



## MARKET AT A GLANCE



**OCCUPANCY RATE** **94.0%**  
Down **10 bps** since 3Q17



**EFFECTIVE RENT** **\$864**  
Up **3.3%** since 3Q17

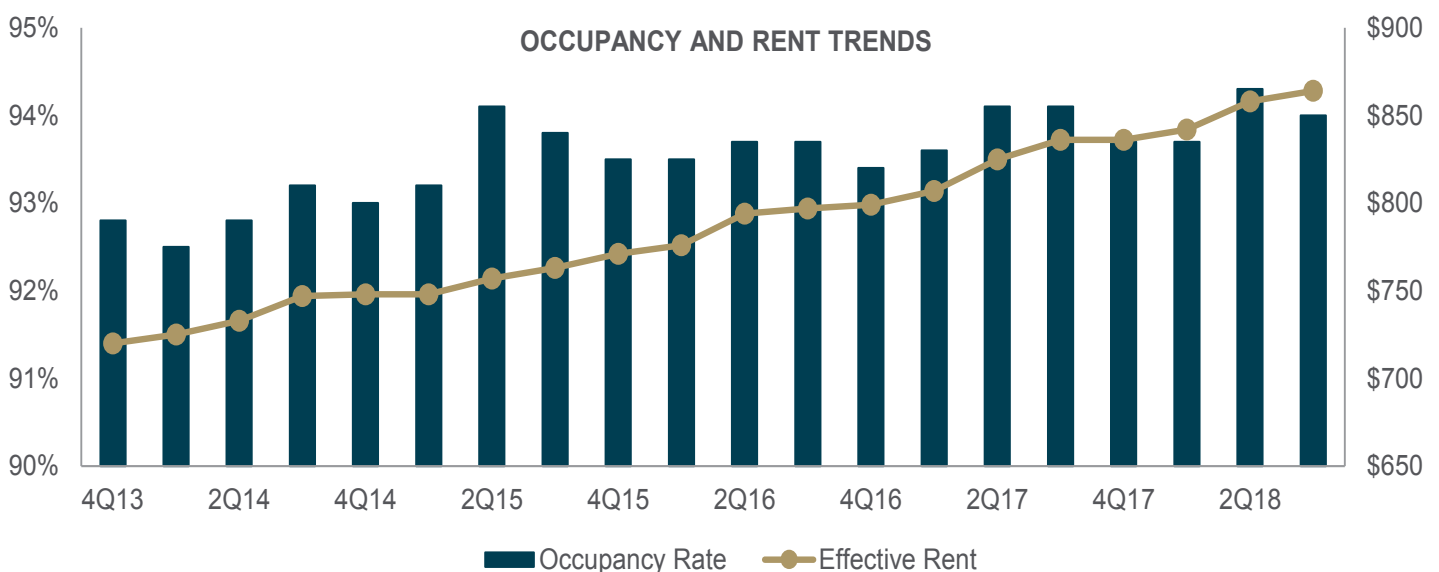


**TOTAL INVENTORY** **163,889**

## OCCUPANCY AND RENT TRENDS

### DOWNTOWN APARTMENT DEMAND FUELS YEAR-TO-DATE OCCUPANCY INCREASE

A solid supply-demand balance over the past five years fueled by a rapidly growing tech sector, particularly in the Downtown area, has benefited Greater Indianapolis' multifamily market. Developers completed 581 apartments in the third quarter, helping keep pace with healthy demand. The completions were part of 1,793 apartments delivered since the start of 2018. The net absorption of 2,454 apartments so far in 2018 exceeded new inventory, leading to a 30-basis-point increase in the occupancy rate or 94.0% in the third quarter. Employment gains, regularly outpacing national levels, contributed to sturdy apartment absorption and an impressive unemployment rate of 3.2% in July 2018. Through the first nine months of 2018, effective rent appreciated 3.3%, reaching \$864 per month. Downtown Indianapolis helped bolster metrowide apartment fundamentals, as an influx of deliveries in this area was met with pent-up demand. Downtown's occupancy rate rose from 91.4% to 93.7%, and operators responded in kind with a 2.5% increase in average rent. The Whit, a nine-story 334-unit development, was the largest property to begin lease-up in this submarket and was slated to complete February 2019.



