



MULTIFAMILY REPORT

Indianapolis' Cooling Cycle

October 2026

Investment Activity Loses Steam

Construction Pipeline Slows Down

Rent Growth Stays Negative

INDIANAPOLIS MULTIFAMILY



Market Momentum Continues to Moderate

Indianapolis multifamily fundamentals remained under pressure, with advertised asking rents declining 0.1% on a trailing three-month basis through August, to \$1,329. This contrasted with the 0.2% U.S. increase to \$1,773. Year-over-year, the metro's rents fell 0.2%, while the national average rose 0.2%. Occupancy in stabilized properties declined 60 basis points year-over-year, to 93.1%.

Indianapolis employment growth declined 1.1% year-over-year through June, remaining negative for the seventh-consecutive month, while the national rate plateaued. Unemployment stood at 3.4% in August, below the 4.0% U.S. average but slightly above Indiana's 3.3% rate. Mining, logging and construction led job gains, while information and government posted the sharpest declines. Notable CRE drivers include IU Health's \$4.3 billion downtown hospital campus.

Supply activity slowed considerably. Indianapolis had 8,234 units underway as of August, while developers completed 686 apartments during the first eight months of the year, down from 5,113 units during the same period in 2025. Yardi Matrix expects 3,886 units to come online in 2026, below the five-year average of 4,076 units. Investment activity also moderated, with multifamily sales totaling \$480 million through August, down from \$580 million a year earlier.

Market Analysis | October 2026

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 x14006

Doug Ressler

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

Author

Vicentiu Fusea

Senior Associate Editor

Recent Indianapolis Transactions

The Signature Carmel



City: Carmel, Ind.
Buyer: Birge & Held
Purchase Price: \$80 MM
Price per Unit: \$262,860

The Reserve at William's Glen



City: Zionsville, Ind.
Buyer: Birge & Held
Purchase Price: \$62 MM
Price per Unit: \$229,781

The Hamilton



City: Fishers, Ind.
Buyer: The Connor Group
Purchase Price: \$60 MM
Price per Unit: \$258,009

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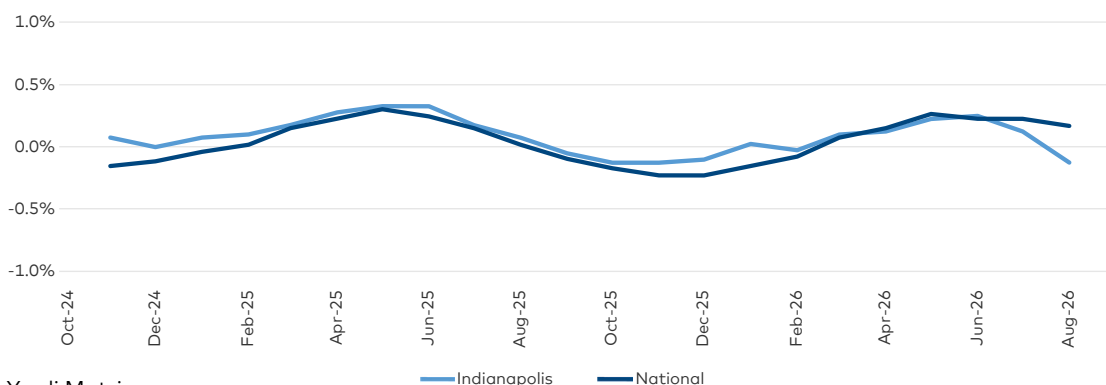


City: Indianapolis
Buyer: Chelsea Management,
ICONIC Property Partners
Purchase Price: \$46 MM
Price per Unit: \$124,328

