

INDIANAPOLIS

Retail Q4 2020



CUSHMAN & WAKEFIELD

\$66,400

Median HH Income

YoY
Chg12-Mo.
Forecast

1.1%

Population Growth



5.3%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS
Q4 2020

-2.5%

GDP Growth

YoY
Chg12-Mo.
Forecast

-4.7%

Consumer Spending
Growth

5.3%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Economic Recovery Stirring, Growth On the Horizon?

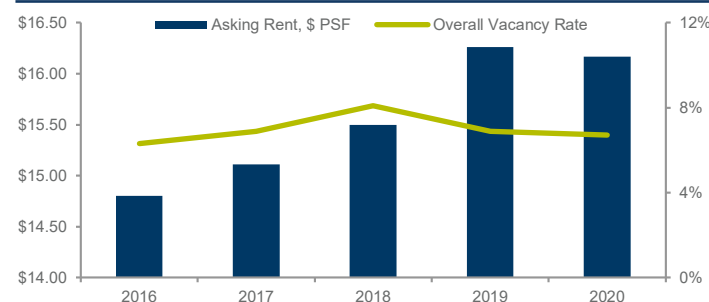
The end of the year continued to yield more favorable economic conditions as vaccination hopes blossomed and government intervention helped ease economic hardships of many individuals and businesses. The week ending December 26th saw weekly initial jobless claims fall to a seasonally adjusted 787,000, marking the second consecutive decline from a three-month high set in early December when surging COVID-19 cases caused many authorities to reimpose economic restrictions to halt mass spread. Current levels remain higher than any level recorded pre-pandemic. The 2021 economy will start the year with a shot in the arm as the new \$900 billion COVID-19 relief bill will add back in a \$300-a-week unemployment supplement and extend two pandemic-specific programs assisting self-employed individuals and others not normally eligible for jobless claims as well as individuals who exhausted other jobless benefits. While the prospective for the economy in late 2021 remains positive, there are still many challenges ahead that the economy and labor market must circumnavigate including the surging hospitalization rates and a newly discovered COVID-19 variant. Until vaccines are widely available to the greater population the economy will remain stymied.

TRENDS

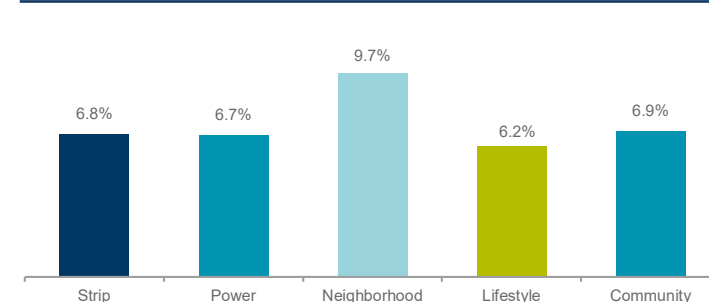
2020 ended with the retail real estate market clearly tarnished by mixed performance. The effects of the COVID-19 pandemic separated many of the core retail categories into winners and losers. Grocery stores, home improvement stores, and other essential retailers would be considered winners while retailers dependent on in-person experience including bars, some restaurants, fitness, and discretionary retail struggled. Furthermore, the importance of having an online presence made a significant difference in performance as ecommerce proliferated an even larger portion of retail sales in 2020. Having the options for consumers to purchase purely online, order curbside, or BOPIS (buy online, pick up in store) helped bridge the gap of lost revenue due to the lack of in-person shopping.

