

A photograph of a rural landscape. A large tree with yellow autumn leaves stands on the right side of a dirt road. A wooden fence runs along the road, and a cow is visible in a field to the right. In the background, there are rolling hills and a white house on the left. The sky is overcast.

**03**

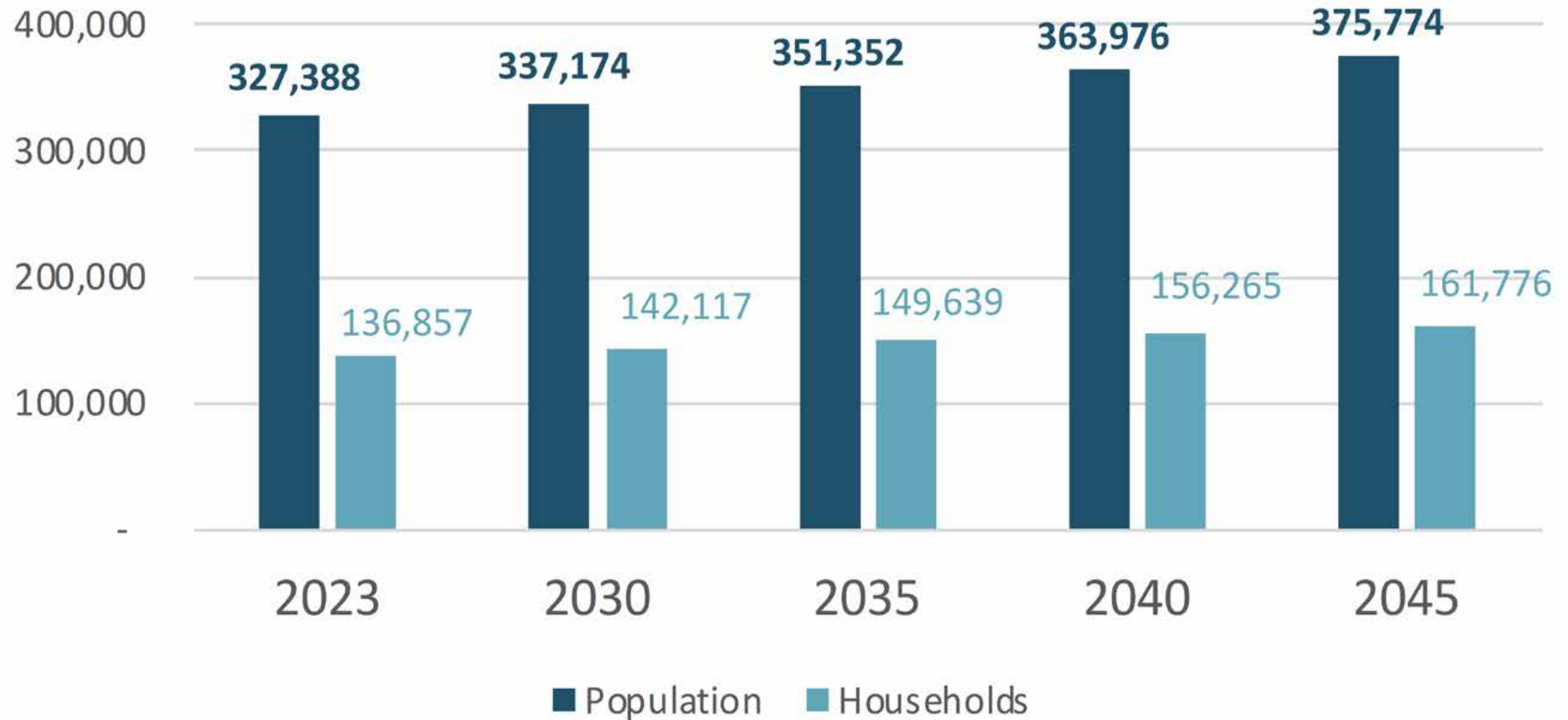
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# MARKET POTENTIAL

