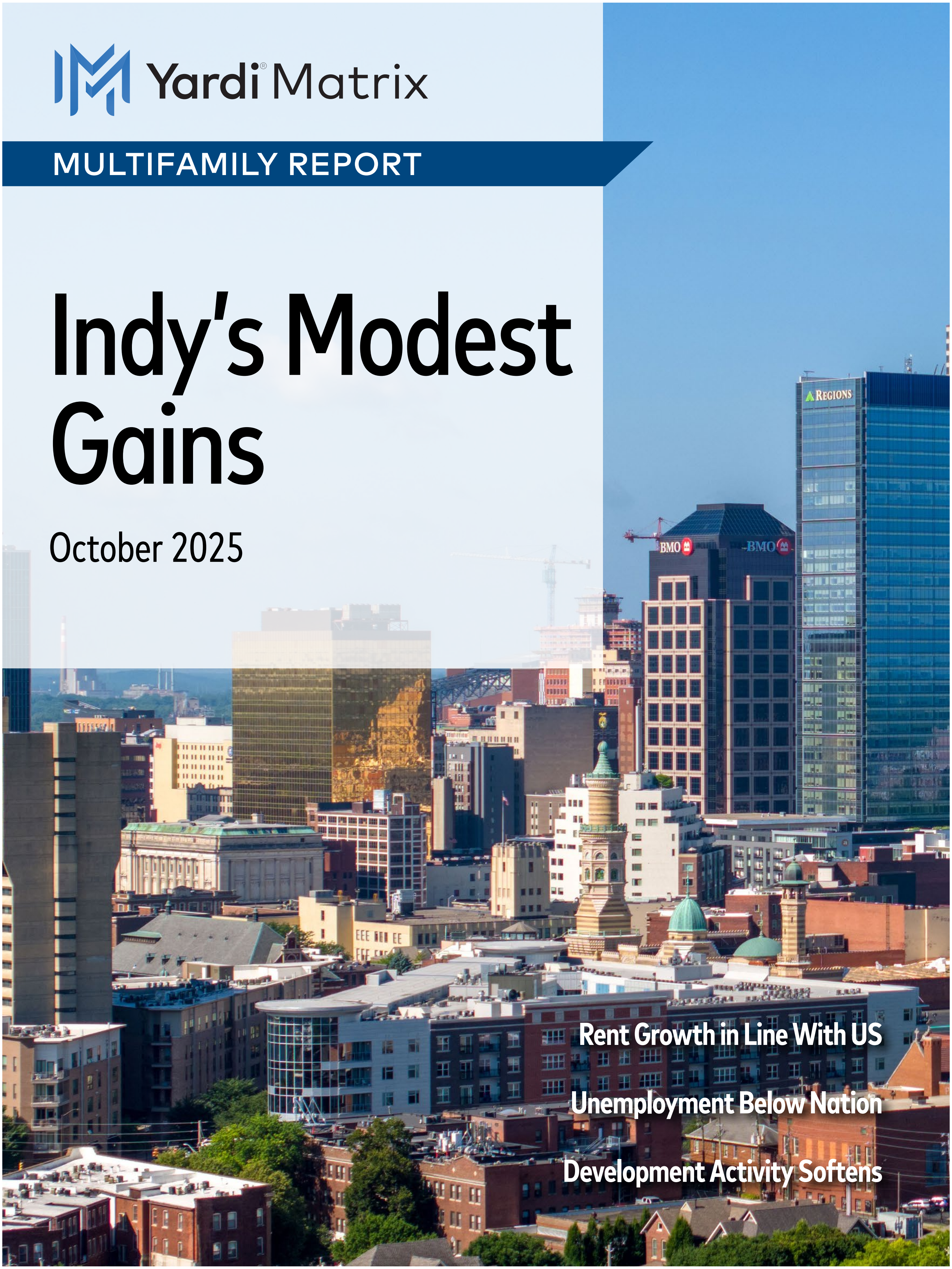
Yardi® Matrix

MULTIFAMILY REPORT

Indy's Modest Gains

October 2025



Rent Growth in Line With US

Unemployment Below Nation

Development Activity Softens

INDIANAPOLIS MULTIFAMILY

Yardi Matrix

Rents, Development Soften, But Stay Healthy

Indianapolis' multifamily market softened at the end of the summer, as economic uncertainty impacted activity across several metrics. But overall, the Midwest continued to outperform the nation, and while Indianapolis was in the bottom half of that list, it maintained relatively healthy fundamentals. Average advertised asking rents ticked up 0.1% to $1,307, on a trailing three-month basis through August, on par with the national average. Occupancy ticked down 20 basis points year-over-year through July, to 94.0%, below the 94.7% U.S. average.