The outlook for 2021 however is trending more positive. Much of the early part of the year will still feel rollover effects of the pandemic on the real estate market, but the second half is shaping up to experience a rebound in activity. Said activity is very much dependent on vaccination efforts and curbing the spread of the virus, though. The early part of 2021 has shown signs of optimism as vaccination efforts roll out across the country. Many experts believe it's safe to expect roughly one-third of the U.S. population will have been vaccinated by April and most if not all Americans by late fall 2021. If those estimations hold true, retailers can expect to have less restrictions holding back consumers from in-person activities, ultimately providing a return to normal retail activity.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE





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	2,485,638	3,410	55,669	2.4%	6,833	67,739	0	\$14.24
Beech Grove	596,529	0	23,785	4.0%	4,795	6,110	0	\$13.76
Broad Ripple/Glendale	1,212,695	0	43,932	3.6%	(3,888)	(11,242)	0	\$27.89
Brownsburg	930,169	0	11,855	1.3%	4,240	39,098	0	\$18.77
Carmel	2,877,993	0	205,217	7.1%	(13,539)	(15,111)	0	\$16.16
Castleton	3,205,668	60,000	153,706	6.7%	(96,034)	(62,327)	0	\$16.32
Downtown Indianapolis***	775,702	0	113,415	14.6%	0	(15,000)	0	\$20.32
Fishers	2,151,162	7,068	116,983	5.8%	(18,798)	(24,396)	0	\$14.50
Greenwood	4,308,001	46,536	270,313	7.4%	(33,631)	(6,175)	0	\$15.28
Irvington	742,568	0	70,738	9.5%	(6,600)	(24,850)	0	\$9.47
Keystone	2,062,852	0	193,718	9.4%	(47,242)	(80,181)	0	\$16.72
Lafayette Square	5,290,841	0	553,347	10.5%	21,274	43,139	0	\$8.69
Michigan Road/Zionsville	3,657,010	5,333	192,802	5.4%	6,323	(25,464)	0	\$15.11
Midtown	403,669	0	4,200	1.0%	3,917	2,900	0	\$7.81
Mooresville	464,458	0	14,132	3.0%	8,031	1,348	0	\$13.00
Near East/Fountain Square	283,522	0	35,828	12.6%	0	(14,128)	0	\$15.00
Near Southwest/Airport	529,807	2,100	52,012	10.2%	(2,021)	46,839	0	\$6.94
Noblesville	3,038,788	0	75,368	2.5%	58,788	19,278	0	\$24.04
Nora	331,923	0	9,488	2.9%	0	(9,488)	0	\$21.00
Pendleton Pike/Lawrence	2,667,912	2,165	196,856	7.5%	(3,129)	25,877	7,200	\$15.02
Plainfield	1,260,213	0	63,877	5.1%	2,265	(25,094)	0	\$15.76
Southport/Edgewood	3,806,606	0	272,287	7.2%	-31,878	(51,077)	0	\$15.04
Washington Square	2,604,828	0	379,913	14.6%	98	25,449	0	\$10.70
Westfield	372,272	0	5,600	1.5%	0	0	0	\$17.67
Whitestown	436,211	0	4,961	1.1%	22,840	(461)	0	\$26.00
TRADE AREA TOTALS	46,497,037	126,612	3,120,002	7.0%	-117,356	-87,217	7,200	\$15.77

*Inventory includes Community Center, Lifestyle Center, Neighborhood Center, Power Center and Strip Center retail property subtypes.