Demographics // Housing //  
Office // Industrial // Retail

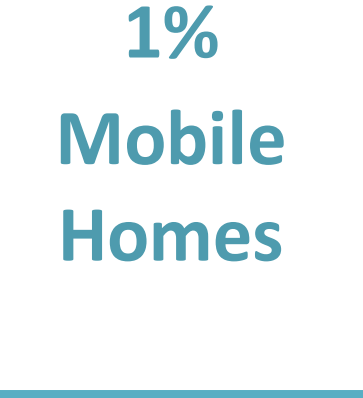
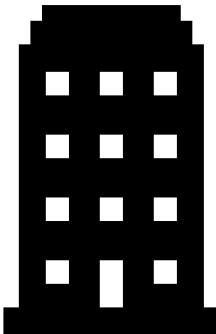
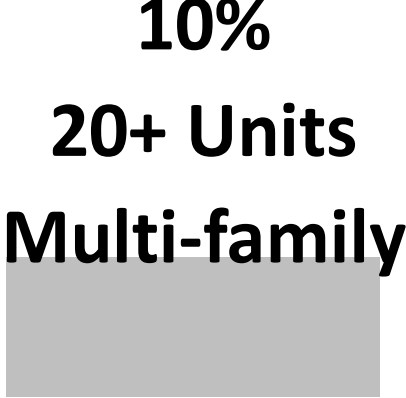
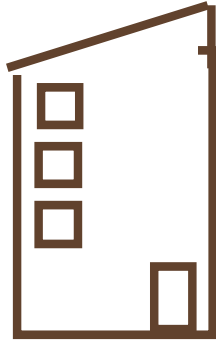
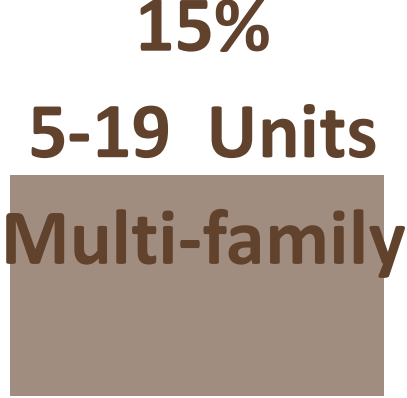
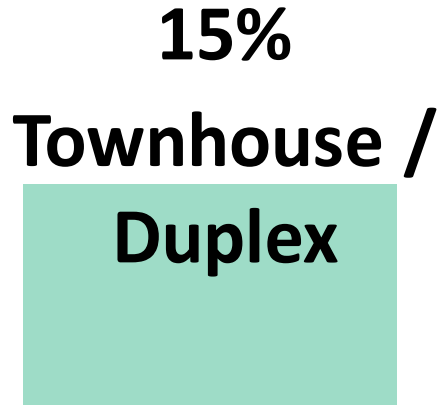
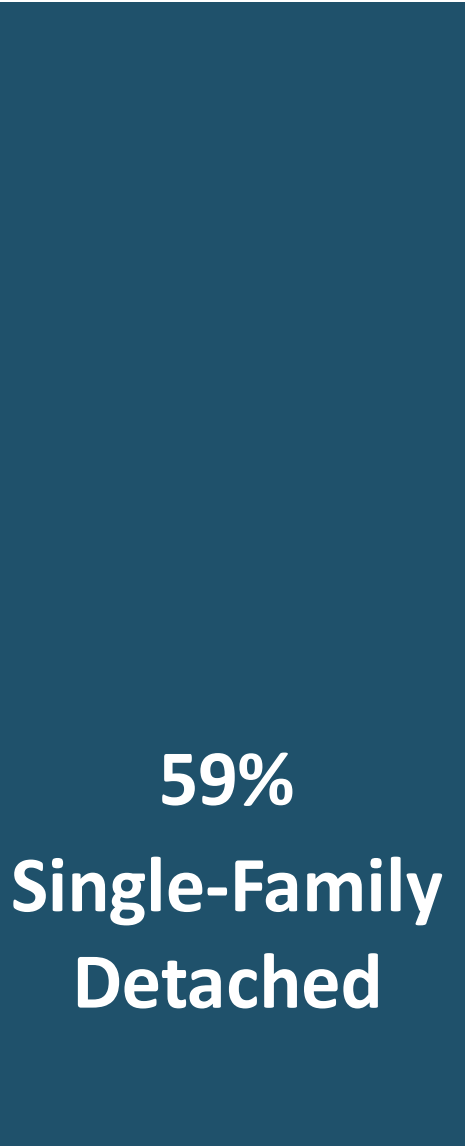
# Demographics