RENT TRENDS

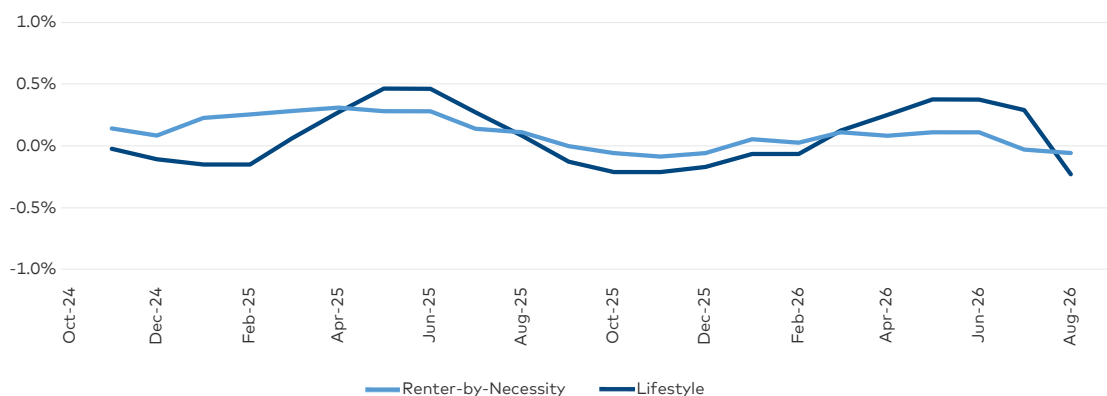
- Indianapolis advertised asking rents were at \$1,329, down 10 basis points on a trailing three-month basis. This trend contrasted with the U.S. average, which rose 0.2%, to \$1,773. On a year-over-year basis, the metro's average rent contracted 0.2%, while the national figure gained 0.2%. Rent growth in the metro is expected to reach 1.1% by year-end.
- By quality segment, Renter-by-Necessity properties slightly outperformed, with rents down just 10 basis points on a T3 basis, to \$1,187. Lifestyle rents dropped 20 basis points to \$1,584. This marked the first time since December last year that both segments recorded contractions.
- Indianapolis' overall occupancy rate in stabilized properties stood at 93.1%, down 60 basis points year-over-year. The metro's rate remained below the 94.2% national figure, at -50 basis points year-over-year.
- As of August, Zionsville was the most expensive submarket in Indianapolis, with rents reaching \$1,763, a \$187 increase compared to the same month in 2025. It was followed by the supply-constrained Carmel and downtown submarkets.
- Rent growth remained uneven. Lebanon posted the strongest annual gain at 29.3%, partly due to Meta's \$10 billion data center which increased demand for housing. Greencastle and Zionsville followed at 14% and 11.9%, respectively. Meanwhile, rents declined across 16 submarkets and were flat in another two.

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' employment growth declined 110 basis points year-over-year as of June, remaining negative for the seventh-consecutive month, while the national rate was flat. The prolonged contraction points to continued weakness in the metro's labor market.
- As of August, the metro's nonfarm unemployment rate stood at 3.4%, 60 basis points below the U.S. average and 10 basis points above Indiana's rate, according to Bureau of Labor Statistics data.
- Trade, transportation and utilities remained Indianapolis' largest employment sector, accounting for 20% of the metro's workforce, despite dropping 1.7% year-over-year. Mining, logging and construction posted the strongest gain at 3%, while education and health services edged up 0.2%. All other sectors contracted, with information and government recording the sharpest declines, at 10.9% and 5.9%.
- Notable CRE drivers include IU Health's \$4.3 billion, 44-acre downtown hospital campus, which is reshaping the Near North Side with a medical office building, research and education space, and retail, with opening scheduled for late 2027. In Lebanon, Meta is working on a more than \$10 billion data center campus at the LEAP district, planned across roughly 4 million square feet and expected to add more than 300 permanent jobs.

Indianapolis Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
15	Mining, Logging and Construction	82.9	6.1%
65	Education and Health Services	218.2	16.0%
55	Financial Activities	84.5	6.2%
60	Professional and Business Services	192.1	14.1%
80	Other Services	58.4	4.3%
30	Manufacturing	138.1	10.1%
50	Information	11.4	0.8%
70	Leisure and Hospitality	135.2	9.9%
40	Trade, Transportation and Utilities	272.1	20.0%
90	Government	170.3	12.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Indianapolis' population grew by 26,746 residents, or 0.9%, from 2,823,904 in 2023 to 2,850,650 in 2024, up from an 18,574-resident gain the year before but trailing the roughly 1.0% overall U.S. growth rate.

