

INDIANAPOLIS MARKET PULSE

A quarterly survey and analysis of the "Top 50" apartment properties in the Indianapolis MSA

Q2 2015

CBRE

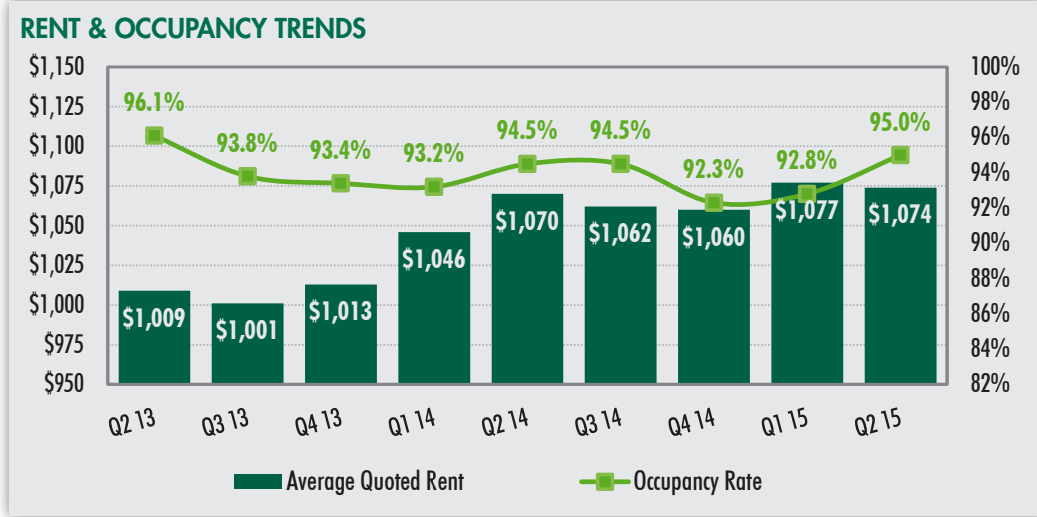
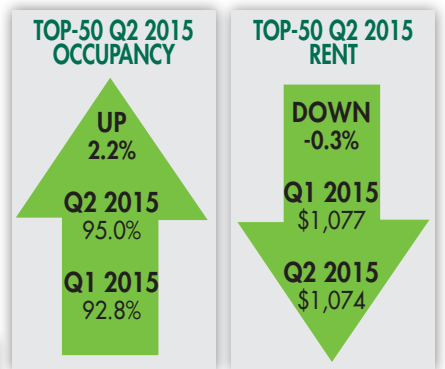


Over the past 19 years we have reported on the quarterly performance of the Indianapolis area's Top-50 best-of-class multifamily assets. Our detailed property survey captures a snapshot of rents and occupancies that offer an informative trend analysis among the most desirable communities throughout the Indianapolis area.

Indianapolis is a thriving metro with a diverse and expanding economy and robust employment growth. Indianapolis added 28,400 jobs year-over-year and has a low unemployment rate of 4.5% (June 2015). Significant public and private investment have transformed the Indianapolis MSA into the thriving heart of the Midwest, reflecting commitment to Indianapolis' success and its widespread recognition. Indianapolis has earned the reputation as "Silicon Valley of the Midwest" with a tech sector that is experiencing exponential growth. Forbes recently ranked Indianapolis as a Top 10 Metro for generating technology jobs.

Rents were virtually flat from Q1 to Q2, but average occupancy moved nicely to 95.0%, reflecting normal seasonal swings. The following is a snapshot of the Indianapolis MSA's Q2 2015 Top-50 multifamily trends.

TOP-50 Q2 2015 SNAPSHOT	
Current Occupancy	95.0%
Average Market Rent	\$1,074
Average Rent Per SF	\$1.09
Average Unit Size	988 SF



OCCUPANCY: The Q2 2015 occupancy for the Top-50 communities increased to 95.0%. Occupancy in Q2 2015 increased by 2.2% over Q1 2015. Year-over-year the occupancy increased by 0.5%. Historically, the current 95.0% occupancy level is far above the 10-year average of 93.6%. This quarter marks the highest occupancy since the highest on record was achieved in Q2 2013 (see Rent & Occupancy Trends chart at left).

RENTS: Average rents for the Top-50 communities in Q2 2015 were \$1,074 or \$1.09 per square foot, slightly below Q1 15 by -0.3%. Year-over-year, the average rents increased by 0.4%.