Employment growth in the metro continued its 10-month slowdown, to 0.4% year-over-year through June. The figure was half the national average. Over the 12-month period ending in June, Indianapolis added 3,600 net jobs, with government (2,900 positions) and trade, transportation and utilities (2,400) leading gains. Unemployment was 3.6% in August, below the 4.3% U.S. figure, according to preliminary data from the Bureau of Labor Statistics. Indiana University's new hospital topped out earlier this year. The 2.5 million-square-foot development is expected to come online in 2027, with costs reaching $4.3 billion this year.

Construction activity also slowed down but remained healthy following 2024's record-breaking completions. Developers had 5,740 units underway as of August and delivered 4,096 units since the start of the year.

Market Analysis | October 2025

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Recent Indianapolis Transactions

Riverbend

City: Indianapolis
Buyer: Pensam Capital
Purchase Price: $136 MM
Price per Unit: $136,797

Fox Pointe

City: Columbus, Ind.
Buyer: Equity Property Management
Purchase Price: $14 MM
Price per Unit: $114,583

Northhampton Village

City: Indianapolis
Buyer: Lightwater Capital
Purchase Price: $10 MM
Price per Unit: $110,000

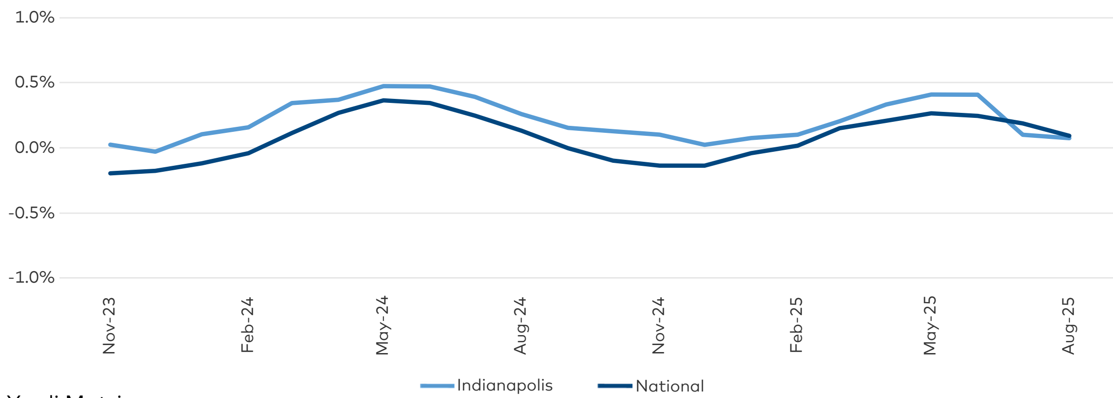
Charleston Square

City: Columbus
Buyer: Equity Property Management
Purchase Price: $8 MM
Price per Unit: $88,068

