

2019 MARKET OVERVIEW

INDIANAPOLIS

AND THE CBD

CBRE

CENTRAL MIDWEST MULTIFAMILY



INDIANAPOLIS COMPARED TO THE MIDWEST

Indianapolis
Ranked #8
Best City for
Starting a Business
—Kiplinger

Indianapolis, with a growing metro population of over two million, has emerged as a shining star in the Midwest. A dazzling array of national accolades crown this city on the move. The metro has become widely recognized for its diverse business and corporate base, highly educated workforce, world-class sporting events, numerous cultural attractions, shopping, dining and entertainment options as well as its famous Hoosier hospitality. These distinguishing characteristics produce an exceptional quality of work-life balance, as reflected by consistently high rankings and a steady flow of new job commitments. At the top of a growing list of notable examples, Salesforce, a San Francisco-based tech company, recently opened its \$40M regional headquarters and plans to expand its current workforce to 2,000+ in the Indianapolis CBD by 2021. The collective Indianapolis metro offering and the accomplishments and accolades of the past ten years have contributed to an influx of new and institutional investment dollars seeking exposure in this stable, dynamic and fertile market. The capital votes, and the vote is in.

TOP REASONS TO INVEST IN INDIANAPOLIS

- **PRIME, CENTRALIZED LOCATION**—within a one-day drive to 50% of the nation's population
- **LOW COST OF DOING BUSINESS**—#1 business tax climate in the Midwest and #9 in the country
- **STRONG CORPORATE BASE**—more than 10 Fortune 500, Fortune 1000, regional, national and international corporations have headquarters or a large presence in the metro area
- **SUPERIOR TRANSPORTATION INFRASTRUCTURE**—Indianapolis ranks #1 in pass-through highways. The “Crossroads of America” is served by 11 highways and 8 interstate spokes, more than any other city in the nation
- **EXCEPTIONAL HIGHER EDUCATIONAL INSTITUTIONS PROVIDE A HIGHLY SKILLED WORKFORCE**—21 colleges and universities within 70 miles of the city
- **NATIONALLY RECOGNIZED, \$62B LIFE SCIENCES SECTOR**—Indiana has the ninth largest life sciences employment base in the U.S.
- **RICH CULTURE AND QUALITY OF LIFE**—the city draws attention for being vibrant and sophisticated as well as culturally rich and hospitable
- **MAJOR INDUSTRIES**
Life Sciences | Healthcare | Insurance | Logistics













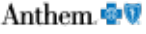




INDIANAPOLIS MSA “AT A GLANCE”

2018 Population	2,053,679
2023 Population (Estimated)	2,166,707
Household Growth (2010-2018)	8.78%
Employment (Nov. 2018)	1,071,897
Employment Growth (2010-2018)	190,497
Unemployment Rate (Nov. 2018)	3.4%
Fortune 500/1000 Headquarter Companies	4/3

A HAVEN FOR NOTABLE EMPLOYERS

INDIANAPOLIS MSA TOP EMPLOYERS

COMPANY NAME	# EMPLOYEES
 INDIANA UNIVERSITY HEALTH	23,187
 ST. VINCENT HEALTH	17,398
 ELI LILLY AND COMPANY	11,334
 COMMUNITY HEALTH	11,328
 WALMART	8,934
 KROGER	8,146
 INDIANA/PURDUE UNIVERSITY INDPLS	7,365
 PEYTON MANNING CHILDREN'S HOSPITAL	7,000
 IU SCHOOL OF MEDICINE	6,000
 FEDEX	5,000
 MEIJER	4,825
 ROCHE DIAGNOSTICS	4,500
 ANTHEM	4,200
 FRANCISCAN ST. FRANCIS HEALTH	4,100
 ROLLS-ROYCE	4,000