## Projected Population & Households, 2023-2045



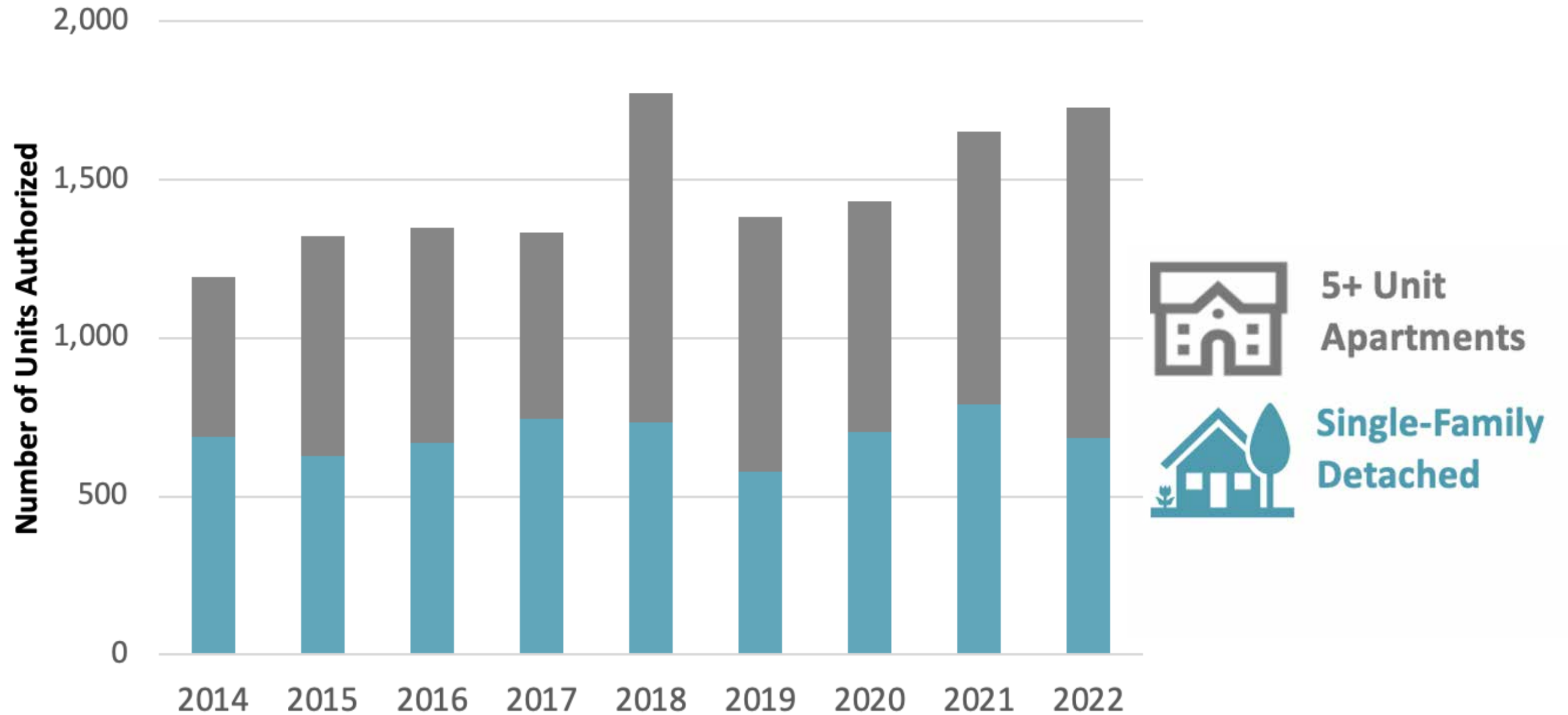
# Residential Conditions

Existing Housing Stock



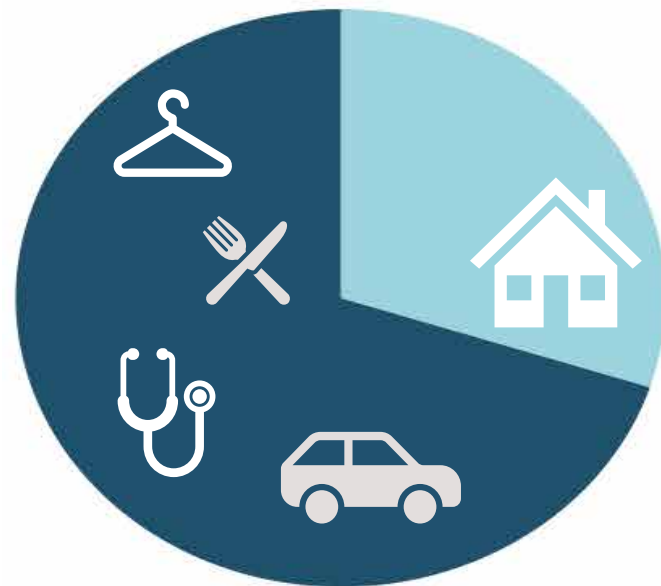
# Residential Conditions

## Building Permits



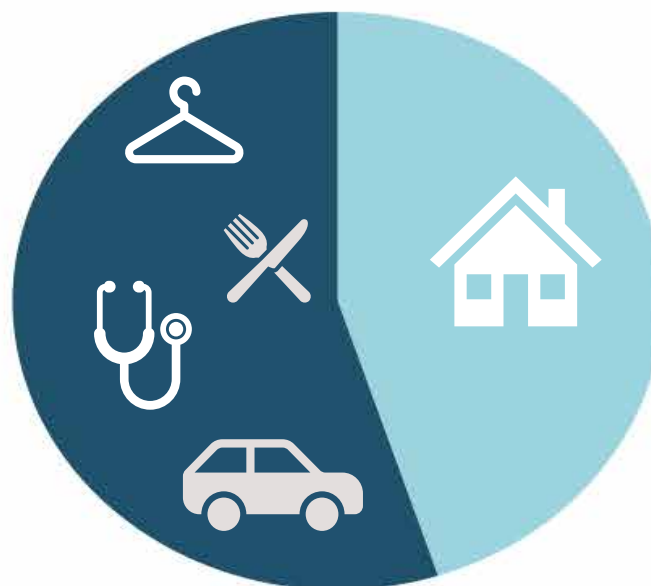
# Defining Affordability

Affordable



<30%

Cost Burdened



>30%

Severely Cost Burdened



>50%

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*Spending NO MORE than 30% of income on housing-related expenses  
