MARKETBEAT
LOUISVILLE
INDUSTRIAL Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
4.8% Vacancy Rate	▲	▲
3.1M YTD Net Absorption, SF	▲	–
$6.94 Asking Rent, PSF	▲	–

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
710.7K Louisville Employment	▼	▲
4.5% Louisville Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▼	▲

Source:BLS

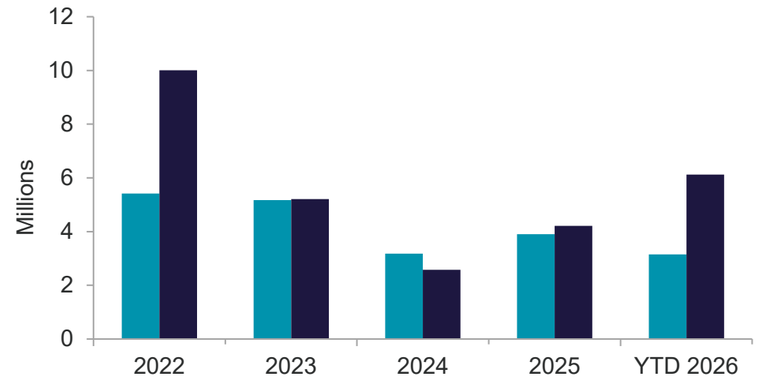
ECONOMIC OVERVIEW

During the third quarter of 2026, the U.S. economy showed notable resilience and remained on a positive trajectory despite ongoing international conflicts, including tensions affecting global energy markets and key trade routes. These geopolitical challenges created uncertainty abroad, yet U.S. businesses and consumers continued to support economic expansion. Economic growth remained solid, with forecasters expecting real U.S. GDP to expand at roughly a 2.1% annualized rate, reflecting healthy consumer demand, business investment, and a stable labor market. Inflation remains a concern with core PCE up 0.2% in August and 3.0% year over year, above the Federal Reserve's long-run 2.0% target. In response, the Fed unanimously voted to increase its benchmark interest rate by 25 basis points (bps) in September, the first rate increase in three years.

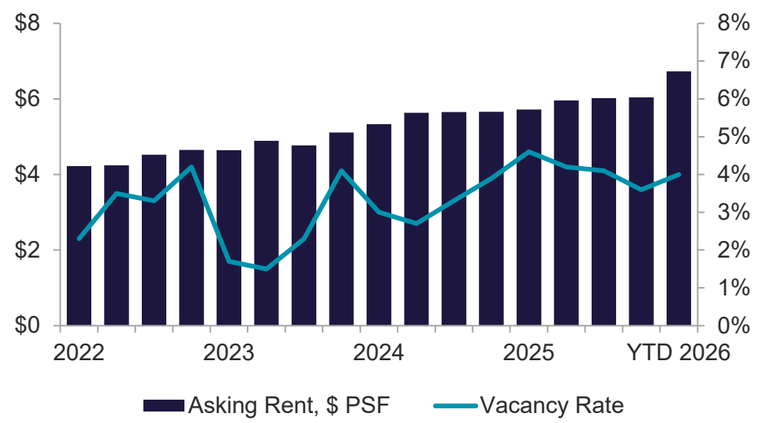
The Louisville area local labor market remains strong, with the seasonally adjusted unemployment rate in the Louisville-Jefferson County, KY-IN Metropolitan Statistical Area standing at 4.8% in July 2026. Economic development activity remained encouraging across the region, with critical capital investments in health care facilities, commercial construction, and infrastructure projects driving employment and strengthening Louisville's long-term growth prospects.

Two of the most noteworthy investments came from two of Louisville's largest employers. Ford Motor Company will invest $1 billion in a new paint shop at their current truck plant and GE Appliances will likewise invest $1 billion into production expansions at Louisville's Appliance Park. Construction, business expansion, and technology-related projects contributed to capital spending throughout the metropolitan area. Overall, the third quarter highlighted a stable job market, ongoing development momentum, and sustained investment that positioned the Louisville economy for continued growth.

