

# INDIANAPOLIS, IN

## 2024 MARKET AT A GLANCE

OCCUPANCY RATE  
(Q4 2024)

93.5%



DOWN 10 BPS YOY

EFFECTIVE RENT  
(Q4 2024)

\$1,299



UP 3.3% YOY

RENT SHARE OF WALLET  
(Q4 2024)

18.9%



UP 10 BPS YOY

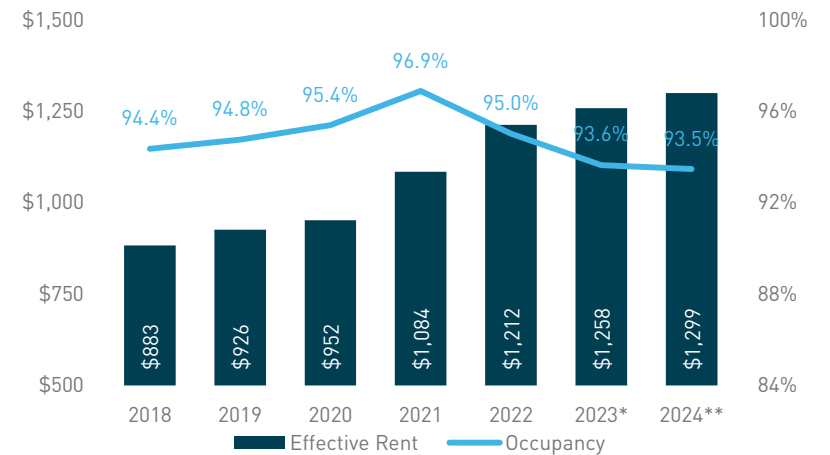
## Increased Household Formation Boosts Apartment Absorption and Rent Increase

Indianapolis is one of the most economical multifamily markets in the Midwest. The average effective rent in the fourth quarter of 2023 sat 10.2% lower on average than 10 of the nearest large metropolitan markets in Wisconsin, Kentucky, Ohio, Missouri, and Michigan. The market's relative affordability will underpin the projected 3.3% annual increase in the average effective rent to \$1,299 in the fourth quarter of 2024. Even with the projected increase, renters in Greater Indianapolis will still carry less of a burden than they would in comparable nearby markets, with the average effective rent comprising just 18.9% of the wallet share. The accessible rents combined with a projected 1.6% annual increase in household formation are forecast to produce the highest apartment net absorption in the last decade, at 5,236 net units. A projected record high volume of new supply, at 5,921 units, will lead to a 10-basis-point dip in the average occupancy rate. At 93.5% in the fourth quarter of 2024, occupancy will be higher than the average during the economic growth cycle from 2010 to 2019. Mirroring 2023, the Carmel/Hamilton County submarket should see the majority of this activity. Class A product in Carmel/Hamilton County and Downtown has performed better over the past two years and will likely continue to do so in 2024. Renters for this category are more likely to divide households and benefit from job growth near the urban core. Other submarkets are more sensitive to recent inflation and economic uncertainty and are less likely to have an increase in household debundling.

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 2023 are projected values. 2024 figures are forecast projections.