Family of 3 at 50% AMI can afford up to \$1,060 per month for 2-BR unit*

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# Residential Conditions

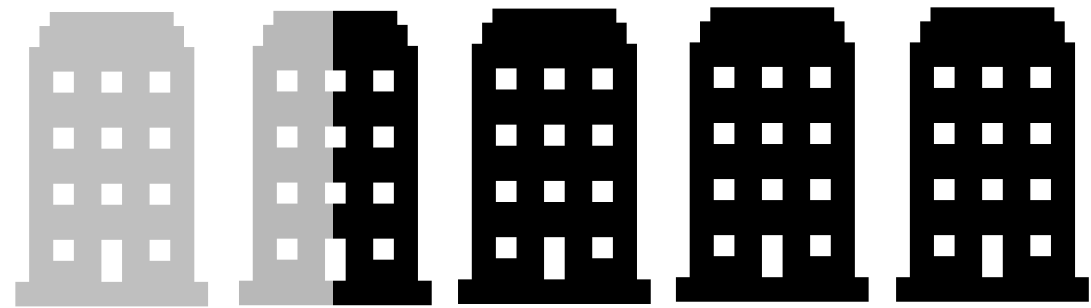
## Housing Needs

### OWNERS up to 80% AMI



3,725 severely cost-burdened owners  
19% of owners

### RENTERS up to 80% AMI



12,240 severely cost-burdened renters  
31% of renters



80% AMI- 3 person \$64,350



4 person \$71,400

# Residential Conditions

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What are people looking for?

