



MARKET AT A GLANCE



OCCUPANCY RATE **94.0%**
Down **10 bps** since 3Q16



ASKING RENT **\$845**
Up **2.1%** since 3Q16

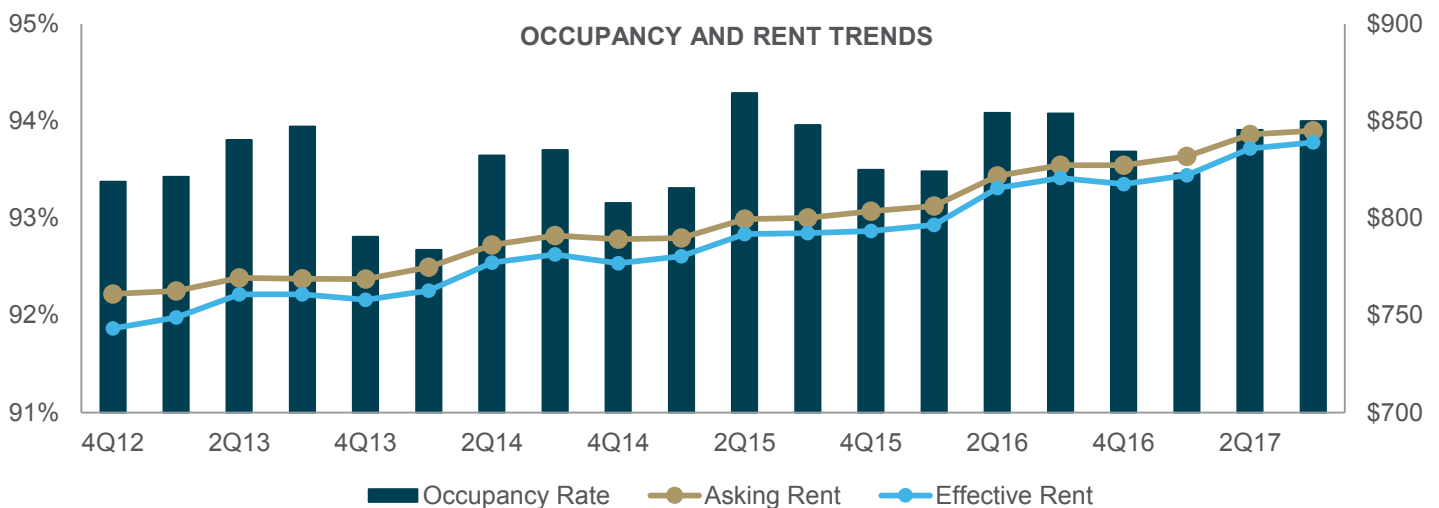


CONCESSIONS **0.7%**
Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

HAMILTON COUNTY SUBMARKET LEADING THE METRO IN ANNUAL LEASING

Construction completed on 372 apartments across the Indianapolis metropolitan area in the third quarter, part of 2,082 apartments delivered since September 2016. Deliveries will persist as another 1,017 deliveries are scheduled to complete before year-end. Residents occupied 537 additional apartments in the last three months, part of the 1,677 units absorbed since September 2016. New inventory exceeded demand on an annualized basis, leading to a 10-basis-point annual decline in the metrowide occupancy rate to 94.0% in September. At \$845 per month in third quarter, asking rent was up 2.1% annually across Greater Indianapolis, advancing on the 3.4% rise one year prior. Hamilton County helped to bolster the metrowide apartment fundamentals, as an influx of deliveries in this area was met with pent-up demand. While there was net positive annual absorption in seven of the 13 submarkets, the 1,026 newly leased units in Hamilton County led the metro by a wide margin. Vigorous leasing in this submarket supported a 2.8% increase in asking rent, which ended third quarter at \$1,027 per month.



