



MULTIFAMILY REPORT

Indy's Supply Boom

April 2024

Rent Gains Sluggish But Positive

Employment Growth Leads US

Completions Mark Decade-High

INDIANAPOLIS MULTIFAMILY



Deliveries Outpace Demand

An outsize supply, an economy treading water and a seasonal slowdown led to a few months of rent declines across most major U.S. metros, but markets are showing signs of recovery. Indianapolis rents were up 0.1% on a trailing three-month basis through February, 20 basis points ahead of the U.S., to an average of \$1,245. Nationally, strong deliveries resulted in occupancy sliding 60 basis points in 12 months. Meanwhile, in Indianapolis, the rate dropped 120 basis points, to 93.5%.

Indianapolis unemployment reached 2.5% in December, 120 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The metro's employment gains surpassed the national pace throughout 2023, with 37,300 jobs added last year, for a 2.5% expansion rate. Meanwhile, the U.S. labor pool grew by 2.0%. Education and health services led growth in the metro, with 9,700 jobs gained or a 5.0% rise. The sector will probably continue to perform well, especially with projects such as the \$4.3 billion IU Health hospital taking shape downtown.

Last year, Indianapolis added 3,314 rental units to its inventory, marking a decade-high. The risk of short-term oversupply remains, as the metro had an additional 10,494 units under construction, as well as another 24,000 apartments in the planning and permitting stages as of February 2024.

Market Analysis | April 2024

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Tudor Scolca-Seuşan

Associate Editor

Recent Indianapolis Transactions

Carmel Center



City: Carmel, Ind.
Buyer: The Connor Group
Purchase Price: \$82 MM
Price per Unit: \$254,348

Enclave at Eagle Creek



City: Indianapolis
Buyer: The Ardizzone Group
Purchase Price: \$80 MM
Price per Unit: \$126,582

Briergate



City: Indianapolis
Buyer: Renewing Management
Purchase Price: \$8 MM
Price per Unit: \$51,875