INDIANAPOLIS IS HEADQUARTERS FOR SEVEN FORTUNE 500 OR 1000 COMPANIES



Eli Lilly Indianapolis Headquarters

INDIANAPOLIS' MAJOR CORPORATE HQ

COMPANY NAME	# EMPLOYEES
ELI LILLY AND COMPANY*	11,334
ROLLS-ROYCE NORTH AMERICA	4,000
ALLISON TRANSMISSION**	2,700
ANTHEM INSURANCE*	2,400
ONEAMERICA	2,050
SALESFORCE REGIONAL*	1,700+
ANGIE'S LIST	1,600
CALUMET**	1,600
CNO FINANCIAL GROUP**	1,280
SIMON PROPERTY GROUP*	1,000

* Fortune 500 Company | ** Fortune 1000 Company

Indianapolis
Ranked #2 State for
Software Job Growth
—Software.Org

INDIANAPOLIS MSA ECONOMIC STATISTICS

CBRE sourced **21** new investment groups who made offers and are new to the area from 2017 to 2018



190,497

Jobs Created from 2010 to 2018



\$211,037

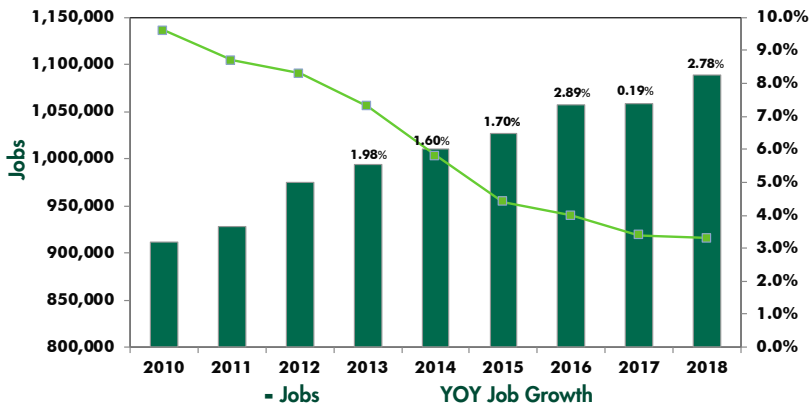
Average Home Value



66.12%

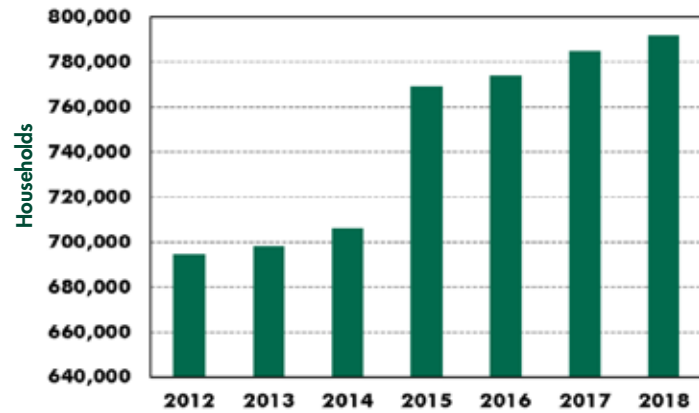
White Collar Employment

EMPLOYMENT GROWTH*



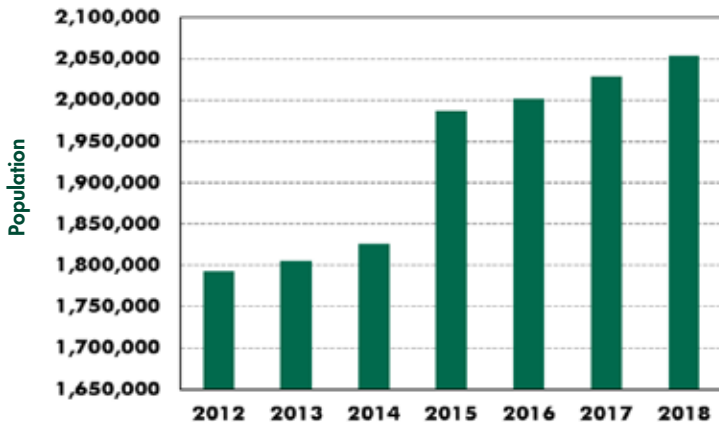
Source: U.S. Bureau of Labor Statistics

HOUSEHOLD GROWTH*



Source: Nielsen

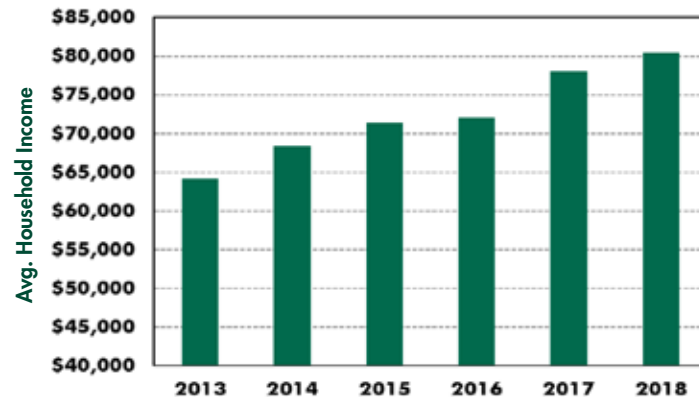
POPULATION GROWTH*



Source: Nielsen

* In 2015 the U.S. Census Bureau changed "MSA" boundaries to "CBSA" boundaries.

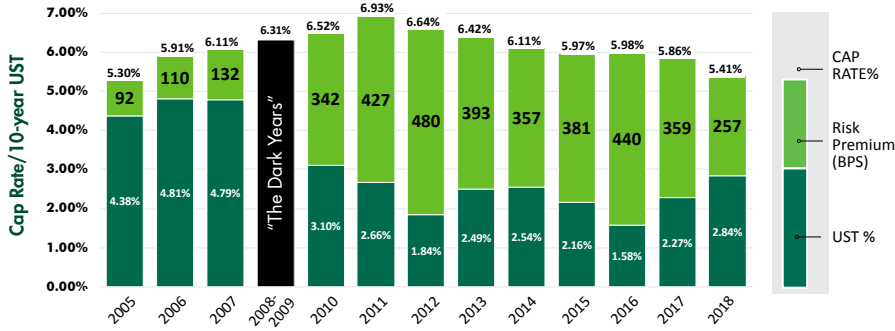
AVERAGE HOUSEHOLD INCOME*



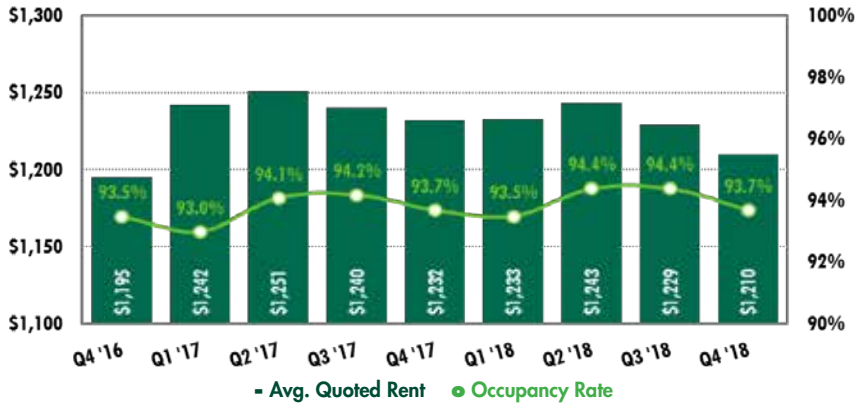
Source: Nielsen

INDY METRO MULTIFAMILY STATISTICS

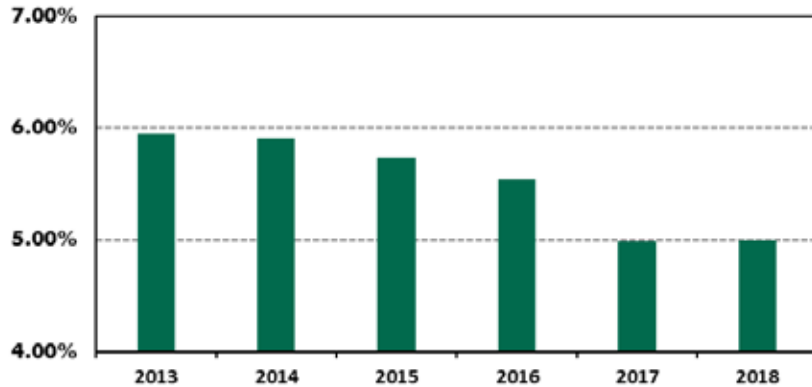
RISK PREMIUM FOR OWNING INDY METRO MULTIFAMILY



