

Yardi® Matrix

Indianapolis Expands

Multifamily Report Fall 2019

Government Leads Employment Gains

Investors Focus on Value-Add Plays

Rent Growth Outpaces National Average

INDIANAPOLIS MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Household Creation Fuels Demand

Spurred by robust population growth and household creation, Indianapolis' rental demand is keeping up with supply. Rents rose 4.1% year-over-year as of October, outpacing the 3.2% national rate, while occupancy in stabilized assets was almost flat over 12 months, at 94.4% as of September.

Government led job growth, with the addition of 6,300 positions. Education and health services gained 4,100 jobs, fed by a flurry of projects. Upcoming developments include the \$389 million Indiana University health center in Bloomington and a \$130 million orthopedic hospital in Carmel. Construction hiring has received a boost from new infrastructure and school projects. Manufacturing will also flourish, thanks in part to Eli Lilly and Co.'s \$400 million investment at the Lilly Technology Center, which is expected to create 100 highly skilled jobs.

Multifamily investors seeking higher acquisition yields than those in primary markets targeted Class B and C assets, pushing the average price per unit to \$79,690, a cycle high but well below the \$162,889 national average. Developers have been active in the downtown area, but have also focused on Westfield–Noblesville and Carmel. Deliveries totaled 2,260 units in 2019 through October, while another 4,646 units were underway. Absorption is expected to keep up, sustained by favorable demographic trends.

Recent Indianapolis Transactions

Copper Chase at Stones Crossing



City: Greenwood, Ind.
Buyer: Legacy Real Estate Development
Purchase Price: \$40 MM
Price per Unit: \$133,446

Southport Crossing



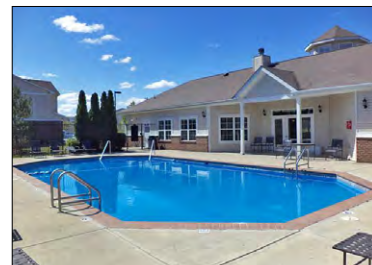
City: Indianapolis
Buyer: Besyata Investment Group
Purchase Price: \$33 MM
Price per Unit: \$101,992

Astoria Park



City: Indianapolis
Buyer: Besyata Investment Group
Purchase Price: \$33 MM
Price per Unit: \$69,787

Echo Ridge



City: Indianapolis
Buyer: Hamilton Point Investments
Purchase Price: \$20 MM
Price per Unit: \$98,317