

INDIANAPOLIS, INDIANA

ELEVATED OCCUPANCY PACES WITH EXPANDING POPULATION

While many markets encountered significant consequences from measures taken to mitigate the pandemic, Indianapolis' rental sector performed extraordinarily well. A sturdy jobs recovery, combined with sustained apartment demand, pushed up the occupancy rate to end 2020 at 95.1%, reaching a 20-year peak. Indianapolis continues to set the standard for urban renewal and economic development in the Midwest. After 13,200 apartment units delivered in the Indianapolis metropolitan area in the prior five years, 2,564 market-rate units came online in 2020, and builders were underway on 17 projects at the start of this year. Most of the deliveries were placed in the area's growing corporate corridors in the Carmel/Hamilton County submarket, and builders will continue to focus on additions in the area during 2021. While the construction pipeline tapers this year, apartment occupancy will remain elevated, ending the year at 95.0%. Underpinning healthy apartment occupancy is housing demand created by a consistent net migration of about 12,000 people annually and rising household formation. Job creation is attracting new residents. Payrolls should be fully restored by year-end 2022 as mass hiring occurs at Bottleworks District, Indiana University Health, and Amazon.com Inc. Indy's economic rebound will support upward pressure on rent. Monthly effective rent is anticipated to reach \$1,005 by 2022, notching gains of 2.7% this year and 3.4% next year. A watchful eye will be on the growing trend among single-family home rentals (SFR). Indianapolis was among the top 20 SFR markets last year and is forecast to be among the top five SFR markets during 2021.



2021 MARKET AT A GLANCE

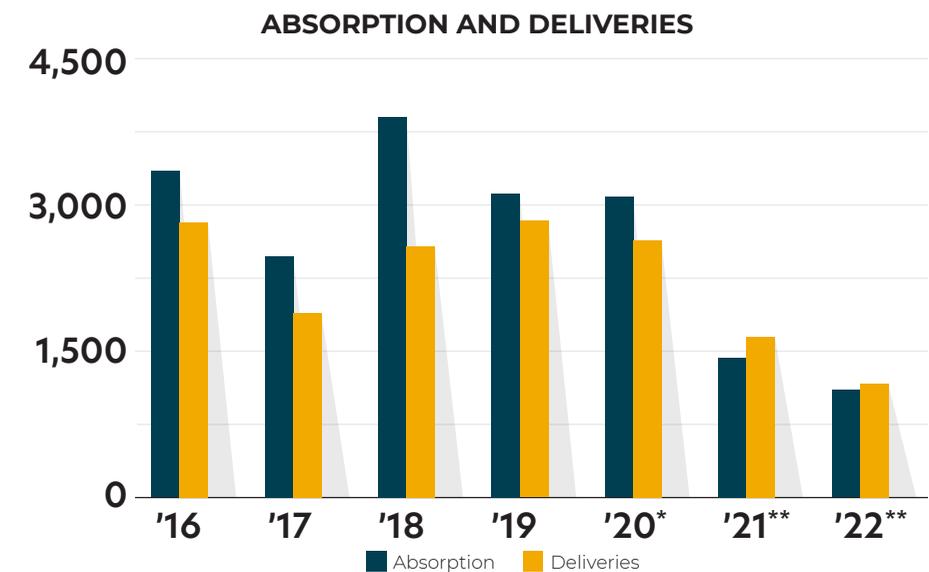
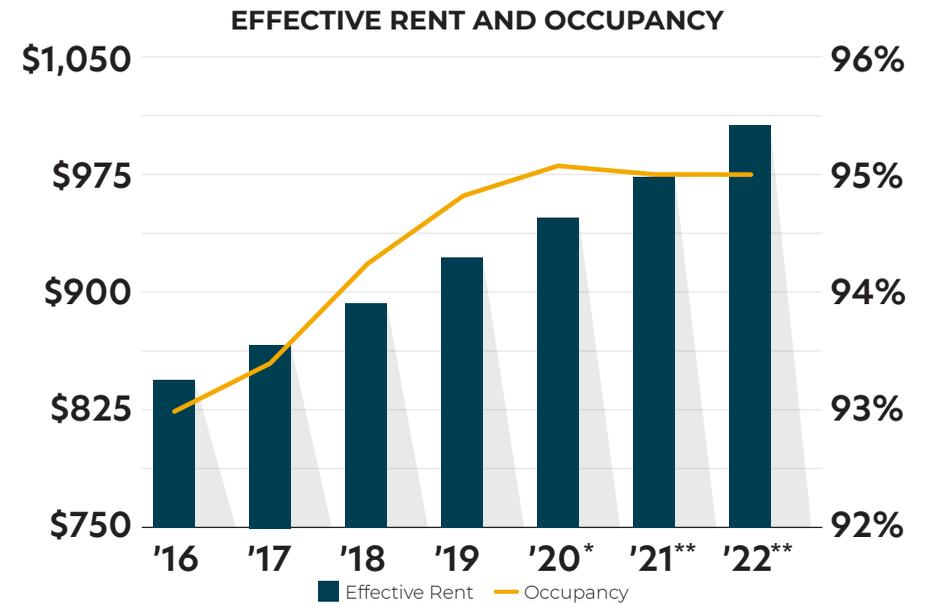
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OCCUPANCY RATE
95.0%
 Down 10 bps YOY
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EFFECTIVE RENT
\$972
 Up 2.7% YOY
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RENT SHARE OF WALLET
17.9%
 Up 50 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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EMPLOYMENT TRENDS



EMPLOYMENT		2020*		2021**	
2019	YOY CHANGE	2020*	YOY CHANGE	2021**	
1,101,700	-3.3%	1,065,200	2.5%	1,092,200	

UNEMPLOYMENT RATE		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
1.9%	430 BPS	6.2%	-110 BPS	5.1%	

POPULATION		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
2,085,500	1.1%	2,107,900	1.1%	2,130,100	

HOUSEHOLDS		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
825,000	1.5%	837,600	1.6%	850,800	

MEDIAN HOUSEHOLD INCOME		2020		2021	
2019	YOY CHANGE	2020	YOY CHANGE	2021	
\$61,778	5.4%	\$65,115	0.1%	\$65,164	

SALES TRENDS

PRICE PER UNIT		2020*	
2019	YOY CHANGE	2020*	
\$74,210	13.7%	\$84,398	

CAP RATE		2020	
2019	YOY CHANGE	2020	
6.6%	-120 BPS	5.4%	



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