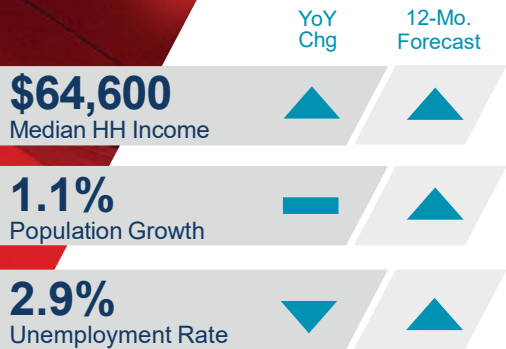


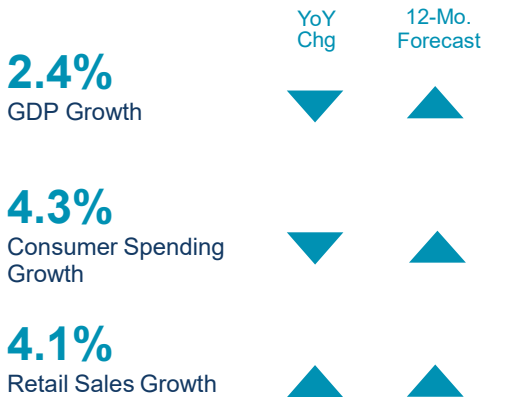
INDIANAPOLIS

Retail Q4 2019



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q4 2019



Source: BEA, Census Bureau

ECONOMY

The Indianapolis Metropolitan Statistical Area (MSA) economy ended 2019 on a strong note. The unemployment rate declined 30 basis points (bps) year-over-year (YoY) to 2.9% and the median household income rose to \$64,600, an increase of 3.5% YoY. Population growth stayed the same YoY at 1.1%, though it is forecasted to increase over the next 12 months. Nationally, the United States saw slowing GDP growth in the fourth quarter, declining to 2.3%, a 20-bps drop YoY. Consumer spending growth was also down, declining 130 bps YoY to 4.0%. However, retail sales growth was up 80 bps YOY and currently stands at 4.2%.

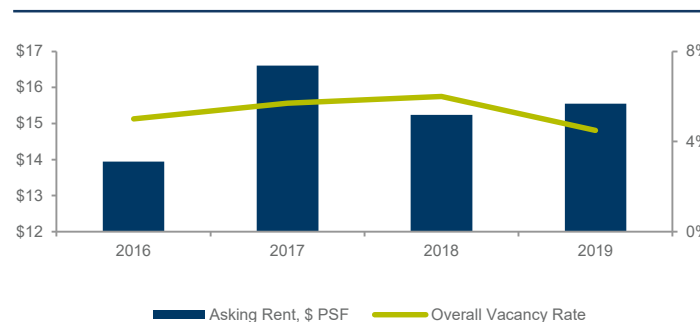
SUPPLY AND DEMAND

The Indianapolis retail market experienced 211,000 square feet (sf) of positive overall net absorption in the fourth quarter of 2019 and finished the year with 978,000 sf of overall net absorption, a positive rebound from last year's negative occupancy gains. Vacancy increased quarter-over-quarter (QoQ) to 4.7% but is 130 bps lower than the fourth quarter of 2018, highlighting the movement of tenants into the Indianapolis retail market throughout 2019. Vacancy varies widely between the different trade areas in the market, showing how different demand is based on geographic location. Vacancy is the lowest in the Plainfield trade area at just 1.3% and highest in the Washington Square trade area at 10.1%. Asking rates dipped \$0.42 per square foot (psf) from the third quarter of 2019, finishing the year at \$15.55 psf on an annual triple net basis. However, asking rates are up \$0.31 psf YoY. There is 592,000 sf of retail space in the Indianapolis market currently under construction, spanning across seven trade areas in the market, which will add new inventory to the market in 2020 and the coming years.