SPACE DEMAND / DELIVERIES



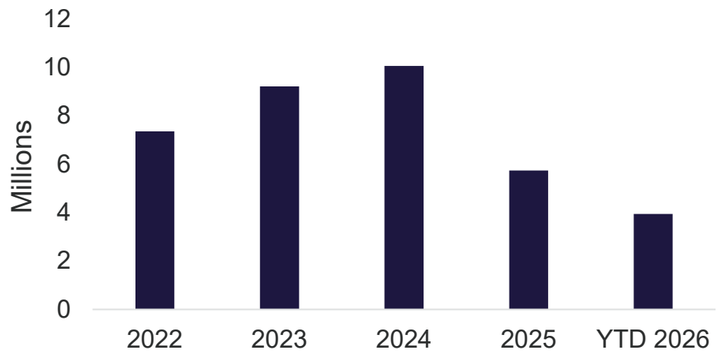
OVERALL VACANCY & ASKING RENT



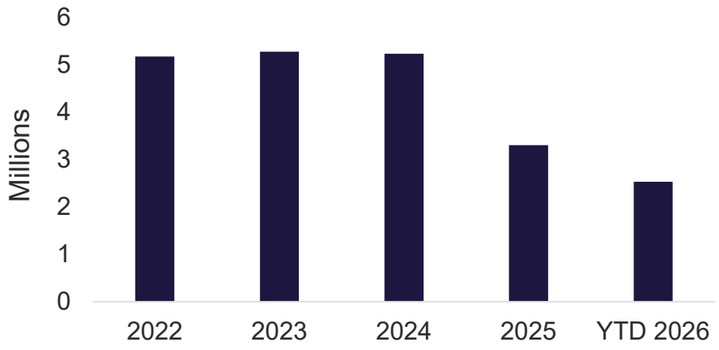
© 2026 Cushman & Wakefield

LOUISVILLE
INDUSTRIAL Q3 2026

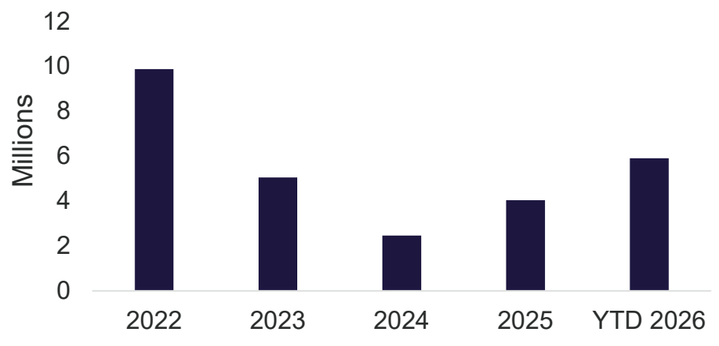
YTD LEASING ACTIVITY - BULK (SF)



YTD NET ABSORPTION - BULK (SF)



YTD CONSTRUCTION COMPLETIONS



MARKET OVERVIEW

Louisville's industrial market matched pace with last quarter's leasing activity providing another quarter of substantial leasing activity. Landing at 1.8 million square feet (msf) of new leasing activity for the second straight quarter. The third quarter exceeded the 1.4 msf of leasing activity logged during last year's third quarter and continues to bolster healthy tenant demand. Top contributors to this quarter's activity include Kuehne & Nagel's 840,064-sf lease in Bullitt County and a confidential 324,576-sf lease in the south, and Canadian Solar's 254,150-sf lease in Southern Indiana. Absorption also consisted of healthy figures, reporting 1.9 msf of newly occupied space outperforming the 1.4 msf in 2025's third quarter. Following the previously mentioned leases, the completions of a fully-leased speculative 136,080-sf building and a build-to-suit 110,00-sf building along with Voestalpine's 166,000 expansion all contributed to meaningful overall absorption figures. While the overall vacancy rate this quarter rose 20 bps from 4.6% to 4.8%, the persistent positive absorption dampened the vacancy impact of the 2.5 msf of construction completions.

