

INDIANAPOLIS, IN

2023 MARKET AT A GLANCE

Occupancy Rate

94.7%



DOWN 100 BPS YOY

Effective Rent

\$1,243



UP 3.7% YOY

Rent Share of Wallet

20.7%



UNCHANGED YOY

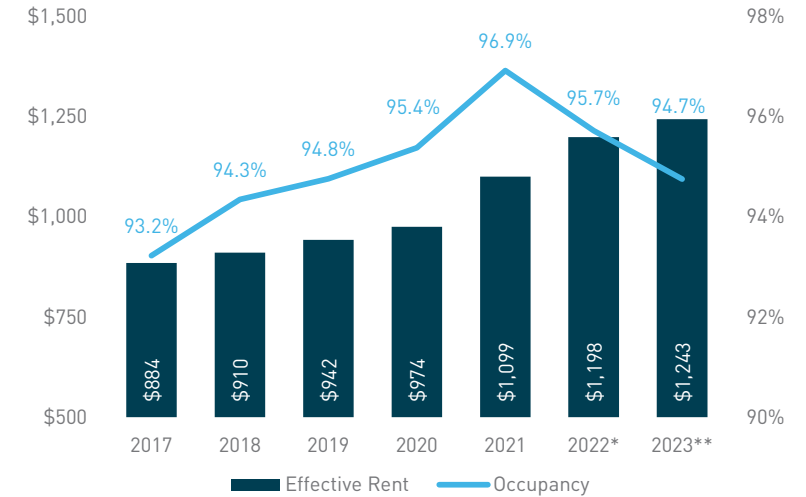
Corporate Expansions to Buoy Apartment Demand and Occupancy

Multiple corporate expansions and favorable affordability should help boost apartment absorption above historical averages in the Indianapolis metro area in 2023. The market boasts a cost-of-living index score of 90.2, well below the nation's score of 100.0. Additionally, Fortune 500 firm Eli Lilly and Co. announced a \$2.1 billion plan to open two manufacturing facilities in the metro that will support 500 jobs. Elanco Animal Health Inc. broke ground on a new global headquarters in Indianapolis, with completion scheduled in late 2023. The \$100 million project is expected to create 1,000 new jobs. These expansions will help employment in the market grow by 1.2% over the next year, providing further support to apartment demand. Net absorption is forecast to reach 2,773 units in 2023, exceeding the pre-pandemic average of 2,696 units between 2010 and 2019. However, supply side pressure may adversely impact operating fundamentals. In 2023, 4,657 units are expected to deliver, more than double the pre-pandemic average. Deliveries in the Carmel/Hamilton County submarket will account for nearly half of the metro's projected new supply, as developers cater to the area's population growth. Renters are drawn by the submarket's high quality of life as well as the proximity to downtown Indianapolis. As a result, the Carmel/Hamilton County submarket will account for roughly 58.0% of the metro's total net absorption. Amidst these elevated levels of supply, the metro's average occupancy is forecast to moderate to 94.7% in 2023, though this still exceeds the 10-year pre-pandemic average of 93.1%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

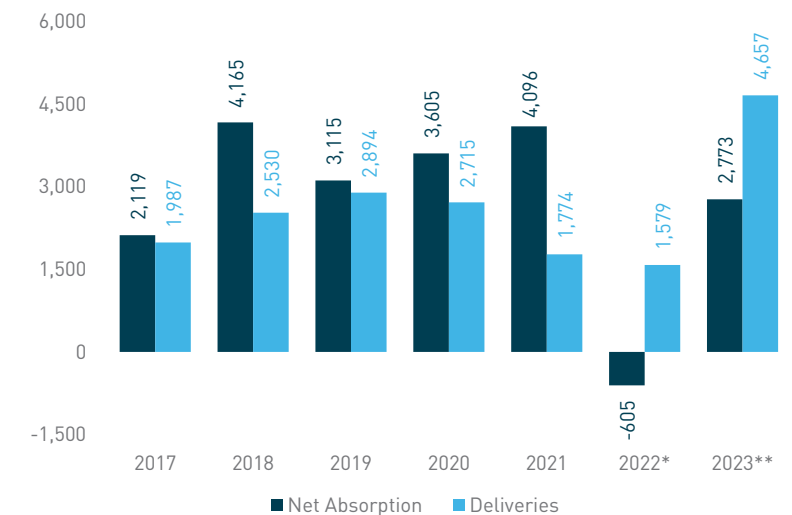
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