TOP-50 RENT AND OCCUPANCY



A-GRADE CAP RATES



Source: CBRE Internal Report



5%
Indianapolis
Grade-A cap rate
for 2018 multifamily
transactions

INDIANAPOLIS COMPARED TO THE MIDWEST

537,000+ Indianapolis MSA residents have an Associate's Degree or higher — U.S. Census Bureau, 2017



IUPUI Campus

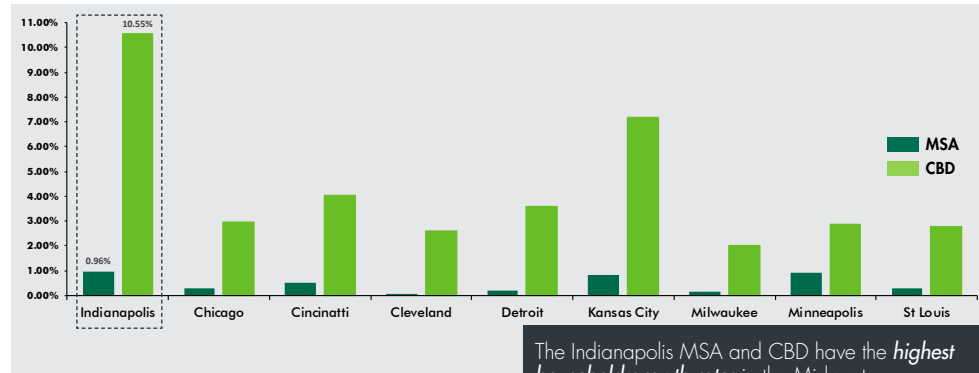
MIDWEST HIGHER EDUCATION GROWTH

	MSA	CBD
Chicago	45.0%	86.5%
Cincinnati	41.9%	67.5%
Cleveland	31.1%	49.7%
Detroit	39.7%	45.8%
Indianapolis	42.0%	52.1%
Kansas City	44.5%	69.8%
Milwaukee	44.8%	61.6%
Minneapolis	51.8%	63.2%
St. Louis	43.2%	70.0%

HIGHER EDUCATION

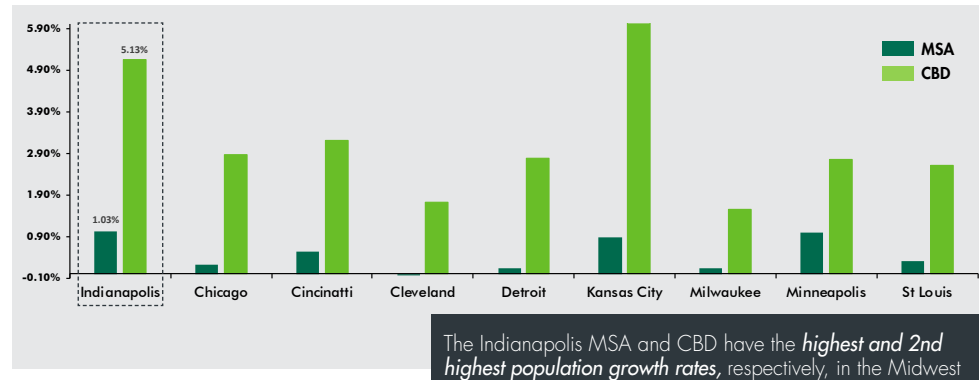
The Indianapolis metro is home to several colleges and universities with an enrollment of more than 83,000. The city draws on close relationships with some of the nation's top universities and continues to benefit from state-wide initiatives to reinvest in education in order to keep top talent in Indiana. Evidence of the success of these initiatives lies in Indianapolis' recent ranking as the **#2 BEST CITY FOR RECENT COLLEGE GRADUATES ACCORDING TO CNBC.**

MIDWEST HOUSEHOLD GROWTH 2010-2018



Source: Environmental Systems Research Institute (ESRI).

