

INDIANAPOLIS



Retail Q1 2022

	YoY Chg	12-Mo. Forecast
\$63,800 Median HH Income	▲	▲
1.0% Population Growth	▲	▲
2.3% Unemployment Rate	▼	▲

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

U.S. ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
4.1% GDP Growth	▲	▲
7.4% Consumer Spending Growth	▲	▲
11.2% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Positive Momentum Continues into 2022

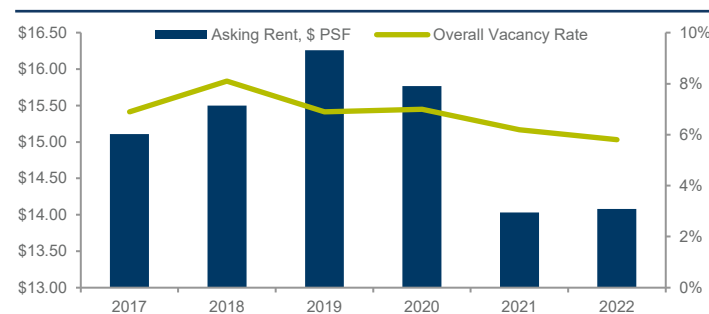
The positive economic momentum from 2021 continued into the new year, with job growth averaging 562,000 per month during the first quarter of 2022 and the national unemployment rate dipping to 3.8%. Retail trade saw an increase of 49,000 jobs in the month of March and employment in the sector is 278,000 higher than it was in February 2020 as the labor market proved resilient to the headwinds from the past two years. However, the labor force participation rate still stands 100 basis points (bps) lower than pre-pandemic levels and total nonfarm employment is still down by 1.6 million from February 2020. The Indianapolis MSA unemployment rate continues to track below the national unemployment rate and currently stands at 2.3%, a 180 bps decline year-over-year (YOY). The outlook is for the unemployment rate in Indianapolis to increase slightly in the upcoming quarters but overall employment is still anticipated to increase.

TRENDS

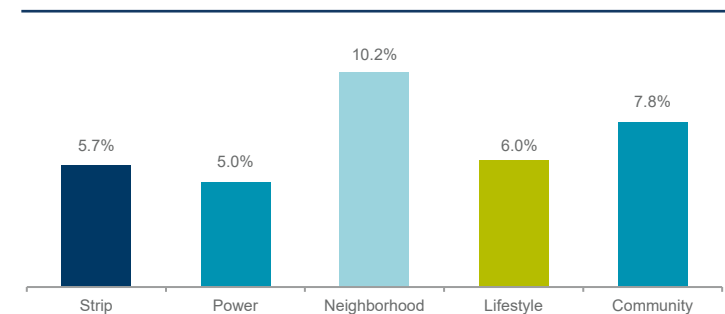
Following 2021's strong occupancy gains, the Indianapolis retail market started 2022 with 183,000 square feet (sf) of positive overall net absorption. The Greenwood and Broad Ripple/Glendale submarkets saw the largest overall net absorption totals, recording 73,000 sf and 63,000 sf of positive net absorption, respectively. The overall vacancy rate for the Indianapolis market declined 40 basis points quarter-over-quarter (QOQ) to 5.8% and the amount of vacant sublease space declined by nearly 46,000 sf QOQ as the market continues to recover from the pandemic. Average asking rental rates also increased in the first quarter, rising to \$14.08 per square foot triple net, a \$0.05 increase QOQ.

Although COVID-19 cases in the U.S. hit an all-time high in January following the holiday season, economic indicators remained resilient in the first quarter. U.S. GDP and consumer spending growth were both higher than the levels seen in the first quarter of 2021 and are also expected to increase over the next year. However, as pandemic disruptions have become less pronounced, the economy faces new headwinds from rising consumer prices. The consumer price index (CPI) rose 8.5% over the last 12 months, with increases in the gasoline, shelter, and food indexes contributing the most to this increase. This 12-month increase was the largest since 1981 but thus far, U.S. consumers still appear to be spending at healthy levels. This should bode well for the retail market going forward as e-commerce sales level off and shoppers continue to return to in-person shopping.

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	2,597,078	0	39,791	1.5%	1,134	1,134	0	\$17.78
Beech Grove	596,881	5,400	17,065	3.8%	1,500	1,500	0	\$12.79
Broad Ripple/Glendale	1,224,452	0	43,399	3.5%	63,442	63,442	0	\$27.06
Brownsburg	943,798	0	43,760	4.6%	-15,183	-15,183	0	\$22.53
Carmel	2,779,620	0	157,948	5.7%	-3,046	-3,046	4,000	\$19.72
Castleton	3,178,895	60,000	222,545	8.9%	-5,672	-5,672	0	\$16.97
Downtown Indianapolis***	940,534	50,000	38,112	9.4%	5,500	5,500	0	\$20.30
Fishers	2,165,576	0	99,598	4.6%	-905	-905	0	\$14.89
Greenwood	4,323,738	0	157,572	3.6%	73,119	73,119	0	\$17.16
Irvington	742,625	0	58,626	7.9%	2,842	2,842	0	\$10.70
Keystone	2,008,028	1,200	128,760	6.5%	7,877	7,877	0	\$19.34
Lafayette Square	5,301,385	71,115	296,322	6.9%	32,065	32,065	0	\$9.94
Michigan Road/Zionsville	3,674,969	5,333	198,831	5.6%	2,478	2,478	0	\$16.04
Midtown	423,132	0	4,707	1.1%	-3,507	-3,507	0	\$11.00
Mooresville	454,278	0	12,535	2.8%	-3,600	-3,600	0	\$13.00
Near East/Fountain Square	283,898	0	34,628	12.2%	1,000	1,000	0	\$16.80
Near Southwest/Airport	530,254	0	63,524	12.0%	13,427	13,427	0	\$10.08
Noblesville	2,975,655	0	79,278	2.7%	1,250	1,250	0	\$19.73
Nora	331,923	0	48,873	14.7%	0	0	0	\$21.00
Pendleton Pike/Lawrence	2,701,892	0	161,779	6.0%	18,138	18,138	7,200	\$11.36
Plainfield	1,301,792	0	66,772	5.1%	-2,307	-2,307	0	\$15.00
Southport/Edgewood	3,784,625	0	271,480	7.2%	-19,180	-19,180	0	\$14.55
Washington Square	2,548,942	0	243,835	9.9%	12,793	12,793	0	\$12.85
Westfield	373,591	0	8,972	2.4%	0	0	0	\$16.29
Whitestown	436,211	0	0	0.0%	0	0	0	\$26.00
TRADE AREA TOTALS	46,623,772	193,048	2,498,712	5.8%	183,165	183,165	11,200	\$14.08