RENT TRENDS

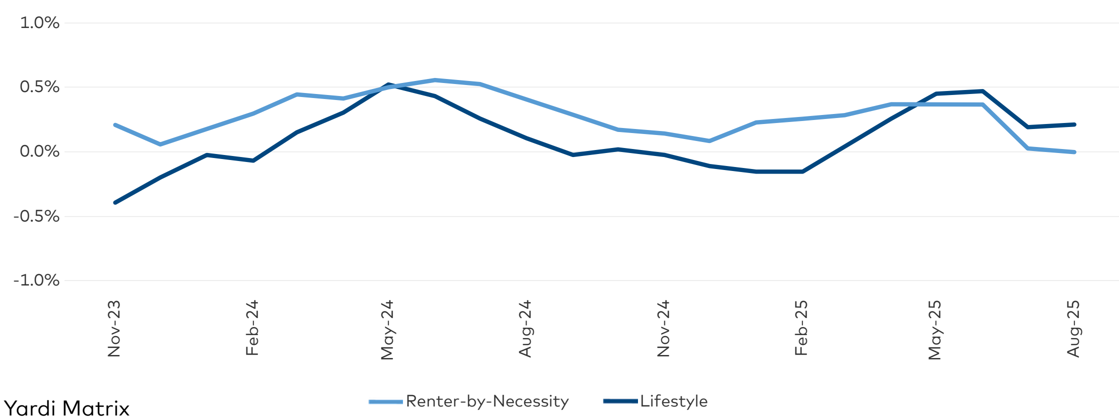
- Average advertised asking rents in Indianapolis inched up 0.1%, on a trailing three-month (T3) basis through August, to an average of $1,307. The rate was on par with the national figure, after being slightly ahead from April to June, in line with overall softening trends. Year-over-year, Indianapolis rents were up 2.1%, outpacing the 0.7% U.S. average and placing the metro in the upper half of those tracked by Yardi Matrix.
- Advertised asking rents for the working-class Renter-by-Necessity segment stood flat, on a T3 basis through August, at an average of $1,179. The Lifestyle segment had a 0.2% uptick, to $1,569. The former was more stable through the end of 2024, while the latter had a three-month contraction period starting in December.
- Occupancy across Indianapolis' stabilized assets ticked down 20 basis points year-over-year through July, to 94.0%, trailing the 94.7% U.S. average. Lifestyle occupancy declined 50 basis points, to 93.8%, while RBN occupancy was flat at 94.1%.
- Indianapolis–Downtown remained the most expensive submarket, with advertised asking rents up 5.5% through August, to $1,624. Indianapolis–Center (up 7.4% to $1,284) and Indianapolis–Perry East (6.0% to $1,179) rounded out the top three.
- Advertised asking rents for Indianapolis' SFR sector ticked down 0.2% year-over-year through August, to $1,889, while occupancy was up 1.2%, to an overall average of 96.9%.

Indianapolis vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Indianapolis Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Indianapolis unemployment was 3.6% in August, outperforming the nation by 70 basis points, according to preliminary data from the BLS. The metro's figure was down 40 basis points compared to the start of the year, but it tipped in the other direction during this time frame as well. State unemployment also stood at 3.6%.

- Employment growth in the metro slowed to 0.4% year-over-year through June, trailing the nation by 40 basis points. This continued a 10-month trend of slowdowns for the metro. Indianapolis had outpaced the U.S. throughout 2024 and started falling behind in March.

- Over the 12-month period ending in June, Indianapolis added 3,600 net jobs. Of all the sectors that recorded growth, government, along with trade, transportation and utilities, led, with 2,900 and 2,400 positions gained. No other sector crossed the 1,000-job mark, while four sectors lost a combined 4,400 positions.

- Indiana University Health's new, 2.1 million-square-foot hospital topped out earlier this year. Scheduled to come online in 2027, the $4.3 billion megaproject will comprise 864 inpatient rooms; 50 operating rooms; two helipads; and three clinical institutes for cancer, cardiovascular and neuroscience care.

Indianapolis Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
90	Government	181	13.1%
40	Trade, Transportation and Utilities	280.1	20.3%
30	Manufacturing	141.1	10.2%
15	Mining, Logging and Construction	78.6	5.7%
65	Education and Health Services	214.3	15.5%
70	Leisure and Hospitality	138.7	10.0%
50	Information	12.7	0.9%
55	Financial Activities	82.7	6.0%
80	Other Services	57.9	4.2%
60	Professional and Business Services	193.6	14.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- While most major metros recorded contractions, Indianapolis' population remained on an upward trend, gaining 19,967 residents from 2021 to 2022, for a 1.0% uptick. Meanwhile, the U.S. population rose 0.4%.

Indianapolis vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Indianapolis	2,029,472	2,050,933	2,089,990	2,109,957

Source: U.S. Census

SUPPLY

- Indianapolis developers had 5,740 units under construction as of August, along with another 29,000 in the planning and permitting stages. While activity slowed down across the nation, Indianapolis' pipeline remained steady. Of all the units underway, 80.2% were in Lifestyle projects, 15.7% were in fully affordable developments and the remaining were in RBN assets.

