

Indianapolis

Office market snapshot | Q2 2024

Indianapolis' office market in Q2 saw a slight decrease in leasing activity and a moderate increase in availability from last quarter. While still recovering, Indianapolis' office market has performed better than several Midwest markets due to its diverse tenant base, central location, and cost of living, which is led by affordable housing options. Office sales activity has continued to decline due to elevated interest rates and lingering uncertainty for the asset class.

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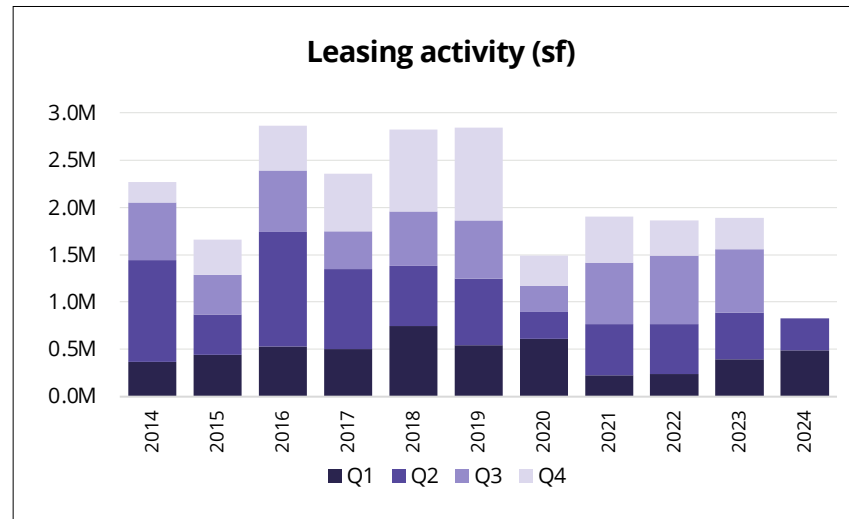
Total leasing activity through the first two quarters of 2024. This is 2.5% above the mid-year average from the prior three years.

\$305M

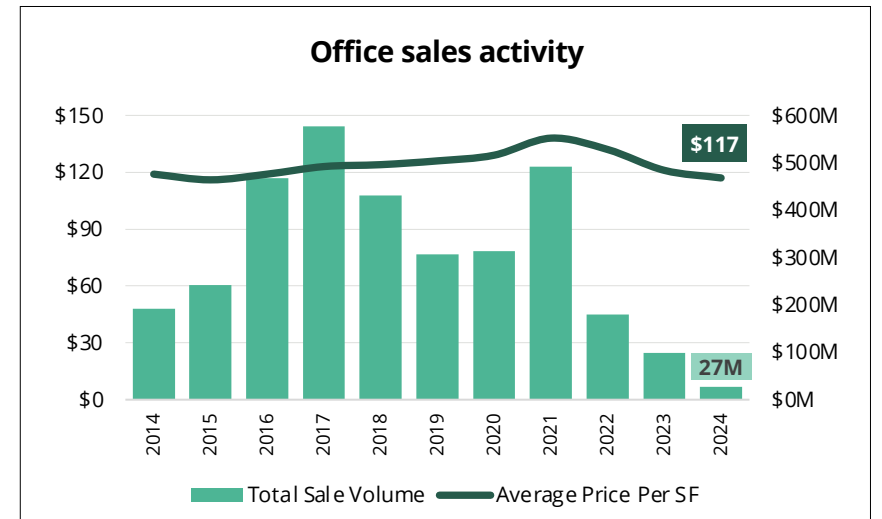
Total dollar volume of office building sales since 2022. This is only 62% of total sales volume in 2021 alone.

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Sublet availability across the market. This is the lowest amount in the past two quarters.