Indianapolis vs. National Population

	2021	2022	2023	2024
National	332,099,760	334,017,321	336,806,231	340,110,988
Indianapolis	2,784,808	2,805,330	2,823,904	2,850,650

Source: U.S. Census

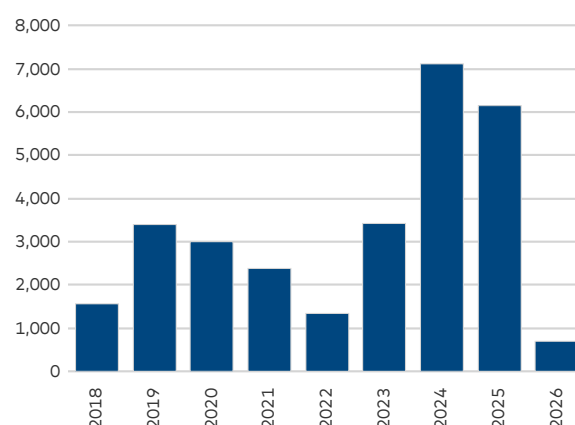
SUPPLY

- Indianapolis had 8,234 units under construction as of August. Most of the units underway were in lifestyle and fully affordable assets, with only a small share in RBN. This mirrored the slow pace of workforce housing development nationwide. Another 30,000 units were in the planning and permitting stages.
- During the first eight months of the year, 686 apartments came online across the metro, representing 0.3% of existing stock. Deliveries were down sharply from the same period in 2025, when 5,113 units across 27 properties were completed. Yardi Matrix still expects 3,886 units to come online by year-end.
- Developers broke ground on 11 properties in the first eight months of the year, which will add 2,130 units to the metro's inventory. This marked a slowdown from the same period in 2025, when developers started work on 16 projects totaling 3,552 apartments. The pull-back comes as stabilized occupancy softened, giving developers less room to push new projects forward.
- Indianapolis–Center led the development pipeline, with five projects totaling 448 units under-

way. Carmel led in terms of apartments under construction, with 1,229 units in development, followed by Fishers with 1,162 units.

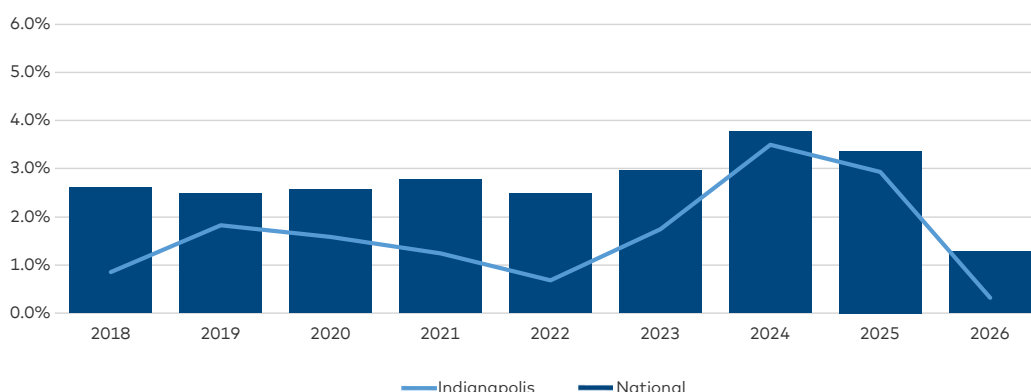
- The metro's largest project underway is the 371-unit Monon Square North, which J.C. Hart Co. started work on in July 2025. The company expects to complete the two-building development in Carmel next July.