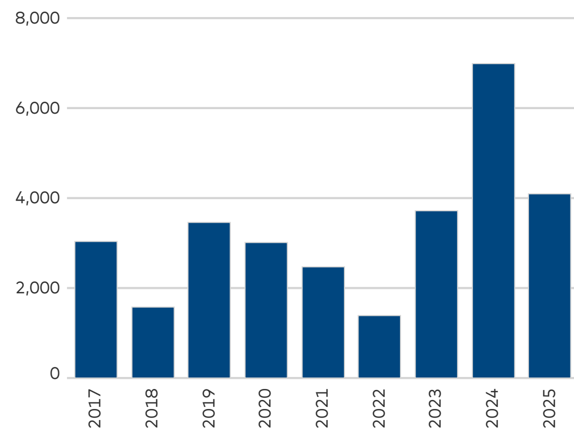
- A total of 4,096 units came online year-to-date through August, which was 2.0% of existing stock and just 10 basis points above the national average. The slowdown was visible in completions as well, which were down 20.7% from the same interval in 2024. Indianapolis' performance fluctuated over the past eight years, with a peak in 2024, when it represented 3.4% of existing stock. Still, it remained well below the U.S. figure throughout this period and averaged about 3,197 new units annually.

- Developers broke ground on 2,044 units across 10 properties during the first eight months of the year. Bucking the overall trend, the total number of units was up 49.1% when compared to the same period last year, when 1,371 units and six projects started construction.

- A few hotspots in central Indianapolis and Carmel stood out for construction activity, with Indianapolis–Washington East in the lead (1,100 units). Carmel (762), Plainfield–Brownsburg–Avon (543), Indianapolis–Center (501) and Greenfield (498) rounded out the top five.

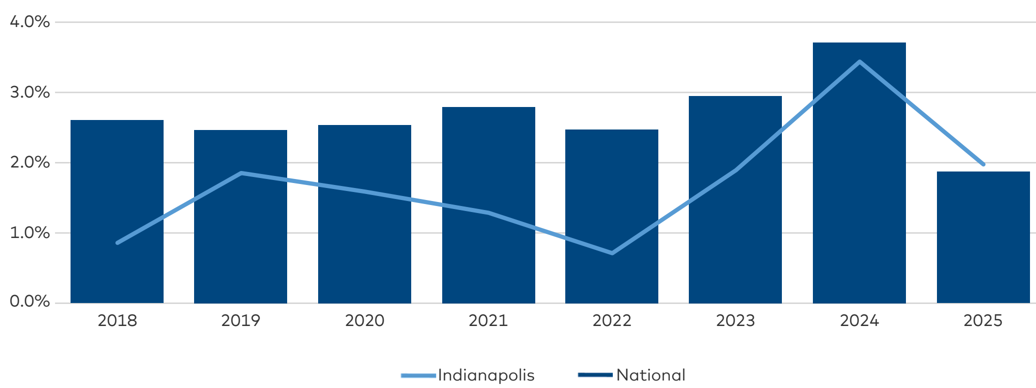
- Greenwood–East ranked seventh with 408 units underway, all in a single project. Denton Floyd Real Estate Group started work on Arlington Farms in March 2023.

Indianapolis Completions (as of August 2025)



Source: Yardi Matrix

Indianapolis vs. National Completions as a Percentage of Total Stock (as of August 2025)