## APARTMENT TRENDS

### Effective Rent & Occupancy

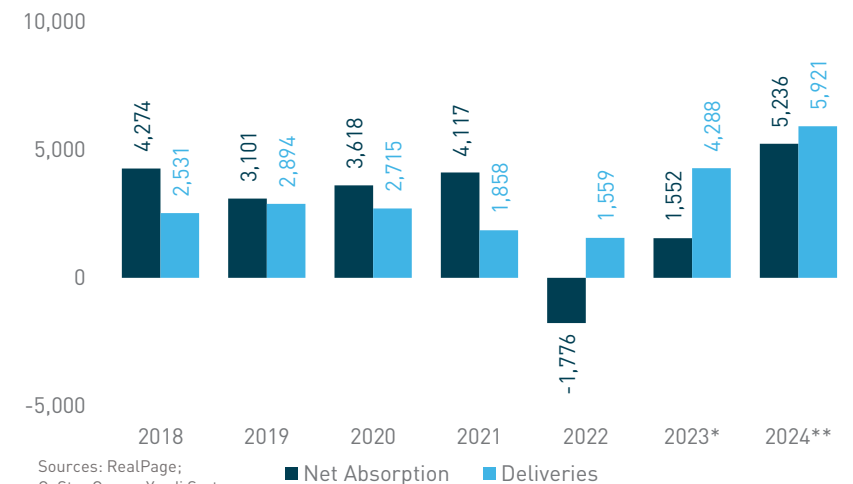


Sources: RealPage; CoStar Group; Yardi Systems

\*Projected \*\*Forecast

Note: 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.

### Absorption & Deliveries



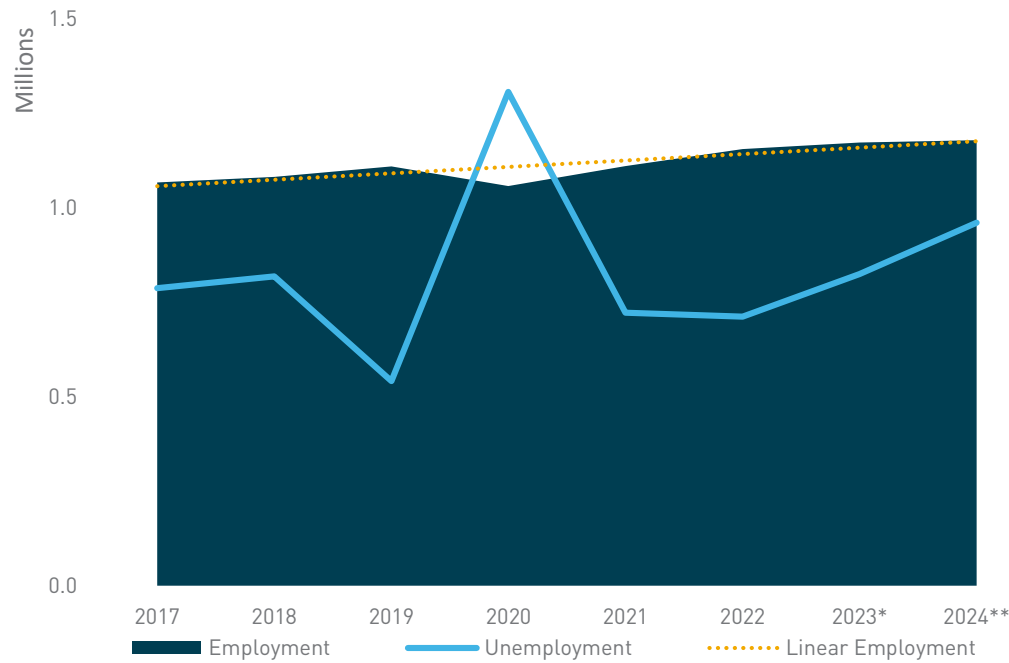
Sources: RealPage; CoStar Group; Yardi Systems

\*Projected \*\*Forecast

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## EMPLOYMENT TRENDS

Market Employment Trends



Source: Moody's Analytics

\*Projected \*\*Forecast

## SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

\*Projected \*\*Forecast

The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

**EMPLOYMENT**  
(DEC. 2024)

**1,178,000**



UP 0.5% YOY

**UNEMPLOYMENT**  
(DEC. 2024)

**3.8%**



UP 50 BPS YOY

**MEDIAN HOUSEHOLD INCOME**  
(DEC. 2024 SAAR)

**\$82,355**



UP 2.6% YOY

**PRICE PER UNIT**  
(2024 AVG.)

**\$133,609**



DOWN 8.0% YOY

**CAP RATE**  
(2024 AVG.)

**6.0%**



UP 30 BPS YOY