Indianapolis

Industrial market snapshot | Q3 2024

The Indianapolis industrial market continues to see elevated vacancy in the double digits, largely attributed to the construction boom during COVID. Since 2019, the amount of new inventory reached 70 msf, of which 69% consists of properties over 500,000 sf. This surge in development has created challenges for the market as big-box demand has slowed.

10.1%

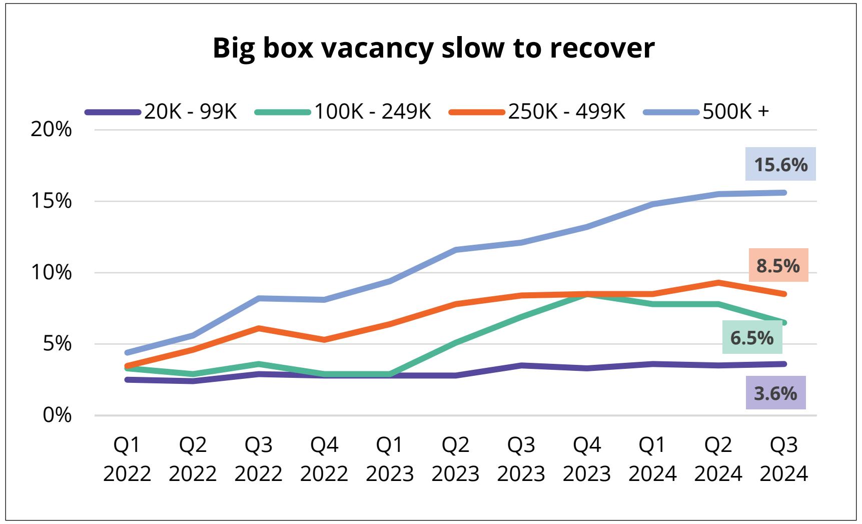
At the end of Q3 2024 overall vacancy was at 10.1%, a 40 basis point decrease from the prior quarter. The East submarket remains the highest with 22.3% vacancy.

6.3 msf

Construction activity continues to decrease with 6.3 msf currently being developed. The Southwest submarket has the largest amount of inventory underway with nearly 2 msf.

1.4 msf

Net absorption remained positive with 1.4 msf reported at the end of Q3 2024.



Big box vacancy increased 10 basis points from the prior quarter, ending Q3 2024 at 15.6%. This elevated vacancy rate can largely be attributed to the construction boom during COVID which flooded the market with big-box inventory.

Leasing activity continues to soften, a total of 3 msf was leased during Q3 2024. Year-to-date a total of 8.7 msf leased, slightly lagging from the prior year first three-quarter leasing volume of 9.6 msf. Leasing activity over the last seven quarters has averaged 2.8 msf.

Source: AVANT by Avison Young, CoStar

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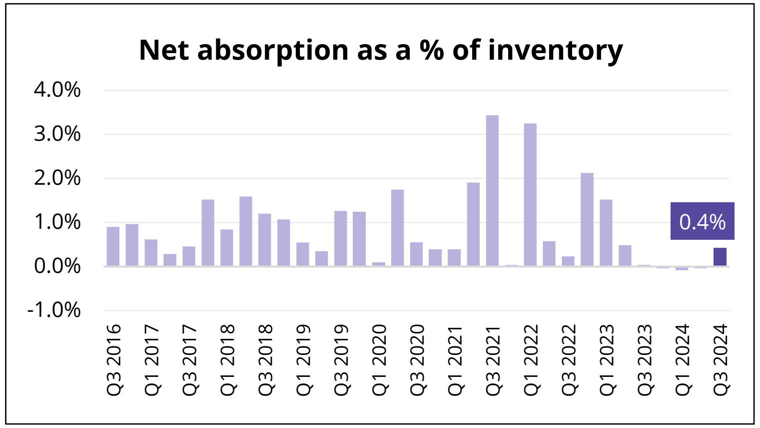