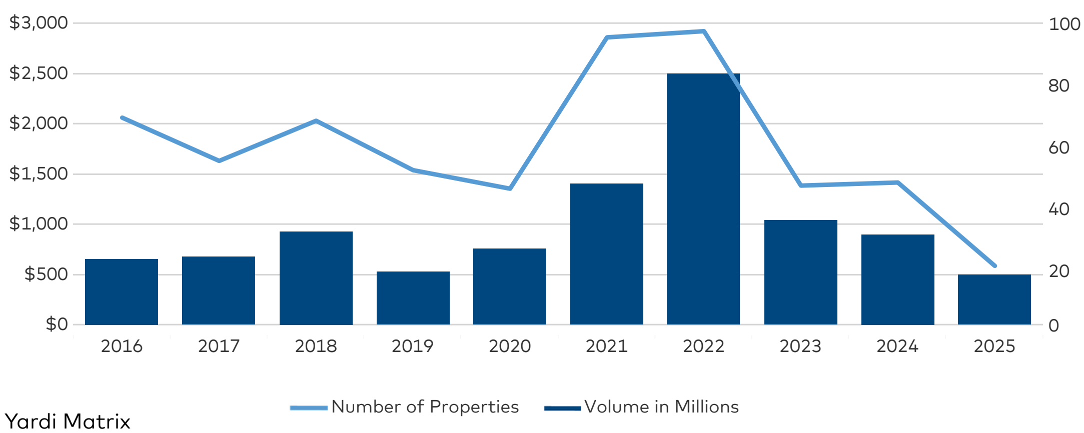


Source: Yardi Matrix

TRANSACTIONS

- Indianapolis investors traded $496 million in multifamily assets year-to-date through August, down 13.2% from the volume recorded during the same period last year. This was in line with the nationwide trend of softening activity after the 2021-2023 peak, when a total of $4.9 billion in assets traded in the metro. Of the 22 single-asset transactions that closed in the first eight months of the year, eight involved Lifestyle assets, while RBN properties accounted for 14 deals.
- The metro's average per-unit price increased 34.7% from last year's figure, impacted by low sales volume. Indianapolis' figure crossed the $100,000 mark in 2021, climbing 45.9% since then. The national average grew 11.2% in the same time frame, to $209,364 as of August.
- Pensam Capital's $136 million acquisition of the 996-unit Riverbend was the largest sale of the year, contributing to Indianapolis–Washington East's ranking. Pepper Pike Capital Partners sold the asset for $136,797 per unit.

Indianapolis Sales Volume and Number of Properties Sold (as of August 2025)



Source: Yardi Matrix

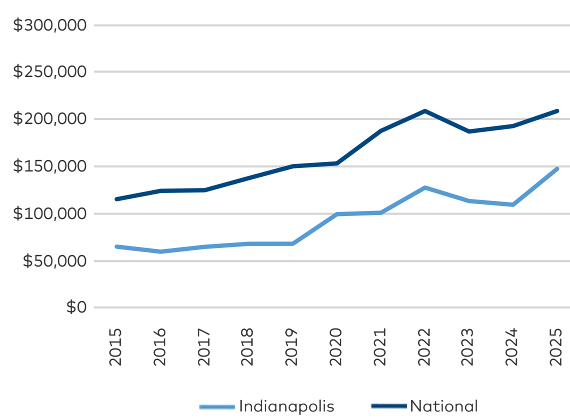
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Indianapolis–Washington East	205
Greenwood–East	148
Westfield–Noblesville	108
Fishers	68
Indianapolis–Center	61
Indianapolis–Wayne East	50
Indianapolis–Pike	46

