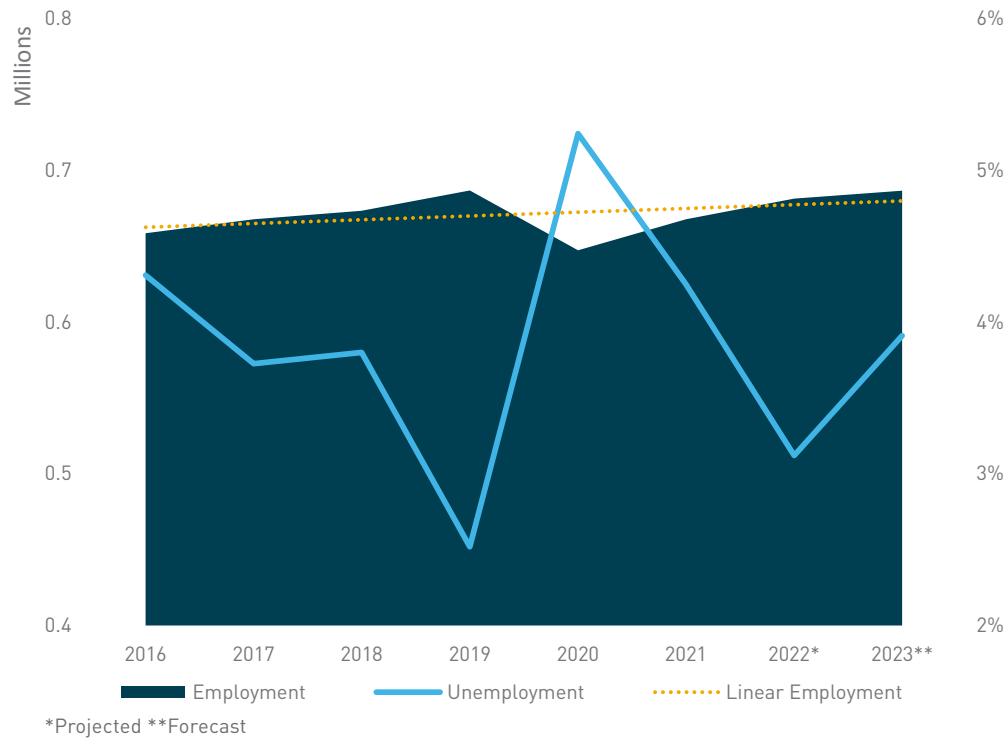


\*Projected \*\*Forecast

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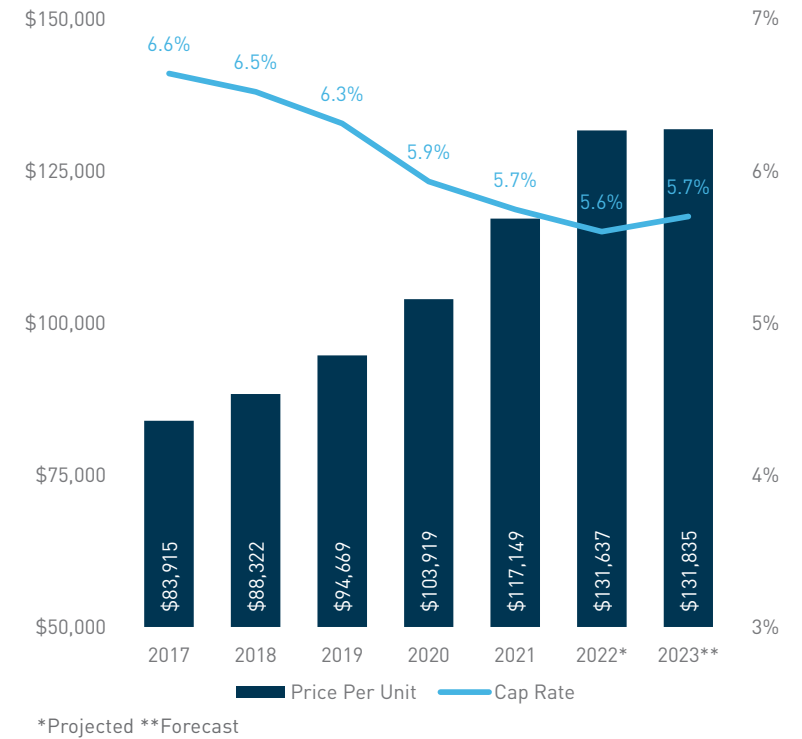
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

686,500



UP 0.8% YOY

Unemployment

3.9%



UP 80 BPS YOY

Median Household Income

\$67,867



UP 3.4% YOY

Price Per Unit

\$131,835



UP 0.2% YOY

Cap Rate

5.7%



UP 10 BPS YOY