

Multifamily Q3 2023

YoY Chg 12-Mo. Forecast

90.8%
Occupancy Rate



2.2%
Rent Growth, YOY



\$1.37
Effective Rent, PSF



(20+ unit developments, excluding senior housing and affordable) Source: CoStar, Cushman & Wakefield Research

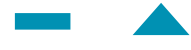
ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. Forecast

1.2M
Indianapolis Employment



2.9%
Indianapolis Unemployment Rate



\$73,000
Median HH Income



Source: BLS (Economic indicators are representative of specific county or MSA.)

ECONOMIC OVERVIEW: Indianapolis Unemployment Continues to Track Below U.S. Average

The Indianapolis unemployment rate increased slightly quarter-over-quarter (QOQ) but remained stable year-over-year (YOY) at 2.9%, still tracking well-below the U.S. unemployment rate of 3.7%. Though unemployment in the region is expected to rise over the next 12 months, Indianapolis employment growth equaled 2.5% YOY and employment should continue to grow over the upcoming year. U.S. job growth remained robust as well, with 336,000 jobs added to the U.S. economy during the month of September. This surpasses the monthly job growth of 267,000 over the past 12 months.

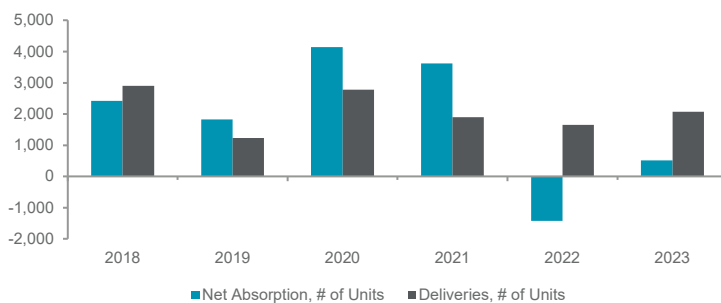
DEMAND: Effective Rents Grow YOY

Effective rent growth equaled 2.2% YOY in the Indianapolis multifamily market in the third quarter, with effective rents averaging \$1,265. On an annual basis, rent growth was posted in 13 of the 18 submarkets, with the Far East (9.3%), Northwest (9.0%), and Northeast (4.8%) recording the highest growth rates. The Carmel/Westfield/Zionsville and Downtown submarkets commanded the top average effective rents in the market, totaling \$1,580 and \$1,458 while effective rents were most affordable in the Near East, equaling \$998. The overall occupancy rate for the market declined 90 basis points QOQ to 90.8% in the third quarter, with occupancy levels highest in the Near South (93.6%) and Northwest (93.5%) submarkets.

DEVELOPMENT: Deliveries Top 2021 and 2022 Levels with One Quarter Remaining

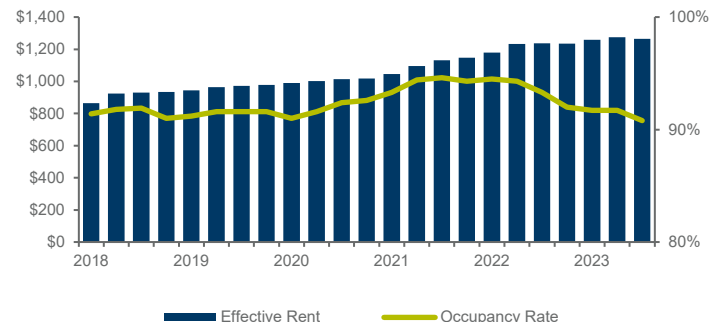
The Indianapolis multifamily market sustained its strong pace of construction deliveries in the third quarter, with year-to-date deliveries topping 2,000 units. This surpassed the delivery totals posted in 2021 and 2022 with one quarter still remaining. Ten of the 18 submarkets delivered space so far in 2023, led by the Greenwood and Fishers/Noblesville submarkets, which delivered 839 and 265 units, respectively. The under construction pipeline equaled 7,576 units in the third quarter, staying relatively flat YOY with an increase of 1.6%. Three submarkets—Carmel/Westfield/Zionsville, Fishers/Noblesville, and Downtown—account for 61.3% of all units currently under construction.

SPACE DEMAND / DELIVERIES



Source: CoStar

OVERALL OCCUPANCY & EFFECTIVE RENT



Source: CoStar



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CONSTR (UNITS)	NET ABSORPTION (UNITS)	OCCUPANCY RATE	YOY OCCUPANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT/UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Avon/Brownsburg/Danville/Plainfield	7,213	54	0.7%	745	32	93.4%	-230	\$1,443	\$1.39	-0.4%
Carmel/Westfield/Zionsville	12,340	154	1.0%	2,562	1	92.3%	-200	\$1,580	\$1.54	-0.7%
Downtown	9,551	230	2.4%	973	37	90.9%	-30	\$1,458	\$1.77	-0.5%
Far East	7,700	68	0.9%	0	42	92.5%	-10	\$1,026	\$1.19	9.3%
Far North	11,504	0	0.0%	376	-34	90.5%	-80	\$1,227	\$1.37	1.8%
Far South	10,180	0	0.0%	384	-59	92.9%	-270	\$1,180	\$1.25	2.2%
Fishers/Noblesville	11,346	265	2.3%	1,093	-124	92.0%	-220	\$1,456	\$1.44	1.2%
Greenwood	6,981	839	13.6%	346	97	85.4%	-1040	\$1,203	\$1.32	2.9%
Hancock County	2,122	142	6.7%	48	77	83.7%	-1280	\$1,211	\$1.24	2.8%
Midtown	3,423	27	0.8%	335	-31	90.3%	-380	\$1,295	\$1.43	2.3%
Near East	6,372	0	0.0%	564	-28	87.8%	-60	\$998	\$1.14	2.0%
Near North	1,790	244	13.6%	0	47	79.2%	-1080	\$1,045	\$1.37	0.0%
Near South	1,194	0	0.0%	0	-17	93.6%	-360	\$1,033	\$1.19	4.8%
North Central	5,218	0	0.0%	0	-12	91.0%	-120	\$1,101	\$1.27	2.8%
Northeast	7,948	0	0.0%	0	-64	87.7%	-300	\$1,243	\$1.29	4.8%
Northwest	7,553	0	0.0%	150	-29	93.5%	-100	\$1,097	\$1.29	9.0%
Southeast	7,589	48	0.6%	0	-15	93.4%	-70	\$1,188	\$1.33	3.5%
West Central & Speedway	1,475	0	0.0%	0	-14	87.5%	-520	\$1,060	\$1.29	-3.0%
INDIANAPOLIS TOTALS	121,499	2,071	1.5%	7,576	-94	90.8%	-240	\$1,265	\$1.37	2.2%

Source: CoStar and Cushman & Wakefield Research

KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	UNITS	YEAR BUILT
Prairie Lakes	Far North	402	2009
Legacy Park	Avon/Brownsburg/Danville/Plainfield	250	2009
Princeton Lakes	Far North	208	2003
Fountainhead	Northwest	176	1972

Source: Cushman & Wakefield Research

Maggie Tillotson

Senior Research Analyst
maggie.tillotson@cushwake.com

Hannah Ott

Executive Vice Chair
hannah.ott@cushwake.com

Cameron Benz

Director
cameron.benz@cushwake.com

George Tikijan

Executive Vice Chair
george.tikijan@cushwake.com

Claire Bullard

Associate
claire.bullard@cushwake.com

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