

Indianapolis

Office market snapshot | Q1 2024

Indianapolis' office market in Q1 saw a slight increase in leasing activity and a decrease in availability compared to the end of 2023; contrary to other Midwest markets. Certain suburban areas like the Carmel submarket continued to perform well with high rental rates and extremely low vacancy. Office sales activity continued to decline, influenced by both investor sentiment and prevailing economic conditions.

473k sf

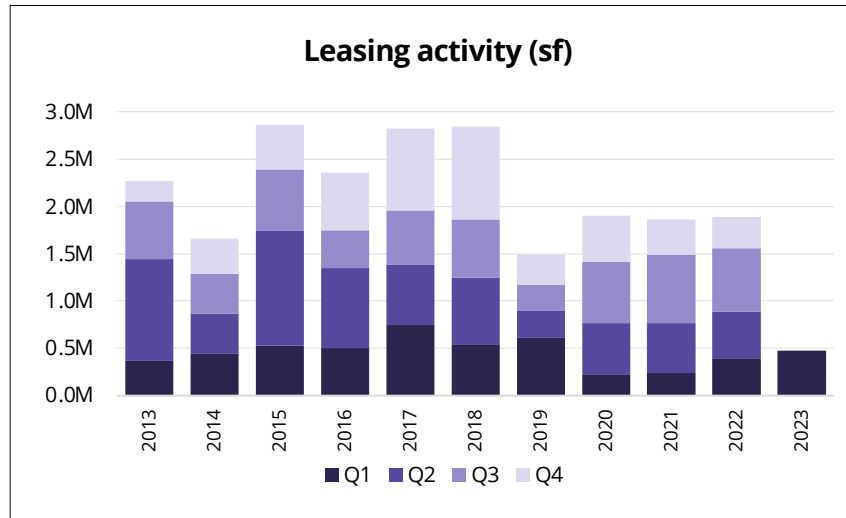
Total leasing activity in Q1 2024, 19% higher than Q1 of last year. Q1 leasing has increased every year since 2020.

\$301M

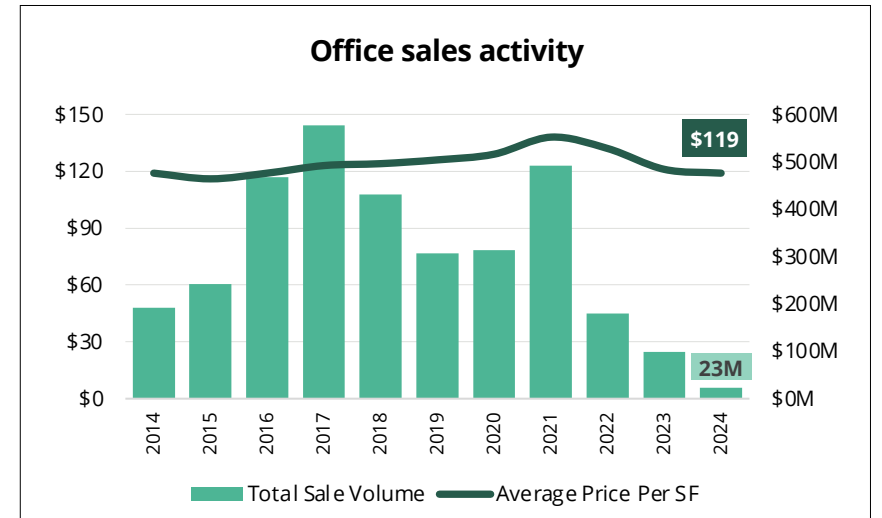
Total dollar volume of office building sales since 2022. This total is only 63% of 2021's annual total.

860k sf

Sublet availability across the market. This amount has decreased for two straight quarters.



Total annual leasing activity has remained steady over the past 3 years. However, Q1 of 2024 saw the largest Q1 leasing volume since 2019.

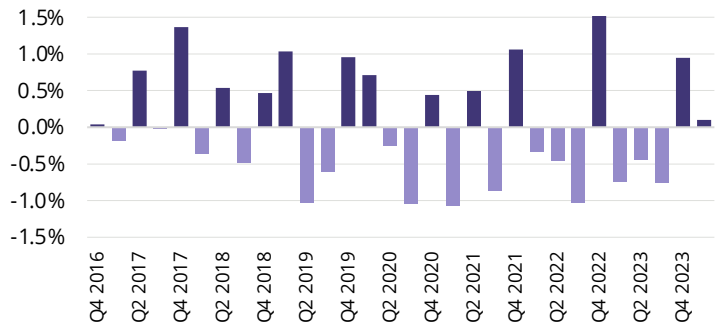


Capital markets activity for office buildings has come to a standstill. Total dollar volume of sales for the past 9 quarters represents only 63% of the total in 2021 alone. Price per square foot has declined but not as significantly as in major gateway markets.