MIDWEST POPULATION GROWTH 2010-2018



Source: Environmental Systems Research Institute (ESRI).

INVESTMENTS DRIVE DEVELOPMENT

MAJOR MSA DEVELOPMENTS (Partial List)

NAME	STATUS	PRICE
FedEx Cargo Hub Expansion	Complete	\$1.5B
Indianapolis International Airport	Complete	\$1B
Rolls Royce Redevelopment	Ongoing	\$600M
Carmel Arts & Design District	Complete	\$425M
Infosys Technology Hub	Ongoing	\$245M
Nickel Plate District	Planned	\$157M

CBD DEVELOPMENT PIPELINE

Downtown has amassed an impressive development pipeline that will fuel the resident, worker and consumer base through the current decade and beyond—60 projects, worth \$2.8B, are planned through 2022.



CUMMINS, INC. DISTRIBUTION HQ

*One city block
bordered by Market,
Alabama, Washington
& New Jersey Streets*

NATION'S TOP AIRPORT & LOGISTICS HUB



The \$1B Indianapolis International Airport (IND) ranked #1 in North America for the 6th straight year – Condé Nast Traveler and Airports Council International. IND is known to have the best customer service practices across more than 20 countries and makes an impressive \$5.4 billion economic impact annually.

MAJOR CBD DEVELOPMENTS (Partial List)

NAME	STATUS	PRICE
Waterside (new downtown district)	Planned	\$1.38B
Sidney & Lois Eskenazi Hospital	Complete	\$754M
Lucas Oil Stadium	Complete	\$720M
Riley Hospital at IU Health	Complete	\$475M
JW Marriott	Complete	\$425M
Bottleworks	Ongoing	\$260M
City Way (mixed-use development)	Ongoing	\$155M
16 Tech (Innovation Institute)	Planned	\$150M
Convention Center Expansion	Ongoing	\$120M
IU Health Neuroscience Center	Complete	\$108M
Eli Lilly Expansion	Planned	\$85M
Indianapolis Cultural Trail	Complete	\$63M

SMART TRANSPORTATION TECHNOLOGIES

INDIANAPOLIS is currently developing the first battery-electric bus rapid transit (eBRT) in the U.S. (the Red Line), which is part of its plan to be a leader in advanced transportation and smart technologies connecting several neighborhoods, major employers and cultural institutions coming within a quarter mile of more than 50,000 residents and nearly 150,000 jobs. Other cities have outdated mass transit, but Indianapolis is using advanced technologies for future growth. The city has already started transitioning to plug-in vehicles. BlueIndy, the largest all-electric car sharing program in the country, recently launched in the city.

*"The Redline is a critical missing piece that will help attract and retain business and workforce in the region."
—Eli Lilly*

