

MARKET AT A GLANCE



OCCUPANCY RATE

94.4%

Up 50 bps since 1Q19



EFFECTIVE RENT

\$839

Up 1.9% since 1Q19



DELIVERIES

0

Units YTD

MARKET IMPACT ANALYSIS

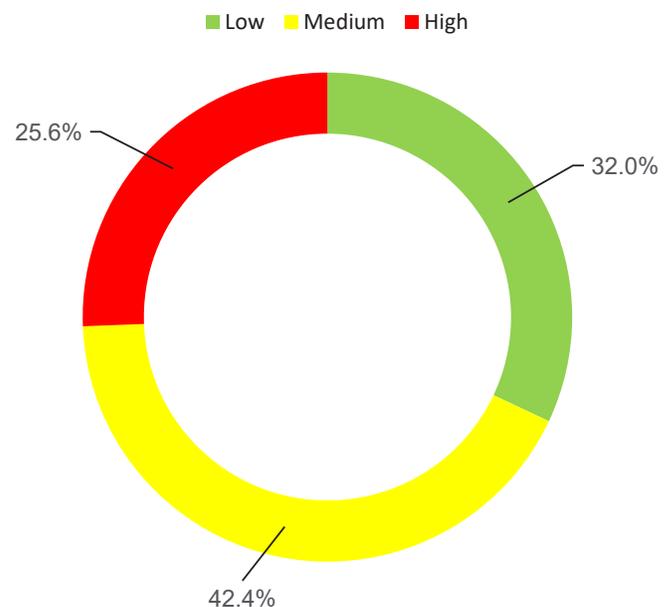
COVID-19 DRIVES HEALTH CARE AND EDUCATION EMPLOYEE FURLOUGHS

COVID-19 has proven to be a threat to the Lexington metro's health care, accommodations, and retail sectors. The health care industry alone makes up 16% of the metro's workforce. With elective surgeries shut down in the wake of the global pandemic, hospitals like Baptist Health and the University of Kentucky Chandler Hospital are resorting to pay cuts, furloughs, and staff redeployments. The University of Kentucky announced that it will lay off 1,500 health care workers as part of a contraction of 1,700 UK employees across Lexington and Fayette County. These layoffs have been driven by a \$70 million deficit in the university's budget caused by the coronavirus. Other major employers, including Amazon and Walmart, have responded more positively, retaining current employees and hiring additional help to meet spikes in consumer demand caused by the pandemic. Additionally, general construction has been deemed essential and allowed to continue, a major silver lining for housing development in the metro. Local officials have ramped up efforts to curtail the long-term damage caused by the virus. As of April 27, drive-through testing services are expected to be available to residents in early May. Governor Andy Beshear recently announced that starting May 11 residents statewide will be asked to wear masks when going out in public. These measures will help to ensure that Lexington can open up for business in a safe manner as soon as possible.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	1.3%	1.1%
Finance & insurance	3.3%	4.7%
Health care & social assistance	16.0%	16.0%
Information	1.4%	2.2%
Transportation & warehousing	5.6%	4.4%
Utilities	0.2%	0.4%
Wholesale trade	4.3%	4.7%
Total	32.0%	33.4%
MEDIUM		
Administrative & waste services	9.3%	7.4%
Educational services	1.4%	2.3%
Manufacturing	7.3%	10.1%
Mining, quarrying, & oil & gas extraction	0.1%	0.5%
Other services, except public administration	3.5%	3.6%
Professional & technical services	7.5%	7.5%
Retail trade	13.3%	12.2%
Total	42.4%	43.6%
HIGH		
Accommodation & food services	13.5%	11.1%
Arts, entertainment, & recreation	2.4%	1.9%
Construction	6.5%	6.1%
Management of companies & enterprises	1.3%	1.9%
Real estate & rental & leasing	1.9%	1.8%
Unclassified	0.0%	0.1%
Total	25.6%	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.



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