BULK MARKET OVERVIEW

Louisville's bulk market saw similar trends to the overall market with leasing activity figures landing at 1.5 msf mirroring last quarter's report of 1.6 msf. Overall, bulk leasing activity continues to outpace 2025 by nearly 1 msf, a positive sign of persistent tenant interest. Bulk absorption continues the positive momentum bringing in 1.7 msf of positive absorption, the highest single-quarter boost since the fourth quarter of last year. As expected, the bulk vacancy rate proceeded to ascend due to an abundance of construction completions, rising from 8.1% last quarter to 8.6% this quarter. Despite the increase, ample positive absorption from this quarter allowed for a tempered change. Overall bulk rental rates ticked up 0.5% from $6.93 to $6.96 while new construction rates cooled 3.9% from $7.68 to $7.38.

CONSTRUCTION OVERVIEW

Bulk construction completions maintained momentum in the third quarter, adding 2.5 msf of new inventory, surging the market's bulk inventory to 101.7 msf. Most of the new construction were speculative developments while one building was build-to-suit, and the completions were widely distributed across the Louisville metro. The Shelby County submarket gained the most square-footage, totaling 775,840 sf while Bullitt County added another 614,445 sf to its submarket. The South and Southern Indiana submarkets remained active, each growing by 450,594 and 449,983 sf, respectively. Additionally, the market saw 2.3 msf of construction starts this quarter bringing the current under construction pipeline to 5.0 msf of total new inventory on the way. Speculative construction proceeds to outshine build-to-suit construction apportioned into 64% speculative and 36% build to suit. Third quarter year-to-date (YTD) pre-leasing activity totaled 848,850 sf and YTD first generation leases landed at 1.5 msf. Overall, tenant activity is keeping pace with the newly-added inventory, subduing vacancy increases while maintaining rental rate growth.

OUTLOOK

- Robust construction activity has expanded inventory by 5.9 msf of new inventory with further deliveries expected by the end of the year.
- Tenant activity has largely kept pace with the influx of newly delivered space throughout the year suggesting a general stagnation of further vacancy increases. Expectations are for the vacancy rate to hover around the same percentage in the near future.