LIVE, WORK AND PLAY IN INDY

**#1 Best Place
to do Business**
—Chief Executive,
2017

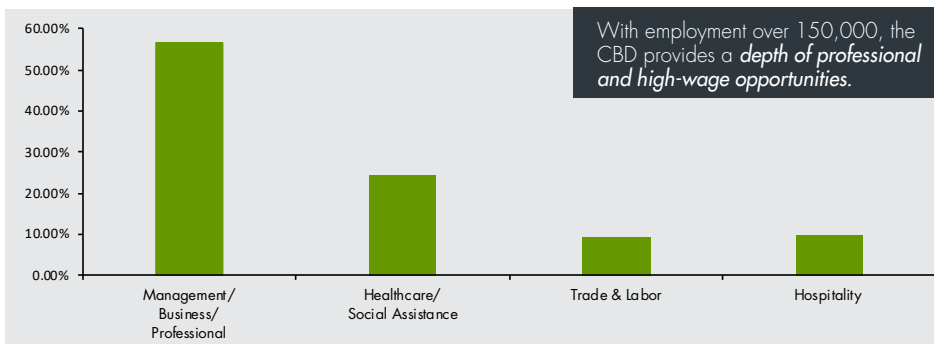
The Indianapolis MSA has a growing population of more than two million people and an expanding employment base. Indianapolis' technology, logistics, and bio/life sciences (\$62 billion state-wide industry) sectors are fueling Indianapolis into the next decade and beyond. Indianapolis, an emerging tech city, was recently named "Silicon Valley" of the Midwest and is experiencing exponential growth. In the CBD alone, tech companies lease more than 450,000 square feet of space and employ more than 17,000. This growth is rooted in an exceptionally solid base of convention, sporting and CBD expansion activities that buffered the impact of the economic downturn, which is now a distant memory as the metro area gained 190,000+ jobs since 2010 (18.5% of the current workforce). Indianapolis is dynamic, compact and walkable, rivaling not only other comparable sized CBDs, but many larger CBDs as well. The epicenter continues to grow exponentially—more than \$16B has been invested in CBD projects since 1990.

With a current employment base of more than 150,000 in the CBD and only 30,000 CBD residents, there is opportunity for phenomenal CBD household growth. Household formation is comprised of residents new to the Indianapolis area, as well as former suburban dwellers, highly educated millennials, empty nesters and all points in between who are increasingly seeking proximity to employment and a rich urban experience.

With five cultural districts that feature synergistic shopping, dining and entertainment as well as walkable world-class sports venues, the signature waterfront White River State Park and a growing business community looking to leverage the city's central location, Indianapolis features one of most complete, highly amenitized and desirable mid-size CBDs in the nation. As evidence of the city's growing appeal, Indianapolis was selected as a finalist for the coveted Amazon HQ2 and was considered to be a top four contender among the 20 finalist cities. Indy's educated workforce, central US location, Eastern time zone, world-class airport, affordability and high quality of life, were contributing factors to the city's consideration.



CBD SECTOR EMPLOYMENT 2018



Source: Environmental Systems Research Institute (ESRI).

THE CBD IS ANCHORED BY:

- **ELI LILLY & COMPANY**—one of the largest pharmaceutical companies in the world with 11,334 employees in the MSA
- **ANTHEM BLUECROSS**—the largest public company in Indiana has plans to invest \$20M towards expanding and renovating its Indianapolis-based headquarters
- **IUPUI**—nationally-ranked 5th among "Top 10 Up & Coming Universities" according to *U.S. News & World Report*, with nearly 30,000 students and 7,300 employees
- **IU MEDICAL SCHOOL**—the 3rd-largest medical school in the U.S. with over 1,400 students
- **SALESFORCE**—largest hub outside of San Francisco HQ recently opened Salesforce tower and plans to expand its current workforce to 2,000+ in the Indianapolis CBD by 2021

HOT SPOTS AROUND THE METRO

Hamilton County visitor spending up 11% in 2017 — Indiana Business Journal

ZIONSVILLE — Zionsville is often regarded as offering one of the most sought-after lifestyles of any town in Indiana with average housing values more than double the Indianapolis MSA averages. A popular destination, the renowned Zionsville "Village", features tree-lined cobblestone streets, an abundance of local restaurants, shops and entertainment.

AVERAGE HOUSEHOLD INCOME: \$155,020
AVERAGE HOUSING VALUE: \$437,769

WESTFIELD — Westfield is home to Grand Park, a nationally recognized, 400-acre planned, youth and adult recreational sports village, surrounded by expanding dining, retail and entertainment venues. The quickly evolving community features an award-winning school district, numerous trails and parks and convenient access to downtown Indianapolis.

AVERAGE HOUSEHOLD INCOME: \$112,146
AVERAGE HOUSING VALUE: \$308,441

Grand Park named "Top Multi-Use Sports Facility" — SportsEvents Magazine

CARMEL — The city of Carmel is a rapidly growing, award-winning city located just north of Indianapolis. Carmel is known for its highly-desirable school system and safe, distinct residential neighborhoods rich in affluent estate homes. Carmel's downtown Arts & Design District features several restaurants, boutique shops and cultural attractions.

