



Indianapolis office market report

Q2 2022

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Office market trends

01

Back-to-Office Extracurricular Appeal

Employers in the Indianapolis market have been encouraging employees to return-to-the-office in a manner that is allowing for flexibility, but also is focused on returning as many people as possible to the office.

Mandates and ultimatums have not been needed, as employees appear to be coming back-to-the-office to take advantage of the variety of extracurricular activities the CBD has offered as the summer months gear into full-swing.

02

Tenant Touring Steady

Despite concerns around COVID, inflation, and return-to-office strategy, tenants continue to steadily weigh their options for office space strategy, touring available space at a steady pace through mid-year 2022. Indianapolis office users continue to pursue a return-to-office strategy of at least Tuesday-Thursday for employees, which is making future planning of space less uncertain for tenants weighing upcoming lease rollovers.

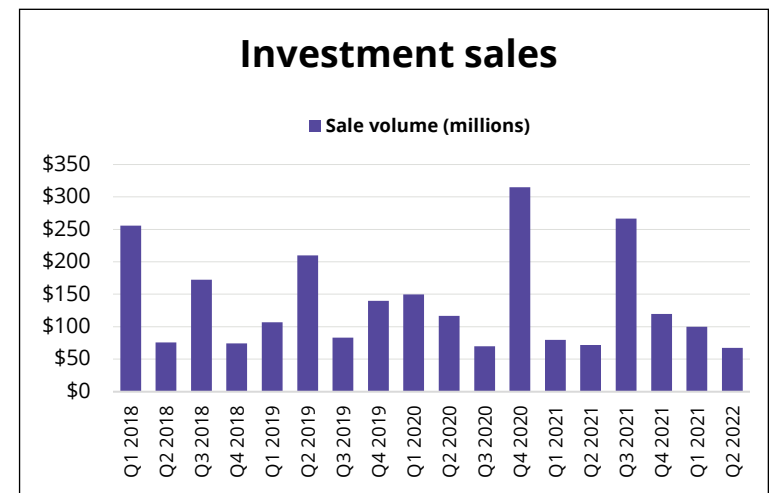
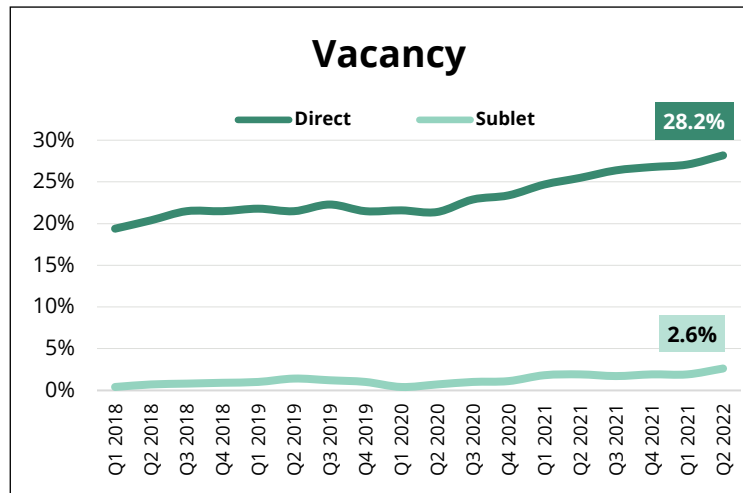
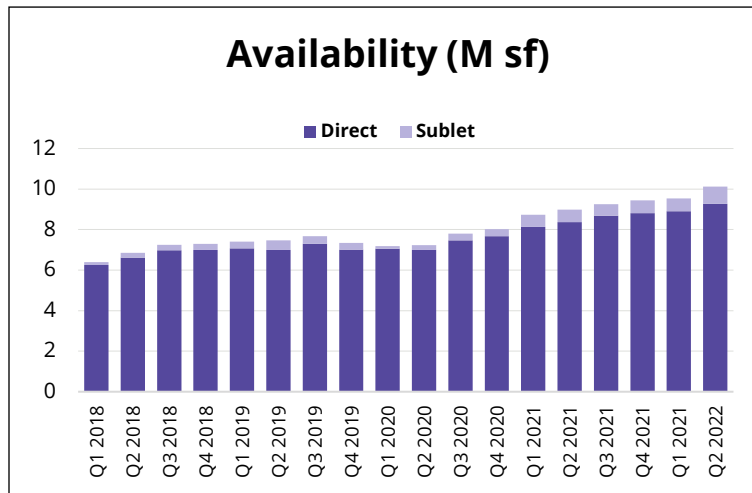
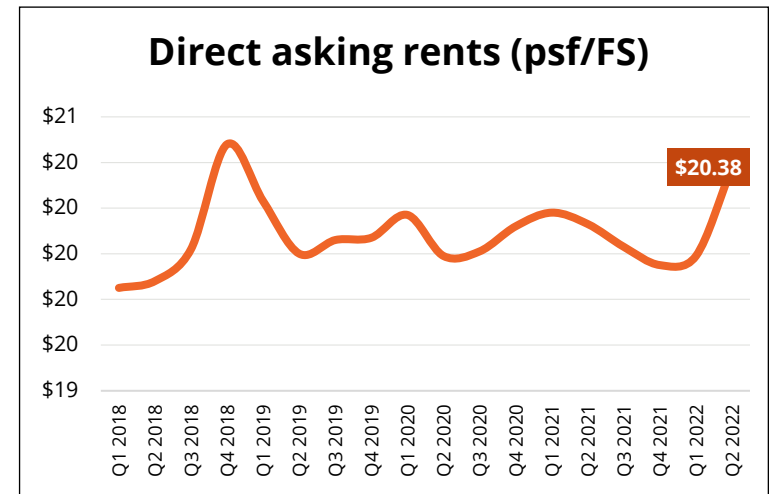
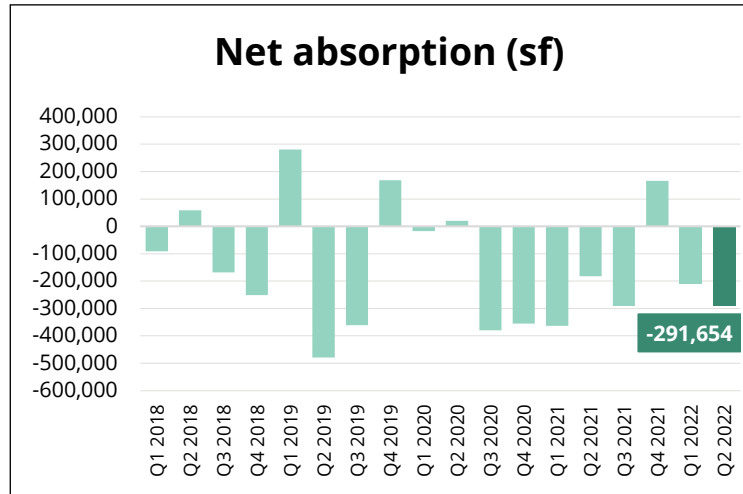
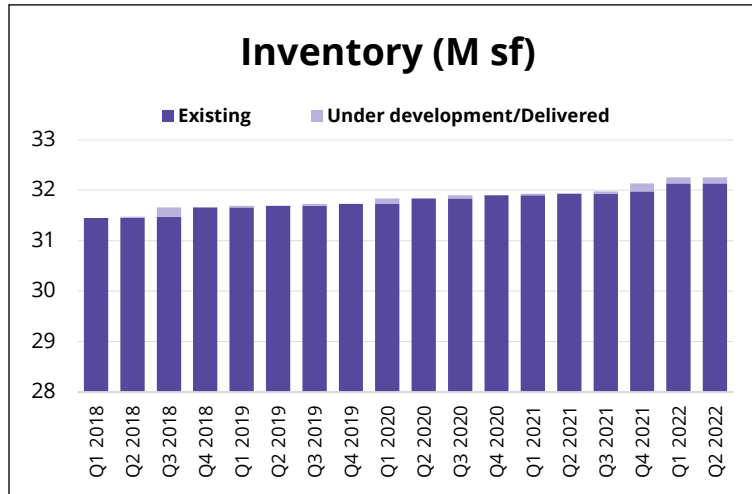
03

CBD rents vs. Suburban sale prices

Indianapolis CBD is still demanding higher rental rates than emerging suburban office clusters like Carmel, however when assets hit the capital markets, suburban office assets, particularly high-quality newer buildings, tend to capture a significant premium on a \$/psf basis.



