



SELECT MARKET

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INDIANAPOLIS

MULTIFAMILY MARKET REPORT | MID-YEAR

2025



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Jobs Added / Lost

LAST 12 MONTHS
7,800



0.7% YOY

Unemployment

JUNE 2025
3.4%



50 BPS YOY

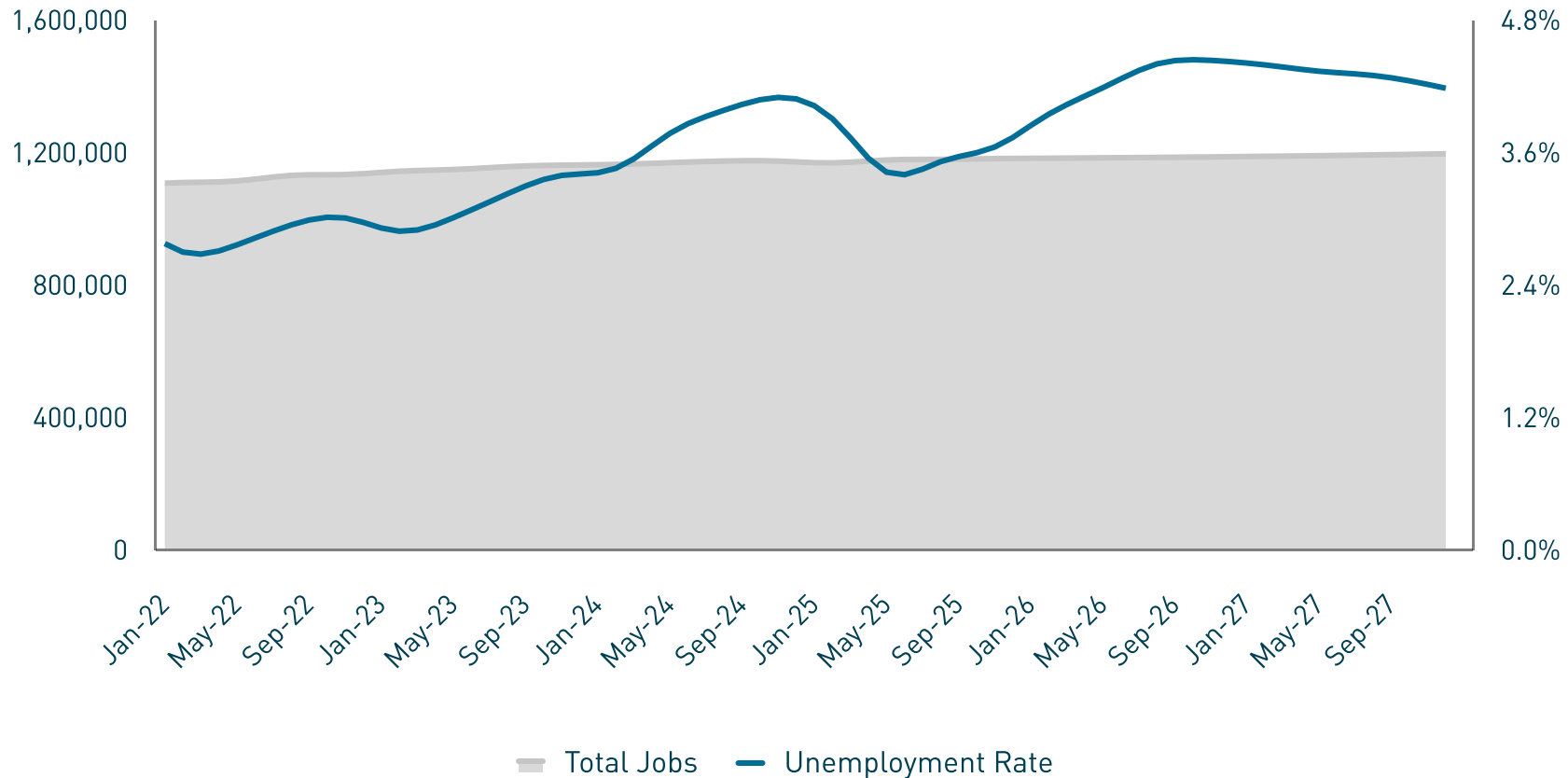
Employment

Greater Indianapolis boasts a broad range of industries ranging from bioscience to logistics and is quickly emerging as a technology hotspot with institutions like Indiana University and Purdue University cultivating a skilled workforce to meet the demands of the tech industry. Four diverse companies—Eli Lilly and Company, Stevanato Manufacturing Group, DHL, and Andretti Global—added a combined 2,500 workers to the local economy in the past few years. These new employees contributed to the most recent metro employment expansion of 7,800 net jobs over the year ending June 2025, which helped to lower the local unemployment rate below the U.S. average. Sparking additional economic activity, Eli Lilly is increasing its investment at the LEAP Innovation District in Lebanon, Indiana.

The \$4.5 billion Lilly Medicine Foundry, expected to employ 400 people when completed next year, brings Lilly's total LEAP investment to more than \$13 billion. In related news, Kimball Electronics plans to open a 300,000-square-foot medical manufacturing facility by October 2025, creating 345 jobs in Southeast Indianapolis. These developments underscore the region's economic vitality, with the healthcare industry contributing to job growth alongside the thriving logistics sector. Highlighting the city's role as a key transportation hub in the upper Midwest, companies in the trade, transportation, and utilities sector added 3,100 jobs in the past year. DHL is expanding in Whiteland, investing \$120 million in a 1 million-square-foot distribution facility to create 680 jobs by 2027, further driving growth in the sector.



Employment Trends



Source: Moody's Analytics

In the News

Roche investing \$550M to expand in Indianapolis
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Purdue plans \$187M Academic Success Building in Indianapolis
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\$78M Indiana Fever practice facility in development
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2025 Year to Date