Indianapolis Completions (as of August 2026)



Source: Yardi Matrix

Indianapolis vs. National Completions as a Percentage of Total Stock (as of August 2026)



Source: Yardi Matrix

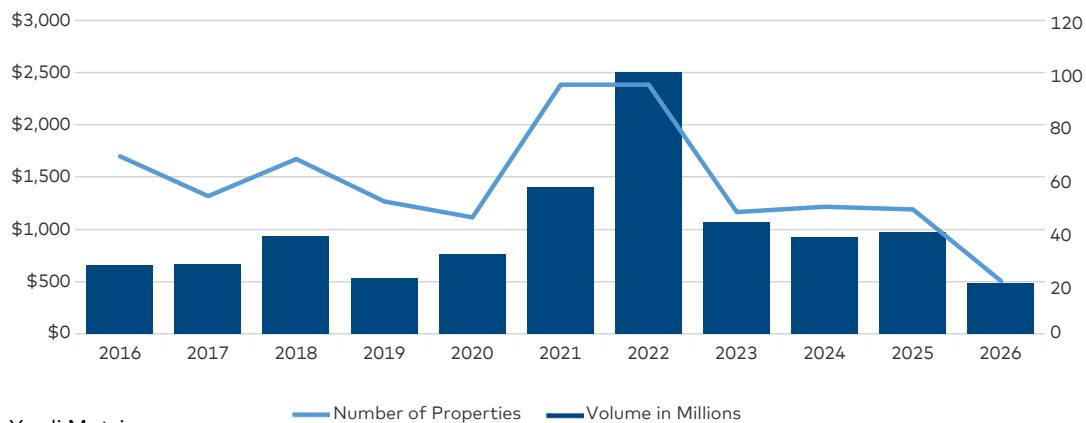
TRANSACTIONS

- Indianapolis multifamily investment activity slowed through August, with 23 assets trading for a combined \$480 million. As with most metros, volume was down from the same period last year, when 27 properties changed hands for \$580 million. Deals within the city of Indianapolis accounted for nearly \$183 million of this year's volume, while the remaining activity came from surrounding markets across the metro.
- Of the 23 communities that traded, 17 of them

belonged to the RBN category and only six were Lifestyle, which pushed the average price per unit down 3% to \$136,841. The national average during the same period was \$192,668.

- By dollar volume, Birge & Held completed the metro's largest single-asset transaction during the first eight months of the year. The company paid nearly \$80 million for The Signature Carmel, a 303-unit community previously owned by Great Lakes Capital.

Indianapolis Sales Volume and Number of Properties Sold (as of August 2026)



Source: Yardi Matrix

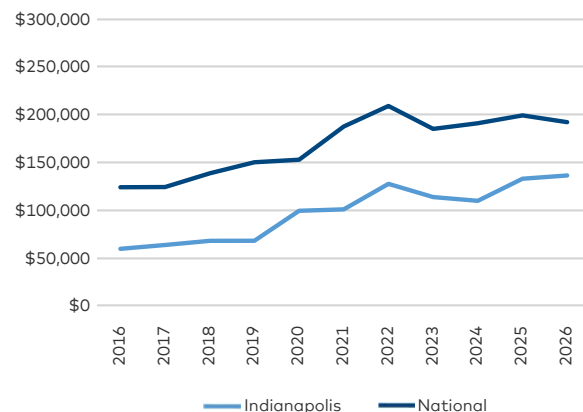
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Westfield–Noblesville	167
Indianapolis–Pike	110
Greenwood–West	87
Carmel	80
Indianapolis–Washington West	73
Zionsville	62
Fishers	60