Office market indicators



Office market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Term	Rent
<i>Confidential Tenant</i>	8900 Keystone Crossing	4/5/2022	22,078	New	Direct	-	-
Thompson Thrift	111 Monument Circle	04/07/2022	12,235	New	Direct	30 months	\$24.00 FS
Rejoyce Financial	881 3 rd Ave SW	04/17/2022	7,928	New	Direct	84 months	\$29.00 FS
Milliman	10 W Market St	6/1/2022	6,393	New	Direct	64 months	\$27.00 FS
CareerStaff Unlimited	11550 N Meridian St	5/13/2022	1,550	New	Direct	12 months	\$19.57 FS

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	Cap rate	Seller
Wesley N Dingler	6801 Lake Plaza Dr	May 2022	\$4,200,000	\$105.86		Nicholas DiSalvo
<i>Confidential</i>	5425 Victory Dr	June 2022	\$8,550,000	\$285.95	6.13%	Speiser Huber
KennMar	3500 Depauw Blvd (The Pyramids)	Apr 2022	\$17,000,000	\$46.36		Sterling American Property, Inc.
Thomas W Frank	911,921,931,941 E 86th St (4 bldgs.)	May 2022	\$7,240,000	\$80.67	9.00%	Commercial Investment Realty

Office market stats by submarket

By Submarket	Office Inventory (sf)	Medical Office Inventory (sf)	Total Office Inventory (sf)	Total %	Class A	Class B	Net Absorption 2Q22	Net Absorption YTD	SF Under Construction
Carmel	448,951	18,138	467,089	9.78%	14.24%	7.31%	6,273	-5,432	0
Castleton	1,265,382	160,919	1,426,301	31.31%	24.83%	35.74%	17,259	-2,906	0
CBD	10,498,404	274,000	10,772,404	21.43%	18.91%	28.30%	22,286	-101,578	0
I-69 Corridor	1,293,419	103,587	1,397,006	31.11%	31.36%	30.38%	-64,611	-82,447	120,000
Keystone at the Crossing	4,414,170		4,414,170	27.83%	25.31%	36.12%	-78,379	-150,961	0
Meridian Corridor	4,811,832	663,607	5,475,439	30.62%	25.40%	41.21%	-59,304	-13,636	0
Midtown	1,119,967	912,352	2,032,319	23.61%	5.82%	27.62%	-42,523	-31,177	0
Northeast	148,589	15,606	164,195	90.57%	-	90.57%	-2,841	-33,962	0
Northwest	2,929,330	41,418	2,970,748	29.62%	24.30%	36.44%	-51,294	-60,006	0
South/Southeast	698,826	783,169	1,481,995	27.22%	-	27.74%	-10,851	-10,851	0
Southwest/Airport	646,457	97,786	744,243	33.07%	33.32%	44.16%	-27,669	-9,299	0
West	335,021	453,727	788,748	24.41%	50.00%	19.72%	0	0	0
Market Total	28,610,348	3,524,309	32,134,657	25.70%	22.30%	30.20%	-291,654	-502,255	120,000

Office market stats by class

By Class	Inventory (sf)	Vacancy	2Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Class A	18,180,261	22.30%	-142,287	-214,435	120,000	620,810
Class B	13,954,396	30.20%	-149,367	-287,820	0	17,800
Market Total	32,134,657	25.70%	-291,654	-502,255	120,000	855,325

For more market insights
and information visit
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