INDIANAPOLIS

MULTIFAMILY REPORT

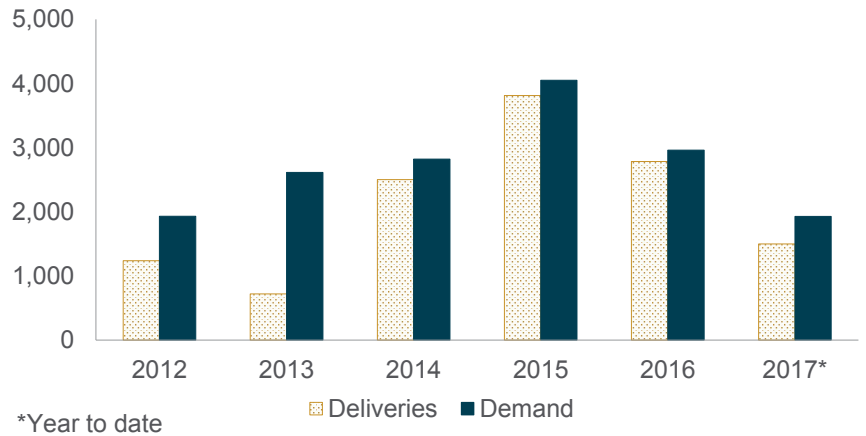
DELIVERIES AND DEMAND



DELIVERIES 1,499
Units YTD



NET ABSORPTION 1,929
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
4.0% **-80 BPS CHANGE** 3.2%

2016 **EMPLOYMENT*** 2017
1.05m **1.6% CHANGE** 1.06m

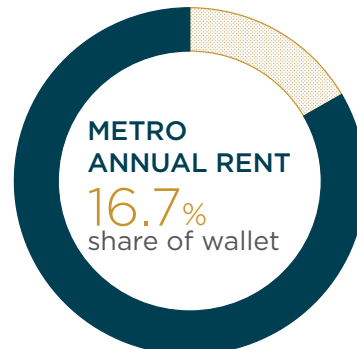
2016 **EXISTING SFH SALES**** 2017
45.7k **12.0% CHANGE** 51.2k

2016 **MEDIAN SFH PRICE**** 2017
\$159.5k **5.3% CHANGE** \$167.9k

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS CHANGE** 2.20%

*August; **September

Indianapolis businesses expanded employment 1.6% annually, or by 16,500 positions since August 2016. The most recent rise in headcounts contributed to the metro's five-year job growth of 11.3%. Financial activities companies aggressively recruited personnel during the last 12 months, adding 4,100 employees for a 6.3% expansion. Allied Solutions, headquartered in the Hamilton County submarket, was among those financial services firms adding workers, as it began to fill more than 600 open positions. Hiring was also robust in the education and health services sector with 3,600 positions created to lift headcounts 2.4%. Hiring in the education and health services sector is anticipated to remain brisk as Community Health Network builds a new \$175 million, 150-bed hospital on the eastside, slated to open early 2019. Additionally, construction is in full swing on other major projects including 700 acres at the Indianapolis Motor Speedway, IndyGo's three new rapid transit lines, and Indiana University Health's \$1 billion downtown project. As such, the construction sector expanded 7.0%, or by 3,400 laborers, since last year.



INDIANAPOLIS

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Boone/Hendricks	95.7%	95.7%	5.7%	3.1%	\$1,001	\$1,032	65	119	27	121
Castleton	94.9%	95.1%	2.0%	1.3%	\$884	\$896	107	438	121	432
Central	96.1%	96.7%	5.0%	1.9%	\$1,277	\$1,301	194	186	0	134
East	97.1%	94.9%	-1.3%	3.4%	\$707	\$731	26	-72	24	80
Far Northeast	91.1%	90.3%	8.1%	2.2%	\$679	\$694	27	-91	0	0
Far Northwest	94.0%	94.4%	2.5%	3.4%	\$726	\$751	29	32	0	0
Hamilton County	93.6%	93.6%	0.4%	2.8%	\$999	\$1,027	4	1,026	113	1,096
Hancock/Shelby	98.7%	97.2%	3.9%	0.4%	\$801	\$805	45	-62	0	0
Johnson County/Other	93.4%	93.0%		1.1%	\$881	\$890	-32	-10	0	0
Near Northwest	93.6%	93.4%	-1.9%	1.2%	\$683	\$691	-5	-18	0	0
Southeast	94.5%	94.2%	4.1%	1.9%	\$764	\$779	20	54	0	96
Southwest/Johnson	94.1%	94.0%	-0.4%	3.8%	\$764	\$793	99	92	87	123
West	93.4%	93.3%	0.5%	2.7%	\$674	\$692	-42	-16	0	0
TOTALS	94.1%	94.0%	3.4%	2.1%	\$827	\$845	537	1,677	372	2,082



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