Source: Yardi Matrix

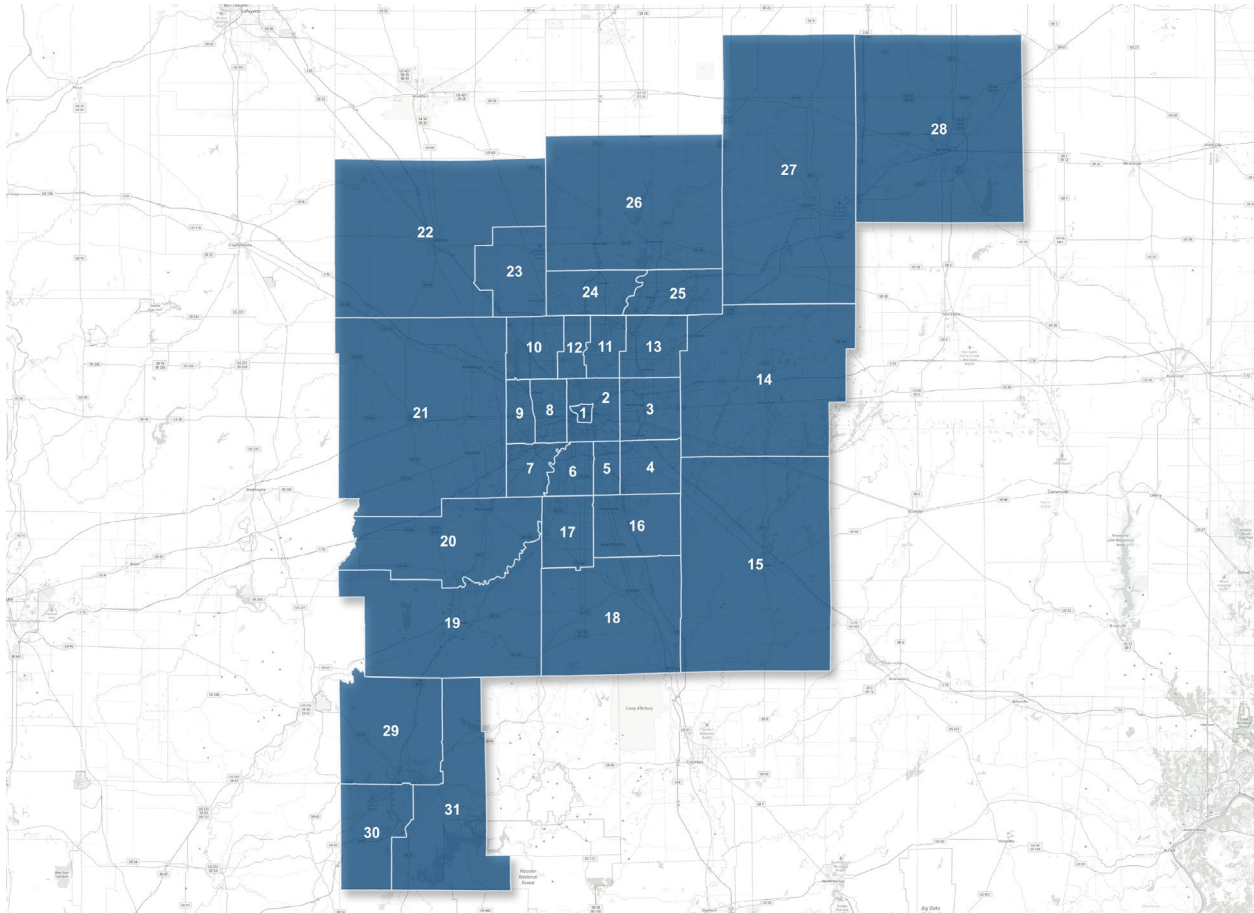
¹ From September 2025 to September 2026

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	Mooreville
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.



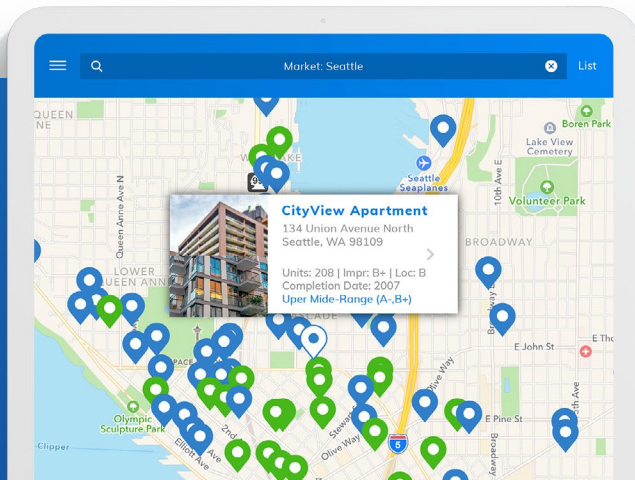
Yardi® Matrix

Power your business
with the industry's
leading data provider



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



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