

Yardi® Matrix

Indianapolis: Room for Growth

Multifamily Report Spring 2019

Rent Growth on Par With US Average

Developers Target Hamilton County

Investment Volume Hits Cycle Peak

INDIANAPOLIS MULTIFAMILY

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Market Analysis

Spring 2019

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Development Set to Regain Momentum

Favorable demographic trends and economic growth have kept multifamily demand relatively healthy in Indianapolis, with year-over-year rent growth at 3.2% as of March, on par with the U.S. average.

Education and health services led growth in the 12 months ending in February, with the addition of 4,100 jobs. The expansion is likely to continue, boosted by a flurry of new developments, including the \$389 million Indiana University Health Regional Academic Center in Bloomington, Ball State University's Health Professions complex in Muncie, as well as the new MedTech Park campus in Fishers. Hiring in the technology sector could also receive a boost, with Infosys breaking ground on its U.S. Education Center on the city's West Side in November, moving ahead with its goal to add 3,000 jobs by 2023.

Investors pushed the multifamily transaction volume to a cycle peak of \$880 million last year. Development activity is slated to pick up this year, with 4,052 units underway as of March and a total of 2,070 units expected to come online in 2019. The uptick in deliveries is slated to put further pressure on occupancy in stabilized assets, which dropped to 93.9% as of February. Nonetheless, we expect the average Indianapolis rent to advance 3.2% in 2019.

Recent Indianapolis Transactions

Connect Apartment Homes



City: Indianapolis
Buyer: Emma Capital
Purchase Price: \$39 MM
Price per Unit: \$79,545

Carmel Woods



City: Carmel, Ind.
Buyer: Barratt Asset Management
Purchase Price: \$34 MM
Price per Unit: \$107,962

The Lodge at Trails Edge



City: Indianapolis
Buyer: Birge & Held Asset Management
Purchase Price: \$22 MM
Price per Unit: \$80,970

Harbour Town



City: Noblesville, Ind.
Buyer: Muesing Management
Purchase Price: \$10 MM
Price per Unit: \$97,436