

INDIANAPOLIS | INDUSTRIAL MARKET REPORT

Q4 2017

Indianapolis Industrial continues to show solid deal velocity

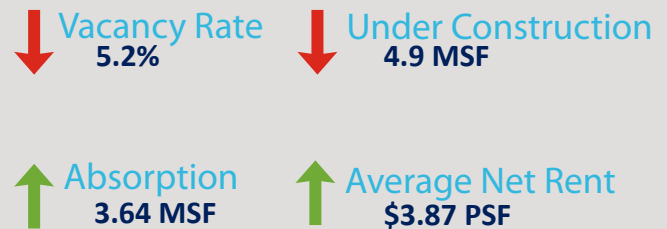
Regional Summary

The Indianapolis Industrial Market continues to show solid demand for large distribution space and continues to see solid net absorption numbers. The market is skillfully navigating a high wire balancing act of strategic development projects and continued interest of large consumer goods and E-commerce companies considering Central Indiana as a place to do business. The big question regarding the market is how long will it's strength continue to absorb these large blocks of space, as the new construction of Investment Grade buildings continue to be built for future projects.

With a low direct vacancy rate near 5.2%, which includes the new speculative space deliveries that came to the market this quarter of approximately 3.2 MSF, deal velocity is still strong and rental rates are being increased.

Noteworthy Q4 2017 transactions bode well for the future health of the Indy Industrial Market. Completed new projects include the 708,230 SF building for Hewlett-Packard in AllPoints Midwest in Plainfield, the 350,000 SF Building for Bauer Hockey in Plainfield, and the 446,500 SF new lease with Newgistics in Greenwood.

Q4 2017 positive absorption of 3.64 MSF was fueled by a litany of significant transactions such as Land O'Lakes, Camping World and Electronic Recyclers International. Significant deliveries to the market included the 494,000 SF Speculative Building from



Arrows indicate year-over-year change

Vantrust in Greenwood, a 357,000 SF Spec Building from Becknell in Plainfield, while Exeter Property Group is looking to deliver their first entry into the Speculative Development business model with a 440,000 SF Building in Whitestown, IN, in Q1 2018.

The vibrancy of the market is evident with the continuing rise in Net Lease Rates. They are hovering in the \$3.75-4.00 PSF range. With local unemployment rates holding the line below the national average, at 3.7%, along with a healthy 1.9% Year over Year employment growth increase, the Indianapolis Industrial Market is the beneficiary of these strong indicators. Due to this stability, Indianapolis remains a magnet for national distribution and manufacturing companies to reside here and capital investment opportunities continue to be strong with brand new core asset development in Central Indiana.

Given the strong leasing volume and deal velocity in 2017, several large speculative construction projects are being constructed with completion in the first six (6) months of 2018:

SNAPSHOT OF SPECULATIVE PROJECTS 2018

Location	Square Feet	Company	Delivery Date
Ameriplex	912,000	IDI Gazeley	Q1 2018
Ameriplex	630,000	Molto Properties	Q1 2018
Greenwood	496,072	OPUS	Q2 2018
Whitestown	440,000	Exeter Property Group	Q1 2018
Plainfield	368,000	Strategic Capital Partners	Q2 2018
Mt. Comfort	368,000	Shear Development Corp.	Q3 2018
Whitestown	281,400	Becknell Industrial	Q1 2018
Greenwood	232,500	Pinchal & Co.	Q1 2018
Greenwood	186,000	Shear Development Corp.	Q1 2018

NOTABLE LEASE TRANSACTIONS

Tenant	Address	Square Feet	Lease Type
XPO Logistics	135 S Mt. Zion Rd, Lebanon	1,100,000	New
Camping World	300 Purity Dr, Lebanon	707,952	Renewal
Hewlett-Packard Ryder Logistics	1301-1397 Smith Rd, Avon	708,230	New
Newgistics	TBD, Greenwood	446,500	New
Geodis Logistics	2450 Stanley Rd, Plainfield	450,000	Renewal
Brooks Running Shoes	4255 S 500 E, Whitestown	400,140	New
Bauer Hockey	Wamsley Ct, Plainfield	350,000	New
CEVA Logistics	Airwest 4, 2151 Airwest Blvd, Plainfield	333,397	Renewal
Electronic Recyclers International	3100 Reeves Rd, Plainfield	315,000	New
Dia & Company	800 Commerce Pkwy, Greenwood	211,500	New
Land O'Lakes	600 S Perry Rd, Plainfield	300,000	New
Atkins Nutritional	3023 N Distribution Way, Greenfield	211,500	Renewal
Hyperikon	4850 Indianapolis Rd, Whitestown	152,000	New
Maintenance Supply Company	2825 Reeves Rd, Plainfield	78,000	New



135 N. Pennsylvania Street | Suite 1250
 Indianapolis, IN 46204
 317.210.8801

avisonyoung.com