DELIVERIES
1,696 UNITS

ABSORPTION
3,135 UNITS



2025 Total*

DELIVERIES
2,668 UNITS

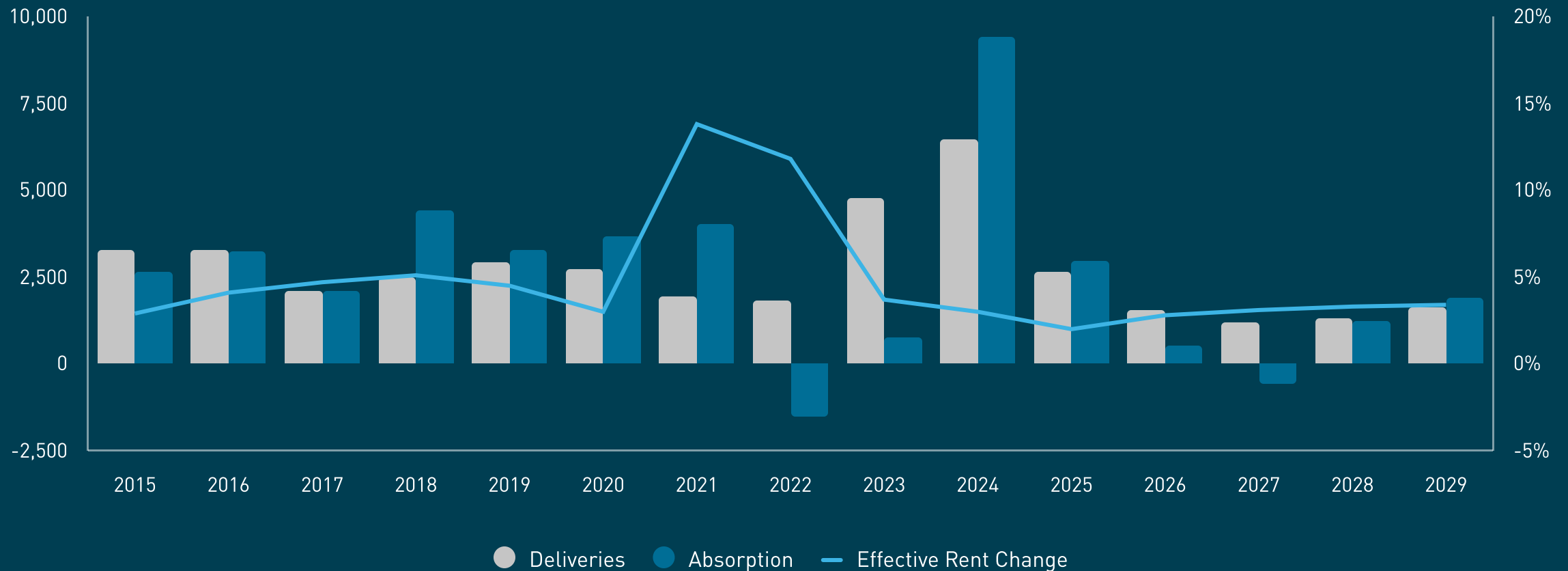
ABSORPTION
2,957 UNITS

Deliveries & Absorption

Last year, Indianapolis developers completed nearly 6,500 units, representing 3.7% of existing stock and the market’s best performance in 25 years. Builders added an average of 2,808 units annually over the past decade. The recent inventory was met with pent-up demand as leasing activity surged in 2024. Following two years of sizable construction, new supply will slacken. Year to date, 1,696 units were finished, an allotment of the 2,668 units expected for the year. Due to strong population growth in Carmel, Noblesville, and Fishers, multifamily builders have been focused on the Carmel/Hamilton County submarket. The area experienced an 8.0% annual supply expansion in the second quarter of 2025, following an 8.9% gain the previous year. Of the nine apartment projects underway

