

Yardi® Matrix

Indianapolis Draws Talent

Multifamily Report Winter 2019

Rent Growth Outpaces Nation

Eds and Meds, Construction Lead Job Gains

Developers Target Downtown, Northern Submarkets

INDIANAPOLIS MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Demand Keeps Up With Supply

Multifamily demand is strong in Indianapolis, where favorable employment and demographic trends are putting upward pressure on occupancy and giving property owners leverage to raise rents.

Education and health services led growth in the 12 months ending in September (5,700 jobs), boosted by the region's health-care building boom, which is also generating construction jobs. Projects underway include the \$389 million Indiana University Health Regional Academic Center, which is set to bring a new hospital to Bloomington, along with academic and research facilities. In November, Central Indiana Orthopedics, in partnership with the city of Fishers, broke ground on the first medical office building within the 37-acre MedTech Park campus, while IU Health is planning a \$1 billion consolidated campus downtown. The tech sector is also growing, with Salesforce, Infosys and Appirio attracting talent: Between 2014 and 2017, Indianapolis added 10,000 tech jobs, bringing the total to more than 31,100.

Multifamily investors mainly targeted value-add assets, with acquisition yields going as high as 10.0% for these properties. Meanwhile, developers focused on both downtown and rapidly growing suburbs of Hamilton County including Carmel, Fishers and Westfield-Noblesville, which have seen the greatest population hikes in Indiana between 2010 and 2017.

Recent Indianapolis Transactions

The Cottages of Fall Creek



City: Indianapolis
Buyer: Pepper Pike Capital Partners
Purchase Price: \$57 MM
Price per Unit: \$75,184

The Park on Morton



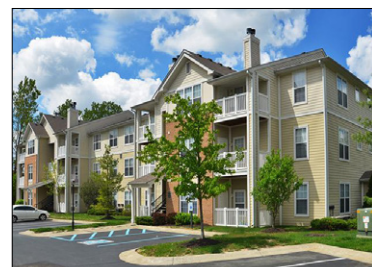
City: Bloomington, Ind.
Buyer: The Preiss Co.
Purchase Price: \$56 MM
Price per Unit: \$365,132

Overlook at Valley Ridge



City: Indianapolis
Buyer: QVT Mount Auburn Capital
Purchase Price: \$39 MM
Price per Unit: \$120,370

Summerwood on Towne Line



City: Indianapolis
Buyer: QVT Mount Auburn Capital
Purchase Price: \$33 MM
Price per Unit: \$108,879