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Mr. Jay Lockett, AICP
Planning & Design Services
444 South Fifth Street, Suite 300
Louisville, KY. 40202

RE: Market thoughts related to 7300 S Hurstbourne Pkwy. Case 21-DDP-0055

Dear Mr. Lockett,

I am Robert Walker, Senior Director with Cushman & Wakefield here in Louisville. I have been in commercial Real Estate for over 20 years with a focus on Industrial real estate for nearly 19 years. I am writing you about the 27-acre parcel of land owned by Hurstbourne Corporate Group (HCG) near the corner of Fegenbush Lane and Hurstbourne Parkway and referenced above. It is my understanding Louisville Metro would like to see a roadway traverse the property, connecting Patriots Crossing Trail to Kyle Ridge Way. I write this letter to provide my professional opinion in support of the applicant's proposed development plan whereon it depicts a roadway design providing the connectivity desired by Louisville Metro, but without sacrificing the property owner's ability to deliver a usable larger tract of property. Due to current market conditions a 20-acre tract is more attractive and valuable than smaller tracts, due both to market need and to prospective Buyers. Consequently, a roadway design subdividing the larger 20-acre tract into smaller lots would certainly have a significant downside on the property's ability to meet the market need for this important area with the type of property that is in lowest supply and greatest demand.

HCG's property is the last large tract of PEC land (15+ acres) that is ready for development in the South and East submarkets with minimal geographical and environmental obstacles. There are many smaller sites available of 3 to 10 acres for Buyers.

A supply problem exists for this type of large property. The Class A vacancy rate for buildings over 100,000 square feet in the Louisville area ended 2021 at a record low of 2.3%. The vacancy rate for the South and East Submarkets are even lower ending 2021 with a vacancy rate of 2.1% and 1.8% respectively. Class A 100,000 SF and larger Net Absorption (the amount of total space either occupied and unoccupied during a time period) ended 2021 at a positive 7.9 million square feet, while the Louisville area market only added 4.4 million SF of new construction during 2021.

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Larger tracts (15+ acres) will attract more institutional buyers and larger companies, looking to occupy more space, bring more jobs, and invest more dollars in Louisville Metro. Companies like GE, UPS, Ford, etc. also need these larger spaces as do the companies that support these major employers. These companies usually require in excess of 150,000 SF, while signing longer leases and offering better credit as Buyers.

In summary, a 20-acre lot at this location better meets the market need and is in much greater demand than 2 to 5-acre smaller lots. This important South submarket area surrounding the Louisville International Airport includes some of Louisville Metro's largest employers and most important businesses. In my opinion, creating two or more smaller lots by bisecting this 20-acre property with a roadway connecting opposite corners of the property would eliminate the highest and best use of the property, without the availability of similar-sized replacement properties in this important South submarket and Suburban Workplace Form area.

Best regards,

A handwritten signature in black ink that reads "Robert B. Walker". The signature is written in a cursive, flowing style.

Robert B. Walker, SIOR, CCIM