# INDIANAPOLIS

MULTIFAMILY REPORT

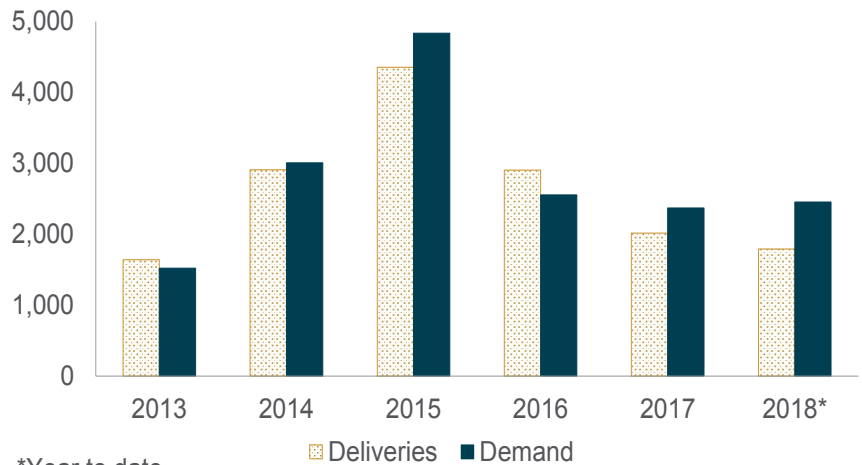
## DELIVERIES AND DEMAND



**DELIVERIES** 1,793  
Units YTD



**NET ABSORPTION** 2,454  
Units YTD



\*Year to date

■ Deliveries ■ Demand

## ECONOMIC TRENDS

2017 **UNEMPLOYMENT\*** 2018  
3.4% ..... **-20 BPS CHANGE** ..... 3.2%

2017 **EMPLOYMENT\*** 2018  
1.06m ..... **2.1% CHANGE** ..... 1.08m

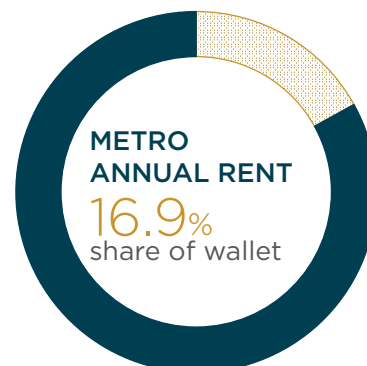
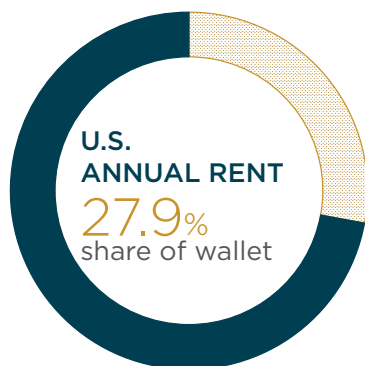
2017 **EXISTING SFH SALES\*\*** 2018  
46.2k ..... **7.4% CHANGE** ..... 49.6k

2017 **MEDIAN SFH PRICE\*\*** 2018  
\$169.9k ..... **10.3% CHANGE** ..... \$187.4k

2017 **10-YEAR TREASURY\*\*** 2018  
2.20% ..... **80 BPS CHANGE** ..... 3.00%

\*July; \*\*September

Indianapolis businesses expanded employment 2.1% annually, or by 21,800 positions since July 2017. The local economy continued to be strengthened by growing interest from technology companies. In 2016, Salesforce.com Inc. acquired what is now Salesforce Tower in the heart of the central business district, and the property quickly attracted new tenants and served as a symbol of Indianapolis' burgeoning technology sector. One example was cloud computing company Appirio, which relocated its corporate headquarters from San Francisco to Downtown Indianapolis and announced plans to expand their payroll from 150 to 600 employees by 2020. Hiring was also robust in the education and health services sector. Contributing to overall job additions was Indiana University Health, the metro's largest employer, recently completing the second phase of a \$120 million neuroscience center. Construction persisted on projects reshaping Downtown Indy including the 15-story Hyatt hotel, the \$300 million Bottleworks District, IndyGo's three new rapid transit lines, and IU Health's \$1 billion downtown campus upgrade.



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## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q17	3Q18	3Q17	3Q18	3Q17	3Q18	3Q18	ANNUAL	3Q18	ANNUAL
Anderson	96.7%	95.6%	1.9%	5.5%	\$692	\$730	26	-48	0	0
Carmel/Hamilton County	94.5%	94.4%	2.6%	3.6%	\$1,016	\$1,053	24	463	153	516
Downtown Indianapolis	93.8%	93.7%	2.1%	2.1%	\$1,297	\$1,324	213	778	125	842
Eagle Creek	93.2%	93.3%	6.4%	4.9%	\$750	\$787	-18	85	63	75
East Indianapolis	92.6%	92.6%	3.1%	3.8%	\$663	\$688	-152	0	0	0
Far West Indianapolis Suburbs	95.7%	96.9%	1.6%	2.0%	\$930	\$949	181	566	187	504
Greenwood/Johnson County	95.7%	95.7%	3.2%	3.1%	\$773	\$797	-65	0	0	0
Lawrence	95.0%	94.9%	11.5%	3.4%	\$865	\$894	-35	-4	0	0
Northeast Indianapolis	94.2%	94.5%	2.4%	3.0%	\$902	\$929	82	176	53	136
Northwest Indianapolis	94.3%	93.9%	3.8%	3.0%	\$773	\$796	-61	-49	0	0
Southeast Indianapolis	94.0%	94.2%	2.2%	4.5%	\$802	\$838	73	161	0	152
Southwest Indianapolis	94.3%	94.7%	3.5%	3.7%	\$739	\$766	16	64	0	0
West Indianapolis	93.6%	93.6%	6.8%	3.0%	\$694	\$715	54	0	0	0
<b>TOTALS</b>	<b>94.1%</b>	<b>94.0%</b>	<b>4.9%</b>	<b>3.3%</b>	<b>\$836</b>	<b>\$864</b>	<b>339</b>	<b>2,191</b>	<b>581</b>	<b>2,225</b>



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