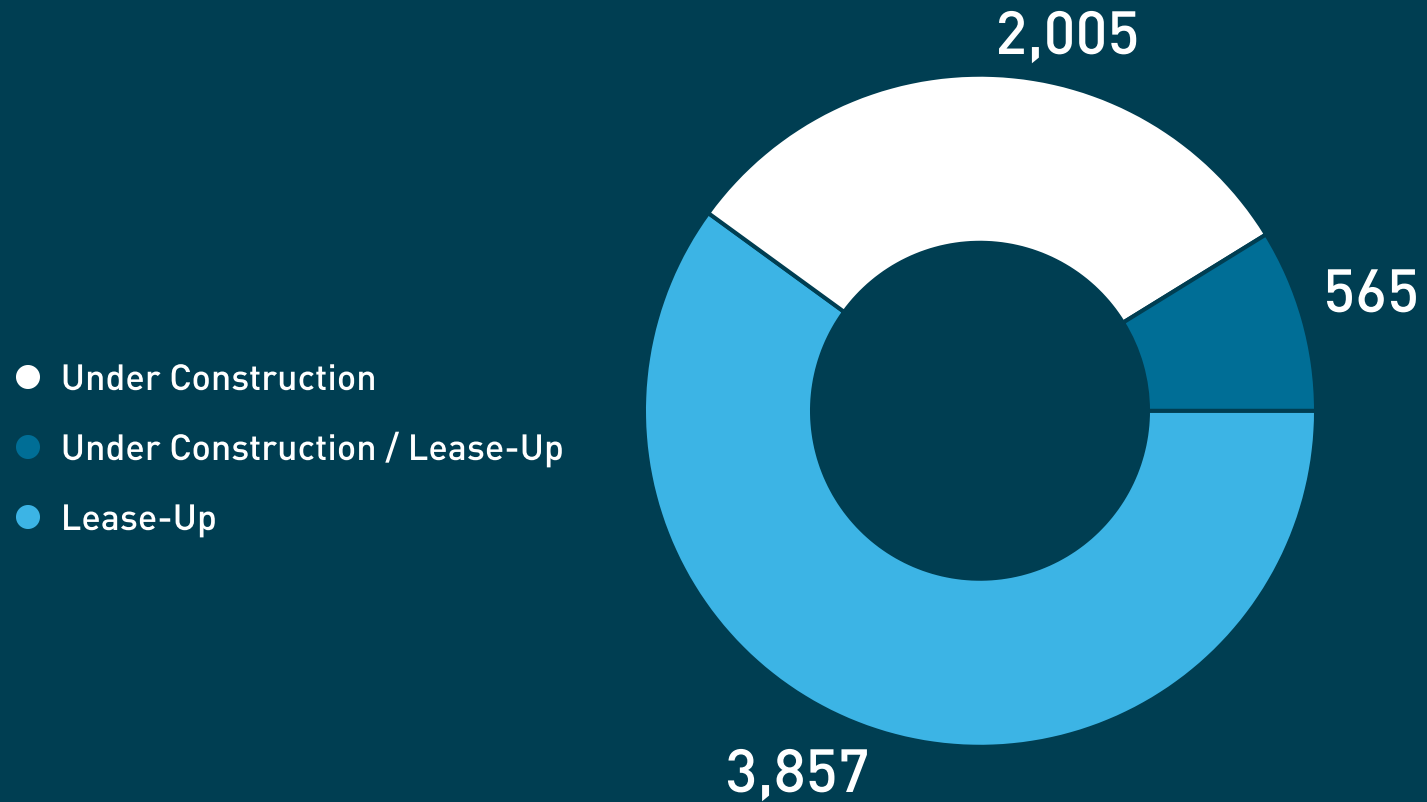
across the metro, six were in the submarket, with about 1,600 units, or 62%, under construction or under construction/lease-up phase. Renters migrating to the Carmel/Hamilton County submarket contributed to the net absorption of 1,363 apartment units in the first half of 2025, part of 3,172 units in the past four quarters, which garnered a third of metrowide leasing. Carmel's Meridian Street Corridor, hosting over 100 corporate headquarters, is a key attraction for renters, being the second largest office worker hub in Indiana. Additionally, Lilly's expansion in Lebanon is projected to create around 400 jobs by late 2027, enhancing apartment demand in the Carmel/Hamilton County area. Overall, 3,135 units were newly leased in the metro during the first half of the year.

