

MARKET FUNDAMENTALS		
	YOY Chg	Outlook
74.4K Median HH Income	▲	▲
0.4% Population Growth	▼	▲
4.3% Unemployment Rate <small>Source: BLS</small>	▼	▲
ECONOMIC INDICATORS		
	YOY Chg	Outlook
0.5% GDP Growth	▼	▲
1.1% Consumer Spending Growth	▲	▲
0.5% Retail Sales Growth	▼	▬
<small>Source: BEA, Census Bureau</small>		

ECONOMIC OVERVIEW

Retail sales plowed ahead at the end of the year, rising by 0.6% in November after a slight dip in October. The raw sales numbers suggest that U.S. consumers still have some steam left in the engine – nonetheless, consumer sentiment sounds a more cautious tone entering into the New Year. The University of Michigan consumer sentiment index rose to 54 in the January 2026 reading, slightly above the reading of 52.9 for the previous month. The findings suggest that consumers remain apprehensive about challenges that could upset the economy: notably, inflation is still above the Federal Reserve’s 2.0% target rate, new hiring and employment appears sluggish compared to this time last year.

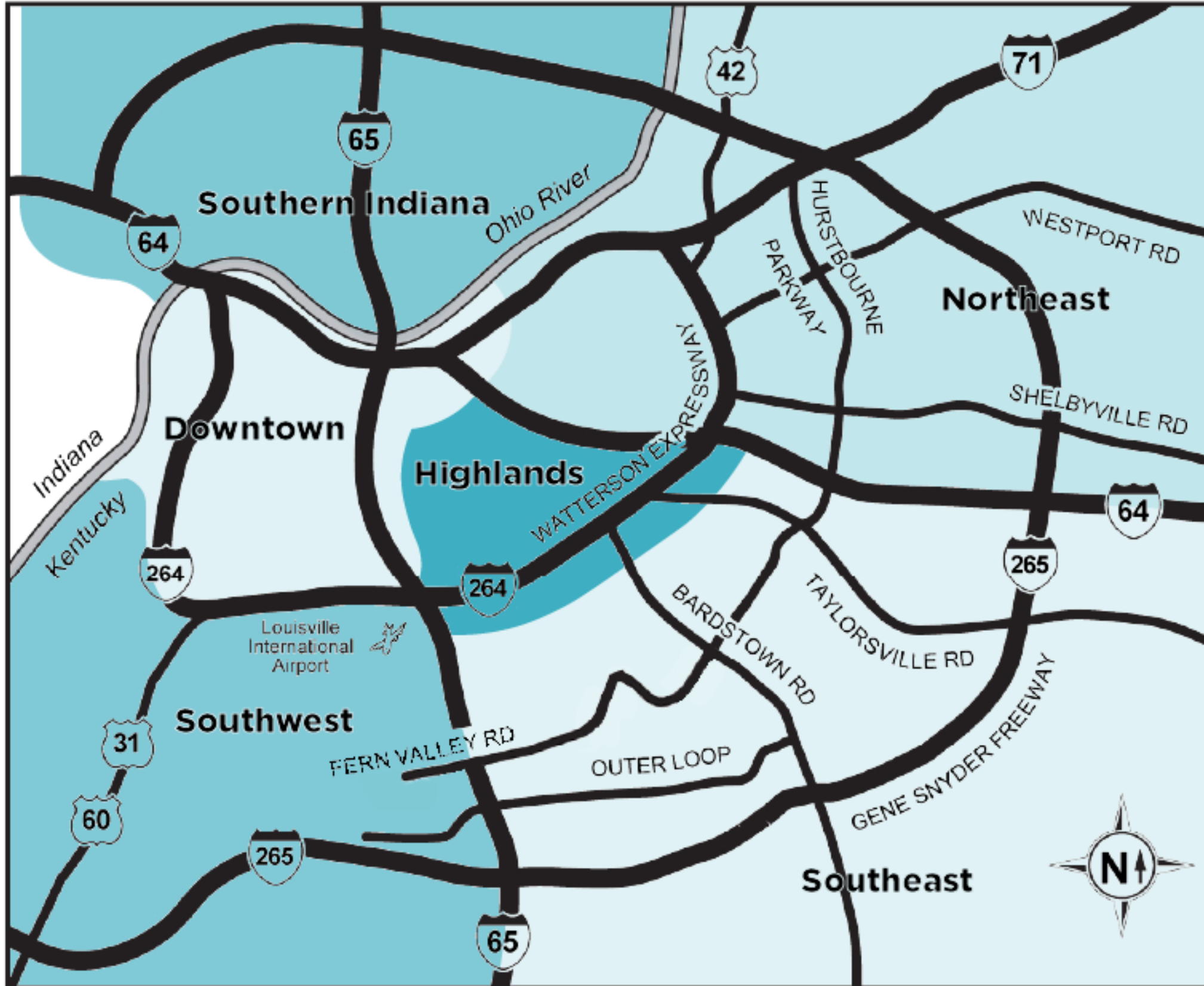
LOCAL INSIGHT

Retail real estate continues to perform remarkably well in Louisville’s eastern and northeastern suburbs. Prime retail real estate commands rents in the \$30-40 per square foot (psf) range, with new construction testing the \$50 psf mark. Some new development work is happening, primarily in the grocery space. Publix completed two new ground-up projects, the first on Flat Rock Road in far eastern Jefferson County and the second on Brownsboro Road and Chamberlain Lane in the affluent northeast corridor. Another Publix project, an infill development proposed at the Mid City Mall site in the Highlands neighborhood, has also been announced. Should that project move forward, it would breathe a ton of new life and vitality into a historically significant neighborhood that has not seen any new major retail development in well over a decade.

In the restaurant space, Shake Shack is making their first foray into the Louisville market, announcing two new stores: one at Jeffersonville Town Center and the other at Oxmoor Mall, the dominant enclosed mall property located on the vital Shelbyville Road retail corridor. Zaxby’s is opening a new location on Central Avenue in close proximity to Churchill Downs and L&N Cardinal Stadium. Additionally, Chic-fil-A is planning to open a new location on Brownsboro Road across from the new Publix, and Chipotle is opening its first northeast Louisville space, taking over for the old KFC on U.S. Highway 42 at Holiday Manor.

Prolific downtown developer Zyzo/Campisano Capital has begun clearing the construction site for their NuLu Crossing project at East Main Street and Clay Streets. The massive mixed-use project calls for approximately 35,000 square feet (sf) of street-level retail, 30,000 sf of Class A office, 525 residential units and a 587-space garage. Zyzo also announced plans to construct a 27-story, 300-room hotel at Second and Market Streets, adjacent to the Kentucky International Convention Center and two blocks away from the KFC Yum! Center.

RETAIL SUBMARKETS



BRENT DOLEN, CCIM
Senior Director
Tel: +1 5025895150
bdolen@commercialkentucky.com

VICTORIA SAUNDERS
Research Analyst
Tel: +1 5025895150
vsaunders@commercialkentucky.com

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