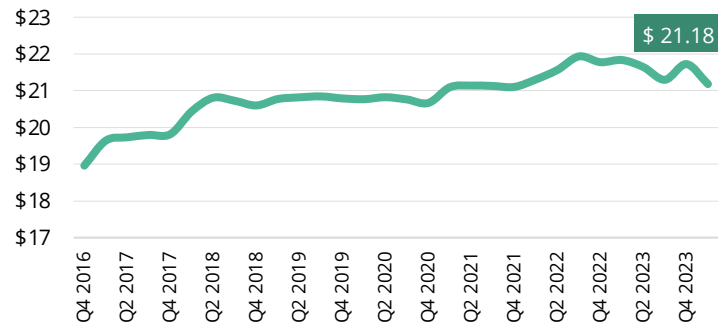
Indianapolis

Office market snapshot | Q1 2024

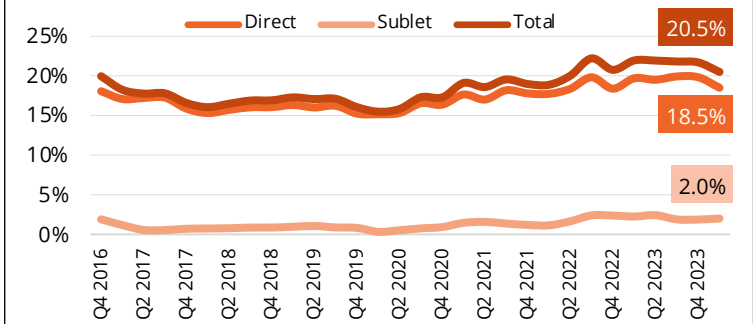
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
INHP	2960 N Meridian St	24,850	New	Direct
Elbrecht Construction	10689 N Pennsylvania St	12,729	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Joseph R Kendall	5100 Charles Court	\$3,101,890	\$138.70	Reindeer Logistics
Steffey Wahl	1405 Broad Ripple Ave	\$3,950,366	\$318.58	Keystone Realty

Indianapolis

Office market snapshot | Q1 2024

Get in touch

Jeremy Krotz
Market Intelligence
Central Region Manager
jeremy.krotz@avisonyoung.com

Sean Boyd
Market Intelligence
Senior Analyst
sean.boyd@avisonyoung.com

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
CBD	13,675,582		218,500	19.5%	1.8%	21.3%	-130,997	-1.0%	\$ 23.92
Meridian Corridor	7,014,373			20.3%	3.8%	24.1%	-148,460	-2.1%	\$ 21.98
Keystone at the Crossing	5,751,828			22.7%	2.3%	25.0%	29,535	0.5%	\$ 21.61
Northwest	4,077,467			24.8%	0.8%	25.6%	13,994	0.3%	\$ 19.25
I-69 Corridor	3,043,547		60,000	13.8%	3.6%	17.4%	102,619	3.4%	\$ 23.51
Midtown	2,119,232			13.5%	1.8%	15.3%	-18,517	-0.9%	\$ 17.27
South/Southeast	1,972,679			5.6%	0.0%	5.6%	-19,294	-1.0%	\$ 18.84
Castleton	1,789,262			15.0%	0.0%	15.0%	73,532	4.1%	\$ 17.07
Southwest/Airport	1,368,530			22.5%	1.1%	23.5%	-1,525	-0.1%	\$ 15.68
Carmel	1,293,220		73,000	3.2%	1.9%	5.0%	11,494	0.9%	\$ 27.68
Northeast	766,788			10.7%	0.0%	10.7%	48,856	6.4%	\$ 10.30
West	721,393			18.5%	0.0%	18.5%	-3,073	-0.4%	\$ 16.64
Market total	43,593,901		351,500	18.5%	2.0%	20.5%	-41,836	-0.1%	\$ 21.18

Indianapolis

Office market snapshot | Q1 2024

Get in touch

Jeremy Krotz

Market Intelligence

Central Region Manager

jeremy.krotz@avisonyoung.com

Sean Boyd

Market Intelligence

Senior Analyst

sean.boyd@avisonyoung.com

**AVISON
YOUNG**