Deliveries, Absorption, & Effective Rent Change



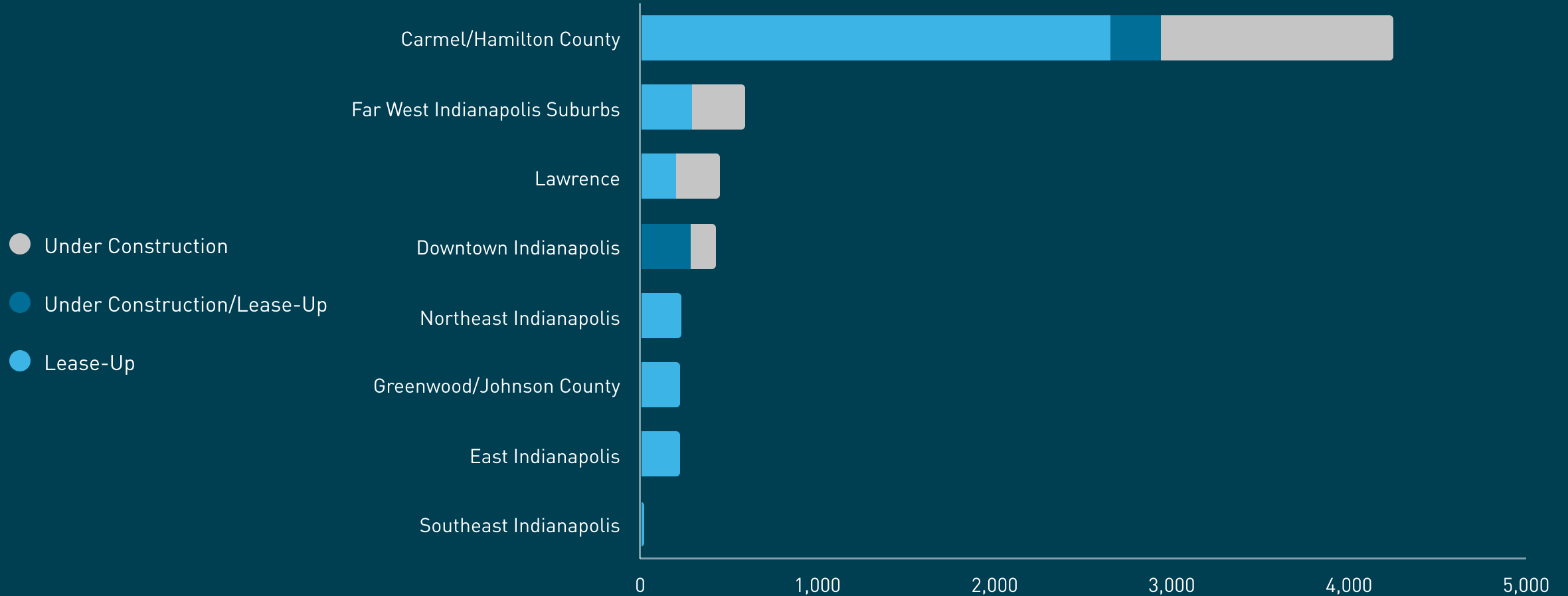
Source: RealPage

Indianapolis Pipeline



Source: RealPage

Largest Submarket Pipelines



Source: RealPage

Effective Rent

Q2 2025
\$1,316



1.8% YOY

Occupancy

Q2 2025
95.8%



230 BPS YOY

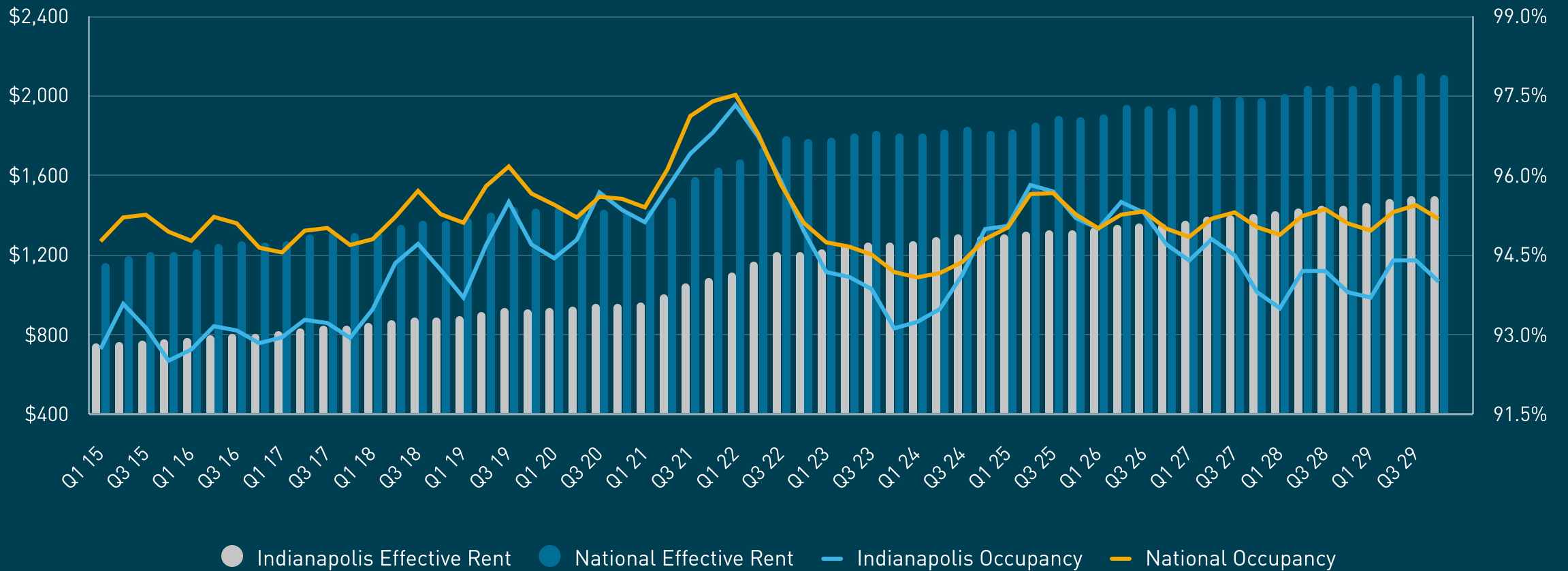
Rent & Occupancy

The Indianapolis multifamily market started the year with good momentum across rent and occupancy metrics, which was in line with other large Midwestern markets. Inventory growth continued, albeit at a slower pace, and steady demand mitigated the effect of oversupply, which underpinned the recent rise in occupancy. Indy's occupancy rate increased to 95.8% at the midpoint of 2025, 80 basis points above the five-year average. In the popular Carmel/Hamilton submarket, occupancy rose to a metro-leading 96.9% from 94.3% one year prior. Much of the improvement was attributed to leasing among Class A units which increased 260 basis points annually, likely driven by the affordability of

renting luxury apartments over homeownership. Class A rent was about half the cost of a typical single-family home mortgage as of June 2025. Indianapolis experienced positive apartment rent growth of 1.8% year-over-year in the second quarter, building on last year's 3.1% increase. The market is projected to see a 2%-3% annual rent increase for the next two years. In the second quarter, the metro's average effective rent was \$1,316 per month. Operational expansions and job creation by Eli Lilly, Stevanato Group, Kimball Electronics, and others, along with net migration of 32,200 new residents by the end of 2026, bodes well for apartment fundamentals in the near term.

Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Indianapolis vs. National Effective Rent & Occupancy