*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 Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1435 W. 86th St- Northbrook Shopping Center	Nora	American International Market	38,643	New Lease
10435 E. Washington St- Washington Market	Washington Square	Emporium 40 E	29,700	New Lease
9510 E. 146th St- The Crossing	Noblesville	KidStrong	9,243	New Lease

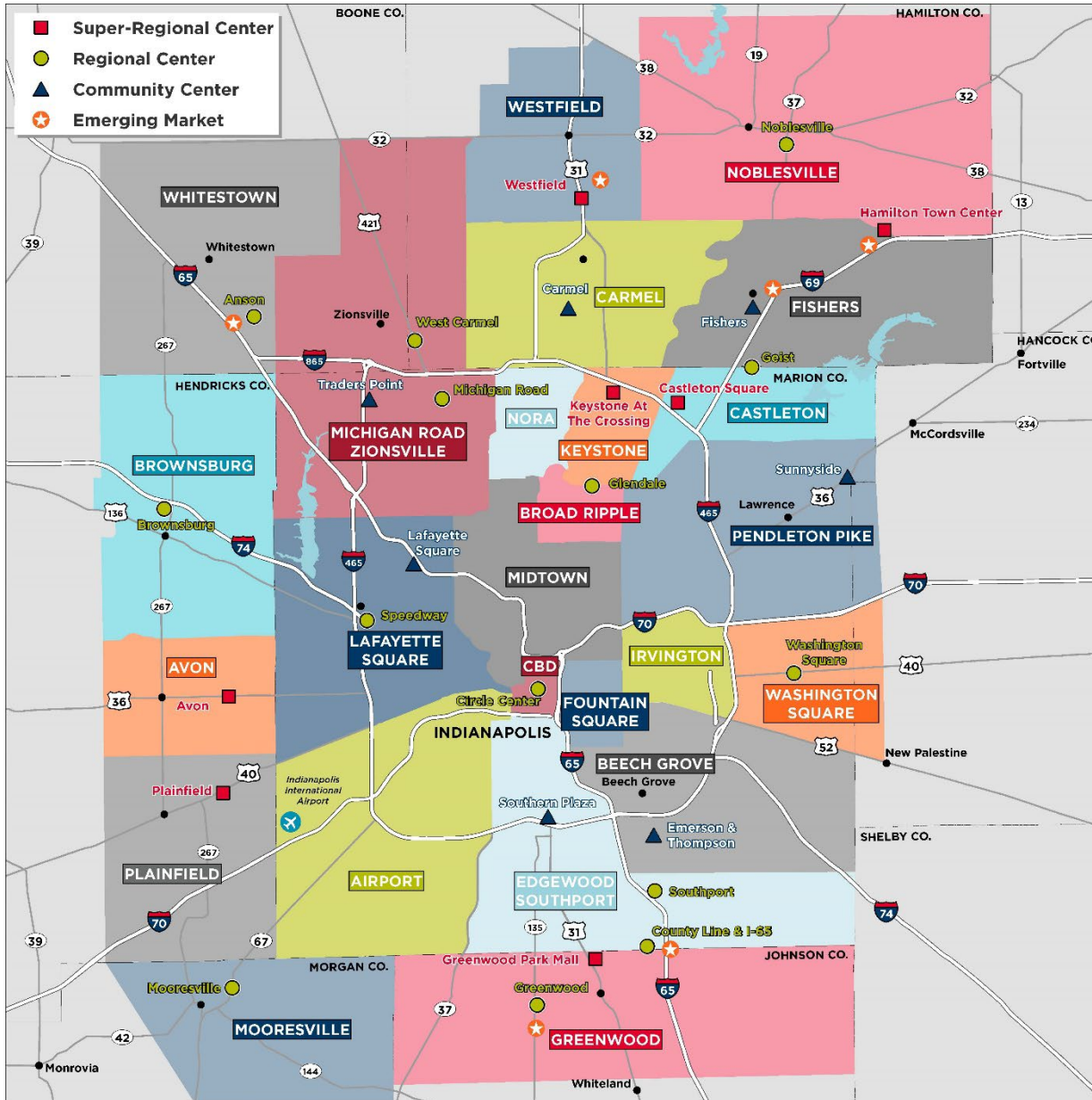
KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5202 E Thompson Rd- Thompson Commons	Beech Grove	Hession Properties/Thompson Commons Retail LLC	21,125	\$3,950,000/\$186.98
6213-6243 Allisonville Rd- Windermere Center	Castleton	Three Feathers Realty LLP/Paragon Windermere LLC & Lebanon Windermere LLC	40,604	\$2,308,000/\$56.84

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RETAIL SUBMARKETS



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