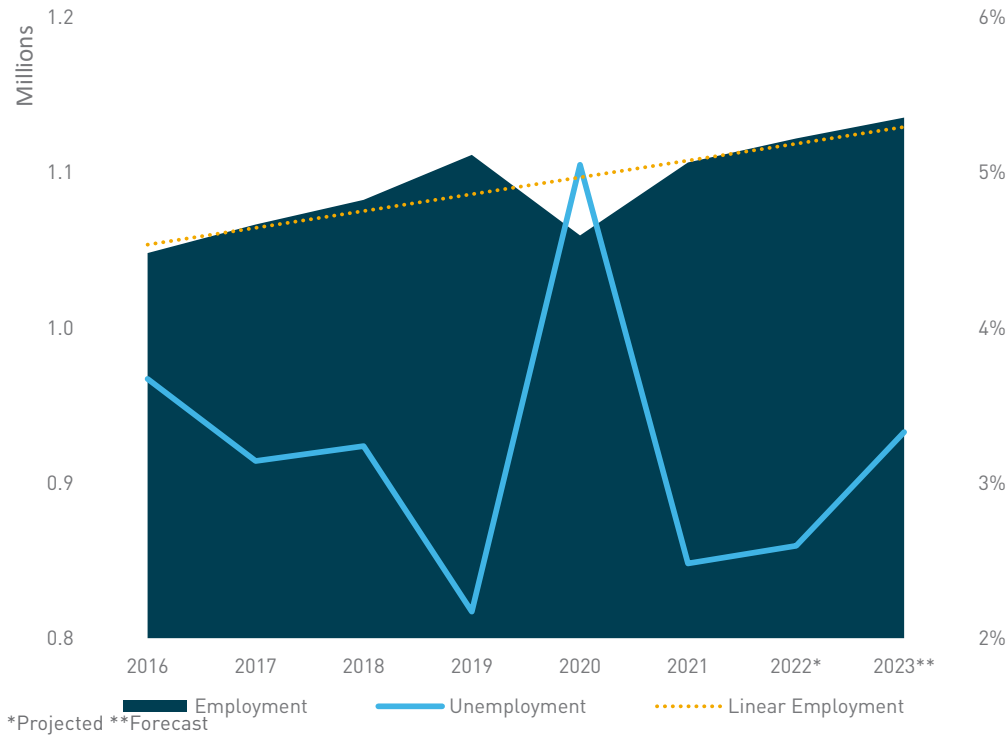


*Projected **Forecast

INDIANAPOLIS, IN

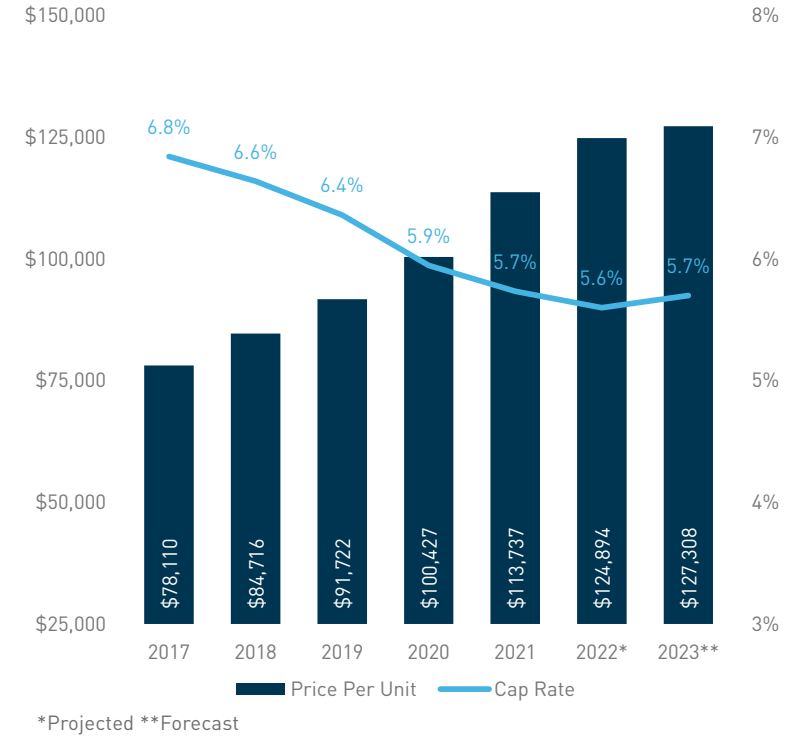
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>1,135,500</p> <p>↑</p> <p>UP 1.2% YOY</p>	<p>Unemployment</p> <p>3.3%</p> <p>↑</p> <p>UP 70 BPS YOY</p>	<p>Median Household Income</p> <p>\$72,117</p> <p>↑</p> <p>UP 3.7% YOY</p>
---	--	---

<p>Price Per Unit</p> <p>\$127,308</p> <p>↑</p> <p>UP 1.9% YOY</p>	<p>Cap Rate</p> <p>5.7%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
---	--