

Indianapolis

Industrial market snapshot | Q2 2024

The Indianapolis industrial market continues to face challenges amidst increasing vacancy rates, softening leasing activity and negative absorption. Recovery from the construction boom in 2021 and 2022 is ongoing, which has led to a significant reduction in new developments. Leasing activity increased 42% throughout Q2 2024 from the prior quarter with 3.2 msf having been leased.

10.2%

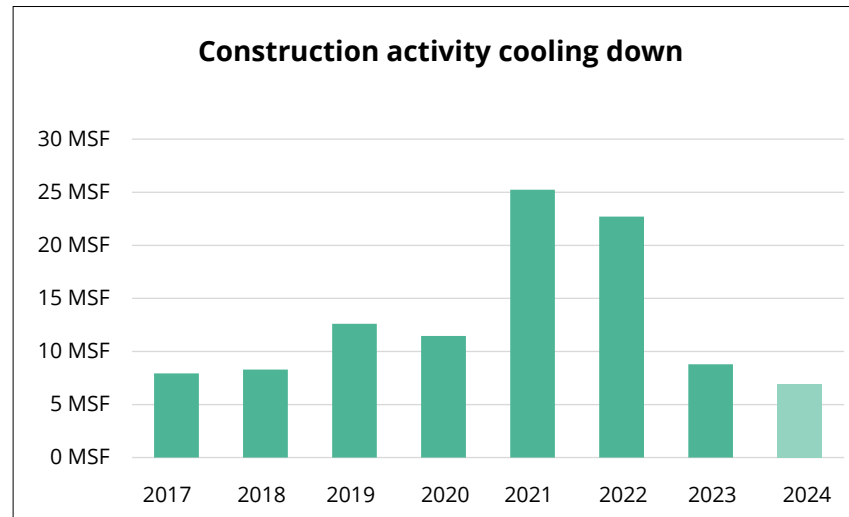
Overall vacancy increased 70 basis points up to 10.2 from the prior quarter with sublet vacancy reaching record breaking levels of 1.4%.

5.5 msf

A total of 5.5 msf has been leased throughout the first half of 2024, with 3.2 msf transacting during Q2 2024.

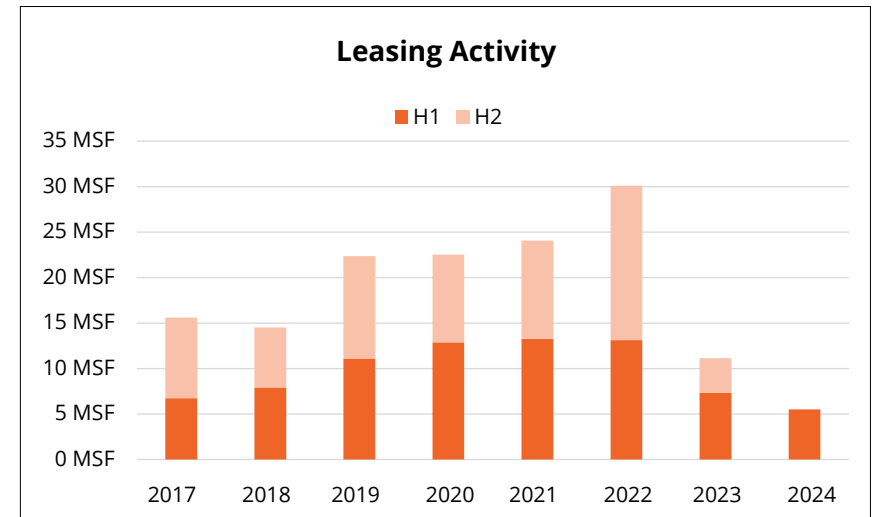
-186 K

Net absorption at the end of Q2 was recorded at -186,731 sf, driven largely from the sublet space becoming vacant.



Construction activity continues to slow after surging to unprecedented levels. YTD developments total 248,320 sf, all of which are under 50,000 sf, a noticeable shift in the pipeline as the market was saturated with new big box development in 2021 and 2022.