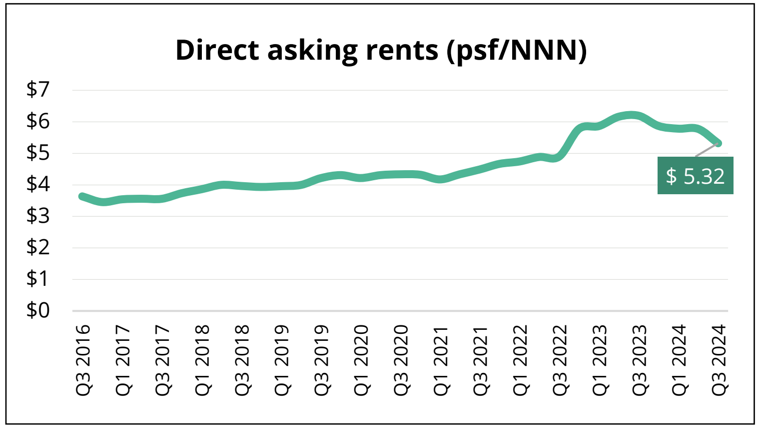

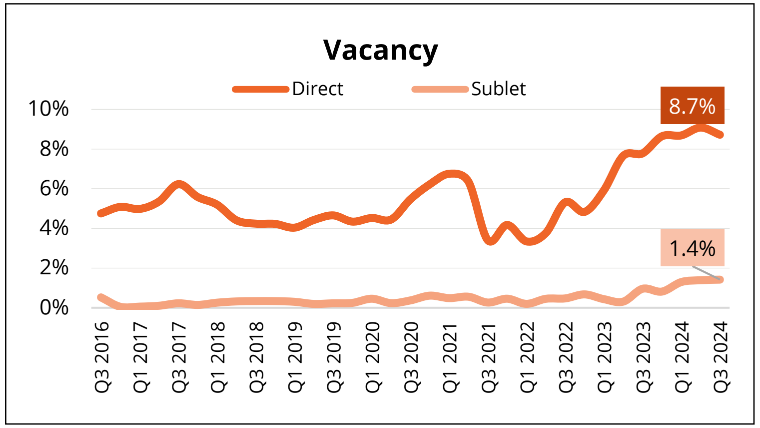

Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Eli Lilly	10015 Archer Dr Brownsburg	826,771	New	Direct
Sephora	2375 N County Road 900 East Avon	746,672	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
KR 100 LLP	5335 W 81st St Indianapolis	$4,123,600	$32	Green Door Capital
CSIM Deme Drive	10605 Deme Dr Lawrence	$3,092,200	$32	FPA Multifamily

Source: AVANT by Avison Young, RCA

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Get in touch

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	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)	Net absorption SF (QTD)
Southwest	101,519,057	2,842,082	1,905,599	5.1%	2.4%	7.5%	1.4%	0.6%	1,435,954
East	54,764,221		1,126,118	20.9%	1.4%	22.3%	-1.5%	-3.2%	-823,705
Northwest	52,280,487		850,000	2.8%	0.6%	3.5%	0.7%	0.4%	340,357
CBD	26,461,363	100,000		2.4%	0.3%	2.7%	0.3%	0.3%	78,215
South	24,967,313		948,144	8.0%	0.2%	8.2%	3.1%	6.5%	782,084
Southeast	24,734,156		1,119,696	14.8%	3.5%	18.3%	-4.2%	-4.6%	-1,038,830
West	19,101,532	168,480	224,000	15.3%	0.0%	15.3%	2.3%	3.9%	429,817
Northeast	17,073,875		40,777	5.0%	0.5%	5.5%	1.3%	1.9%	218,465
North	10,872,411	56,400	140,000	6.9%	0.9%	7.8%	0.1%	1.3%	11,260
Market total	**331,774,415**	**3,166,962**	**6,354,334**	**8.7%**	**1.4%**	**10.1%**	**0.4%**	**0.2%**	**1,433,617**