The 2 bed/1 bath unit style experienced the largest quarterly rent growth with a gain of 1.5%. Placing second was the Studio at 1.0%, which is gaining popularity with college graduates and millennials. The 3 bed/2 bath unit style followed with a gain of 0.3%. Quoted average rents for the 2 bed/1 bath, Studio and 3 bed/2 bath unit styles were \$988, \$907 and \$1,292, respectively. Year-over-year, there was a tie for largest gain with the 2 bed/1 bath and the 2 bed/1.5 bath at 4.0% (see Rent by Unit Type table above).

RENT BY UNIT TYPE						
Unit Type	Quoted Rent Q1 15	Quoted Rent Q2 15	Quarterly Rent Growth Q1 15-Q2 15	Annual Rent Growth Q2 14-Q2 15	Average Rent/SF Q2 15	Average Unit Size
Studio	\$898	\$907	1.0%	-2.4%	\$1.70	533
1 Bed / 1 Bath	\$932	\$928	-0.4%	0.1%	\$1.19	782
2 Bed / 1 Bath	\$973	\$988	1.5%	4.0%	\$1.04	954
2 Bed / 1.5 Bath	\$1,037	\$1,009	-2.7%	4.0%	\$0.99	1,018
2 Bed / 2 Bath	\$1,180	\$1,171	-0.8%	-0.2%	\$1.03	1,136
3 Bed / 2 Bath	\$1,288	\$1,292	0.3%	1.3%	\$0.98	1,325
Average*	\$1,077	\$1,074	-0.3%	0.4%	\$1.09	988

*Average above includes all unit styles in the market, not just the primary unit styles depicted.



FEATURED DEVELOPMENT

AXIS encompasses a full city block, features five and six stories of contemporary design, a dramatic and palatial amenity center, lavishly-appointed unit finishes and the city's finest modern concept vine-to-table Marsh Supermarket, all surrounding secure structured parking. Axis was thoughtfully-designed with only the finest features and materials. The three unique courtyards serve to maximize unit views and create additional resident amenity space. Axis is also rapidly approaching stabilization at some of the highest rent levels in the Indianapolis market.

Units: 336
Avg. Rent Per SF: \$1.81
First Unit Delivery: August 2014
Construction Completed: May 2015

Community Amenities: 360-degree views of the Indianapolis CBD, secured structured parking, upscale vine-to-table Marsh Supermarket, club room with a state-of-the-art two-story fitness center, luxury granite and stainless steel kitchen, serving stations and bar tops, game room with billiards and shuffleboard, yoga and pilates studio, study rooms, a library and conversation areas, resort-style outdoor amenity area featuring a saltwater stainless steel swimming pool, grilling station with stainless steel grills, outdoor yoga and seating areas, aqua lounge with "stadium" seating, modern kitchenette with stainless steel appliances and floor-to-ceiling glass partition wall, climate controlled interior corridors, secured entrance controlled by key fob proximity readers and camera monitoring, sky bar, great lawn courtyard, zen garden, pet walk and washing station, and bicycle storage and repair shop.

Unit Amenities: 9' to 20' high ceilings, designer lighting, Italian-style granite countertops, custom 32-42" cabinetry, stainless steel appliances, pull-down spray faucet in kitchen, brushed nickel fixtures and hardware, soaking tub, front-loading or stackable washer/dryer, two-tone paint scheme, and granite kitchen island, built-in bookshelves and wrap-around balcony or patio in select units.



CENTRAL MIDWEST MULTIFAMILY

Central Midwest Multifamily is the preeminent multifamily investment sales team in the Central Midwest region with an unprecedented \$667 million sold in 2014 and more than \$3.5 billion since 1994. The team covers all of Indiana, Cincinnati and Dayton Ohio, Louisville and Lexington Kentucky and the southern Michigan markets. Central Midwest Multifamily is recognized as the most trusted multifamily advisor in the region and is routinely hired by the nation's most sophisticated owners when assignments demand a strategic approach and superb execution.

OWNERS HIRE US WHEN IT MATTERS.

Steve LaMotte, Jr., CCIM
Senior Vice President
+1 317 269 1018
steve.lamotte@cbre.com

Dane Wilson
First Vice President
+1 317 269 1057
dane.wilson@cbre.com

Dave Lockard, CCIM
Senior Vice President
+1 513 369 1347
dave.lockard@cbre.com

Carrie Ballard
Client Services Specialist
+1 317 269 1064
carrie.ballard@cbre.com

Zach Wagner
Financial Analyst
+1 317 269 1034
zach.wagner@cbre.com

Joanna Yarbrough
Client Services Coordinator
+1 317 269 1141
joanna.yarbrough@cbre.com

Emily Cantley
Sales Assistant
+1 513 369 1328
emily.cantley@cbre.com

Ann Niehaus
Client Services Specialist
+1 513 369 1378
ann.niehaus@cbre.com

www.cbre.com/invcmmultifamily

CBRE