© 2026 Cushman & Wakefield

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD INVESTMENT SALES ACTIVITY (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	*OVERALL WEIGHTED AVG NET RENT (MF)	*OVERALL WEIGHTED AVG NET RENT (OS)	*OVERALL WEIGHTED AVG NET RENT (WD)
Bullitt County	**28,034,386**	**8.9%**	**1,104,064**	**3,918,789**	**1,816,039**	**1,454,026**	**2,190,579**	**$5.23**	**N/A**	**$7.01**
Central	**21,222,475**	**2.8%**	**104,623**	**0**	**101,088**	**0**	**0**	**$4.58**	**$5.35**	**$7.50**
Downtown	10,021,316	4.7%	79,200	0	79,200	0	0	$4.39	$5.35	N/A
I-64	1,860,523	1.8%	17,863	0	17,863	0	0	N/A	N/A	$7.50
I-65	9,340,636	1.0%	7,560	0	4,025	0	0	$6.75	N/A	N/A
East	**28,703,575**	**1.0%**	**161,269**	**445,899**	**773,630**	**1,326,920**	**136,080**	**$13.00**	**$11.11**	**$6.94**
Jeffersontown	14,521,222	1.1%	1,355	445,899	34,730	334,000	0	$13.00	$11.58	$6.50
Middletown / Eastpoint	4,003,776	3.3%	-18,883	0	3,400	0	0	N/A	$11.50	$7.50
Westport Road	10,178,577	0.1%	133,797	0	735,500	992,920	136,080	N/A	$9.22	N/A
South	**61,773,081**	**2.4%**	**1,078,089**	**613,003**	**1,388,857**	**326,188**	**1,401,620**	**$6.89**	**$11.00**	**$6.62**
Airport	34,345,425	3.5%	892,745	95,174	1,178,590	326,188	1,171,770	$6.90	N/A	$6.72
Bishop Lane	9,659,431	1.2%	61,467	40,385	148,490	0	119,850	$6.86	$11.00	N/A
Fern Valley	17,768,225	0.8%	123,877	477,444	61,777	0	0	N/A	N/A	$5.95
West / Southwest	**24,555,389**	**3.6%**	**-93,700**	**499,217**	**198,700**	**500,156**	**0**	**$8.00**	**$9.83**	**$7.05**
Iroquois	248,024	0.0%	0	0	0	0	0	N/A	N/A	N/A
Riverport	20,255,822	4.2%	-104,900	499,217	183,700	500,156	110,000	$8.00	$9.83	$7.08
Westend	4,051,543	0.3%	11,200	0	15,000	0	0	N/A	N/A	$4.95
Shelby County	**12,981,940**	**8.9%**	**0**	**0**	**99,220**	**75,000**	**775,840**	**N/A**	**$11.60**	**$6.87**
Southern Indiana	**36,843,788**	**9.1%**	**795,645**	**1,459,546**	**529,645**	**1,407,313**	**1,569,963**	**N/A**	**N/A**	**$7.23**
Floyd County	5,500,141	0.0%	63,740	38,896	63,740	22,250	0	N/A	N/A	N/A
Clark County	31,343,647	10.7%	731,905	1,420,650	465,905	1,385,063	1,569,963	N/A	N/A	$7.23
LOUISVILLE TOTALS	**214,114,634**	**4.8%**	**3,104,990**	**6,936,454**	**4,907,179**	**5,089,603****	**6,136,182**	**$5.49**	**$9.67**	**$7.03**

**Rental rates reflect full service asking*
***Does not match national statistics*

MARKET STATISTICS - BULK

CLASS	INVENTORY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD INVESTMENT SALES ACTIVITY (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	*OVERALL WEIGHTED AVG. NET RENT (LAST Q)	*OVERALL WEIGHTED AVG NET RENT (THIS Q)
Bullitt County	25,700,265	9.6%	1,104,064	3,155,270	1,816,039	1,454,026	2,190,579	$6.93	$6.91
Central	1,211,595	0.0%	0	0	0	0	0	N/A	-
East	6,564,666	3.4%	136,080	390,000	729,000	1,326,920	136,080	$7.00	$7.00
South	26,819,844	3.8%	1,011,193	402,444	939,009	326,188	1,291,620	$7.16	$6.59
West / Southwest	14,494,280	5.0%	-116,200	0	159,600	500,156	110,000	$6.80	$6.80
Shelby County	4,518,159	25.2%	0	0	0	0	775,840	$7.15	$7.04
Southern Indiana	22,473,535	14.2%	401,150	1,339,168	301,150	1,335,063	1,403,963	$6.84	$7.15
LOUISVILLE TOTALS	**101,782,344**	**8.6%**	**2,536,287**	**5,286,882**	**3,944,798**	**4,942,353**	**5,908,082**	**$6.93**	**$6.96**

**Rental rates reflect full service asking*

© 2026 Cushman & Wakefield

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT / INVESTOR	SF	TYPE
3012 Preston Highway	Bullitt	Kuehne & Nagel	840,064	New Lease
310 Velocity Way	Bullitt	LaSalle	711,975	Investment Sale
5100 Jeff Commerce Drive	South	Link Industrial Properties	402,444	Investment Sale
700 Patrol Road	Southern Indiana	Taylor Communications	335,535	Renewal*
8001 Air Commerce Drive	South	Confidential	324,576	New Lease

**Renewals not included in leasing statistics*

INDUSTRIAL SUBMARKETS



VICTORIA SAUNDERS
Research Analyst
Tel: +1 502 589 5150
vsaunders@commercialkentucky.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that *Better never settles*, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.
Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.