AVERAGE HOUSEHOLD INCOME: \$146,403
AVERAGE HOUSING VALUE: \$384,122

#1 Carmel, IN named "Best Place to Live in America" — Niche.com

FISHERS — Located on I-69, less than 30 minutes from downtown Indianapolis, Fishers is an accessible and fast-growing community with a rich blend of growing and established businesses. The Nickel Plate District, Fisher's developing downtown, is currently undergoing a \$157 million mixed-use makeover.

AVERAGE HOUSEHOLD INCOME: \$121,735
AVERAGE HOUSING VALUE: \$305,925

Fishers named "Community of the Year in 2016" — Indiana Chamber

BROAD RIPPLE — One of Indianapolis' designated cultural districts, Broad Ripple Village is a lively neighborhood with an abundance of bars, art galleries, locally owned restaurants and boutique shops. Located two miles from Butler University, Broad Ripple is home to hot nightlife as well as beautiful greenways and parks.

Indianapolis named #2 Best U.S. City for Culture" — Business Insider

MASS AVE — Massachusetts Avenue is a five-block area of downtown Indianapolis rich in new bars, restaurants and local shops. Listed on the National Register of Historic Places in 1981, Mass Ave is often regarded as the best area to eat and drink in the city.

FOUNTAIN SQUARE — Known for its funky mix of locally owned restaurants, art galleries and live-music scene, Fountain Square is a rapidly evolving cultural destination just southeast of downtown.

THE CBD BAR CONTINUES TO RISE

\$1 Billion+

Institutionally owned developments and acquisitions in Indy (2015-2018)



3,174

Total Number of Multifamily Units*



93.4%

Average Occupancy*



853

Average Square Feet*



\$1,539

Average Rent*



\$1.80

Average Rent PSF*

THE CITY'S FIRST HIGH-RISE IN 55 YEARS



360 MARKET SQUARE, a 27-story, mixed-use, 292-unit, residential building, towers over the former site of Indianapolis' iconic Market Square Arena. A first-of-its-kind in the CBD, 360 Market Square has raised the bar on luxury and convenience shattering Indy metro's prior \$2.50/SF rent ceiling. Units feature floor-to-ceiling glass with jaw-dropping city views, LVT flooring, stainless steel appliances and granite countertops. Residents enjoy a 24-hour state-of-the-art fitness center, resort-style saltwater pool, bark park, controlled building access and direct access to Whole Foods and Starbucks located on the ground level.

Multifamily demand is at an all-time high, driving new housing and mixed-use developments that are attracting highly-educated, highly compensated residents and adding to the CBD's energy and vibrancy.

Strong demand in the CBD, fueled largely by "suburban to urban" preferences, has led to low vacancy rates (6.9% as of 4Q 2018) and all-time high rental rates (see 360 Market Square to right).

Today's levels of new multifamily supply are challenged to satisfy the new demand to live in the Indianapolis CBD. From 2005 to 2018, only 4,852 conventional multifamily apartment units were completed in the CBD.

Indianapolis, with a growing metro population of over two million, has emerged as a shining star in the Central U.S. A dazzling array of national accolades crown this city on the move. The circle city has become widely recognized for its diverse business and corporate base, highly educated workforce, world-class sports, cultural attractions, shopping, premier dining and entertainment options and Hoosier hospitality.

These distinguishing characteristics produce an exceptional quality of life, as reflected by consistently high rankings and a steady flow of new job commitments. The collective Indianapolis offering and the accomplishments and accolades of the past ten years have contributed to an influx of new and institutional investment dollars seeking exposure in this stable, dynamic and fertile market.

*Based on stabilized conventional CBD properties built in 2008 or later.