Source: AVANT by Avison Young

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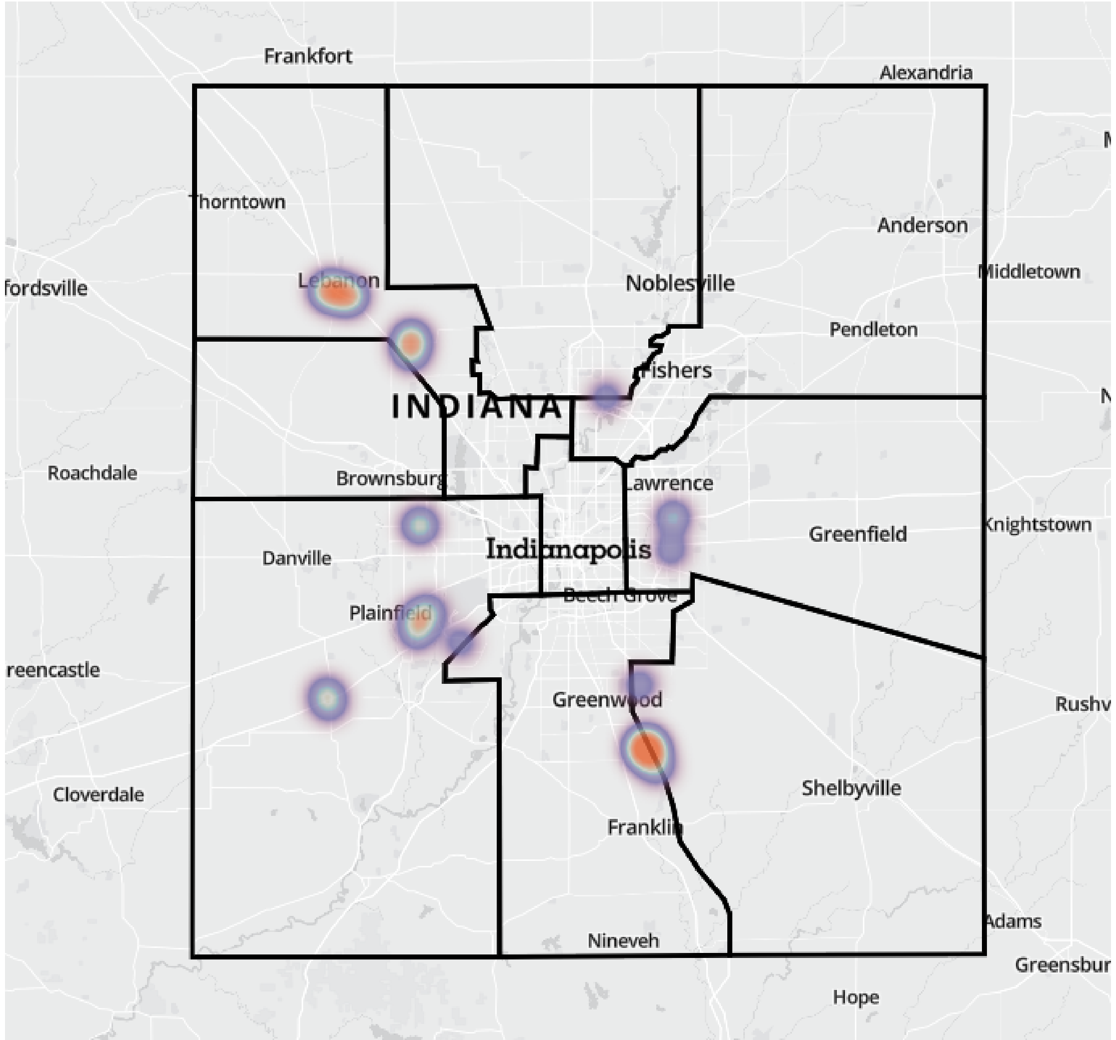
Indianapolis industrial largest 20 leases signed in last 24 months

583,997 sf
Average lease size

Over 1 million sf
2 of the 20 top deals were over 1 msf

Largest Tenants
XPO Logistics
Cummins
Subaru
Sephora
ITS Logistics
Cross Road Centers