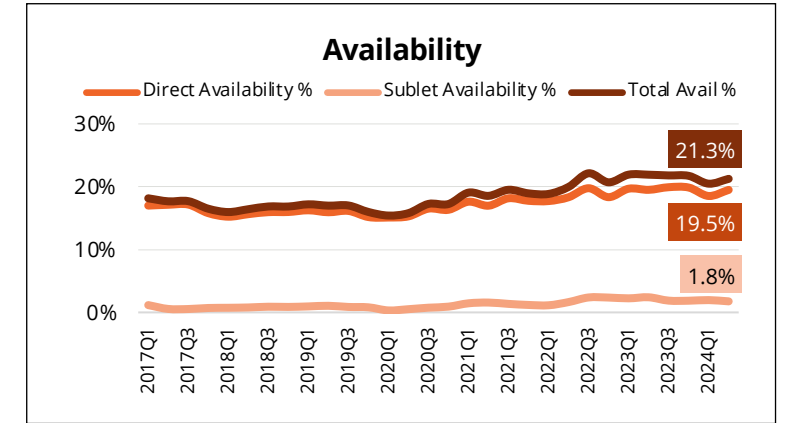
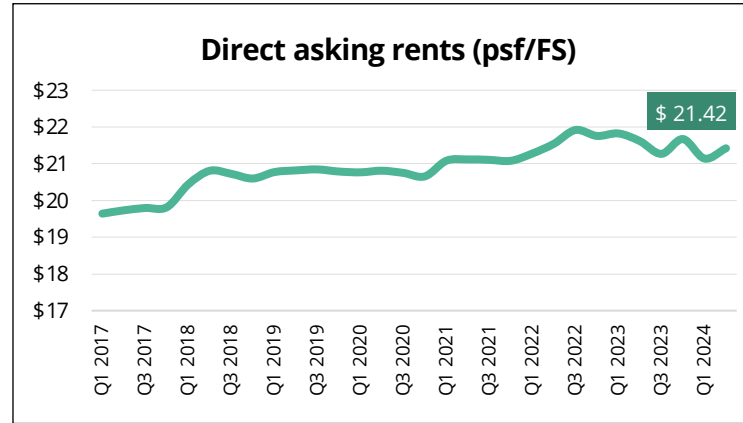
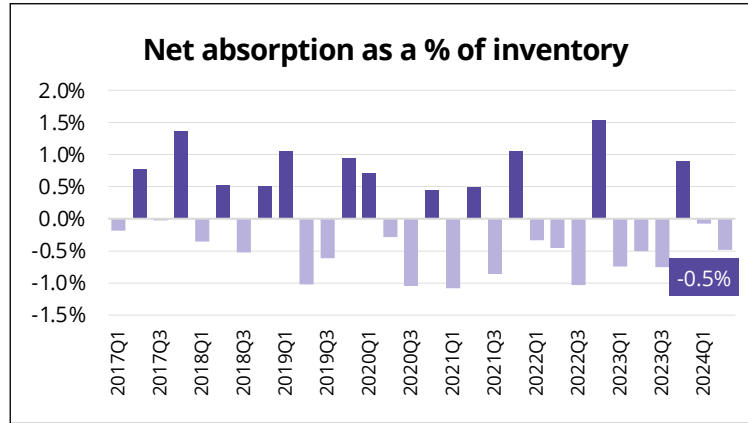
Through the first half of 2024, leasing activity remains relatively on par with the previous three years. However, leasing activity in Q2 2024 was 30% less than Q2 2023.



A combination of rising interest rates and investor sentiment has stalled office sales significantly in 2024. Price per square foot has declined but not as significantly as in major gateway markets like Chicago or San Francisco. Only \$3M of office sales were recorded in Q2 2024.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
High Point Global	8520 Allison Pointe Blvd	11,196	New	Direct
American Family Insurance	11595 N Meridian St	3,273	New	Direct
Express Health Care	2346 S Lynhurst Dr	2,317	New	Direct

Recent sales activity (YTD)

Buyer	Address	Sale price	Sale price psf	Seller
Irving Materials	10500 Kincaid Dr	\$10,000,000	\$78.74	G&M Investments
Alhussnain Inc.	6620 Network Way	\$8,705,750	\$62.02	Lowe's
Ankur Bindal	1201 Columbia Rd	\$3,520,000	\$101.02	HSA Commercial

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption SF (YTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
CBD	13,524,842		100,000	20.9%	2.4%	23.2%	-248,347	-1.8%	\$ 24.70
Meridian Corridor	7,014,373			22.4%	3.2%	25.7%	-142,257	-2.0%	\$ 21.91
Keystone at the Crossing	5,714,428			22.5%	2.3%	24.8%	30,745	0.5%	\$ 21.89
Northwest	4,077,467			25.8%	0.5%	26.3%	-65,858	-1.6%	\$ 18.99
I-69 Corridor	3,051,088		60,000	12.1%	2.1%	14.2%	174,482	5.7%	\$ 23.60
Midtown	2,223,939			15.9%	0.9%	16.8%	-9,802	-0.4%	\$ 17.09
South/Southeast	1,972,679			5.2%	0.0%	5.2%	-13,991	-0.7%	\$ 18.85
Castleton	1,789,262			21.6%	0.3%	22.0%	-26,273	-1.5%	\$ 18.51
Southwest/Airport	1,340,552			22.3%	1.1%	23.4%	5,670	0.4%	\$ 15.72
Carmel	1,293,220			3.6%	0.0%	3.6%	37,503	2.9%	\$ 28.60
Northeast	766,788			15.2%	0.0%	15.2%	24,684	3.2%	\$ 15.11
West	721,393			17.7%	0.0%	17.7%	-1,973	-0.3%	\$ 16.64
Market total	43,490,031		160,000	19.6%	1.9%	21.5%	-235,417	-0.5%	\$ 21.42