SELECT INSTITUTIONAL EQUITY SOURCES

CBD

Alex Brown Realty
Baupost
Eagle Realty (Western & Southern Life)
Harrison Street
Heitman
Investcorp
Lubert-Adler Partners
Stepstone

SUBURBAN

Almanac
Blackstone
Eagle Realty
Fairfield/Brookfield
Goldman
Hartford Investment Management
Independence Realty Trust
Inland
Sentinel
Torchlight Investors



*The number of
downtown market-rate
apartments has doubled
since 2010, with 28,000+
residents now living in our
downtown
— Patch.com*

WORLD-CLASS SPORTING AND EVENTS

Super Bowl XLVI Host:

"Best collective effort by any city hosting any sporting event I've attended"
—Mike Tirico, ESPN

WORLD-CLASS EVENTS DRIVE VISITORS & SPENDING:

Sports is a catalyst for development and positive change throughout the Indianapolis region. Hoosiers have a rich history of hosting professional and amateur sporting events, most notably the Indy 500, the world's largest one day sporting event. Home to the NCAA, Indiana Sports Corp, the Dallara IndyCar Factory, and a wide array of professional sports teams, Indy knows a thing or two about competition. Total sports employees in the Indianapolis Region: 13,000+.

- DOWNTOWN CHAMPIONSHIPS
- NFL COMBINE
- BIG TEN FOOTBALL CHAMPIONSHIP
- INDIANAPOLIS COLTS
- INDIANA PACERS
- INDY 500
- INDY ELEVEN PROFESSIONAL SOCCER
- PGA TOUR (BMW CHAMPIONSHIP)
- NASCAR BRICKYARD 400
- MOTOGP
- RED BULL INDIANAPOLIS GP
- CIRCLE CITY CLASSIC
- OLYMPIC TRAILS
- USTA CHAMPIONSHIP SECTIONALS

RECORD YEAR FOR TOURISM IN 2018

SHOPPING, DINING & ENTERTAINMENT

Shops, Restaurants & Nightlife	520
Performing Arts Venues	22
Professional Sporting Venues	4

RECORD YEAR FOR TOURISM IN 2018

Indiana tourism experienced its seventh straight year of growth in 2018, helped largely by Indianapolis, the largest hospitality region in the state. Over 80M visitors spent over \$12.5 billion on lodging, entertainment, transportation and food and beverage in Indiana (a 3.7% increase). Additionally, Indiana tourism generated \$1.4 billion in taxes and supported 199,830 full-time jobs. The majority of this impact is felt in the very compact and entirely walkable CBD, which is home to the Indiana Convention Center—ranked #1 by USA Today, 7,702 hotel rooms and well over one million square feet of meeting space.



26 Million

INDIANAPOLIS VISITORS IN 2018



INDIANAPOLIS CULTURE

- **DOWNTOWN INDIANAPOLIS IS A WALKER'S PARADISE**
Climate-controlled skywalk connects more than 5,000 hotel rooms and businesses to the Indiana Convention Center, Circle Centre Mall and Lucas Oil Stadium. Indy's Walk Score: 96
- **INDIANAPOLIS CULTURAL TRAIL**
8-mile, \$50M bike and pedestrian path downtown
- **INDIANAPOLIS CHILDREN'S MUSEUM**
World's largest children's museum
- **#2 BEST CITY FOR CULTURE**
—Business Insider
- **MONON TRAIL**
26 miles of recreational trail connecting north suburbs of Westfield and Carmel to downtown

Indy Parks:
11,254 Acres
211 Parks
155 Sports Fields
135 Miles of Trails
125 Playgrounds
13 Golf Courses



"Best Airport in North America"

—Airports Council International, 2012-2018

#1

"In pass-through highways"; Indianapolis is within a one-day drive to 80% of the U.S. population and a half-day drive to more than 20 major metropolitan markets

—Indianapolis Chamber of Commerce, 2017

21

Colleges and universities within 70 miles of Indianapolis
—Indianapolis Chamber of Commerce, 2017

"Top 10 States for Millennials"

—Money, 2017

13th

Largest U.S. City

—U.S. News & World Report, 2017

#7

America's "Favorite Places to Travel"

—Travel & Leisure, 2018

"Number One City for Renters"

—Forbes, 2017

#2

"Thriving Tech City" and home to over 150 tech companies

—Money Under 30, 2017

#13

On the list of America's 20 favorite food cities

—Food & Wine, 2018

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