

**Yardi<sup>®</sup> Matrix**

# Indianapolis: Full Speed Ahead

Multifamily Report Spring 2017

**Rent Gains Outpace Nation**

**Tech Hiring Lifts Economy Higher**

**New Development Targets City Core**

# INDIANAPOLIS MULTIFAMILY

Yardi® Matrix

## Market Analysis

Spring 2017

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## Tech Sector Propels Growth

Demand for apartments continues to be strong in Indianapolis, thanks to the locale's relative affordability. The city's high-quality education system and skilled workforce attract residents and employers, propelling economic growth.

The construction, health care, hospitality and office-using sectors accounted for the largest number of new hires in Indianapolis in 2016. The region's high-tech industry has expanded by 28.0% since 2013, continuing to support a growing job market and new real estate development. Salesforce.com, the San Francisco-based cloud computing company, which already employs 1,400 people in Indianapolis, plans to hire an additional 800 employees by 2021. Infosys, a global information technology consulting firm, has also selected the city for its upcoming business tech hub, where it intends to create 2,000 jobs. Genesys, another large tech employer, acquired Indianapolis startup Interactive Intelligence for \$1.4 billion in 2016, and it plans to add even more jobs to the 1,000 positions currently based in the metro.

Expanding opportunities, especially in the downtown area, are drawing residents to Indianapolis. Rents, as well as home and condo prices in this part of the city, are at their highest levels. Developers continue targeting this section of the market, which is set to reach about 30,000 residents by 2020. We expect multifamily demand to keep up with supply and generate a rent increase of 3.7% in 2017.

## Recent Indianapolis Transactions

10 West



City: Indianapolis  
Buyer: Ardizzone Enterprises  
Purchase Price: \$38 MM  
Price per Unit: \$82,320

Summit at Keystone



City: Indianapolis  
Buyer: Summit Equity Investments  
Purchase Price: \$36 MM  
Price per Unit: \$80,029

The Legend at Speedway



City: Speedway, Ind.  
Buyer: Lighthouse Group  
Purchase Price: \$35 MM  
Price per Unit: \$45,983

Campus Corner



City: Bloomington, Ind.  
Buyer: Saban Capital Group  
Purchase Price: \$31 MM  
Price per Unit: \$123,968

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