- Diverse neighborhoods
- Variety of housing/unit types, sizes and price/rent ranges
- Addressing gaps in the current housing supply
- Attainable housing
- Walkable amenities = Greater density



# Office

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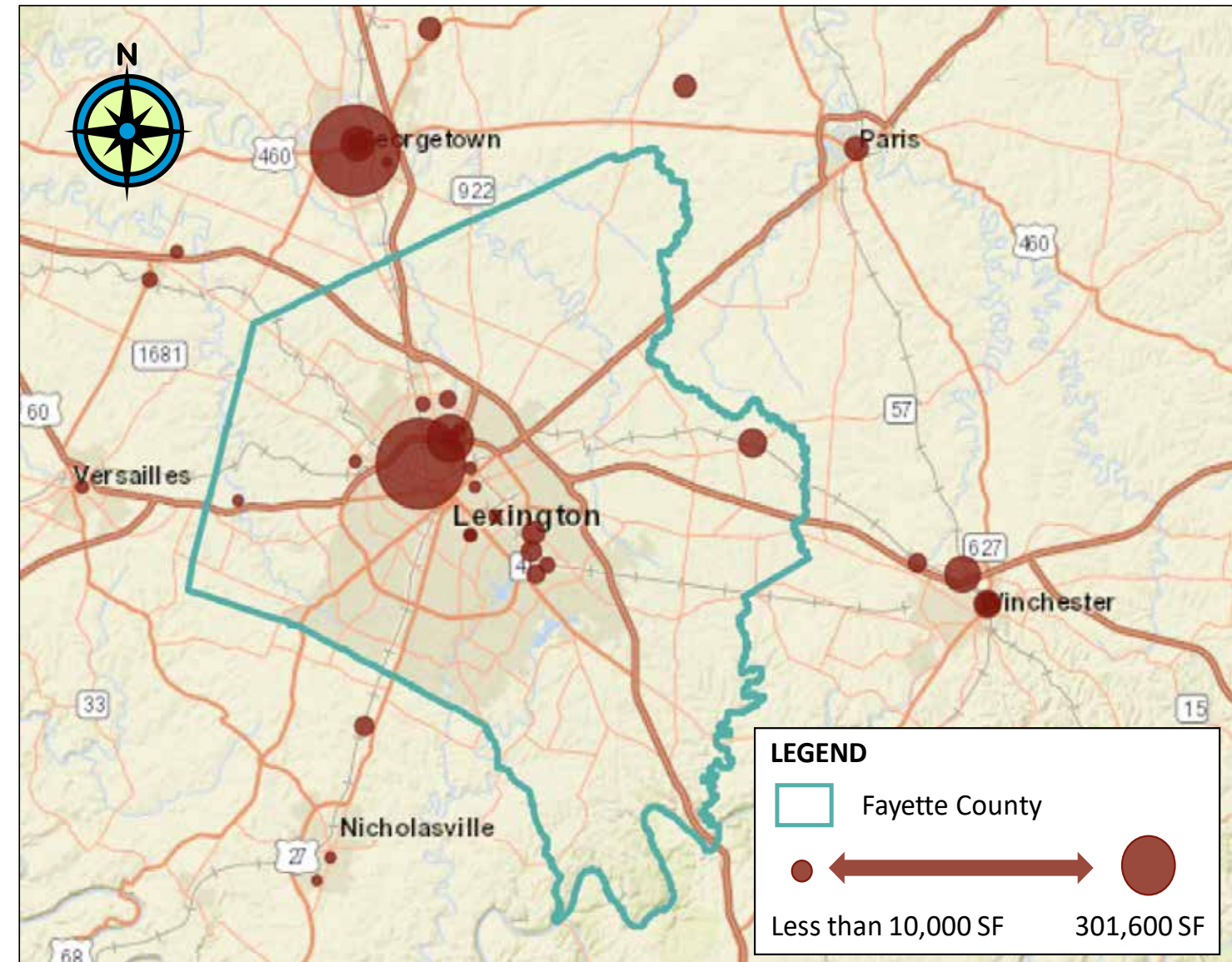
- Vacancy likely to climb as tenants shrink spaces with work-from-home trend
- Move toward mixed-use environments
- Neighborhood-serving office





# Industrial

- Projected **regional** growth 4.2 to 5.8 million square feet by 2045.
- Lexington should be able to capture 35-40% of that.
- Land costs will prevent most industrial development in the Expansion Areas.
- Largest potential for future industrial in Areas 4/5, around Blue Sky.
- Actual development will depend on the availability of appropriate sites.



# Retail

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- Lots of newly built / successful retail centers across the city.
- Continued focus in refreshing existing retail centers.
- Retail will follow rooftops (population growth).
- Many retailers now rely on placemaking (i.e. mixed-use).