Source: RealPage

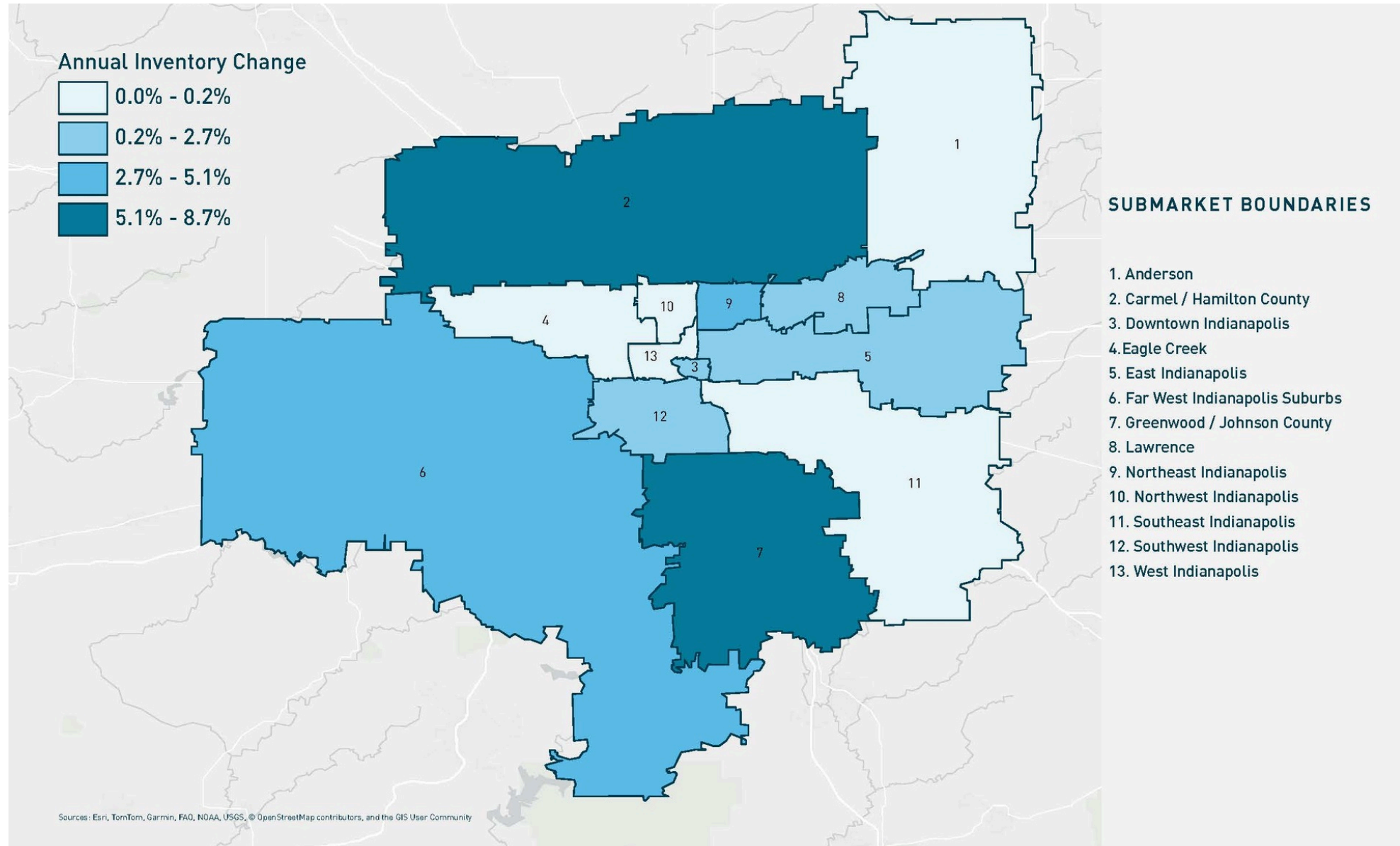
Rent & Occupancy

Submarket Performance

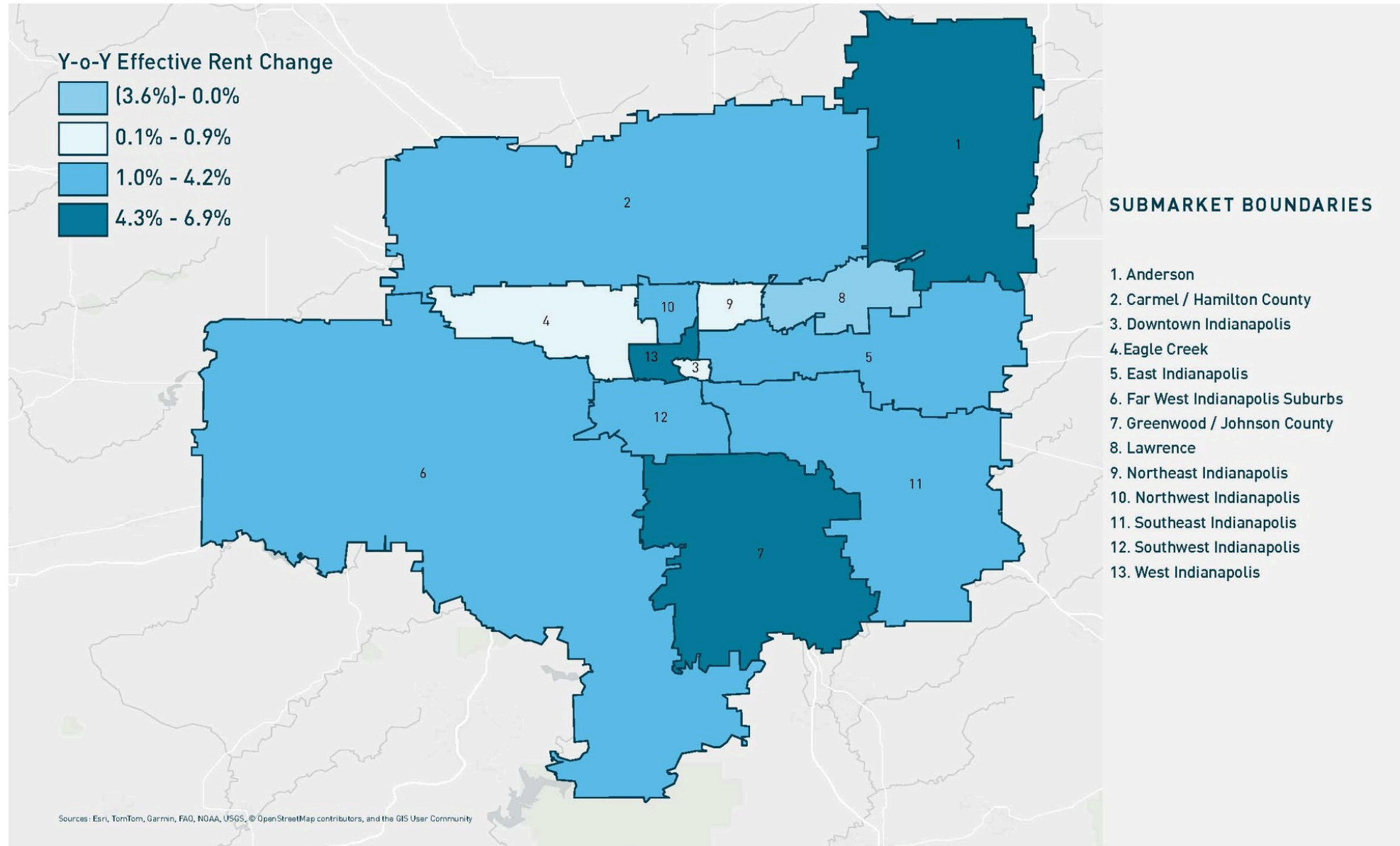
Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Anderson	96.2%	70	\$1,062	4.3%
Carmel/Hamilton County	96.9%	250	\$1,570	2.7%
Downtown Indianapolis	94.6%	210	\$1,573	0.8%
Eagle Creek	95.7%	180	\$1,197	0.9%
East Indianapolis	95.4%	170	\$1,115	4.2%
Far West Indianapolis Suburbs	96.1%	190	\$1,458	2.5%
Greenwood/Johnson County	96.0%	160	\$1,333	6.9%
Lawrence	94.2%	160	\$1,268	-3.6%
Northeast Indianapolis	95.2%	340	\$1,341	0.4%
Northwest Indianapolis	96.0%	240	\$1,216	1.8%
Southeast Indianapolis	95.7%	210	\$1,262	1.9%
Southwest Indianapolis	95.5%	360	\$1,166	1.9%
West Indianapolis	96.5%	300	\$1,109	4.4%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change



Submarket Mid-Year 2025 Annual Effective Rent Change



Sales

2025 Year to Date*



Volume
\$481.2M



Price Per Unit (Avg)
\$198,400



Units (Avg)
145



Year Built (Avg)
1980s



Transactions
18



Cap Rate (Avg)
6.2%



Buildings (Avg)
13



Acres (Avg)
8.70

\$2.5M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

What's Trading?*



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