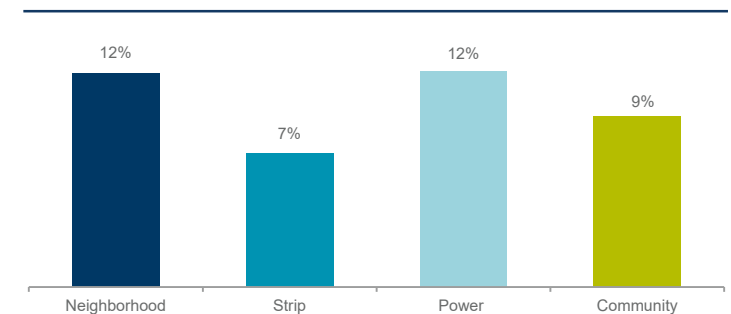
TRENDS

The retail landscape continues to evolve both locally and nationally. Over 9,000 stores across the United States closed in 2019, which was a record high. Apparel retailers drove the closures, as consumer spending continues to shift towards digital channels. Major apparel retailers that announced store closures in 2019 included Payless ShoeSource, Dressbarn, Charming Charlie and Gap. However, as traditional retailers close store locations, expect digitally native brands to continue foraying into brick-and-mortar retail. In addition, expect experiential retailers to keep growing their footprint. For example, the Indianapolis area has seen numerous national and local axe-throwing venues open as consumers increasingly demand experiences over material items.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



INDIANAPOLIS

Retail Q4 2019

MARKET STATISTICS

TRADE AREAS	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Avon	4,138,538	3,410	199,166	4.9%	(7,034)	(84,181)	0	\$12.30
Broad Ripple/Glendale	2,278,176	0	94,267	4.1%	629	20,191	0	\$16.46
Brownsburg	1,935,752	65,218	89,448	8.0%	32,680	22,634	0	\$15.69
Carmel/Westfield	7,121,288	2,916	249,089	3.5%	6,061	47,766	197,825	\$19.50
Castleton/Keystone	8,601,767	6,892	405,934	4.8%	(72,875)	48,640	0	\$16.99
Downtown Indianapolis	3,779,862	0	276,170	7.3%	(53,423)	(170,240)	199,000	\$20.76
Fishers/Noblesville	9,849,945	2,939	354,844	3.6%	99,494	136,157	179,384	\$13.60
Greenwood/Southport	12,753,101	1,375	446,723	3.5%	165,741	246,565	4,050	\$15.65
Lafayette Square/Speedway	8,711,057	0	481,036	5.5%	6,411	103,342	1,779	\$10.45
Michigan Road/Zionsville	6,177,456	5,953	210,488	3.5%	32,065	439,903	0	\$16.51
Mooresville	1,654,711	0	24,691	1.5%	7,590	19,133	0	\$16.54
Nora	1,210,775	0	42,491	3.5%	(3,635)	16,046	0	\$17.04
Pendleton Pike	4,526,618	0	276,670	6.1%	(24,941)	91,417	7,200	\$12.40
Plainfield	3,468,733	0	44,623	1.3%	33,509	27,106	2,919	\$19.71
Washington Square	4,754,371	0	480,432	10.1%	(11,681)	13,855	0	\$9.65
TRADE AREA TOTALS	80,962,150	88,703	3,676,072	4.7%	210,591	978,334	592,157	\$15.55

*Source: CoStar and Cushman & Wakefield Research. Rental rates reflect triple net asking rents \$psf per year.

