Indianapolis Industrial

Market Primer: Second Quarter 2023

CUSHMAN & WAKEFIELD

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SUPPLY

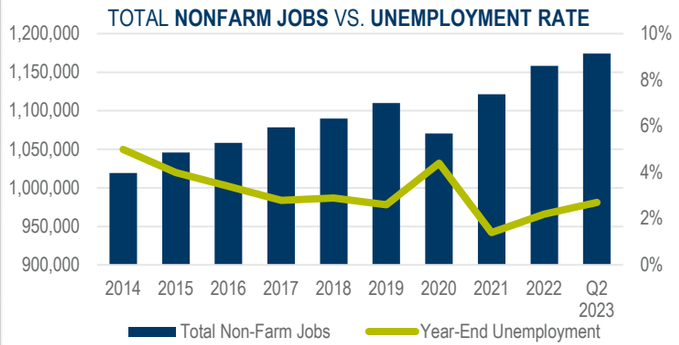
15.3M SF ▲ YTD construction completions

14.8M SF ▼ under construction

7.6% ▲ overall vacancy rate

2.7% ▼ unemployment rate

TOTAL **NONFARM JOBS** VS. **UNEMPLOYMENT RATE**



CONSTRUCTION

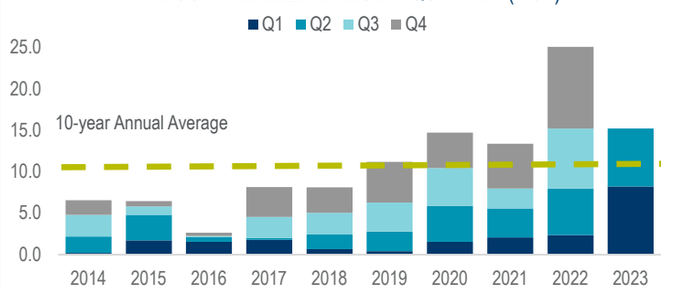
2.5M SF ▼ build-to-suit under construction

12.4M SF ▼ speculative under construction

51 ▲ buildings under construction

31.7% ▲ SF preleased under construction

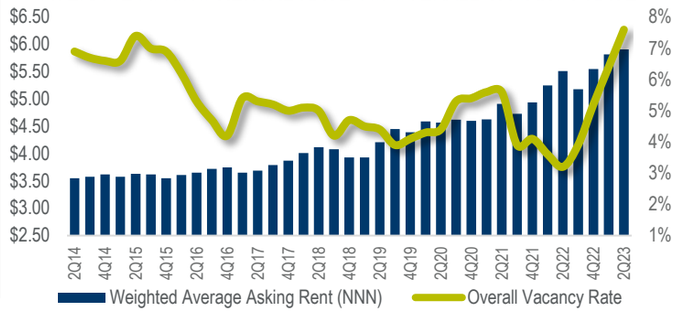
INDUSTRIAL **DELIVERIES** BY QUARTER (MSF)



FORECAST

- Through the first half of 2023, the Indianapolis industrial market has delivered 15.3 million square feet (msf) of space, a 91.0% increase from the amount of space delivered through the first half of last year. The construction pipeline is continuing to shrink as product is completed and starts have slowed.

AVERAGE ASKING **RENTAL RATE** VS. OVERALL **VACANCY RATE**



DEMAND

$5.91 ▲ average asking rents (NNN)

6.3M SF ▼ YTD overall absorption

7.1M SF ▼ YTD new leasing activity

2.6% ▲ YOY warehouse employment growth

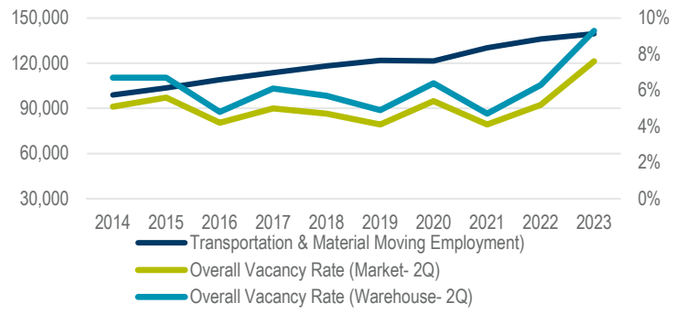
LARGE DEALS

TENANT	SIZE (SF)	SIGN DATE (QTR)
Subaru of America	1,119,056	2nd
Subaru of America	962,459	2nd
Caterpillar	615,600	1st
Cross Road Centers, LLC	600,576	2nd
Adidas Group	599,152	1st
Turn 14 Distribution	513,722	1st
Neovia Logistics Services	456,000	1st
Mavpak	440,056	1st
BlueTriton Brands	429,300	1st
Newegg	412,808	1st
Rockwell Automation	369,499	2nd
Clorox	357,000	1st

FORECAST

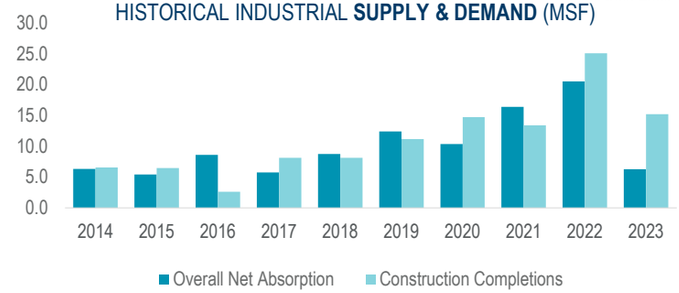
- Demand has cooled from the record levels recorded last year, with year-to-date (YTD) overall net absorption declining 39.8% and YTD new leasing activity dropping 54.9% from 2022's first half totals. With a record amount of construction completions over the last 18 months, the market has a significant amount of new space available for lease.

HISTORICAL **WAREHOUSE USING EMPLOYMENT**

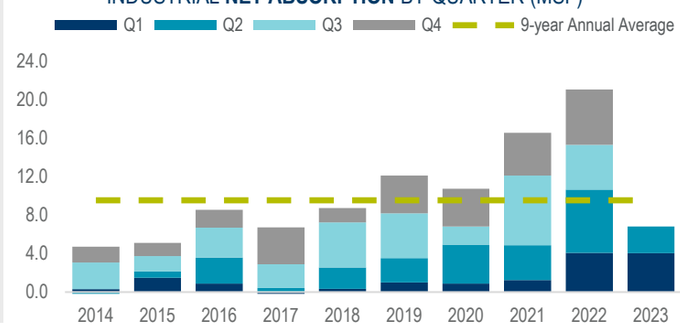


Source: Emsi

HISTORICAL INDUSTRIAL **SUPPLY & DEMAND** (MSF)



INDUSTRIAL **NET ABSORPTION** BY QUARTER (MSF)



Source: Cushman & Wakefield Research

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