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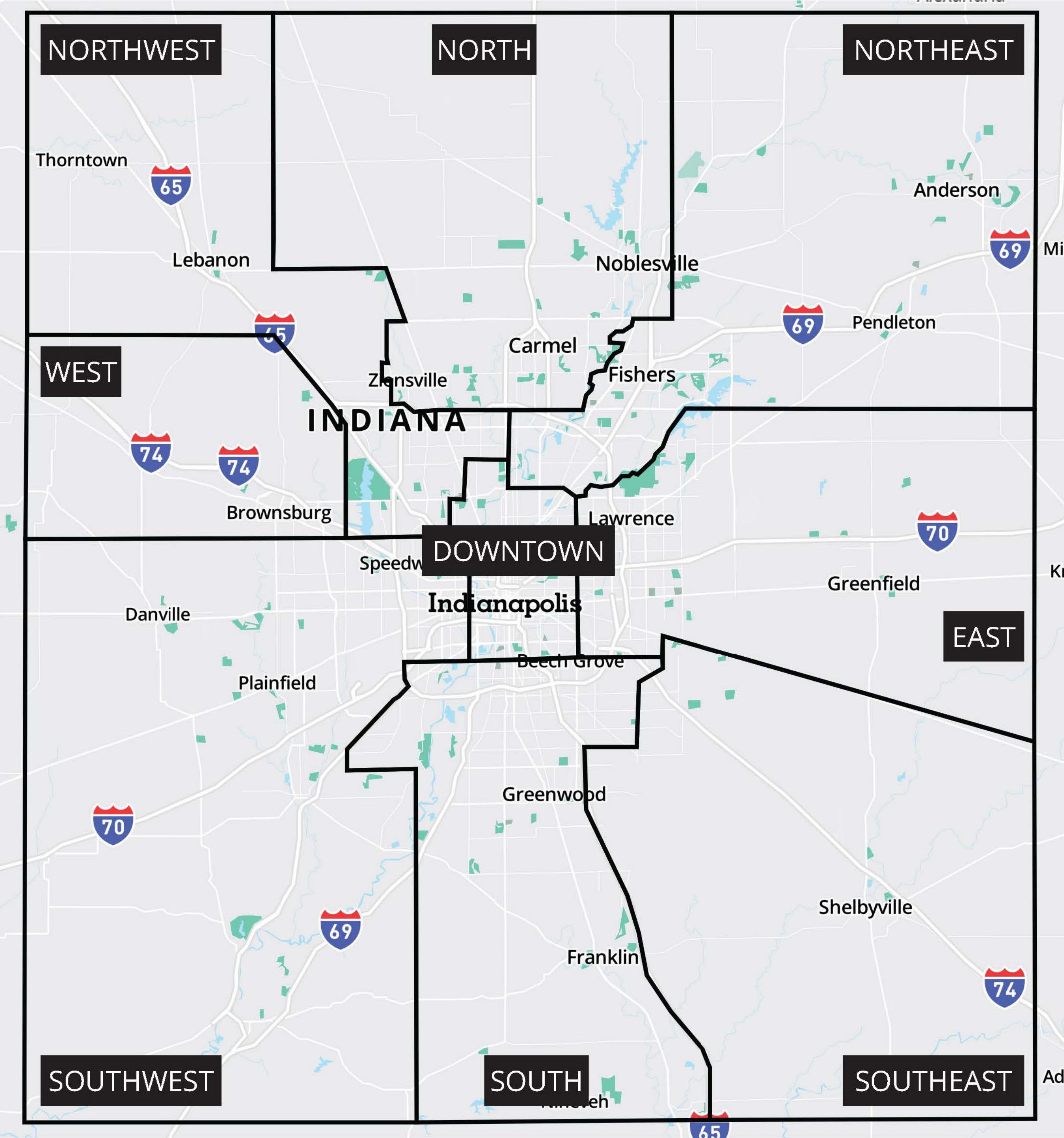

Source: AVANT by Avison Young