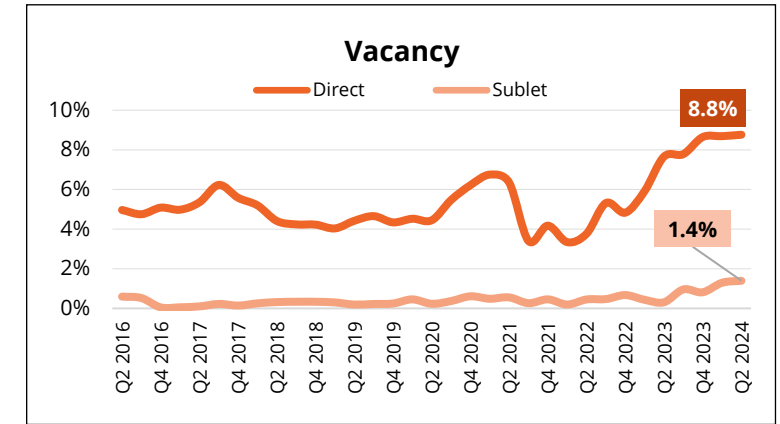
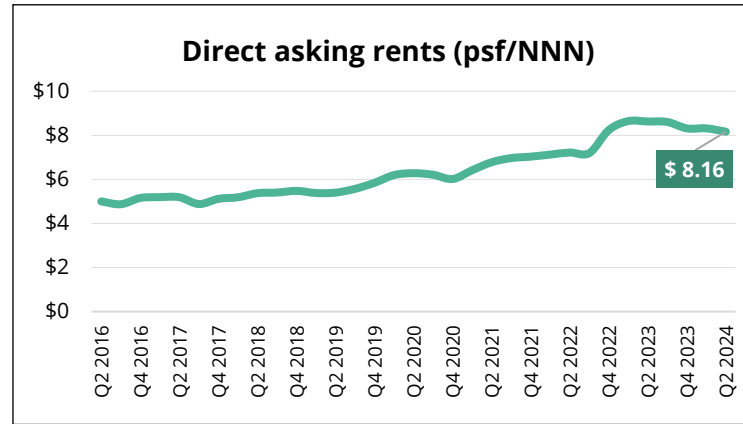
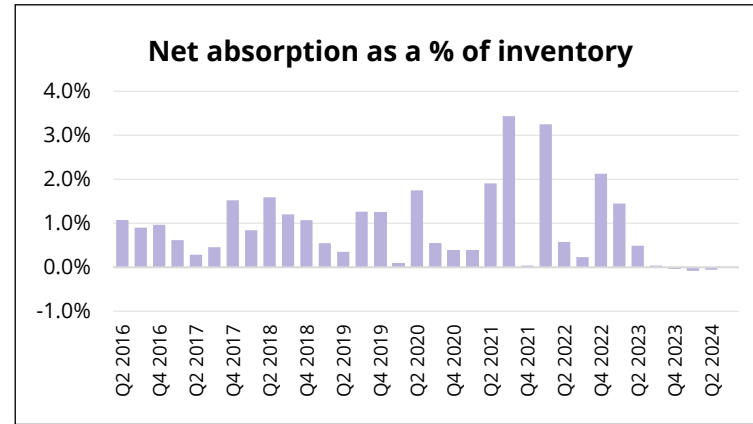
Source: AVANT by Avison Young, CoStar



Leasing activity increased in Q2 2024, with a total of 3.2 msf leased. Cummins, a large power technology company, signed the largest lease of the quarter absorbing 1 msf in Whiteland.

Indianapolis

Industrial market snapshot | Q2 2024



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Cummins	5635 N Graham Rd, Whiteland	1,057,350	New	Direct
NewCold Logistics	904 Edwards Dr, Lebanon	300,000	New	Direct
Prairie Industries Holdings	8515 Challenger Dr, Indianapolis	244,622	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Ares Industrial REIT	4241 Plainfield Rd,	\$56,650,000	\$75.08	Strategic Capital Partners
	4132 Plainfield Rd, Plainfield	\$21,850,00	\$97.77	
Nuveen	1025 Columbia Rd, 3051 Midfield Ct, Plainfield	\$21,450,000 \$21,450,00	\$97.50 \$141.87	HSA Commercial
Nuveen	430 Airtech Pky, Plainfield	\$19,715,000	\$113.98	Browning Investments

Indianapolis

Industrial market snapshot | Q2 2024

Get in touch

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

Kathleen Cavanaugh
Market Intelligence
Analyst
Kathleen.cavanaugh@avisonyoung.com

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)
Southwest	100,510,166	1,833,191	2,167,818	5.5%	2.5%	8.0%	0.0%	-0.9%
East	54,794,221		1,057,868	19.8%	0.9%	20.8%	-0.8%	-1.7%
Northwest	52,345,287		800,000	3.4%	0.3%	3.7%	-0.3%	0.2%
CBD	26,361,363		100,000	2.3%	0.3%	2.6%	-0.2%	0.0%
South	25,003,660		948,144	9.4%	2.0%	11.4%	3.1%	3.3%
Southeast	24,793,189		1,119,696	12.4%	1.7%	14.1%	-1.1%	-0.4%
West	18,693,895		576,637	16.5%	0.5%	17.0%	1.2%	1.6%
Northeast	17,153,875			5.3%	1.5%	6.8%	-1.1%	0.6%
North	10,816,011		196,400	7.2%	0.7%	7.9%	-0.4%	0.7%
Market total	330,471,667	1,833,191	6,966,563	8.8%	1.4%	10.2%	(0.1%)	(0.1%)

Indianapolis

Industrial market snapshot | Q2 2024

Get in touch

Jeremy Krotz

Market Intelligence

Central Region Manager

jeremy.krotz@avisonyoung.com

Kathleen Cavanaugh

Market Intelligence

Analyst

Kathleen.cavanaugh@avisonyoung.com