Source: Yardi Matrix

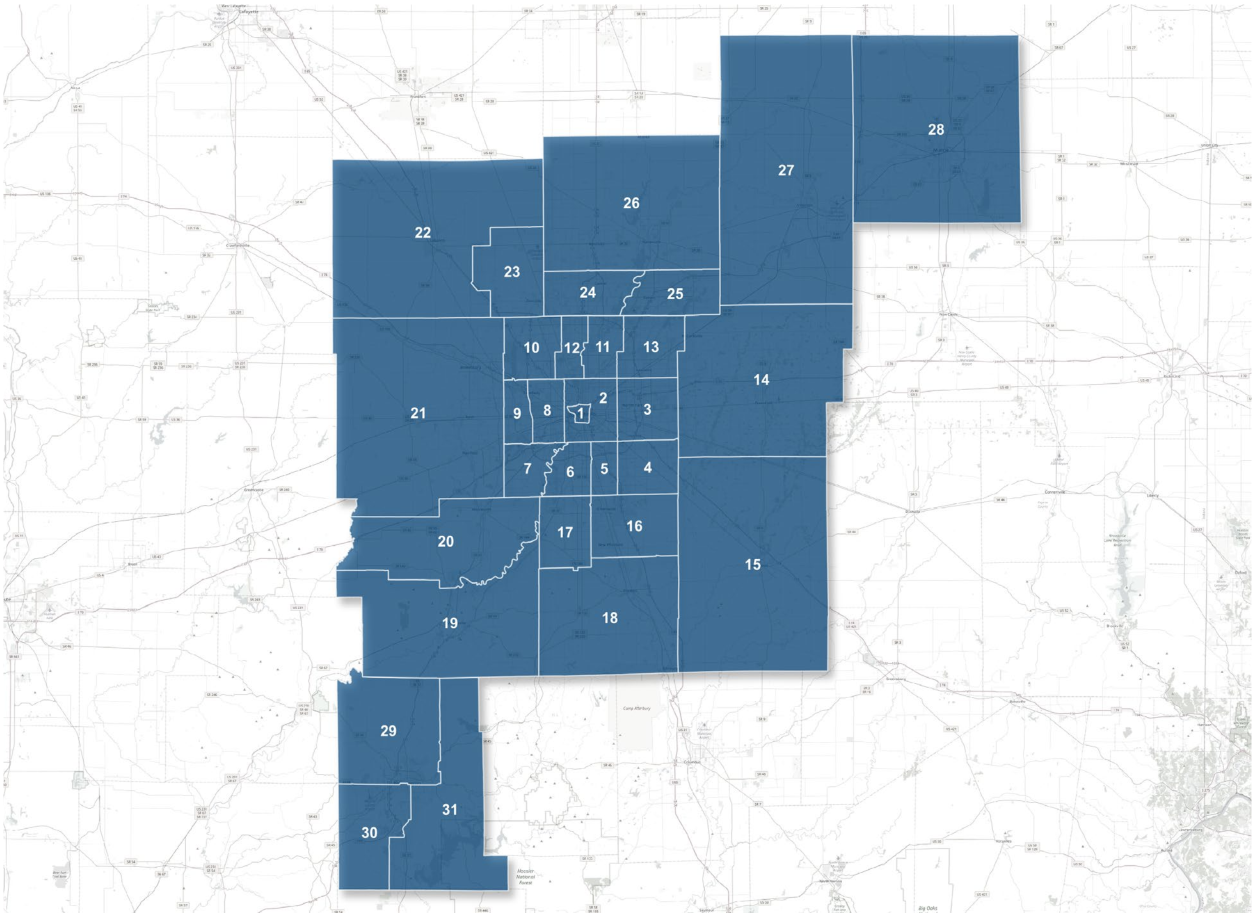
[1] From November 2020 to November 2021

Indianapolis vs. National Sales Price per Unit



Source: Yardi Matrix

INDIANAPOLIS SUBMARKETS



Area No.	Submarket
1	Indianapolis–Downtown
2	Indianapolis–Center
3	Indianapolis–Warren
4	Indianapolis–Franklin
5	Indianapolis–Perry East
6	Indianapolis–Perry West
7	Indianapolis–Decatur
8	Indianapolis–Wayne East
9	Indianapolis–Wayne West
10	Indianapolis–Pike
11	Indianapolis–Washington East
12	Indianapolis–Washington West
13	Indianapolis–Lawrence
14	Greenfield
15	Shelbyville
16	Greenwood–East

Area No.	Submarket
17	Greenwood–West
18	Franklin
19	Martinsville
20	Mooresville
21	Plainfield–Brownsburg–Avon
22	Lebanon
23	Zionsville
24	Carmel
25	Fishers
26	Westfield–Noblesville
27	Anderson
28	Muncie
29	Bloomington–North
30	Bloomington–West
31	Bloomington–East

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

Yardi Matrix

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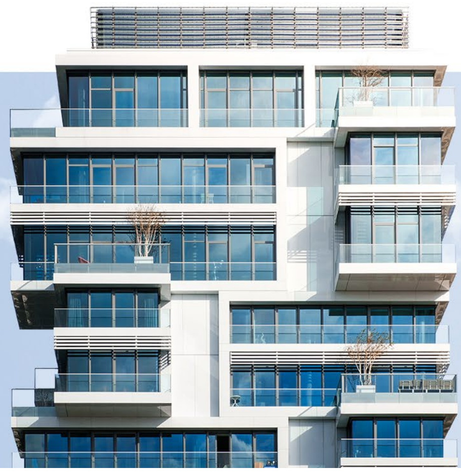
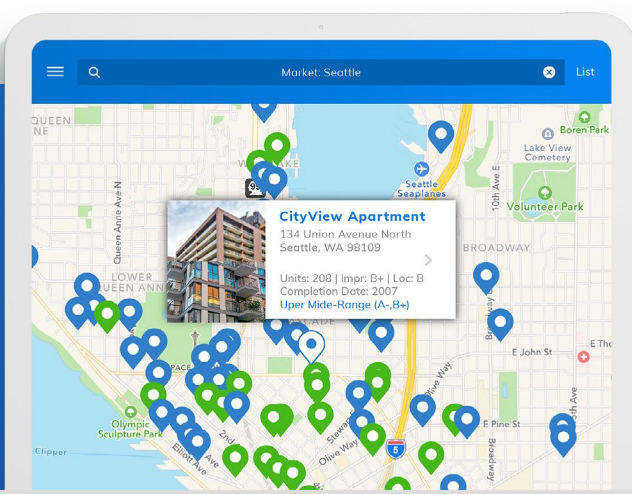


MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23 million units**, covering over **92% of the U.S. population.**

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