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

*** Downtown Indianapolis Submarket inclusive of Circle Center Mall

KEY LEASE TRANSACTIONS Q4 2020

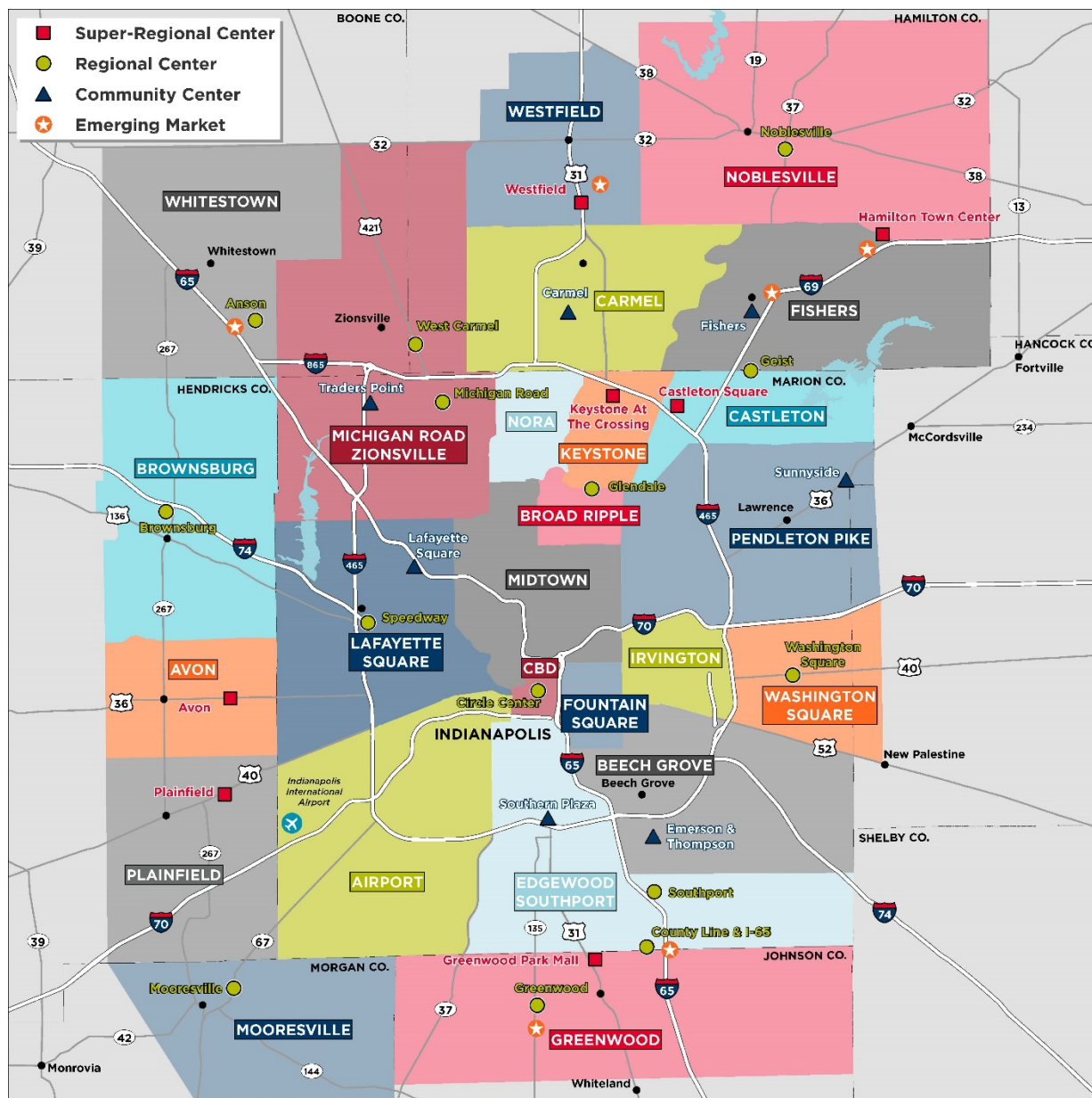
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4016 E 82 nd Street – Main Event Center	Keystone	Better Off Bowling	65,575	New Lease
1049 N Emerson Ave – Former Gander Mountain	Greenwood	Floor & Décor	62,707	New Lease
17070-17200 Mercantile Blvd – Stony Creek Marketplace	Noblesville	PetSmart	20,112	New Lease

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3221-3249 E State Road 32 - Carey Shoppes	Westfield	Hanley Investment Group/Peacock Companies CRE Services	13,043	\$3,100,000/\$237.68
2230 Stafford Rd - Stafford Crossing	Plainfield		26,000	\$4,825,000/\$185.58
10600-10610 E 96th Street - Windermere Place	Fishers		16,800	\$2,850,000/\$169.64



RETAIL SUBMARKETS

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