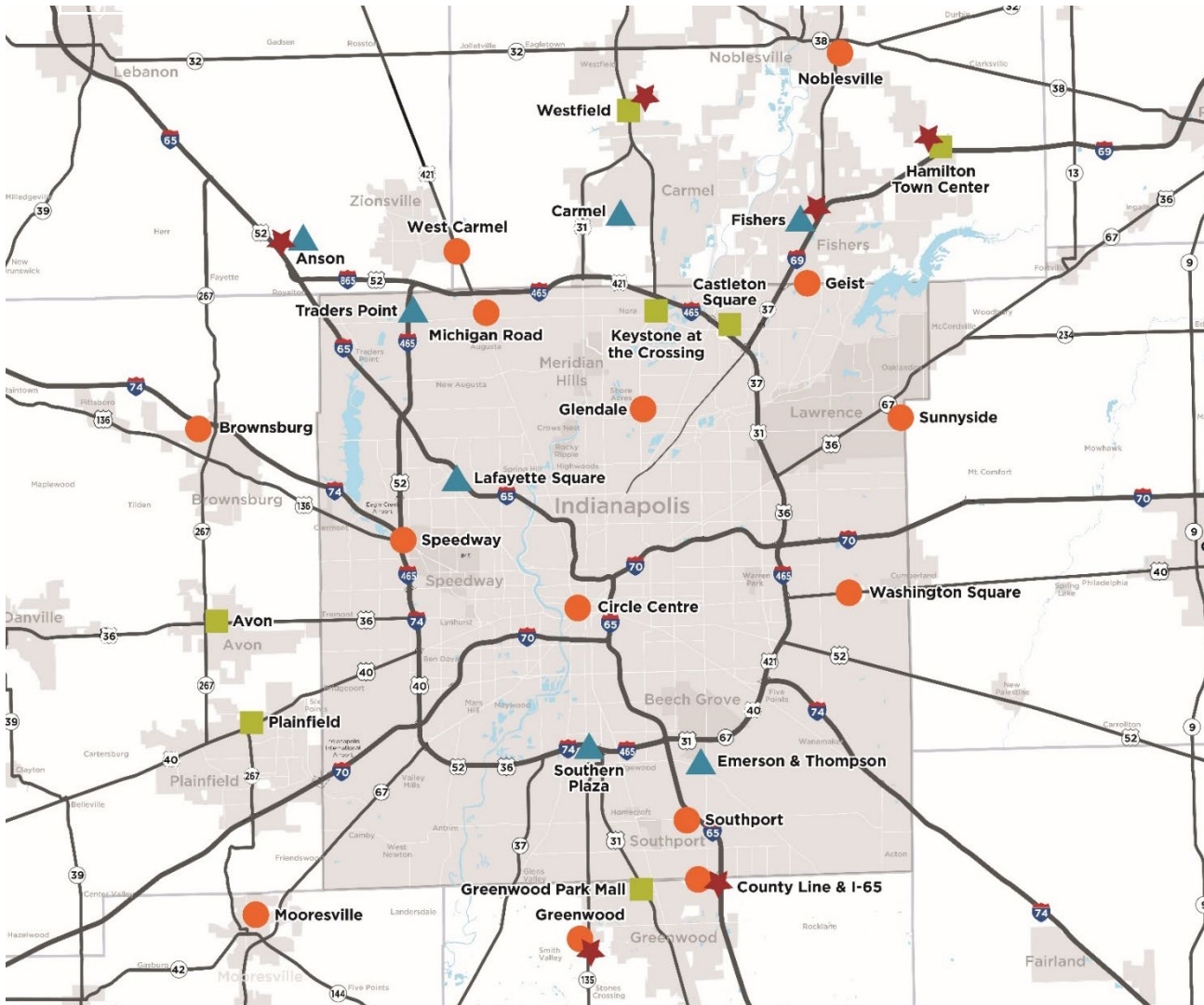
KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
5325 E Thompson Rd	Greenwood/Southport	VASA Fitness	60,000	New Lease
1211 N Madison Ave	Greenwood/Southport	Building Bridges Daycare	15,000	Renewal
3664 S East St	Greenwood/Southport	Aaron's	12,321	New Lease
2609 E Main St	Plainfield	NAPA Auto Parts	11,999	New Lease
3855 E 96th St	Castleton/Keystone	MEI Fitness	8,013	New Lease

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4829 W 38 th St- Georgetown Plaza	Greenwood/Southport	George Plaza LP/Paragon Southport LP	111,600	\$3,425,000/\$30.69
3385 Kentucky Ave- Marwood Plaza	Plainfield	Brixmor Marwood Plaza/Marwood Plaza Associates	107,080	\$6,400,000/\$59.77
7508 Beechwood Centre Rd- Beechwood Centre	Avon	Morgan Stanley Capital/ABG Real Estate Inc	99,005	\$2,965,250/\$29.95

RETAIL SUBMARKETS



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